

C S 2 0 1 8 1 1 1 1 9

SEC Registration Number

F I G A R O C U L I N A R Y G R O U P , I N C .

(Company's Full Name)

1 1 6 E A S T M A I N A V E . P H A S E V - S E Z
LAGUNA TECHNOPARK, BINAN, LAGUNA

(Business Address: No. Street City/Town/Province)

SIGRID VON D. DE JESUS

(Contact Person)

0917-8832172

(Company Telephone Number)

0 6 3 0

Month Day
(Fiscal Year)

SEC FORM 20-IS

(Form Type)

1ST WED OF DEC

Month Day
(Annual Meeting)

N/A

(Secondary License Type, If Applicable)

SEC-MSRD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement

2. Name of Registrant as specified in its charter : **FIGARO COFFEE GROUP, INC.
("FCG" or the "Company")**
3. Province, country or other jurisdiction of incorporation or organization : **PHILIPPINES**
4. SEC Identification Number : **CS201811119**
5. BIR Tax Identification Number : **010-061-026-000**
6. Address of Principal Office : **116 EAST MAIN AVENUE PHASE V SEZ,
LAGUNA TECHNOPARK BIÑAN LAGUNA**

Postal Code : **4034**

7. Registrant's Telephone Number, including Area Code : **+(632) 8812-17-18**
8. Date, Time and Place of Meeting of security holders : **3 DECEMBER 2025; WEDNESDAY;
2:00PM**

Zoom videoconferencing with the following link:
[https://us02web.zoom.us/j/83233678775?pwd=zBqCduyoIbXm\]xvXHx3ablfxFHtc2.1](https://us02web.zoom.us/j/83233678775?pwd=zBqCduyoIbXm]xvXHx3ablfxFHtc2.1)

9. Approximate date on which the Information Statement is first to be sent or given to security holders : **12 November 2025**

10. In case of Proxy Solicitations

Name of Person Filing the Statement/Solicitor : **NOT APPLICABLE**

Address and Telephone No. : **NOT APPLICABLE**

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 Common Stock Outstanding or Amount of Debt Outstanding (As of 31 October 2025)
Common Shares	5,468,455,298 ¹

¹ The Figaro Coffee Group, Inc. likewise has 8,500,000,00 Preferred Shares Series 2023-1, not for listing

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

The Common Shares of Figaro Culinary Group, Inc. are listed on the Philippine Stock Exchange

**WE ARE NOT ASKING YOU FOR A PROXY.
YOU ARE NOT BEING REQUESTED TO SEND US A PROXY.**

A copy of this Information Statement may be accessed through the Corporation's website.
<https://www.figaro.ph/>

Figaro Culinary Group, Inc.
116 East Main Avenue, Phase V, SEZ, Laguna Technopark, Binan, Laguna

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Please be advised that the Annual Meeting of the stockholders of **Figaro Culinary Group, Inc.** (the "**Company**" or "**FCGI**") will be conducted **online on 3 December 2025, Wednesday, at 2:00PM.** Stockholders who wish to participate in the proceedings may do so by signing on at the following URL address: <https://us02web.zoom.us/j/83233678775?pwd=zBqCduyolbXmJxvXHx3ablfxFHtc2.1>

The Chairman will conduct the online meeting from the principal place of business of the Company at 116 East Main Avenue, Phase V, SEZ, Laguna Technopark, Binan, Laguna.

The following shall be the agenda of the meeting:

- I. Call to Order
- II. Proof of Service of Notice
- III. Certification of Presence of Quorum
- IV. Approval of the Minutes of the Previous Special Stockholders' Meeting held on 05 November 2025
- V. Ratification of Matters Approved and Taken by FCGI's Management and Board of Directors from 05 November 2025 to date of Annual Stockholders' Meeting
- VI. Approval of the Annual Report and Audited Financial Statements of the Company for the year ended 30 June 2025
- VII. Report of Management
- VIII. Election of the Members of the Board of Directors including the Independent Directors for the Ensuing Year
- IX. Ratification of the Appointment of External Auditor for 2025 and Appointment of the Company's External Auditors for Fiscal Year 2026
- X. Other Matters

The Board of Directors has set **13 November 2025**, as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Stockholders' Meeting.

Given the current circumstances and in order to ensure the safety and welfare of our stockholders in light of the COVID-19 situation, the Company will dispense with the physical attendance of stockholders at the meeting. Consequently, attendance will only be by remote communication, with voting being accomplished in absentia through the Company's online voting system at URL address: <https://www.figaro.ph/investors/> or through the Chairman of the meeting, as proxy.

Stockholders intending to participate by remote communication should pre-register with the Company via FCGI's Online Registration and Voting System (ORV System) at URL address: <https://www.figaro.ph/investors/> during the given registration period and in any case, no later than **5 p.m. of 21 November 2025.**

Following such pre-registration and subject to validation procedures, stockholders may vote either electronically via the ORV System, no later than **5 p.m. of 1 December 2025** or submit duly accomplished proxies on or before **5 p.m. of 21 November 2025** to the Office of the Corporate Secretary c/o Picazo Buyco Tan Fider Santos & Dee Law Office, Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City and/or by email to mggo@picazolaw.com or ktcajucom@picazolaw.com. Validation of proxies is set on **28 November 2025** at 6:00 pm. The detailed rules and procedures for participating in the meeting through remote communication and for casting their votes in absentia are set forth in the Information Statement.

The Company is not soliciting proxies.


LOWELA CONCHA
Corporate Secretary

AGENDA DETAILS AND RATIONALE¹

I. Call to Order

The Chairman of the Board of Directors, Mr. Justin T. Liu, will call the meeting to order.

II. Proof of Service of Notice

The Corporate Secretary, Atty. Lowela Concha, will certify that copies of the Notice of Meeting were duly published in the business section of two (2) newspapers of general circulation, and will certify the number of shares represented in the meeting, for the purpose of determining the existence of quorum to validly transact business.

III. Certification of Presence of Quorum

Pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, the Corporation has set up a designated web address which may be accessed by the stockholders to participate and vote in absentia on the agenda items presented for resolution at the meeting. A stockholder who votes in absentia or who participates by remote communication shall be deemed present for purposes of quorum.

The following are the rules and procedures for the conduct of the meeting:

- (i) Stockholders may attend the meeting remotely through FCGI's Online Registration and Voting (ORV) System (the "ORV System"). Stockholders may send their questions or comments prior to the meeting by e-mail at info@figaro.ph. The ORV System shall include a mechanism by which questions may be posted live during the meeting. The Company will endeavor to answer all questions submitted prior to and in the course of the meeting, or separately through the Company's Investor Relations Office.
- (ii) Each of the Agenda items which will be presented for resolution will be shown on the screen during the live streaming as the same is taken up at the meeting.
- (iii) Stockholders must register through the Company's ORV System to personally participate in the meeting by remote communication and to be included in determining quorum, together with the stockholders who voted by proxy.
- (iv) Voting shall only be allowed for stockholders registered in the ORV System at <https://www.figaro.ph/investors/> or through the Chairman of the meeting as proxy.
- (v) All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock represented at the meeting.
- (vi) The Company's Corporate Secretary in coordination with the Stock and Transfer Agent and External Auditor will tabulate and validate all votes received.

IV. Approval of the Minutes of the Previous Special Stockholders' Meeting held on 05 November 2025

The minutes of the last Annual Meeting of Stockholders held on 18 December 2024 will be presented for approval by the stockholders, in keeping with Section 49 (a) of the Revised Corporation Code.

V. Approval of the Annual Report and Audited Financial Statements of the Company for the year ended 30 June 2025

¹ Annex to Notice of Meeting for 2024 Annual Stockholder's Meeting.

The President's Report and the Annual Report of the Company for the year 2024-2025 and the audited financial statements of the Company for the year ended 30 June 2025 will be presented for the information, understanding, and approval of the stockholders. The President's Report and Annual Report for 2024-2025 will provide context and details on the financial performance and results of operations of the Company for 2024-2025. This report and presentation are in line with the Company's thrust to observe and abide by the best corporate governance practices. It will allow stockholders to understand the financial condition of the Company and they will be given the opportunity to propound questions to management on matters relating to the performance of the Company.

The comments and feedback from the stockholders and their approval or disapproval of these reports and the financial statements will provide guidance to the Board of Directors in the management of the business of the Company.

VI. Ratification of Matters Approved and Taken by FCGI's Management and Board of Directors from 05 November 2025 to date of Annual Stockholders' Meeting

The ratification of all acts and resolutions of the Board of Directors, and all the acts of management taken or adopted from 05 November 2025 to date of the Annual Stockholders' Meeting will be sought from the stockholders during the meeting.

The ratification of the acts and resolutions of the Board and management will also serve as an avenue for the stockholders to better understand how the Board manages the business and operations of the Company. The ratification will also serve as confirmation by the stockholders that they approve of the manner by which the Board and management of the Company have been running its business and affairs.

VII. Election of the Members of the Board of Directors including the Independent Directors for the Ensuing Year

The Corporate Secretary will present the names of the persons who have qualified and have been duly nominated for election as directors and independent directors of the Company consistent with the Company's By-Laws and Manual on Corporate Governance and other applicable laws and regulations. The election of the members of the Board of Directors allows the stockholders to directly participate in the selection of the individuals who will serve in the Board which exercises the corporate powers of the Company. The independent directors were nominated by Mr. Senen L. Matoto.

The procedure for voting by remote communication, in absentia or by proxy, including cumulative voting, is provided in this Information Statement.

VIII. Ratification of the Appointment of External Auditor for 2025 and Appointment of the External Auditor of the Company for 2026

The approval of the stockholders of the company is being sought for the ratification of the appointment of De Jesus & Teofilo, CPAs as the external auditor of the Company for 2025 - 2026 .

IX. Other business that may properly be brought before the meeting

Stockholders may be requested to consider such other issues/matters as may be raised throughout the course of the meeting.

X. Adjournment

After all business has been considered and resolved, the Chairman shall declare the meeting adjourned.

Stockholders who will not, are unable or do not expect to attend the meeting in person but would like to be represented there at may choose to execute and send a duly accomplished proxy to the Office of the Corporate Secretary c/o Picazo Buyco Tan Fider Santos & Dee Law Office, Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City, on or before 5 p.m. of **21 November 2025**. A sample proxy form is provided below. Stockholders may likewise email a copy of the accomplished proxy form to mggo@picazolaw.com and ktcajucom@picazolaw.com.

PROXY

The undersigned stockholder of Figaro Cylinary Group, Inc. (the “Company”) hereby appoints the Chairman of the meeting, as attorney-in-fact or proxy, with power of substitution, to represent and vote _____ shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Stockholders’ Meeting of the Company to be held on 3 December 2025, at 2:00PM , to be conducted online, and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Approval of the Minutes of the Previous Special Stockholders’ Meeting held on 05 November 2025
 For Against Abstain
2. Ratification of Matters Approved and Taken by FCG’s Management and Board of Directors from 05 November 2025 to date of Annual Stockholders’ Meeting
 For Against Abstain
3. Notation of the President’s Report and Approval of the 2024-2025 Audited Financial Statements
 For Against Abstain
4. Election of the Members of the Board of Directors for the Ensuing Year (Please indicate number of votes)

NAME	FOR	AGAINST	ABSTAIN
Justin T. Liu			
Michael Stephen T. Liu			
Brian Gregory T. Liu			
Divina Gracia G. Cabuloy			
Sigrid Von D. De Jesus			
Michael T. Barret			
Senen L. Matoto (independent director)			
Corazon P. Guidote (independent director)			
Hector R. Villanueva (independent director)			

5. Ratification of the Appointment of De Jesus & Teofilo, CPAs as the Company’s External Auditor for 2025 and as the Company’s External Auditor for Fiscal Year 2026.
 For Against Abstain
6. Other Matters
 For Against Abstain

Printed Name of the Stockholder

Signature of Stockholder/
Authorized Signatory

Date

Instructions

This proxy should be received by the Corporate Secretary on or before 5 p.m. of 21 November 2025 the deadline for submission of proxies.

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.

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy will also be considered revoked if the stockholder attends the meeting in person and expresses his intention to vote in person.

Notarization of this proxy is not required.

WE ARE NOT ASKING YOU FOR A PROXY.
YOU ARE NOT BEING REQUESTED TO SEND US A PROXY.

INFORMATION STATEMENT

A. GENERAL INFORMATION

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

The Annual Meeting of the stockholders of Figaro Culinary Group, Inc. (the “**Company**”) will be held on 3 December 2025, Wednesday, 2:00PM to be conducted via remote communication through zoom videoconferencing.

The Chairman will conduct the online meeting from the principal place of business of the Company at the 116 East Main Avenue, Phase V, SEZ, Laguna Technopark, Binan, Laguna 4034.

However, considering the COVID 19 pandemic and to conform with the government’s mandate to exercise social distancing and to avoid mass gatherings, attendance and voting in the AGM by the stockholders shall be done only via remote communication by signing in through. Stockholders may attend the meeting remotely through the *Zoom* application, with links to be posted FCGI’s website.

The mailing address of the Company is at 116 East Main Avenue, Phase V, SEZ, Laguna Technopark, Binan, Laguna 4034.

This Information Statement will be first sent or given to security holders (by posting on PSE Edge and the Company’s website) on or around **12 November 2025**.

The requirements and procedure for registration, participating and voting are set forth in **Annex “A”** to the Information Statement.

Item 2. Dissenters’ Right of Appraisal

Under Sections 41 and 80 of the Revised Corporation Code, the following are the instances when a stockholder may exercise his appraisal right:

1. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder 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;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets of the Company;
3. In case of merger or consolidation; and
4. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation

In order that a dissenting stockholder may exercise his appraisal right, such dissenting stockholder must have voted against the proposed corporate action at the annual meeting. Within thirty (30) days after the date of the stockholders’ meeting at which meeting such stockholder voted against the corporate action, the dissenting stockholder shall make a written demand on the Company for the fair value of his shares held. If the proposed corporate action is implemented, the Company shall pay the dissenting stockholder upon surrendering the certificates of stock representing his shares, the fair value of said shares on the day prior to the date on which the vote was taken. If the dissenting stockholder and the Company cannot agree on the fair value of the shares within sixty (60) days from the date of stockholders’ approval of the corporate action, then the determination of the fair value of the shares shall be determined by three (3) disinterested persons, one (1) of whom shall be named by the dissenting stockholder, one (1) by the Company and a third to be named by the two (2) already chosen. The findings of the majority of the appraisers shall be final and their award shall be paid by the Company within thirty (30) days after such award is made. The procedure to be followed in exercising the appraisal right shall be in accordance with Sections 80 to 85 of the Revised Corporation Code.

There are no matters or proposed actions as specified in the Notice of Annual Stockholders' Meeting that will give rise to a possible exercise by shareholders of their appraisal rights as provided in the Corporation Code of the Philippines and summarized above.

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

There are no matters to be acted upon in which any director or executive officer is involved or had a direct, indirect, or substantial interest. Furthermore, no director has informed the registrant, in writing or otherwise, that he/she intends to oppose any action to be taken by the registrant at the Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

As of **31 October 2025**, the number of shares outstanding of Figaro Culinary Group, Inc. (“FCGI” or the “Company”) is **5,468,455,298** common shares with par value of Ten Centavos (Php0.10) per share.

All stockholders of record at the close of business hours on **13 November 2025** (the “Record Date”) are entitled to notice and to vote at the Annual Stockholders’ Meeting.

A common stockholder entitled to vote at the Meeting shall have the right to vote in person or by proxy the number of shares registered in his name in the stock and transfer book of the Company as of the Record Date.

For this year’s meeting, the Board of Directors had adopted a resolution to allow stockholders entitled to notice of, and to attend the meeting, to exercise their right to vote *in absentia*.

The following are the list of the top twenty (20) stockholders of the Company as of 31 October 2025:

RANK	NAME OF STOCKHOLDER	NATURE OF SHARES	NUMBER OF SHARES	PERCENTAGE
1	Camerton Inc.	Common	11,401,148,995	81.6206856934%
2	PCD Nominee Corporation Filipino	Common	1,179,646,712	8.4450763297%
3	PCD Nominee Corporation Non-Filipino	Common	1,012,594,588	7.2491522248%
4	Carmetheus Holdings, Inc.	Common	375,000,000	2.6846203965%
5	Perfecto Crooc Nolasco	Common	20,000	0.0001431798%
6	Gabrielle Claudia F. Herrera	Common	10,000	0.0000715899%
7	Joselito C. Herrera	Common	10,000	0.0000715899%
8	Nadezhda Iskra F. Herrera	Common	10,000	0.0000715899%
9	Juan Trinidad Lim	Common	10,000	0.0000715899%
10	Jennifer T. Ramos	Common	5,000	0.0000357949%
11	Corazon P. Guidote	Common	1	0.0000000072%
12	Hector R. Villanueva	Common	1	0.0000000072%
13	Senen L. Matoto	Common	1	0.0000000072%
	Subtotal for Top 20 Stockholders			
	TOTAL ISSUED AND OUTSTANDING		13,968,455,298	100.00000000%

Security Ownership of Certain Record and Beneficial Owners as of 31 October 2025

The Company has no knowledge of any person who, as of 31 October 2025 was directly or indirectly the beneficial owner of more than five percent (5%) of the Company's outstanding shares of common stock or who has voting power of investment with respect to shares comprising more than five percent (5%) of the Company's outstanding shares of common stock except as stated below:

TITLE OF CLASS	NAME	ADDRESS	NO. OF SHARES HELD	NAME OF BENEFICIAL OWNER	CITIZENSHIP	%
Common Shares	Carmetheus Holdings, Inc.	116 East Main Avenue, Phase V, SEZ, Laguna Technopark, Binan, Laguna	375,000,000	Carmetheus Holdings, Inc.		2.68
Common Shares	Camerton Inc	116 East Main Avenue, Phase V, SEZ, Laguna Technopark, Binan, Laguna	2,901,148,995	Camerton Inc		81.62
Preferred Shares			8,500,000,000			
Common Shares	Monde Nissin Corporation	Felix Reyes St., Bgy. Balibago, Santa Rosa Laguna 4026	820,268,295	Monde Nissin Corporation		15.00
TOTAL						99.30

For purposes of this annual stockholders' meeting, the person who will vote on behalf of Camerton Inc. and Carmetheus Holdings, Inc. is Mr. Justin T. Liu, while the person who will vote on behalf of the Monde Nissin Corporation is Mr. Henry Soesanto.

Security Ownership of Directors and Management as of 31 October 2025

The following table shows the shareholdings beneficially held by the directors and executive officers of the Company as **31 October 2025**

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP		CITIZENSHIP	% OF TOTAL OUTSTANDING SHARES
		DIRECT	INDIRECT		
Common	Justin T. Liu	0	1		0.00%
Common	Michael Stephen T. Liu	0	1		0.00%
Common	Brian Gregory T. Liu	0	1		0.00%
Common	Divina Gracia G. Cabuloy	0	1		0.00%
Common	Sigrid Von D. De Jesus	0	1		0.00%
Common	Michael T. Barret	0	1		0.00%
Common	Senen L. Matoto	0	1		0.00%
Common	Corazon P. Guidote	0	1		0.00%
Common	Hector R. Villanueva	0	1		0.00%
N/A	Jose Petronio D. Espanol III	0	0		0.00%
N/A	Lowela L. Concha	0	0		0.00%
N/A	Marilou R. Roca	0	0		0.00%
TOTAL		3	6		0.00%

Voting Trust Holders of 5% or More

As of 31 October 2025, the Company is not aware of any voting trust or similar agreements involving the securities of the Company or of any person who holds more than five percent (5%) of a class of securities under a voting trust or similar agreements.

Change in Control

Since the beginning of its last fiscal year, no change in control in the Company has occurred.

Item 5. Directors and Executive Officers

The following served as Directors of the Company for the year 2025:

NAME	AGE	NATIONALITY	POSITION	CURRENT TERM
Jerry S. Liu	77		Chairman Emeritus	2024-2025
Justin T. Liu	43		Chairman	2024-2025
Michael Stephen T. Liu	41		Director	2024-2025
Brian Gregory T. Liu	38		Director	2024-2025
Divina Gracia G. Cabuloy	47		President & CEO	2024-2025
Sigrid Von D. De Jesus	51		Chief Compliance Officer, Asst. Corporate Secretary	2024-2025
Michael T. Barret	46		Chief Operations Officer, Corporate Information Officer, Chief Investor Relations Officer	2024-2025
Senen L. Matoto	78		Independent Director	2024-2025
Corazon P. Guidote	64		Independent Director	2024-2025
Hector R. Villanueva	90		Independent Director	2024-2025

The business experience of each of the directors is set forth below.

Justin T. Liu

Mr. Justin Liu is the Chairman and a Director of Figaro Culinary Group, Inc. Vice President and Director of Cirtek Holdings Philippines Corporation, and a Director of Tonik Digital Bank, Inc. Prior to serving in his current positions, he was Vice President of Research in Evergreen Stock Brokerage and Securities, Inc., and Operations Manager of Pizzatek and Foods, Corp. He holds a Master of Science in Financial Analysis degree from University of San Francisco, and a B.S. Business Management and Entrepreneurship degree from De La Salle University.

Michael Stephen T. Liu

Mr. Justin Liu is the Chairman and a Director of Figaro Culinary Group, Inc. Vice President and Director of Cirtek Holdings Philippines Corporation, and a Director of Tonik Digital Bank, Inc. Prior to serving in his current positions, he was Vice President of Research in Evergreen Stock Brokerage and Securities, Inc., and Operations Manager of Pizzatek and Foods, Corp. He holds a Master of Science in Financial Analysis degree from University of San Francisco, and a B.S. Business Management and Entrepreneurship degree from De La Salle University.

Brian Gregory T. Liu

Mr. Brian Liu is a Director of Figaro Culinary Group, Inc., EVP & CFO of Cirtek Holdings Phils. Corp., Managing Director and COO of Cirtek Elect. Corp., Director of Cirtek Land Corp., Director of Cayon Holdings Corp., General Manager of Tuborg Trading, CEO and Chairman of Figaro Innovation and Development Inc. Previously, he was involved in the Design, Planning, Construction, Operation and Sales of Capri Villa in New Manila. He graduated from De La Salle University with a Bachelor's degree in Management of Financial Institutions. He trained as an Analyst under Mr. Peter Gaisano of Evergreen Stock Brokerage & Securities, Inc.

Divina Gracia G. Cabuloy

Ms. Cabuloy is the President, CEO, and a Director of Figaro Culinary Group, Inc. Previously, she was a Cost Control Officer of Hotel Rembrandt, Restaurant Manager of Burger King Philippines and PERF Restaurants, Store Manager, Area Manager and Operations Manager of Figaro Coffee Company and Operations Director and Deputy COO of Figaro Coffee Systems, Inc. She holds a Bachelor's degree in Hotel and Restaurant Management.

Sigrid Von D. De Jesus

Ms. De Jesus is the Director, Assistant Corporate Secretary and Chief Compliance Officer of Figaro Culinary Group, Inc., and the HRAD and Training Director and Financial Comptroller of Figaro Coffee Systems, Inc. Previously, she was the General Manager of Zuriel Pizza and Pasta, General Manager, Commissary Manager, and Accounting Officer of Pizzatek and Foods Corporation, Collection Officer of Citibank Philippines, Executive Assistant of CAC Insurance Agency, General Manager of 788 Car Care Center, Executive Assistant of Cannondale Auto Center, and Assistant Manager of Divina Bakery and Restaurant. She holds Bachelor's and Master's Degree in Nutrition and Dietetics.

Michael T. Barret

Mr. Barret is EVP, Chief Operations Officer, Corporate Information Officer, Chief IR Officer and a Director of Figaro Culinary Group, Inc. He is also Deputy Chief Operating Officer of Figaro Coffee Systems Inc. Previously, he was Franchise and Business Development Director, Area Manager and Store Manager of Figaro Coffee Company, Deputy Store Operations Manager of Highlands Coffee in Hanoi, Vietnam, Franchise Manager of Figaro Coffee Systems, Inc. and Warehouse Supervisor of SM Mart, Inc. He holds Bachelor's and Master's degrees in Mass Communications and Business Administration, respectively.

Senen L. Matoto

Mr. Matoto is an Independent Director and Audit Committee Chairman of Figaro Culinary, Group, Inc. He is currently the Chairman of Makati Rotary Club of Makati Foundation, Inc., Director of Financial Executives Institute of the Philippines, Columnist from the Daily Tribune, Independent Director and Audit Committee

Chairman of Yuanta Savings Bank, Executive Coach at the International Coach Federation, Trustee in the Institute of Corporate Directors, Director at Center of Excellence in Governance and Senior Advisor to the Chairman of Cirtek Holdings Philippines Inc. Mr. Matoto obtained a Bachelor of Science Degree in Business Administration from the University of the Philippines, and post-graduate studies from the Asian Institute of Management.

Corazon P. Guidote

Ms. Guidote is an Independent Director, Corporate Governance Committee Chairman and Nominations Committee Chairman of Figaro Culinary, Group, Inc. A Certified Public Accountant, Ms. Guidote is a Bachelor of Science graduate, Major in Accountancy at the University of Santo Tomas in 1982. The UST College of Commerce eventually recognized her as one of its most outstanding alumnae in 2004. She holds a Master's Degree in Applied Business Economics from the University of Asia and the Pacific where she likewise received an Achievement Award in 1997 from the ABEP Alumni Association. She is now a member of the teaching faculty at the Institute of Corporate Directors currently specializing in the field of Sustainability Reporting otherwise referred to as ESG or (Environmental, Social and Governance). She successfully concluded her 15-year career in Investor Relations on October 2017. It was during this period that her pioneering spirit ushered her into two of her most challenging tasks of setting up the Investor Relations offices; first, at the Bangko Sentral ng Pilipinas (BSP), and second at SM Investments Corporation.

Hector R. Villanueva

Mr. Villanueva is an Independent Director, Board Risk Committee Chairman and Related Party Transactions Committee Chairman of Figaro Culinary, Group, Inc. He has held senior positions in both private and public sectors. He was Chairman of the Board of First Metro Philippine Equity Exchange Traded Fund, Inc., Chairman, Postmaster General & CEO of Philippine Postal Corporation, Member of the Advisory Board, First Metro Investment Corporation, and Publisher and Editor-in-Chief of Sun Star Manila. Mr. Villanueva was also Cabinet Secretary from 1995-1998. Mr. Villanueva obtained a Bachelor of Science Degree in Economics from the London School of Economics and Political Science, and post-graduate studies from Royal Institute of Bankers, United Kingdom.

The following served as Officers of the Company for the year 2025:

NAME	AGE	NATIONALITY	POSITION
Jerry S. Liu	77		Chairman Emeritus
Justin T. Liu	43		Chairman
Divina Gracia G. Cabuloy	47		President & CEO
Sigrid Von D. De Jesus	51		Chief Compliance Officer, Asst. Corporate Secretary
Michael T. Barret	46		Chief Operations Officer, Corporate Information Officer, Chief IR Officer
Jose Petronio D. Espanol III	51		Treasurer, Chief Finance Officer, Chief Risk Officer
Lowela L. Concha	60		Corporate Secretary
Marilou R. Roca	41		Comptroller, Chief Accounting Officer

The business experience of each of the Company's officers is set forth below.

Justin T. Liu

Please refer to the table of directors above.

Divina Gracia G. Cabuloy

Please refer to the table of directors above.

Sigrid Von D. De Jesus

Please refer to the table of directors above.

Michael T. Barret

Please refer to the table of directors above.

JERRY S. LIU

Mr. Liu is the Chairman Emeritus of FCGI. Mr. Liu holds a Bachelor of Science Degree in Physics from Chung Yuan University of Taiwan and an MBA from the University of the East. As Chairman Emeritus, he does not participate in the management of the Company nor does he have any voting rights. It is merely an honorary title to acknowledge the support that he has provided to the Company.

JOSE PETRONIO D. ESPAÑOL III

Mr Español is the Treasurer and Chief Finance Officer of Figaro Culinary, Group, Inc. He started as a Senior Auditor in SGV & Co in 1995, until he became the Company Accountant of Alsons' Cement Corporation. He was the Chief Accountant of Domino's Pizza Transnational Philippines for 5 years and was promoted as the Finance Head of American Express Transnational Travel for 3 years until he was promoted as General Manager of Transnational Logistics, Inc. for 6 years. Currently, he is an Independent Director of Rural Bank of Capalonga and the Managing Director of JDE Systems Logistics, Inc and H&P Consulting. He is a Certified Public Accountant and a Certified Management Accountant with masteral units in Industrial Relations in UP and Supply Chain Management in Ateneo Business School. He was a graduate of University of Sto. Tomas in 1995.

LOWELA L. CONCHA

Ms. Concha is a partner at the law firm Garay Usita Concha and Jimenea. She is a litigator of almost 30 years of experience representing individual and corporate clients in disputes involving commercial law, criminal law, civil law, and family law among others. In active general law practice while continuing to render legal advice to clients from a wide spectrum of industries on Corporate Governance, real estate transactions, Human Resources Administration, and Contract Management. She obtained a Bachelor of Science Degree in Marketing from St. Paul's University in Quezon City, and her law degree from San Beda University College of Law in 1992. She was admitted to the Philippine Bar in 1993.

MARILOU R. ROCA

Ms. Roca is Comptroller and Chief Accounting Officer of FCGI. Currently, she is the Accounting and Finance Senior Manager, Treasury Officer, Cost Control Officer at Figaro Coffee Systems, Inc. She holds a BS Accounting Management Degree from Batangas State University.

The Board has established committees to assist in exercising its authority in monitoring the performance of the business of the Company. The committees, as detailed below, provide specific and focused means for the Board to address relevant issues including those related to corporate governance.

The committees and their respective membership are set forth below:

BOARD COMMITTEES	MEMBERS
Audit Committee (Chair, Independent Director)	Chair: Senen L. Matoto Members (2): Justin T. Liu Corazon P. Guidote
Corporate Governance and Nominations Committee (Chair, Independent Director)	Chair: Corazon P. Guidote Members (2): Justin T. Liu Divina Gracia G. Cabuloy
Board Risk Oversight Committee (at least 1 Independent Director)	Chair: Hector R. Villanueva Members (2): Senen L. Matoto Michael T. Barret
Related Party Transactions Committee (Chair, Independent Director)	Chair: Hector R. Villanueva Members (2): Corazon P. Guidote Sigrid Von D. De Jesus

Significant Employees

None. While the Company values its workforce, the business of the Company is not highly dependent on the services of personnel outside of Senior Management.

Family Relationships

There are no family relationships between Directors and members of the Company's senior management known to the Company other than Justin T. Liu, Brian Gregory T. Liu and Michael Stephen T. Liu and brothers and Mr. Jerry S. Liu is their father.

Involvement in Certain Legal Proceedings

The Company believes that, except as discussed below, none of the Company's directors, nominees for election as director, or executive officers have in the prior five-year period: (1) had any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two-year period of that time; (2) have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses; (3) have been the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; or (4) have been found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, such judgment having not been reversed, suspended, or vacated.

There are no known legal proceedings against any director, officer, and controlling person as of date of the Information Statement.

As of date, the Company is not involved in any legal proceedings but its subsidiary, FCSI, is involved in the pending cases listed below. One case is a case instituted by FCSI.

1. *Filipino Society of Composer, Authors and Publishers, Inc., Plaintiff v. Figaro Coffee Systems Inc., Nelia T. Liu, Brian Gregory T. Liu, Michael Stephen T. Liu, Divina Gracia Cabrera, Sigrid De Jesus and Justin Liu, defendants.*

Civil Case No. R-QZN-17-06048-CV; RTC, Quezon City (Copyright Infringement)

This case is a civil action for copyright infringement filed against FCSI and its directors for publicly performing musical compositions without securing licenses from the plaintiff.

Plaintiff is claiming actual damages in the amount of ₱1,124,707.58, moral damages in the amount of ₱500,000.00, and attorney's fees and litigation expenses in the amount of ₱100,000.00.

The action was instituted on March 9, 2017.

Status: The Regional Trial Court – Quezon City, Branch 93 has granted the *Joint Motion to Postpone the Scheduled Hearing* and set the initial presentation of witnesses by the defendants on 02 September 2025.

2. *BDO Unibank, Inc., plaintiff, v. Figaro Coffee Systems, Inc. and Divine Cabrera, defendants.*

Civil Case No. R-MKT-17-01307-CV; Branch 132, Makati City (Collection and Damages with Application for the Issuance of Writ of Preliminary Attachment)

Fernando C. Go, doing business under single proprietorship “Café Ferdigo” is a franchisee of FCSI. He operated a Figaro store in the Podium Keppel Center. In order to renovate the coffee shop, Mr. Go secured a loan from BDO Unibank, Inc. and as security for the loan, Mr. Go assigned by way of security his rights under the franchise agreement without the consent of and without notice to, FCSI.

In February 2016, Mr. Go informed FCSI through a letter that he sold his business to a third party.

BDO Unibank Inc. is demanding that FCSI and Divine Cabrera pay the following: (a) ₱3,804,113.33 outstanding loan obligation; (b) ₱1,000,000.00 in moral damages; (c) ₱500,000.00 in exemplary damages; and (d) costs of suit.

The case was instituted on February 17, 2020.

Status: Figaro Coffee Systems, Inc. and the BDO Unibank, Inc. has come to an amicable settlement and agreed for a joint motion to dismiss the case on June 19, 2024, with prejudice to its refiling, as the issues between the parties have now become moot and academic by reason of the parties' mutual waiver of their respective claims against each other in connection with, in relation to, and incidental to the instant case. Resolution has been achieved to the satisfaction of all parties, this matter has been formally closed.

3. *Figaro Coffee Systems, Inc., plaintiff, v. Philippine Air Asia, Inc., defendant.*

Civil Case No. 21-01559; RTC Branch 118; Pasay City (Sum of Money)

FCSI filed a case for collection for sum of money amounting to ₱16,746,587.99 plus legal interests accruing from the date of extra-judicial demand against Philippine Air Asia, Inc. (“Air Asia”). The case arose from Air Asia's failure to pay its obligations under the Supply Agreement dated July 17, 2017 for the supply of meals and food products for its crew and employees.

The case was instituted on July 27, 2021.

Status: On 02 May 2025, Air Asia has fully settled the remaining balance amounting to ₱227,728.39. The case between FCSI and Air Asia is now concluded.

Certain Relationships and Related Transactions

All sales to, and purchases from, related parties are made at prevailing market prices. Outstanding year end balances pertain to the extension and receipt of, and advances to and from, related parties. For further information, such as outstanding advance balances, see note 19 to the 2024-2025 audited financial statements of FCGI and note 17 of the audited financial statements of FCSI. These balances are unsecured, short-term and interest-free, and settlement occurs in cash. There have been no guarantees received or provided for any related party-receivables or payables, respectively.

Our policy is to subject any related party transaction to Board approval. The transaction must be supported by a Secretary's Certificate signifying the approval of the Board.

We have limited related party transactions. Our operations can handle our financing requirements, and we have been funding our capital expenditures through internally generated cash flows.

FCSI, as the operating company, does not own land. It entered into a lease arrangement with LC International Garments Corp. to lease the land where its office is located. The commercial building has a total floor area of 3,968.07 sqm. The lease will expire 2025 and FCSI does not anticipate any issues with its renewal.

On January 4, 2017, FCSI entered into a lease agreement with Cirtek Land Corporation for the period commencing on 16 January 2021 and ending on 16 January 2026. Said lease agreement covers the lease of a commercial building located at 1 Constellation St. cor. Makati Avenue, Makati City, for use by the Makati City branches for Angel's Pizza and Tien Ma's. The lease agreement will be renewed in due course.

The Figaro Innovation and Development, Inc. ("FIDI") a wholly-owned subsidiary of Figaro Coffee Systems, Inc. ("FCSI"), the operating subsidiary of Figaro Coffee Group, Inc. ("FCG") received the Certificate of Registration issued on 07 September 2023 by the Philippine Economic Zone Authority ("PEZA") as an Ecozone Export Enterprise to engage in the production of roasted coffee such as the House Reserve, Espresso Blend and French Roast.

The Department of Trade and Industry- Export Management Bureau issued the Certificate of Accreditation as Coffee Exporter to FIDI on 08 September 2023.

The primary goal of FIDI is to develop and innovate trailblazing products and processes that will level up the F&B Industry, to provide products and services that will make their operations more efficient and to promote Filipino brands, products and raw materials globally.

Recently, FIDI received a copy of the Certificate of Registration No.2024-00145-PEZA-EX-C10-2 issued by PEZA on 07 October 2024, certifying FIDI's registration as an Export Enterprise engaged in the production of pizza products and frozen pizza.

Resignation of Directors

No director has resigned from, or declined to stand for re-election to the Board since the date of the 2025 Special Stockholders' Meeting due to any disagreement with the Company relative to its operations, policies and practices.

Item 6. Compensation of Directors and Executive Officers

Compensation

The Company's president and its next highest-ranking officers are as follows:

Name	Position
Justin T. Liu	Chairman
Divina Gracia G. Cabuloy	President & CEO
Michael T.Barret	COO

The following table identifies and summarizes the aggregate compensation of the Company's President and the four most highly compensated executive officers of the Company in fiscal years 2024, 2025, and 2026 (projected):

	Year	Salary (in thousands)	Bonus (in thousands)	TOTAL (in thousands)
President and the four most highly compensated executive officers named above ²	2018	3,893.53	921.16	4,814.69
	2019	3,893.53	1,156.56	5,050.09
	2020	4,025.53	477.91	4,503.44
	2021 ³	2,850.01	136.94 (Incentive)	2,986.95
	2022	3834.30	2000.00	5834.30
	2023	7692.58	2102.03	9794.61
	2024	22780.00	3132.55	25912.55
	2025	25,824.19	3219.66	29,043.85
	2026	28,148.37	3315.77	31,464.14
Aggregate compensation paid to all other directors and all other officers as a group	2018	-	-	-
	2019	-	-	-
	2020	-	-	-
	2021	4756.21	3886.00	8742.21
	2022	3834.30	2000.00	5834.30
	2023	7692.58	2102.03	9794.61
	2024	22780.00	3132.55	25912.55
	2025	25,824.19	3219.66	29,043.85
	2026	28,148.37	3315.77	31,464.14

Note:

(1) Includes salary, bonuses and other income.

EMPLOYMENT CONTRACTS

Standard Arrangement

Other than payment of reasonable per diem as may be determined by the Board for every meeting, there are no standard arrangements pursuant to which directors of the Company are compensated, or were compensated, directly or indirectly, for any services provided as a director and for their committee participation or special assignments.

Other Arrangements

There are no other arrangements pursuant to which any director of the Company was compensated, or to be compensated, directly or indirectly, or any service provided as a director.

Warrants and Options Outstanding

² The named executive officers are: Justin Liu (Chairman), Divina Gracia Cabuloy (President & CEO), Michael Barret (COO), Sigrid Von de Jesus (Chief Compliance Officer), and Jose Petronio Vicente Espanol III (CFO and Treasurer).

³ Executive compensation for the covering period 2018-2020 of the executive officers of the Company's subsidiary, namely Justin Liu, Divine Cabuloy, Michael Barret and Sigrid Von de Jesus. The executive compensation information for the six-month period ended June 30, 2021 reflects the compensation of the Company's executive officers as named in the above table. Prior to the reorganization, the parent company did not have any commercial operations.

There are no outstanding warrants or options held by the President, the named executive officers, and all officers and directors as a group.

Item 7. Independent Public Accountants

The external auditor of the Company is the accounting firm of De Jesus & Teofilo, CPAs

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

R.S. Bernaldo & Associates ("RSBA") is the external auditor of the Company for the fiscal year ending 30 June 2024. RSBA is also the external auditor of FCSI for the fiscal year ending 31 December 2024. Rosario S. Bernaldo is the principal accountant from RSBA handling the audit of the Company and FCSI. Previously, particularly for the fiscal years prior to 2024, it was Romeo A. De Jesus, Jr. who was the principal accountant from RSBA which handled the audit of the Company and FCSI.

For the fiscal year ended 30 June 2025, the board and the stockholders of the Company, in meetings held on 05 November 2025, appointed De Jesus & Teofilo, CPAs, as the external auditor of the Company subject to compliance with regulatory requirements. Romeo A. De Jesus, Jr. is the principal accountant from De Jesus & Teofilo which handled the audit of the Company for the said period.

The Company has not had any material disagreements on accounting and financial disclosures with the previous external auditor for the same periods or any subsequent interim period for which RSBA acted as external auditor of the Company. The appointment of the new external auditor of the Company, De Jesus & Teofilo, CPAs, is in line with the best practices in corporate governance, including the rotation of external auditors.

The previous external auditor has been informed of the Annual Stockholders Meeting and although invited to be present, has not confirmed its attendance to respond to questions, if any.

The new external auditor was chosen based on its merit and background. **De Jesus & Teofilo** is a distinguished audit and consulting firm led by seasoned professionals with extensive expertise in audit, taxation, and business advisory services. The firm is headed by **Romeo A. De Jesus, Jr.**, a globally experienced tax and business advisor who has held leadership roles in multinational corporations and Philippine accounting practices, and serves as director in multiple companies across fintech, remittance, petroleum, and accounting systems. **Gerardo S. Teofilo, Jr.** brings over 15 years of audit and business management experience, currently serving as Comptroller of a major wholesale and retail conglomerate, with deep knowledge in financial reporting, internal controls, and compliance. **Percival R. De Guzman** contributes nearly three decades of audit and consulting experience, having held senior roles in both Big Four and leading Philippine accounting firms, and holds an MBA from Ateneo Graduate School of Business. Collectively, the partners of De Jesus & Teofilo combine technical excellence with strategic business insight, delivering comprehensive and reliable audit and advisory services across diverse industries.

The recommended external auditor for the fiscal year 2026 is likewise De Jesus & Teofilo, CPAs.

Audit and Audit-related Fees

The following table sets out the aggregate fees billed for each of the years ended June 30, 2023, June 30, 2024 and June 30, 2025 for professional services rendered, excluding fees directly related to the Offer:

**FIGARO CULINARY GROUP, INC.
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE RELATED INFORMATION**

30 JUNE 2025

	Current Year	Prior Year
	2025	2024
Total Audit Fees	1,107,680.00	1,492,738.70
Non-audit services fees:	0.00	0.00
Other assurance services	0.00	0.00
Tax Services	0.00	0.00
All other services	0.00	0.00
Total Non-audit Fees	0.00	0.00
Total Audit and Non-audit Fees	1,107,680.00	1,492,738.70

In relation to the audit of our annual financial statements, our Manual on Corporate Governance provides that the audit committee shall, among other activities, oversee, monitor and evaluate the adequacy and effectiveness of the Company's internal control system, engage and provide oversight of the Company's internal and external auditors.

The Audit Committee will carry out, among other things, the following functions: (i) assist the Board in the performance of its oversight responsibility for: our financial reporting process; our system of internal control; our audit process and the monitoring of compliance with applicable laws, rules and regulations; (ii) supervise the effectiveness of our internal control procedures and corporate risk management systems; (iii) perform oversight functions over our internal and external auditors, ensuring that the internal and external auditors act independently from each other, and that each are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions; (iv) review the annual internal audit plan to ensure its conformity with our objectives; (v) organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal; (vi) monitor and evaluate the adequacy and effectiveness of our internal control system, including financial reporting control and information technology security; (vii) review the reports submitted by the internal and external auditors; (viii) review the quarterly, half-year and annual financial statements before their submission to the Board; (ix) coordinate, monitor and facilitate compliance with laws, rules and regulations; (x) evaluate and determine non-audit work, if any, required of the external auditor, and periodically review the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to our overall consultancy expenses; and (xi) establish and identify the reporting line of the internal auditor to enable them to properly fulfill their duties and responsibilities.

The Audit Committee must be comprised of at least three directors, including one independent director, preferably with an accounting and financial background. The Audit Committee has been constituted and has adopted the Audit Committee Charter.

Item 8. Compensation Plans

There are no outstanding warrants or stock option held by directors and officers nor are there any adjustments in the exercise price of said warrants or stock options. The Company likewise does not have any other type of compensation plan.

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

There are no actions or matters to be discussed in the Annual Stockholders' Meeting with respect to the authorization or issuance of any securities.

Item 10. Modification or Exchange of Securities

There are no actions or matters to be discussed in the Annual Stockholders' Meeting with respect to the modification of any class of securities of the Company, or the issuance or authorization for issuance of one (1) class of securities of the Company in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

- (i) Management's Discussion and Analysis of Financial Condition and Results of Operations are attached hereto as **Annex "D"**
- (ii) The Annual Report for the year ended 30 June 2024 are attached hereto as **Annex "E"**.

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

There are no actions or matters to be discussed in the Annual Stockholders' Meeting with respect to mergers, consolidations, acquisitions, sales, or other transfers of all or any substantial part of the assets of the Company, liquidation or dissolution of the Company, and similar matters.

Description of the business of the registrant and its significant subsidiaries

As of 31 October 2025, Figaro Coffee Systems, Inc. ("FCSI") is the only subsidiary of the Company. FCSI was incorporated in the Philippines and it is engaged in restaurant operations.

Figaro Innovation and Development, Inc, a wholly-owned subsidiary of Figaro Coffee Systems Inc ("FCSI"), the operating subsidiary of Figaro Coffee Group, Inc. ("FCG") received the Certificate of Registration issued on 07 September 2023 by the Philippine Economic Zone Authority ("PEZA") as an Ecozone Export Enterprise to engage in the production of roasted coffee such as the House Reserve, Espresso Blend and French Roast.

The Department of Trade and Industry- Export Management Bureau issued the Certificate of Accreditation as Coffee Exporter to FIDI on 08 September 2023.

The primary goal of FIDI is to develop and innovate trailblazing products and processes that will level up the F&B Industry, to provide products and services that will make their operations more efficient and to promote Filipino brands, products and raw materials globally.

Recently, FIDI received a copy of the Certificate of Registration No.2024-00145-PEZA-EX-C10-2 issued by PEZA on 07 October 2024, certifying FIDI's registration as an Export Enterprise engaged in the production of pizza products and frozen pizza.

Patents, Trademarks, Licenses, Franchises, Concessions, Royalty, Agreement or Labor contracts including duration

The Company owns several intellectual property rights over our trademarks in the Philippines, including that of Figaro Coffee, Angel's Pizza, and Tien Ma's. The Company retains full control and independent management over its stores in the Philippines without having to pay royalties or other fees for the use of our trademarks and brand names.

Governmental approval of principal products and services

The Consumer Act

The Consumer Act (R.A. No. 7394) establishes quality and safety standards with respect to the composition, contents, packaging and advertisement of food products. Furthermore, it regulates the following: (1) consumer

product quality and safety; (2) the production, sale, distribution and advertisement of food, drugs, cosmetics and devices as well as substances hazardous to the consumer's health and safety; (3) fair, honest consumer transactions and consumer protection against deceptive, unfair and unconscionable sales acts or practices; (4) practices relative to the use of weights and measures; (5) consumer product and safety warranties; (6) compulsory labeling and fair packaging; (7) liabilities for defective products and services; (8) consumer protection against misleading advertisements and fraudulent promotion practices; and (9) consumer credit transactions. Under the Consumer Act, it is prohibited to manufacture, import, export, sell, offer to sell, distribute and transfer food products that do not conform to applicable consumer product quality or safety standards.

The implementing agencies tasked to enforce the Act are the Department of Health, the Department of Agriculture, and the Department of Trade and Industry. The Department of Health, in particular, regulates the production, sale, distribution, and advertisement of food to protect the health of consumers.

Violation of the Consumer Act shall warrant administrative penalties and/or imprisonment of not less than one year but not more than five years, or a fine of not less than P5,000.00 but not more than P10,000.00 or both, at the discretion of the court. Should the offense be committed by a juridical person, the chairman of the board of directors, the president, general manager, or the partners and/or the persons directly responsible therefor shall be penalized.

The Food Safety Act

The Food Safety Act (R.A. No. 10611) seeks to strengthen the food safety regulatory system in the country by principally delineating the mandates and responsibilities of the government agencies. The National Dairy Authority, National Meat Inspection Service, and Bureau of Fisheries and Aquatic Resources under the Department of Agriculture ("DA") are the government agencies responsible for the development and enforcement of food safety standards and regulations in the primary production and post-harvest stages for milk, meats, and fish, respectively, while the FDA under the DOH is responsible for the safety of processed and pre-packaged foods. The Food Safety Act created the Food Safety Regulation Coordinating Board to monitor and coordinate the performance and implementation of the mandates of the government agencies under the law.

Under the Food Safety Act, food business operators or those who undertake to carry out any of the stages of the food supply chain are held principally responsible in ensuring that their products satisfy the requirements of the law and that control systems are in place to prevent, eliminate, or reduce risks to consumers.

For the enforcement of the Food Safety Act, the food safety regulatory agencies are authorized to perform regular inspection of food business operators taking into consideration the compliance with mandatory safety standards; implementation of the Hazard Analysis at Critical Control Points or the science-based system that identifies, evaluates, and controls hazards for food safety at critical points; good manufacturing practices; and other requirements of regulations. It is prohibited to refuse access to pertinent records or entry of inspection officers of the food safety regulatory agencies. It is likewise prohibited, among others, to produce, handle, or manufacture for sale, offer for sale, distribute in commerce, or import any food or food product, which is banned or is not in conformity with applicable quality or safety standard is also prohibited. The commission of any of the prohibited acts under the Food Safety Act can result in imprisonment and/or a fine.

FDA Rules and Regulations

Consistent with the mandate to adopt and establish mechanisms and initiatives that are aimed to protect and promote the right to health of every Filipino, the FDA issued the Rules and Regulations on the Licensing of Food Establishments and Registration of Processed Food, which require all food establishments to obtain a License to Operate ("LTO") from the FDA before they can validly engage in the manufacture, importation, exportation, sale, offer for sale, distribution, and transfer of food products in the Philippine market. An initial LTO is valid for a period of two years, while a renewed license is valid for five years.

In addition to an LTO, the FDA also requires a Certificate of Product Registration ("CPR") for processed food products before said products are distributed, supplied, sold or offered for sale or use in the market. A CPR covering a particular health product constitutes *prima facie* evidence of the registrant's marketing authority for said health product in connection with the activities permitted pursuant to the registrant's LTO. In case of initial registration, a CPR shall be valid for a minimum period of two years to a maximum period of five years. Any renewal thereafter shall be valid for five years.

The operation of a food business without the proper authorization from the FDA is prohibited and punishable with a fine. The closure of the establishment may also be imposed as a penalty upon a finding of a commission of a prohibited act.

Philippine Environmental Impact Statement System

The Philippine Environmental Impact Statement System has been established in furtherance of the State policy to attain and maintain a rational and orderly balance between socio-economic growth and environmental protection. Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate (“ECC”) prior to their commencement. As a prerequisite for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement (“EIS”) to the EMB while a project in an environmentally critical area is generally required to submit an Initial Environmental Examination (“IEE”) to the proper DENR regional office, without prejudice to the power of the DENR to require a more detailed EIS. The EIS refers to both the document and the environmental impact assessment of a project, including a discussion of direct and indirect consequences to human welfare and ecology as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the terms and conditions of an EIS or an IEE may vary from project to project, at a minimum, they contain all relevant information regarding the environmental effects of a project. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS system. The EIS system successfully culminates in the issuance of an ECC. The ECC is a government certification that (i) the proposed project or undertaking will not cause a significant negative environmental impact; (ii) that the proponent has complied with all the requirements of the EIS system and; (iii) that the proponent is committed to implement its approved environmental management plan in the EIS or, if an IEE was required, that it will comply with the mitigation measures suggested therein. The ECC contains specific measures and conditions that the project proponent must undertake before and during the operation of a project, and in some cases, during the abandonment phase of the project to mitigate identified environmental impact.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund (“EGF”) when the ECC is issued to projects determined by the DENR to pose significant public risks to life, health, property and the environment. The EGF is intended to answer for damages caused by such projects as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are mandated to include a commitment to establish an Environmental Monitoring Fund (“EMF”) when an ECC is eventually issued. The EMF shall be used to support activities of a multi-partite monitoring team that will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

In certain instances, the EMB may determine and issue a certification that a certain project is not covered by the EIS System and an ECC is not required. Consequently, a Certificate of Non-Coverage (“CNC”) may be issued in lieu of an ECC.

The Ecological Solid Waste Management Act of 2000

The Ecological Solid Waste Management Act of 2000 (Republic Act No. 9003) provides for the proper management of solid waste which includes discarded commercial waste and non-hazardous institutional and industrial waste. The said law prohibits, among others, the transporting and dumping of collected solid wastes in areas other than prescribed centers and facilities. The National Solid Waste Management Commission, together with other government agencies and the different local government units, are responsible for the implementation and enforcement of the said law.

Any violation of this law may be punishable by fine or imprisonment, or both, depending on the prohibited act committed. If the offense is committed by a corporation, the chief executive officer, president, general manager, managing partner or such other officer-in-charge shall be liable for the commission of the offense.

The Code on Sanitation of the Philippines

The Sanitation Code (Presidential Decree No. 856) provides for sanitary and structural requirements in connection with the operation of certain establishments such as food establishments which include such places where food or drinks are manufactured, processed, stored, sold or served. Under P.D. 856, which is implemented by the DOH, food establishments are required to secure sanitary permits prior to operation which shall be renewable on a yearly basis.

Further, the Code on Sanitation provides that no person shall be employed in any food establishment without a health certificate issued by the local health authority. This certificate will be issued only after the required physical and medical examinations are performed and immunizations are administered at prescribed intervals. The health certificate must be renewed every year or as often as required by local ordinance.

Non-compliance with the provisions of the Code on Sanitation may result in the revocation of the sanitary permit, which is a requisite for the operation of a food establishment. Moreover, a food establishment that employs a person without the appropriate health certificate may be punished by fine or imprisonment, or both.

DENR Rules on Disposition of Hazardous Waste

A waste generator or a person who generates or produces hazardous wastes through any institutional, commercial, industrial or trade activities must register online and pay the registration fee to the EMB Regional Office having jurisdiction over the location of the waste generator. Upon registration, the EMB shall issue a DENR identification number, which is generally a one-time permit unless there is a change in the hazardous wastes produced.

Under DENR Administrative Order No. 2013-22, a duly registered waste generator must, among others: (a) designate a full-time Pollution Control Officer; (b) disclose to the DENR the type and quantity of waste generated; (c) implement proper waste management from the time the wastes are generated until they are rendered non-hazardous; (d) continue to own and be responsible for the wastes generated in the premises until the wastes have been certified by an accredited waste treater as adequately treated, recycled, reprocessed, or disposed of; (e) adhere to the hazardous waste transport manifest system when transporting hazardous wastes for offsite treatment, storage, and/or disposal; (f) prepare and submit to the DENR comprehensive emergency preparedness and response program to mitigate spills and accidents involving chemicals and hazardous wastes; (g) communicate to its employees the hazards posed by the improper handling, storage, transport, use and disposal of hazardous wastes and their containers; and (h) develop capability to implement the emergency preparedness and response programs and continually train core personnel on the effective implementation of such programs.

Failure to comply with DENR Administrative Order No. 2013-22 shall make the violator liable for a fine of ₱ 50,000.00. In addition to such penalty, a violation of any of its Governing Rules or rules covering the Contingency Program shall result in the immediate suspension of the permit.

DENR Rules against Air Pollution

DENR Administrative Order No. 2000-81, as amended by DENR Administrative Order No. 2004-26, requires a Permit to Operate for each source emitting regulated air pollutants, which shall be issued by the EMB. The permittee shall display the permit upon the installation itself in such manner as to be clearly visible and accessible at all times. In the event that the permit cannot be so placed, it shall be mounted in an accessible and visible place near the installation covered by the permit.

The Permit to Operate is valid for five years from the date of issuance, unless sooner suspended or revoked. It may be renewed by filing an application for renewal at least 30 days before its expiration date and upon payment of the required fees and compliance with requirements.

Moreover, under DENR Administrative Order No. 2014-02, the managing heads of establishments required to have pollution control officers must apply for accreditation of their appointed/designated Pollution Control Officer at the concerned EMB Regional Office within 15 days from the date of appointment/designation.

Laguna Lake Development Authority Clearance

R.A. No. 4850, as amended, created the Laguna Lake Development Authority (“LLDA”) in order to promote and accelerate the balanced growth of the Laguna de Bay Region, with due regard for environmental management and control, preservation and preservation of the quality of human life and ecological systems, and the prevention of undue ecological disturbances, deterioration and pollution.

As an attached agency of the DENR, the LLDA is mandated to manage and protect the environmentally critical Laguna de Bay Region. It is empowered to pass upon and approve or disapprove all plans, programs, and projects proposed by local government offices or agencies within the region, public corporations, and private persons or enterprises where such plans, programs, and projects are related to the development of the region.

At present, the jurisdiction and scope of authority of the LLDA comprises the towns of Rizal and Laguna Provinces, towns of Silang, General Mariano Alvarez, Carmona, Tagaytay City in Cavite, Lucban, Quezon, City of Tanauan, towns of Sto. Tomas and Malvar in Batangas, Cities of Marikina, Pasig, Taguig, Muntinlupa, Pasay, Caloocan, Quezon and town of Pateros in Metro Manila. Accordingly, any person, natural and juridical, with existing and/or new development projects and activities within these areas are required to secure an LLDA Clearance, which is issued upon submission of an application and the supporting financial documents.

An administrative fine is imposed on establishments operating, developing, or constructing within the Laguna de Bay Region without the necessary LLDA Clearance. Any proposed, ongoing, or completed expansion inconsistent with a previously issued LLDA Clearance must be covered by a new LLDA Clearance.

Wastewater Discharge Permit

The Philippine Clean Water Act of 2004 (Republic Act No. 9275) prohibits the discharge of material of any kind into water bodies, which shall cause pollution or impede natural flow of water, discharge of substance into soil or sub-soil which would pollute groundwater, operating facilities that discharge regulated water pollutants without valid permits, and other related acts. The Clean Water Act also regulates the discharge of effluents on land.

Pursuant to this law, all industries that discharge in any manner wastewater into Philippine waters and/or land are required to secure a wastewater discharge permit from the EMB. This permit is valid for five years and renewable for five-year periods.

The Labor Code and Social Welfare Legislations

The Philippine Labor Code and other statutory enactments provide the minimum benefits that employers must grant to their employees, which include certain social security benefits, such as benefits mandated by the Social Security Act of 1997 (R.A. No. 8282), the National Health Insurance Act of 1995 (R.A. No. 7875), as amended, and the Home Development Fund Law of 2009 (R.A. No. 9679).

Social Security Act

Under the Social Security Act of 1997, social security coverage is compulsory for all employees under 60 years of age. An employer has the duty to report to the Social Security System (“SSS”) the names, ages, civil status, occupations, salaries and dependents of its employees who are subject to compulsory coverage, and to pay and remit their monthly contributions. This enables the employees or their dependents to claim their pension, death benefits, permanent disability benefits, funeral benefits, sickness benefits and maternity-leave benefits. The failure of the employer to comply with any of its obligations may lead to sanctions, including the impositions of a fine of not less than ₱5,000.00 nor more than ₱20,000.00, or imprisonment for not less than six years and one day nor more than 12 years, or both, at the discretion of the court. The erring employer will also be liable to the SSS for damages equivalent to the benefits to which the employee would have been entitled had his name been reported on time to the SSS and for the corresponding contributions and penalties thereon.

National Health Insurance Act

The National Health Insurance Act, created the National Health Insurance Program (“NHIP”) to provide health insurance coverage and ensure affordable and accessible health care services to all Filipino citizens. Under the law, all members of the SSS are automatically members of the NHIP. An employer is required to deduct and withhold the contributions from its employee’s salary, wage or earnings, make a counterpart contribution for the employee, and remit both amounts to the Philippine Health Insurance Corporation (“PhilHealth”), the agency which administers the NHIP. The NHIP will then subsidize personal health services required by the employee subject to certain terms and conditions under the law. An employer who fails or refuses to register its employees, regardless of their employment status, or to deduct contributions from its employees’ compensation or remit the same to the Corporation shall be punished with a fine of not less than ₱5,000.00 multiplied by the total number of employees of the firm.

Home Development Fund Law

The Home Development Fund Law (R.A. No. 9679) or the Pag-IBIG Fund Law, created the Home Development Mutual Fund (“HDMF”), a national savings program as well as a fund to provide for affordable shelter financing to Filipino workers. Coverage under the HDMF is compulsory for all SSS members and their employers. Under the law, an employer must deduct and withhold 2% of the employee’s monthly compensation, up to a maximum of ₱5,000.00, and likewise make a counterpart contribution of 2% of the employee’s monthly compensation, and remit the contributions to the HDMF. Refusal of an employer to comply, without any lawful cause or with fraudulent intent, particularly with respect to registration of employees as well as collection and remittance of contributions, is punishable by a fine of not less but not more than twice the amount involved, or imprisonment of not more than six years, or both such fine and imprisonment. When the offender is a corporation, the penalty will be imposed upon the members of the governing board and the president or general manager, without prejudice to the prosecution of related offenses under the Revised Penal Code and other laws, revocation and denial of operating rights and privileges in the Philippines and deportation when the offender is a foreigner.

The Labor Code

The Philippine Labor Code provides that, in the absence of a retirement plan provided by their employers, private-sector employees who have reached 60 years of age or more, but not beyond 65 years of age, the compulsory retirement age for private-sector employees without a retirement plan, and who have rendered at least five years of service in an establishment, may retire and receive a minimum retirement pay equivalent to one-half month’s salary for every year of service, with a fraction of at least six months being considered as one whole year. For the purpose of computing the retirement pay, “one-half month’s salary” shall include all of the following: fifteen days salary based on the latest salary rate; in addition, one-twelfth of the thirteenth month pay and the cash equivalent of five days of service incentive leave pay. Other benefits may be included in the computation of the retirement pay upon agreement of the employer and the employee or if provided in a collective bargaining agreement.

Other Labor-Related Laws and Regulations

Under the Comprehensive Dangerous Drugs Act, a national drug abuse prevention program implemented by the Department of Labor and Employment (“DOLE”) must be adopted by private companies with 10 or more employees. For this purpose, employers must adopt and establish company policies and programs against drug use in the workplace in close consultation and coordination with the DOLE, labor and employer organizations, human resource development managers and other such private sector organizations. DOLE Department Order No. 053-03 sets out the guidelines for the implementation of Drug-Free Workplace policies and programs for the private sector.

The employer or the head of the work-related, educational or training environment or institution, also has the duty to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement or prosecution of such cases. Under the Anti-Sexual Harrassment Act, the employer will be solidarily liable for damages arising from the acts of sexual harassment committed in the workplace if the employer is informed of such acts by the offended party and no immediate action is taken. Notwithstanding, the victim of sexual harassment is not precluded from instituting a separate and independent action for damages and other affirmative relief. Any person who violates the provisions of this law shall, upon conviction, be penalized by imprisonment of not less than one month nor more than six months, or a fine of not less than

₱10,000.00 nor more than ₱20,000.00, or both such fine and imprisonment, at the discretion of the court. Any action arising from the violation of the provisions of this law shall prescribe in three years.

Moreover, Department Order No. 102-10 requires all private workplaces to have a policy on HIV and AIDS and to implement a workplace program in accordance with the Philippines AIDS Prevention and Control Act. The workplace policies aim to manage sensitive issues, such as confidentiality of medical information and continuation of employment for HIV-positive staff, and to avoid the discrimination of any employee due to HIV/AIDS. Any HIV/AIDS-related information of workers should be kept strictly confidential and kept only on medical files, whereby access to it are strictly limited to medical personnel.

All private workplaces are also required to establish policies and programs on solo parenting, Hepatitis B, and tuberculosis prevention and control.

Effect of existing or probable government regulations on the business

The Food and Drug Administration under the Department of Health is the main regulatory body for the consumer foodservice industry

The Department of Health (DOH) is the ministry responsible for ensuring access to basic public health services. Other than healthcare services, the DOH also regulates the provision of health-related goods and services via the multiple agencies under it.

The lead agency for food-related matters is the Food and Drug Administration (FDA), an agency focused on protecting public health by ensuring the safety, efficacy and security of human drugs and biological products. It also ensures the safety of the country's food supply. The FDA not only acts as an administrative office to approve and issue food establishment operating licenses to regulate the consumer foodservice industry but also works with other agencies and the private sector to ensure food safety in the country and to establish the food security of the Philippines' population.

As food safety is of paramount importance throughout the entire food supply chain, the Food Safety Regulation Coordinating Board (FSRCB) coordinates the implementation of the mandates of the various government bodies, such as the DOH (via the FDA), the Department of Agriculture (DA) and the Department of Interior and Local Government (DILG) and various local government units (LGUs), ensuring food safety through a performance-based food safety control management system at various stages from production, to processing, to distribution and consumption by consumers in foodservice establishments. Other than compliance with the food laws and regulations, the FSRCB also focuses on traceability along the food supply chain. Players in the consumer foodservice industry importing food from suppliers overseas must ensure the necessary food safety tests are passed under the FDA.

On a broader level, the FDA also oversees the food security of the country over the long term by working together with industry players to ensure diversification of food supply sources with a focus on the development of local food sources. The FDA also works with businesses in the consumer foodservice industry to strengthen capabilities and raise productivity, as well as develop new lines and models of businesses for industry transformation.

Stringent regulation of consumer foodservice is reflected by the multiple permits, approvals and licences to operate a business in the industry

In the Philippines, there are several permits, approvals and licenses required to run a business in any industry, such as a Business Permit, tax account registration with the Bureau of Internal Revenue (BIR), Barangay Clearance, and Business Name registration with the Department of Trade and Industry (DTI).

Specific to consumer foodservice, businesses looking to enter the industry must obtain approval for several licenses before they can operate a foodservice establishment. To obtain the License to Operate Food Establishments issued by the FDA, foodservice establishments must submit a Fire Safety Inspection Certificate (FSIC) issued by the local police department once the fire safety checks are completed.

Upon full compliance with licensing requirements and submission of required documents, including the details of the location, business name registration, business permit, proof of income to verify capitalization, the FDA

will review and issue the License to Operate Foodservice Establishments. In the case of consumer foodservice players which might also be involved in food manufacturing, the FDA may also request additional documents such as the Risk Management Plan (RMP) or Site Master Files (SMF).

Depending on the nature or business model of the foodservice establishment, the business may also require other related licenses. For example, restaurants, bars and bistros, or cafés wishing to sell alcoholic beverages on their premises will need to obtain a Liquor License from the Liquor Licensing and Regulatory Board. In addition, if the food establishment needs to import food supplies or products from overseas, it must also obtain the import license from the Custom Authorities.

Throughout the period of licensed operation, all players must also ensure compliance with food safety laws under The Food Safety Act of 2013.

Labor laws pose costly implications on the labour-intensive consumer foodservice industry

Foodservice establishments are encouraged to employ locals which can be challenging due to a high turnover rate. Hiring foreign workers incurs a higher cost due to additional taxes and it often involves a lengthy and tedious administrative process as the foodservice establishment must prove that the job requires skills that are not available locally and apply for an Alien Employment Permit (AEP).

In addition, the Philippine government dictates a minimum wage, which varies from region to region, to reduce poverty rates in the country. The minimum wage amount is set by the Regional Tripartite Wages and Productivity Boards. In the National Capital Region (Metropolitan Manila), the minimum daily wage stands at ₱466 (approximately USD10) but employers are also required to provide a living allowance of ₱15 (approximately USD0.50) per day. Employers are also required by law to convert employees to permanent employment after six months of probationary employment and provide them with medical insurance, paid leave and security of tenure. Such requirements potentially add to the costs of foodservice establishments, especially for smaller local independent businesses, and cut into the profitability of the business.

In compliance with food safety laws, employees who are handling food must be checked and vaccinated for contagious diseases such as Typhoid or Hepatitis A. This could pose a challenge for new businesses as it may be difficult to employ vaccinated and certified food handlers and add to their costs and impact operations for newly employed staff to complete the food safety training, complete the necessary medical checks and be vaccinated.

Major risks involved in each of the business of the company and subsidiary

We list below the major risks in the business of the Company and its subsidiary, FCSI (collectively referred in this section as the “Group”).

- The Group operates in highly competitive markets and if it does not compete effectively, its results of operations will be harmed.
- The Group’s growth is highly dependent on its ability to open new stores, maintain its existing store network and select strategically located sites for our stores.
- Strong competition could negatively affect prices and demand for the Group’s products and services and could decrease its market share.
- The Group relies on key suppliers for certain of its raw materials and the failure of those suppliers to adhere to and perform contractual obligations may adversely affect its business.
- The Group relies on key third-party service providers for certain services and the failure of these services providers to adhere to and perform contractual obligations may affect its business.
- Labor disputes or changes in employment laws may disrupt the Group’s operations and affect its profitability.
- Changes in food and supply costs and availability could adversely affect the Group’s results of operations.
- Damage to the Group’s reputation and its brands, and negative publicity to its stores, could negatively impact its business.
- There may be food safety and foodborne illness concerns.
- Opening new stores in existing markets may negatively affect sales at the Group’s existing stores.
- The Group results of operations and growth strategy depend in part on the success of its franchisees and the Group is subject to various additional risks associated with its franchise owners.
- The Group is subject to safety, health and environmental laws and regulations.
- The Group relies on information technology systems to manage and effectively operate its business.
- Changes in customer preferences and perceptions may lessen the demand for the Group’s products, which could reduce sales and harm its business.
- The Group’s advertising and marketing campaigns may not be successful.
- If the Group fails to identify, recruit and contract with a sufficient number of qualified franchise owners, its ability to open new franchised stores and increase its revenues could be materially adversely affected.
- The Group’s growth depends in part on its ability to develop and introduce new menu offerings, which is subject to customer preferences and other market factors at the time of introduction.
- The Group’s intellectual property rights could be infringed or it could infringe the intellectual property rights of others.
- The major shareholders could affect matters concerning the Company.
- The Group depends on key members of its management team.
- Natural disasters or other catastrophes, such as weather disturbances in the Philippines, or climate change may adversely affect the Group’s business, materially disrupt the Group’s operations and result in losses not covered by its insurance.
- The Group results of operations may fluctuate due to seasonality.
- The Group expects to need capital in the future, and it may not be able to generate sufficient cash flow, raise capital or obtain financing on acceptable terms to meet its needs.
- The Group’s current insurance coverage may not be adequate, insurance premiums for such coverage may increase and it may not be able to obtain insurance at acceptable rates, or at all.
- The Group may be unable to renew its Halal certification and HACCP-compliance certification.
- The Group is dependent on third-party food delivery services.

Legal Proceedings

As of date, the Company is not involved in any legal proceedings but its subsidiary, FCSI, is involved in the pending cases listed below. One case is a case instituted by FCSI.

1. Filipino Society of Composer, Authors and Publishers, Inc., Plaintiff -versus- Figaro Coffee Systems Inc., Nelia T. Liu, Brian Gregory T. Liu, Michael Stephen T. Liu, Divina Gracia Cabrera, Sigrid De Jesus and Justin Liu, defendants.

Civil Case No. R-QZN-17-06048-CV; RTC, Quezon City (Copyright Infringement)

This case is a civil action for copyright infringement filed against FCSI and its directors for publicly performing musical compositions without securing licenses from the plaintiff.

Plaintiff is claiming actual damages in the amount of ₱1,124,707.58, moral damages in the amount of ₱500,000.00, and attorney's fees and litigation expenses in the amount of ₱100,000.00.

The action was instituted on March 9, 2017.

Status: The Regional Trial Court – Quezon City, Branch 93 has granted the *Joint Motion to Postpone the Scheduled Hearing* and set the initial presentation of witnesses by the defendants on 02 September 2025.

2. BDO Unibank, Inc., plaintiff, -versus- Figaro Coffee Systems, Inc. and Divine Cabrera, defendants.

Civil Case No. R-MKT-17-01307-CV; Branch 132, Makati City (Collection and Damages with Application for the Issuance of Writ of Preliminary Attachment)

Fernando C. Go, doing business under single proprietorship “Café Ferdigo” is a franchisee of FCSI. He operated a Figaro store in the Podium Keppel Center. In order to renovate the coffee shop, Mr. Go secured a loan from BDO Unibank, Inc. and as security for the loan, Mr. Go assigned by way of security his rights under the franchise agreement without the consent of and without notice to, FCSI.

In February 2016, Mr. Go informed FCSI through a letter that he sold his business to a third party.

BDO Unibank Inc. is demanding that FCSI and Divine Cabrera pay the following: (a) ₱3,804,113.33 outstanding loan obligation; (b) ₱1,000,000.00 in moral damages; (c) ₱500,000.00 in exemplary damages; and (d) costs of suit.

The case was instituted on February 17, 2020.

Status: Figaro Coffee Systems, Inc. and the BDO Unibank, Inc. has come to an amicable settlement and agreed for a joint motion to dismiss the case on June 19, 2024, with prejudice to its refile, as the issues between the parties have now become moot and academic by reason of the parties' mutual waiver of their respective claims against each other in connection with, in relation to, and incidental to the instant case. Resolution has been achieved to the satisfaction of all parties, this matter has been formally closed.

3. Figaro Coffee Systems, Inc., plaintiff, -versus- Philippine Air Asia, Inc., defendant.

Civil Case No. 21-01559; RTC Branch 118; Pasay City (Sum of Money)

FCSI filed a case for collection for sum of money amounting to ₱16,746,587.99 plus legal interests accruing from the date of extra-judicial demand against Philippine Air Asia, Inc. (“Air Asia”). The case arose from Air Asia's failure to pay its obligations under the Supply Agreement dated July 17, 2017 for the supply of meals and food products for its crew and employees.

The case was instituted on July 27, 2021.

Status: On 02 May 2025, Air Asia has fully settled the remaining balance amounting to ₱227,728.39. The case between FCSI and Air Asia is now concluded

Item 13. Acquisition or Disposition of Property

There are no actions or matters to be discussed in the Annual Stockholders' Meeting with respect to the acquisition or disposition of any significant Company property.

Item 14. Restatement of Accounts

There are no actions or matters to be discussed in the Annual Stockholders' Meeting with respect to the restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The following are to be submitted for approval during the Annual Stockholders' Meeting:

- (i) Minutes of the Special Stockholders' Meeting held on 05 November 2025;
The minutes of the last Special Meeting of Stockholders held on 05 November 2025 will be presented for approval by the stockholders, in keeping with Section 49(a) of the Revised Corporation Code.
- (ii) President's Report based on the Annual Report and 2025 Audited Consolidated Financial Statements of the Company;
- (iii) Approval of the Annual Report and Audited Financial Statements for the Fiscal year ended 30 June 2025;

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 Actions

- (i) Approval of the Minutes of the Previous Special Stockholders' Meeting held on 05 November 2025
- (ii) Ratification of Matters Approved and Taken by FCGI's Management and Board of Directors from 05 November 2025 to date of Annual Stockholders' Meeting
- (iii) Approval of the Annual Report and Audited Financial Statements of the Company for the year ended 30 June 2025
- (iv) Election of the Members of the Board of Directors including the Independent Directors for the Ensuing Year
- (v) Appointment of the Company's External Auditors for Fiscal Year 2026

Item 18. Voting Procedures

Manner of Voting

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

Considering the COVID 19 pandemic and to conform with the government's mandate to exercise social distancing and to avoid mass gatherings, voting may only be done *in absentia* or through the submission of a duly executed proxy in favor of the Chairman.

Stockholders as of Record Date who have successfully registered their intention to participate in the annual meeting via remote communication and to vote in absentia, duly verified and validated by the Company shall be provided with unique log-in credentials to securely access the voting portal and participate and watch the online meeting of the stockholders of the Company. A stockholder voting electronically in absentia shall be deemed present for purposes of quorum.

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies.

Vote Required

With respect to the approval of the minutes of the previous special stockholders' meeting, the ratification of matters approved and taken by FCGI's Management and Board of Directors from 05 November 2025 to date of Annual Stockholders' Meeting, the approval of the 2025 audited financial statements, appointment of external auditor, and the approval or ratification of the other actions set forth above, the vote of majority of the outstanding capital stock entitled to vote and represented in the meeting is required to approve such matters.

Method of counting votes

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies at the Annual Meeting of the stockholders.

Considering the COVID 19 pandemic and to conform with the government's mandate to exercise social distancing and to avoid mass gatherings, voting may only be done by remote communication, in absentia or by proxy.

All votes received shall be tabulated by the Office of the Corporate Secretary with the assistance of the Company's stock transfer agent. The Corporate Secretary shall report the partial results of voting during the meeting. The actual voting results shall be reflected in the minutes of the meeting.

The requirements and procedure for registration, participating and voting are set forth in **Annex "A"** to the Information Statement.

UNDERTAKING

UPON WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. SUCH WRITTEN REQUEST SHOULD BE ADDRESSED TO:

THE OFFICE OF THE CORPORATE SECRETARY

c/o ATTY. MAHLEENE G. GO

Penthouse, Liberty Center,
104 H.V. dela Costa Street,
Salcedo Village, Makati City

SIGNATURE PAGE

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 on 12 November 2025.

FIGARO CULINARY GROUP, INC.
(formerly Figaro Coffee Group, Inc.)

By:



DIVINA GRACIA G. CABULOY
President and CEO

VIRTUAL ANNUAL STOCKHOLDERS' MEETING AND REQUIREMENTS AND PROCEDURES FOR ELECTRONIC VOTING IN ABSENTIA

The Annual Meeting of the stockholders of FIGARO CULINARY GROUP, INC. ("FCGI" or the "Company") will be held on Wednesday, 3th day of December 2025 at 2:00 p.m.

In order to ensure the safety and welfare of our stockholders in light of the COVID-19 situation, the Company will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication and by voting in absentia, or voting through the Chairman of the meeting as proxy.

Pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, the Corporation has set up a designated web address which may be accessed by the stockholders to participate and vote in absentia on the agenda items presented for resolution at the meeting. A stockholder who votes in absentia or who participates by remote communication shall be deemed present for purposes of quorum.

The following are the rules and procedures for the conduct of the meeting:

- (i) Stockholders may attend the meeting remotely through Zoom with links to be posted in FCGI's website (the "Website") pursuant to FCGI's Online Registration and Voting (ORV) System (the "ORV System"). Stockholders may send their questions or comments prior to the meeting by e-mail at info@figaro.ph. The Company's ORV System shall include a mechanism by which questions may be posted live during the meeting. The Company will endeavor to answer all questions submitted prior to and in the course of the meeting, or separately through the Company's Investor Relations Office.
- (ii) Each of the Agenda items which will be presented for resolution will be shown on the screen during the live streaming as the same is taken up at the meeting.
- (iii) Stockholders must register through the Company's ORV System to personally participate in the meeting by remote communication and to be included in determining quorum, together with the stockholders who voted by proxy.
- (iv) Voting shall only be allowed for stockholders registered in the ORV System at <https://www.figaro.ph/investors/> or through the Chairman of the meeting as proxy.
- (v) All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock represented at the meeting.
- (vi) Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes.
- (vii) The Company's stock transfer agent and Corporate Secretary will tabulate and validate all votes received.

Registration Period

Registration to vote in absentia or via an absentee ballot may be made through ORV System at <https://www.figaro.ph/investors/> from 9:00 a.m. of 11 November 2024 until 5:00 p.m. of 21 November 2025. Beyond this time and date, a stockholder may no longer be allowed to personally participate in the Annual Meeting of the stockholders but may still vote through the Chairman of the meeting as proxy, by submitting a duly accomplished proxy form, on or before **21 November 2025**.

Registration Requirements

The following are needed for the online registration:

A. For Individual Stockholders

1. The unique Stockholder ID which the Stockholder should request from Philippine National Bank acting through its Trust Banking Group, the stock transfer agent (STA) of FCGI, before commencing with the online registration. Stockholders may reach the STA within the Registration Period, Monday to Friday from 9:00 a.m. to 5:00 p.m.
2. Full name of the Stockholder;
3. Valid and current email address;
4. Valid and current contact number, including the area code (landline or mobile number);
5. Citizenship/Nationality; and
6. Digital copy of the Stockholder's valid and unexpired government-issued ID (in JPG format).

B. For Corporate Stockholders

1. Secretary's certificate or equivalent document (in case of a non-resident stockholder) attesting to the authority of the representative to vote for and on behalf of the corporation;
2. The unique Stockholder ID which the Stockholder should request from the STA before commencing with the online registration. Stockholders may reach the STA within the Registration Period, Monday to Friday from 9:00 a.m. to 5:00 p.m.
3. Full name of the Stockholder's Representative;
4. Valid and current email address of the Stockholder's Representative;
5. Valid and current contact number (landline or mobile number) of the Stockholder's Representative;
6. Citizenship/Nationality of the Stockholder's Representative; and
7. Digital copy of the valid and unexpired government-issued ID of the Stockholder's Representative (in JPG format).

C. For Stockholders with shares under Broker Accounts (PCD Nominees)

In addition to the requirements specified in Item A or B above:

1. A certification from the stockholder's broker on the Stockholder's shareholdings in the Company as of the Record Date (in JPG format); and
2. The unique Broker's ID assigned to stockholder's broker by the PCD, together with sub-ID number assigned by such broker to the stockholder, which the stockholder should request from such broker before commencing with the online registration.

In all cases, incomplete or inconsistent information may result in an unsuccessful registration. As a result, stockholders will not be allowed access to vote electronically *in absentia* but may still vote through the Chairman of the meeting as proxy, by submitting a duly accomplished proxy form, on or before 21 November 2025.

Online Registration Procedure

1. Prior to online registration:
 - (a) For shareholders holding share certificates, contact the STA via email at avilesjml@pnb.com.ph to secure your unique Stockholder ID. Stockholders are encouraged to secure said unique Stockholder ID via email at avilesjml@pnb.com.ph as this has been set up as the primary manner for securing such ID. When contacting the STA, please be prepared to indicate your stock certificate number/s and corresponding number of shares.
 - (b) For stockholders whose shares are lodged under broker accounts, in addition to Item 1 (a) above, please contact your respective brokers to secure the necessary requirements under Item C (Registration Requirements).
2. Log-in into the ORV System using your unique individual Stockholder ID/Broker's ID. Please ensure that you have prepared the necessary information and requirements.
3. Read the Data Privacy Notice in the ORV System. If you agree to its terms, please check the box signifying your consent to the processing of your personal information which shall be used solely for purposes of Annual Stockholders' Meeting of FCGI.
4. Enter the information required in the respective fields and upload the digital copies of your valid government-issued photo ID. When all information and digital copies have been uploaded, please click the "Submit" button.

Reminders:

- Please take note of your Stockholder ID/Broker ID and Authentication Code (as described below) and keep them in a safe place. While the Company shall endeavor to take all reasonable steps to generate replacements, the Company cannot in any way guarantee that it will be able to do so in a timely manner.
- A Stockholder's online registration cannot be completed if any of the mandatory requirements are not submitted.
- Only Stockholders who submitted the complete requirements thru the ORV System by 21 November 2025, 5:00 P.M., are entitled to personally participate in the Annual Stockholders' Meeting of FCGI.
- In any event, stockholders whose registration cannot be completed may still vote through the Chairman of the meeting as proxy, by submitting a duly accomplished proxy form, on or before 21 November 2025.
- In case of any issues relating to your registration in the ORV System, or in case you lose your Stockholder ID or Authentication Code, please send an email to info@figaro.ph or to avilesjml@pnb.com.ph.

Verification of Stockholder Registrations

The Company or the STA shall verify the information and details submitted through the Electronic Voting in Absentia System, starting on 11 November 2025.

After verification of complete submission of the required information and documents, the stockholder shall receive an e-mail confirming registration in the ORV System through the stockholder's e-mail address provided in such registration. Such e-mail confirmation shall include the stockholder's unique Authentication Code (for use during the online AGM) and detailed instructions on how to participate and cast votes in the Annual Meeting of the stockholders of the Company.

In the event that you have not received such e-mail notification by 1 December 2025, please call or contact the Company or the STA.

Annual Meeting of the Stockholders

The Annual Meeting of the stockholders of FCGI shall be broadcasted online. The procedure for online voting, as well as the manner by which stockholders may bring up questions or concerns to the Board of Directors, shall be emailed to stockholders who successfully registered before the lapse of the Registration Period and whose registration has been verified.

Data Privacy

Each individual stockholder's (or that of the corporate stockholder's Authorized representative) data will be collected, stored, processed and used exclusively for the purposes of electronic registration in the ORV System of FCGI for Annual Meeting of the stockholders. Personal information will be processed and retained in accordance with the Data Privacy Act of 2012 and applicable regulations. The detailed data privacy policy of the Company may be accessed through the Company's website.

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **CORAZON P. GUIDOTE**, Filipino, of legal age, and a resident of [redacted], after having been duly sworn to in accordance with law, do hereby declare that:

1. I am an Independent Director of Figaro Culinary Group, Inc. ("FCGI") or (the "Corporation") and have been its independent director since 2021.
2. I am and was affiliated with the following companies or organizations:

COMPANY / ORGANIZATION	POSITION / RELATIONSHIP	PERIOD OF SERVICE
Figaro Culinary Group, Inc. (PSE Listed)	Independent Director, Chairman - Corporate Governance & Nominations Committee	2021 to present
College of the Holy Spirit Alumnae	Member, Board of Trustees	2020 to present
Cirtek Holdings Philippines	Independent Director	2019 to present
Universidad de Manila	Member, Board of Regents	2019 to 2024
Institute of Corporate Directors	Teaching Fellow	2019 to 2021

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding.
5. I am faithfully and diligently complied 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.
6. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done this NOV 06 2025 in Makati City.

Corazon P. Guidote
CORAZON P. GUIDOTE
Affiant

SUBSCRIBED AND SWORN to before me this NOV 06 2025 in MAKATI CITY, affiant exhibiting to me her LTO Drivers' License issued on October 2023 at Quezon City and expiring on 21 October 2033.

Doc. No. 115 ;
Page No. 24 ;
Book No. III ;
Series of 2025.

Vivien Rose C. de Guzman
VIVIEN ROSE C. DE GUZMAN
Appointment No. M-318
Notary Public for Makati City
Until December 31, 2026
Liberty Center-Picazo Law
104 H.V. Dela Costa Street, Makati City
Roll of Attorney's No. 85310
PTR No. 10468829/Makati City/01-03-2025
IBP No. 510907/Quezon City/12-17-2024
Admitted to the bar in 2023
MCLE No. VIII-0026215/ April 7, 2025

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **HECTOR R. VILLANUEVA**, Filipino, of legal age, and a resident of [redacted] after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of Figaro Culinary Group, Inc. ("FCGI") or (the "Corporation") and have been its independent director since 2021.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
Figaro Culinary Group, Inc. (PSE Listed)	Independent Director and Board Risk Committee Chairman	2021 to present
First Metro Philippine Equity Exchange Traded Fund, Inc.	Chairman	January 2013-2015


3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding.
5. 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.
6. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done this NOV 06 2025 in Makati City.


HECTOR R. VILLANUEVA
Affiant

SUBSCRIBED AND SWORN to before me this NOV 06 2025 in MAKATI CITY, affiant exhibiting to me his [redacted] issued on 11 July 2019 at DFA NCR South and expiring on 10 July 2029.

Doc. No. 116 ;
Page No. 25 ;
Book No. 111 ;
Series of 2025.


VIVIEN ROSE R. DE GUZMAN
Appointment No. M-318
Notary Public for Makati City
Until December 31, 2026
Liberty Center-Picazo Law
104 H.V. Dela Costa Street, Makati City
Roll of Attorney's No. 85310
PTR No. 10468829/Makati City/01-03-2025
IBP No. 510907/Quezon City/12-17-2024
Admitted to the bar in 2023
MCLE No. VIII-0026215/ April 7, 2025

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **SENEN L. MATOTO**, Filipino, of legal age, and a resident of [REDACTED] after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of Figaro Culinary Group, Inc. (the “Corporation”) and have been its Independent Director since 2021.
2. I am affiliated with the following companies or organizations:

COMPANY /ORGANIZATION	POSITION / RELATIONSHIP	PERIOD OF SERVICE
Hann Holdings, Inc.	Independent Director	2025 to present
Financial Executives Institute of the Philippines	Director	2024 to present
The Daily Tribune	Columnist	2022 to present
Figaro Coffee Group, Inc. (PSE Listed)	Independent Director and Audit Committee Chairman	2021 to present
International Coach Federation Philippines Chapter	Executive Coach	2021 to present
Institute of Corporate Directors	Trustee	2021 to present
Center of Excellence in Governance	Director	2021 to present
PhilGuarantee Corporation	Independent Director / Audit Committee Chair	2021 to present
Yuanta Savings Bank Philippines, Inc.	Independent Director / Audit Committee Chair	2019 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding.
5. 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.
6. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done this 6 November 2025 in Makati City.



SENEN L. MATOTO
Affiant

SUBSCRIBED AND SWORN to before me this **NOV 06 2025** in
MAKATI CITY, affiant exhibiting to me his _____ issued on 19
November 2020 at DFA NCR South and expiring on 18 November 2030.

Doc. No. 118 :
Page No. 25 :
Book No. II :
Series of 2025.



VIVIEN ROSE C. DE GUZMAN
Appointment No. M-318
Notary Public for Makati City
Until December 31, 2026
Liberty Center-Picazo Law
104 H.V. Dela Costa Street, Makati City
Roll of Attorney's No. 85310
PTR No. 10468829/Makati City/01-03-2025
IBP No. 510907/Quezon City/12-17-2024
Admitted to the bar in 2023
MCLE No. VIII-0026215/ April 7, 2025

Item 6. Management's Discussion and Analysis or Plan of Operation.

The following discussion should be read in conjunction with the accompanying consolidated financial statements and notes thereto, which form part of this SEC Form Amended 17-A as "Annex E". The consolidated financial statements and notes thereto have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS).

Fiscal Year 2024 – 2025 Results of Operations***Key Highlights***

- FCG, from its full acquisition of its subsidiary, Figaro Coffee Systems, Inc (FCSI) in June 21, 2021, saw a Consolidated FY July- June 30, 2025 Profit before tax of ₱672.0 million, barely P1.2M increase from June 30, 2024 Profit before tax of ₱670.83 million, despite the 7% same store sales growth decline, provided an improvement in profitability primarily because of the growth in the number of stores from 206 to 238 stores as of June 30, 2025 driven by the 30 net new stores opened for Angels Pizza.
- System-wide Sales FY ending June 30, 2025, amounted to ₱5.95 Billion, 5% increase from same periods ending June 30, 2024 System-wide Sales of ₱5.67 Billion
- Consolidated Revenues for FY ending June 30, 2025 stood at ₱5.67 Billion, 5% increase over same periods of Consolidated Revenues of ₱5.48 Billion.
- The increase in Revenues was primarily driven by the store openings from 206 store count ending June 30, 2024 to 238 stores ending June 30, 2025 or 32 net new store opening during the period or 15.5% increase in store count, which primarily are Angels Pizza Stores or about 94% of the newly opened stores.

Concept	STORE COUNT PER BRAND		
	June 30, 2025	June 30, 2024	June 30, 2023
Figaro	61	60	57
Angel's Pizza	157	127	96
Tien Mas, Koobideh Kebab	9	14	9
Figaro Express (formerly Café Portofino)	11	5	5
TOTAL	238	206	167

Cost of Sales

For the FY ending June 30, 2025, consolidated direct costs increased to ₱3.14billion or 7% increase from ₱2.94 billion based on June 30, 2024 direct costs.

Global inflation that started in April 2023 that significantly affected the cost of main raw materials like dairies, flour, meat products and stainless equipment and machines were slightly tamed down during the year due to massive supplier renegotiation significant cash payment discounts were availed in 2024 thru 2025. Consolidated cost of sales is mainly composed of raw material and packaging costs, direct labor costs, and store-related costs including rent, utilities, etc.

Consolidated gross profit increased to ₱2.53 billion for the FY ending June 30, 2025, representing a 1% increase from the ₱2.50 billion in the previous year same periods. This yielded a gross profit margin in 2025 of 45%, from 46% of July to June 2024 gross profit margin.

Operating Expenses

For the twelve months ending June 30, 2025, consolidated operating expenses totaled ₱1.79 billion, representing a cost-to-sales ratio of 31.5% from last year's same periods cost-to-sales ratio of 33.3%, primarily because of the increasing overhead and store support related expenses resulting from opening of new stores in the provinces during the period.

Net Interest Expense

Interest expense of ₱105.2 million was recorded for the twelve months ending June 30, 2025. This increase in financing costs was primarily due to the availment of additional bank loans to take advantage of the suppliers' prompt payment discounts to counter the inflationary effects of increasing prices increasing our bank loans to fund also store opening of 1,520M from 550M bank loan in 2024.

Other Income

Other income totaled ₱31.9 million as of FY ending June 30, 2025 from previous years same periods interest income of ₱26.3 million from the Institutional Sales revenues.

Net Income

For the FY ending June 30, 2025, consolidated net income after tax stood at ₱629.6 million, from P628.4 million NIAT of June 2024, a modest increase over same periods of 2024, yielding a net income margin of 11.1% in 2025 from 11.5% NIAT Margin of same periods of 2024.

FY2024 Financial Condition

FCG had consolidated total assets of ₱5.69 billion as of June 30, 2025, an increase of ₱1.34 billion or 31% increase versus total assets of ₱4.35 billion as of June 30, 2024, primarily because of the increased in Fixed assets resulting from opening of 32 new stores during the period.

Cash and cash equivalents

As of June 30, 2025, cash and cash equivalents totaled ₱331.30 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 at the end of the reporting periods as shown in the consolidated statements of cash flows can be reconciled to the related item in the consolidated statements of financial position as follows:

	2025		2024	
Cash on hand	₱	11,188,884	₱	13,867,400
Cash in banks		320,113,866		361,067,005
	₱	331,302,750	₱	374,934,405

Cash on hand pertains to revolving and change fund kept in the different branches. Bank accounts maintained are current accounts that do not earn interest.

Trade and other receivables

Trade and other receivables stood at ₱199.94 million as of FY end June 30, 2025 compared to ₱164.03 million in 2024 or 22% increase primarily because of new franchisees that opened during the period and the increased receivable from the improved volume of institutional accounts during the year.

Trade receivables which pertain to supplies billed to franchisees, commissary sales to certain institutions and receivable from credit card companies and food delivery services have an average credit period of sixty (60) days from the sale of goods.

No interest is charged on trade receivables. The Group determines that a customer is in default when it is already past due for 360 days and beyond. Trade receivables disclosed above include amounts which are past due at the end of the reporting period but against which the Group has not recognized an allowance for expected credit losses because there has been no significant amount on past due accounts which are 360 days and beyond. The Group does not hold any collateral or other credit enhancements over these balances, nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Aging of outstanding accounts that are past due but not impaired is as follows:

	2025		2024	
1 to 30 days	₱	131,984,098	₱	48,209,670
31 to 60 days		19,126,409		38,695,245
Over 60 days		48,832,023		77,129,770
	₱	199,942,530	₱	164,034,685

In determining the recoverability of trade receivable, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

In 2025, 2024 and 2023, no provision for expected credit loss was recognized for the Group's trade receivables because the Group believes that there is only an insignificant amount of expected credit loss therefrom.

Inventories

As of June 30, 2025, inventories increased to ₱436.94 million from ₱430.66 million in June 30, 2024 or 1% increased during the year as a result of increased operations from opening of new stores and to buffer stock with inventories secured at very low prices and at a discount to counter the inflationary pressures and the increasing prices of the raw materials and other direct costs.

The Group's inventories pertaining to foods, beverages, store and kitchen supplies amounted to ₱436,935,354 and ₱430,658,720, respectively, as of June 30, 2025 and 2024.

The cost of inventories recognized as an expense amounted to ₱1,858,788,785, ₱1,885,028,161 and ₱1,613,512,610, in 2025, 2024 and 2023.

Inventories are expected to be recovered within twelve (12) months after the reporting period.

There are no unusual purchase commitments and accrued net losses on such commitments. There are no losses which are expected to arise from firm and non-cancellable commitments for the future purchase of inventory items.

Property, plant, and equipment

ANNEX D

Consolidated net property, plant, and equipment stood at ₱3.89 billion as of FY end June 30, 2025 or 54% increase from ₱2.53 billion of June 30, 2024 which were primarily invested in the opening of new stores and the construction of satellite commissaries.

The carrying amounts of the Group's property and equipment as of June 30, 2025 and 2024, are as follows:

	Office and Store Equipment	Building and Building Improvements	Total
June 30, 2023			
Cost	₱ 1,227,852,728	₱ 761,891,307	₱ 1,989,744,035
Accumulated depreciation	(325,958,023)	(450,691,503)	(776,649,526)
Carrying Amount	901,894,705	311,199,804	1,213,094,509
Movements during 2024			
Balance, July 1, 2023	901,894,705	311,199,804	1,213,094,509
Additions	370,910,824	1,161,382,473	1,532,293,297
Depreciation	(77,001,708)	(141,291,464)	(218,293,172)
Balance, June 30, 2024	1,195,803,821	1,331,290,813	2,527,094,634
June 30, 2024			
Cost	1,598,763,552	1,923,273,780	3,522,037,332
Accumulated depreciation	(402,959,731)	(591,982,967)	(994,942,698)
Carrying Amount	1,195,803,821	1,331,290,813	2,527,094,634
Movements during 2025			
Balance, July 1, 2024	1,195,803,821	1,331,290,813	2,527,094,634
Additions	795,013,672	932,636,037	1,727,649,709
Depreciation	(192,127,744)	(172,371,246)	(364,498,990)
Balance, June 30, 2025	1,798,689,749	2,091,555,604	3,890,245,353
June 30, 2025			
Cost	2,393,777,224	2,855,909,817	5,249,687,041
Accumulated depreciation	(595,087,475)	(764,354,213)	(1,359,441,688)
Carrying Amount	₱ 1,798,689,749	₱ 2,091,555,604	₱ 3,890,245,353

In 2025, 2024 and 2023, all additions were paid in cash.

Depreciation is allocated as follows:

		2025		2024		2023
Direct cost	₱	-	₱	-	₱	6,394,035
Operating expenses		364,498,990		218,293,172		304,287,330
	₱	364,498,990	₱	218,293,172	₱	310,681,365

In 2025, 2024 and 2023, Management assessed that there were no indications of impairment existing in property and equipment.

Accounts payable and other current liabilities

Accounts payable and other current liabilities stood at ₱370.1 million from ₱382.6 million or 3% decrease from the previous year primarily because of the availment of the prompt payment discount to control and cushion the effect of global inflation.

The components of trade and other payables account are as follows:

		2025		2024
Trade	₱	337,029,748	₱	331,242,122
Due to government agencies		33,788,678		11,824,222
Customers' deposits		-		34,685,463
Gift certificate payable		-		3,495,200
Accrued expenses		-		1,353,200
	₱	370,818,426	₱	382,600,207

The average credit period on purchases of certain goods from suppliers is thirty (30) days. No interest is charged on the trade payables from the date of the invoice.

Customer's deposits pertain to down payments made by customers on their purchases.

Due to government agencies include expanded and compensation withholding taxes and other statutory payables.

Accrued expenses pertain to accrual of professional fee and other services.

Loans payable

As of June 30, 2025, the Company's total interest-bearing debt stood at ₱1,520.98 million from last year's same period, short-term loans amounting to ₱550 million. This new loan availment aside from funding the new store opening and additional commissary facilities and capacities, we also availed short term financing to availed of the supplier cash payment discounts that have cushioned the inflationary impact on our raw materials and thus have improved our margins that kept us afloat during price wars with our competitors.

		2025		2024
Balance, July 1	₱	550,435,689	₱	30,000,000
Assumed from business combination		1,055,000,000		1,050,000,000
Payments		(84,451,369)		(529,564,311)
Balance, June 30	₱	1,520,984,320	₱	550,435,689

The loans availed is used for additional working capital of the Group. The loans bear an interest rate of 5.5% to 8.5% with a term of 180 days to one (1) year. The loans are secured by the corporate guaranty of Camerton, Inc. a related party under common key management.

In 2025, 2024 and 2023, finance costs incurred and paid amounted to ₱25,436,409, ₱1,817,310 and ₱1,519,647, respectively.

The Group is not required to maintain any ratios or thresholds. In 2025 and 2024, the Group is compliant with the terms and conditions of the loan contract.

Cash flows

Consolidated net cash provided by operating activities amounted to ₱1,016 million for the FY ending June 30, 2025 resulting from 4% revenue increase from last year.

Consolidated net cash used in investing activities was ₱1,761.1 million, mainly attributable to capital expenditures for 32 new store openings, commissary satellites and commissary and equipment upgrades.

Consolidated net cash provided in financial activities was at ₱717.7 million in FY ending June 30, 2025, which includes the proceeds from bank loans of 1,055M less the payments of dividends of 147M and the payment of loans of 84.45M.

All in all, net cash flow used for the year totaled ₱27.78 million, leading to cash and cash equivalents balance of ₱331.30.04 million FY ending June 30, 2025.

Key Performance Indicators (KPIs)

	Audited 12 Months Ended June 30, 2025	Audited 12 Months Ended June 30, 2024	Proforma 12 Months Ended June 30, 2023
Gross Profit Margin	45%	46%	45%
Before Tax Return on Sales	12%	12%	14%
Return on Equity	18%	20%	22%
Net Gearing Ratio	0.33x	0.06x	0.01 x
Current Ratio	1.29x	1.19x	3.74 x

Notes:

1 Gross Profit margin = Gross Profit / Net Revenue

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

3 Return on Equity = Net Income / Average Equity

4 Net gearing ratio = (Interest-bearing liabilities – Cash) / Total Equity

5 Current Ratio = Total Current Assets / Total Current Liabilities

Any Known Trends, Events or Uncertainties (Material Impact on Liquidity)

There is no event that will trigger a direct or contractual financial obligation that is material to the Company. The Company also has no material off-balance sheet transactions.

Market Information – Price Information as of Latest Practicable Trading Date

As of 11 November 2025, the closing price of FCGI shares at the PSE is at an average of Php0.58.

Discussion on Compliance with Leading Practice on Corporate Governance

The company aims to establish an evaluation system through a Board Self Evaluation by the Board to be adopted in the Manual of Corporate Governance. The company fully complies with the adopted leading practices on good governance by attending annual seminar on Corporate Governance as required by SEC, this year FCG BOD and officers attended last March 19, 2024 via Zoom as conducted by Center for Global Best Practices. As to the deviation from the company's Manual of Corporate Governance, there have been no deviations with the outlined objectives of the company's Manual of Corporate Governance.

Item 7. Financial Statement

The Company's Financial Statement and Notes is attached herewith as "**Annex E**".

Item 8. Information on Independent Auditor

De Jesus & Teofilo is a distinguished audit and consulting firm led by seasoned professionals with extensive expertise in audit, taxation, and business advisory services. The firm is headed by **Romeo A. De Jesus, Jr.**, a globally experienced tax and business advisor who has held leadership roles in multinational corporations and Philippine accounting practices, and serves as director in multiple companies across fintech, remittance, petroleum, and accounting systems. **Gerardo S. Teofilo, Jr.** brings over 15 years of audit and business management experience, currently serving as Comptroller of a major wholesale and retail conglomerate, with deep knowledge in financial reporting, internal controls, and compliance. **Percival R. De Guzman** contributes nearly three decades of audit and consulting experience, having held senior roles in both Big Four and leading Philippine accounting firms, and holds an MBA from Ateneo Graduate School of Business. Collectively, the partners of De Jesus & Teofilo combine technical excellence with strategic business insight, delivering comprehensive and reliable audit and advisory services across diverse industries.

The following table sets out the aggregate fees billed for each of the years ended June 30, 2021, June 30, 2022 and June 30, 2023 for professional services rendered, excluding fees directly related to the Offer:

**FIGARO CULINARY GROUP, INC.
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE RELATED INFORMATION**

30 JUNE 2025

	Current Year	Prior Year
	2025	2024
Total Audit Fees	1,107,680.00	1,492,738.70
Non-audit services fees:		
Other assurance services	0.00	0.00
Tax Services	0.00	0.00
All other services	0.00	0.00
Total Non-audit Fees	0.00	0.00
Total Audit and Non-audit Fees	1,107,680.00	1,492,738.70

In relation to the audit of our annual financial statements, our Manual on Corporate Governance provides that the Audit Committee shall, among other activities, oversee, monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, engage and provide oversight of the Company's internal and external auditors.



07 November 2025

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

PHILIPPINE STOCK EXCHANGE, INC.

6th Floor, PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City
Taguig 1635, Philippines

Attention: **NORBERTO T. MORENO JR.**
Head, Listings Department
Issuer Regulation Division


ATTY. JOHANNE DANIEL M. NEGRE
Officer-In-Charge
Disclosure Department

Re: **FCG ANNUAL REPORT**

Gentlemen:

Attached herewith is the Figaro Culinary Group, Inc.'s ("FCG") Annual Report SEC Form 17 – A for the fiscal year ending 30 June 2025.

Truly Yours,



JOSE PETRONIO VICENTE D. ESPAÑOL III
Chief Financial Officer, Treasurer

COVER SHEET

C S 2 0 1 8 1 1 1 1 9

SEC Registration Number

F I G A R O C U L I N A R Y G R O U P , I N C .

(Company's Full Name)

1 1 6 E A S T M A I N A V E . P H A S E V - S E Z
L A G U N A T E C H N O P A R K , B I N A N , L A G U N A
4 0 3 4

(Business Address: No. Street City/Town/Province)

Sigrid Von D. De Jesus

(Contact Person)

0917-8832172

(Company Telephone Number)

0 6 3 0

Month Day
(Fiscal Year)

SEC 17-A

(Form Type)

DEC 04

Month Day
(Annual Meeting)

N/A

(Secondary License Type, If Applicable)

SEC-MSRD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17 – A, *AS AMENDED*

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

- 1. For the Fiscal year ended: **30 JUNE 2025**
- 2. SEC Identification Number: **CS201811119**
- 3. BIR Tax Identification Number: **010-061-026-000**
- 4. Exact Name of Issuer as specified in its charter **FIGARO CULINARY GROUP, INC.**
(formerly FIGARO COFFEE GROUP, INC.)

- 5. **LAGUNA, PHILIPPINES**
Province, Country or other jurisdiction of
incorporation or organization
- 6. (SEC Use only)
Industry Classification Code:

- 7. **116 EAST MAIN AVENUE, PHASE V – SEZ LAGUNA TECHNOPARK, BIÑAN LAGUNA 4034**
Address of Principal Office Postal Code: 4034

- 8. **(632) 8.812-17-18**
Issuer’s Telephone Number, including area code

- 9. **33 MAYON ST. BGY. MALAMIG MANDALUYONG CITY**
Former name, former address, and former fiscal year, if changed since last report

- 10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	5,468,455,298

- 11. Are any or all of these securities listed on a Stock Exchange?

Yes [✓] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:
THE PHILIPPINE STOCK EXCHANGE, INC.

- 12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and [SRC Rule 17.1](#) thereunder

or Section 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 that 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 []

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

As of 30 June 2025

	2025
Total Number of Outstanding Common Shares	5,468,455,298
Less: Outstanding Shares held by Affiliates	4,179,101,299
Shares Held by Non-Affiliates	1,289,353,999
Closing Price as of 30 June 2025	0.71
Aggregate Market Value of Voting Stock held by Non-Affiliate	915,441,339.29
Level of Public Float based on available information as of 30 June	23.58%

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/ SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all the documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes [] No []

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17 – A into which the document is incorporated:

(a) Annex A : Sustainability Report;

(b) Annex B : List of Stockholders;

(c) Annex C : Consolidated Financial Statements of Figaro Culinary Group, Inc. (the "Company") or (formerly Figaro Coffee Group, Inc.) and Figaro Coffee Systems, Inc. (the "Subsidiary") for the fiscal year ending 30 June 2025;

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PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business Overview

The Figaro Culinary Group, Inc. (formerly Figaro Coffee Group, Inc.) is proud to be a purely Filipino and home-grown diversified food group with over 25 years in the industry. Figaro Culinary Group, Inc. operates through its wholly-owned subsidiary, Figaro Coffee Systems, Inc. (“FCSI”).

The Figaro Culinary Group, Inc. is a set of retail restaurants with 223 branches nationwide that serve a wide variety of food offerings and services. As of 31 October 2025, the Figaro Group currently operates 55 Figaro coffee shops, 159 Angel’s Pizza outlets, 8 Tien Ma’s Taiwanese cuisine restaurants, and 1 Koobideh Kebabs.

Quality is our top priority. We ensure high quality products by controlling our production process, from roasting our own coffee weekly, producing our own breads, pastries and food products, and engaging with suppliers that meet the same high-quality standards. Daily internal and external auditors are present to keep improving our quality standards. Across all our brands, we seek to deliver the best value-for-money. We strive to offer the best-tasting products at the best price. Compared to all our competitors, our products; taste profiles and price is unbeatable.

People are our assets. We value our employees and customers because they are what make us great.

We have extensive and innovative menu offerings that cater to a wide market. We are best known for coffee drinks and pastries (Figaro Coffee). Creamy Spinach Dip (Angel’s Pizza) and Xiao Long Bao (Tien Ma’s Taiwanese cuisines). We cater to families and groups through our large-sized offerings at Tien Ma’s and through our pizzas and bundles at Angel’s Pizza, and we also cater to corporate and private functions/ events through Figaro Coffee. We have developed four different successful store formats – full store, dual concept, kiosk and cart. We complement our dine-in services with an efficient delivery system and an expanding online sales platform. We believe that our various store formats and sales channels provide us the flexibility to locate in and grow with the different markets we serve.

Figaro Innovation and Development Inc. (“FIDI”), a subsidiary of Figaro Coffee Systems Inc. (FCSI), commenced commercial operations in 2023. The company was duly certified by the Department of Trade and Industry (DTI) Export Management Bureau on September 8, 2023 and the Philippine Economic Zone Authority (PEZA) as an Accredited Coffee Exporter, authorized to engage in the production of coffee blends, including the House Reserve, Espresso Blend, and French Roast. PEZA likewise recognized FIDI as an Export Enterprise for these activities.

On October 7, 2024, PEZA issued a Certificate of Registration (COR) to FIDI for its new project involving the production of pizza products and frozen pizza. This new activity was likewise registered under PEZA as an Export Enterprise and is entitled to the same set of incentives previously granted for the coffee blend operations. These incentives include: an Income Tax Holiday (ITH) for five (5) years, Special Corporate Income Tax (SCIT) for ten (10) years, duty exemption for fifteen (15) years, and exemption from Value-Added Tax (VAT) and VAT zero-rating for fifteen (15) years.

The primary goal of FIDI is to develop and innovate trailblazing products and processes that will level up the F&B industry, to provide products and services that will make their operations more efficient and to promote Filipino brands, products and raw materials globally.

Recently, FIDI received a copy of the Certificate of Registration No.2024-00145-PEZA-EX-C10-2 issued by PEZA on 07 October 2024, certifying FIDI’s registration as an Export Enterprise engaged in the production of pizza products and frozen pizza.

Item 2. Properties

As of 31 **October 2025**, we lease the following properties:

#	STORES	DATE OF EXPIRATION	RENTAL FEES	TERMS OF RENEWAL	REMARKS
HEAD OFFICE					
1	FCGI – BINAN LAGUNA	07 June 2030	60,000	9	
2	FCSI – MAYON 01	14 Dec 2035	937,124.99	10	
3	FCSI – MAYON 02	11 Nov 2037	451,406.25	10	
4	CEBU WAREHOUSE	21 Oct 2028	160,000.00	6	
5	TARLAC WAREHOUSE	31 Nov 2025	70.00 / sqm	3	
FIGARO COFFEE					
1	ACIENDA SILANG (Dual Concept)	31 Dec 2025	53,341.20	2	
2	ANALOG 1	02 Sept 2027	15% on Sales	3	
3	ANALOG 2	02 Sept 2027	15% on Sales	3	
4	ASSUMPTION MAKATI	30 May 2026	15% on sales	9 mos	
5	AYALA TERRACES CEBU	31 Dec 2025	5% on sales	2	
6	CENTRO ESCOLAR UNIVERSITY	31 July 2025	17,920.00	1	For renewal
7	DELOS SANTOS MEDICAL CENTER	31 Dec 2027	33,170	3	
8	FIRST SUMIDEN	30 June 2025	15% on Sales	1	For renewal
9	HIGHSTREET	31 Dec 2025	116,695.42	1	
10	MAKATI MEDICAL CENTER	31 Aug 2027	13,300	2	
11	MANULIFE 1 (UP TECHNOHUB)	28 Feb 2025	15% on sales	5 mos	For renewal
12	MANULIFE 2 (UP TECHNOHUB)	01 July 2025	15% on sales	5 mos	For renewal
13	MAXIM	31 Jan 2025	15% on Sales	3	For renewal
14	MEDICAL CITY	31 Dec 2025	78,463.14	3	
15	MONACO STRIP TAYTAY	October 2028	93,236.00	5	
16	ONSEMICON	21 Apr 2025	15% on Sales	2	For renewal
17	PGH	30 Sept 2023	5% of Sales	4	For renewal
18	PNB	20 Feb 2026	700.00 / sqm	1	
19	SCHNEIDER	31 Dec 2025	10% on Sales	1	
20	SHANGRILA	30 June 2026	114,443.93	1	
21	SLU – BAGUIO	31 July 2027	47,980.00	2	
22	SM BAGUIO	31 Oct 2025	5% on Sales	2	
23	SM STO. TOMAS BATANGAS	31 Oct 2026	5% on Sales	3	
24	TOSHIBA 1	30 June 2025	15% on Sales	2	For renewal
25	TRINOMA	31 Dec 2025	14,002.80	1	
26	UST	31 Dec 2026	57,436.76	3	
27	VELOCE ANGELES CITY	Sept 2029	78,370.00	5	
28	WALTERMART NORTH EDSA	31 Oct 2026	7% on Sales	3	
29	WALTERMART SUCAT	31 Oct 2025	6% on Sales	3	
30	WORLD TRADE CENTER	31 Dec 2024	15% on sales	1	For renewal

#	STORES	DATE OF EXPIRATION	RENTAL FEES	TERMS OF RENEWAL	REMARKS
ANGEL'S PIZZA					
1	ACIENDA SILANG (Express /Dual Concept)	31 Dec 2025	6% of Sales	2	
2	AGOO LA UNION	31 May 2029	63,800	5	
3	ALMANZA LAS PINAS	31 Aug 2029	130,000	5	
4	ANGELES	31 Mar 2026	65,000	5	
5	ANTIPOLO	31 Jan 2030	68,582.67	5	
6	AYALA TERRACES (EXPRESS)	31 Dec 2025	5% of Sales	2	
7	AYALA MANILA BAY (EXPRESS)	31 Dec 2025	1,575.00/sqm	1	
8	AURORA BLVD. QC	07 Apr 2029	109,782.00	5	
9	BACOR	30 Apr 2026	90,000	5	
10	BAGUIO PALACE	31 Mar 2031	267,179	8	
11	BASAK CEBU	30 June 2028	81,790.80	6	
12	BDO CORPORATE CENTER (EXPRESS)	09 Apr 2026	20,000	6 mos	
13	BGC	30 June 2026	1,000/ sqm	5	
14	BINANGONAN RIZAL	20 Apr 2029	100,000	5	
15	BINONDO	31 July 2029	140,000	5	
16	BUTUAN	14 Aug 2034	110,638.00	10	
17	CAINTA	30 June 2026	103,576.03	5	
18	CALAPAN MINDORO	17 Aug 2028	128,595.50	5	
19	CALOOCAN (formerly MONUMENTO)	11 Dec 2028	150,000.00	5	
20	CANDELARIA, QUEZON	30 Apr 2029	118,263.16	5	
21	CAPAS TARLAC	31 Oct 2029	73,450.00	5	
22	CAPITOL SQUARE BALANGA	14 Apr 2028	76,389.50	5	
23	CAUAYAN ISABELA	14 Oct 2029	107,000	5	
24	CDO	01 June 2032	161,891.00	8	
25	CITYWALK TARLAC	30 June 2030	500.00/sqm	8	
26	CONSOLACION CEBU	31 Oct 2028	160,000	6	
27	DASMA CAVITE	31 May 2028	90,000	6	
28	DAU PAMPANGA	14 May 2031	235,200	8	
29	DAVAO (AVIDA)	30 June 2027	744.19/ sqm	5	
30	DOÑA SOLEDAD	28 Feb 2027	-	20	Inclusive of fleet card usage
31	DUMAGUETE	31 Mar 2031	109,686.50	8	
32	FAIRVIEW	07 Feb 2027	20,000	3	
33	FISHERMALL QUEZON AVE. (EXPRESS)	30 June 2026	35,000	2	
34	GENERAL TRIAS	31 July 2026	472.50/sqm	5	
35	GLORIETTA (EXPRESS)	31 Dec 2025	15% of Sales	3	
36	HANSTON	30 Sept 2026	1,100/ sqm	5	
37	HOLY SPIRIT	19 Dec 2029	75,328.00	5	
38	IMUS	04 Apr 2028	95,285.74	5	
39	IT PARK CEBU	12 Feb 2030	107,000	5	

#	STORES	DATE OF EXPIRATION	RENTAL FEES	TERMS OF RENEWAL	REMARKS
40	KABIHASNAN PARAÑAQUE	15 Jan 2028	65,000	5	
41	KALAYAAN	31 Jan 2026	29,741.25	3	
42	LAOAG ILOCOS NORTE	2028 June	84,000	5	
43	LA UNION	31 Jan 2031	120,000	8	
44	LAS PIÑAS	15 Mar 2026	100,000	5	
45	LG GARDEN MACTAN	31 July 2027	85,250	5	
46	LIPA	15 Dec 2026	85,526.44	5	
47	LUCAO, DAGUPAN	12 July 2034	107,000	10	
48	LUCENA	31 May 2031	145,475.40	8	
49	MAKATI	15 Jan 2026	168,198.13	10	
50	MALABON CITY SQUARE (EXPRESS)	31 May 2026	31,500.00	1	
51	MALABON CITY	31 Mar 2029	68,052	5	
52	MALATE	31 Jan 2026	57,104.27	1	
53	MANDALUYONG (MAYON)	14 Dec 2035	Under the lease of FCSI HO	10	
54	MAPUA MANILA (EXPRESS)	31 Dec 2025	35,000	2	
55	MARIKINA	14 Oct 2025	69,317.34	3	
56	MARILAO BULACAN	09 Sept 2028	95,950.00	5	
57	MARSHA MORIONES TONDO	18 Mar 2031	146,880	8	
58	MAYPAJO, KALOOKAN	16 June 2029	80,000.00	5	
59	MC KINLEY WEST BGC	31 Jan 2028	202,300	3	
60	MEYCAUAYAN, BULACAN	14 Feb 2029	103,953.64	5	
61	MIDTOWN SQUARE SILANG	22 Apr 2028	96,440	5	
62	MORAYTA (EXPRESS)	31 May 2029	40,000	5	
63	MUNTINLUPA	30 Nov 2030	125,000	8	
64	NORTHRIDGE	04 Nov 2026	472.00/sqm	5	
65	OLONGAPO	31 Jan 2034	350.00/sqm	10	
66	PACO MARKET MALL (EXPRESS)	12 July 2028	57,112.00	5	
67	PAGADIAN CITY	03 May 2029	107,000.00	5	
68	PASIG	06 Oct 2025	53,928	5	
69	PETRON - DASMA	06 Sept 2025	66,950	2	
70	PORTA VAGA BAGUIO (EXPRESS)	14 Mar 2030	156,786.03	5	
71	PRIMARK RODRIGUEZ RIZAL	31 Jan 2029	113,099	5	
72	RETIRO	31 Dec 2026	142,417	3	
73	ROBINSONS ANTIPOLO (EXPRESS)	31 May 2026	5% of Sales	2	
74	SANDOVAL PASIG	30 Sept 2032	171,895.50	8	
75	SAN FERNANDO PAMPANGA	30 Nov 2026	134,482.95	5	
76	SAN JOSE DEL MONTE BULACAN	08 Apr 2028	100,285.55	5	
77	SAN JOSE NUEVA ECIJA	29 June 2028	68,320	5	
78	SAN MATEO RIZAL	03 Nov 2027	73,700	5	
79	SAN MIGUEL BULACAN	Aug 2028	70,000	5	
80	SAN PEDRO LAGUNA	28 Apr 2028	700.00/sqm	6	
81	SAN SEBASTIAN	15 Nov 2025	32,000	1	

#	STORES	DATE OF EXPIRATION	RENTAL FEES	TERMS OF RENEWAL	REMARKS
82	SANTIAGO ISABELA	May 2029	110,000	5	
83	SHELL U.N. AVENUE	15 Apr 2030	93,500	5	
84	SILANG VILLAGE SQUARE	09 Oct 2027	74,235	5	
85	SINDALAN, PAMPANGA	28 Feb 2030	173,340	5	
86	SLU BAGUIO (EXPRESS)	31 July 2027	45,980.00	1	
87	SM CENTER SAN PEDRO (EXPRESS)	31 July 2026	5% of Sales	3	
88	SMF DOWNTOWN (EXPRESS)	31 Jan 2027	5% of Sales	2	
89	SM CITY CLARK (EXPRESS)	30 Apr 2025	5% of Sales	1	For renewal
90	SM CITY DASMARIÑAS (EXPRESS)	31 Oct 2026	5% of Sales	2	
91	SM CITY PAMPANGA (EXPRESS)	31 Oct 2026	5% of Sales	2	
92	SM CITY SUCAT (EXPRESS)	31 Oct 2025	5% of Sales	3	
93	SM CITY TANZA (EXPRESS)	31 Oct 2026	5% of Sales	2	
94	SM CITY TAYTAY (EXPRESS)	31 Jan 2026	15% of Sales	2	
95	STA. CRUZ LAGUNA	03 Aug 2028	6,500	5	
96	STA. LUCIA (EXPRESS)	30 Nov 2025	30,000	1	
97	STA. MARIA BULACAN	15 June 2027	80,000	5	
98	SUCAT	14 June 2026	35,001.58	1	
99	TAGUM DAVAO	07 Dec 2028	98,553	5	
100	TALABA, BACOR	14 Sept 2029	112,350.00	5	
101	TAYTAY (MARC SQUARE)	30 Apr 2027	122,377.50	5	
102	THE OUTLETS, LIPA BATANGAS	14 May 2028	750.00/sqm	3	
103	TIMOG AVENUE QC	30 Nov 2029	172,449.22	5	
104	TUGUEGARAO	30 Aug 2031	70,000	8	
105	URDANETA PANGASINAN	15 Aug 2027	500.00/ sqm	5	
106	VALENZUELA	14 Oct 2026	67,644.92	5	
107	V. MAPA STA. MESA	30 June 2026	112,000	5	
108	VICTORY LINER – BAGUIO	10 Apr 2026	20,360.00	1	
109	VICTORY LINER – CUBAO	10 Apr 2026	20,360.00	1	
110	VICTORY LINER – PASAY	15 Apr 2026	24,533.00	1	
111	WALTERMART BALIWAG	31 Oct 2027	6% of Sales	5	
112	WALTERMART CARMONA CAVITE (EXPRESS)	31 July 2026	6% of Sales	1	
113	WALTERMART SUCAT (EXPRESS)	31 July 2025	6% of Sales	3	
114	WALTERMART TRECE MARTIRES (EXPRESS)	31 July 2026	5% of Sales	1	
115	WEST DRIVE MARIKINA	25 Aug 2027	70,780.50	5	

TIEN MA'S					
1	MAKATI	15 Jan 2026	130,000	5	
2	MORIONES TONDO	18 Mar 2031	146,880	8	
3	MUNTINLUPA	30 Nov 2030	125,000	8	

#	STORES	DATE OF EXPIRATION	RENTAL FEES	TERMS OF RENEWAL	REMARKS
4	PUREGOLD AVELINO SOUTHPARK	30 May 2028	95,207	5	
5	PUREGOLD SUMULONG ANTIPOLO	22 Apr 2028	71,000	5	
6	RETIRO	31 Dec 2026	133,100	3	
7	SAN FERNANDO	30 Nov 2026	114,000	5	
8	WALTERMART NORTH EDSA	31 Oct 2025	7% of Sales	3	

KOOBIDEH KEBABS					
1	MAKATI AVENUE	01 July 2028	120,000	5	

In the next 12 months, we plan to expand our expand our company-owned stores. We plan to focus on the following areas, subject to various factors such as market and economic conditions, and results of our operations and performance: (i) for Angel's Pizza – various viable locations in NCR, Bulacan, Laguna, Cavite, Pampanga and Batangas; (ii) for Figaro Coffee – viable locations in Metro Manila including malls, hospitals and mixed-use areas or CBDs; (iii) for Tien Ma's – viable locations in NCR. The locations for such stores shall be leased from third parties. We will fund these new stores through internally generated funds.

As of date, we do not hold any land. Our head office is located at 116 E. Main Avenue, Phase V SEZ Laguna Technopark, Biñan Laguna. We lease our head office. Aside from our warehouse facilities in Mandaluyong, we also now operate additional warehouses in Consolacion, Cebu City and Concepcion, Tarlac City.

We lease spaces for our Company-owned stores. Our franchisees have independent leasing arrangements for their franchised stores or may own the land on which the store is located. Lease terms and rates vary depending on whether the store is located in or outside of a mall.

Item 3. Legal Proceedings

As of 30 June 2025, the Company is not involved in any legal proceedings but its subsidiary, FCSI is involved in the pending cases listed below. One case is a case instituted by FCSI.

1. *Filipino Society of Composer, Authors and Publishers, Inc, Plaintiff – versus – Figaro Coffee Systems, Inc., Nelia T. Liu, Brian Gregory T. Liu, Michael Stephen T. Liu, Divina Gracia G. Cabuloy, Sigrid Von D. De Jesus and Justin T. Liu, defendants.*

Civil Case No. R-QZN-17-06048-CV; RTC, Quezon City (Copyright Infringement)

This case is a civil action for copyright infringement filed against FCSI and its directors for publicly performing musical compositions without securing licenses from the plaintiff.

Plaintiff is claiming actual damages in the amount of ₱1,124,707.58, moral damages in the amount of ₱500,000.00, and attorney's fees and litigation expenses in the amount of ₱100,000.00.

The action was instituted on 09 March 2017.

Status: The Regional Trial Court – Quezon City, Branch 93 has granted the *Joint Motion to Postpone the Scheduled Hearing* and set the initial presentation of witnesses by the defendants on 02 September 2025.

2. *BDO Unibank, Inc., plaintiff – versus – Figaro Coffee Systems, Inc. and Divine G. Cabuloy, defendants.*

Civil Case No. R-MKT-17-01307-CV; Branch 132, Makati City (Collection and Damages with Application for the Issuance of Writ of Preliminary Attachment)

Fernando C. Go, doing business under single proprietorship “Café Ferdigo” is a franchisee of FCSI. He operated a Figaro store in the Podium Keppel Center. In order to renovate the coffee shop, Mr. Go secured a loan from BDO Unibank, Inc. and as security for the loan, Mr. Go assigned by way of security his rights under the franchise agreement without the consent of and without notice to, FCSI.

In February 2016, Mr. Go informed FCSI through a letter that he sold his business to a third party.

BDO Unibank Inc. is demanding that FCSI and Divine G. Cabuloy pay the following: (a) ₱3,804,113.33 outstanding loan obligation; (b) ₱1,000,000.00 in moral damages; (c) ₱500,000.00 in exemplary damages; and (d) costs of suit.

Status: Figaro Coffee Systems, Inc. and the BDO Unibank, Inc. has come to an amicable settlement and agreed for a joint motion to dismiss the case on June 19, 2024, with prejudice to its refiling, as the issues between the parties have now become moot and academic by reason of the parties’ mutual waiver of their respective claims against each other in connection with, in relation to, and incidental to the instant case. Resolution has been achieved to the satisfaction of all parties, this matter has been formally closed.

3. *Figaro Coffee Systems, Inc., plaintiff, - versus Philippine Air Asia, Inc. – defendant.*

Civil Case No.21-01559; RTC Branch 118; Pasay City (Sum of Money)

FCSI filed a case for collection for sum of money amounting to ₱16,746,587.99 plus legal interests accruing from the date of extra-judicial demand against Philippine Air Asia, Inc. (“Air Asia”). The case arose from Air Asia’s failure to pay its obligation under the Supply Agreement dated 17 July 2017 for the supply of meals and food products for its crew and employees.

The case was instituted on 27 July 2021.

Status: On 02 May 2025, Air Asia has fully settled the remaining balance amounting to ₱227,728.39. The case between FCSI and Air Asia is now concluded.

Item 4. Submission of Matters to a Vote of Security Holders

Except for matters taken up during the annual meeting on 18 December 2024, there was no other matter submitted to a vote of security holders during the period covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer’s Common Equity and Related Stockholder Matters

The Company’s common shares are traded in the Main Board of the Philippine Stock Exchange, Inc. (“PSE”). The common shares were listed on 24 January 2022.

As announced by the PSE on 28 July 2023, FCG has joined the sectoral Industrial Index and is also a constituent of the PSE Dividend Yield Index effective on 07 August 2023.

The following table shows the high and low prices (in pesos per common shares) of the Company’s shares in the PSE for this fiscal period:

PERIOD	2025	
	HIGH	LOW
JANUARY	.90	.81
FEBRUARY	.84	.72
MARCH	.82	.72
APRIL	.74	.66
MAY	.73	.65
JUNE	.71	.66
JULY	.70	.67
AUGUST	.68	.62
SEPTEMBER	.66	.62
OCTOBER	.64	.59
JANUARY TO OCTOBER		

Source: https://edge.pse.com.ph/companyPage/stockData.do?cmpy_id=689

Total number of shares outstanding as of 31 October 2025 is **13,968,455,298**, consisting of **5,468,455,298** common shares and **8,500,000,000** Preferred Shares Series 2023-1. The Preferred Shares Series 2023-1 are not listed in the PSE.

There were 13 shareholders as of 31 October 2025. The shareholders of the Company's common and preferred shares, as of the same date, are as follows:

	No. of Shares	Percentage
Camerton, Inc.	***11,401,148,995	81.6206856934%
PCD Nominee Corporation – Filipino	1,179,646,712	8.4450763297%
PCD Nominee Corporation – Non Filipino	1,012,594,588	7.2491522248%
Cartheus Holdings, Inc.	375,000,000	2.6846203965%
Perfecto Nooc Nolasco	20000	0.0001431798%
Joselito Herrera	10000	0.0000715899%
Nadezhda Iskra F. Herrera	10000	0.0000715899%
Gabrielle Claudia F. Herrera	10000	0.0000715899%
Juan Trinidad Lim	10000	0.0000715899%
Jennifer T. Ramos	5000	0.0000357949%
Corazon P. Guidote	1	0.0000000072%
Senen L. Matoto	1	0.0000000072%
Hector R. Villanueva	1	0.0000000072%
TOTAL	13,968,455,298	100.0000000000%

*** Includes the 8,500,000,000 Preferred Shares Series 2023-1 that are not listed in the PSE.

Item 6. Management's Discussion and Analysis or Plan of Operation.

The following discussion should be read in conjunction with the accompanying consolidated financial statements and notes thereto, which form part of this SEC Form Amended 17-A as "Annex E". The consolidated financial statements and notes thereto have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS).

Fiscal Year 2024 – 2025 Results of Operations

Key Highlights

- FCG, from its full acquisition of its subsidiary, Figaro Coffee Systems, Inc (FCSI) in June 21, 2021, saw a Consolidated FY July- June 30, 2025 Profit before tax of ₱672.0 million, barely P1.2M increase from June 30, 2024 Profit before tax of ₱670.83 million, despite the 7% same store sales growth decline, provided an improvement in profitability primarily because of the growth in the number of stores from 206 to 238 stores as of June 30, 2025 driven by the 30 net new stores opened for Angels Pizza.

- System-wide Sales FY ending June 30, 2025, amounted to ₱5.95 Billion, 5% increase from same periods ending June 30, 2024 System-wide Sales of ₱5.67 Billion
- Consolidated Revenues for FY ending June 30, 2025 stood at ₱5.67 Billion, 5% increase over same periods of Consolidated Revenues of ₱5.48 Billion.
- The increase in Revenues was primarily driven by the store openings from 206 store count ending June 30, 2024 to 238 stores ending June 30, 2025 or 32 net new store opening during the period or 15.5% increase in store count, which primarily are Angels Pizza Stores or about 94% of the newly opened stores.

Concept	STORE COUNT PER BRAND		
	June 30, 2025	June 30, 2024	June 30, 2023
Figaro	61	60	57
Angel's Pizza	157	127	96
Tien Mas, Koobideh Kebab	9	14	9
Figaro Express (formerly Café Portofino)	11	5	5
TOTAL	238	206	167

Cost of Sales

For the FY ending June 30, 2025, consolidated direct costs increased to ₱3.14billion or 7% increase from ₱2.94 billion based on June 30, 2024 direct costs.

Global inflation that started in April 2023 that significantly affected the cost of main raw materials like dairies, flour, meat products and stainless equipment and machines were slightly tamed down during the year due to massive supplier renegotiation significant cash payment discounts were availed in 2024 thru 2025. Consolidated cost of sales is mainly composed of raw material and packaging costs, direct labor costs, and store-related costs including rent, utilities, etc.

Consolidated gross profit increased to ₱2.53 billion for the FY ending June 30, 2025, representing a 1% increase from the ₱2.50 billion in the previous year same periods. This yielded a gross profit margin in 2025 of 45%, from 46% of July to June 2024 gross profit margin.

Operating Expenses

For the twelve months ending June 30, 2025, consolidated operating expenses totaled ₱1.79 billion, representing a cost-to-sales ratio of 31.5% from last year's same periods cost-to-sales ratio of 33.3%, primarily because of the increasing overhead and store support related expenses resulting from opening of new stores in the provinces during the period.

Net Interest Expense

Interest expense of ₱105.2 million was recorded for the twelve months ending June 30, 2025. This increase in financing costs was primarily due to the availment of additional bank loans to take advantage of the suppliers' prompt payment discounts to counter the inflationary effects of increasing prices increasing our bank loans to fund also store opening of 1,520M from 550M bank loan in 2024.

Other Income

Other income totaled ₱31.9 million as of FY ending June 30, 2025 from previous years same periods interest income of ₱26.3 million from the Institutional Sales revenues.

Net Income

For the FY ending June 30, 2025, consolidated net income after tax stood at ₱629.6 million, from P628.4 million NIAT of June 2024, a modest increase over same periods of 2024, yielding a net income margin of 11.1% in 2025 from 11.5% NIAT Margin of same periods of 2024.

FY2024 Financial Condition

FCG had consolidated total assets of ₱5.69 billion as of June 30, 2025, an increase of ₱1.34 billion or 31% increase versus total assets of ₱4.35 billion as of June 30, 2024, primarily because of the increased in Fixed assets resulting from opening of 32 new stores during the period.

Cash and cash equivalents

As of June 30, 2025, cash and cash equivalents totaled ₱331.30 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 at the end of the reporting periods as shown in the consolidated statements of cash flows can be reconciled to the related item in the consolidated statements of financial position as follows:

	2025		2024	
Cash on hand	₱	11,188,884	₱	13,867,400
Cash in banks		320,113,866		361,067,005
	₱	331,302,750	₱	374,934,405

Cash on hand pertains to revolving and change fund kept in the different branches. Bank accounts maintained are current accounts that do not earn interest.

Trade and other receivables

Trade and other receivables stood at ₱199.94 million as of FY end June 30, 2025 compared to ₱164.03 million in 2024 or 22% increase primarily because of new franchisees that opened during the period and the increased receivable from the improved volume of institutional accounts during the year.

Trade receivables which pertain to supplies billed to franchisees, commissary sales to certain institutions and receivable from credit card companies and food delivery services have an average credit period of sixty (60) days from the sale of goods.

No interest is charged on trade receivables. The Group determines that a customer is in default when it is already past due for 360 days and beyond. Trade receivables disclosed above include amounts which are past due at the end of the reporting period but against which the Group has not recognized an allowance for expected credit losses because there has been no significant amount on past due accounts which are 360 days and beyond. The Group does not hold any collateral or other credit enhancements over these balances, nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Aging of outstanding accounts that are past due but not impaired is as follows:

	2025		2024
1 to 30 days	₱	131,984,098	₱ 48,209,670
31 to 60 days		19,126,409	38,695,245
Over 60 days		48,832,023	77,129,770
	₱	199,942,530	₱ 164,034,685

Aging of outstanding accounts that are past due but not impaired is as follows:

	2025		2024
1 to 30 days	₱	131,984,098	₱ 48,209,670
31 to 60 days		19,126,409	38,695,245
Over 60 days		48,832,023	77,129,770
	₱	199,942,530	₱ 164,034,685

In determining the recoverability of trade receivable, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

In 2025, 2024 and 2023, no provision for expected credit loss was recognized for the Group's trade receivables because the Group believes that there is only an insignificant amount of expected credit loss therefrom.

Inventories

As of June 30, 2025, inventories increased to ₱436.94 million from ₱430.66 million in June 30, 2024 or 1% increased during the year as a result of increased operations from opening of new stores and to buffer stock with inventories secured at very low prices and at a discount to counter the inflationary pressures and the increasing prices of the raw materials and other direct costs.

The Group's inventories pertaining to foods, beverages, store and kitchen supplies amounted to ₱436,935,354 and ₱430,658,720, respectively, as of June 30, 2025 and 2024.

The cost of inventories recognized as an expense amounted to ₱1,858,788,785, ₱1,885,028,161 and ₱1,613,512,610, in 2025, 2024 and 2023.

Inventories are expected to be recovered within twelve (12) months after the reporting period.

There are no unusual purchase commitments and accrued net losses on such commitments. There are no losses which are expected to arise from firm and non-cancellable commitments for the future purchase of inventory items.

Property, plant, and equipment

Consolidated net property, plant, and equipment stood at ₱3.89 billion as of FY end June 30, 2025 or 54% increase from ₱2.53 billion of June 30, 2024 which were primarily invested in the opening of new stores and the construction of satellite commissaries.

The carrying amounts of the Group's property and equipment as of June 30, 2025 and 2024, are as follows:

	Office and Store Equipment	Building and Building Improvements	Total
June 30, 2023			
Cost	₱ 1,227,852,728	₱ 761,891,307	₱ 1,989,744,035
Accumulated depreciation	(325,958,023)	(450,691,503)	(776,649,526)
Carrying Amount	901,894,705	311,199,804	1,213,094,509
Movements during 2024			
Balance, July 1, 2023	901,894,705	311,199,804	1,213,094,509
Additions	370,910,824	1,161,382,473	1,532,293,297
Depreciation	(77,001,708)	(141,291,464)	(218,293,172)
Balance, June 30, 2024	1,195,803,821	1,331,290,813	2,527,094,634
June 30, 2024			
Cost	1,598,763,552	1,923,273,780	3,522,037,332
Accumulated depreciation	(402,959,731)	(591,982,967)	(994,942,698)
Carrying Amount	1,195,803,821	1,331,290,813	2,527,094,634
Movements during 2025			
Balance, July 1, 2024	1,195,803,821	1,331,290,813	2,527,094,634
Additions	795,013,672	932,636,037	1,727,649,709
Depreciation	(192,127,744)	(172,371,246)	(364,498,990)
Balance, June 30, 2025	1,798,689,749	2,091,555,604	3,890,245,353
June 30, 2025			
Cost	2,393,777,224	2,855,909,817	5,249,687,041
Accumulated depreciation	(595,087,475)	(764,354,213)	(1,359,441,688)
Carrying Amount	₱ 1,798,689,749	₱ 2,091,555,604	₱ 3,890,245,353

In 2025, 2024 and 2023, all additions were paid in cash.

Depreciation is allocated as follows:

		2025		2024		2023
Direct cost	₱	-	₱	-	₱	6,394,035
Operating expenses		364,498,990		218,293,172		304,287,330
	₱	364,498,990	₱	218,293,172	₱	310,681,365

In 2025, 2024 and 2023, Management assessed that there were no indications of impairment existing in property and equipment.

Accounts payable and other current liabilities

Accounts payable and other current liabilities stood at ₱370.1 million from ₱382.6 million or 3% decrease from the previous year primarily because of the availment of the prompt payment discount to control and cushion the effect of global inflation.

The components of trade and other payables account are as follows:

		2025		2024
Trade	₱	337,029,748	₱	331,242,122
Due to government agencies		33,788,678		11,824,222
Customers' deposits		-		34,685,463
Gift certificate payable		-		3,495,200
Accrued expenses		-		1,353,200
	₱	370,818,426	₱	382,600,207

The average credit period on purchases of certain goods from suppliers is thirty (30) days. No interest is charged on the trade payables from the date of the invoice.

Customer's deposits pertain to down payments made by customers on their purchases.

Due to government agencies include expanded and compensation withholding taxes and other statutory payables.

Accrued expenses pertain to accrual of professional fee and other services.

Loans payable

As of June 30, 2025, the Company's total interest-bearing debt stood at ₱1,520.98 million from last year's same period, short-term loans amounting to ₱550 million. This new loan availment aside from funding the new store opening and additional commissary facilities and capacities, we also availed short term financing to availed of the supplier cash payment discounts that have cushioned the inflationary impact on our raw materials and thus have improved our margins that kept us afloat during price wars with our competitors.

	2025		2024
Balance, July 1	₱	550,435,689	₱ 30,000,000
Assumed from business combination		1,055,000,000	1,050,000,000
Payments		(84,451,369)	(529,564,311)
Balance, June 30	₱	1,520,984,320	₱ 550,435,689

The loans availed is used for additional working capital of the Group. The loans bear an interest rate of 5.5% to 8.5% with a term of 180 days to one (1) year. The loans are secured by the corporate guaranty of Camerton, Inc. a related party under common key management.

In 2025, 2024 and 2023, finance costs incurred and paid amounted to ₱25,436,409, ₱1,817,310 and ₱1,519,647, respectively.

The Group is not required to maintain any ratios or thresholds. In 2025 and 2024, the Group is compliant with the terms and conditions of the loan contract.

Cash flows

Consolidated net cash provided by operating activities amounted to ₱1,016 million for the FY ending June 30, 2025 resulting from 4% revenue increase from last year.

Consolidated net cash used in investing activities was ₱1,761.1 million, mainly attributable to capital expenditures for 32 new store openings, commissary satellites and commissary and equipment upgrades.

Consolidated net cash provided in financial activities was at ₱717.7 million in FY ending June 30, 2025, which includes the proceeds from bank loans of 1,055M less the payments of dividends of 147M and the payment of loans of 84.45M.

All in all, net cash flow used for the year totaled ₱27.78 million, leading to cash and cash equivalents balance of ₱331.30.04 million FY ending June 30, 2025.

Key Performance Indicators (KPIs)

	Audited 12 Months Ended June 30, 2025	Audited 12 Months Ended June 30, 2024	Proforma 12 Months Ended June 30, 2023
Gross Profit Margin	45%	46%	45%
Before Tax Return on Sales	12%	12%	14%
Return on Equity	18%	20%	22%
Net Gearing Ratio	0.33x	0.06x	0.01x
Current Ratio	1.29x	1.19x	3.74x

Notes:

1 Gross Profit margin = Gross Profit / Net Revenue

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

- 3 Return on Equity = Net Income / Average Equity
- 4 Net gearing ratio = (Interest-bearing liabilities – Cash) / Total Equity
- 5 Current Ratio = Total Current Assets / Total Current Liabilities

Any Known Trends, Events or Uncertainties (Material Impact on Liquidity)

There is no event that will trigger a direct or contractual financial obligation that is material to the Company. The Company also has no material off-balance sheet transactions.

Market Information – Price Information as of Latest Practicable Trading Date

As of 4 November 2025, the closing price of FCGI shares at the PSE is at an average of Php0.60.

Discussion on Compliance with Leading Practice on Corporate Governance

The company aims to establish an evaluation system through a Board Self Evaluation by the Board to be adopted in the Manual of Corporate Governance. The company fully complies with the adopted leading practices on good governance by attending annual seminar on Corporate Governance as required by SEC, this year FCG BOD and officers attended last March 19, 2024 via Zoom as conducted by Center for Global Best Practices. As to the deviation from the company's Manual of Corporate Governance, there have been no deviations with the outlined objectives of the company's Manual of Corporate Governance

Item 7. Financial Statement

The Company's Financial Statement and Notes is attached herewith as "**Annex E**".

Item 8. Information on Independent Director

De Jesus & Teofilo is a distinguished audit and consulting firm led by seasoned professionals with extensive expertise in audit, taxation, and business advisory services. The firm is headed by **Romeo A. De Jesus, Jr.**, a globally experienced tax and business advisor who has held leadership roles in multinational corporations and Philippine accounting practices, and serves as director in multiple companies across fintech, remittance, petroleum, and accounting systems. **Gerardo S. Teofilo, Jr.** brings over 15 years of audit and business management experience, currently serving as Comptroller of a major wholesale and retail conglomerate, with deep knowledge in financial reporting, internal controls, and compliance. **Percival R. De Guzman** contributes nearly three decades of audit and consulting experience, having held senior roles in both Big Four and leading Philippine accounting firms, and holds an MBA from Ateneo Graduate School of Business. Collectively, the partners of De Jesus & Teofilo combine technical excellence with strategic business insight, delivering comprehensive and reliable audit and advisory services across diverse industries.

The following table sets out the aggregate fees billed for each of the years ended June 30, 2021, June 30, 2022 and June 30, 2023 for professional services rendered, excluding fees directly related to the Offer:

**FIGARO CULINARY GROUP, INC.
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE RELATED INFORMATION**

30 JUNE 2025

	Current Year	Prior Year
	2025	2024
Total Audit Fees	1,107,680.00	1,492,738.70
Non-audit services fees:	0.00	0.00
Other assurance services	0.00	0.00
Tax Services	0.00	0.00
All other services	0.00	0.00
Total Non-audit Fees	0.00	0.00
Total Audit and Non-audit Fees	1,107,680.00	1,492,738.70

In relation to the audit of our annual financial statements, our Manual on Corporate Governance provides that the Audit Committee shall, among other activities, oversee, monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, engage and provide oversight of the Company's internal and external auditors.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

The overall management and supervision of the Company is undertaken by the Company's Board of Directors. The Company's executive officers and management team cooperate with its Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review. Pursuant to the Company's Amended Articles of Incorporation, the Company's Board of Directors shall consist of nine (9) members, of whom three (3) are Independent Directors.

The table below sets forth each member of the Board of Directors and Principal Officers as of 30 June 2025:

Name	Age	Nationality	Position
Jerry S. Liu	77	[REDACTED]	Chairman Emeritus
Justin T. Liu	43	[REDACTED]	Chairman
Michael Stephen T. Liu	41	[REDACTED]	Director
Brian Gregory T. Liu	38	[REDACTED]	Director
Divina Gracia G. Cabuloy	47	[REDACTED]	President
Sigrid Von D. De Jesus	51	[REDACTED]	Director, Chief Compliance Officer, Asst. Corporate Secretary
Michael T. Barret	46	[REDACTED]	Director, Chief Operations Officer, Corporate Information Officer, Chief IR Officer
Senen L. Matoto	78	[REDACTED]	Independent Director
Corazon P. Guidote	65	[REDACTED]	Independent Director
Hector R. Villanueva	90	[REDACTED]	Independent Director
Jose Petronio Vicente D. Español III	51	[REDACTED]	Treasurer, Chief Financial Officer, Chief Risk Officer
Lowela L. Concha	60	[REDACTED]	Corporate Secretary
Marilou R. Roca	41	[REDACTED]	Chief Accounting Officer

Jerry S. Liu

Mr. Liu is the Chairman Emeritus of FCGI. Mr. Liu holds a Bachelor of Science degree in Physics from Chung Yuan University of Taiwan and an MBA from the University of the East. As Chairman Emeritus, he does not participate in the management of the Company nor does he have any voting rights. It is merely an honorary title to acknowledge the support that he has provided to us.

Justin T. Liu

Mr. Justin Liu is the Chairman and a Director of Figaro Culinary Group, Inc. Vice President and Director of Cirtek Holdings Philippines Corporation, and a Director of Tonik Digital Bank, Inc. Prior to serving in his current positions, he was Vice President of Research in Evergreen Stock Brokerage and Securities, Inc., and Operations Manager of Pizzatek and Foods, Corp. He holds a Master of Science in Financial Analysis degree from University of San Francisco, and a B.S. Business Management and Entrepreneurship degree from De La Salle University.

Michael Stephen T. Liu

Mr. Michael Liu is a Director of Figaro Culinary Group, Inc., Director of Cirtek Holdings Phils. Corp., and EVP and Corporate Secretary of Cirtek Advanced Technologies and Solution, Inc. Previously, he served as Special Project Development Lead at Cirtek Electronics Corp., Product Engineer at Silicon Link, Inc., General Manager of Cirtek Advanced Technologies & Solutions Inc., and President at QUINTEL. He graduated from De La Salle University with a Bachelor's degree in Electronics and Communications Engineering, and completed an Entrepreneurship course at the Ateneo Graduate School of Business.

Brian Gregory T. Liu

Mr. Brian Liu is a Director of Figaro Culinary Group, Inc., EVP & CFO of Cirtek Holdings Phils. Corp., Managing Director and COO of Cirtek Elect. Corp., Director of Cirtek Land Corp., Director of Cayon Holdings Corp., General Manager of Tuborg Trading, CEO and Chairman of Figaro Innovation and Development Inc. Previously, he was involved in the Design, Planning, Construction, Operation and Sales of Capri Villa in New Manila. He graduated from De La Salle University with a Bachelor's degree in Management of Financial Institutions. He trained as an Analyst under Mr. Peter Gaisano of Evergreen Stock Brokerage & Securities, Inc.

Divina Gracia G. Cabuloy

Ms. Cabuloy is the President, CEO, and a Director of Figaro Culinary Group, Inc. Previously, she was a Cost Control Officer of Hotel Rembrandt, Restaurant Manager of Burger King Philippines and PERF Restaurants, Store Manager, Area Manager and Operations Manager of Figaro Coffee Company and Operations Director and Deputy COO of Figaro Coffee Systems, Inc. She holds a Bachelor's degree in Hotel and Restaurant Management.

Sigrid Von D. De Jesus

Ms. De Jesus is the Director, Assistant Corporate Secretary and Chief Compliance Officer of Figaro Culinary Group, Inc., and the HRAD and Training Director and Financial Comptroller of Figaro Coffee Systems, Inc. Previously, she was the General Manager of Zuriel Pizza and Pasta, General Manager, Commissary Manager, and Accounting Officer of Pizzatek and Foods Corporation, Collection Officer of Citibank Philippines, Executive Assistant of CAC Insurance Agency, General Manager of 788 Car Care Center, Executive Assistant of Cannondale Auto Center, and Assistant Manager of Divina Bakery and Restaurant. She holds Bachelor's and Master's Degree in Nutrition and Dietetics.

Michael T. Barret

Mr. Barret is EVP, Chief Operations Officer, Corporate Information Officer, Chief IR Officer and a Director of Figaro Culinary Group, Inc. He is also Deputy Chief Operating Officer of Figaro Coffee Systems Inc. Previously, he was Franchise and Business Development Director, Area Manager and Store Manager of Figaro Coffee Company, Deputy Store Operations Manager of Highlands Coffee in Hanoi, Vietnam, Franchise Manager of Figaro Coffee Systems, Inc. and Warehouse Supervisor of SM Mart, Inc. He holds Bachelor's and Master's degrees in Mass Communications and Business Administration, respectively.

Senen L. Matoto

Mr. Matoto is an Independent Director and Audit Committee Chairman of Figaro Culinary, Group, Inc. He is currently the Chairman of Makati Rotary Club of Makati Foundation, Inc., Director of Financial Executives Institute of the Philippines, Columnist from the Daily Tribune, Independent Director and Audit Committee Chairman of Yuanta Savings Bank, Executive Coach at the International Coach Federation, Trustee in the Institute of Corporate Directors, Director at Center of Excellence in Governance and Senior Advisor to the Chairman of Cirtex Holdings Philippines Inc. Mr. Matoto obtained a Bachelor of Science Degree in Business Administration from the University of the Philippines, and post-graduate studies from the Asian Institute of Management.

Corazon P. Guidote

Ms. Guidote is an Independent Director, Corporate Governance Committee Chairman and Nominations Committee Chairman of Figaro Culinary, Group, Inc. A Certified Public Accountant, Ms. Guidote is a Bachelor of Science graduate, Major in Accountancy at the University of Santo Tomas in 1982. The UST College of Commerce eventually recognized her as one of its most outstanding alumnae in 2004. She holds a Master's Degree in Applied Business Economics from the University of Asia and the Pacific where she likewise received an Achievement Award in 1997 from the ABEP Alumni Association. She is now a member of the teaching faculty at the Institute of Corporate Directors currently specializing in the field of Sustainability Reporting otherwise referred to as ESG or (Environmental, Social and Governance). She successfully concluded her 15-year career in Investor Relations on October 2017. It was during this period that her pioneering spirit ushered her into two of her most challenging tasks of setting up the Investor Relations offices; first, at the Bangko Sentral ng Pilipinas (BSP), and second at SM Investments Corporation.

Hector R. Villanueva

Mr. Villanueva is an Independent Director, Board Risk Committee Chairman and Related Party Transactions Committee Chairman of Figaro Culinary, Group, Inc. He has held senior positions in both private and public sectors. He was Chairman of the Board of First Metro Philippine Equity Exchange Traded Fund, Inc., Chairman, Postmaster General & CEO of Philippine Postal Corporation, Member of the Advisory Board, First Metro Investment Corporation, and Publisher and Editor-in-Chief of Sun Star Manila. Mr. Villanueva was also Cabinet Secretary from 1995-1998. Mr. Villanueva obtained a Bachelor of Science Degree in Economics from the London School of Economics and Political Science, and post-graduate studies from Royal Institute of Bankers, United Kingdom.

Jose Petronio Vicente D. Español III

Mr. Español is the Treasurer and Chief Finance Officer of Figaro Culinary, Group, Inc. He started as a Senior Auditor in SGV & Co in 1995, until he became the Company Accountant of Alsons' Cement Corporation. He was the Chief Accountant of Domino's Pizza Transnational Philippines for 5 years and was promoted as the Finance Head of American Express Transnational Travel for 3 years until he was promoted as General Manager

of Transnational Logistics, Inc. for 6 years. Currently, he is an Independent Director of Rural Bank of Capalonga and the Managing Director of JDE Systems Logistics, Inc and H&P Consulting. He is a Certified Public Accountant and a Certified Management Accountant with masteral units in Industrial Relations in UP and Supply Chain Management in Ateneo Business School. He was a graduate of University of Sto. Tomas in 1995.

Lowela L. Concha

Ms. Concha is a partner at the law firm Garay Usita Concha and Jimenea. She is a litigator with almost 30 years of experience representing individual and corporate clients in disputes involving commercial law, criminal law, civil law, and family law among others. In active general law practice while continuing to render legal advice to clients from a wide spectrum of industries on corporate governance, real estate transactions, human resources administration, and contract management. She obtained a Bachelor of Science degree in Marketing from St. Paul's University in Quezon City, and her law degree from San Beda University College of Law in 1992. She was admitted to the Philippine Bar in 1993.

Marilou R. Roca

Ms. Roca is Comptroller and Chief Accounting Officer of the Figaro Culinary Group, Inc. Currently, she is the Accounting and Finance Senior Manager, Treasury Officer, Cost Control Officer of Figaro Coffee Systems, Inc. She holds a BS Accounting Management Degree from Batangas State University.

(2) Significant Employees

No single person is expected to make a significant contribution to the business since we consider the collective efforts of all our employees as instrumental to the overall success of our performance.

Item 10. Executive Compensation Table

The following table identifies and summarizes the aggregate compensation of the Company's president and four most highly compensated executive officers, as well as the aggregate compensation paid to all other directors and all other officers as a group, for the years ended December 31, 2019, 2020, 2021, 2022, 2023, 2024 and 2025 what we expect to be paid on the ensuing year.

Name	Position
Justin T. Liu	Chairman
Divina Gracia G. Cabuloy	President & CEO
Michael T. Barret	COO
Sigrid Von D. De Jesus	CCO

Year	Salary (in thousands)	Bonus (in thousands)	TOTAL (in thousands)
2019	3,893.53	3,244.60	7,138.13
2020	3,893.53	3,244.60	7,138.13
2021	4,756.21	3,986.00	8,742.21
2022	3,834.30	2,000.00	5,834.30
2023	7,692.58	2,102.03	9,794.61
2024	22,780.00	3,132.55	25,912.55
2025	25,824.19	3,219.66	29,043.85

Employment Contracts Between the Company and Named Executive Officers

We have no special employment contracts with the named executive officers.

Standard Arrangements

Other than payment of reasonable per diem as may be determined by our board of directors for every meeting, there are no standard arrangements pursuant to which our directors are compensated directly or indirectly, for any services provided as a director.

Other Arrangements

There are no other arrangements pursuant to which any of member of our board of directors is compensated, directly or indirectly, for any service provided as a director.

Warrants and Options

There are no outstanding warrants or option held by directors and officers nor are there any adjustments in the exercise price of said warrants or options.

Family Relationships

Justin T. Liu, Michael Stephen T. Liu, and Brian Gregory T. Liu are brothers and their father is Jerry S. Liu. Aside from the foregoing, there are no family relationships between any Directors and any members of the Company's senior management as of the date of this report.

Interlocking Directors

Except in cases of fraud, and provided the contract is fair and reasonable under the circumstances, a contract between two or more corporations having interlocking directors shall not be invalidated on that ground alone; provided, that if the interest of the interlocking director in one corporation is substantial and his interest in the other corporation or corporations is merely nominal, he shall be subject to the provisions of the preceding section insofar as the latter corporation or corporations are concerned. Stockholdings exceeding twenty (20%) percent of the outstanding capital stock shall be considered substantial for purposes of interlocking directors.

Item 11. Security Ownership of Certain Beneficial Owners and Management

SECURITY OWNERSHIP OF DIRECTORS AND OFFICERS AS OF 30 JUNE 2025

The following table sets forth security ownership of the Company's Directors and Officers as of 30 June 2025.

Title of Class	Name of Beneficial Owners	Amount and Nature of Beneficial Ownership	Citizenship	% of total Outstanding Shares
Common	Justin T. Liu	1 (Indirect)		Nil
Common	Michael Stephen T. Liu	1 (Indirect)		Nil
Common	Brian Gregory T. Liu	1 (Indirect)		Nil
Common	Divina Gracia G. Cabuloy	1 (Indirect)		Nil
Common	Sigrid Von D. De Jesus	1 (Indirect)		Nil
Common	Michael T. Barret	1 (Indirect)		Nil
Common	Senen L. Matoto	1 (Direct)		Nil
Common	Corazon P. Guidote	1 (Direct)		Nil
Common	Hector R. Villanueva	1 (Direct)		Nil

	Jose Petronio Vicente D. Espanol III	-		-
	Lowela L. Concha	-		-
Common		6 (Indirect)		
Common		3 (Direct)		

There is no director or key officer of the Company that owns at least 10% of its issued and outstanding shares of common or preferred stock.

Voting Trust Holders of 5% or More

There is no voting trust arrangement executed among the holders of five percent (5%) or more of the issued outstanding shares of our common stock.

Changes in Control

There has been no change of control in our beneficial ownership since our incorporation.

Item 12. Certain Relationships and Related Transactions

All sales to, and purchases from, related parties are made at prevailing market prices. Outstanding year end balances pertain to the extension and receipt of, and advances to and from, related parties. For further information, such as outstanding advance balances, see note 18 to the audited financial statements of FCGI. These balances are unsecured, short-term and interest-free, and settlement occurs in cash. There have been no guarantees received or provided for any related party-receivables or payables, respectively.

Our policy is to subject any related party transaction to Board approval. The transaction must be supported by a Secretary's Certificate signifying the approval of the Board.

We have limited related party transactions. Our operations can handle our financing requirements, and we have been funding our capital expenditures through internally generated cash flows.

FCSI, as the operating company, does not own land. It entered into a lease arrangement with LC International Garments Corp. to lease the land where its office is located. The commercial building has a total floor area of 3,968.07 sqm. The lease will expire 2035 and FCSI does not anticipate any issues with its renewal.

On January 4, 2017, FCSI entered into a lease agreement with Cirtex Land Corporation for the period commencing on January 16, 2021 and ending on January 16, 2026. Said lease agreement covers the lease of a commercial building located at 1 Constellation St. cor. Makati Avenue, Makati City, for use by the Makati City branches for Angel's Pizza, Tien Ma's and Koobideh Kebabs. The lease agreement will be renewed in due course.

Figaro Innovation and Development Inc. ("FIDI") is a wholly-owned subsidiary of Figaro Coffee Systems Inc. ("FCSI"), the operating subsidiary of Figaro Culinary Group, Inc. ("FCG"). FIDI is registered with the Philippine Economic Zone Authority ("PEZA") as an Ecozone Export Enterprise pursuant to a Certificate of Registration issued on 7 September 2023. The registration authorizes FIDI to engage in the production of roasted coffee products, including House Reserve, Espresso Blend, and French Roast.

On 8 September 2023, the Department of Trade and Industry–Export Management Bureau ("DTI-EMB") issued a Certificate of Accreditation to FIDI as a Coffee Exporter.

FIDI's primary purpose is to develop and innovate products and processes that enhance efficiency in the food and beverage ("F&B") industry and to promote Filipino brands, products, and raw materials in the global market.

On 7 October 2024, PEZA issued Certificate of Registration No. 2024-00145-PEZA-EX-C10-2, confirming FIDI's registration as an Export Enterprise engaged in the production of pizza products and frozen pizza

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Board of Directors, the Management, officers and employees of the Company believe that sound and effective governance is fundamental to its continued success and long-term existence.

The Group is committed to the principles and best practices contained in the FCGI Manual on Corporate Governance (“Manual”) and acknowledge that the same may guide the attainment of our corporate goals.

The Company’s corporate governance framework is based on the following principles:

Accountability – This Manual establishes the Company’s accountability to all its shareholders and guides the Board in setting strategies and monitoring the Company’s management.

Fairness – The Company obligates itself to safeguard shareholder rights and ensure fair treatment of all shareholders, including minority shareholders.

Transparency – The Company ensures that timely and accurate disclosures are made on all material matters, including the financial situation, performance, ownership, and governance, in a manner easily accessible to the public and all interested parties

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Reports filed with SEC 17-C from July 01, 2024 to 30 June 2025

SEC 17- C Current Reports

FILED DATE	PSE FORM NO.	CIRCULAR NO.	PARTICULARS
29 July 2024	4-31	C04991-2024	Press Release
03 Oct 2024	4-30	C06362-2024	Material Information/ Transactions <i>(Approval of PEZA application for FIDI)</i>
08 Oct 2024	4-30	C06411-2024	Material Information/ Transactions <i>(Issuance of PEZA Certificate of Registration for FIDI)</i>
11 Oct 2024	4-30	C06480-2024	Material Information/ Transactions <i>(Results of the Regular Meeting of the BOD)</i>
11 Oct 2024	6-1	C06481-2024	Declaration of Cash Dividends
11 Oct 2024	7-1	C06482-2024	Notice of the Annual or Special Stockholders
11 Oct 2024	4-3	C06483-2024	Amendments to Articles of Incorporation
11 Oct 2024	4-4	C06484-2024	Amendments to By-Laws
11 Oct 2024	4-7	C06501-2024	Change in Corporate Name and/or Stock Symbol
14 Oct 2024	4-13	C06523-2024	Clarification of News Reports
14 Oct 2024	4-31	C06537-2024	Press Release
14 Oct 2024	17-3	CR06772-2024	Request for extension to file SEC Form 17-A
08 Nov 2024	7-2	C07094-2024	Postponement of Annual Stockholders’ Meeting
08 Nov 2024	7-1	C07095-2024	[Amend-1] Notice of Annual or Special Stockholders’ Meeting
14 Nov 2024	4-30	C07274-2024	Material Information/ Transactions <i>(Results of the Regular Meeting of the BOD)</i>
14 Nov 2024	17-1	CR07539-2024	Annual Report
14 Nov 2024	4-31	C07311-2024	Press Release

FILED DATE	PSE FORM NO.	CIRCULAR NO.	PARTICULARS
15 Nov 2024	17-5	CR07618-2024	Information Statement
19 Nov 2024	4-30	C07401-2024	Material Information/ Transactions <i>(Results of the Regular Meeting of the BOD)</i>
26 Nov 2024	4-31	C07541-2024	Press Release
26 Nov 2024	17-5	CR07799-2024	Information Statement
19 Dec 2024	4-25	C08015-2024	Results of the Organizational Meeting
19 Dec 2024	4-24	C08016-2024	Results of Annual or Special Stockholders' Meeting
19 Dec 2024	4-7	C08017-2024	[Amend-1] Change in Corporate Name and/or Stock Symbol
19 Dec 2024	4-3	C08023-2024	[Amend-1] Amendments to Articles of Incorporation
19 Dec 2024	4-4	C08024-2024	[Amend-1] Amendments to By-Laws
06 Jan 2025	4-13	C00068-2025	Clarification of News Reports
09 Jan 2025	17-18	CR00245-2025	Other SEC Forms, Reports and Requirements <i>(General Information Sheet)</i>
06 Feb 2025	4-13	C00699-2025	Clarification of News Report
14 Feb 2025	4-30	C00842-2025	Material Information/ Transactions <i>(Results of the Regular Meeting of the BOD)</i>
18 Feb 2025	4-31	C00913-2025	Press Release
20 Feb 2025	4-7	C00987-2025	[Amend-2] Change in Corporate Name and/or Stock Symbol
20 Feb 2025	4-3	C00988-2025	[Amend-2] Amendments to Articles of Incorporation
20 Feb 2025	4-4	C00989-2025	[Amend-2] Amendments to By-Laws
12 Mar 2025	17-18	CR01455-2025	Other SEC Forms, Reports or Requirements <i>(Amended General Information Sheet)</i>
14 Mar 2025	4-7	C01601-2025	[Amend-3] Change in Corporate Name and/or Stock Symbol
19 Mar 2025	4-7	C01735-2025	[Amend-4] Change in Corporate Name and/or Stock Symbol
11 Apr 2025	POR-1	CR02113-2025	Clarification of News Reports
16 Apr 2025	17-18	CR02641-2025	Other SEC Forms, Reports or Requirements <i>(Certificate of Attendance in Corporate Governance Seminar)</i>
14 May 2025	4-30	C03349-2025	Material Information/ Transactions <i>(Results of the Meeting of the Board of Directors)</i>
30 May 2025	I-ACGR	CR04018-2025	Integrated Annual Corporate Governance Report

SEC 17-Q – and Quarterly Reports

FILED DATE	PSE FORM NO.	CIRCULAR NO.	PARTICULARS
12 July 2024	17-12A	CR04965-2024	List of Top 100 Stockholders (Common shares)
12 July 2024	POR-1	CR04978-2024	Public Ownership Report
15 Oct 2024	POR-1	CR06945-2024	Public Ownership Report
15 Oct 2024	17-12A	CR06946-2024	List of Top 100 Stockholders (Common shares)
13 Nov 2024	17-4	CR07467-2024	Request for extension to file SEC Form 17-Q
19 Nov 2024	17-2	CR07713-2024	Quarterly Report
14 Jan 2025	17-12A	CR00522-2025	List of Top 100 Stockholders (Common Shares)
14 Jan 2025	POR-1	CR00528-2025	Public Ownership Report
14 Feb 2025	4-31	CR01188-2025	Request for extension to file SEC Form 17-Q
18 Feb 2025	17-2	CR01224-2025	Quarterly Report
11 Apr 2025	17-12-A	CR02124-2025	List of Top 100 Stockholders Q1 (Common shares)
15 May 2025	17-2	CR03462-2025	Quarterly Report

Item 15. Attendance in Board Meetings

DATE OF MEETING	RESOLUTION / MATTERS DISCUSSED	ATTENDEES
03 October 2024	<u>Corporate Governance Committee</u> Review and approval of the CG Committee on the Sustainability Report for the FY period 30 June 2024	Corazon P. Guidote Senen L. Matoto Sigrid Von D. De Jesus Jose Petronio D. Espanol III
08 October 2024	<u>Audit Committee Meeting</u> Committee review of the Financial reports, Sustainability Report (Audit Com)	Senen L. Matoto Corazon P. Guidote Justin T. Liu Divina Gracia G. Cabuloy Sigrid Von D. De Jesus Jose Petronio D. Espanol III Marilou R. Roca
10 October 2024	<u>Regular Meeting</u> Approval of the Financial reports including the Sustainability Report	Justin T. Liu Divina Gracia G. Cabuloy Michael T. Barret Sigrid Von D. De Jesus Michael Stephen T. Liu Brian Gregory T. Liu Senen L. Matoto Corazon P. Guidote Hector R. Villanueva Lowela L. Concha Jose Petronio D. Espanol III Marilou R. Roca
07 November 2024	<u>Special Meeting</u> Postponement of the 2024 Annual Stockholders Meeting (Special)	Justin T. Liu Divina Gracia G. Cabuloy Michael T. Barret Sigrid Von D. De Jesus Michael Stephen T. Liu Brian Gregory T. Liu Senen L. Matoto Corazon P. Guidote Hector R. Villanueva Lowela L. Concha Jose Petronio D. Espanol III Marilou R. Roca
11 November 2024	<u>Audit Committee Meeting</u> Committee review of the financial reports for the Q1	Senen L. Matoto Corazon P. Guidote Justin T. Liu Divina Gracia G. Cabuloy Sigrid Von D. De Jesus Jose Petronio D. Espanol III Marilou R. Roca
13 November 2024	<u>Regular Meeting</u> Approval of the Q1 Quarterly Report	Justin T. Liu Divina Gracia G. Cabuloy Michael T. Barret Sigrid Von D. De Jesus Michael Stephen T. Liu Brian Gregory T. Liu Senen L. Matoto Corazon P. Guidote Hector R. Villanueva Lowela L. Concha

		Jose Petronio D. Espanol III Marilou R. Roca
11 February 2025	<u>Audit Committee Meeting</u> Committee review on the Q2 report	Senen L. Matoto Corazon P. Guidote Justin T. Liu Divina Gracia G. Cabuloy Sigrid Von D. De Jesus Jose Petronio D. Espanol III Marilou R. Roca
13 February 2025	<u>Regular Meeting</u> Approval of the Q2 Report	Justin T. Liu Divina Gracia G. Cabuloy Michael T. Barret Sigrid Von D. De Jesus Michael Stephen T. Liu Brian Gregory T. Liu Senen L. Matoto Corazon P. Guidote Hector R. Villanueva Lowela L. Concha Jose Petronio D. Espanol III Marilou R. Roca
06 May 2025	<u>Corporate Governance Committee</u> Review on the I-ACGR for the period	Corazon P. Guidote Senen L. Matoto Justin T. Liu Sigrid Von D. De Jesus Jose Petronio D. Espanol III
08 May 2025	<u>Audit Committee Meeting</u> Review of the Q3 report Financial report	Senen L. Matoto Corazon P. Guidote Justin T. Liu Divina Gracia G. Cabuloy Sigrid Von D. De Jesus Jose Petronio D. Espanol III Marilou R. Roca
13 May 2025	<u>Regular Meeting</u> Approval of the Q3 Report	Justin T. Liu Divina Gracia G. Cabuloy Michael T. Barret Sigrid Von D. De Jesus Michael Stephen T. Liu Brian Gregory T. Liu Senen L. Matoto Corazon P. Guidote Hector R. Villanueva Lowela L. Concha Jose Petronio D. Espanol III Marilou R. Roca

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Mandaluyong City on ~~NOV 05 2025~~ ²⁰²⁵

[Signature]
DIVINA GRACIA G. CABULOY
 Principal Executive Officer

[Signature]
MARILOU R. ROCA
 Principal Accounting Officer / Comptroller

[Signature]
MICHAEL T. BARRET
 Principal Operating Officer

[Signature]
JOSE PETRONIO VICENTE D. ESPAÑOL III
 Principal Financial Officer

[Signature]
LOWELA L. CONCHA
 Corporate Officer

SUBSCRIBED AND SWORN to before me this NOV 05 2025 day of November 2025 affiant(s) exhibiting to me his / her valid IDs, as follows:

NAMES	VALID IDs	DATE OF ISSUE	PLACE OF ISSUE
<u>DIVINA GRACIA G. CABULOY</u>	LTO Drivers' License	[REDACTED]	Quezon City
<u>MICHAEL T. BARRET</u>	LTO Drivers' License	[REDACTED]	Quezon City
<u>JOSE PETRONIO D. ESPAÑOL III</u>	LTO Drivers' License	[REDACTED]	Cavite City
<u>MARILOU R. ROCA</u>	BIR TIN ID	[REDACTED]	Batangas City
<u>LOWELA L. CONCHA</u>	LTO Drivers' License	[REDACTED]	Quezon City



[Signature]
ATTY. JAMES K. ABUGAN
 Notary Public
 APPT. NO. 0442-25 Until 12-31, 2026
 IBP No. 461986 Nov. 12, 2024 Rizal Chapter
 Roll No. 26890 Lifetime
 MCLE No. VIII-0022918 until 4/14/2028
 TIN No. 110-239-936
 PTR No. 5712001 01/03/2025
 Mem. 314 J&L Reg. 231 EDSA
 Mandaluyong City Tel. No. (02) 934-523-31



15 May 2025

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.

6F PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **ATTY. JOHANNE DANIEL M. NEGRE**
Officer in Charge, Disclosure Department

Re: **QUARTERLY REPORT**

Gentlemen:

Attached herewith is the Figaro Culinary Group, Inc. 's (formerly Figaro Coffee Group, Inc.) or ("FCG" or the "Company") Quarterly Report (SEC Form 17-Q) for the quarter period ending 31 March 2025.

Sincerely Yours,


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

FCG – Quarterly Report (Q3) ending 31 March 2025

C S 2 0 1 8 1 1 1 1 9

SEC Registration Number

FIGARO CULINARY GROUP, INC.

(Company's Full Name)

116 EAST MAIN AVE. PHASE V-SEZ
LAGUNA TECHNO PARK, BINAN, LAGUNA
4034

(Business Address: No. Street City/Town/Province)

SIGRID VON D. DE JESUS

(Contact Person)

0917-8832172

(Company Telephone Number)

06 30

Month Day
(Fiscal Year)

SEC FORM 17-Q

(Form Type)

18 DEC

Month Day
(Annual Meeting)

N/A

(Secondary License Type, If Applicable)

SEC-MSRD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

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 **31 MARCH 2025**
2. Commission Identification Number **CS201811119**
3. BIR Tax Identification No. **010-061-026-000**
4. Exact name of issuer as specified in its charter **FIGARO CULINARY GROUP, INC. (formerly Figaro Coffee Group, Inc.)**
5. Province, country or other jurisdiction of incorporation or organization **LAGUNA, PHILIPPINES**
6. Industry Classification Code: [REDACTED] (SEC Use Only)
7. Address of issuer's principal office **116 EAST MAIN AVE., PHASE V-SEZ
LAGUNA TECHNOPARK, BIÑAN
LAGUNA**
- Postal Code **4034**
8. Issuer's telephone number, including area code **(632)-8812-17-18**
9. Former name, former address and former fiscal year, if changed since last report **33 MAYON ST., BRGY. MALAMIG,
MANDALUYONG CITY**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
COMMON SHARES	5,468,455,298

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:

THE 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 []

(Signature Page follows)

FINANCIAL INFORMATION

**Item 1: Quarterly Financial Statements for the Quarter ending
31 March 2025 attached.**

FIGARO CULINARY GROUP, INC.
(formerly Figaro Coffee Group, Inc.)



JOSE PETRONIO VICENTE D. ESPAÑOL III
Treasurer / Chief Finance Officer / Chief Risk Officer



MARILOU R. ROCA
Comptroller and Chief Accounting Officer

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of March 31, 2025 and June 30, 2024

(In Philippine Peso)

	NOTES	March 31, 2025 (Unaudited)	June 30, 2024 (Audited)
A S S E T S			
Current Assets			
Cash	7	542,405,243	374,934,405
Trade and other receivable	9	199,182,340	164,034,685
Inventories	10	488,340,294	430,658,720
Due from related parties	19		120,000,000
Prepayments and other current assets	11	240,924,255	159,419,315
		1,470,852,132	1,249,047,125
Non-current Assets			
Property and equipment - net	12	3,694,925,357	2,527,094,634
Intangible assets - net	13	252,091,714	239,765,356
Right-of-use assets - net	14	317,029,844	291,026,459
Other non-current assets	15	45,204,924	36,212,610
Deferred tax assets	29	9,842,402	3,242,137
		4,319,094,241	3,097,341,196
TOTAL ASSETS		5,789,946,373	4,346,388,321
LIABILITIES AND STOCKHOLDERS' EQUITY			
L I A B I L I T I E S			
Current Liabilities			
Trade and other payables	16	407,691,323	382,600,207
Loans payable	17	816,953,027	550,435,689
Lease liabilities	18	10,982,424	70,997,346
Income tax payable		14,649,701	42,622,411
		1,250,276,475	1,046,655,653
Non-current Liabilities			
Lease liabilities - net of current portion	18	174,824,536	195,574,427
Loans payable		980,000,000	
Retirement benefits obligation	25	14,092,424	13,836,726
		1,168,916,960	209,411,153
TOTAL LIABILITIES		2,419,193,435	1,256,066,806
S T O C K H O L D E R S ' E Q U I T Y			
Capital Stock	20	589,345,528	589,345,528
Additional Paid-in Capital	20	1,403,308,680	1,403,308,680
Retained Earnings		1,372,498,793	1,092,067,370
Remeasurements - net	25	5,599,937	5,599,937
TOTAL STOCKHOLDERS' EQUITY		3,370,752,938	3,090,321,515
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		5,789,946,373	4,346,388,321

(See Notes to Consolidated Financial Statements)

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Periods Ended January 1 to March 31, 2025 and 2024

(In Philippine Peso)

	Notes	Capital Stock	Additional Paid-in Capital	Retained Earnings	Remeasurement	Total
Balance at December 31, 2023	20,25	589,345,528	1,403,308,680	848,727,527	(2,489,402)	2,838,892,333
Profit				104,522,725		104,522,725
Balance at March 31, 2024	20,25	589,345,528	1,403,308,680	953,250,252	(2,489,402)	2,943,415,058
Profit				240,951,132		240,951,132
PPA				(102,134,013)		(102,134,013)
Remeasurement loss	25				8,089,339	8,089,339
Balance at June 30, 2024	20,25	589,345,528	1,403,308,680	1,092,067,370	5,599,937	3,090,321,515
Profit				103,488,322		103,488,322
Balance at September 30, 2024	20,25	589,345,528	1,403,308,680	1,195,555,692	5,599,937	3,193,809,837
Profit				222,043,488		222,043,488
Dividends declared				(147,648,293)		(147,648,293)
Balance at December 31, 2024	20,25	589,345,528	1,403,308,680	1,269,950,887	5,599,937	3,268,205,032
Profit				102,547,906		102,547,906
						-
Balance at March 31, 2025	20,25	589,345,528	1,403,308,680	1,372,498,793	5,599,937	3,370,752,938

(See Notes to Consolidated Financial Statements)

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME- Quarterly

For the Quarters Ended Jan1, 2024 to March 31, 2025

(In Philippine Peso)

	NOTES	Jan1 to Mar 31, 2025 (Unaudited)	Jan1 to Mar 31, 2024 (Unaudited)
REVENUES	22	1,301,577,665	1,310,743,076
DIRECT COSTS	23	720,767,681	717,368,131
GROSS PROFIT		580,809,984	593,374,945
FINANCE INCOME	8	1,189,405	4,931,507
OPERATING EXPENSES	24	432,814,490	449,449,668
FINANCE COST	17,18	31,987,291	9,493,151
PROFIT (LOSS) BEFORE TAX		117,197,607	139,363,634
INCOME TAXES	28	14,649,701	34,840,908
PROFIT (LOSS)		102,547,906	104,522,725
TOTAL COMPREHENSIVE INCOME (LOSS)		102,547,906	104,522,725

(See Notes to Consolidated Financial Statements)

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Period Ended Jul 1 to March 31, 2025 and 2024

(In Philippine Peso)

	NOTES	Q1-Q3 2025 Unaudited	Q1-Q3 2024 Unaudited
REVENUES	22	4,137,307,770	4,078,390,739
DIRECT COSTS	23	2,309,211,932	2,190,378,396
GROSS PROFIT		1,828,095,838	1,888,012,343
FINANCE INCOME	8	6,268,595	21,694,007
OPERATING EXPENSES	24	1,210,668,561	1,378,578,364
FINANCE COST	17,18	76,702,227	14,515,984
PROFIT (LOSS) BEFORE TAX		546,993,645	516,612,002
INCOME TAXES	28	118,913,929	129,153,000
PROFIT (LOSS)		428,079,716	387,459,001
TOTAL COMPREHENSIVE INCOME (LOSS)		428,079,716	387,459,001
EARNINGS PER SHARE			
Basic Earnings per Share	30	0.07	0.07

(See Notes to Consolidated Financial Statements)



FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Period Ended March 31, 2025 and 2024

(In Philippine Peso)

	NOTES	March 31, 2025	March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax		117,197,607	516,612,002
Operating cash flows before changes in working capital		117,197,607	516,612,002
Increase in operating assets:			
Trade receivables	-	1,587,700	94,702,374
Inventories		17,659	117,069,011
Prepayments and other current assets		2,028,790	51,840,170
Other non-current assets		871,772	102,222,851
Increase/(Decrease) in trade and other payables		5,936,373	199,170,726
Cash generated from operations		124,464,501	349,948,322
Income taxes paid	-	55,118,419	65,815,803
Net cash from operating activities		69,346,082	284,132,519
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to Intangible Assets	13	518,260	407,206,366
Additions to property and equipment	12	362,622,902	1,303,882,602
Short-Term Placements			895,000,000
Net cash used in investing activities	-	363,141,162	816,088,968
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend declared and paid	20	-	147,648,293
Finance costs paid	17,18	28,226,250	
Payments of lease liabilities	18	7,195,802	15,645,181
Availment of loans	17	291,553,027	520,275,000
Net cash from financing activities		256,130,975	388,271,888
NET INCREASE (DECREASE) IN CASH	-	37,664,105	143,684,560
CASH AT BEGINNING OF YEAR		580,069,348	463,290,392
CASH AT END OF YEAR		542,405,243	319,605,832

(See Notes to Consolidated Financial Statements)

FIGARO COFFEE GROUP, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025 and 2024

1. CORPORATE INFORMATION AND STATUS OF OPERATION

Figaro Coffee Group, Inc. and Subsidiary (the “Group”) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on July 6, 2018. The principal activities of the Parent Company are to process, manufacture, and package all kinds of food products; to establish, invest, develop, operate and maintain restaurants, coffee shops, and refreshment parlors; to serve, arrange and cater foods, drinks, refreshments and other food or commodities; to partner and/or collaborate with other players in the food industry for the management and operation of food establishments; to acquire, invest, organize, develop, promote, or otherwise undertake the management and operation of commercial franchises in the food industry; to provide facilities and commissaries and perform all other activities and services incidental thereto, necessary or desirable in relation thereto, and offer and sell to public such products, franchises, services other operation thereof, and to own shares in companies which are in furtherance of its purposes, and to guarantee for and in behalf of the Corporation obligations of other corporations or entities in which it has lawful interest in.

On March 31, 2021, the Parent Company’s Board of Directors and Stockholders approved the following:

- a. The Parent Company’s change in registered office address from No. 33 Mayon St., Brgy. Malamig, Mandaluyong City, Metro Manila, Philippines to 116 E. Main Avenue, Phase V, SEZ Laguna Technopark, Binan, Laguna.
- b. The Parent Company’s change in reporting period from calendar year to fiscal year which shall begin on the first day of July and end on the last day of June.

The change in registered office address and reporting period was approved by SEC on June 23, 2021.

On October 22, 2021, the SEC approved the Company’s application for amendment of its articles of incorporation to reflect the following primary purpose: invest in, purchase, or otherwise acquire and own, hold, use, sell assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign, for whatever lawful purpose or purposes the same may have been recognized and to pay thereof in money or by exchanging therefor stocks, bonds or other evidences of indebtedness or securities of this or any other corporation, and while the owner or holder of any such real or personal property, stocks, bonds, debentures, contracts, or obligations, to receive, collect and dispose of the interest, dividends, and income arising from such property; and to possess and exercise in respect thereof all the rights, powers, and privileges of ownership, including all voting powers of any stock so owned; to carry on, provide support and manage the general business of any corporation, company, association or joint venture; to exercise such powers, acts or functions as may be essential or necessary to carry out the purpose stated herein; and to guarantee for and in behalf of the Corporation obligations of other corporations or entities in which it has lawful interest in.

The Parent Company

On March 31, 2021, the Parent Company’s Board of Directors and Stockholders approved: (a) the increase in authorized capital stock from ₱150,000,000 to ₱500,000,000; and (b) the stock split through the reduction of the par value of the shares of the Parent Company from ₱100.00 per share

to ₱0.10 per share. SEC approved the Parent Company's application to increase authorized capital stock on June 23, 2021.

At incorporation, Camertheus Holdings, Inc. (CHI) subscribed to ₱37,500,000 worth of shares in the Parent Company. Out of such subscription, ₱9,375,000 had been paid by CHI at incorporation of the Parent Company. During the period, CHI fully paid its subscription receivable amounting to ₱28,125,000.

Camerton, Inc. (CI) subscribed to the following shares of the Parent Company:

- a. In support of the application for increase in authorized capital stock, Camerton, Inc. (CI), on March 31, 2021, subscribed to 1,250,000,000 shares of the Parent Company for a total subscription price of ₱125,000,000. The subscribed shares were fully paid and issued on June 22, 2021.
- b. On June 20, 2021, the board of the Parent Company approved the additional paid-in capital in the amount of ₱83,138,000 paid by CI into the Parent Company.
- c. 1,250,000,000 shares with par value of ₱0.10 per share for a total subscription price of ₱228,800,000, or ₱0.18304 price per share. The said subscription resulted to an additional capital stock of ₱125,000,000 and an additional paid-in capital of ₱103,800,000 in the Parent Company; and
- d. 350,000,000 shares of the Parent Company with par value of ₱0.10 per share for a total subscription price of ₱35,000,000.

As of June 30, 2021, the Parent Company is 88.37% owned by CI and 11.63% owned by CHI.

On September 16, 2021, the Securities and Exchange Commission approved the Group's increase in authorized capital stock to ₱660,000,000 divided into 6,600,000,000 shares with a par value of ₱0.10 per share.

As of June 30, 2021, the Group is in the process of compiling with the requirements to file Registration Statement with SEC in accordance with the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799, the "SRC") for the registration of all the issued and outstanding Shares of the Group and the Offer Shares.

On January 24, 2022, the Group completed its Initial Public Offering (IPO) and was listed in the Philippine Stock Exchange (PSE) under stock symbol "FCG." The Group issued 93,016,000 common shares for a total consideration of ₱69,762,000 or at ₱0.75 per share. This resulted to an additional issuance of capital stock of 1,423,182,003 with par value of ₱0.10 per share for a total of ₱142,318,200.

As of June 30, 2022, the outstanding capital of the Group is ₱464,818,700 (excluding the additional paid-in capital of ₱697,831,235 with 4,648,187,003 shares issued).

As of June 30, 2022, the Group is 69.94% owned by Camerton, Inc. and 8.07% owned by Carmetheus Holdings, Inc.

As of June 30, 2024 and 2023, the outstanding capital of the Group is ₱5,893,455,293 (excluding the additional paid-in capital of ₱1,403,308,680 with 589,345,529 shares issued).

As of June 30, 2024 and 2023, the Group is 53.05% owned by Camerton, Inc., 15% owned by Monde Nissin Corporation and 6.86% owned by Carmetheus Holdings, Inc.

On a regular meeting of the Board of Directors (BOD) of the Parent Company dated October 10, 2024, the BOD has approved the proposed amendment of the Parent Company's article of incorporation to change the corporate name from "Figaro Coffee Group, Inc." to "Figaro Culinary Group, Inc.". Stockholders' approval will be sought during the 2024 Annual Stockholders' Meeting scheduled on December 4, 2024.

The Subsidiary

The Parent Company's subsidiary is as follows:

Subsidiary	Principal Activities	Country of Incorporation	Functional Currency	Effective Percentage of Ownership
Figaro Coffee Systems Inc.	Food business including but not limited to operation of retail food stores and restaurants	Philippines	Philippine Peso	100%

The summarized financial information of the subsidiary for the year ended September 30, 2024 and 2023 is as follows:

	2024	2023
Total assets	₱ 4,804,411,425	₱ 3,758,841,237
Total liabilities	1,610,601,587	967,048,109
Net assets	3,193,809,837	2,791,793,128
Revenue	1,392,975,439	1,317,331,927
Direct costs	775,458,296	730,881,211
Operating expense	466,245,922	477,260,151
Finance cost	16,488,686	1,674,278
Profit before tax	137,984,430	117,585,036

On June 21, 2021, F Coffee Holdings Corporation, the 'Seller' agreed to sell and the Parent Company, the 'Buyer' agreed to buy, all the seller's rights, title and interests in 2,500 common shares with a par value of ₱50.00 per share or an aggregate par value of ₱125,000 in Figaro Coffee Systems Inc. (FCSI) for and in consideration of ₱1,851.0256 per share or a total purchase price of ₱4,627,564

On June 23, 2021, the Parent Company subscribed to 7,500 shares of FCSI with ₱50.00 par value per share at the subscription price of ₱27,751.73 per share for a total subscription price of ₱208,138,000. The said subscription resulted to an additional capital stock of ₱375,000 and additional paid-in capital of ₱207,763,000 in FCSI.

On June 27, 2021, the Parent Company subscribed additional 4,576,000 shares of FCSI at ₱50.00 par value resulting to capital stock of ₱228,800,000.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Philippine Financial Sustainability and Reporting Standards Council (FSRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS). The term “PFRS” in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the FSRSC and adopted by SEC.

These new and revised PFRS prescribe new accounting recognition, measurement and disclosure requirements applicable to the Group. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

2.01 New and Revised PFRSs Applied with No Material Effect on the Consolidated Financial Statements

The following new and revised PFRSs have been adopted in these consolidated financial statements. The application of these new and revised PFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The definition of accounting estimates has been amended as follows: accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.

The amendment also clarifies the following:

- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- A change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period’s profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

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

The amendments to PAS 1 are the following:

- an entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;

The amendments also clarify the following:

- accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

In addition, PFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to PAS 1.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

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

The amendments introduce an exception to the initial recognition exemption (IRE) in PAS 12. Additional exclusions have been added to the IRE, detailed in paragraphs 15(b)(iii) and 24(c) for deferred tax liabilities and assets respectively. The effects of these amendments essentially mean that the IRE is not available for transactions which involve the recognition of both an asset and liability – which in turn leads to equal and opposite temporary differences – such that deferred taxes are calculated and booked for both temporary differences, both at initial recognition and subsequently. Applying this exception, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

The initial recognition exemption was initially included within PAS 12 to prevent a lack of reporting transparency for transactions which are not business combinations and, at the time of the transaction, do not affect either accounting or taxable profits. Under this exemption, deferred tax assets/liabilities would neither be recognized at initial recognition of the underlying asset/liability, nor subsequently.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, the amendments also apply to taxable and deductible temporary differences associated with right-of-use assets and lease liabilities, and decommissioning obligations and corresponding amounts recognized as assets at the beginning of the earliest comparative period presented.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

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

The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules, and disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

2.02 New and Revised PFRSs in Issue but Not Yet Effective

The Group will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended PFRS, to have significant impact on the consolidated financial statements.

2.02.01 Standard Adopted by FSRSC and Approved by the Board of Accountancy (BOA)

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

The amendments to PAS 1 are the following:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments defer the effective date of the January 2020 Classification of Liabilities as Current or Non-current (Amendments to PAS 1) to annual reporting periods beginning on or after January 1, 2024, with early application permitted.

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

The amendments introduce new disclosure requirements to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements.

The amendments are effective to annual reporting periods beginning on or after January 1, 2024, with early application permitted.

- Amendments to PAS 1, *Non-current Liabilities with Covenants*

The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current. Additional disclosures are required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period.

The amendments are effective to annual reporting periods beginning on or after January 1, 2024, with early application permitted.

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

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

The amendments are effective to annual reporting periods beginning on or after January 1, 2024, with early application permitted.

- PFRS 17, *Insurance Contracts*

PFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. It requires an entity that issues insurance contracts to report them on the balance sheet as the total of the fulfilment cash flows and the contractual service margin. It requires an entity to provide information that distinguishes two ways insurers earn profits from insurance contracts: the insurance service result and the financial result. It requires an entity to report as insurance revenue the amount charged for insurance coverage when it is earned, rather than when the entity receives premium. It requires that insurance revenue to exclude the deposits that represent the investment of the policyholder, rather than an amount charged for services. Similarly, it requires the entity to present deposit repayments as settlements of liabilities rather than as insurance expense.

PFRS 17 is effective for annual periods beginning on or after January 1, 2025. Early application is permitted for entities that apply PFRS 9, *Financial Instruments* and PFRS 15, *Revenue from Contracts with Customers* on or before the date of initial application of PFRS 17.

An entity shall apply PFRS 17 retrospectively unless impracticable, except that an entity is not required to present the quantitative information required by paragraph 28(f) of PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* and an entity shall not apply the option in paragraph B115 for periods before the date of initial application of PFRS 17. If, and only if, it is impracticable, an entity shall apply either the modified retrospective approach or the fair value approach.

- Amendments to PFRS 17, *Insurance Contracts*

The amendments cover the following areas:

- Insurance acquisition cash flows for renewals outside the contract boundary;
- Reinsurance contracts held—onerous underlying insurance contracts;
- Reinsurance contracts held—underlying insurance contracts with direct participation features; and
- Recognition of the contractual service margin in profit or loss in the general model.

The amendments are effective to annual reporting periods beginning on or after January 1, 2025.

- Amendment to PFRS 17, *Initial Application of PFRS 17 and PFRS 9—Comparative Information*

The amendment is a transition option relating to comparative information about financial assets presented on initial application of PFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

PFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after January 1, 2025.

2.02.02 Deferred

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

The amendments clarify the treatment of the sale or contribution of assets between an investor and its associate and joint venture. This requires an investor in its financial statements to recognize in full the gains and losses arising from the sale or contribution of assets that constitute a business while recognize partial gains and losses if the assets do not constitute a business (i.e. up to the extent only of unrelated investor share).

On January 13, 2016, the FSRSC decided to postpone the original effective date of January 1, 2016 of the said amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

3.01 Statements of Compliance

The consolidated financial statements have been prepared in conformity with PFRS and are under the historical cost convention, except for certain financial instruments that are carried either at fair value or at amortized cost and inventories carried at lower of cost or net realizable value.

3.02 Functional and Presentation Currency

Items included in the consolidated financial statements of the Group are measured using Philippine Peso (₱), the currency of the primary economic environment in which the Group operates (the “functional currency”).

The Group chose to present its consolidated financial statements using its functional currency.

3.03 Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiary.

The consolidated financial statements incorporate the financial statements of the Parent Company and the entities controlled by the Parent Company (its subsidiary) up to June 30 each year. Control is achieved when the Parent Company has exposure or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over an investee. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account.

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 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 Group re-assess 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. Subsidiaries are consolidated from the date when control is transferred to the Parent Company and ceases to be consolidated from the date when control is transferred out of the Parent Company.

At acquisition, the assets and liabilities and the contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the profit and loss in the period of acquisition.

Goodwill is initially measured at cost, being the excess of the aggregate of fair value of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

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 (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Inter-group balances and transactions, including inter-group profits and unrealized profits and losses, are eliminated. When necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used in line with those used by the Group. All inter-group transactions, balances, income and expenses are eliminated during consolidation.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Parent Company and are presented in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from the Group's equity attributable to equity holders of the Parent Company.

A change in the ownership interest of a subsidiary, without a loss of control is accounted for as an equity transaction.

Upon the loss of control, the Group derecognizes the assets and liabilities of the former subsidiary from the consolidated statements of financial position. The Group recognizes any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant PFRSs. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with PFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. The Group recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

3.04 Current and Non-current Presentation

The Group classifies an asset as current when:

- It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realize the asset within twelve (12) months after the reporting period; or
- The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

The Group classifies all other assets as non-current.

The Group classifies a liability as current when:

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve (12) months after the reporting period; or
- It does not have an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

4. MATERIAL ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Group in the preparation of its consolidated financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Segment Information

An operating segment is a component of the Group: (a) that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the Group; (b) whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

The Group reports separately, information about an operating segment that meets any of the following quantitative thresholds: (a) its reported revenue, including both sales to external customers and inter-segment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments, provided that; (b) the absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount, of the combined reported profit of all operating segments that did not report a loss and the combined reported loss of all operating segments that reported a loss; and (c) its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if Management believes that information about the segment would be useful to users of the consolidated financial statements.

The business of the Group is currently organized into two (2) geographical areas namely as National Capital Region and Provincial areas. These areas are the basis on which the Group reports its primary segment information.

4.02 Financial Assets

4.02.01 Initial Recognition and Measurement

The Group recognizes a financial asset in its consolidated statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Except for trade receivables that do not have a significant financing component, at initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At initial recognition, the Group measures trade receivables that do not have a significant financing component at their transaction price.

4.02.02 Classification

➤ Financial Asset at Amortized Cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is 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.

The Group's financial assets measured at amortized cost include cash in banks, trade receivables, due from related parties and other non-current assets.

a) Cash in Banks

Cash in banks pertains to cash deposits held at call with bank that are subject to insignificant risk of change in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

b) Trade Receivables and Due from related parties

Trade receivables and due from related parties are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for expected credit losses of trade receivables and due from related parties are established based on individual assessment and available facts and circumstance, including, but not limited to historical loss experience and economic factors. Finance income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

c) Other non-current assets

Other non-current assets pertain to refundable deposits, construction bond and others. Refundable deposits pertain to amount given to the lessor as security for future repairs needed on the leased area. These are initially recorded at the amount of cash paid. Subsequently, this is measured at cost using the effective interest method, less any impairment.

The Group does not have financial assets measured at fair value either through profit and loss or through other comprehensive income in both years.

4.02.03 Effective Interest Method

Finance income is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets and financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired.

4.02.04 Impairment

The Group measures expected losses of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable assumption that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Group adopted the following approaches in accounting for impairment.

➤ Simplified Approach

The Group always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. The Group determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

➤ General Approach

The Group applies general approach to cash in banks, due from related parties and other non-current assets. At each reporting date, the Group measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. However, if the credit risk has not increased significantly, the Group measures the loss allowance equal to 12-month expected credit losses.

The Group compares the risk of default occurring as at the reporting date with the risk of a default occurring as at the date of initial recognition and consider the macro-economic factors such as GDP, interest, and inflation rates, the performance of the counterparties' industry, that is available without undue cost or effort, to determine whether there is a significant increase in credit risk or not since initial recognition.

The Group determines that there has been a significant increase in credit risk when there is a significant decline in the factors. The Group assumes that the credit risk on cash in banks has not increased significantly since initial recognition because the financial instrument is determined to have low credit risk at the reporting date.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition because the financial instrument is determined to have low credit risk at the reporting date.

The Group did not apply the 30 days past due rebuttable presumption because the Group determines that there have been no significant increases in credit risk even if collections are more than 30 days past due.

If the Group has measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date, that the credit quality improves (i.e. there is no longer a significant increase in credit risk since initial recognition), then the Group shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

The Group recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

The Group performs the assessment of significant increases in credit risk on an individual basis by considering information that is indicative of significant increases in credit risk.

The Group does not apply the 90 days past due rebuttable presumption in determining whether a financial asset is credit-impaired or not. Based on the Group's historical experience, customer is in default when it is already past due for 360 days and beyond.

The Group determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

4.02.05 Derecognition

The Group derecognizes a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition. The difference between the carrying amount and the consideration received is recognized in profit or loss.

4.03 Prepayments and Other Current Assets

4.03.01 Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire through passage of time.

These are classified in the consolidated statements of financial position as current assets when the expenses are expected to be incurred within one (1) year or the group's normal operating cycle, whichever is longer. Otherwise, these are classified as other non-current assets.

4.03.02 Advances to Suppliers

Advances to suppliers represent payments for the goods to be delivered. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are reclassified to inventories upon transfer of ownership of the related goods.

4.03.03 Advances to Contractors

Advances to contractors represent payments for the services to be rendered. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to expenses upon the receipt of the services.

4.04 Business Combination

The Group applies the standard on business combination under PFRS 3 as amended and adopted in 2009. The standard outlines the accounting when an acquirer obtains control of a business (e.g. acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at date of acquisition.

PFRS 3 seeks to enhance the relevance, reliability and comparability of information provided about business combinations (e.g. acquisition and mergers) and their effects. It sets out the principles on the recognition and measurement of acquired assets and liabilities, the determination of goodwill and the necessary disclosures.

In determining whether a transaction is a business combination, PFRS 3 provides additional guidance on determining whether a transaction meets the definition of a business combination and accounted for in accordance with its requirements. This guidance includes:

- Business combinations can occur in various ways such as by transferring cash, including liabilities, issuing equity instrument (or any combination thereof), or by not issuing consideration at all (i.e. by contract alone); and
- Business combinations can be structured in various ways to satisfy legal, taxation or other objectives, including one entity becoming a subsidiary of another, the transfer of net assets from one entity to another or to new entity;

The business combination must involve the acquisition of a business, which generally has three elements:

- Inputs – an economic resource (e.g., non-current assets, intellectual property) that creates outputs when one or more processes are applied to it;
- Process – a system standard, protocol, convention or rule that when applied to an input or inputs, creates outputs (e.g., strategic management, operational processes, resource management); and
- Output – the result of inputs and processes applied to those input.

4.04.01 Acquisition Method

In every acquisition of business, the Group determines the acquisition date, recognize and measures all identifiable assets acquired, the liabilities assumed and non-controlling interest (NCI, formerly called minority interest) in the acquiree, and determines if there is goodwill or gain from a bargain purchase if applicable.

The Group recognizes the acquisition date as the date on which the Group obtains control over the acquiree. Generally, this is the date on which the Group legally transfer the consideration, acquires the assets and assumes the liabilities of the acquiree – the closing date. However, the Group as the acquirer may obtain control on a date that is either earlier or later than the closing date depending on what was agreed upon with the acquiree.

In recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree, the Group observes the definition of assets and liabilities in accordance with the Framework for the Preparation and Presentation of Financial Statements at the acquisition date. Identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values.

On income taxes, the Group recognizes and measures a deferred tax asset or liability arising from the assets acquired and liabilities assumed in accordance with PAS 12 while the standard under PAS 19 is relied on for employee benefits.

The Group recognizes and measures goodwill in accordance with PFRS 3, as the difference between:

- Aggregate of (1) the value of the consideration transferred (generally at fair value), (2) the amount of any non-controlling interest in the acquiree, and (3) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, and
- The net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed (measured in accordance with PFRS 3).

4.04.02 Common Control Business Combinations

A business combination is a “common control combination” if the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. This means that the same party or parties have the ultimate control over the combining entities or businesses both before and after the business combination.

Common control combinations are typically accounted for using the “pooling of interest method” and, in some cases where there is commercial substance to the transaction, using the “acquisition method” under PFRS 3.

PIC Q&A 2011-02 established the following consensus:

1. PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, requires that in the absence of specific guidance in PFRS, management shall use its judgement in developing and applying an accounting policy that is relevant and reliable (PAS 8.10). The most relevant and reliable accounting policies for common control business combination would either be the pooling of interest method and the acquisition method in accordance with PFRS 3.

2. Common control business combinations shall be accounted for using either the pooling of interest method or the acquisition method. However, where the acquisition method of accounting is selected, the transaction must have commercial substance from the perspective of the reporting entity.
3. The accounting policy for common control business combination shall be applied consistently for similar transactions.

4.04.03 Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiary.

The consolidated financial statements incorporate the financial statements of the Parent and the entity controlled by the Parent (its subsidiary) up to June 30 of each year. Control is achieved when the Parent has exposure or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over an investee. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account.

Subsidiary is consolidated from the date when control is transferred to the Parent and ceases to be consolidated from the date when control is transferred out of the Parent.

4.04.04 Measurement

The assets and liabilities and the contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the profit and loss in the period of acquisition.

4.04.05 Initial Measurement of Goodwill or Gain on a Bargain Purchase

Goodwill is initially measured at cost, being the excess of the aggregate of fair value of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as gain on a bargain purchase.

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 (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

4.04.06 Inter-group Balances

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Inter-group balances and transactions, including inter-group profits and unrealized profits and losses, are eliminated. When necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used in line with those used by the Parent Company. All inter-group transactions, balances, income and expenses are eliminated during consolidation.

4.04.07 Loss of Control

Upon the loss of control, the Parent Company derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of controls is recognized in profit or loss. If the Parent Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date the

control is lost. Subsequently, it is accounted for as entity-accounted investee or as financial assets at FVTPL or FVOCI depending on the level of influence retained.

4.04.08 Measurement Period

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group reports in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete. The measurement period ends as soon as the Group receives the information it was seeking about facts and circumstances that existed as at the acquisition date or learns that more information is not obtainable. The measurement period does not exceed one year from the acquisition date.

4.05 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognized immediately in profit or loss.

When the circumstances that previously caused inventories to be impaired no longer exist or when there is clear evidence of an increase in selling price less costs to complete and sell because of changed economic circumstances, a reversal of the impairment is recognized so that the new carrying amount is the lower of the cost and the revised selling price less costs to complete and sell. Any impairment reversal is recognized in profit or loss but is limited to the amount of the original impairment loss recognized.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

4.06 Property and Equipment

Property and equipment are initially measured at cost. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Subsequent to initial recognition property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

Office and store equipment	5 to 10 years
Building and building improvements	5 to 20 years

The property and equipment's residual values, useful lives and depreciation method are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.07 Intangible Assets

Intangible assets acquired separately are initially carried at cost. Subsequently, intangible asset with definite useful life is carried at cost less accumulated amortization and accumulated impairment

losses. Amortization of intangible assets are recognized on a straight-line basis over its estimated useful life of two (2) to five (5) years.

The estimated useful life, residual value and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss.

4.08 Impairment of Assets

At each reporting date, the Group assesses whether there is any indication that any assets other than inventories, deferred tax assets, and financial assets that are within the scope of PFRS 9, *Financial Instruments* may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income.

4.09 Borrowing Costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.10 Financial Liabilities

4.10.01 Initial Recognition and Measurement

The Group shall recognize a financial liability in its consolidated statements of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument.

At initial recognition, the Group shall measure a financial liability at its fair value minus, in the case of financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the liability.

4.10.02 Classification

The Group shall classify all financial liabilities as subsequently measured at amortized, except for:

- financial liabilities at fair value through profit or loss;

- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate;
- contingent consideration recognized by an acquirer in a business combination.

The Group's financial liabilities measured at amortized cost include trade and other payables (excluding customers' deposits and due to government agencies), due to a related party, loans payable and lease liabilities.

The Group does not have financial liabilities measured at fair value through profit or loss.

4.10.03 Derecognition

The Group removes a financial liability (or part of a financial liability) from its statement of financial position when, and only when, it is extinguished (i.e. when the obligation in the contract is discharged or cancelled or expires).

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4.11 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

4.12 Customers' Deposits

Customers' deposits pertain to down payments made by customers on their purchase. These are recorded initially as liability equivalent to the amount of cash received. Subsequently, these are charged to profit or loss upon delivery of food products.

4.13 Employee Benefits

4.13.01 Short-term Benefits

The Group recognizes a liability, net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Group to its employees include salaries and wages, SSS, PhilHealth, and HDMF contributions and other employee benefits.

4.13.02 Post-employment Benefits

The Group has an unfunded and noncontributory defined benefit retirement plan. This benefit defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The cost of providing benefits is determined using the Projected Unit Credit Method (PUCM) which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. Retirement benefits include current service cost and net interest on defined benefit obligation. Remeasurements which include change on demographic and financial assumption and experience adjustment are recognized directly in other comprehensive income and are also presented as remeasurements under 'equity' in the consolidated statement of financial position.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

The retirement benefit obligation recognized in the consolidated statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

4.14 Provisions

Provisions are recognized when the Group has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting period and adjusted to reflect the current best estimate.

4.15 Revenue Recognition

The Group shall recognize revenue when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

4.15.01 Performance Obligations Satisfied at a Point in Time

The Group recognizes revenue at point in time from its store sales and commissary sales, this is when there is a present right to payment for goods, transfer of physical possession of goods, acceptance of the same by its customers and transfer of significant risk and rewards of the goods.

4.15.02 Royalty

Revenue from royalty is recognized as the royalty accrues based on certain percentages of the franchisees' gross sales.

4.15.03 Finance Income

Finance income is recognized when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Finance income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.15.04 Principal versus Agent Considerations

The Group should determine whether it is a principal or an agent in a transaction through the nature of its promise in a performance obligation.

The Group determines whether the nature of its promise is a performance obligation to provide a specified service itself (i.e. the Group is a principal) or to arrange for the other party to provide those services (i.e. the Group is an agent).

The Group is a principal if it controls a promised service before it transfers the service to a customer. It recognizes revenue in the gross amount of consideration to which it expects to be entitled in exchange for those services transferred.

The Group is an agent if its performance obligation is to arrange for the provision of services by another party. It recognizes revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its services.

4.16 Expense Recognition

Expense encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Group.

The Group recognizes expenses in the consolidated statements of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

4.17 Leases

4.17.01 The Group as a Lessee

The Group considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for a consideration. To apply this definition the Group assesses whether the contract meets three (3) key evaluations, which are whether:

- a. The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- b. The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- c. The Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Group has elected to account for short-term leases and low-value assets using the practical expedients. Instead of recognizing an ROU asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Right-of-Use (ROU) Asset

At the commencement date, the Group measures the ROU asset at cost, which comprises of:

- initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any incentives received;
- any initial direct costs incurred by the Group;
- an 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. The Group incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Subsequent to initial recognition, ROU assets are carried at cost less accumulated depreciation and accumulated impairment losses. The Group depreciates the ROU asset on a straight-line method from the lease commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The Group also assesses the ROU asset for impairment when such indicators exist.

On the consolidated statements of financial position, right-of-use assets have been presented as a separate line item.

Lease Liabilities

At the commencement date, the Group measures the lease liabilities at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or if not the Group uses the incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments (including in-substance fixed payments), less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under the residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect in-substance fixed lease payments.

The Group recognizes the amount of remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the remeasurement in profit or loss.

On the consolidated statements of financial position, lease liabilities have been presented as a separate line item.

4.18 Related Parties and Related Party Transactions

A related party is a person or entity that is related to the Group that is preparing its consolidated financial statements. A person or a close member of that person's family is related to Group if that person has control or joint control over the Group, has significant influence over the Group, or is a member of the key management personnel of the Group or of a parent of the Group.

An entity is related to the Group if any of the following conditions applies:

- The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

- The entity is controlled or jointly controlled by a person identified above.
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- Management entity providing key management personnel services to a reporting entity.

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Group and include that person's children and spouse or domestic partner; children of that person's spouse or domestic partner; and dependents of that person or that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

4.19 Taxation

Income tax expense represents the sum of current and deferred taxes.

4.19.01 Current Tax

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4.19.02 Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognized for taxable temporary differences. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4.19.03 Current and Deferred Taxes for the Period

Current and deferred taxes are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss, whether in other comprehensive income or directly in equity, in which case the tax is also recognized outside profit or loss.

4.19.04 Impact of Change in Tax Regime

Components of tax expense include any adjustments recognized in the period for current tax of prior period and the amount of deferred tax expense (income) relating to changes in tax rates. The provision for current income tax during the year include the difference between income tax per prior year financial statements and prior year income tax return.

Deferred tax assets and liabilities as of reporting period is remeasured using the new tax rates. The impact of remeasurement is recognized in profit or loss (i.e., provision for/benefit from deferred income tax), unless it can be recognized in other comprehensive income or another equity account as provided for in PAS 12.61A.

Any movement in deferred taxes arising from the change in tax rates that will form part of the provision for/benefit from deferred taxes will be included as well in the effective tax rate reconciliation.

4.20 Earnings per Share

The Group computes its basic earnings per share by dividing net income or loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period.

4.21 Events after the Reporting Period

The Group identifies subsequent events as events that occurred after the reporting period but before the date when the consolidated financial statements were authorized for issue. Any subsequent events that provide additional information about the Group's position at the reporting period, adjusting events, are reflected in the consolidated financial statements, while subsequent events that do not require adjustments, non-adjusting events, are disclosed in the notes to consolidated financial statements when material.

4.22 Changes in Accounting Policies

The adoption of the new and revised standards and interpretations disclosed in Notes 2.01 and 2.02, was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, "*Accounting Policies, Changes in Accounting Estimates and Errors*".

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Group's accounting policies, which are described in Note 4, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are critical judgments, apart from those involving estimations that Management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

5.01.01 Aggregation of Operating Segments

In accordance with the provisions of PFRS 8, *Operating Segments*, the Group's reporting segment is based on the management approach with regard to the segment identification, under which information regularly provided to the chief operating decision maker for decision-making purposes is considered as decisive. The segments are also evaluated under the management approach.

The Group reports its segment based on the nature of the products and services provided and geographic areas. Management identifies its operating segments as generally based on nature of the products and services such as sale of foods and franchise revenue; and geographic areas such as domestic and international. The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of net trading gains (losses), other income, equity in net earnings, operating expenses and income tax.

5.01.02 Determining whether or not a Contract Contains a Lease

For contracts in place at the date of initial application, the Group has elected to apply the definition of a lease from PAS 17 and IFRIC 4 and has not applied PFRS 16 to arrangements that were previously not identified as lease under PAS 17 and IFRIC 4.

Management assessed the Group's agreements to use store spaces qualified as lease contracts since the contract contains an identified asset, the Group has the right to obtain substantially all of the economic benefits, and the Group has the right to direct the use of the identified asset throughout the period of use.

5.01.03 Assessment of Principal-Agency Arrangement

The Group determines whether the nature of its promise is a performance obligation to provide a specified service itself (i.e. the Group is a principal) or to arrange for the other party to provide those services (i.e. the Group is an agent).

In Jan1 to March 31, 2025 and 2024 the Group assessed that it is acting as a principal on its sales derived from third-party food delivery supports because the Group has the primary responsibility for fulfilling the promise to provide goods to customers, bears the risk on the goods and has the discretion in determining the selling price of the goods. The Group recognized commission expense on amount paid to third-party delivery supports amounting to ₱85,540,884 and ₱86,053,535, in January 1 to March 31, 2025 and 2024, respectively, as disclosed in Note 24.

5.01.04 Assessment of Timing of Satisfaction of Performance Obligations

An entity satisfies a performance obligation by transferring control of a promised good or service to the, which could occur over time or at a point in time.

Management assessed that performance obligation is satisfied at a point in time, this is when there is a present right to payment for goods, transfer of physical possession of goods, acceptance of the same by its customers and transfer of significant risk and rewards of the goods. For January 1 to March 31, 2025 and 2024 revenues recognized amounted to ₱1,301,577,665 and ₱1,310,743,076 as disclosed in Note 22.

5.01.05 Assessment of Contractual Terms of a Financial Asset

The Group determines whether the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In making its judgments, the Group considers whether the cash flows before and after the changes in timing or in the amount of payments represent only payments of principal and interest on the principal amount outstanding.

Management assessed that the contractual terms of its financial assets are solely payments of principal and interest and consistent with basic lending arrangement. As of March 31, 2025 and 2024, the carrying amounts of financial assets measured at amortized cost amounted to ₱786,792,507 and ₱655,784,119 respectively, as disclosed in Note 32.02.

5.01.06 Assessment of the Allocation of Transaction Price to Performance Obligations

A performance obligation is a vendor's promise to transfer a good or service that is 'distinct' from other goods and services identified in the contract.

Management assessed that allocation of transaction price to performance obligation is not applicable since the only obligation identified is to deliver and served the foods and drinks ordered by its customers.

5.01.07 Assessment of 30 days Rebuttable Presumption

The Group determines when a significant increase in credit risk occurs on its financial assets based on the credit management practice of the Group.

Management believes that the 30 days rebuttable presumption on determining whether financial assets are past due is not applicable since based on Group's historical experience credit risk has not increased significantly even if collections are more than 30 days past due.

5.01.08 Assessment of 90 days rebuttable presumption

An entity determines when a past due occurs on its financial assets based on the credit management practice of the entity.

Management believes that the 90 days rebuttable presumption on determining whether there is a significant increase in credit risk in financial assets is not applicable based on the Group's historical experience the Group determines that the customer is in default when it is already past due for 360 days and beyond.

5.01.09 Determining whether or not it is Reasonably Certain that an Extension Option will be Exercised

Lease term is the non-cancellable period for which the Group has the right to use an underlying asset including optional periods when the Group is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term and the enforceability of the option. The option to extend the lease term should be included in the lease term if it is reasonably certain that the lessee will exercise the option and the option is enforceable. The Group is required to reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

Management assessed that it is reasonably certain that it will exercise the extension option but the extension option is not enforceable because it requires mutual agreement of both parties.

5.02 Key Sources of Estimation Uncertainties

The following are the key assumptions concerning the future, and other key sources of estimation uncertainties at the end of the reporting periods that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5.02.01 Estimating Allowance for Expected Credit Losses of Financial Assets

The Group evaluates the expected credit losses related to its financial assets based on an individual assessment and available facts and circumstances, including, but not limited to historical loss experience and economic factors.

The Group uses credit ratings, performance of banking industry, macro-economic and bank's financial information to assess the expected credit losses on its cash in banks. In view of the foregoing factors, Management believes that the expected credit loss is nil in 2024 and 2023.

The Group uses performance of customers' industry, macro-economic factors and economy's outlook to assess the expected credit losses on its trade receivables. In view of the foregoing factors, Management believes that the expected credit loss on trade receivables is nil in 2024 and 2023.

The Group uses the available financial information about the lessors, macro-economic factors and economy's outlook to assess the expected credit losses on its refundable deposits. In view of the foregoing factors, Management believes that the expected credit loss on refundable deposits is nil in both years.

In 2025 and 2024, no provision for expected credit loss was recognized on Group's financial assets.

As of March 31, 2025 and 2024, the carrying amounts of financial assets measured at amortized cost amounted to ₱786,792,507 and ₱655,784,119 as disclosed in Note 32.02.

5.02.02 Estimating Inventories at Net Realizable Values

Net realizable values of inventories are assessed regularly based on the prevailing selling prices of inventories less estimated costs to sell. The Group recognizes expense and provides allowance for decline in value of inventories whenever net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes on price levels or other causes. Inventory items identified to be obsolete and unusable is written off and charged against allowance account. Increase in the net realizable values will increase the carrying amount through reduction of allowance for decline but only to the extent of original acquisition cost.

In 2025 and 2024, Management believes the net realizable value of inventories approximate their costs, thus, no allowance for decline in value was recognized. As of March 31, 2025, June 30, 2024 and March 31, 2024, inventories amounted to ₱488,340,294, ₱430,658,720 and ₱295,459,250 as disclosed in Note 9.

5.02.03 Reviewing Residual Values, Useful Lives and Depreciation Method of Property and Equipment

The residual values, useful lives and depreciation method of the Group's property and equipment are reviewed at least annually, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; significant unexpected wear and tear; technological advancement; and changes in market prices since the most recent annual reporting date. The useful lives of the Group's property and equipment are estimated based on the period over which the assets are expected to be available for use. In determining the useful life of property and equipment, the Group considers the expected usage, expected physical wear and tear, technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output and legal or other limits on the use of the Group's assets. In addition, the estimation of the useful lives is based on Group's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

A reduction in the estimated useful lives of property and equipment would increase the recognized expenses and decrease non-current assets. The Group uses a depreciation method that reflects the pattern in which it expects to consume the property and equipment's future economic benefits. If there is an indication that there has been a significant change in the pattern used by which the Group expects to consume the property and equipment's future economic benefits, the entity shall review its present depreciation method and, if current expectations differ, change the depreciation method to reflect the new pattern.

In both years, Management assessed that there are no indications that there has been any change in pattern used by in consuming Group's property and equipment's future economic benefits. As of March 31, 2025, June 30, 2024 and March 31, 2024 the carrying amounts of the Group's property and equipment are ₱3,694,925,357, ₱2,527,094,634 and ₱2,452,853,535 as disclosed in Note 12.

5.02.04 Reviewing Residual Value, Useful Life and Amortization Method of Intangible Assets

The residual value, useful life and amortization method of the Group's intangible assets are reviewed at least annually, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; technological advancement; and changes in market prices since the most recent annual reporting date. Amortization begins when the intangible assets are available for use, i.e. when it is in the location and condition necessary for it to be usable in the manner intended by Management. Amortization ceases when the intangible asset is derecognized. The Group uses a straight-line method of amortization since it cannot determine reliably the pattern in which it expects to consume the intangible asset's future economic benefits.

In both years, Management assessed that there are no indications that there has been any change in pattern used by the Group in consuming its intangible assets' future economic benefits. As of March 31, 2025, June 30, 2024 and March 31, 2024, the carrying amounts of the amounted ₱252,091,714, ₱239,765,356 and ₱499,845,205, as disclosed in Note 13.

5.02.05 Asset Impairment

The Group performs an impairment review when certain impairment indicators are present. Determining the fair value of prepayment and other current assets, property and equipment, intangible assets and right-of-use assets, which require 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 financial statements. Future events could cause the Group to conclude that aforementioned assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Group believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS.

In both years, Management assessed that no indicators of impairment had existed on prepayment and other current assets, property and equipment, right-of-use assets and intangible assets. As of March 31, 2025, June 30, 2024 and March 31, 2024, the aggregate carrying amounts of the aforementioned assets amounted to ₱4,550,176,094, ₱3,253,518,374 and ₱3,323,055,622, respectively, as disclosed in Notes 11, 12, 13, and 14.

5.02.06 Estimating Recoverability of Deferred Tax Assets

The Group reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Group will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized.

Management believes that the Group will generate future taxable profit to use all or part of its deferred tax asset as of March 31, amounting to ₱9,842,402 and ₱6,983,524, in 2025 and 2024.

5.02.07 Post-employment and Other Employee Benefits

The determination of the retirement obligation and cost and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rates, and rates of compensation increase. In accordance with the PFRS, actual results that differ from the assumptions are recognized as remeasurements in other comprehensive income and therefore, generally affect recorded obligation. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and other retirement obligations.

The Group's retirement benefit amounted to ₱1,066,304 and 904,284 in March 31, 2025 and 2024 respectively, as disclosed in Notes 24 and 25. The Group's retirement benefit obligation as of March 31, 2025 and 2024, amounted to ₱14,092,424 and ₱26,045,253, respectively, as disclosed in Note 25.

5.02.08 Estimating the Appropriate Discount Rate to Use

The Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or if not, the Group uses the incremental borrowing rate.

Management used its incremental borrowing rate of 2.3% to 6.00% per annum to measure the present value of its lease liabilities since the implicit rate was not readily available.

6. SEGMENT INFORMATION

6.01 Revenue from Major Products

Listed below are the revenues earned from January 1 to March 31 for each major product:

		2025		2024		2023
ANGELS PIZZA	P	942,564,266	P	946,300,318	P	671,555,635
FIGARO COFFEE GROUP		56,120,056		54,254,566		43,718,797
TIEN MA		33,838,902		42,306,812		26,365,554
	P	1,032,523,223	P	1,042,861,696	P	741,639,986
		2025		2024		2023
STORE SALES		1,032,523,223		1,042,861,696		741,639,986
COMMISSARY SALES		235,270,692		223,545,310		218,172,452
ROYALTY, FRANCHISE & INSTITUTIONAL SALES		33,783,749		44,336,071		70,632,835
		1,301,577,665		1,310,743,076		1,030,445,273

6.02 Geographical Information

The Group operates in two (2) principal geographical areas. The Group's revenue from continuing operations from external customers by geographical location For the periods January 1 to March 31, are detailed below:

		2025		2024		2023
NATIONAL CAPITAL REGION	P	425,373,982	P	519,705,232	P	425,029,546
PROVINCIAL AREAS		607,149,241		523,156,464		316,610,440
	P	1,032,523,223	P	1,042,861,696	P	741,639,986

7. CASH

For the purpose of the consolidated statements of cash flows, cash includes cash on hand and in banks.

Cash at the end of the reporting periods as shown in the consolidated statements of cash flows can be reconciled to the related item in the consolidated statements of financial position as of March 31, as follows:

	March 31, 2025		June 30, 2024		March 31, 2024	
Cash on hand	₱	25,029,495	₱	13,867,400	₱	13,415,619
Cash in banks		517,375,748		361,067,005		306,190,213
	₱	542,405,243	₱	374,934,405	₱	319,605,832

Cash on hand pertains to revolving and change fund kept in the different branches.

Bank accounts maintained are current accounts that do not earn interest.

8. SHORT-TERM INVESTMENT

Short-term investments consist of money market placements made for six (6) months and earn interest of 8%. As of March 31, 2025 and 2024, short-term investments amounted to nil.

9. TRADE AND OTHER RECEIVABLE

The details of the Group's trade and other receivable as of March 31 are shown below:

	March 31, 2025		June 30, 2024		March 31, 2024	
Trade	₱	192,913,745	₱	159,464,396	₱	251,864,356
Accrued interest receivable		6,268,595		4,570,289		4,931,507
	₱	199,182,340	₱	164,034,685	₱	256,795,863

Trade receivables which pertain to supplies billed to franchisees, commissary sales to certain institutions and receivable from credit card companies and food delivery services have an average credit period of sixty (60) days from the sale of goods. No interest is charged on trade receivables. The Group determines that a customer is in default when it is already past due for 360 days and beyond. Trade receivables disclosed above include amounts which are past due at the end of the reporting period but against which the Group has not recognized an allowance for expected credit losses because there has been no significant amount on past due accounts which are 360 days and beyond. The Group does not hold any collateral or other credit enhancements over these balances, nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Aging of outstanding accounts that are past due but not impaired is as follows:

	March 31, 2025		June 30, 2024		March 31, 2024	
1 to 30 days	₱	109,183,242	₱	102,845,359	₱	102,432,652
31 to 60 days		63,535,324		39,822,442		54,915,628
Over 60 days		20,195,179		16,796,595		94,516,076
	₱	192,913,745	₱	159,464,396	₱	251,864,356

In determining the recoverability of trade receivable, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

In 2025, 2024 and 2023, no provision for expected credit loss was recognized for the Group's trade receivables because the Group believes that there is only an insignificant amount of expected credit loss therefrom.

10. INVENTORIES

The Group's inventories pertaining to foods, beverages, store and kitchen supplies amounted to:

	March 31, 2025	June 30, 2024	March 31, 2024
Inventories	488,340,294	430,658,720	295,459,250
	₱ 488,340,294	₱ 430,658,720	₱ 295,459,250

The cost of inventories recognized as an expense for the period January 1 to March 31, 2025, 2024 and 2023 respectively amounted to ₱425,410,550 , ₱495,072,851 and ₱388,899,043, as disclosed in Note 23.

Inventories are expected to be recovered within twelve (12) months after the reporting period.

There are no unusual purchase commitments and accrued net losses on such commitments. There are no losses which are expected to arise from firm and noncancellable commitments for the future purchase of inventory items.

11. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Group's prepayments and other current assets as of March 31 are shown below:

	March 31, 2025	June 30, 2024	March 31, 2024
Prepaid expenses	₱ 920,453	₱	₱ 612,045
Prepaid rent (Note 17)	1,902,424	1,233,630	56,215,024
Advances to contractors	180,242,424	125,022,173	135,524,520
Advances to suppliers	42,094,245	17,251,124	12,056,353
Advances to officers and employees	15,764,709	15,912,388	1,530,592
	₱ 240,924,255	₱ 159,419,315	₱ 205,938,534

Advances to contractors pertain to materials and services paid in advance.

Advances to suppliers pertain to inventories that are already paid. The average shipment and delivery is sixty (60) days from the initial payment of goods.

Advances to officers and employees are subject to liquidation.

12. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Group's property and equipment as of March 31, 2025, June 30, and March 31, 2024, are as follows:

	Office and Store Equipment	Building and Building Improvements	Total
Movements during the periods			
Balance, Jan 1, 2024	1,611,567,618	523,009,062	2,134,576,680
Additions	201,823,230	187,892,678	389,715,908
Depreciation	-48,356,803	-18,789,268	-67,146,071
Balance, March 31, 2024	1,765,034,045	692,112,472	2,457,146,516
March 31, 2024			
Cost	2,197,269,746	1,183,079,101	3,380,348,846
Accumulated depreciation	-432,235,701	-490,966,629	-923,202,330
Carrying Amount	₱ 1,765,034,045	₱ 692,112,472	₱ 2,457,146,516
Movements during the periods			
Balance, Apr 1, 2024	1,765,034,045	692,112,472	2,457,146,516
Additions	-598,506,194	740,194,680	141,688,486
Depreciation	29,275,970	-101,016,338	-71,740,368
Balance, June 30, 2024	1,195,803,821	1,331,290,813	2,527,094,634
June 30, 2024			
Cost	1,598,763,552	1,923,273,780	3,522,037,332
Accumulated depreciation	-402,959,731	-591,982,967	-994,942,698
Carrying Amount	₱ 1,195,803,821	₱ 1,331,290,813	₱ 2,527,094,634
Movements during the periods			
Balance, Jul 1, 2024	1,195,803,821	1,331,290,813	2,527,094,634
Additions	225,465,300	337,242,300	562,707,600
Depreciation	-69,657,204	-45,639,400	-115,296,604
Balance, Sept 30, 2024	1,351,611,917	1,622,893,713	2,974,505,630
Sept 30, 2024			
Cost	1,824,228,852	2,260,516,080	4,084,744,932
Accumulated depreciation	-472,616,935	-637,622,367	-1,110,239,302
Carrying Amount	₱ 1,351,611,917	₱ 1,622,893,713	₱ 2,974,505,630
Movements during the periods			
Balance, Oct 1, 2024	1,351,611,917	1,622,893,713	2,974,505,630
Additions	262,643,010	161,447,019	424,090,029
Depreciation	-42,743,934	-23,549,270	-66,293,204
Balance, Dec 31, 2024	1,571,510,993	1,760,791,462	3,332,302,455
Dec 31, 2024			
Cost	2,086,871,862	2,421,963,099	4,508,834,961
Accumulated depreciation	-515,360,869	-661,171,637	-1,176,532,506
Carrying Amount	₱ 1,571,510,993	₱ 1,760,791,462	₱ 3,332,302,455

Movements during the periods

Balance, Jan 1, 2025	1,571,510,993	1,760,791,462	3,332,302,455
Additions	265,093,742	205,308,492	470,402,234
Depreciation	-44,666,900	-63,112,433	-107,779,332
Balance, March 31, 2025	1,791,937,835	1,902,987,522	3,694,925,357
March 31, 2025			
Cost	2,351,965,604	2,627,271,591	4,979,237,195
Accumulated depreciation	-560,027,769	-724,284,069	-1,284,311,838
Carrying Amount	₱ 1,791,937,835	₱ 1,902,987,522	₱ 3,694,925,357

In January 1 to March 31, 2025, 2024 and 2023, all additions were paid in cash.

Depreciation is allocated as follows:

Jan 1 to March 31	2025	2024	2023
Direct cost	₱ 7,291,442	₱ 3,804,252	₱ 750,398
Operating expenses	100,487,890	109,073,853	72,782,102
	₱ 107,779,332	₱ 112,878,105	₱ 73,532,500

In 2025, 2024 and 2023, Management assessed that there were no indications of impairment existing in property and equipment.

13. INTANGIBLE ASSETS – net

The carrying amounts of the Group's intangible assets as of March 31, 2025 and 2024 are as follows:

INTANGIBLES	March 31, 2025	March 31, 2024
Balance, July 1		
Cost	₱ 114,731,928	₱ 57,380,187
Accumulated amortization	- 22,093,089	-22,093,089
Carrying Amount	92,638,839	35,287,098
Movements during the year		
Balance, July 1	92,638,839	35,287,098
Additions	147,126,517	57,351,741
Amortization		
Balance, June 30	- 239,765,356	92,638,839
06/30/2024		
Cost	261,858,445	114,731,928
Accumulated amortization	- 22,093,089	-22,093,089
Carrying Amount	₱ 239,765,356	₱ 92,638,839
Movements during the year		
Balance, July 1	39,765,356	92,638,839
Additions	25,501,115	243,336,011
Amortization	- 25,226,928	
Balance, Sept 30	₱ 240,039,543	335,974,850
Sep-30		
Cost	287,359,560	358,067,939
Accumulated amortization	- 47,320,017	-22,093,089
Carrying Amount	₱ 240,039,543	₱ 335,974,850

Movements during the year			
Balance, Oct 1		240,039,543	335,974,850
Additions		36,760,839	131,882,783
Amortization	-	25,226,928	
Balance, Dec 31	₱	251,573,454	467,857,633
Dec-31			
Cost		324,120,399	489,950,722
Accumulated amortization	-	72,546,945	-22,093,089
Carrying Amount	₱	251,573,454	₱ 467,857,633
Movements during the year			
Balance, Jan 1		51,573,454	467,857,633
Additions		2,611,705	34,080,996
Amortization	-	2,093,445	-2,093,424
Balance, March 31	₱	252,091,714	499,845,205
3/31/2025			
Cost		326,732,104	524,031,718
Accumulated amortization	-	74,640,390	-24,186,513
Carrying Amount	₱	252,091,714	₱ 499,845,205

In 2025 and 2024, all additions were paid in cash.

The remaining useful life of intangible assets two (2) to five (5) years.

The Group has determined that there is no indication that an impairment loss has occurred on its intangible assets in both years.

14. RIGHT-OF-USE ASSETS – net

The carrying amounts of the Group's right-of-use assets as of March 31, 2025 and 2024, are as follows:

		2025		2024
Balance, March 31,				
Cost	₱	107,129,013	₱	12,228,382
Accumulated depreciation		-22,093,089		-7,428,290
Carrying Amount		85,035,924		4,800,092
Movements during the year				
Balance, April 1		85,035,924		4,800,092
Additions		272,556,890		27,127,944
Depreciation		-66,566,355		-14,664,799
Balance, June 30		291,026,459		17,263,237
Cost		379,685,903		39,356,326
Accumulated depreciation		-88,659,444		-22,093,089
Carrying Amount	₱	291,026,459	₱	17,263,237
Movements during the year				
Balance, July 1 2024		291,026,459		17,263,237

Additions	35,898,647	46,434,973
Depreciation	-32,865,472	-25,668,823
Balance, September 30, 2024	294,059,634	38,029,387
September 30, 2024		
Cost	415,584,550	85,791,299
Accumulated Depreciation	-121,524,916	-47,761,912
Carrying Amount	294,059,634	38,029,387
Movements during the year		
Balance, Oct 1 2024	294,059,634	38,029,387
Additions	62,176,123	34,546,963
Depreciation	-38,742,304	
Balance, December 31, 2024	317,493,453	72,576,350
December 31, 2024		
Cost	477,760,673	120,338,262
Accumulated Depreciation	-160,267,220	-47,761,912
Carrying Amount	317,493,453	72,576,350
Movements during the year		
Balance, January 1, 2025	317,493,453	72,576,350
Additions	38,278,695	12,459,574
Depreciation	-38,742,304	
Balance, March 31, 2025	317,029,844	85,035,924
Cost	516,039,368	107,129,013
Accumulated Depreciation	-199,009,524	-22,093,089
Carrying Amount	317,029,844	85,035,924

The details of the lease contracts are disclosed in Note 26.

15. OTHER NON-CURRENT ASSETS

The details of other non-current assets as of March 31, 2025 are shown below:

	March 31, 2025	June 30, 2024	March 31, 2024
Refundable deposits	₱ 4,502,953	₱ 33,125,666	₱ 49,320,546
Construction bond	40,101,971	2,086,944	29,461,878
Others	600,000	1,000,000	600,000
	45,204,924	₱ 36,212,610	₱ 79,382,424

16. TRADE AND OTHER PAYABLES

The components of trade and other payables account as of March 31, are as follows:

	March 31, 2025	June 30, 2024	March 31, 2024
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Trade	P	359,545,946	P	331,242,122	P	537,345,521
Customers' deposits		33,092,552		34,685,463		42,425,254
Due to government agencies		9,320,525		11,824,222		10,323,459
Gift certificate payable		2,102,300		3,495,200		467,244
Accrued expenses		3,630,000		1,353,200		3,630,000
	P	407,691,323	P	382,600,207	P	594,191,478

The average credit period on purchases of certain goods from suppliers is thirty (30) days. No interest is charged on the trade payables from the date of the invoice.

Customer's deposits pertain to down payments made by customers on their purchases.

Due to government agencies include expanded and compensation withholding taxes and other statutory payables.

Accrued expenses pertains to accrual of professional fee and other services.

17. LOANS PAYABLE

Details of Group's loans payable as of March 31, 2025 are as follows:

Bank Loans		March 31, 2025	June 30, 2024	March 31, 2024
Balance, January 1, 2025	P	525,400,000	P 30,000,000	P 395,000,000
Availments		750,000,000	1,050,000,000	155,275,000
Payments	-	458,446,973	- 529,564,311	-
Short-Term - Balance, March 31	P	816,953,027	P 550,435,689	P 550,275,000
Balance, January 1, 2025	P	980,000,000	P	P
Availments				
Payments				-
Long-Term - Balance, March 31, 2025	P	980,000,000	P 0	P 0

The loans balance is for working capital while the long term loan availed will be used for store expansion of the Group. The loans bear an interest rate of 5.5% to 8% with a term of 180 days to one (1) year.

For the periods January 1 to March 31, 2025, 2024, 2023 finance costs incurred and paid amounted to P31,987,291, P9,493,151 and P755,855 respectively.

The Group is not required to maintain any ratios or thresholds. In 2025, 2024 and 2023, the Group is compliant with the terms and conditions of the loan contract.

18. LEASE LIABILITIES

The Group, as lessee, entered into various leasing arrangements as disclosed in Note 27, as of March 31, 2025. The following are the amounts of lease liabilities:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2025	2024	2025	2024
Not later than one (1) year	₱ 36,098,453	₱ 4,098,354	₱ 10,982,424	₱ 9,023,452
Later than one (1) year but not later than five (5) years	204,403,021	19,056,819	174,824,536	13,920,424
	240,501,474	23,155,173	185,806,960	22,943,876
Discount	-54,694,514	-211,297	-	-
Present value of minimum lease payments	185,806,960	22,943,876	185,806,960	22,943,876
Current portion	10,982,424	9,023,452	10,982,424	9,023,452
Non-current portion	₱ 174,824,536	₱ 13,920,424	₱ 174,824,536	₱ 13,920,424

Movement in lease liabilities are as follows:

	2025	2024
Balance, beginning	₱ 22,943,876	₱ 11,259,500
Additions	38,278,695	12,459,574
Finance cost (Note 27)	17,575,260	
Finance cost paid		
Lease payments	107,009,129	-775,198
Balance, ending	₱ 185,806,960	₱ 22,943,876

The interest rate inherent in the leases is fixed at the contract date for all of the lease term. The average effective interest rate contracted approximates 2.3% to 6.00% per annum.

19. RELATED PARTY TRANSACTIONS

Nature of relationship of the Group and its related parties are disclosed below:

Related Party	Nature of Relationship
Carmetheus Holdings, Inc.	Ultimate Parent
Camerton, Inc.	Immediate Parent
F Coffee Holdings, Inc.	Under Common Control
F Coffee Holdings Corporation	Under Common Control
Stockholders	Key Management Personnel

19.01 Due from a related party

19.01.01 Key Management Personnel

Transactions with key management personnel are as follows:

	March 31, 2025		March 31, 2024	
	Amount/ Volume	Outstanding Balances	Amount/ Volume	Outstanding Balances
Stockholders				
Advances	₱ -	₱ -	₱ -	₱ -

Advances pertain cash given to stockholders for their personal use.

In 2024, 2023 and 2022, the Group partially collected its advances granted to related party amounting to nil, ₱167,081,477 and ₱67,872,936, respectively.

The amounts outstanding are unsecured, non-interest bearing, collectible on demand and will be settled in cash. No guarantees have been received in respect of the amounts owed by a related party. No provisions have been made for expected credit losses in respect of the amounts owed by a related party.

The Group has an approval requirement and limits on the amount and extent of related party transactions.

19.02 Remuneration of Key Management Personnel

In both years, no remuneration was given to the directors and members of key management personnel.

20. CAPITAL STOCK

The paid-in capital stock of the Group as of March 31, 2025 are as follows:

	March 31, 2025		June 30, 2024		March 31, 2024	
Capital stock	₱	589,345,528	₱	589,345,528	₱	589,345,529
Additional paid-in capital		1,403,308,680		1,403,308,680		1,403,308,680
	₱	1,992,654,208	₱	1,992,654,208	₱	1,992,654,209

20.01 Increase in Authorized Capital Stock

On March 31, 2021, the Parent Company's Board of Directors and Stockholders approved: (a) the increase in authorized capital stock from P150,000,000 to P500,000,000; and (b) the stock split through the reduction of the par value of the shares of the Group from P100.00 per share to P0.10 per share. SEC approved the Group's application to increase authorized capital stock on June 23, 2021.

On September 16, 2021, the Securities and Exchange Commission approved the Company's increase in authorized capital stock to P660,000,000 divided into 6,600,000,000 shares with a par value of P0.10 per share.

On June 6, 2023, the Parent Company's Board of Directors and Stockholders approved the increase in authorized capital stock amounting to P1,340,000,000 comprising of 11,550,000,000 common shares at P0.10 par value per share or equivalent to P1,155,000,000 and 9,250,000,000 preferred shares at P0.02 par value per share or equivalent to P185,000,000. SEC approved the Group's application to increase its authorized capital stock on July 14, 2023.

20.02 Capital Stock

The paid-in capital stock of the Group are as follows:

	Mar-31	2025	2024
Common shares (Note 20.02.01)	₱	546,845,528	₱ 546,845,528
Preferred shares (Note 20.02.02)		42,500,000	42,500,000
	₱	589,345,528	₱ 589,345,528

20.02.01 Common Shares

Shown below are the details on the movements of common shares.

Mar-31	2025		2024	
	Shares	Amount	Shares	Amount
Authorized				
P0.10 par value per share	11,550,000,000	₱ 1,155,000,000	11,550,000,000	₱ 1,155,000,000
Issued and fully paid				
Balance, beginning	5,893,455,280	589,345,528	5,893,455,280	589,345,528
Additional issuance	-	-	-	-
Conversion to preferred shares	-425,000,000	-42,500,000	-425,000,000	-42,500,000
Balance, end	5,468,455,280	₱ 546,845,528	5,468,455,280	₱ 546,845,528

20.02.02 Preferred Shares

Shown below are the details on the movements of preferred shares.

March 31, 2025	2025		2024	
	Shares	Amount	Shares	Amount
Authorized				
₱0.02 par value per share	9,250,000,000	₱ 185,000,000	9,250,000,000	₱ 185,000,000
Subscribed	8,500,000,000	170,000,000	8,500,000,000	170,000,000
Subscription receivable	-6,375,000,000	-127,500,000	-6,375,000,000	-127,500,000
Balance, end	2,125,000,000	₱ 42,500,000	2,125,000,000	₱ 42,500,000

20.03 Dividend Declaration

On October 12, 2024, Figaro Coffee Group, Inc., the Parent Company declared cash dividend at ₱0.027 per share to stockholders of record as of November 17, 2024. The payment date of the declaration of dividend is December 8, 2024.

At the regular meeting held on October 12, 2024, the Board of Directors of the Figaro Coffee Group, Inc., the Parent Company approved the declaration of cash dividends of ₱0.027 with a total amount of ₱147,648,293 to all stockholders on record as of November 17, 2024. Dividends paid amounted to ₱147,648,293 during the same year.

20.04 Issuances of Shares

At incorporation, Camertheus Holdings, Inc. (CHI) subscribed to ₱37,500,000 worth of shares in the Parent Company. Out of such subscription, ₱9,375,000 had been paid by CHI at incorporation of the Parent Company. During the period, CHI fully paid its subscription receivable amounting to ₱28,125,000.

Camerton, Inc. (CI) subscribed to the following shares of the Parent Company:

- a. In support of the application for increase in authorized capital stock, Camerton, Inc. (CI), on March 31, 2021, subscribed to 1,250,000,000 shares of the Parent Company for a total subscription price of ₱125,000,000. The subscribed shares were fully paid and issued on June 22, 2021.
- b. On June 20, 2021, the Board of Directors of the Parent Company approved the additional paid-in capital in the amount of ₱83,138,000 paid by CI into the Parent Company.
- c. 1,250,000,000 shares with par value of ₱0.10 per share for a total subscription price of ₱228,800,000, or ₱0.18304 price per share. The said subscription resulted to an additional capital stock of ₱125,000,000 and an additional paid-in capital of ₱103,800,000 in the Parent Company; and
- d. 350,000,000 shares of the Parent Company with par value of ₱0.10 per share for a total subscription price of ₱35,000,000.

As of June 30, 2021, the outstanding capital of the Parent Company is ₱322,500,500 (excluding the additional paid-in capital of ₱186,938,000 with 3,225,005,000 shares issued).

As of June 30, 2021, the Parent Company is 88.37% owned by Camerton, Inc. and 11.63% owned by Carmetheus Holdings, Inc.

On January 24, 2022, the Company completed its IPO and was listed in the PSE under stock symbol "FCG." The Company issued 93,016,000 common shares for a total consideration of ₱69,762,000 or at ₱0.75 per share. This resulted to an additional issuance of capital stock of 1,423,183,200 with par value of ₱0.10 per share for a total of ₱142,318,200.

As of June 30, 2022, the outstanding capital of the Company is ₱464,818,820 (excluding the additional paid-in capital of ₱665,068,300 with 4,648,188,200 shares issued).

As of June 30, 2022, the Company is 69.94% owned by Camerton, Inc. and 8.07% owned by Carmetheus Holdings, Inc.

On February 2, 2023, the Company issued 820,268,295 common shares to Monde Nissin Corporation at ₱1 per share.

As of September 30, 2024 and 2023, the outstanding capital of the Group is ₱5,893,455,280 (excluding the additional paid-in capital of ₱1,403,308,680 with 5,893,455,280 shares issued).

As of September 30, 2024 and 2023, the Group is 53.05% owned by Camerton, Inc., 15% owned by Monde Nissin Corporation and 6.86% owned by Carmetheus Holdings, Inc.

20.05 Track record of registration of securities under the Securities Regulation Code

As of June 30, 2021, the Company is in the process of compiling with the requirements to file Registration Statement with SEC in accordance with the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799, the "SRC") for the registration of all the issued and outstanding Shares of the Company and the Offer Shares.

The number of shares to be registered, issue/ offer price and the approval or date when the registration statement covering such securities was rendered effective by the Commission, and the number of holders of such securities is to be determined.

On January 24, 2022, the Company completed its IPO and was listed in the PSE under stock symbol "FCG." The Company issued 93,016,000 common shares for a total consideration of ₱69,762,000 or at ₱0.75 per share.

21. BUSINESS COMBINATION

The Group accounted the common control business combination using the "acquisition method" under PFRS 3 because there is commercial substance to the transaction. Factors that indicate commercial substance are as follows:

1. The business combination is undertaken as an integral part of an Initial Public Offering (IPO).
2. The extent to which the acquiring entity's future cash flows are expected to change as a result of the business combination in which the entity-specific value of the portion of the entity's operations affected by the transaction changes as a result of the combination and the exchange is significant relative to the fair value of the assets exchanged.

Cash consideration	₱	4,627,564
Less fair value of net identifiable assets acquired		38,284,325
Gain on bargain purchase	₱	33,656,761

The subsidiary and the Parent Company are under common control. The Management believes that the acquisition will result to more financing resources to improve further the results of operation and financial position of the subsidiary.

The Group included FCSI in its financial consolidation starting June 21, 2021 (the "acquisition date"). The net cash inflow from the acquisition is as follows:

Cash paid on acquisition	₱ 4,627,564
Less cash acquired from subsidiary	281,145,694
	₱ 276,518,130

From the acquisition date, FCSI contributed ₱53,539,134 of revenues and ₱9,603,908 net profit to Group. If the business combination had taken place beginning July 1, 2020, contribution to consolidated revenues and net loss for the year ended June 30, 2021 would have been ₱1,354,700,778 and ₱197,365,890, respectively.

The fair value of the identifiable assets acquired and liabilities assumed as at the date of the acquisition were as follows:

Cash	281,145,694
Trade receivables	3,112,625
Inventories	59,452,449
Due from related parties	570,499
Prepayments and other current assets	31,940,875
Property and equipment – net	487,214,074
Intangible assets – net	379,748
Right-of-use assets – net	7,369,323
Other non-current assets	9,425,037
Deferred tax assets	4,579,163
Total identifiable assets acquired	885,189,487
Less:	
Dividend payable	208,138,000
Due to related party	228,800,000
Trade and other payables	116,763,768
Due to a related party	154,986,809
Loans payable	80,000,000
Lease liabilities	2,540,057
Income tax payable	32,688,283
Retirement benefits obligation	17,949,554
Lease liabilities—net of current portion	5,038,691
Total identifiable liabilities assumed	846,905,162
Net identifiable assets acquired	38,284,325

22. REVENUE

The Group's revenue for the period January 1 to March 31, are as follows:

	2025	2024	2023
ANGELS PIZZA	P 942,564,266	P 946,300,318	P 671,555,635
FIGARO COFFEE GROUP	56,120,056	54,254,566	43,718,797
TIEN MA	33,838,902	42,306,812	26,365,554
	P 1,032,523,223	P 1,042,861,696	P 741,639,986

	2025	2024	2023
STORE SALES	1,032,523,223	1,042,861,696	741,639,986
COMMISSARY SALES	235,270,692	223,545,310	218,172,452
ROYALTY, FRANCHISE & INSTITUTIONAL SALES	33,783,749	44,336,071	70,632,835
	1,301,577,665	1,310,743,076	1,030,445,273

The Group's revenue includes royalty and franchise fees income received from franchisees for the period January 1 to March 31, amounted to ₱14,822,930 and ₱21,896,597 in 2025 and 2024, respectively, as disclosed in Note 26.

23. DIRECT COSTS

The following is an analysis of the Group's direct costs for the period Jan 1 to March 31,:

		2025		2024		2023
Inventories, Jan 1 (Note 10)	₱	488,357,953	₱	283,958,309	₱	134,498,031
Purchases		425,392,891		506,573,792		431,818,043
Inventories, Mar 31 (Note 10)		488,340,294		295,459,250		177,416,990
Cost of materials used		425,410,550		495,072,851		388,899,084
Direct labor (Note 24)		160,993,052		157,096,986		103,323,909
Overhead		134,364,079		65,198,294		50,345,872
	₱	720,767,681	₱	717,368,131	₱	542,568,866

Details of the overhead is as follows:

		2025		2024		2023
Store and kitchen supplies	₱	19,003,724	₱	8,853,090	₱	13,089,723
Communication, light and water		29,617,843		15,009,573		9,898,642
Security services		11,092,414		4,897,535		4,098,939
Taxes and licenses		11,092,834		6,024,953		2,409,380
Repairs and maintenance		7,003,234		3,209,535		3,184,038
Wastages and spoilage		6,509,533		3,290,442		2,309,480
Professional fees		4,004,244		1,894,424		2,093,409
Depreciation (Notes 12 & 13)		7,291,442		3,804,252		750,398
Representation and entertainment		900,244		394,242		159,308
Association Dues		842,042		402,323		27,639
Rentals (Note 27)		36,025,255		17,150,394		11,984,038
Others		981,270		267,531		340,878
	₱	134,364,079	₱	65,198,294	₱	50,345,872

24. OPERATING EXPENSES

This account for the period Jan 1 to March 31 is composed of the following expenses:

Jan 1 to Mar 31	2025	2024	2023
Advertisement and promotion	₱ 176,751,248	₱ 191,657,403	₱ 169,271,962
Depreciation (Note 12)	100,487,890	109,073,853	72,782,102
Commission	85,540,884	86,053,535	61,753,106
Short-term employee benefits (Note 25)	3,102,397	17,409,562	11,093,857
Transportation and travel	20,437,847	15,430,953	15,097,634
Communication, light and water	14,517,701	5,794,353	3,639,234
Taxes and licenses	5,071,213	4,892,420	3,709,535
Rentals (Note 27)	5,304,593	5,842,524	3,928,756
Representation and entertainment	5,380,030	3,592,420	3,284,535
Professional fees	3,792,882	2,411,345	10,947,934
Amortization (Note 13)	2,093,445	2,093,424	1,549,530
Management fees	6,863,506	1,785,325	3,034,094
Security services	1,036,204	1,009,424	640,592
Retirement benefits (Note 25)	1,066,304	904,284	904,285
Supplies	368,884	589,322	283,248
Repairs and maintenance	522,043	504,243	184,044
Insurance	187,244	150,354	169,340
Others	290,176	254,924	1,359,241
	₱ 432,814,490	₱ 449,449,668	₱ 363,633,029

25. EMPLOYEE BENEFITS

Aggregate employee benefits expense for the periods Jan 1 to 31, as disclosed in Notes 23 and 24, is comprised of:

Jan 1 to Mar 31	2025	2024	2023
Short-term employee benefits (Note 25.01)	₱ 164,095,449	₱ 174,506,548	₱ 114,417,766
Retirement Benefits (Note 25.02)	1,066,304	904,284	904,285
	₱ 165,161,753	₱ 175,410,832	₱ 115,322,051

25.01 Short-term Employee Benefits

An analysis of the Company's short-term employee benefits for the periods Oct 1 to December 31, as disclosed in Notes 23 and 24 is as follows:

	2025	2024	2023
Salaries and wages	₱ 124,784,062	₱ 132,598,540	₱ 88,026,450
SSS, PhilHealth and HDMF contributions	24,491,656	25,948,535	17,142,935
Other employee benefits	14,819,731	15,959,473	9,248,381
	₱ 164,095,449	₱ 174,506,548	₱ 114,417,766

Allocation of short-term employee benefits is as follows:

	2025	2024	2023
Cost of sales (Note 23)	₱ 160,993,052	₱ 157,096,986	₱ 103,323,909
Operating expenses (Note24)	3,102,397	17,409,562	11,093,857
	₱ 164,095,449	₱ 174,506,548	₱ 114,417,766

25.02 Post-employment Benefits

25.01.01 Defined Benefit Plan

The Group has a single retirement plan under the regulatory framework of the Philippines. Under R.A. No. 7641, the Group is legally obliged to provide a minimum retirement pay for qualified employees upon retirement. The framework, however, does not have a minimum funding requirement. The Group's benefit plan is aligned with this framework.

Under the unfunded plan, the employees are entitled to retirement benefits equivalent to 22.5 days per year of credited service in accordance with R.A. No. 7641 on attainment of a retirement age of sixty (60) years with at least five (5) years of service. The payments for the funded benefits are borne by the Group as it falls due.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out on October 28, 2024 by Miravite Consulting Group, Inc. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The principal assumptions used for the purposes of the actuarial valuations are as follows:

	2024	2023
Discount rate	7.20%	7.22%
Expected rate of salary increase	5.00%	5.00%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at age sixty (60).

	2024	2023
Retiring after the reporting period		
Male and Female	14	14

The sensitivity analysis of the defined benefit obligation on changes in the weighted principal assumption is as follows:

	Impact on Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
December 31, 2024			
Discount rate	+/-1.00%	6.00%	4.00%
Salary increase rate	+/-1.00%	5.00%	5.00%
June 30, 2023			
Discount rate	+/-1.00%	3.60%	4.34%
Salary increase rate	+/-1.00%	8.41%	7.79%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the retirement benefit obligation recognized within the statements of financial position.

Assumed life expectancy is not applicable because under the Group's retirement plan, benefits are paid in full in a lump sum upon retirement or separation of an employee.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Amounts recognized in consolidated profit or loss in respect of these defined benefit plans are as follows:

	2025		2024	
Current service cost	P	620,648	P	689,684
Interest on the retirement benefit obligation		445,656		214,600
	P	1,066,304	P	904,284

Reconciliation of remeasurements recognized in consolidated other comprehensive income is as follows:

		Change on financial assumption		Experience adjustment		Total		Income tax		Net
Gain (loss) Balance at June 30, 2022	P	4,275,425	P	(858,957)	P	3,416,468	P	(927,066)	P	2,489,402
Amount recognized during the year		-		-		-		-		-
Gain (loss) Balance at June 30, 2023		4,275,425		(858,957)		3,416,468		(927,066)		2,489,402
Amount recognized during the year		1,767,589		(12,553,375)		(10,785,786)		2,696,447		(8,089,339)
Gain (loss) Balance at June 30, 2024	P	6,042,014	P	(13,412,332)	P	(7,369,318)	P	1,769,381	P	(5,599,937)

Movements in the present value of the defined benefit obligation in the current period are as follows:

		March 31, 2025		March 31, 2024
Balance, July 1	P	26,045,253	P	19,813,040
Current service cost		620,648		689,684
Interest expense		445,656		214,600
Actuarial loss (gain)		-13,019,133		-724,605
	P	14,092,424	P	26,045,253

The Group operates an unfunded defined benefit plan wherein benefit payments are borne by the Group. Thus, the Group maintains appropriate level of liquidity to meet currently maturing defined benefit obligations and has established a level of solvency ratio aimed to pay for long term defined benefit obligations.

26. FRANCHISE AGREEMENTS

26.01 The Group as a Franchisor

The Group has granted its franchisees the right to use the information and materials pertaining to the restaurant system being franchised under the terms and conditions specified in the franchise agreements. The agreements provide for an initial franchise fee payable upon the execution of the agreement and monthly royalty fees based on gross sales.

	2025	2024
FRANCHISE INCOME		9,076,072
ROYALTY FEE	14,822,930	12,820,445
	14,822,930	21,896,517

27. LEASE AGREEMENT

27.01 The Group as a Lessee

The Group has various leases for the use of store spaces with lease terms of three (3) to five (5) years. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

All leases have extension option but are not enforceable because it requires mutual agreement of both parties as disclosed in Note 5.01.08.

Right-of-use assets recognized as of March 31, 2025 and 2024 amounted to ₱317,493,453 and ₱72,576,350 respectively, while lease liabilities amounted to ₱207,041,891 and ₱19,507,987 respectively.

27.01.01 Lease payments not recognized as a liability

Short-term lease relates to lease contracts for stores spaces with a term of one (1) year and renewable upon mutual agreement of both parties.

The Group has elected not to recognize a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

28. INCOME TAXES

28.01 Income Tax Recognized in Profit or Loss

Components of income tax expense for the periods January 1 to March 31, are as follows:

		2025		2024
Current tax expense	₱	29,299,402	₱	34,840,908
Deferred tax benefit		-14,649,701		30,188,517
	₱	14,649,701	₱	65,029,425

29. DEFERRED TAX ASSETS

The Group's deferred tax assets and the respective movement is as follows:

	Retirement benefit obligation	Right-of-use asset and Lease liabilities	Total
Balance, Sept 30 2024	₱ 5,327,708	₱ -278,186	₱ 5,049,522
Recognized in profit or loss	3,560,798	1,232,082	4,792,880
Recognized in other comprehensive income	-	-	-
Balance, March 31, 2025	₱ 8,888,506	₱ 953,896	₱ 9,842,402

30. BASIC EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share for the periods January 1 to March 31, are as follows:

Jan 1 to March 31	2025	2024	2023
a. Net income (loss) from operations/ attributable to ordinary equity holders of the Group for earnings	₱ 102,547,906	₱ 104,522,725	₱ 99,365,643
b. Weighted average number of ordinary shares for the purposes of earnings per share	5,443,455,290	5,443,455,290	4,847,004,973
c. Earnings per share (a/b)	0.02	0.02	0.02

The weighted average number of ordinary shares for the years 2025, 2024 and 2023 used for the purposes of basic earnings per share were computed as follows:

	Number of Ordinary Shares	Proportion to Period	Weighted Average	Total
March 31, 2025				
Outstanding shares at the end of the period	5,443,455,290	12/12	5,443,455,290	5,443,455,290
				5,443,455,290
March 31, 2024				
Outstanding shares at the beginning of the period	5,443,455,290	12/12	5,443,455,290	5,443,455,290
				5,443,455,290
March 31, 2023				
Outstanding shares at the beginning of the period	5,443,455,290	3/12	1,360,863,823	1,360,863,823
Outstanding shares at the end of the period	4,648,188,200	9/12	3,486,141,150	3,486,141,150
				4,847,004,973

31. FAIR VALUE MEASUREMENTS

31.01 Fair Value of Financial Assets and Liabilities

The carrying amounts and estimated fair values of the Group's financial assets and financial liabilities as of March 31, 2025 and 2024 are presented below:

	March 31, 2025		March 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:				
Cash	₱ 542,405,243	₱ 542,405,243	₱ 319,605,832	₱ 319,605,832
Trade receivables	199,182,340	199,182,340	256,795,863	256,795,863
Other non-current assets	45,204,924	45,204,924	79,382,424	79,382,424
	₱ 786,792,507	₱ 786,792,507	₱ 655,784,119	₱ 655,784,119
Financial Liabilities:				
Trade and other payables	₱ 407,691,323	₱ 407,691,323	₱ 594,191,478	₱ 594,191,478
Loans payable	1,796,953,027	1,796,953,027	550,275,000	550,275,000
Lease liabilities	185,806,960	185,806,960	2,943,876	22,943,876
	₱ 2,390,451,310	₱ 2,390,451,310	₱ 1,167,410,354	₱ 1,167,410,354

The fair values of financial assets and financial liabilities are determined as follows:

- Due to the short-term nature of cash, trade receivable, due from related parties, and trade and other payables (except customer deposits and due to government agencies) and due to related parties, their carrying amounts approximate their fair values.
- Other non-current assets having a long-term nature are carried at amortized cost. Management believes that fair value approximates amortized cost.
- Loans payable and lease liabilities bear market interest rates; hence, Management believes that carrying amounts approximate their fair values.
- Lease liabilities bear incremental borrowing rate; hence, Management believes that carrying amounts approximate their fair values.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk, including interest rate risk, credit risk and liquidity risk.

32.01 Market Risk Management

32.01.01 Interest Rate Risk Management

The Group's exposure to interest rate risk arises from its cash deposits in banks and loans payable which are subject to variable interest rates.

The interest rate risks arising from deposits with banks and loans payable are managed by means of effective investment planning and analysis and maximizing investment opportunities in various local banks and financial institutions.

Profits for the nine (9) day ended would have been unaffected since the Group has no borrowings at variable rates and interest rate risk exposure for its cash in banks, which is subject to variable rate, is very immaterial.

32.02 Credit Risk Management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from cash in banks, trade receivables, advances to stockholders and refundable deposits, all measured at amortized cost.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of risk management. The Group uses other publicly available financial information and its own records to rate its counterparties. Credit ratings of counterparties are continuously monitored by the Management.

The Group considers the following policies to manage its credit risk:

➤ Banks

The Group transacts only to banks with investment grade credit rating. This information is supplied by independent rating agencies. The Group uses other publicly available information such as annual report to monitor the financial status of the banks. The Group assesses the current and forecast information of the banking industry and the macro-economic factors such as GDP, interest, and inflation rates to determine the possible impact to banks.

➤ Trade receivables

On the credit exposures to customers, Management assesses the credit quality of the customers, taking into account its financial position, past experience and other factors.

Financial assets measured at amortized cost as of March 31, are as follows:

	March 31, 2025		March 31, 2024	
Financial Assets:				
Cash	₱	542,405,243	₱	319,605,832
Trade receivables		199,182,340		256,795,863
Other non-current assets		45,204,924		79,382,424
	₱	786,792,507	₱	655,784,119

The calculation of allowance for expected credit losses are based on the following three (3) components:

➤ Probability of Default (PD)

PD is the likelihood over a specified period, usually 360 days for customers and one year for service providers that they will not be able to make scheduled repayments. PD depends not only on the counterpart's characteristics, but, also on the economic environment. PD may be estimated using historical data and statistical techniques.

➤ Loss Given Default (LGD)

LGD is the amount of money a Group loses when a customer defaults on a contract. The most frequently used method to calculate this loss is by comparing the actual total losses and the total amount of potential exposure sustained at the time that a contract goes into default.

➤ Exposure at default (EAD)

EAD is the total value a Group is exposed to when a loan defaults. It refers to the carrying amount of financial asset.

Below is the summary of computation of allowance for expected credit losses:

March 31, 2025					
	PD rate	LGD rate	EAD		ECL
	a	b	c		d=a*b*c
Cash in banks	0.00%	0.00% to 99.89%	₱ 517,375,748	₱	-
Trade receivables	0.00%	100.00%	199,182,340	-	-
Due from related parties	0.00%	100.00%	-	-	-
Other non-current assets	0.00%	100.00%	45,204,924	-	-
			₱ 761,763,012	₱	-
March 31, 2024					
	PD rate	LGD rate	EAD		ECL
	a	b	c		d=a*b*c
Cash in banks	0.00%	0.00% to 99.89%	₱ 319,605,832	₱	-
Trade receivables	0.00%	100.00%	256,795,863	-	-
Due from related parties	0.00%	100.00%	-	-	-
Other non-current assets	0.00%	100.00%	79,382,424	-	-
			₱ 655,784,119	₱	-

Cash in banks

The Group determined the probability of default rate by considering the following: the credit ratings; the past, current, and forecast performance of Banking Industry; the past, current, and forecast macro-economic factors that may affect the banks; and the current and projected financial information. The Group estimated the probability of default to be nil.

Loss given default rate is calculated by taking into consideration the amount of insured deposit and estimated it to be 0.00% to 98.75% and 0.00% to 99.89% as of December 31, 2024 and 2023, respectively.

Exposure at default is equal to the gross carrying amount of cash in banks.

Trade receivables

The Group determined the probability of default rate by considering the credit ratings, credit history or payment profiles of customers and forecast of macro-economic factors affecting the industry. Historically, no significant amount of receivables from customers remains uncollected after 360 days past due and with the projected demands of the Group's products by consumers, the impact of

forecast, macro-economic factors is very insignificant, hence, the probability of default was estimated to be 0.00% in both years.

In both years, loss given default rate is 100% because the Group expects to lose the whole amount in case of default. There are no collateral or credit enhancements attached to the receivables.

Exposure at default is equal to the gross carrying amount of trade receivables.

Due from related parties

The Group determined the probability of default rate by considering the credit ratings, credit history and forecast of macro-economic factors affecting the stockholders. The PD rate is estimated to be nil.

In 2024 and 2023, loss given default rate is 100% because the Group expects to lose the whole amount in case of default.

Exposure at default is equal to the gross carrying amount of due from related parties.

Other non-current assets

This financial asset represents less than 5.21% and 6.41% of the total financial assets as of December 31, 2024 and 2023, respectively. Hence, Management believes that the effect of provision for expected credit loss is immaterial to the financial statements as a whole.

In both years, the amount of expected credit loss for other non-current assets is nil.

32.03 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be

	Weighted Average Interest Rate		On Demand	Within one (1) Year	One (1) – Five (5) Years	Total
March 31, 2025						
Trade payables	-	₱	-	₱ 407,691,323	₱ -	₱ 407,691,323
Due to related parties	-		-	-	-	0
Loans payable	7.50%		-	₱ 816,953,027	₱ 980,000,000	₱ 1,796,953,027
Lease liabilities	2.3% to 3.02%		-	₱ 10,982,424	₱ 174,824,536	₱ 185,806,960
		₱	-	₱ 1,235,626,774	₱ 1,154,824,536	₱ 2,390,451,310
March 31, 2024						
Trade payables	-	₱	-	₱ 594,191,478	₱ -	₱ 594,191,478
Due to related parties	-		-	-	-	0
Loans payable	7.50%		-	₱ 550,275,000	-	₱ 550,275,000
Lease liabilities	2.3% to 3.02%		-	₱ 9,023,452	₱ 13,920,424	₱ 22,943,876
		₱	-	₱ 1,153,489,930	₱ 13,920,424	₱ 1,167,410,354

required to pay.

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Weighted Average Effective Interest Rate	On Demand	Within One (1) Year	Over Five (5) Years	Total
March 31, 2025					
Cash on hand	-	₱ 25,029,495	₱ -	₱ -	25,029,495
Cash in banks	Floating rate	517,375,748	-	-	517,375,748
Trade receivables	-	-	199,182,340	-	199,182,340
Other non-current assets	-	-	-	45,204,924	45,204,924
		₱ 542,405,243	₱ 199,182,340	₱ 45,204,924	₱ 786,792,507
March 31, 2024					
Cash on hand	-	₱ 13,415,619	₱ -	₱ -	12,165,459
Cash in banks	Floating rate	306,190,213	-	-	272,579,098
Trade receivables	-	-	256,795,863	-	243,173,163
Other non-current assets	-	-	-	79,382,424	75,987,960
		₱ 284,744,557	₱ 243,173,163	₱ 75,987,960	₱ 603,905,580

33. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (trade and other payables, advances from stockholders, loans payable, income tax payable and retirement benefit obligation) and equity of the Group (comprising capital stock, remeasurements, and retained earnings).

Pursuant to Section 42 of Revised Corporation Code of the Philippines, stock corporations are prohibited from retaining surplus profits in excess of one hundred (100%) percent of their paid-in capital stock, except: (1) when justified by definite corporate expansion projects or programs approved by the Board of Directors; or (2) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/his consent, and such consent has not yet been secured; or (3) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies.

Consistently with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as 'equity' as shown in the statement of financial position. The Group has a target gearing ratio of 1:1 determined as the proportion of net debt to equity.

The gearing ratio at end of the reporting period as of March 31, is as follows:

	March 31, 2025	June 30, 2024	March 31, 2024
Debt	₱ 2,419,193,435	₱ 1,256,066,806	₱ 1,258,485,032

Cash	542,405,243	374,934,405	319,605,832
Net debt	1,876,788,192	881,132,401	938,879,200
Equity	3,370,752,938	3,090,321,515	2,943,415,059
Net debt to equity ratio	0.56:1	0.29:1	0.32:1

Debt is defined as all liabilities while equity includes capital stock, remeasurements and retained earnings.

34. EVENTS AFTER REPORTING PERIOD

34.03 Declaration of Cash Dividend

The Board of Directors of Figaro Coffee Group, Inc. (“FCG” or the “Company”) approved on October 10, 2024, the declaration of the cash dividend of ₱0.027 per share to all stockholders of record as of November 14, 2024 and payable on December 14, 2024.

35. APPROVAL OF FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 13, 2025.

Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Key Performance Indicators (KPIs)

	Unaudited Twelve Months Ended March 31, 2025	Audited Twelve Months Ended June 30, 2024
Debt to Equity ratio	0.53:1	0.18:1
Net Debt to Equity ratio	0.37:1	0.06:1
Asset to Equity ratio	1.72:1	1.41:1
Return on Equity	20%	20.3%
Current Ratio	1.18:1	1.19:1

Notes:

1 Debt to Equity ratio = Bank Debts / Total Equity

2 Net Debt to Equity ratio = Bank Debts less Cash and Cash Equivalents / Total Equity

3 Asset to Equity ratio = Total Assets / Total Equity

4 Return on Equity = Net Income / Total Equity

5 Current Ratio = Total Current Assets / Total Current Liabilities

Results of Operations

In Million Php	Three Months Ending March 31, 2025	Three Months Ending March 31, 2024	Change%
Systemwide Sales	1,302.71	1,312.06	-1%
Net Revenues	1,301.57	1,310.74	-1%
Cost of Sales	720.77	717.37	0%
Gross Profit	580.81	593.37	-2%
Operating Expense	463.61	454.01	2%
NIBT	117.2	139.36	-16%
Income Tax	14.6	34.84	-58%
NIAT	102.6	104.52	-2%

Profitability

Systemwide Sales for the first 3 months, from Jan 1 to March 31, 2025, remains flat at P1.302B or 0.01% decline from same periods of last year of P1.312B Systemwide Store Sales. The same store sales declined by 10% brought about by the industrywide declining sales as affected by the global inflation, exodus of POGO operation. However, it was cushioned by the 9 new stores that opened during the quarter bring the total number of stores to 225 by the end of March 31, 2025. Likewise, FCG consolidated revenues remains flat at P1.301B from P1.310B of same period revenues from last year.

However, gross profit have declined by 2%, primarily because of the 1% decline in volume and the lower margin during the period brought about by the increasing raw materials and the increase in minimum wage during the year which also resulted from the global inflation which affected all the direct raw materials. Operating costs however were controlled to 21% of Revenues, as we managed to optimize our existing overhead capacities by maintaining it at the minimum level despite the increasing capacity requirements resulting from increasing volume from store opening.

However, the Net Income after tax were maintained at 8% margin as a result of managing our overhead costs despite the increasing capacities resulting from opening of new stores.

Financial Conditions and Liquidity

Cash and Cash Equivalentents as of March 31, 2025, stood at P542M, 45% increase versus the audited cash balance as of June 30, 2024 of P375M. Cashflow from operations during the period provided a net inflow of P69M, as a result of the P117M in Net Income provided by the quarter ending March 31, 2025. While the investing activities provided a net outflow of P363M resulting from the increase in CAPEX for PPE for opening 9 new stores in the last 3 months. Meanwhile, financing activities provided a net cash inflow of P256M, from the availment of loans to fund the store expansion.

Current ratio however has improved to from 1.19 times is to 1 to 1.18 times is to 1 as of March 31, 2025 versus the June 30, 2024.

Likewise, Debt-to-equity ratio were maintained at a manageable level, which increased from 0.18 to 0.53 is to 1 as of March 31, 2025 as a result also of new long-term loan funding our store opening during the period. However, such slight decline in liquidity ratio will translate into a more favorable profitability for the company in the long run as we leverage to improve the profit margin. All these liquidity ratios of FCG are well above and better as compared to its peers in the industry.

Total Asset to Equity ratio have significantly improved to 1.72 times as of March 31, 2025 versus 1.41 times as of June 30, 2024.

AR 2024

FCG Q3 2025 March 31

Aging of Receivables December 31, 2024

	0-7 days	8-15 days	16-30 Days	31-60 days	61-90 days	91-120 days	over 120 days	TOTAL
Franchise And ISD Accts	8,203,924	43,029,355	42,299,078	59,511,079	7,067,669	8,242,452	1,092,428	169,445,985
Others	4,802,439	6,824,204	4,024,242	4,024,245	2,524,242	944,143	324,245	23,467,760
TOTAL	13,006,363	49,853,559	46,323,320	63,535,324	9,591,911	9,186,595	1,416,673	192,913,745

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C S 2 0 1 8 1 1 1 1 9

COMPANY NAME

F I G A R O C U L I N A R Y G R O U P , I N C .

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

1 1 6 E A S T M A I N A V E N U E P H A S E V -
S E Z L A G U N A T E C H N O P A R K B I Ñ A N
L A G U N A 4 3 0 4

Form Type

A F S

Department requiring the report

S E C

Secondary License Type, If Applicable

COMPANY INFORMATION

Company's Email Address

Company's Telephone Number

Mobile Number

No. of Stockholders

Annual Meeting (Month / Day)

1ST WED OF DECEMBER

Fiscal Year (Month / Day)

JUNE 30

CONTACT PERSON INFORMATION

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

Name of Contact Person

SIGRID VON D. DE JESUS

Email Address

sigs_dm@yahoo.com

Telephone Number/s

Mobile Number

0917-8832172

CONTACT PERSON'S ADDRESS

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.



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

The Management of **FIGARO CULINARY GROUP, INC. AND SUBSIDIARIES** is responsible for the preparation and fair presentation of the consolidated financial statements including its schedules attached therein, as at June 30, 2025 and 2024 and each for the three years in the period ended June 30, 2025, in accordance with the Philippine Financial Reporting Standards (PFRS), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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


DE JESUS & TEOFILO, CPAs, and **R.S BERNALDO & ASSOCIATES**, the independent auditors appointed by the stockholders as at June 30, 2025 and 2024, respectively, have audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.


JUSTIN T. LIU
Chairman of the Board


DIVINA GRACIA G. CABULOY
President/ Chief Executive Officer


JOSE PETRONIO VICENTE D. ESPAÑOL III
Treasurer/Chief Finance Officer

SUBSCRIBED AND SWORN to before me
NOV 05 2025 at **Mandaluyong City**
Affiant exhibits to me her/his _____
with No. _____ as strong proof of
her/his identity.


ATTY. JAMES K. ABUGAN
Notary Public
APPT. NO. 0442-25 Until 12-31, 2026
IBP No. 461986 Nov. 12, 2024 Rizal Chapter
Roll No. 26896 Lifetime
MCLE No. VII-0022918 until 4/14/2028
TIN No. 116-239-956
PTR No. 5712001 01/03/2025
Rm. 314 J& L Bldg., 251 EDSA.
Mandaluyong City Tel. No. (02)854-523-21

DOC. NO: 408
PAGE NO: 89
BOOK NO: 58
SERIES OF 2025

DE JESUS & TEOFILO, CPAs

Unit 1411, Cityland Herrera Tower, 98 V.A. Rufino Ave., Makati City

INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Stockholders

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY

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

Binan, Laguna

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements **FIGARO CULINARY GROUP, INC. AND SUBSIDIARY** (the "Group"), which comprise the consolidated statement of financial position as at June 30, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at June 30, 2025, and its consolidated financial performance and its cash flows for the year then ended 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 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 audits of the financial statements in 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.

Other Matter

The consolidated financial statements of **FIGARO CULINARY GROUP, INC. AND SUBSIDIARY** for the year ended June 30, 2024, were audited by another auditor whose report dated November 13, 2024 expressed an unqualified opinion on those statements.

Key Audit Matter

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 consolidated opinion on these matters, if any.

We have determined that there are no key audit matters to communicate in our report.

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 PFRS, and for such internal control as Management determines is necessary to enable the preparation of 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the group financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

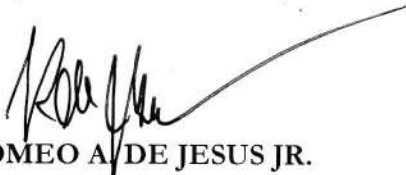
As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- 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 audits 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 auditors' report to the related disclosures in the 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 auditors' 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.

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

DE JESUS & TEOFILO, CPAs



ROMEO A. DE JESUS JR.

CPA Certificate No. 86071

BOA Accreditation No. 9953/P-002

Valid from May 25, 2025 to August 14, 2027

BIR Accreditation No. 08-007679-006-2024

Valid from March 15, 2024 until March 14, 2027

Tax Identification No. 109-227-897-000

PTR No. 10480595

Issued on January 13, 2025 at Makati City

November 5, 2025

DE JESUS & TEOFILO, CPAs

Unit 1411, Cityland Herrera Tower, 98 V.A. Rufino Ave., Makati City

REPORT ON THE INDEX AND SUPPLEMENTARY SCHEDULES

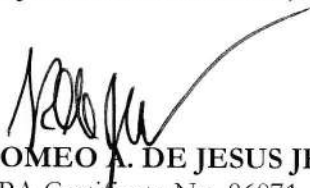
The Board of Directors and the Stockholders

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY

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

We have issued our report dated November 5, 2025 on the basic consolidated financial statements of **FIGARO CULINARY GROUP, INC. AND SUBSIDIARY** as of and for the year June 30, 2025. Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements of **FIGARO CULINARY GROUP, INC. AND SUBSIDIARY** taken as a whole. The information in the index to the consolidated financial statements and the supplementary schedules as of and for the year June 30, 2025, which are not required parts of the consolidated financial statements, are required to be filed with the Securities and Exchange Commission. Such information is the responsibility of the Management of **FIGARO CULINARY GROUP, INC. AND SUBSIDIARY**. The information has been subjected to the auditing procedures applied in our audit of the basic consolidated financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

DE JESUS & TEOFILO, CPAs



ROMEO A. DE JESUS JR.

CPA Certificate No. 86071

BOA Accreditation No. 9953/P-002

Valid from May 25, 2025 to August 14, 2027

BIR Accreditation No. 08-007679-006-2024

Valid from March 15, 2024 until March 14, 2027

Tax Identification No. 109-227-897-000

PTR No. 10480595

Issued on January 13, 2025 at Makati City

November 5, 2025

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2025

(With Comparative Audited Figures as of June 30, 2024)

(In Philippine Peso)

	NOTES	2025	2024
ASSETS			
Current Assets			
Cash	7	331,302,750	374,934,405
Trade and other receivable	8	199,942,530	164,034,685
Inventories	9	436,935,354	430,658,720
Due from related parties	18	-	120,000,000
Prepayments and other current assets	10	212,063,635	159,419,315
		1,180,244,269	1,249,047,125
Non-current Assets			
Property and equipment – net	11	3,890,245,353	2,527,094,634
Intangible assets – net	12	252,942,435	239,765,356
Right-of-use assets – net	13	317,924,519	291,026,459
Other non-current assets	14	45,029,456	36,212,610
Deferred tax assets	28	3,807,085	3,242,137
		4,509,948,848	3,097,341,196
TOTAL ASSETS		5,690,193,117	4,346,388,321
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Current Liabilities			
Trade and other payables	15	370,818,426	382,600,207
Loans payable	16	540,984,320	550,435,689
Lease liabilities	17	63,857,836	70,997,346
Income tax payable		-	42,622,411
		975,660,582	1,046,655,653
Non-current Liabilities			
Lease liabilities – net of current portion	17	146,189,635	195,574,427
Loans payable- net of current	16	980,000,000	-
Retirement benefits obligation	24	16,096,518	13,836,726
		1,142,286,153	209,411,153
TOTAL LIABILITIES		2,117,946,735	1,256,066,806
STOCKHOLDERS' EQUITY			
Capital Stock	19	589,345,528	589,345,528
Additional Paid-in Capital	19	1,403,308,680	1,403,308,680
Retained Earnings		1,573,992,237	1,092,067,370
Remeasurements – net	24	5,599,937	5,599,937
TOTAL STOCKHOLDERS' EQUITY		3,572,246,382	3,090,321,515
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		5,690,193,117	4,346,388,321

(See Notes to Consolidated Financial Statements)

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Year Ended June 30, 2025

(With Comparative Audited Figures as of June 30, 2024 and 2023)

(In Philippine Peso)

	NOTES	2025	2024	2023
REVENUES	21	5,671,444,081	5,447,082,212	4,284,080,714
DIRECT COSTS	22	3,139,146,586	2,945,259,454	2,347,990,423
GROSS PROFIT		2,532,297,495	2,501,822,758	1,936,090,291
OTHER INCOME		31,940,510	26,264,296	39,479,710
OPERATING EXPENSES	23	1,787,035,165	1,814,246,505	1,357,006,132
FINANCE COST	16,17	105,194,627	43,011,669	1,817,310
PROFIT BEFORE TAX		672,008,212	670,828,880	616,746,559
INCOME TAXES	27	42,435,052	42,418,747	154,186,640
PROFIT		629,573,160	628,410,133	462,559,919
OTHER COMPREHENSIVE LOSS				
ITEM THAT WILL NOT BE RECLASSIFIED				
SUBSEQUENTLY TO PROFIT OR LOSS:				
REMEASUREMENT LOSS	25	-	10,785,786	-
INCOME TAX RELATING TO				
OTHER COMPREHENSIVE LOSS	25	-	(26,969,447)	-
		-	(16,183,661)	-
TOTAL COMPREHENSIVE INCOME		629,573,160	612,226,472	462,559,919
EARNINGS PER SHARE				
Basic Earnings per Share	29	0.12	0.11	0.09

(See Notes to Consolidated Financial Statements)

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Year Ended June 30, 2025

(With Comparative Audited Figures as of June 30, 2024 and 2023)

(In Philippine Peso)

	Notes	Capital Stock	Additional Paid-in Capital	Retained Earnings	Remeasurement	Total
Balance at July 1, 2022		464,818,820	665,068,300	238,734,511	(2,489,402)	1,366,132,229
Loss				462,559,919	-	462,559,919
Dividend declaration				(89,988,900)		
Remeasurement loss						-
Issuance of shares	19	124,526,708	738,240,380	-		862,767,088
Balance at June 30, 2023	19	589,345,528	1,403,308,680	611,305,530	(2,489,402)	2,601,470,336
Profit				628,410,133		628,410,133
Dividend declaration				(147,648,293)		(147,648,293)
Remeasurement gain	24				8,089,339	8,089,339
Issuance of shares	19			-		-
Balance at June 30, 2024	19, 24	589,345,528	1,403,308,680	1,092,067,370	5,599,937	3,090,321,515
Profit				629,573,160		629,573,160
Dividend declaration				(147,648,293)		(147,648,293)
Balance at June 30, 2025	20,25	589,345,528	1,403,308,680	1,573,992,237	5,599,937	3,572,246,382

(See Notes to Consolidated Financial Statements)

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Year Ended June 30, 2025

(With Comparative Audited Figures as of June 30, 2024 and 2023)

(In Philippine Peso)

	NOTES	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax		672,008,212	670,828,880	616,746,559
Adjustments for:				
Depreciation	11,22,23	528,311,708	284,859,527	310,681,365
Amortization	12,23	149,277,166	116,855,819	5,839,409
Retirement benefits expense	24	2,259,792	2,718,667	2,683,409
Finance Costs	16,17	105,194,627	43,011,669	1,817,310
Finance Income		-	(26,264,296)	(39,479,710)
Operating cash flows before changes in working capital		1,457,051,505	1,092,010,266	898,288,342
Increase in operating assets:				
Short-term investment		-	895,000,000	(483,099,545)
Trade receivables		(35,907,845)	(14,612,614)	(76,055,349)
Inventories		(6,276,634)	(252,268,481)	(82,708,799)
Prepayment and other current assets		(52,644,320)	(17,907,085)	(4,732,202)
Other non-current assets		(8,816,846)	5,826,846	(20,915,686)
Increase in trade and other payables		(11,781,781)	(145,602,731)	191,398,065
Cash generated from operations		1,341,624,079	1,562,446,201	422,174,826
Income taxes paid		(203,618,028)	(154,767,631)	(137,486,278)
Net cash from operating activities		1,138,006,051	1,407,678,570	284,688,548
CASH FLOWS FROM INVESTING ACTIVITIES				
Finance income received		-	38,935,714	42,884,310
Advances collected from related parties	18	120,000,000	-	167,081,477
Additions to intangible assets	12	(153,454,245)	(263,982,336)	(94,675,188)
Additions to property and equipment	11	(1,727,649,709)	(1,532,293,297)	(912,137,514)
Net cash used in investing activities		(1,761,103,954)	(1,757,339,919)	(796,846,915)
CASH FLOWS FROM FINANCING ACTIVITIES				
Availments of loan	16	1,055,000,000	1,050,000,000	10,000,000
Proceeds from issuance of capital stock		-	-	862,767,089
Finance costs paid	16,17	(105,194,627)	(43,011,669)	(1,817,310)
Payment of lease liabilities	17	(138,239,463)	(68,470,366)	(1,195,037)
Dividend declared and paid	19	(147,648,293)	(147,648,293)	(89,988,900)
Payments of loans	16	(84,451,369)	(529,564,311)	-
Net cash from financing activities		579,466,248	261,305,361	779,765,842
NET INCREASE (DECREASE) IN CASH		(43,631,655)	(88,355,988)	267,607,475
CASH AT BEGINNING OF YEAR		374,934,405	463,290,393	195,682,918
CASH AT END OF YEAR		331,302,750	374,934,405	463,290,393

(See Notes to Consolidated Financial Statements)

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025

(With Comparative Audited Figures in 2024 and 2023)

1. CORPORATE INFORMATION

Figaro Coffee Group, Inc. and Subsidiary (the “Group”) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on July 6, 2018. The principal activities of the Parent Company are to process, manufacture, and package all kinds of food products; to establish, invest, develop, operate and maintain restaurants, coffee shops, and refreshment parlors; to serve, arrange and cater foods, drinks, refreshments and other food or commodities; to partner and/or collaborate with other players in the food industry for the management and operation of food establishments; to acquire, invest, organize, develop, promote, or otherwise undertake the management and operation of commercial franchises in the food industry; to provide facilities and commissaries and perform all other activities and services incidental thereto, necessary or desirable in relation thereto, and offer and sell to public such products, franchises, services other operation thereof, and to own shares in companies which are in furtherance of its purposes, and to guarantee for and in behalf of the Corporation obligations of other corporations or entities in which it has lawful interest in.

On March 31, 2021, the Parent Company’s Board of Directors and Stockholders approved the following:

- a. The Parent Company’s change in registered office address from No. 33 Mayon St., Brgy. Malamig, Mandaluyong City, Metro Manila, Philippines to 116 E. Main Avenue, Phase V, SEZ Laguna Technopark, Binan, Laguna.
- b. The Parent Company’s change in reporting period from calendar year to fiscal year which shall begin on the first day of July and end on the last day of June.

The change in registered office address and reporting period was approved by SEC on June 23, 2021.

On October 22, 2021, the SEC approved the Company’s application for amendment of its articles of incorporation to reflect the following primary purpose: invest in, purchase, or otherwise acquire and own, hold, use, sell assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign, for whatever lawful purpose or purposes the same may have been recognized and to pay thereof in money or by exchanging therefor stocks, bonds or other evidences of indebtedness or securities of this or any other corporation, and while the owner or holder of any such real or personal property, stocks, bonds, debentures, contracts, or obligations, to receive, collect and dispose of the interest, dividends, and income arising from such property; and to possess and exercise in respect thereof all the rights, powers, and privileges of ownership, including all voting powers of any stock so owned; to carry on, provide support and manage the general business of any corporation, company, association or joint venture; to exercise such powers, acts or functions as may be essential or necessary to carry out the purpose stated herein; and to guarantee for and in behalf of the Corporation obligations of other corporations or entities in which it has lawful interest in.

The Parent Company

On March 31, 2021, the Figaro Culinary Group Inc. (FCG) (the “Parent Company”) Board of Directors and Stockholders approved: (a) the increase in authorized capital stock from ₱150,000,000 to ₱500,000,000; and (b) the stock split through the reduction of the par value of the shares of the Parent Company from ₱100.00 per share to ₱0.10 per share. SEC approved the Parent Company’s application to increase authorized capital stock on June 23, 2021.

At incorporation, Camertheus Holdings, Inc. (CHI) subscribed to ₱37,500,000 worth of shares in the Parent Company. Out of such subscription, ₱9,375,000 had been paid by CHI at incorporation of the Parent Company. During the period, CHI fully paid its subscription receivable amounting to ₱28,125,000.

Camerton, Inc. (CI) subscribed to the following shares of the Parent Company:

- a. In support of the application for increase in authorized capital stock, Camerton, Inc. (CI), on March 31, 2021, subscribed to 1,250,000,000 shares of the Parent Company for a total subscription price of ₱125,000,000. The subscribed shares were fully paid and issued on June 22, 2021.
- b. On June 20, 2021, the board of the Parent Company approved the additional paid-in capital in the amount of ₱83,138,000 paid by CI into the Parent Company.
- c. 1,250,000,000 shares with par value of ₱0.10 per share for a total subscription price of ₱228,800,000, or ₱0.18304 price per share. The said subscription resulted to an additional capital stock of ₱125,000,000 and an additional paid-in capital of ₱103,800,000 in the Parent Company; and
- d. 350,000,000 shares of the Parent Company with par value of ₱0.10 per share for a total subscription price of ₱35,000,000.

As of June 30, 2021, the Parent Company is 88.37% owned by CI and 11.63% owned by CHI.

On September 16, 2021, the Securities and Exchange Commission approved the Group's increase in authorized capital stock to ₱660,000,000 divided into 6,600,000,000 shares with a par value of ₱0.10 per share.

As of June 30, 2021, the Group is in the process of compiling with the requirements to file Registration Statement with SEC in accordance with the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799, the "SRC") for the registration of all the issued and outstanding Shares of the Group and the Offer Shares.

On January 24, 2022, the Initial Public Offering (IPO) of Figaro Culinary Group Inc. (*formerly Figaro Coffee Group, Inc.*) and was listed in the Philippine Stock Exchange (PSE) under stock symbol "FCG." The Group issued 93,016,000 common shares for a total consideration of ₱69,762,000 or at ₱0.75 per share. This resulted to an additional issuance of capital stock of 1,423,182,003 with par value of ₱0.10 per share for a total of ₱142,318,200.

As of June 30, 2022, the outstanding capital of the Group is ₱464,818,700 (excluding the additional paid-in capital of ₱697,831,235 with 4,648,187,003 shares issued).

As of June 30, 2022, the Group is 69.94% owned by Camerton, Inc. and 8.07% owned by Carmetheus Holdings, Inc.

As of June 30, 2025 and 2024, the outstanding capital of the Group is ₱5,893,455,293 (excluding the additional paid-in capital of ₱1,403,308,680 with 589,345,529 shares issued).

As of June 30, 2025 and 2024, FCG is 53.05% owned by Camerton, Inc., 15% owned by Monde Nissin Corporation and 6.86% owned by Carmetheus Holdings, Inc.

On a regular meeting of the Board of Directors (BOD) of the Parent Company dated October 10, 2024, the BOD has approved the proposed amendment of the Parent Company's article of incorporation to change the corporate name from "Figaro Coffee Group, Inc." to "Figaro Culinary Group, Inc.". Stockholders' approval will be sought during the 2024 Annual Stockholders' Meeting scheduled on December 4, 2024.

The Subsidiary

The Parent Company's subsidiary is as follows:

Subsidiary	Principal Activities	Country of Incorporation	Functional Currency	Effective Percentage of Ownership
Figaro Coffee Systems Inc.	Food business including but not limited to operation of retail food stores and restaurants	Philippines	Philippine Peso	100%

On June 21, 2021, F Coffee Holdings Corporation, the ‘Seller’ agreed to sell and the Parent Company, the ‘Buyer’ agreed to buy, all the seller’s rights, title and interests in 2,500 common shares with a par value of ₱50.00 per share or an aggregate par value of ₱125,000 in Figaro Coffee Systems Inc. (FCSI) for and in consideration of ₱1,851.0256 per share or a total purchase price of ₱4,627,564

On June 23, 2021, the Parent Company subscribed to 7,500 shares of FCSI with ₱50.00 par value per share at the subscription price of ₱27,751.73 per share for a total subscription price of ₱208,138,000. The said subscription resulted to an additional capital stock of ₱375,000 and additional paid-in capital of ₱207,763,000 in FCSI.

On June 27, 2021, the Parent Company subscribed additional 4,576,000 shares of FCSI at ₱50.00 par value resulting to capital stock of ₱228,800,000.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS). The term “PFRS” in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the FSRSC and adopted by SEC.

These new and revised PFRS prescribe new accounting recognition, measurement and disclosure requirements applicable to the Group. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

2.01 New and Revised PFRSs Applied with No Material Effect on the Consolidated Financial Statements

The following new and revised PFRSs have been adopted in these consolidated financial statements. The application of these new and revised PFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

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

The amendments to PAS 1 are the following:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and

- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments defer the effective date of the January 2020 Classification of Liabilities as Current or Non-Current (Amendments to PAS 1) to annual reporting periods beginning on or after January 1, 2024.

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

The amendments introduce new disclosure requirements to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements.

The amendments are effective to annual reporting periods beginning on or after January 1, 2024.

- Amendments to PAS 1, *Non-current Liabilities with Covenants*

The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current. Additional disclosures are required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period.

The amendments are effective to annual reporting periods beginning on or after January 1, 2024.

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

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

The amendments are effective to annual reporting periods beginning on or after January 1, 2024.

2.02 New and Revised PFRSs in Issue but Not Yet Effective

The Group will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended PFRS, to have significant impact on the consolidated financial statements.

2.02.01 Standard Adopted by FSRSC and Approved by the Board of Accountancy (BOA)

- PFRS 17, *Insurance Contracts*

PFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. It requires an entity that issues insurance contracts to report them on the balance sheet as the total of the fulfilment cash flows and the contractual service margin. It requires an entity to provide information that distinguishes two ways insurers earn profits from insurance contracts: the insurance service result and the financial result. It requires an entity to report as insurance revenue the amount charged for insurance coverage when it is earned, rather than when the entity receives premium. It requires that insurance revenue to exclude the deposits that represent the investment of the policyholder, rather than an amount charged for services. Similarly, it requires the entity to present deposit repayments as settlements of liabilities rather than as insurance expense.

PFRS 17 is effective for annual periods beginning on or after January 1, 2025. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030. Early application is permitted for entities that apply PFRS 9 *Financial Instruments* and PFRS 15 *Revenue from Contracts with Customers* on or before the date of initial application of PFRS 17.

An entity shall apply PFRS 17 retrospectively unless impracticable, except that an entity is not required to present the quantitative information required by paragraph 28(f) of PAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and an entity shall not apply the option in paragraph B115 for periods before the date of initial application of PFRS 17. If, and only if, it is impracticable, an entity shall apply either the modified retrospective approach or the fair value approach.

- Amendments to PFRS 17, *Insurance Contracts*

The amendments cover the following areas:

- Insurance acquisition cash flows for renewals outside the contract boundary;
- Reinsurance contracts held—onerous underlying insurance contracts;
- Reinsurance contracts held—underlying insurance contracts with direct participation features; and
- Recognition of the contractual service margin in profit or loss in the general model.

The amendments are effective to annual reporting periods beginning on or after January 1, 2025. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- Amendment to PFRS 17, *Initial Application of PFRS 17 and PFRS 9—Comparative Information*

The amendment is a transition option relating to comparative information about financial assets presented on initial application of PFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and Insurance contract liabilities, and therefore improve the usefulness of comparative information for users of consolidated financial statements.

PFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after January 1, 2025. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- Amendments to PAS 21, *Lack of Exchangeability*

The amendments contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The amendments cover the following areas:

- Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable if it can be exchanged for another currency through markets or mechanisms that establish enforceable rights and obligations without delay, while it is not exchangeable if an entity can only obtain a small amount of the other currency.
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency isn't exchangeable at a measurement date, an entity estimates the spot exchange rate as the rate that would have applied in an orderly transaction.
- Require the disclosure of additional information when a currency is not exchangeable - when a currency is not exchangeable, an entity discloses information to its financial statements, allowing users to assess its financial performance, position, and cash flows.

The amendments are effective to annual reporting periods beginning on or after January 1, 2025, with early application permitted.

- Amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*

The amendments cover the following areas:

- Derecognition of a financial liability settled through electronic transfer – the amendments allow entities to discharge a financial liability settled in cash using an electronic payment system if specific criteria are met, and apply the derecognition option to all settlements made through the same system.
- Classification of financial assets:
 - Contractual terms that are consistent with a basic lending arrangement – the amendments outline how entities can evaluate whether contractual cash flows of a financial asset align with a basic lending arrangement, illustrating this through examples of financial assets with or without principal and interest payments.
 - Assets with non-recourse features – the term 'non-recourse' is enhanced, defining a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
 - Contractually linked instruments – the amendments clarify that not all transactions with multiple debt instruments meet classification criteria, and that instruments in the underlying pool can include financial instruments not covered by classification requirements.
- There are amendments in the required disclosure for financial assets and liabilities with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application of either all the amendments at the same time or only the amendments to the classification of financial assets is permitted.

An entity is required to apply the amendments retrospectively. An entity is not required to restate prior periods to reflect the application of the amendments, but may do so if, and only if, it is possible to do so without the use of hindsight.

- Annual Improvements to PFRS Accounting Standards - Volume 11

The International Accounting Standards Board (IASB) has published proposed narrow-scope amendments to PFRS Accounting Standards and accompanying guidance as part of its periodic maintenance of the Accounting Standards.

The proposed amendments included in the Exposure Draft *Annual Improvements to PFRS Accounting Standards—Volume 11* relate to:

- PFRS 1 *First-time Adoption of International Financial Reporting Standards, Hedge Accounting by a First-Time Adopter* – the amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of PFRS 1 and requirements for hedge accounting in PFRS 9 *Financial Instruments*.
- PFRS 7 *Financial Instruments: Disclosures*
 - Gain or Loss on Derecognition – the amendment addresses a potential confusion in paragraph B38 of PFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when PFRS 13 *Fair Value Measurement* was issued.

- Disclosure of Deferred Difference Between Fair Value and Transaction Price – the amendment addresses an inconsistency between paragraph 28 of PFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of PFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.
- Introduction and Credit Risk Disclosures – the amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7 and by simplifying some explanations.
- PFRS 9 *Financial Instruments*
 - Lessee derecognition of lease liabilities – the amendment addresses a potential lack of clarity in the application of the requirements in PFRS 9 to account for an extinguishment of a lessee’s lease liability that arises because paragraph 2.1(b)(ii) of PFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of PFRS 9.
 - Transaction price – the amendment addresses a potential confusion arising from a reference in Appendix A to PFRS 9 to the definition of ‘transaction price’ in PFRS 15 *Revenue from Contracts with Customers* while term ‘transaction price’ is used in particular paragraphs of PFRS 9 with a meaning that is not necessarily consistent with the definition of that term in PFRS 15.
- PFRS 10 *Consolidated Financial Statements*, *Determination of a ‘de facto agent’* – the amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of PFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.
- PAS 7 *Statement of Cash Flows, Cost Method* – the amendment addresses a potential confusion in applying paragraph 37 of PAS 7 that arises from the use of the term ‘cost method’ that is no longer defined in PFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026 with earlier application permitted.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

PFRS 18 supersedes PAS 1 *Presentation and Disclosure in Financial Statements*. This new standard is a result of IASB’s Primary Financial Statements project, which aimed at improving comparability and transparency of communication in financial statements.

While several sections from PAS 1 have been retained with minimal changes in wording, PFRS 18 introduces new requirements for the presentation and disclosures in financial statements.

The new requirements include:

- Improved comparability in the statement of profit or loss (income statement);
- Enhanced transparency of management-defined performance measures; and
- More useful grouping of information in the financial statements.

Retrospective application is required in both annual and interim financial statements. PFRS 18 is effective beginning on or after January 1, 2027, with early application permitted.

- PFRS 19, *Subsidiaries without Public Accountability: Disclosures*

PFRS 19 allows eligible entities to provide reduced disclosures compared to the requirements in other PFRS accounting standards. Entities that elect PFRS 19 are still required to apply the recognition, measurement and presentation requirements of other PFRS accounting standards.

An entity may elect to apply the PFRS 19 if at the end of reporting period:

- It is a subsidiary as defined in PFRS 10 Consolidated Financial Statements;
- It does not have public accountability; and
- It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with PFRS accounting standards.

An eligible entity (including an intermediate parent) can apply PFRS 19 in its consolidated, separate or individual financial statements. PFRS 19 is applicable for both annual and interim reporting.

PFRS 19 is effective beginning on or after January 1, 2027, with early application permitted.

2.02.02 Deferred

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

The amendments clarify the treatment of the sale or contribution of assets between an investor and its associate and joint venture. This requires an investor in its financial statements to recognize in full the gains and losses arising from the sale or contribution of assets that constitute a business while recognize partial gains and losses if the assets do not constitute a business (i.e. up to the extent only of unrelated investor share).

On January 13, 2016, the FSRSC decided to postpone the original effective date of January 1, 2016 of the said amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

3.01 Statements of Compliance

The consolidated financial statements have been prepared in conformity with PFRS and are under the historical cost convention, except for certain financial instruments that are carried either at fair value or at amortized cost and inventories carried at lower of cost or net realizable value.

3.02 Functional and Presentation Currency

Items included in the consolidated financial statements of the Group are measured using Philippine Peso (₱), the currency of the primary economic environment in which the Group operates (the “functional currency”).

The Group chose to present its consolidated financial statements using its functional currency.

3.03 Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiary.

The consolidated financial statements incorporate the financial statements of the Parent Company and the entities controlled by the Parent Company (its subsidiary) up to June 30 each year. Control is achieved when the Parent Company has exposure or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over an investee. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account.

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 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 Group re-assess 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. Subsidiaries are consolidated from the date when control is transferred to the Parent Company and ceases to be consolidated from the date when control is transferred out of the Parent Company.

At acquisition, the assets and liabilities and the contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the profit and loss in the period of acquisition.

Goodwill is initially measured at cost, being the excess of the aggregate of fair value of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

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 (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Inter-group balances and transactions, including inter-group profits and unrealized profits and losses, are eliminated. When necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used in line with those used by the Group. All inter-group transactions, balances, income and expenses are eliminated during consolidation.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Parent Company and are presented in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from the Group's equity attributable to equity holders of the Parent Company.

A change in the ownership interest of a subsidiary, without a loss of control is accounted for as an equity transaction.

Upon the loss of control, the Group derecognizes the assets and liabilities of the former subsidiary from the consolidated statements of financial position. The Group recognizes any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant PFRSs. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with PFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. The Group recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

3.04 Current and Non-current Presentation

The Group classifies an asset as current when:

- It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realize the asset within twelve (12) months after the reporting period; or
- The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

The Group classifies all other assets as non-current.

The Group classifies a liability as current when:

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve (12) months after the reporting period; or
- It does not have an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

4. MATERIAL ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Group in the preparation of its consolidated financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Segment Information

An operating segment is a component of the Group: (a) that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the Group; (b) whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

The Group reports separately, information about an operating segment that meets any of the following quantitative thresholds: (a) its reported revenue, including both sales to external customers and inter-segment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments, provided that; (b) the absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount, of the combined reported profit of all operating segments that did not report a loss and the combined reported loss of all operating segments that reported a loss; and (c) its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if Management believes that information about the segment would be useful to users of the consolidated financial statements.

The business of the Group is currently organized into two (2) geographical areas namely as National Capital Region and Provincial areas. These areas are the basis on which the Group reports its primary segment information.

4.02 Financial Assets

4.02.01 Initial Recognition and Measurement

The Group recognizes a financial asset in its consolidated statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Except for trade receivables that do not have a significant financing component, at initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At initial recognition, the Group measures trade receivables that do not have a significant financing component at their transaction price.

4.02.02 Classification

➤ Financial Asset at Amortized Cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is 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.

The Group's financial assets measured at amortized cost include cash in banks, trade receivables, due from related parties and other non-current assets.

a) Cash in Banks

Cash in banks pertains to cash deposits held at call with bank that are subject to insignificant risk of change in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

b) Trade Receivables and Due from related parties

Trade receivables and due from related parties are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for expected credit losses of trade receivables and due from related parties are established based on individual assessment and available facts and circumstance, including, but not limited to historical loss experience and economic factors. Finance income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

c) Other non-current assets

Other non-current assets pertain to refundable deposits, construction bond and others. Refundable deposits pertain to amount given to the lessor as security for future repairs needed on the leased area. These are initially recorded at the amount of cash paid. Subsequently, this is measured at cost using the effective interest method, less any impairment.

The Group does not have financial assets measured at fair value either through profit and loss or through other comprehensive income in both years.

4.02.03 Reclassification

When, and only when, the Group changes its business model for managing financial assets it shall reclassify all affected financial assets in accordance with Note 4.03.02. If the Group reclassifies financial assets, it shall apply the reclassification prospectively from the reclassification date. The Group shall not restate any previously recognized gains, losses (including impairment losses) or interest.

4.02.04 Effective Interest Method

Finance income is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets and financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired.

4.02.05 Impairment

The Group measures expected losses of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable assumption that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Group adopted the following approaches in accounting for impairment.

➤ General Approach

The Group applies general approach to cash in banks, due from related parties and other non-current assets. At each reporting date, the Group measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. However, if the credit risk has not increased significantly, the Group measures the loss allowance equal to 12-month expected credit losses.

The Group compares the risk of default occurring as at the reporting date with the risk of a default occurring as at the date of initial recognition and consider the macro-economic factors such as GDP, interest, and inflation rates, the performance of the counterparties' industry, that is available without undue cost or effort, to determine whether there is a significant increase in credit risk or not since initial recognition.

The Group determines that there has been a significant increase in credit risk when there is a significant decline in the factors. The Group assumes that the credit risk on cash in banks has not increased significantly since initial recognition because the financial instrument is determined to have low credit risk at the reporting date.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition because the financial instrument is determined to have low credit risk at the reporting date.

The Group did not apply the 30 days past due rebuttable presumption because the Group determines that there have been no significant increases in credit risk even if collections are more than 30 days past due.

If the Group has measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date, that the credit quality improves (i.e. there is no longer a significant increase in credit risk since initial recognition), then the Group shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

The Group recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

The Group performs the assessment of significant increases in credit risk on an individual basis by considering information that is indicative of significant increases in credit risk.

The Group does not apply the 90 days past due rebuttable presumption in determining whether a financial asset is credit-impaired or not. Based on the Group's historical experience, customer is in default when it is already past due for 360 days and beyond.

The Group determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

➤ **Simplified Approach**

The Group always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. The Group determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

4.02.06 Derecognition

The Group derecognizes a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition. The difference between the carrying amount and the consideration received is recognized in profit or loss.

4.03 Prepayments and Other Current Assets

4.03.01 Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire through passage of time.

These are classified in the consolidated statements of financial position as current assets when the expenses are expected to be incurred within one (1) year or the group's normal operating cycle, whichever is longer. Otherwise, these are classified as other non-current assets.

4.03.02 Advances to Suppliers

Advances to suppliers represent payments for the goods to be delivered. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are reclassified to inventories upon transfer of ownership of the related goods.

4.03.03 Advances to Contractors

Advances to contractors represent payments for the services to be rendered. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to expenses upon the receipt of the services.

4.04 Business Combination

The Group applies the standard on business combination under PFRS 3 as amended and adopted in 2009. The standard outlines the accounting when an acquirer obtains control of a business (e.g. acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at date of acquisition.

PFRS 3 seeks to enhance the relevance, reliability and comparability of information provided about business combinations (e.g. acquisition and mergers) and their effects. It sets out the principles on the recognition and measurement of acquired assets and liabilities, the determination of goodwill and the necessary disclosures.

In determining whether a transaction is a business combination, PFRS 3 provides additional guidance on determining whether a transaction meets the definition of a business combination and accounted for in accordance with its requirements. This guidance includes:

- Business combinations can occur in various ways such as by transferring cash, including liabilities, issuing equity instrument (or any combination thereof), or by not issuing consideration at all (i.e. by contract alone); and
- Business combinations can be structured in various ways to satisfy legal, taxation or other objectives, including one entity becoming a subsidiary of another, the transfer of net assets from one entity to another or to new entity;

The business combination must involve the acquisition of a business, which generally has three elements:

- Inputs – an economic resource (e.g., non-current assets, intellectual property) that creates outputs when one or more processes are applied to it;
- Process – a system standard, protocol, convention or rule that when applied to an input or inputs, creates outputs (e.g., strategic management, operational processes, resource management); and
- Output – the result of inputs and processes applied to those input.

4.04.01 Acquisition Method

In every acquisition of business, the Group determines the acquisition date, recognize and measures all identifiable assets acquired, the liabilities assumed and non-controlling interest (NCI, formerly called minority interest) in the acquiree, and determines if there is goodwill or gain from a bargain purchase if applicable.

The Group recognizes the acquisition date as the date on which the Group obtains control over the acquiree. Generally, this is the date on which the Group legally transfer the consideration, acquires the assets and assumes the liabilities of the acquiree – the closing date. However, the Group as the acquirer may obtain control on a date that is either earlier or later than the closing date depending on what was agreed upon with the acquiree.

In recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree, the Group observes the definition of assets and liabilities in accordance with the Framework for the Preparation and Presentation of Financial Statements at the acquisition date. Identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values.

On income taxes, the Group recognizes and measures a deferred tax asset or liability arising from the assets acquired and liabilities assumed in accordance with PAS 12 while the standard under PAS 19 is relied on for employee benefits.

The Group recognizes and measures goodwill in accordance with PFRS 3, as the difference between:

- Aggregate of (1) the value of the consideration transferred (generally at fair value), (2) the amount of any non-controlling interest in the acquiree, and (3) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, and
- The net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed (measured in accordance with PFRS 3).

4.04.02 Common Control Business Combinations

A business combination is a “common control combination” if the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. This means that the same party or parties have the ultimate control over the combining entities or businesses both before and after the business combination.

Common control combinations are typically accounted for using the “pooling of interest method” and, in some cases where there is commercial substance to the transaction, using the “acquisition method” under PFRS 3.

PIC Q&A 2011-02 established the following consensus:

1. PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, requires that in the absence of specific guidance in PFRS, management shall use its judgement in developing and applying an accounting policy that is relevant and reliable (PAS 8.10). The most relevant and reliable accounting policies for common control business combination would either be the pooling of interest method and the acquisition method in accordance with PFRS 3.
2. Common control business combinations shall be accounted for using either the pooling of interests method or the acquisition method. However, where the acquisition method of accounting is selected, the transaction must have commercial substance from the perspective of the reporting entity.
3. The accounting policy for common control business combination shall be applied consistently for similar transactions.

4.04.03 Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiary.

The consolidated financial statements incorporate the financial statements of the Parent and the entity controlled by the Parent (its subsidiary) up to June 30 of each year. Control is achieved when the Parent has exposure or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over an investee. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account.

Subsidiary is consolidated from the date when control is transferred to the Parent and ceases to be consolidated from the date when control is transferred out of the Parent.

4.04.04 Measurement

The assets and liabilities and the contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the profit and loss in the period of acquisition.

4.04.05 Initial Measurement of Goodwill or Gain on a Bargain Purchase

Goodwill is initially measured at cost, being the excess of the aggregate of fair value of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as gain on a bargain purchase.

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 (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

4.04.06 Inter-group Balances

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Inter-group balances and transactions, including inter-group profits and unrealized profits and losses, are eliminated. When necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used in line with those used by the Parent Company. All inter-group transactions, balances, income and expenses are eliminated during consolidation.

4.04.07 Loss of Control

Upon the loss of control, the Parent Company derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of controls is recognized in profit or loss. If the Parent Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date the control is lost. Subsequently, it is accounted for as entity-accounted investee or as financial assets at FVTPL or FVOCI depending on the level of influence retained.

4.04.08 Measurement Period.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group reports in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete. The measurement period ends as soon as the Group receives the information it was seeking about facts and circumstances that existed as at the acquisition date or learns that more information is not obtainable. The measurement period does not exceed one year from the acquisition date.

4.05 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognized immediately in profit or loss.

When the circumstances that previously caused inventories to be impaired no longer exist or when there is clear evidence of an increase in selling price less costs to complete and sell because of changed economic circumstances, a reversal of the impairment is recognized so that the new carrying amount is the lower of the cost and the revised selling price less costs to complete and sell. Any impairment reversal is recognized in profit or loss but is limited to the amount of the original impairment loss recognized.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

4.05 Property and Equipment

Property and equipment are initially measured at cost. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Subsequent to initial recognition property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

Office and store equipment	5 to 10 years
Building and building improvements	5 to 20 years

The property and equipment's residual values, useful lives and depreciation method are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.07 Computer Software

Computer software acquired separately is initially carried at cost. Subsequently, intangible asset with definite useful life is carried at cost less accumulated amortization and accumulated impairment losses. Amortization of computer software is recognized on a straight-line basis over its estimated useful life of two (2) years.

The estimated useful life, residual value and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss.

4.08 Impairment of Assets

At each reporting date, the Group assesses whether there is any indication that any assets other than inventories, deferred tax assets, and financial assets that are within the scope of PFRS 9, *Financial Instruments* may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income.

4.09 Borrowing Costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.10 Financial Liabilities

4.10.01 Initial Recognition and Measurement

The Group shall recognize a financial liability in its consolidated statements of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument.

At initial recognition, the Group shall measure a financial liability at its fair value minus, in the case of financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the liability.

4.10.02 Classification

The Group shall classify all financial liabilities as subsequently measured at amortized, except for:

- financial liabilities at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate;
- contingent consideration recognized by an acquirer in a business combination.

The Group's financial liabilities measured at amortized cost include trade and other payables (excluding customers' deposits and due to government agencies), due to a related party, loans payable and lease liabilities.

The Group does not have financial liabilities measured at fair value through profit or loss.

4.10.03 Derecognition

The Group removes a financial liability (or part of a financial liability) from its statement of financial position when, and only when, it is extinguished (i.e. when the obligation in the contract is discharged or cancelled or expires).

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4.11 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

4.12 Offsetting of Financial Instruments

Financial assets and liabilities are offset, and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4.13 Customers' Deposits

Customers' deposits pertain to down payments made by customers on their purchase. These are recorded initially as liability equivalent to the amount of cash received. Subsequently, these are charged to profit or loss upon delivery of food products.

4.14 Employee Benefits

4.14.01 Short-term Benefits

The Group recognizes a liability, net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Group to its employees include salaries and wages, SSS, PhilHealth, and HDMF contributions and other employee benefits.

4.14.02 Post-employment Benefits

The Group has an unfunded and noncontributory defined benefit retirement plan. This benefit defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The cost of providing benefits is determined using the Projected Unit Credit Method (PUCM) which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. Retirement benefits include current service cost and net interest on defined benefit obligation. Remeasurements which include change on demographic and financial assumption and experience adjustment are recognized directly in other comprehensive income and are also presented as remeasurements under 'equity' in the consolidated statement of financial position.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

The retirement benefit obligation recognized in the consolidated statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

4.15 Provisions

Provisions are recognized when the Group has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting period and adjusted to reflect the current best estimate.

4.16 Revenue Recognition

The Group shall recognize revenue when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

4.16.01 Performance Obligations Satisfied at a Point in Time

The Group recognizes revenue at point in time from its store sales and commissary sales, this is when there is a present right to payment for goods, transfer of physical possession of goods, acceptance of the same by its customers and transfer of significant risk and rewards of the goods.

4.16.02 Royalty

Revenue from royalty is recognized as the royalty accrues based on certain percentages of the franchisees' gross sales.

4.16.03 Finance Income

Finance income is recognized when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Finance income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.16.04 Principal versus Agent Considerations

The Group should determine whether it is a principal or an agent in a transaction through the nature of its promise in a performance obligation.

The Group determines whether the nature of its promise is a performance obligation to provide a specified service itself (i.e. the Group is a principal) or to arrange for the other party to provide those services (i.e. the Group is an agent).

The Group is a principal if it controls a promised service before it transfers the service to a customer. It recognizes revenue in the gross amount of consideration to which it expects to be entitled in exchange for those services transferred.

The Group is an agent if its performance obligation is to arrange for the provision of services by another party. It recognizes revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its services.

4.16 Expense Recognition

Expense encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Group.

The Group recognizes expenses in the consolidated statements of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

4.17 Leases

4.17.01 The Group as a Lessee

The Group considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for a consideration. To apply this definition the Group assesses whether the contract meets three (3) key evaluations, which are whether:

- a. The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- b. The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- c. The Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Group has elected to account for short-term leases and low-value assets using the practical expedients. Instead of recognizing an ROU asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Right-of-Use (ROU) Asset

At the commencement date, the Group measures the ROU asset at cost, which comprises of:

- initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any incentives received;
- any initial direct costs incurred by the Group;
- an 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. The Group incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Subsequent to initial recognition, ROU assets are carried at cost less accumulated depreciation and accumulated impairment losses. The Group depreciates the ROU asset on a straight-line method from the lease commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The Group also assesses the ROU asset for impairment when such indicators exist.

On the consolidated statements of financial position, right-of-use assets have been presented as a separate line item.

Lease Liabilities

At the commencement date, the Group measures the lease liabilities at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or if not the Group uses the incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments (including in-substance fixed payments), less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under the residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect in-substance fixed lease payments.

The Group recognizes the amount of remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the remeasurement in profit or loss.

On the consolidated statements of financial position, lease liabilities have been presented as a separate line item.

4.18 Related Parties and Related Party Transactions

A related party is a person or entity that is related to the Group that is preparing its consolidated financial statements. A person or a close member of that person's family is related to Group if that person has control or joint control over the Group, has significant influence over the Group, or is a member of the key management personnel of the Group or of a parent of the Group.

An entity is related to the Group if any of the following conditions applies:

- The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- The entity is controlled or jointly controlled by a person identified above.
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- Management entity providing key management personnel services to a reporting entity.

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Group and include that person's children and spouse or domestic partner; children of that person's spouse or domestic partner; and dependents of that person or that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

4.19 Taxation

Income tax expense represents the sum of current and deferred taxes.

4.19.01 Current Tax

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4.19.02 Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognized for taxable temporary differences. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4.19.03 Current and Deferred Taxes for the Period

Current and deferred taxes are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss, whether in other comprehensive income or directly in equity, in which case the tax is also recognized outside profit or loss.

4.19.04 Impact of Change in Tax Regime

Components of tax expense include any adjustments recognized in the period for current tax of prior period and the amount of deferred tax expense (income) relating to changes in tax rates. The provision for current income tax during the year include the difference between income tax per prior year financial statements and prior year income tax return.

Deferred tax assets and liabilities as of reporting period is remeasured using the new tax rates. The impact of remeasurement is recognized in profit or loss (i.e., provision for/benefit from deferred income tax), unless it can be recognized in other comprehensive income or another equity account as provided for in PAS 12.61A.

Any movement in deferred taxes arising from the change in tax rates that will form part of the provision for/benefit from deferred taxes will be included as well in the effective tax rate reconciliation.

4.20 Earnings per Share

The Group computes its basic earnings per share by dividing net income or loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period.

4.21 Changes in Accounting Policies

The adoption of the new and revised standards and interpretations disclosed in Notes 2.01 and 2.02, was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, “*Accounting Policies, Changes in Accounting Estimates and Errors*”.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Group’s accounting policies, which are described in Note 4, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are critical judgments, apart from those involving estimations that Management has made in the process of applying the entity’s accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

5.01.01 Aggregation of Operating Segments

In accordance with the provisions of PFRS 8, *Operating Segments*, the Group’s reporting segment is based on the management approach with regard to the segment identification, under which information regularly provided to the chief operating decision maker for decision-making purposes is considered as decisive. The segments are also evaluated under the management approach.

The Group reports its segment based on the nature of the products and services provided and geographic areas. Management identifies its operating segments as generally based on nature of the products and services such as sale of foods and franchise revenue; and geographic areas such as domestic and international. The accounting policies of the reportable segments are the same as the Group’s accounting policies. Segment profit represents the profit earned by each segment without allocation of net trading gains (losses), other income, equity in net earnings, operating expenses and income tax.

5.01.02 Determining whether or not a Contract Contains a Lease

For contracts in place at the date of initial application, the Group has elected to apply the definition of a lease from PAS 17 and IFRIC 4 and has not applied PFRS 16 to arrangements that were previously not identified as lease under PAS 17 and IFRIC 4.

Management assessed the Group’s agreements to use store spaces qualified as lease contracts since the contract contains an identified asset, the Group has the right to obtain substantially all of the economic benefits, and the Group has the right to direct the use of the identified asset throughout the period of use.

5.01.03 Assessment of Principal-Agency Arrangement

The Group determines whether the nature of its promise is a performance obligation to provide a specified service itself (i.e. the Group is a principal) or to arrange for the other party to provide those services (i.e. the Group is an agent).

In June 30, 2025, 2024 and 2023 the Group assessed that it is acting as a principal on its sales derived from third-party food delivery supports because the Group has the primary responsibility for fulfilling the promise to provide goods to customers, bears the risk on the goods and has the discretion in determining the selling price of the goods. The Group recognized commission expense on amount paid to third-party delivery supports amounting to ₱375,198,561, ₱293,219,845 and 260,859,459, in June 30, 2025, 2024 and 2023 respectively, as disclosed in Note 23.

5.01.04 Assessment of Timing of Satisfaction of Performance Obligations

An entity satisfies a performance obligation by transferring control of a promised good or service to the, which could occur over time or at a point in time.

Management assessed that performance obligation is satisfied at a point in time, this is when there is a present right to payment for goods, transfer of physical possession of goods, acceptance of the same by its customers and transfer of significant risk and rewards of the goods. In 2025 2024 and 2023 revenues recognized amounted to ₱5,671,444,081, ₱5,447,082,212 and ₱4,284,080,714 as disclosed in Note 21.

5.01.05 Assessment of Contractual Terms of a Financial Asset

The Group determines whether the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In making its judgments, the Group considers whether the cash flows before and after the changes in timing or in the amount of payments represent only payments of principal and interest on the principal amount outstanding.

Management assessed that the contractual terms of its financial assets are solely payments of principal and interest and consistent with basic lending arrangement. As of June 30, 2025 and 2024, the carrying amounts of financial assets measured at amortized cost amounted to ₱565,085,852 and ₱681,314,300 respectively, as disclosed in Note 31.02.

5.01.06 Assessment of the Allocation of Transaction Price to Performance Obligations

A performance obligation is a vendor's promise to transfer a good or service that is 'distinct' from other goods and services identified in the contract.

Management assessed that allocation of transaction price to performance obligation is not applicable since the only obligation identified is to deliver and served the foods and drinks ordered by its customers.

5.01.07 Assessment of 30 days Rebuttable Presumption

The Group determines when a significant increase in credit risk occurs on its financial assets based on the credit management practice of the Group.

Management believes that the 30 days rebuttable presumption on determining whether financial assets are past due is not applicable since based on Group's historical experience credit risk has not increased significantly even if collections are more than 30 days past due.

5.01.08 Assessment of 90 days rebuttable presumption

An entity determines when a past due occurs on its financial assets based on the credit management practice of the entity.

Management believes that the 90 days rebuttable presumption on determining whether there is a significant increase in credit risk in financial assets is not applicable based on the Group's historical experience the Group determines that the customer is in default when it is already past due for 360 days and beyond.

5.01.09 Determining whether or not it is Reasonably Certain that an Extension Option will be Exercised

Lease term is the non-cancellable period for which the Group has the right to use an underlying asset including optional periods when the Group is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term and the enforceability of the option. The option to extend the lease term should be included in the lease term if it is reasonably certain that the lessee will exercise the option and the option is enforceable. The Group is required to reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

Management assessed that it is reasonably certain that it will exercise the extension option but the extension option is not enforceable because it requires mutual agreement of both parties.

5.02 Key Sources of Estimation Uncertainties

The following are the key assumptions concerning the future, and other key sources of estimation uncertainties at the end of the reporting periods that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5.02.01 Estimating Allowance for Expected Credit Losses of Financial Assets

The Group evaluates the expected credit losses related to its financial assets based on an individual assessment and available facts and circumstances, including, but not limited to historical loss experience and economic factors.

The Group uses credit ratings, performance of banking industry, macro-economic and bank's financial information to assess the expected credit losses on its cash in banks. In view of the foregoing factors, Management believes that the expected credit loss is nil in 2025 and 2024.

The Group uses performance of customers' industry, macro-economic factors and economy's outlook to assess the expected credit losses on its trade receivables. In view of the foregoing factors, Management believes that the expected credit loss on trade receivables is nil in 2025 and 2024.

The Group uses the available financial information about the lessors, macro-economic factors and economy's outlook to assess the expected credit losses on its refundable deposits. In view of the foregoing factors, Management believes that the expected credit loss on refundable deposits is nil in both years.

In 2025, 2024 and 2023, no provision for expected credit loss was recognized on Group's financial assets.

As of June 30, 2025 and 2024, the carrying amounts of financial assets measured at amortized cost amounted to ₱565,085,852 and ₱681,314,300 as disclosed in Note 31.02.

5.02.02 Estimating Inventories at Net Realizable Values

Net realizable values of inventories are assessed regularly based on the prevailing selling prices of inventories less estimated costs to sell. The Group recognizes expense and provides allowance for decline in value of inventories whenever net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes on price levels or other causes. Inventory items identified to be obsolete and unusable is written off and charged against allowance account. Increase in the net realizable values will increase the carrying amount through reduction of allowance for decline but only to the extent of original acquisition cost.

In 2025 and 2024, Management believes the net realizable value of inventories approximate their costs, thus, no allowance for decline in value was recognized. As of June 30, 2025 and 2024, inventories amounted to ₱436,935,354 and ₱430,658,720, respectively, as disclosed in Note 9.

5.02.03 Reviewing Residual Values, Useful Lives and Depreciation Method of Property and Equipment

The residual values, useful lives and depreciation method of the Group's property and equipment are reviewed at least annually, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; significant unexpected wear and tear; technological advancement; and changes in market prices since the most recent annual reporting date. The useful lives of the Group's property and equipment are estimated based on the period over which the assets are expected to be available for use. In determining the useful life of property and equipment, the Group considers the expected usage, expected physical wear and tear, technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output and legal or other limits on the use of the Group's assets. In addition, the estimation of the useful lives is based on Group's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

A reduction in the estimated useful lives of property and equipment would increase the recognized expenses and decrease non-current assets. The Group uses a depreciation method that reflects the pattern in which it expects to consume the property and equipment's future economic benefits. If there is an indication that there has been a significant change in the pattern used by which the Group expects to consume the property and equipment's future economic benefits, the entity shall review its present depreciation method and, if current expectations differ, change the depreciation method to reflect the new pattern.

In both years, Management assessed that there are no indications that there has been any change in pattern used by in consuming Group's property and equipment's future economic benefits. As of June 30, 2025 and 2024 the carrying amounts of the Group's property and equipment are ₱3,890,245,353 and ₱2,527,094,634, respectively, as disclosed in Note 11.

5.02.04 Reviewing Residual Value, Useful Life and Amortization Method of Intangible Assets

The residual value, useful life and amortization method of the Group's computer software are reviewed at least annually, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; technological advancement; and changes in market prices since the most recent annual reporting date. Amortization begins when the computer software is available for use, i.e. when it is in the location and condition necessary for it to be usable in the manner intended by Management. Amortization ceases when the intangible asset is derecognized. The Group uses a straight-line method of amortization since it cannot determine reliably the pattern in which it expects to consume the intangible asset's future economic benefits.

In both years, Management assessed that there are no indications that there has been any change in pattern used by the Group in consuming its intangible assets' future economic benefits. As of June 30, 2025 and 2024, the carrying amounts of the amounted ₱252,942,435 and ₱239,765,356, respectively, as disclosed in Note 12.

5.02.05 Asset Impairment

The Group performs an impairment review when certain impairment indicators are present. Determining the fair value of prepayment and other current assets, property and equipment, intangible assets and right-of-use assets, which require 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 financial statements. Future events could cause the Group to conclude that aforementioned assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Group believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS.

In both years, Management assessed that no indicators of impairment had existed on prepayment and other current assets, property and equipment, right-of-use assets and intangible assets. As of June 30, 2025 and 2024, the aggregate carrying amounts of the aforementioned assets amounted to ₱4,673,175,942 and ₱3,217,305,764, respectively, as disclosed in Notes 10, 11, 12, and 13.

5.02.06 Estimating Recoverability of Deferred Tax Assets

The Group reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Group will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized.

Management believes that the Group will generate future taxable profit to use all or part of its deferred tax asset amounting to ₱3,807,085 and ₱3,242,137, in 2025 and 2024, as disclosed in Note 28.

5.02.07 Post-employment and Other Employee Benefits

The determination of the retirement obligation and cost and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rates, and rates of compensation increase. In accordance with the PFRS, actual results that differ from the assumptions are recognized as remeasurements in other comprehensive income and therefore, generally affect recorded obligation. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and other retirement obligations.

The Group's retirement benefit amounted to ₱2,259,792, ₱2,718,667 and ₱2,683,409 in June 30, 2025, 2024 and 2023, respectively, as disclosed in Note 24. The Group's retirement benefit obligation as of June 30, 2025 and 2024, amounted to ₱16,096,518 and ₱13,836,726, respectively, as disclosed in Note 24. Remeasurement recognized as other comprehensive gain and loss, net of related tax, amounted to nil and ₱8,089,339 in June 30, 2025 and 2024, respectively, as disclosed in Note 24.

5.02.08 Estimating the Appropriate Discount Rate to Use

The Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or if not, the Group uses the incremental borrowing rate.

Management used its incremental borrowing rate of 2.3% to 3.02% per annum to measure the present value of its lease liabilities since the implicit rate was not readily available.

6. SEGMENT INFORMATION

6.01 Revenue from Major Products

Listed below are the revenues earned from each major product:

		2025	2024	2023
Angel's Pizza	₱	4,011,720,138	₱ 3,788,108,771	2,871,594,714
Figaro Coffee Group		1,511,948,367	1,487,925,999	1,317,818,050
Tien Ma's Taiwanese Cuisine		147,775,576	171,047,442	94,667,950
	₱	5,671,444,081	₱ 5,447,082,212	4,284,080,714

6.02 Geographical Information

The Group operates in two (2) principal geographical areas. The Group's revenue from continuing operations from external customers by geographical location are detailed below:

	2025		2024		2023	
National Capital Region	₱	3,433,308,407	₱	3,288,663,940		3,120,339,428
Provincial Areas		2,238,135,674		2,158,418,272		1,163,741,286
	₱	5,671,444,081	₱	5,447,082,212		4,284,080,714

7. CASH

For the purpose of the consolidated statement of cash flows, cash includes cash on hand and cash in banks.

Cash at the end of the reporting periods as shown in the consolidated statement of cash flows can be reconciled to the related item in the consolidated statement of financial position as follows:

	2025		2024	
Cash on hand	₱	11,188,884	₱	13,867,400
Cash in banks		320,113,866		361,067,005
	₱	331,302,750	₱	374,934,405

Cash on hand pertains to revolving and change fund kept in the different branches.

Finance income from banks amounted to nil 2025 and 2024 since bank accounts maintained are current accounts which do not earn interest.

8. TRADE RECEIVABLE

The Group's trade receivable as of June 30, 2025 and 2024 amounted to ₱199,942,530 and ₱164,034,685, respectively.

Trade receivables which pertain to supplies billed to franchisees, commissary sales to certain institutions and receivable from credit card companies and food delivery services have an average credit period of 60 days from the sale of goods. No interest is charged on trade receivables. The Group determines that a customer is in default when it is already past due for 360 days and beyond.

Trade receivables disclosed above include amounts which are past due at the end of the reporting period but against which the Group has not recognized an allowance for expected credit losses because there has been no significant amount on past due accounts which are 360 days and beyond. The Group does not hold any collateral or other credit enhancements over these balances, nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Aging of outstanding accounts that are past due but not impaired is as follows:

	2025		2024	
1 to 30 days	₱	131,984,098	₱	48,209,670
31 to 60 days		19,126,409		38,695,245
Over 60 days		48,832,023		77,129,770
	₱	199,942,530	₱	164,034,685

In determining the recoverability of trade receivable, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

In 2025, 2024 and 2023, no provision for expected credit loss was recognized for the Group's trade receivables because the Group believes that there is only an insignificant amount of expected credit loss therefrom.

9. INVENTORIES

The Group's inventories pertaining to foods, beverages, store and kitchen supplies amounted to ₱436,935,354 and ₱430,658,720, as of June 30, 2025 and 2024, as disclosed in Note 23.

The cost of inventories recognized as an expense amounted to ₱1,858,788,785 and ₱1,885,028,161, in 2025, 2024 and 2023, as disclosed in Note 22.

Inventories are expected to be recovered within twelve (12) months after the reporting period.

There are no unusual purchase commitments and accrued net losses on such commitments. There are no losses which are expected to arise from firm and noncancellable commitments for the future purchase of inventory items.

10. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Group's prepayments and other current assets are shown below:

	2025	2024
Prepaid rent (Note 26)	₱ 47,712,572	1,233,630
Advances to contractors	145,770,366	125,022,173
Advances to suppliers	12,503,069	17,251,124
Advances to officers and employees	6,077,628	15,912,388
	₱ 212,063,635	₱ 159,419,315

Advances to suppliers pertain to inventories that are already paid. The average shipment and delivery is 60 days from initial payment of goods.

Advances to contractors pertain to payments made for materials, labor, and services to be utilized in the construction, renovation, and improvement of the Group's store outlets, commissaries, and other facilities.

Advances to suppliers pertain to advance payment for goods to be delivered.

11. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Group’s property and equipment as of June 30, 2025 and 2024, are as follows:

	Office and Store Equipment	Building and Building Improvement s	Total
June 30, 2023			
Cost	P 1,227,852,728	P 761,891,307	P 1,989,744,035
Accumulated depreciation	(325,958,023)	(450,691,503)	(776,649,526)
Carrying Amount	901,894,705	311,199,804	1,213,094,509
Movements during 2024			
Balance, July 1, 2023	901,894,705	311,199,804	1,213,094,509
Additions	370,910,824	1,161,382,473	1,532,293,297
Depreciation	(77,001,708)	(141,291,464)	(218,293,172)
Balance, June 30, 2024	1,195,803,821	1,331,290,813	2,527,094,634
June 30, 2024			
Cost	1,598,763,552	1,923,273,780	3,522,037,332
Accumulated depreciation	(402,959,731)	(591,982,967)	(994,942,698)
Carrying Amount	1,195,803,821	1,331,290,813	2,527,094,634
Movements during 2025			
Balance, July 1, 2024	1,195,803,821	1,331,290,813	2,527,094,634
Additions	795,013,672	932,636,037	1,727,649,709
Depreciation	(192,127,744)	(172,371,246)	(364,498,990)
Balance, June 30, 2025	1,798,689,749	2,091,555,604	3,890,245,353
June 30, 2025			
Cost	2,393,777,224	2,855,909,817	5,249,687,041
Accumulated depreciation	(595,087,475)	(764,354,213)	(1,359,441,688)
Carrying Amount	P 1,798,689,749	P 2,091,555,604	P 3,890,245,353

In 2025, 2024 and 2023, all additions were paid in cash.

Depreciation is allocated as follows:

	2025	2024	2023
Direct cost (Note 22)	P -	P -	P 6,394,035
Operating expenses (Note 23)	364,498,990	218,293,172	304,287,330
	P 364,498,990	P 218,293,172	P 310,681,365

In 2025, 2024 and 2023, Management assessed that there were no indications of impairment existing in property and equipment.

12. INTANGIBLE ASSETS – net

The carrying amounts of the Group’s intangible assets as of June 30, 2025 and 2024 are as follows:

	2025		2024
Balance, July 1			
Cost	₱ 369,081,855	₱	105,099,519
Accumulated amortization	(129,316,499)		(12,460,680)
Carrying Amount	239,765,356		92,638,839
Movements during the year			
Balance, July 1	239,765,356		92,638,839
Additions	153,454,245		263,982,336
Amortization (Note 23)	(149,277,166)		(116,855,819)
Balance, June 30	243,942,435		239,765,356
June 30			
Cost	393,219,601		369,081,855
Accumulated amortization	(140,277,166)		(129,316,499)
Carrying Amount	₱ 252,942,435	₱	239,765,356

In 2025, 2024 and 2023, all additions were paid in cash.

The remaining useful life of computer software is two (2) years.

The Group has determined that there is no indication that an impairment loss has occurred on its intangible assets in both years.

13. RIGHT-OF-USE ASSETS – net

The carrying amounts of the Group’s right-of-use assets as of June 30, 2025 and 2024, are as follows:

	2025		2024
Balance, July 1			
Cost	₱ 379,685,903	₱	39,356,326
Accumulated depreciation	(88,659,444)		(22,093,089)
Carrying Amount	291,026,459		17,263,237
Movements during the year			
Balance, July 1	291,026,459		17,263,237
Additions	190,710,778		340,329,577
Depreciation	(163,812,718)		(66,566,355)
Balance, June 30	317,924,519		291,026,459
June 30			
Cost	570,396,681		379,685,903
Accumulated depreciation	(252,472,162)		(88,659,444)
Carrying Amount	₱ 317,924,519	₱	291,026,459

The details of the lease contracts are disclosed in Note 26.

14. OTHER NON-CURRENT ASSETS

The details of other non-current assets are shown below:

		2025		2024
Refundable deposits (Note 26)	₱	42,719,447	₱	33,125,666
Construction bond		2,310,009		2,086,944
Others		-		1,000,000
	₱	45,029,456	₱	36,212,610

15. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

		2025		2024
Trade	₱	337,029,748	₱	331,242,122
Due to government agencies		33,788,678		11,824,222
Customers' deposits		-		34,685,463
Gift certificate payable		-		3,495,200
Accrued expenses		-		1,353,200
	₱	370,818,426	₱	382,600,207

The average credit period on purchases of certain goods from suppliers is 30 days. No interest is charged on the trade payables from the date of the invoice.

Customer's deposits pertain to down payments made by customers on their purchases.

Due to government agencies include expanded and compensation withholding taxes and other statutory payables.

Accrued expenses pertains to accrual of professional fee and other services.

16. LOANS PAYABLE

Details of Group's loans payable are as follows:

		2025		2024
Balance, July 1	₱	550,435,689	₱	30,000,000
Assumed from business combination		1,055,000,000		1,050,000,000
Payments		(84,451,369)		(529,564,311)
Balance, June 30	₱	1,520,984,320	₱	550,435,689

The loans availed is used for additional working capital of the Group. The loans bear an interest rate of 5.5% to 8% with a term of 180 days to one (1) year. In 2020, the loan was renewed for another one (1) year. The loans are secured by corporate guaranty of Camerton, Inc, a related party under common key management.

In 2025, 2024 and 2023, finance costs incurred and paid amounted to ₱105,194,627, ₱25,436,409 and ₱1,817,310, respectively.

The Group is not required to maintain any ratios or thresholds. In 2025 and 2024, the Group is compliant with the terms and conditions of the loan contract.

17. LEASE LIABILITIES

The Group, as lessee, entered into various leasing arrangements as disclosed in Note 26. The following are the amounts of lease liabilities:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2025	2024	2025	2024
Not later than one (1) year	₱ 75,471,665	₱ 89,119,091	₱ 63,857,836	₱ 70,997,346
Later than one (1) year but not later than five (5) years	161,667,975	232,147,196	146,189,635	195,574,427
	237,139,640	321,268,311	210,047,471	266,571,773
Discount	(27,092,169)	(54,694,514)	-	-
Present value of minimum lease payments	210,047,471	266,571,773	210,047,471	266,571,773
Current portion	63,857,836	70,997,346	63,857,836	70,997,346
Non-current portion	₱ 146,189,635	₱ 195,574,427	₱ 146,189,635	₱ 195,574,427

Movement in lease liabilities are as follows:

	2025	2024
Balance, beginning	₱ 266,571,773	₱ 7,298,695
Additions	81,715,161	327,743,444
Finance cost (Note 26)	15,918,135	17,575,260
Finance cost paid	(15,918,135)	(17,575,260)
Payments	(138,239,463)	(68,470,366)
Balance, ending	₱ 210,047,471	₱ 266,571,773

The interest rate inherent in the leases is fixed at the contract date for all of the lease term. The average effective interest rate contracted approximates 2.3% to 3.02% per annum.

18. RELATED PARTY TRANSACTIONS

Nature of relationship of the Group and its related parties are disclosed below:

Related Parties	Nature of Relationship
Carmetheus Holdings, Inc.	Ultimate parent
Camerton, Inc.	Immediate Parent
F Coffee Holdings, Inc.	Under common control
F Coffee Holdings Corporation	Under common control
Stockholders	Key management personnel

18.01 Due from related parties

18.01.01 Key Management Personnel

Transactions with key management personnel are as follows:

		June 30, 2025		June 30, 2024	
		Amount/ Volume	Outstanding Balances	Amount/ Volume	Outstanding Balances
Stockholders					
Advances	₱	-	₱	-	₱ 120,000,000

Advances pertain cash given to stockholders for their personal use.

In 2025, 2024 and 2023, the Group partially collected its advances granted to related party amounting to ₱120,000,000, nil and ₱167,081,477, respectively.

The amounts outstanding are unsecured, non-interest bearing, collectible on demand and will be settled in cash. No guarantees have been received in respect of the amounts owed by related party. No provisions have been made for expected credit losses in respect of the amounts owed by a related party.

The Group has an approval requirement and limits on the amount and extent of related party transactions.

18.02 Remuneration of Key Management Personnel

In both years, no remuneration was given to the directors and members of key management personnel.

19. CAPITAL STOCK

The paid-in capital stock of the Group is as follows:

	2025		2024	
Capital stock (Note 19.02)	₱	589,345,528	₱	589,345,528
Additional paid-in capital		1,403,308,680		1,403,308,680
	₱	1,992,654,208	₱	1,992,654,208

19.01 Increase in Authorized Capital Stock

On March 31, 2021, the Parent Company's Board of Directors and Stockholders approved: (a) the increase in authorized capital stock from ₱150,000,000 to ₱500,000,000; and (b) the stock split through the reduction of the par value of the shares of the Group from ₱100.00 per share to ₱0.10 per share. SEC approved the Group's application to increase authorized capital stock on June 23, 2021.

On September 16, 2021, the Securities and Exchange Commission approved the Company's increase in authorized capital stock to ₱660,000,000 divided into 6,600,000,000 shares with a par value of ₱0.10 per share.

On June 6, 2023, the Parent Company's Board of Directors and Stockholders approved the increase in authorized capital stock amounting to ₱1,340,000,000 comprising of 11,550,000,000 common shares at ₱0.10 par value per share or equivalent to ₱1,155,000,000 and 9,250,000,000 preferred shares at ₱0.02 par value per share or equivalent to ₱185,000,000. SEC approved the Group's application to increase its authorized capital stock on July 14, 2023.

19.02 Capital Stock

The paid-in capital stock of the Group are as follows:

		2025		2024
Common shares (Note 19.02.01)	₱	546,845,528	₱	546,845,528
Preferred shares (Note 19.02.02)		42,500,000		42,500,000
	₱	589,345,528	₱	589,345,528

19.02.01 Common Shares

Shown below are the details on the movements of common shares.

	2025		2024	
	Shares	Amount	Shares	Amount
Authorized				
₱0.10 par value per share	11,550,000,000	₱ 1,155,000,000	11,550,000,000	₱ 1,155,000,000
Issued and fully paid				
Balance, beginning	5,468,455,280	546,845,528	5,893,455,280	589,345,528
Additional issuance	-	-	-	-
Conversion to preferred shares	-	-	(425,000,000)	(42,500,000)
Balance, end	5,468,455,280	₱ 546,845,528	5,468,455,280	₱ 546,845,528

19.02.02 Preferred Shares

Shown below are the details on the movements of preferred shares.

	2025		2024	
	Shares	Amount	Shares	Amount
Authorized				
₱0.02 par value				
per share	9,250,000,000	₱ 185,000,000	9,250,000,000	₱ 185,000,000
Subscribed	8,500,000,000	170,000,000	8,500,000,000	170,000,000
Subscription receivable	(6,375,000,000)	(127,500,000)	(6,375,000,000)	(127,500,000)
Balance, end	2,125,000,000	₱ 42,500,000	2,125,000,000	₱ 42,500,000

19.03 Dividend Declaration

On October 12, 2022, Figaro Coffee Group, Inc., the Parent Company declared cash dividend at P0.01936 per share or ₱89,988,900 to stockholders of record as of November 21, 2022. The record date of the declaration of dividend is December 9, 2022.

At the regular meeting held on October 12, 2023, the Board of Directors of the Figaro Coffee Group, Inc., the Parent Company approved the declaration of cash dividends of ₱0.027 with a total amount of ₱147,648,293 to all stockholders on record as of November 17, 2023. Dividends paid amounted to ₱147,648,293 during the same year.

At a regular meeting held in 2024, the Board of Directors of Figaro Coffee Group, Inc. (the “Parent Company”) approved the declaration of cash dividends amounting to ₱0.027 per share, or a total of ₱147,648,293, to all stockholders. The total amount of ₱147,648,293 was paid during the same year.

19.04 Issuances of Shares

At incorporation, Camertheus Holdings, Inc. (CHI) subscribed to ₱37,500,000 worth of shares in the Parent Company. Out of such subscription, ₱9,375,000 had been paid by CHI at incorporation of the Parent Company. During the period, CHI fully paid its subscription receivable amounting to ₱28,125,000.

Camerton, Inc. (CI) subscribed to the following shares of the Parent Company:

- In support of the application for increase in authorized capital stock, Camerton, Inc. (CI), on March 31, 2021, subscribed to 1,250,000,000 shares of the Parent Company for a total subscription price of ₱125,000,000. The subscribed shares were fully paid and issued on June 22, 2021.
- On June 20, 2021, the Board of Directors of the Parent Company approved the additional paid-in capital in the amount of ₱83,138,000 paid by CI into the Parent Company.
- 1,250,000,000 shares with par value of ₱0.10 per share for a total subscription price of ₱228,800,000, or ₱0.18304 price per share. The said subscription resulted to an additional capital stock of ₱125,000,000 and an additional paid-in capital of ₱103,800,000 in the Parent Company; and
- 350,000,000 shares of the Parent Company with par value of ₱0.10 per share for a total subscription price of ₱35,000,000.

As of June 30, 2021, the outstanding capital of the Parent Company is ₱322,500,500 (excluding the additional paid-in capital of ₱186,938,000 with 3,225,005,000 shares issued).

As of June 30, 2021, the Parent Company is 88.37% owned by Camerton, Inc. and 11.63% owned by Carmetheus Holdings, Inc.

On January 24, 2022, the Company completed its IPO and was listed in the PSE under stock symbol “FCG.” The Company issued 93,016,000 common shares for a total consideration of ₱69,762,000 or at ₱0.75 per share. This resulted to an additional issuance of capital stock of 1,423,183,200 with par value of ₱0.10 per share for a total of ₱142,318,200.

As of June 30, 2022, the outstanding capital of the Company is ₱464,818,820 (excluding the additional paid-in capital of ₱665,068,300 with 4,648,188,200 shares issued).

As of June 30, 2022, the Company is 69.94% owned by Camerton, Inc. and 8.07% owned by Carmetheus Holdings, Inc.

On February 2, 2023, the Company issued 862,767,088 common shares to Monde Nissin Corporation at ₱1 per share.

As of June 30, 2025 and 2024, the outstanding capital of the Group is ₱5,893,455,280 (excluding the additional paid-in capital of ₱1,403,308,680 with 5,893,455,280 shares issued).

As of June 30, 2025 and 2024, the Group is 53.05% owned by Camerton, Inc., 15% owned by Monde Nissin Corporation and 6.86% owned by Carmetheus Holdings, Inc.

19.05 Track record of registration of securities under the Securities Regulation Code

As of June 30, 2021, the Company is in the process of compiling with the requirements to file Registration Statement with SEC in accordance with the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799, the “SRC”) for the registration of all the issued and outstanding Shares of the Company and the Offer Shares.

The number of shares to be registered, issue/ offer price and the approval or date when the registration statement covering such securities was rendered effective by the Commission, and the number of holders of such securities is to be determined.

On January 24, 2022, the Company completed its IPO and was listed in the PSE under stock symbol “FCG.” The Company issued 93,016,000 common shares for a total consideration of ₱69,762,000 or at ₱0.75 per share.

20. BUSINESS COMBINATION

The Group accounted the common control business combination using the “acquisition method” under PFRS 3 because there is commercial substance to the transaction. Factors that indicate commercial substance are as follows:

1. The business combination is undertaken as an integral part of an Initial Public Offering (IPO).
2. The extent to which the acquiring entity’s future cash flows are expected to change as a result of the business combination in which the entity-specific value of the portion of the entity’s operations affected by the transaction changes as a result of the combination and the exchange is significant relative to the fair value of the assets exchanged.

Cash consideration	₱	4,627,564
Less fair value of net identifiable assets acquired		38,284,325
Gain on bargain purchase	₱	33,656,761

The subsidiary and the Parent Company are under common control. The Management believes that the acquisition will result to more financing resources to improve further the results of operation and financial position of the subsidiary.

The Group included FCSI in its financial consolidation starting June 21, 2021 (the “acquisition date”). The net cash inflow from the acquisition is as follows:

Cash paid on acquisition	P	4,627,564
Less cash acquired from subsidiary		281,145,694
	P	276,518,130

From the acquisition date, FCSI contributed P53,539,134 of revenues and P9,603,908 net profit to Group. If the business combination had taken place beginning July 1, 2020, contribution to consolidated revenues and net loss for the year ended June 30, 2021 would have been P1,354,700,778 and P197,365,890, respectively.

The fair value of the identifiable assets acquired and liabilities assumed as at the date of the acquisition were as follows:

Cash	281,145,694
Trade receivables	3,112,625
Inventories	59,452,449
Due from related parties	570,499
Prepayments and other current assets	31,940,875
Property and equipment – net	487,214,074
Intangible assets – net	379,748
Right-of-use assets – net	7,369,323
Other non-current assets	9,425,037
Deferred tax assets	4,579,163
Total identifiable assets acquired	885,189,487
Less:	
Dividend payable	208,138,000
Due to related party	228,800,000
Trade and other payables	116,763,768
Due to a related party	154,986,809
Loans payable	80,000,000
Lease liabilities	2,540,057
Income tax payable	32,688,283
Retirement benefits obligation	17,949,554
Lease liabilities—net of current portion	5,038,691
Total identifiable liabilities assumed	846,905,162
Net identifiable assets acquired	38,284,325

21. REVENUE

The Group’s revenue from store sales is as follows:

	2025	2024	2023
<i>Revenue From Contract with Customers</i>			
Angel’s Pizza	P 4,011,720,138	P 3,788,108,771	P 2,871,594,714
Figaro Coffee Group	1,511,948,367	1,487,925,999	1,317,818,050
Tien Ma’s Taiwanese Cuisine	147,775,576	171,047,442	94,667,950
	P 5,671,444,081	P 5,447,082,212	P 4,284,080,714

The Group's revenue includes royalty income received from franchisees amounted to ₱83,321,398, ₱162,592,835, and ₱54,646,352 in 2025, 2024 and 2023, respectively, as disclosed in Note 26.

22. DIRECT COSTS

The following is an analysis of the Group's direct costs:

	2025		2024		2023	
Inventories, July 1 (Note 9)	₱	430,658,720	₱	178,390,239	₱	95,681,440
Purchases		1,865,065,419		2,137,296,642		1,696,221,409
Inventories, June 30 (Note 9)		(436,935,354)		(430,658,720)		(178,390,239)
Cost of materials used		1,858,788,785		1,885,028,161		1,613,512,610
Direct labor (Note 24)		600,962,001		571,931,764		441,584,160
Overhead		679,395,800		435,792,519		292,893,653
	₱	3,139,146,586	₱	2,945,259,454	₱	2,347,990,423

Details of the overhead is as follows:

	2025		2024		2023	
Depreciation (Note 13)	₱	163,812,718	₱	66,566,355	₱	6,394,035
Communication, light and water		134,592,806		105,085,583		57,349,965
Store and kitchen supplies		104,211,433		104,178,264		84,268,309
Rentals (Note 26)		76,513,787		29,251,467		53,43,409
Professional fees		71,235,802		17,033,696		12,334,827
Security services		41,577,459		26,818,052		21,845,053
Taxes and licenses		33,077,510		30,624,738		21,665,900
Repairs and maintenance		32,864,509		20,970,857		19,555,884
Office supplies		12,219,017		-		-
Wastages and spoilage		3,919,244		15,268,768		12,930,495
Representation and entertainment		3,028,890		2,167,651		493,049
Association Dues		139,257		444,142		200,323
Others		2,203,368		17,382,946		2,417,404
	₱	679,395,800	₱	435,792,519	₱	292,893,653

23. OPERATING EXPENSES

This account is composed of the following expenses:

	2025	2024	2023
Advertisement and promotion	₱ 632,746,297	₱ 891,758,295	₱ 610,161,298
Commission	375,198,561	293,219,845	260,859,459
Depreciation (Note 11)	364,498,990	218,293,172	304,287,330
Amortization (Note 12)	140,277,166	116,855,819	5,839,409
Short-term employee benefits (Note 24)	95,883,591	92,546,109	52,234,098
Transportation and travel	71,177,555	63,942,757	46,934,894
Taxes and licenses	37,074,524	27,187,329	14,342,967
Rentals (Note 23)	11,009,641	19,183,046	13,095,742
Communication, light and water	18,667,132	15,776,063	16,985,069
Representation and entertainment	6,643,847	12,475,292	10,428,955
Professional fees	3,137,362	5,718,347	7,048,094
Security services	3,716,630	3,116,242	3,349,209
Retirement benefits (Note 24)	2,259,792	2,718,667	2,683,409
Supplies	1,339,111	962,367	1,739,403
Repairs and Maintenance	1,472,550	10,172,757	1,509,349
Insurance	1,081,467	1,297,377	432,095
Management fees	-	-	5,000,000
Others	20,850,949	39,023,021	54,126,760
	₱ 1,787,035,165	₱ 1,814,246,505	₱ 1,357,006,132

24. EMPLOYEE BENEFITS

Aggregate employee benefits expense, as disclosed in Notes 23 and 24, is comprised of:

	2025	2024	2023
Short-term employee benefits (Note 24.01)	₱ 696,845,592	₱ 716,984,883	₱ 493,818,258
Retirement Benefits (Note 24.02)	2,259,792	2,718,667	2,683,409
	₱ 699,105,384	₱ 719,703,550	₱ 496,501,667

24.01 Short-term Employee Benefits

An analysis of the Company's short-term employee benefits as disclosed in Notes 23 and 24 is as follows:

	2025	2024	2023
Salaries and wages	₱ 512,817,736	₱ 596,510,725	₱ 409,007,166
SSS, PhilHealth and HDMF contributions	59,816,812	48,392,585	63,722,329
Other employee benefits	124,211,043	19,574,563	21,088,763
	₱ 696,845,592	₱ 664,477,873	₱ 493,818,258

Allocation of short-term employee benefits is as follows:

	2025	2024	2023
Cost of sales (Note 23)	₱ 600,962,001	₱ 571,931,764	₱ 441,584,160
Operating expenses (Note 24)	95,883,591	92,546,109	52,234,098
	₱ 696,845,592	₱ 664,477,873	₱ 493,818,258

24.02 Post-employment Benefits

24.02.01 Defined Benefit Plan

The Group has a single retirement plan under the regulatory framework of the Philippines. Under R.A. No. 7641, the Group is legally obliged to provide a minimum retirement pay for qualified employees upon retirement. The framework, however, does not have a minimum funding requirement. The Group's benefit plan is aligned with this framework.

Under the unfunded plan, the employees are entitled to retirement benefits equivalent to 22.5 days per year of credited service in accordance with R.A. No. 7641 on attainment of a retirement age of sixty (60) years with at least five (5) years of service. The payments for the funded benefits are borne by the Group as it falls due.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out on October 28, 2024 by Miravite Consulting Group, Inc. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The principal assumptions used for the purposes of the actuarial valuations are as follows:

	2025	2024
Discount rate	7.20%	7.20%
Expected rate of salary increase	5.00%	5.00%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at age sixty (60).

	2025	2024
Retiring after the reporting period		
Male and Female	14	14

The sensitivity analysis of the defined benefit obligation on changes in the weighted principal assumption is as follows:

	Impact on Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
June 30, 2025			
Discount rate	+/-1.00%	7.20%	5.20%
Salary increase rate	+/-1.00%	6.00%	4.00%
June 30, 2024			
Discount rate	+/-1.00%	6.00%	4.00%
Salary increase rate	+/-1.00%	5.00%	5.00%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the retirement benefit obligation recognized within the statements of financial position.

Assumed life expectancy is not applicable because under the Group's retirement plan, benefits are paid in full in a lump sum upon retirement or separation of an employee.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Amounts recognized in consolidated profit or loss in respect of these defined benefit plans are as follows:

	2025	2024	2023
Current service cost	P 1,245,063	P 1,245,063	P 1,716,489
Interest on the retirement benefit obligation	1,014,729	1,473,604	1,098,921
	P 2,259,792	P 2,718,667	P 2,815,410

Reconciliation of remeasurements recognized in consolidated other comprehensive income is as follows:

	Change on financial assumption	Experience adjustment	Total	Income tax	Net
Gain (loss) Balance at June 30, 2023	₱ 4,275,425	₱ (858,957)	₱ 3,416,468	₱ (927,066)	₱ 2,489,402
Amount recognized during the year	1,767,589	(12,553,375)	(10,785,786)	2,696,447	(8,089,339)
Gain (loss) Balance at June 30, 2024	6,042,014	(13,412,332)	(7,369,318)	1,769,381	(5,599,937)
Amount recognized during the year	-	-	-	-	-
Gain (loss) Balance at June 30, 2025	₱ 6,042,014	₱ (13,412,332)	₱ (7,369,318)	₱ 1,769,381	₱ (5,599,937)

Movements in the present value of the defined benefit obligation in the current period are as follows:

	2025	2024
Balance, July 1	₱ 13,836,726	₱ 21,903,845
Current service cost	1,245,063	1,245,063
Interest expense	1,014,729	1,473,604
Actuarial loss (gain)	-	(10,785,786)
	₱ 16,096,518	₱ 13,836,726

The Group operates an unfunded defined benefit plan wherein benefit payments are borne by the Group. Thus, the Group maintains appropriate level of liquidity to meet currently maturing defined benefit obligations and has established a level of solvency ratio aimed to pay for long term defined benefit obligations.

25. FRANCHISE AGREEMENTS

25.01 The Group as a Franchisor

The Group has granted its franchisees the right to use the information and materials pertaining to the restaurant system being franchised under the terms and conditions specified in the franchise agreements. The agreements provide for an initial franchise fee payable upon the execution of the agreement and monthly royalty fees based on gross sales.

Deposits paid by the franchisees amounted to nil and ₱34,685,463 as of June 30, 2025 and 2024, respectively, which are to be refunded upon termination of the franchise agreement. The decrease in deposits as of June 30, 2025 was primarily due to the termination and renewal of certain franchise agreements during the period, wherein the related deposits were either refunded to franchisees or applied to existing obligations in accordance with the terms of the agreements.

Royalty received from franchisees amounted to ₱83,321,398 and ₱162,592,835 in 2024 and 2023, respectively, as disclosed in note 21.

26. LEASE AGREEMENT

26.01 The Group as a Lessee

The Group has leases for the use of store spaces with lease terms of three (3) to five (5) years. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

All leases have extension option but are not enforceable because it requires mutual agreement of both parties as disclosed in Note 5.01.08.

Right-of-use assets recognized as of June 30, 2025 and 2024 amounted to ₱208,928,903 and ₱291,026,459, respectively, while lease liabilities amounted to ₱210,047,471 and ₱266,571,773, respectively.

26.01.01 Lease payments not recognized as a liability

Short-term lease relates to lease contracts for stores spaces with a term of one (1) year and renewable upon mutual agreement of both parties.

The Group has elected not to recognize a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

Prepaid rent, pertaining lease payments not recognized as lease liability, as of June 30, 2025 and 2024, amounted to ₱47,712,572 and ₱1,233,630, respectively, as disclosed in Note 10. Refundable deposits paid by the Group amounted to ₱42,719,447 and ₱33,125,666, as of June 30, 2025 and 2024, as disclosed in Note 14.

At reporting dates, the Group had outstanding commitments for future minimum lease payments amounting to ₱2,412,303.

27. INCOME TAXES

27.01 Income Tax Recognized in Profit or Loss

Components of income tax expense are as follows:

	2025	2024	2023
Current tax expense	₱ 138,478,263	₱ 42,215,083	154,422,787
Deferred tax (benefit) expense	(564,948)	203,664	(236,147)
	₱ 137,913,315	₱ 42,418,747	154,186,640

28. DEFERRED TAX ASSETS

The Group's deferred tax assets and the respective movement is as follows:

	Retirement benefit obligation	Right-of-use asset and Lease liabilities	Total
Balance, July 1, 2023	₱ 5,475,961	₱ 258,959	₱ 5,734,920
Recognized in profit or loss	679,667	(476,003)	(203,664)
Recognized in other comprehensive income	(2,696,447)		(2,696,447)
Balance, June 30 2024	₱ 3,284,176	₱ (278,186)	₱ 3,242,137
Recognized in profit or loss	564,948	-	564,948
Balance, June 30 2025	₱ 3,849,124	₱ (278,186)	₱ 3,807,085

29. BASIC EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2025	2024	2023
a. Net income (loss) from operations/ attributable to ordinary equity holders of the Group for earnings	P 629,573,160	P 628,410,133	P 462,559,919
b. Weighted average number of ordinary shares for the purposes of earnings per share	5,468,455,280	5,680,955,885	5,270,822,345
c. Earnings per share (a/b)	0.12	0.11	0.09

The weighted average number of ordinary shares for the years 2025, 2024 and 2023 used for the purposes of basic earnings per share were computed as follows:

	Number of Ordinary Shares	Proportion to Period	Weighted Average	Total
June 30, 2025				
Outstanding shares at the beginning of the period	5,468,455,280	6/12	2,734,227,640	2,734,227,640
Outstanding shares at the end of the period	5,468,455,280	6/12	2,734,227,640	2,734,227,640
				5,468,455,280
June 30, 2024				
Outstanding shares at the beginning of the period	5,893,456,490	6/12	2,946,728,245	2,946,728,245
Outstanding shares at the end of the period	5,468,455,280	6/12	2,734,227,640	2,734,227,640
				5,680,955,885
June 30, 2023				
Outstanding shares at the beginning of the period	4,648,188,200	6/12	2,324,094,100	2,324,094,100
Outstanding shares at the end of the period	5,893,456,490	6/12	2,946,728,245	2,946,728,245

30. FAIR VALUE MEASUREMENTS

30.01 Fair Value of Financial Assets and Liabilities

The carrying amounts and estimated fair values of the Group's financial assets and financial liabilities as of June 30, 2025 and 2024 are presented below:

	2025		2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:				
Cash	₱ 331,302,750	₱ 331,302,750	₱ 374,934,405	₱ 374,934,405
Trade receivables	199,942,530	199,942,530	164,034,685	164,034,685
Due from related parties	-	-	120,000,000	120,000,000
Other non-current assets	45,029,456	45,029,456	36,212,610	36,212,610
	₱ 576,274,736	₱ 576,274,736	₱ 695,181,700	₱ 695,181,700
Financial Liabilities:				
Trade and other payables	₱ 337,029,748	₱ 337,029,748	₱ 331,242,122	₱ 331,242,122
Loans payable	1,520,984,320	1,520,984,320	550,435,689	550,435,689
Lease liabilities	210,047,471	210,047,471	266,571,773	266,571,773
	₱ 2,068,061,539	₱ 2,068,061,539	₱ 1,148,249,584	₱ 1,148,249,584

The fair values of financial assets and financial liabilities are determined as follows:

- Due to the short-term nature of cash, trade receivable, due from related parties, and trade and other payables (except customer deposits and due to government agencies) and due to related parties, their carrying amounts approximate their fair values.
- Other non-current assets having a long-term nature are carried at amortized cost. Management believes that fair value approximates amortized cost.
- Loans payable and lease liabilities bear market interest rates; hence, Management believes that carrying amounts approximate their fair values.
- Lease liabilities bear incremental borrowing rate; hence, Management believes that carrying amounts approximate their fair values.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk, including interest rate risk, credit risk and liquidity risk.

31.01 Market Risk Management

31.01.01 Interest Rate Risk Management

The Group's exposure to interest rate risk arises from its cash deposits in banks and loans payable which are subject to variable interest rates.

The interest rate risks arising from deposits with banks and loans payable are managed by means of effective investment planning and analysis and maximizing investment opportunities in various local banks and financial institutions.

Profits for the nine (9) day ended would have been unaffected since the Group has no borrowings at variable rates and interest rate risk exposure for its cash in banks, which is subject to variable rate, is very immaterial.

31.02 Credit Risk Management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from cash in banks, trade receivables, advances to stockholders and refundable deposits, all measured at amortized cost.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of risk management. The Group uses other publicly available financial information and its own records to rate its counterparties. Credit ratings of counterparties are continuously monitored by the Management.

The Group considers the following policies to manage its credit risk:

➤ Banks

The Group transacts only to banks with investment grade credit rating. This information is supplied by independent rating agencies. The Group uses other publicly available information such as annual report to monitor the financial status of the banks. The Group assesses the current and forecast information of the banking industry and the macro-economic factors such as GDP, interest, and inflation rates to determine the possible impact to banks.

➤ Trade receivables

On the credit exposures to customers, Management assesses the credit quality of the customers, taking into account its financial position, past experience and other factors.

Financial assets measured at amortized cost are as follows:

		2025		2024
Cash in banks	₱	320,113,866	₱	361,067,005
Trade receivables		199,942,530		164,034,685
Due from related parties		-		120,000,000
Other non-current assets		45,029,456		36,212,610
	₱	565,085,852	₱	681,316,324

The calculation of allowance for expected credit losses are based on the following three (3) components:

➤ Probability of Default (PD)

PD is the likelihood over a specified period, usually 360 days for customers and one year for service providers that they will not be able to make scheduled repayments. PD depends not only on the counterpart's characteristics, but, also on the economic environment. PD may be estimated using historical data and statistical techniques.

➤ Loss Given Default (LGD)

LGD is the amount of money a Group loses when a customer defaults on a contract. The most frequently used method to calculate this loss is by comparing the actual total losses and the total amount of potential exposure sustained at the time that a contract goes into default.

➤ Exposure at default (EAD)

EAD is the total value a Group is exposed to when a loan defaults. It refers to the carrying amount of financial asset.

Below is the summary of computation of allowance for expected credit losses:

June 30, 2025						
	PD rate	LGD rate		EAD		ECL
	a	B		C		d=a*b*c
		0.00% to				
Cash in banks	0.00%	99.06%	₱	320,113,866	₱	-
Trade receivables	0.00%	100.00%		199,942,530		-
Due from related parties	0.00%	100.00%		-		-
Other non-current assets	0.00%	100.00%		45,029,456		-
			₱	565,085,852	₱	-
June 30, 2024						
	PD rate	LGD rate		EAD		ECL
	a	B		C		d=a*b*c
		0.00% to				
Cash in banks	0.00%	98.75%	₱	361,067,005	₱	-
Trade receivables	0.00%	100.00%		164,034,685		-
Due from related parties	0.00%	100.00%		120,000,000		-
Other non-current assets	0.00%	100.00%		36,212,610		-
			₱	681,314,300	₱	-

Cash in banks

The Group determined the probability of default rate by considering the following: the credit ratings; the past, current, and forecast performance of Banking Industry; the past, current, and forecast macro-economic factors that may affect the banks; and the current and projected financial information. The Group estimated the probability of default to be nil.

Loss given default rate is calculated by taking into consideration the amount of insured deposit and estimated it to be 0.00% to 99.06% and 0.00% to 98.75% as of June 30, 2025 and 2024, respectively.

Exposure at default is equal to the gross carrying amount of cash in banks.

Trade receivables

The Group determined the probability of default rate by considering the credit ratings, credit history or payment profiles of customers and forecast of macro-economic factors affecting the industry. Historically, no significant amount of receivables from customers remains uncollected after 360 days past due and with the projected demands of the Group's products by consumers, the impact of forecast, macro-economic factors is very insignificant, hence, the probability of default was estimated to be 0.00% in both years.

In both years, loss given default rate is 100% because the Group expects to lose the whole amount in case of default. There are no collateral or credit enhancements attached to the receivables.

Exposure at default is equal to the gross carrying amount of trade receivables.

Due from related parties

The Group determined the probability of default rate by considering the credit ratings, credit history and forecast of macro-economic factors affecting the stockholders. The PD rate is estimated to be nil.

In 2025 and 2024, loss given default rate is 100% because the Group expects to lose the whole amount in case of default.

Exposure at default is equal to the gross carrying amount of due from related parties.

Other non-current assets

This financial asset represents less than 7.96% and 5.21% of the total financial assets as of June 30, 2025 and 2024, respectively. Hence, Management believes that the effect of provision for expected credit loss is immaterial to the financial statements as a whole.

In both years, the amount of expected credit loss for other non-current assets is nil.

31.03 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Weighted Average Interest Rate	On Demand	Within one (1) Year	One (1) – Five (5) Years	Total
June 30, 2025					
Trade and other payables	-	₱ -	₱ 337,029,748	₱ -	₱ 337,029,748
Loans payable	5.5%	-	540,984,320	980,000,000	1,520,984,320
	2.3% to				
Lease liabilities	6%	-	63,857,836	146,189,635	210,047,471
		₱ -	₱ 941,871,904	₱ 1,126,189,635	₱ 2,068,061,539
June 30, 2024					
Trade and other payables	-	₱ -	₱ 331,242,122	₱ -	₱ 331,242,122
Loans payable	5.5%	-	550,435,689	-	550,435,689
	2.3% to				
Lease liabilities	6%	-	70,997,346	195,574,427	266,571,773
		₱ -	₱ 952,675,157	₱ 195,574,427	₱ 1,148,249,584

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis

	Weighted Average Effective Interest Rate	On Demand	Within One (1) Year	Over Five (5) Years	Total
June 30, 2025					
Cash on hand	-	₱ 11,188,884	₱ -	₱ -	₱ 11,188,884
Cash in banks	Floating rate	320,113,866	-	-	320,113,866
Trade receivables	-	-	199,942,530	-	199,942,530
Due from related parties	-	-	-	-	-
Other non-current assets	-	-	-	45,029,456	45,029,456
		₱ 331,302,750	₱ 199,942,530	₱ 45,029,456	₱ 576,274,736
June 30, 2024					
Cash on hand	-	₱ 13,867,400	₱ -	₱ -	₱ 13,867,400
Cash in banks	Floating rate	361,067,005	-	-	361,067,005
Trade receivables	-	-	164,034,685	-	164,034,685
Due from related parties	-	120,000,000	-	-	120,000,000
Other non-current assets	-	-	-	36,212,610	36,212,610
		₱ 494,934,405	₱ 164,034,685	₱ 36,212,610	₱ 695,181,700

32. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (trade and other payables, advances from stockholders, loans payable, income tax payable and retirement benefit obligation) and equity of the Group (comprising capital stock, remeasurements, and retained earnings).

Pursuant to Section 42 of Revised Corporation Code of the Philippines, stock corporations are prohibited from retaining surplus profits in excess of one hundred (100%) percent of their paid-in capital stock, except: (1) when justified by definite corporate expansion projects or programs approved by the Board of Directors; or (2) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/his consent, and such consent has not yet been secured; or (3) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies.

Consistently with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as 'equity' as shown in the statement of financial position. The Group has a target gearing ratio of 1:1 determined as the proportion of net debt to equity.

The gearing ratio at end of the reporting period is as follows:

	2025	2024
Debt	₱ 2,117,946,735	₱ 1,256,066,806
Cash	331,302,750	374,934,405
Net debt	1,786,643,985	881,132,401
Equity	3,572,246,382	3,090,321,515
Net debt to equity ratio	0.50:1	0.29:1

Debt is defined as all liabilities while equity includes capital stock, remeasurements and retained earnings.

33. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

	2025	2024
Beginning balance, July 1	₱ 817,007,462	₱ 37,298,695
Changes from financing cash flows		
Availments of loan	1,055,000,000	1,050,000,000
Finance cost incurred	105,194,627	43,011,669
Additions to lease liabilities	81,715,161	327,743,444
Finance cost paid	(105,194,627)	(43,011,669)
Payment of lease liabilities	(138,239,463)	(68,470,366)
Dividend declaration	147,648,293	147,648,293
Dividend payment	(147,648,293)	(147,648,293)
Payment of loan	(84,451,369)	(529,564,311)
Ending balance, June 30	₱ 1,731,031,791	₱ 817,007,462

34. APPROVAL OF FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on November 5, 2025.

**FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES**

June 30, 2025

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FIGARO CULINARY GROUP, INC. AND SUBSIDIARY INDEX I

Map Showing the Relationships Between and Among the Companies in the Group,
its Ultimate Parent Company and Co-subsidiaries

June 30, 2025



FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
INDEX II
Reconciliation of Retained Earnings Available for Dividend Declaration
June 30, 2025

Unappropriated Retained Earnings, beginning of reporting period (see Footnote 2)	18,750,429.00
Add: <u>Category A</u>: Items that are directly credited to Unappropriated Retained Earnings	
Reversal of Retained Earnings Appropriation/s	
Effect of restatements of prior-period adjustments	
Others (describe nature)	
Sub-total	-
Less: <u>Category B</u>: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	
Retained Earnings appropriated during the reporting period	
Effect of restatements of prior-period adjustments	
Others (describe nature)	
Sub-total	-
Unappropriated Retained Earnings, as adjusted	18,750,429.00
Add/Less: Net Income (Loss) for the current year	629,573,160
Less: <u>Category C.1</u>: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	
Unrealized fair value gain of investment property	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	
Sub-total	-
Add: <u>Category C.2</u>: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to cash and cash equivalents but realized in the current reporting period (net of tax)	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	
Realized fair value gain of investment property	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	
Sub-total	-
Add: <u>Category C.3</u>: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	
Reversal of previously recorded fair value gain of Investment Property	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	
Sub-total	-
Adjusted Net Income/Loss	648,323,588.91
Add: <u>Category D</u>: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	
Sub-total	-

Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP (see Footnote 3)

Amortization of the effect of reporting relief	
Total amount of reporting relief granted during the year	
Others (describe nature)	
Sub-total	_____ -

Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution

Net movement of treasury shares (except for reacquisition of redeemable shares)	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	
Others (describe nature)	
Sub-total	_____ -

Total Retained Earnings, end of the reporting period available for dividend	648,323,588.91
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FOOTNOTES

- (1) *The amount of retained earnings of a company should be based on its separate ("stand-alone") audited financial statements.*
- (2) *Unappropriated Retained Earnings, beginning of reporting period refers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declaration" of the immediately preceding period.*
- (3) *Adjustments related to the relief provided by the SEC and BSP pertain to accounting relief (e.g. losses that are reported on a staggered basis) granted by the regulators. However, these are actual losses sustained by the Company and must be adjusted in the reconciliation to reflect the actual distributable amount.*
- (4) *This Reconciliation of Retained Earnings Available for Dividend Declaration is pursuant to Sec. 42 of the Revised Corporation Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this Reconciliation of Retained Earnings should not be used by the REIT companies as a basis to determine the amount of its distributable income or dividends to its shareholders. The determination of its distributable income should be in accordance with the REIT Act and Implementing Rules and Regulations.*

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
INDEX III

Financial Soundness Indicators

June 30, 2025

	Formula	Amount	Ratio
1 Current Ratio	Current Assets/Current Liabilities		₱ 1.21
	<u>Current Assets</u>	<u>1,180,244,269.00</u>	
	<u>Current Liabilities</u>	<u>975,660,581.91</u>	
2 Debt/Equity Ratio	Bank Debts/ Total Equity		0.43
	<u>Bank Debts</u>	<u>1,520,984,320.00</u>	
	<u>Total Equity</u>	<u>3,572,246,382.00</u>	
3 Net Debt/Equity Ratio	Bank Debts-Cash & Equivalents		0.33
	<u>Bank Debts-Cash</u>	<u>1,189,681,570.00</u>	
	<u>Total Equity</u>	<u>3,572,246,382.00</u>	
4 Asset to Equity Ratio	Total Assets/Total Equity		1.59
	<u>Total Assets</u>	<u>5,690,193,117.00</u>	
	<u>Total Equity</u>	<u>3,572,246,382.00</u>	
5 Interest Cover Ratio	EBITDA/Interest Expense		13.83
	<u>EBITDA</u>	<u>1,454,791,713.20</u>	
	<u>Interest Expense</u>	<u>105,194,627.29</u>	
6 Profitability Ratios			
6.1 GP Margin	Gross Profit/Revenues		0.45
	<u>Gross Profit</u>	<u>2,532,297,494.96</u>	
	<u>Revenues</u>	<u>5,671,444,081.01</u>	
6.2 Net Profit Margin	Net Income/Revenues		0.11
	<u>Net Income</u>	<u>629,573,159.91</u>	
	<u>Revenues</u>	<u>5,671,444,081.01</u>	
6.3 EBITDA Margin	EBITDA/Revenues		0.26
	<u>EBITDA</u>	<u>1,454,791,713.20</u>	
	<u>Revenues</u>	<u>5,671,444,081.01</u>	
6.4 Return on Assets	Net Income/Total Assets		0.11
	<u>Net Income</u>	<u>629,573,159.91</u>	
	<u>Total Assets</u>	<u>5,690,193,117.00</u>	
6.5 Return on Equity	Net Income/Total Equity		0.18

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
SCHEDULE A
SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS
June 30, 2023

Name of Issuing entity and association of each issue	Number of shares or Principal Amount of Bonds and Notes	Amount shown in the Statement of Financial Position *	Valued based on market quotations at end of reporting period	Income received or accrued
Amounts owed by related parties				
Stockholders	Not applicable	P -	-	nil
Cash				
Banks	Not applicable	320,113,866	320,113,866	nil
Trade receivables				
Customers	Not applicable	199,942,530	199,942,530	nil
Other non-current assets				
Lessors	Not applicable	42,719,447	42,719,447	nil
Contractors	Not applicable	2,310,009	2,310,009	nil
Others	Not applicable	-	-	nil
P	-	P 565,085,852	P 565,085,852	P

Amounts owed by related parties

Outstanding balance is based on the amount received from the related parties less collections as of end of reporting period.

Cash

Gross carrying amount of cash in banks.

Trade receivables

Gross carrying amount of receivables from customers

Other non-current assets

Gross carrying amount of other non-current assets

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
SCHEDULE B
SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM
DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND
PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

June 30, 2025

Name and designation of debtor *	Balance at beginning of period	Amounts owed by Related Parties					Balance at the end of the period
		Additions	Amounts collected**	Amounts Written Off ***	Current	Not Current	
Key management personnel							
Stockholders	120,000,000	-	120,000,000	-	-	-	-
	₱ 120,000,000	₱ -	₱ 120,000,000	₱ -	₱ -	₱ -	₱ -

* The amounts outstanding are non-interest bearing, unsecured, will be settled in cash and collectible on demand. No guarantees or collateral have been received.

** All amounts collected were in cash.

*** No amount written off during the period.

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
SCHEDULE C

**SUPPLEMENTARY SCHEDULE OF AMOUNTS OF RECEIVABLE FROM
RELATED PARTIES WHICH ARE ELIMINATED DURING THE
CONSOLIDATION OF FINANCIAL STATEMENTS**

June 30, 2025

Receivables from related parties which are eliminated during the consolidation							
Name and designation of debtor	Balance at beginning of period	Amount		Amount		Balance at	
		Additions	collected	written off	Current	Not current	end of period

----- Nothing to Report -----

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
SCHEDULE D

SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT

June 30, 2025

Long-term Debt			
Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "current portion of long-term" in related Statement of Financial Position	Amount shown under caption "long-term debt" in related Statement of Financial Position

----- Nothing to Report -----

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
SCHEDULE E
SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED
PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)

June 30, 2025

Indebtedness to related parties (Long-term loans from related companies)

Name of related party	Balance at beginning of period	Balance at end of period
------------------------------	---	-------------------------------------

----- Nothing to Report -----

FIGARO CULINARY GROUP, INC. AND SUBSIDIARY
SCHEDULE F
SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF
OTHER ISSUERS

June 30, 2025

Guarantees of Securities of Other Issuers				
Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee

----- Nothing to Report -----

**FIGARO CULINARY GROUP, INC.
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE RELATED INFORMATION**

30 JUNE 2025

	Current Year	Prior Year
	2025	2024
Total Audit Fees	1,107,680.00	1,492,738.70
Non-audit services fees:	0.00	0.00
Other assurance services	0.00	0.00
Tax Services	0.00	0.00
All other services	0.00	0.00
Total Non-audit Fees	0.00	0.00
Total Audit and Non-audit Fees	1,107,680.00	1,492,738.70

REPUBLIC OF THE PHILIPPINES)
CITY OF **MANDALUYONG CITY**) S.S.

SWORN CERTIFICATION

I, **JOSE PETRONIO VICENTE D. ESPANOL III**, of legal age, Filipino, and with office address at 33 Mayon St., Brgy. Malamig, Mandaluyong City, after having been duly sworn in accordance with law, do hereby depose and state that:

1. I am the Chief Financial Officer of Figaro Culinary Group Inc. (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at 116 East Main Avenue, Phase V-SEZ Laguna Technopark, Biñan, Laguna.
2. The accreditation of the external audit firm De Jesus & Teofilo, CPAs before the Securities and Exchange Commission is not required for purposes of filing the Audited Financial Statement ("AFS") of the Corporation for the fiscal year ending 30 June 2025 with the Securities and Exchange Commission and thus, the Corporation is compliant with regulatory requirements in respect of its filing of the AFS for the fiscal year ending 30 June 2025.
3. This certification is being issued to satisfy the requirement of the Philippine Stock Exchange.

MANDALUYONG CITY IN WITNESS WHEREOF, I have hereunto set my hand this 06 NOV 2025, at _____, Philippines.

JOSE PETRONIO VICENTE D. ESPANOL III
Chief Financial Officer
06 NOV 2025

MANDALUYONG CITY SUBSCRIBED AND SWORN to before me this _____ in _____, [Type of ID and ID No.]
valid until _____.

Doc. No. 430;
Page No. 7;
Book No. 58;
Series of 2025.

ATTY. JAMES K. ABUGAN
Notary Public
APPT. NO. 0442-25 Until 12-31, 2026
IBP No. 461986 Nov.12, 2024 Rizal Chapter
Roll No. 26890 Lifetime
MCLE No. VIII-0022918 until 4/14/2028
TIN No. 116-239-956
PTR No. 5712001 01/03/2025
Rm. 314 J& L Bldg., 251 EDSA.
Mandaluyong City Tel. No. (02)854-523-21



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

The Management of **FIGARO CULINARY GROUP, INC.** is responsible for the preparation and fair presentation of the separate financial statements including its schedules attached therein, as at June 30, 2025 and 2024 and each for the three years in the period ended June 30, 2025, in accordance with the Philippine Financial Reporting Standards (PFRS), and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

DE JESUS & TEOFILO, CPAs, and R.S BERNALDO & ASSOCIATES, the independent auditors appointed by the stockholders as at June 30, 2025 and 2024, respectively, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.


JUSTIN T. LIU


Chairman of the Board


DIVINA GRACIA G. CABULOY

President/ Chief Executive Officer

SUBSCRIBED AND SWORN to before me
this NOV 07 2025 of Mandaluyong City
Affiant exhibits to me her/his _____
with No. _____ as strong proof of
her/his identity.


JOSE PETRONIO VICENTE D. ESPAÑOL III
Treasurer/Chief Finance Officer


ATTY. JAMES K. ABUGAN
Notary Public
APPT. NO. 0442-25 Until 12-31, 2026
IBP No. 461986 Nov.12, 2024 Rizal Chapter
Roll No. 26890 Lifetrac
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Mandaluyong City Tel. No. (02)854-523-21

DOC. NO: 485
PAGE NO: 98
BOOK NO: 58
SERIES OF 2025




STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN

The Management of **FIGARO CULINARY GROUP, INC.** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended June 30, 2025. Management is likewise responsible for all the information and representations contained in the separate financial statement accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited to, the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited separate financial statements for the year ended June 30, 2025 and the accompanying Annual Income Tax Return are in accordance with the books and records of **FIGARO CULINARY GROUP, INC.** complete and correct in all material respects. Management likewise affirms that:


- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of separate financial statement pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) the **FIGARO CULINARY GROUP, INC.** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.


JUSTIN T. LIU
Chairman of the Board


DIVINA GRACIA G. CABULOY
President/Chief Executive Officer

SUBSCRIBED AND SWORN to before me
NOV 07 2025 in Mandaluyong City
Affiant exhibits to me her/his
with No. _____ as strong proof
her/his identity.


JOSE PETRONIO VICENTE D. ESPAÑOL III
Treasurer/Chief Finance Officer


ATTY. JAMES K. ABUGAN
Notary Public
APPT. NO. 0442-25 Until 12-31, 2026
IBP No. 461986 Nov. 12, 2024 Rizal Chapter
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DOC. NO: 484
PAGE NO: 98
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SERIES OF 2025

DE JESUS & TEOFILO, CPAs

Unit 1411, Cityland Herrera Tower, 98 V.A. Rufino Ave., Makati City

INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Stockholders
FIGARO CULINARY GROUP, INC.
116 E. Main Avenue, Phase V, SEZ Laguna Technopark
Binan, Laguna

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of **FIGARO CULINARY GROUP, INC.** (the "Company"), which comprise the separate statements of financial position as at June 30, 2025 and 2024, and the separate statements of comprehensive income, separate statement of changes in equity and separate statements of cash flows for the years ended June 30, 2025, 2024 and 2023, and notes to the separate financial statements, including a summary of material accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as at June 30, 2025 and 2024, and its separate financial performance and its separate cash flows for each of the three years in the period ended June 30, 2025 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 Separate Financial Statements* section of our report. We are independent of the Company 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 audits of the separate financial statements in 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.

Other Matter

The separate financial statements of **FIGARO CULINARY GROUP, INC.** for the year ended June 30, 2024, were audited by another auditor whose report dated November 13, 2024 expressed an unqualified opinion on those statements.

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

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

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

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 separate financial statements.

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

- Identify and assess the risks of material misstatement of the separate 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 audits 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

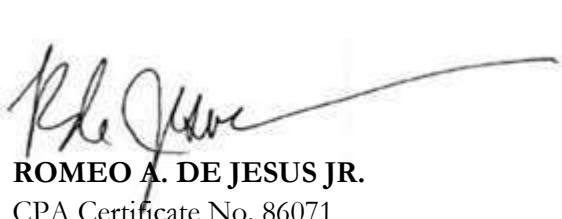
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information required under Revenue Regulations in Notes 17, 18, and 19 to the separate financial statements, is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such information is the responsibility of the Management of **FIGARO CULINARY GROUP, INC.** The information has been subjected to the auditing procedures applied in our audits of the basic separate financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

DE JESUS & TEOFILO, CPAs



ROMEO A. DE JESUS JR.

CPA Certificate No. 86071

BOA Accreditation No. 9953/P-002

Valid from March 25, 2025 to August 14, 2027

BIR Accreditation No. 08-007679-006-2024

Valid from March 15, 2024 until March 14, 2027

Tax Identification No. 109-227-897-000

PTR No. 10480595

Issued on January 13, 2025 at Makati City

November 5, 2025

FIGARO CULINARY GROUP, INC.
SEPARATE STATEMENT OF FINANCIAL POSITION

June 30, 2025

(With Comparative Audited Figures as of June 30, 2024)

(In Philippine Peso)

	NOTES	2025	2024
ASSETS			
Current Assets			
Cash	6	23,425,524	6,262,280
Due from related parties	9	1,612,762,476	1,629,925,720
		1,636,188,000	1,636,188,000
Non-current Asset			
Investment in subsidiary	7	376,569,838	376,569,838
TOTAL ASSETS		2,012,757,838	2,012,757,838
LIABILITY AND STOCKHOLDERS' EQUITY			
LIABILITY			
Current Liability			
Accrued professional fee	8	2,129,450	1,353,200
STOCKHOLDERS' EQUITY			
Capital Stock	10	589,345,529	589,345,529
Additional Paid-in Capital	10	1,403,308,680	1,403,308,680
Retained Earnings (Deficit)		17,974,179	18,750,429
TOTAL STOCKHOLDERS' EQUITY		2,010,628,388	2,011,404,638
TOTAL LIABILITY AND STOCKHOLDERS' EQUITY		2,012,757,838	2,012,757,838

(See Notes to Separate Financial Statements)

FIGARO CULINARY GROUP, INC.
SEPARATE STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended June 30, 2025

(With Comparative Audited Figures for the Years Ended June 30, 2024 and 2023)

(In Philippine Peso)

	NOTE	2025	2024	2023
DIVIDEND INCOME	7,9	147,648,293	167,648,293	89,988,900.00
PROFESSIONAL FEES		776,250	386,000	345,000
PROFIT (LOSS)		146,872,043	167,262,293	89,643,900
BASIC PROFIT (LOSS) PER SHARE	12	0.02	0.03	0.02

(See Notes to Separate Financial Statements)

FIGARO CULINARY GROUP, INC.
SEPARATE STATEMENT OF CHANGES IN EQUITY

For the Year Ended June 30, 2025

(With Comparative Audited Figures for the Years Ended June 30, 2024 and 2023)

(In Philippine Peso)

	Note	Capital Stock	Additional Paid-in Capital	Deficit	Total
Balance at June 30, 2023		464,818,700	697,831,235	(518,571)	1,162,131,364
Profit				89,643,900	89,643,900
Issuance of shares	10	124,526,829	705,477,445		830,004,274
Dividends declared and paid				(89,988,900)	(89,988,900)
Balance at June 30, 2023	10	589,345,529	1,403,308,680	(863,571)	1,991,790,638
Profit				167,262,293	167,262,293
Dividends declared and paid	10			(147,648,293)	(147,648,293)
Balance at June 30, 2024	10	589,345,529	1,403,308,680	18,750,429	2,011,404,638
Profit				146,872,043	146,872,043
Dividends declared	10			(147,648,293)	(147,648,293)
Balance at June 30, 2025	10	589,345,529	1,403,308,680	17,974,179	2,010,628,388

(See Notes to Separate Financial Statements)

FIGARO CULINARY GROUP, INC.
SEPARATE STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2025

(With Comparative Audited Figures for the Years Ended June 30, 2024 and 2023)

(In Philippine Peso)

	NOTES	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (Loss) before tax		146,872,043	167,262,293	89,643,900
Adjustments for:				
Dividend income	7,9	(147,648,293)	(167,648,293)	(89,988,900)
Operating cash flows before changes in working capital		(776,250)	(386,000)	(345,000)
Balance at June 30, 2022				
Dividend receivable		20,000,000	20,000,000	-
Increase in deferred input VAT		-	103,629	(41,400)
Increase in accrued professional fee		776,250	386,000	386,400
Net cash from operating activities		20,000,000	20,103,629	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Advances collected from related parties				
Dividends received		147,648,293	147,648,293	89,988,900
Payment for investment in subsidiary		-	-	64,995,726
Advances given to related parties		(2,836,756)	(16,025,265)	(895,000,000)
Net cash used in investing activities		144,811,537	131,623,028	(740,015,374)
CASH FLOW FROM A FINANCING ACTIVITY				
Proceeds from issuance of capital stock	10	-	-	830,004,274
Dividends declared and paid	10	(147,648,293)	(147,648,293)	(89,988,900)
Net cash from financing activities		(147,648,293)	740,015,374	653,211,435
NET INCREASE IN CASH		17,163,244	4,078,364	-
CASH AT BEGINNING OF YEAR		6,262,280	2,183,916	2,183,916
CASH AT END OF YEAR		23,425,524	6,262,280	2,183,916

(See Notes to Separate Financial Statements)

FIGARO CULINARY GROUP, INC.

NOTES TO SEPARATE FINANCIAL STATEMENTS

June 30, 2025

(With Comparative Audited Figures in 2024 and 2023)

1. CORPORATE INFORMATION

Figaro Culinary Group, Inc. (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on July 6, 2018. The principal activities of the Company are to process, manufacture, and package all kinds of food products; to establish, invest, develop, operate and maintain restaurants, coffee shops, and refreshment parlors; to serve, arrange and cater foods, drinks, refreshments and other food or commodities; to partner and/or collaborate with other players in the food industry for the management and operation of food establishments; to acquire, invest, organize, develop, promote, or otherwise undertake the management and operation of commercial franchises in the food industry; to provide facilities and commissaries and perform all other activities and services incidental thereto, necessary or desirable in relation thereto, and offer and sell to public such products, franchises, services other operation thereof, and to own shares in companies which are in furtherance of its purposes, and to guarantee for and in behalf of the Corporation obligations of other corporations or entities in which it has lawful interest in.

On October 22, 2021, the SEC approved the Company's application for amendment of its articles of incorporation to reflect the following primary purpose: invest in, purchase, or otherwise acquire and own, hold, use, sell assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign, for whatever lawful purpose or purposes the same may have been recognized and to pay thereof in money or by exchanging therefor stocks, bonds or other evidences of indebtedness or securities of this or any other corporation, and while the owner or holder of any such real or personal property, stocks, bonds, debentures, contracts, or obligations, to receive, collect and dispose of the interest, dividends, and income arising from such property; and to possess and exercise in respect thereof all the rights, powers, and privileges of ownership, including all voting powers of any stock so owned; to carry on, provide support and manage the general business of any corporation, company, association or joint venture; to exercise such powers, acts or functions as may be essential or necessary to carry out the purpose stated herein; and to guarantee for and in behalf of the Corporation obligations of other corporations or entities in which it has lawful interest in.

On March 31, 2021, the Company's Board of Directors and Stockholders approved the following:

- a. The Company's change in registered office address from No. 33 Mayon St., Brgy. Malamig, Mandaluyong City, Metro Manila, Philippines to 116 E. Main Avenue, Phase V, SEZ Laguna Technopark, Binan, Laguna.
- b. The Company's change in reporting period from calendar year to fiscal year which shall begin on the first day of July and end on the last day of June.

The change in registered office address and reporting period was approved by SEC on June 23, 2021.

On March 31, 2021, the Company's Board of Directors and Stockholders approved: (a) increase in authorized capital stock from ₱150,000,000 to ₱500,000,000; and (b) the stock split through the reduction of the par value of the shares of the Company from ₱100.00 per share to ₱0.10 per share. SEC approved the Company's application to increase authorized capital stock on June 23, 2021.

On September 16, 2021, the Securities and Exchange Commission approved the Company's increase in authorized capital stock to ₱660,000,000 divided into 6,600,000,000 shares with a par value of ₱0.10 per share.

At incorporation, Camertheus Holdings, Inc. (CHI) subscribed to ₱37,500,000 worth of shares in the Parent Company. Out of such subscription, ₱9,375,000 had been paid by CHI at incorporation of the Parent Company. During the period, CHI fully paid its subscription receivable amounting to ₱28,125,000.

Camerton, Inc. (CI) subscribed to the following shares of the Company:

- a. In support of the application for increase in authorized capital stock, Camerton, Inc. (CI), on March 31, 2021, subscribed to 1,250,000,000 shares of the Parent Company for a total subscription price of ₱125,000,000. The subscribed shares were fully paid and issued June 22, 2021.
- b. On June 20, 2021, the board of the Company approved the additional paid-in capital in the amount of ₱83,138,000 paid by CI into the Parent Company.
- c. 1,250,000,000 shares with par value of ₱0.10 per share for a total subscription price of ₱228,800,000, or ₱0.18304 price per share. The said subscription resulted to an additional capital stock of ₱125,000,000 and additional paid-in capital of ₱103,800,000 in the Parent Company; and
- d. 350,000,000 shares of the Parent Company with par value of ₱0.10 per share for a total subscription price of ₱35,000,000.

As of June 30, 2021, the outstanding capital of the Company is ₱322,500,500 (excluding the additional paid-in capital of ₱186,938,000 with 3,225,005,000 shares issued).

As of June 30, 2021, the Company is 88.37% owned by Camerton, Inc. and 11.63% owned by Carmetheus Holdings, Inc.

As of June 30, 2021, the Company is in the process of compiling with the requirements to file Registration Statement with SEC in accordance with the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799, the "SRC") for the registration of all the issued and outstanding Shares of the Company and the Offer Shares.

On January 24, 2022, the Company completed its Initial Public Offering (IPO) and was listed in the Philippine Stock Exchange (PSE) under stock symbol "FCG." The Company issued 93,016,000 common shares for a total consideration of ₱69,762,000 or at ₱0.75 per share. This resulted to an additional issuance of capital stock of 1,423,182,003 with par value of ₱0.10 per share for a total of ₱142,318,200.

As of June 30, 2022, the outstanding capital of the Company is ₱464,818,700 (excluding the additional paid-in capital of ₱697,831,235 with 4,648,187,003 shares issued).

As of June 30, 2022, the Company is 69.94% owned by Camerton, Inc. and 8.07% owned by Carmetheus Holdings, Inc.

As of June 30, 2025 and 2024, the outstanding capital of the Company is ₱5,893,455,293 (excluding the additional paid-in capital of ₱1,403,308,680 with 589,345,529 shares issued).

As of June 30, 2025 and 2024, the Company is 53.05% owned by Camerton, Inc., 15% owned by Monde Nissin Corporation and 6.86% owned by Carmetheus Holdings, Inc.

On June 6, 2023, the Parent Company's Board of Directors and Stockholders approved the amendments to the Company's Articles of Incorporation to increase the authorized capital stock of the Parent Company from ₱660,000,000, consisting of 6,600,000,000 common shares with par value of ₱0.10 per share, to ₱1,340,000,000 divided into: (a) ₱1,155,000,000 worth of common shares consisting of 11,550,000,000 common shares with par value of ₱0.10 per share; and (b) ₱185,000,000 worth of preferred shares consisting of 9,250,000,000 preferred shares with par value of ₱0.02 per share. Securities and Exchange Commission (SEC) approved the Company's application to increase authorized capital stock on July 14, 2023.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS). The term “PFRS” in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the FSRSC and adopted by SEC.

These new and revised PFRS prescribe new accounting recognition, measurement and disclosure requirements applicable to the Company. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

2.01 New and Revised PFRSs Applied with No Material Effect on the Separate Financial Statements

The following new and revised PFRSs have been adopted in these separate financial statements. The application of these new and revised PFRSs has not had any material impact on the amounts reported for the current period but may affect the accounting for future transactions or arrangements.

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

The amendments to PAS 1 are the following:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments defer the effective date of the January 2020 Classification of Liabilities as Current or Non-Current (Amendments to PAS 1) to annual reporting periods beginning on or after January 1, 2024.

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

The amendments introduce new disclosure requirements to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements.

The amendments are effective to annual reporting periods beginning on or after January 1, 2024.

- Amendments to PAS 1, *Non-current Liabilities with Covenants*

The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability’s classification as current or non-current. Additional disclosures are required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period.

The amendments are effective to annual reporting periods beginning on or after January 1, 2024.

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

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

The amendments are effective to annual reporting periods beginning on or after January 1, 2024.

2.02 New and Revised PFRSs in Issue but Not Yet Effective

The Company will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended PFRS, to have significant impact on the separate financial statements.

2.02.01 Standard Adopted by FSRSC and Approved by the Board of Accountancy (BOA)

- PFRS 17, *Insurance Contracts*

PFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. It requires an entity that issues insurance contracts to report them on the balance sheet as the total of the fulfilment cash flows and the contractual service margin. It requires an entity to provide information that distinguishes two ways insurers earn profits from insurance contracts: the insurance service result and the financial result. It requires an entity to report as insurance revenue the amount charged for insurance coverage when it is earned, rather than when the entity receives premium. It requires that insurance revenue to exclude the deposits that represent the investment of the policyholder, rather than an amount charged for services. Similarly, it requires the entity to present deposit repayments as settlements of liabilities rather than as insurance expense.

PFRS 17 is effective for annual periods beginning on or after January 1, 2025. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030. Early application is permitted for entities that apply PFRS 9, *Financial Instruments* and PFRS 15, *Revenue from Contracts with Customers* on or before the date of initial application of PFRS 17.

An entity shall apply PFRS 17 retrospectively unless impracticable, except that an entity is not required to present the quantitative information required by paragraph 28(f) of PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* and an entity shall not apply the option in paragraph B115 for periods before the date of initial application of PFRS 17. If, and only if, it is impracticable, an entity shall apply either the modified retrospective approach or the fair value approach.

- Amendments to PFRS 17, *Insurance Contracts*

The amendments cover the following areas:

- Insurance acquisition cash flows for renewals outside the contract boundary;
- Reinsurance contracts held — onerous underlying insurance contracts;
- Reinsurance contracts held — underlying insurance contracts with direct participation features; and
- Recognition of the contractual service margin in profit or loss in the general model.

The amendments are effective to annual reporting periods beginning on or after January 1, 2025. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- Amendment to PFRS 17, *Initial Application of PFRS 17 and PFRS 9—Comparative Information*

The amendment is a transition option relating to comparative information about financial assets presented on initial application of PFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and Insurance contract liabilities, and therefore Improve the usefulness of comparative information for users of separate financial statements.

PFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after January 1, 2025. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- Amendments to PAS 21, *Lack of Exchangeability*

The amendments contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The amendments cover the following areas:

- Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable if it can be exchanged for another currency through markets or mechanisms that establish enforceable rights and obligations without delay, while it is not exchangeable if an entity can only obtain a small amount of the other currency.
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency isn't exchangeable at a measurement date, an entity estimates the spot exchange rate as the rate that would have applied in an orderly transaction.
- Require the disclosure of additional information when a currency is not exchangeable - when a currency is not exchangeable, an entity discloses information to its financial statements, allowing users to assess its financial performance, position, and cash flows.

The amendments are effective to annual reporting periods beginning on or after January 1, 2025, with early application permitted.

- Amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*

The amendments cover the following areas:

- Derecognition of a financial liability settled through electronic transfer – the amendments allow entities to discharge a financial liability settled in cash using an electronic payment system if specific criteria are met, and apply the derecognition option to all settlements made through the same system.
- Classification of financial assets:
 - Contractual terms that are consistent with a basic lending arrangement – the amendments outline how entities can evaluate whether contractual cash flows of a financial asset align with a basic lending arrangement, illustrating this through examples of financial assets with or without principal and interest payments.
 - Assets with non-recourse features – the term 'non-recourse' is enhanced, defining a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
 - Contractually linked instruments – the amendments clarify that not all transactions with multiple debt instruments meet classification criteria, and that instruments in the underlying pool can include financial instruments not covered by classification requirements.
- There are amendments in the required disclosure for financial assets and liabilities with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application of either all the amendments at the same time or only the amendments to the classification of financial assets is permitted.

An entity is required to apply the amendments retrospectively. An entity is not required to restate prior periods to reflect the application of the amendments, but may do so if, and only if, it is possible to do so without the use of hindsight.

- Annual Improvements to PFRS Accounting Standards - Volume 11

The International Accounting Standards Board (IASB) has published proposed narrow-scope amendments to PFRS Accounting Standards and accompanying guidance as part of its periodic maintenance of the Accounting Standards.

The proposed amendments included in the Exposure Draft *Annual Improvements to PFRS Accounting Standards — Volume 11* relate to:

- PFRS 1, *First-time Adoption of International Financial Reporting Standards, Hedge Accounting by a First-Time Adopter* – the amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of PFRS 1 and requirements for hedge accounting in PFRS 9 *Financial Instruments*.
- PFRS 7, *Financial Instruments: Disclosures*
 - Gain or Loss on Derecognition – the amendment addresses a potential confusion in paragraph B38 of PFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when PFRS 13, *Fair Value Measurement* was issued.
 - Disclosure of Deferred Difference Between Fair Value and Transaction Price – the amendment addresses an inconsistency between paragraph 28 of PFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of PFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.
 - Introduction and Credit Risk Disclosures – the amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7 and by simplifying some explanations.
- PFRS 9, *Financial Instruments*
 - Lessee derecognition of lease liabilities – the amendment addresses a potential lack of clarity in the application of the requirements in PFRS 9 to account for an extinguishment of a lessee’s lease liability that arises because paragraph 2.1(b)(ii) of PFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of PFRS 9.
 - Transaction price – the amendment addresses a potential confusion arising from a reference in Appendix A to PFRS 9 to the definition of ‘transaction price’ in PFRS 15, *Revenue from Contracts with Customers* while term ‘transaction price’ is used in particular paragraphs of PFRS 9 with a meaning that is not necessarily consistent with the definition of that term in PFRS 15.
- PFRS 10, *Consolidated Financial Statements, Determination of a ‘de facto agent’* – the amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of PFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.

- PAS,7 *Statement of Cash Flows, Cost Method* – the amendment addresses a potential confusion in applying paragraph 37 of PAS 7 that arises from the use of the term ‘cost method’ that is no longer defined in PFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026 with earlier application permitted.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

PFRS 18 supersedes PAS 1, *Presentation and Disclosure in Financial Statements*. This new standard is a result of IASB’s Primary Financial Statements project, which aimed at improving comparability and transparency of communication in financial statements.

While several sections from PAS 1 have been retained with minimal changes in wording, PFRS 18 introduces new requirements for the presentation and disclosures in financial statements.

The new requirements include:

- Improved comparability in the statement of profit or loss (income statement);
- Enhanced transparency of management-defined performance measures; and
- More useful grouping of information in the financial statements.

Retrospective application is required in both annual and interim financial statements. PFRS 18 is effective beginning on or after January 1, 2027, with early application permitted.

- PFRS 19, *Subsidiaries without Public Accountability: Disclosures*

PFRS 19 allows eligible entities to provide reduced disclosures compared to the requirements in other PFRS accounting standards. Entities that elect PFRS 19 are still required to apply the recognition, measurement and presentation requirements of other PFRS accounting standards.

An entity may elect to apply the PFRS 19 if at the end of reporting period:

- It is a subsidiary as defined in PFRS 10, *Consolidated Financial Statements*;
- It does not have public accountability; and
- It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with PFRS accounting standards.

An eligible entity (including an intermediate parent) can apply PFRS 19 in its consolidated, separate or individual financial statements. PFRS 19 is applicable for both annual and interim reporting.

PFRS 19 is effective beginning on or after January 1, 2027, with early application permitted.

2.02.02 Deferred

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

The amendments clarify the treatment of the sale or contribution of assets between an investor and its associate and joint venture. This requires an investor in its financial statements to recognize in full the gains and losses arising from the sale or contribution of assets that constitute a business while recognize partial gains and losses if the assets do not constitute a business (i.e. up to the extent only of unrelated investor share).

On January 13, 2016, the FSRSC decided to postpone the original effective date of January 1, 2016 of the said amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. BASIS FOR THE PREPARATION AND PRESENTATION OF SEPARATE FINANCIAL STATEMENTS

3.01 Statement of Compliance

The separate financial statements have been prepared in conformity with PFRS and are under the historical cost convention, except for certain financial instruments that are carried at amortized cost.

3.02 Functional and Presentation Currency

Items included in the separate financial statements of the Company are measured using Philippine Peso (₱), the currency of the primary economic environment in which the Company operates (the “functional currency”).

The Company chose to present its separate financial statements using its functional currency.

3.03 Basis of Preparation

These separate financial statements were based on the Company’s own transactions, exclusive of transactions of its subsidiary, the latter transactions are being used in the preparation of the consolidated financial statements, which are also available for public use.

The accompanying separate financial statements of the Company have been prepared on a historical cost basis. The Company’s separate financial statements are presented in Philippine Peso, the Company’s functional and presentation currency, and all values are rounded to the nearest Peso except when otherwise stated.

3.04 Current and Non-current Presentation

The Company classifies an asset as current when:

- It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realize the asset within twelve (12) months after the reporting period; or
- The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

The Company classifies all other assets as non-current.

The Company classifies a liability as current when:

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve (12) months after the reporting period; or
- It does not have an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

4. MATERIAL ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its separate financial statements are enumerated below and are applied to the period presented, unless otherwise stated.

4.01 Financial Assets

4.01.01 Initial Recognition and Measurement

The Company recognizes a financial asset in its separate statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Except for trade receivables that do not have a significant financing component, at initial recognition, the Company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At initial recognition, the Company measures trade receivables that do not have a significant financing component at their transaction price.

4.01.02 Classification

➤ Financial Asset at Amortized Cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is 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.

The Company's financial assets at amortized cost include cash in bank and due from related parties.

Due from related parties

Due from related parties are measured at amortized cost using the effective interest method, less any impairment. Finance income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Company has no financial assets measured at fair value either through profit or loss or other comprehensive income in both years.

4.01.03 Effective Interest Method

Finance income is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets and financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired.

4.01.04 Impairment

The Company measures expected credit losses of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable assumption that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Company adopted the general approach in accounting for impairment.

➤ General Approach

The Company applies general approach to cash in bank and due from related parties. At each reporting date, the Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition.

However, if the credit risk has not increased significantly, the Company measures the loss allowance equal to 12-month expected credit losses.

The Company compares the risk of default occurring as at the reporting date with the risk of default occurring as at the date of initial recognition and consider the macro-economic factors such as GDP, interest, and inflation rates, the performance of the counterparties' industry, and the available financial information of each counterparty to determine whether there is a significant increase in credit risk or not since initial recognition.

The Company determines that there has been a significant increase in credit risk when there is a significant decline in the factors.

The Company did not apply the 30 days past due rebuttable presumption because the Company determines that there have been no significant increases in credit risk even if collections before contractual payments are more than 30 days past due.

If the Company has measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date, that the credit quality improves (i.e. there is no longer a significant increase in credit risk since initial recognition), then the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

The Company performs the assessment of significant increases in credit risk on an individual basis.

The Company did not apply the 90 days past due rebuttable presumption in determining whether a financial asset is credit-impaired or not. The Company determines that financial asset is credit-impaired if it became past due for more than one (1) year.

The Company determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

4.01.05 Derecognition

The Company derecognizes a financial asset when, and only when the contractual rights to the cash flows the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition. The difference between the carrying amount and the consideration received is recognized in profit or loss.

4.02 Investment in a Subsidiary

A subsidiary is an entity, including an unincorporated entity such as a partnership, which is controlled by another entity known as parent. Control is the exposure or rights, to variable returns from the involvement with an investee and the ability to affect those returns through its power over an investee.

Investment in a subsidiary is accounted under the cost method. Under the cost method, the Company recognizes as income the dividends received that are distributed from net accumulated earnings of the investee since the date of acquisition by the investor. Dividends received that are in excess of the earnings subsequent to the date of acquisition are not income and therefore considered as return or reduction of investment.

If the Company loses control of a subsidiary, the Company recognizes any investment retained in the former subsidiary at its fair value at the date when control is lost or recognizes any resulting difference as a gain or loss in profit or loss attributable to the Company.

4.03 Impairment of Assets

At each reporting date, the Company assesses whether there is any indication that any assets other than financial assets that are within the scope of PFRS 9, *Financial Instruments* may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

4.04 Financial Liabilities

4.04.01 Initial Recognition and Measurement

The Company recognizes a financial liability in its separate statements of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument.

At initial recognition, the Company measures a financial liability at its fair value minus, in the case of financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the liability.

4.04.02 Classification

The Company classifies all financial liabilities as subsequently measured at amortized, except for:

- financial liabilities at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in a business combination.

The Company's financial liability measured at amortized cost includes accrued professional fees only.

The Company has no financial liabilities at fair value through profit or loss.

4.05.03 Derecognition

An entity shall remove a financial liability (or part of a financial liability) from its separate statements of financial position when, and only when, it is extinguished (i.e., when the obligation in the contract is discharged or cancelled or expired).

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss.

4.05 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

4.06 Offsetting of Financial Instruments

Financial assets and liabilities are offset, and the net amount is reported in the separate statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4.07 Expense Recognition

Expense encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Company.

The Company recognizes expenses in the separate statements of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

4.08 Related Parties and Related Party Transactions

A related party is a person or entity that is related to the Company that is preparing its separate financial statements. A person or a close member of that person's family is related to Company if that person has control or joint control over the Company, has significant influence over the Company, or is a member of the key management personnel of the Company or of a parent of the Company.

An entity is related to the Company if any of the following conditions applies:

- The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- The entity is controlled or jointly controlled by a person identified above.
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- Management entity providing key management personnel services to a reporting entity.

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Company and include that person's children and spouse or domestic partner; children of that person's spouse or domestic partner; and dependents of that person or that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

4.09 Taxation

Income tax expense represent deferred tax.

4.09.01 Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognized for taxable temporary differences. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4.10 Provisions

Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Company's accounting policies, which are described in Note 4, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgment in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in separate financial statements.

5.01.01 Assessment of Contractual Terms of a Financial Asset

The Company determines whether the contractual terms of a financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding. In making its judgement, the Company considers whether the cash flows before and after the changes in timing or in the amount of payments represents only payments of principal and interest on the principal amount outstanding.

Management assessed that the contractual terms of its financial assets are solely payments of principal and interest and consistent with the basic lending arrangement. The Company's financial assets amounted to ₱1,636,188,000 as of June 30, 2025 and 2024, as disclosed in Note 14.01.

5.01.02 Assessment of Control

The Company determines whether an entity qualifies as a subsidiary when it has control over an entity. The Company controls an entity when it has the three elements of control as disclosed in Note 4. In making its judgments, the Company considers all facts and circumstances when assessing control over an investee. A reassessment of control is conducted when there are changes to one or more of the three elements of control. Any changes from at least one of the elements would result to lose or gain of control over an entity.

The Company having 100% ownership and voting interest assessed that it has control over its subsidiary, Figaro Coffee Systems Inc., since it has power over the subsidiary, exposure or rights to variable returns from its involvement and ability to use its power to affect the component of its returns. The carrying amount of investment in a subsidiary amounted to ₱376,569,838 as of June 30, 2025 and 2024, as disclosed in Note 7.

5.02 Key Sources of Estimation Uncertainties

The following are the key assumptions concerning the future, and other key sources of estimation uncertainties at the end of the 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.

5.02.01 Estimating Allowance for Expected Credit Losses of Financial Assets

The Company evaluates the expected credit losses related to its financial assets based on an individual assessment and current and forecast information.

The Company assessed that there is no expected credit losses on its due from related parties by considering the following:

- No historical default experience.
- Macro-economic factors such as GDP, interest rate, inflation rates including the industry and financial information of the Company's creditors indicates no significant increase in the credit risk.

Therefore, the Management did not recognize provision on expected credit losses on its cash in bank and due from related parties, as disclosed in Note 9. The carrying amount of the Company's financial assets both amounted to ₱1,636,188,000 as of June 30, 2025 and 2024, as disclosed in Note 14.01.

5.02.02 Asset Impairment

The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of deferred input VAT and investment in subsidiary, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets requires the Company to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS.

Management determined that there was no indication of impairment that occurred on deferred input VAT and investment in a subsidiary. As of June 30, 2025 and 2024, the carrying amounts of aforementioned assets both amounted to ₱376,569,838, as disclosed in Note 7.

5.02.03 Deferred Tax Assets

The Company reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Company will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized.

Management believed that the Company will not generate sufficient taxable profit to allow all or part of its deferred tax asset to be utilized. As such, the Company's unrecognized deferred tax asset on NOLCO amounted to ₱401,813 and ₱272,393 as of June 30, 2025 and 2024, respectively, as disclosed in Note 11.

6. CASH

For the purpose of the statements of cash flows, cash includes cash in bank and cash on hand, respectively.

Cash at the end of each reporting period as shown in the statements of cash flows that can be reconciled to the related items in the statements of financial position amounted to ₱23,425,524 and ₱6,262,280, respectively.

7. INVESTMENT IN A SUBSIDIARY

Details of the Company's subsidiary are as follows:

Subsidiary	Principal Activities	Country of Incorporation	Percentage of Voting and Ownership Interest	
			2025	2024
Figaro Coffee Systems Inc.	Food business including but not limited to operation of retail food stores and restaurants	Philippines	100%	100%

The carrying amount of the Company's investment in subsidiary amounted to ₱376,569,838 as of June 30, 2025 and 2024.

The voting interest on the investment is equal to its right to ownership.

In both years, no impairment loss was recognized on investment in a subsidiary.

The summarized financial information of the subsidiary as of and for the periods ended June 30, 2025 and 2024 is as follows:

	2025	2024
Total assets	₱ 5,773,961,286	₱ 2,353,630,483
Total liabilities	5,098,732,942	1,254,713,606
Net assets	675,228,344	1,098,916,877
Revenue	4,331,155,735	5,447,082,212
Direct costs	3,615,557,741	2,945,259,454
Operating expense	531,888,875	1,813,860,505
Finance cost	52,936,142	43,011,669
Profit before tax	188,213,979	628,796,133

On June 21, 2021, F Coffee Holdings Corporation, the 'Seller' agreed to sell and the Company, the 'Buyer' agreed to buy, all the seller's rights, title and interests to a total of 2,500 common shares with a par value of ₱50.00 per share or an aggregate par value of ₱125,000 of Figaro Coffee Systems, Inc. (FCSI) for and in consideration of ₱1,851.0256 per share or total purchase price of ₱4,627,564.

On June 23, 2021, FCGI subscribed 7,500 shares of the Company at ₱27,751.73 per share resulting to issuance of shares amounting to ₱375,000 and additional paid-in capital of ₱207,763,000.

On June 27, 2021, the Company subscribed additional 4,576,000 shares of FCSI at ₱50.00 par value resulting to capital stock of ₱228,800,000.

In 2025 and 2024, the subsidiary declared cash dividends amounting to ₱147,648,293 and ₱167,648,293, respectively, as disclosed in Note 9. In 2025, 2024 and 2023, cash dividends received amounted to ₱147,648,293, ₱147,648,293 and ₱89,988,900, respectively, as disclosed in Note 9.

As of June 30, 2025 and 2024, FCSI is a wholly-owned subsidiary of the Parent Company.

8. ACCRUED PROFESSIONAL FEES

The Company's accrued professional fees amounted to ₱2,129,450 and ₱1,353,200, as of June 30, 2025 and 2024, respectively.

9. RELATED PARTY TRANSACTIONS

Nature of relationship of the Company and its related party are disclosed below:

Related Parties	Nature of Relationship
Carmetheus Holdings, Inc. (CHI)	Ultimate Parent
Camerton, Inc. (CI)	Parent
Figaro Coffee Systems, Inc.	Subsidiary
Figaro Innovation and Development Inc.	Indirect Subsidiary
Stockholders	Key Management Personnel

Balances and transactions between the Company and its related parties are disclosed below:

9.01 Due from related parties

Balance of due from related parties as shown in the separate statements of financial position are summarized per category as follows:

9.01.01 Subsidiary

Transactions with the subsidiary are as follows:

	June 30, 2025		June 30, 2024	
	Amount/ Volume	Outstanding Balance	Amount/ Volume	Outstanding Balance
FCSI				
Advances	₱ 2,836,756	₱ 1,592,762,476	₱ 16,025,265	₱ 1,609,925,720
Dividend income (Note 7)	147,648,293	20,000,000	167,648,293	20,000,000
	150,485,049	1,612,762,476	183,673,558	1,629,925,720

Advances granted to related parties amounted to ₱2,836,756, ₱16,025,265 and ₱895,000,000 in 2025, 2024 and 2023, respectively.

In 2025, 2024 and 2023, cash dividends received amounted to ₱147,648,293, ₱147,648,293 and ₱89,988,900, respectively, as disclosed in Note 7.

The amounts outstanding are unsecured, non-interest bearing, collectible on demand and will be settled in cash. No guarantees have been received in respect of the amounts owed by related party. No provisions have been made for expected credit losses in respect of the amounts owed by a related party.

9.02 Remuneration of Key Management Personnel

There was no remuneration given to the key management personnel in both periods.

10. CAPITAL STOCK

The issued capital of the Company are as follows:

	2025		2024	
Capital stock	₱ 589,345,529	₱ 589,345,529	₱ 589,345,529	₱ 589,345,529
Additional paid-in capital	1,403,308,680	1,403,308,680	1,403,308,680	1,403,308,680
	₱ 1,992,654,209	₱ 1,992,654,209	₱ 1,992,654,209	₱ 1,992,654,209

Components of capital stock are as follows:

	2025		2024	
Ordinary shares (Note 10.01)	₱ 546,845,529	₱ 546,845,529	₱ 546,845,529	₱ 546,845,529
Preference shares (Note 10.02)	42,500,000	42,500,000	42,500,000	42,500,000
	₱ 589,345,529	₱ 589,345,529	₱ 589,345,529	₱ 589,345,529

10.01 Ordinary Shares

Shown below are the details on the movements of ordinary shares.

	2025		2024	
	Shares	Amount	Shares	Amount
Authorized				
₱0.10 par value per share	6,600,000,000	₱ 660,000,000	6,600,000,000	₱ 660,000,000
Issued and fully paid	5,468,455,298	₱ 546,845,529	5,468,455,298	₱ 546,845,529

10.02 Preference Shares

Shown below are the details on the movements of preference shares.

	2025		2024	
	Shares	Amount	Shares	Amount
Authorized				
₱0.02 par value per share	9,250,000,000	₱ 185,000,000	9,250,000,000	₱ 185,000,000
Issued and fully paid	2,125,000,000	₱ 42,500,000	2,125,000,000	₱ 42,500,000

10.03 Increase in Authorized Capital Stocks

On March 31, 2021, the Parent Company's Board of Directors and Stockholders approved: (a) the increase in authorized capital stock from ₱150,000,000 to ₱500,000,000; and (b) the stock split through the reduction of par value of the shares of the Company from ₱100.00 per share to ₱0.10 per share. SEC approved the Company's application to increase authorized capital stock of June 23, 2021.

On September 16, 2021, the Securities and Exchange Commission approved the Company's increase in authorized capital stock to ₱660,000,000 divided into 6,600,000,000 shares with a par value of ₱0.10 per share.

On June 6, 2023, the Parent Company's Board of Directors and stockholders approved the amendments to the Company's Articles of Incorporation to increase the authorized capital stock of FCG from ₱660,000,000, consisting of 6,600,000,000 common shares with par value of ₱0.10 per share, to ₱1,340,000,000 divided into: (a) ₱1,155,000,000 worth of common shares consisting of 11,550,000,000 common shares with par value of ₱0.10 per share; and (b) ₱185,000,000 worth of preferred shares consisting of 9,250,000,000 preferred shares with par value of ₱0.02 per share. Securities and Exchange Commission (SEC) approved the Company's application to increase authorized capital stock on July 14, 2023.

10.04 Issuance of Shares

At incorporation, Camertheus Holdings, Inc. (CHI) subscribed to ₱37,500,000 worth of shares in the Company. Out of such subscription, ₱9,375,000 had been paid by CHI at incorporation of the Company. During the period, CHI fully paid its subscription receivable amounting to ₱28,125,000.

Camerton, Inc. (CI) subscribed to the following shares of the Company:

- In support of the application for increase in authorized capital stock, CI, on March 31, 2021, subscribed to 1,250,000,000 shares of the Company for a total subscription price of ₱125,000,000. The subscribed shares were fully paid and issued on June 22, 2021.
- On June 20, 2021, the board of the Company approved the additional paid-in capital in the amount of ₱83,138,000 paid by CI into the Parent Company.
- 1,250,000,000 shares with par value of ₱0.10 per share for a total subscription price of ₱228,800,000, or ₱0.18304 price per share. The said subscription resulted to an additional capital stock of ₱125,000,000 and an additional paid-in capital of ₱103,800,000 in the Company; and

- d. 350,000,000 shares of the Company with par value of ₱0.10 per share for a total subscription price of ₱35,000,000.

As of June 30, 2021, the outstanding capital of the Company is ₱322,500,500 (excluding the additional paid-in capital of ₱186,938,000 with 3,225,005,000 shares issued).

As of June 30, 2021, the Company is 88.37% owned by Camerton, Inc. and 11.63% owned by Carmetheus Holdings, Inc.

On January 24, 2022, the Company completed its IPO and was listed in the PSE under stock symbol “FCG.” The Company issued 93,016,000 common shares for a total consideration of ₱69,762,000 or at ₱0.75 per share. This resulted to an additional issuance of capital stock of 1,423,182,003 with par value of ₱0.10 per share for a total of ₱142,318,200.

As of June 30, 2022, the outstanding capital of the Company is ₱464,818,700 (excluding the additional paid-in capital of ₱697,831,235 with 4,648,187,003 shares issued).

As of June 30, 2022, the Company is 69.94% owned by Camerton, Inc. and 8.07% owned by Carmetheus Holdings, Inc.

As of June 30, 2023, the outstanding capital of the Company is ₱5,893,455,293 (excluding the additional paid-in capital of ₱1,403,308,680 with 589,345,529 shares issued).

As of June 30, 2023 and 2022, the Company is 53.05% owned by Camerton, Inc., 15% owned by Monde Nissin Corporation and 6.86% owned by Carmetheus Holdings, Inc.

On February 2, 2023, the Company issued 820,268,295 common shares to Monde Nissin Corporation at ₱1 par value per share.

10.05 Track record of registration of securities under the Securities Regulation Code

As of June 30, 2021, the Company is in the process of compiling with the requirements to file Registration Statement with SEC in accordance with the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799, the “SRC”) for the registration of all the issued and outstanding Shares of the Company and the Offer Shares.

The number of shares to be registered, issue/offer price and the approval or date when the registration statement covering such securities was rendered effective by the Commission, and the number of holders of such securities is to be determined.

On January 24, 2022, the Company completed its IPO and was listed in the PSE under stock symbol “FCG.” The Company issued 93,016,000 common shares for a total consideration of ₱69,762,000 or at ₱0.75 per share.

10.06 Dividend Declaration

On October 12, 2022, Figaro Culinary Group, Inc., the Parent Company declared cash dividend at ₱0.01936 per share or ₱4,648,187,003 to stockholders of record as of November 21, 2022. The record date of the declaration of dividend is December 9, 2022. Dividends paid amounted to ₱89,988,900 during the same year.

At the regular meeting held on October 12, 2023, the Board of Directors of the Figaro Culinary Group, Inc., the Parent Company approved the declaration of cash dividends of ₱0.027 with a total amount of ₱147,648,293 to all stockholders on record as of November 17, 2023. Dividends paid amounted to ₱147,648,293 during the same year.

11. INCOME TAXES

The Company's income tax expenses amounted to nil in all years.

A numerical reconciliation between tax benefit and the product of accounting loss multiplied by the tax rate in 2025, 2024 and 2023 is as follows:

	2025		2024		2023	
Accounting profit (loss)	₱	147,648,293	₱	167,648,293	₱	89,643,900
Tax benefit at 25%		36,912,073		41,815,573		22,410,975
Effect of non-recognition of deferred tax on net operating loss carry-over		194,063		96,500		86,250
Dividend income		(36,912,073)		(41,912,073)		(22,324,725)
	₱	-	₱	-	₱	-

Details of NOLCO covered by Revenue Regulations No. 25-2020 is as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2020	₱ 80,000	₱ -	₱ -	₱ 80,000	₱ -	2025
2021	100,000	-	-	-	100,000	2026
	₱ 180,000	₱ -	₱ -	₱ 80,000	₱ 100,000	

Details of NOLCO are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2022	₱ 178,571	₱ -	₱ -	₱ 178,571	₱ -	2025
2023	345,000	-	-	-	345,000	2026
2024	386,000	-	-	-	386,000	2027
2025	776,250	-	-	-	776,250	2028
	₱ 1,685,821	₱ -	₱ -	₱ 178,571	₱ 1,507,250	

The Bureau of Internal Revenue (BIR) has issued Revenue Regulations (RR) 25-2020 to inform all concerned on the longer period for claiming NOLCO from taxable years 2020 and 2021.

Pursuant to Section 4 (bbb) of Bayanihan II and as implemented under RR 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss. Ordinarily, NOLCO can be carried over as deduction from gross income for the next three consecutive years only.

Management believes that the Company will not generate sufficient taxable profit to allow all or part of its deferred tax asset to be utilized. The Company's unrecognized deferred tax asset from NOLCO amounted to ₱401,813 and ₱272,393 as of June 30, 2025 and 2024, respectively.

12. BASIC LOSS PER SHARE

The Company's basic earnings (loss) per share is nil in 2025, 2024 and 2023.

	2025	2024	2023
a. Net income (loss from operations/ attributable to ordinary equity holders of the Company for earnings	₱ 146,872,043 ₱	167,262,293 ₱	89,643,900
b. Weighted average number of ordinary shares for the purposes of earnings per share	5,468,455,298	5,468,454,700	5,058,321,151
c. Earnings per share (a/b)	0.02	0.03	0.02

The weighted average number of ordinary shares for the periods 2025, 2024 and 2023 used for the purposes of basic earnings per share were computed as follows:

	Number of Ordinary Shares	Proportion to Period	Weighted Average	Total
June 30, 2025				
Outstanding shares at the beginning of the period	5,468,455,298	6/12	2,734,227,649	2,734,227,649
Outstanding shares at the end of the period	5,468,455,298	6/12	2,734,227,649	2,734,227,649
				5,468,455,298
June 30, 2024				
Outstanding shares at the beginning of the period	5,468,454,101	6/12	2,734,227,051	2,734,227,051
Outstanding shares at the end of the period	5,468,455,298	6/12	2,734,227,649	2,734,227,649
				5,468,454,700
June 30, 2023				
Outstanding shares at the beginning of the period	4,648,188,200	6/12	2,324,094,100	2,324,094,100
Outstanding shares at the end of the period	5,468,454,101	6/12	2,734,227,051	2,734,227,051
				5,058,321,151

13. FAIR VALUE MEASUREMENT

13.01 Fair Value of Financial Assets and Liability

The carrying amounts and estimated fair values of the Company's financial assets and liability as of June 30, 2025 and 2024 are presented below:

	June 30, 2025		June 30, 2024	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Assets:				
Cash	₱ 23,425,524	₱ 23,425,524	₱ 6,262,280	₱ 6,262,280
Due from related parties	1,612,762,476	1,612,762,476	1,629,925,720	1,629,925,720
	₱ 1,636,188,000	₱ 1,636,188,000	₱ 1,636,188,000	₱ 1,636,188,000
Financial Liability:				
Accrued professional fee	₱ 2,129,450	₱ 2,129,450	₱ 1,353,200	₱ 1,353,200

The fair values of other financial assets and financial liabilities are determined as follows:

- Due to short-term nature and demand features, Management believes that the carrying amounts of cash, due from related parties and accrued professional fee approximate their fair values due to either the demand feature or relative short-term duration of these asset and liability.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk, including currency risk, fair value interest rate risk, credit risk and liquidity risk.

14.01 Credit Risk Management

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risks from cash in bank, and due from related parties, all at amortized cost.

The Company considers the following policies to manage its credit risk:

➤ Cash in bank

The Company transacts only to banks with investment grade credit rating. This information is supplied by independent rating agencies. The Company uses other publicly available information such as annual report to monitor the financial status of the banks. The Company assesses the current and forecast information of the banking industry and the macro-economic factors such as GDP, interest, and inflation rates to determine the possible impact to banks.

➤ Due from related parties

The Company transacts with creditworthy stockholders. The Company assesses the current and forecast information of the counterparty's industry and the macro-economic factors such as GDP rate, inflation rate and foreign exchange rate to determine the possible impact to the counterparty.

As of June 30, 2025 and 2024, financial assets measured at amortized cost are as follows:

	2025	2024
Financial Assets		
Cash in bank	23,425,524	6,262,280
Due from related parties	1,612,762,476	1,629,925,720
	1,636,188,000	1,636,188,000

The calculation of allowance for expected credit losses are based on the following three (3) components:

- **Probability of Default (PD)**
PD is the likelihood over a specified period, usually one year that a counterparty will not be able to make scheduled repayments. PD depends not only on the tenant's characteristics, but, also on the economic environment. PD may be estimated using historical data and statistical techniques.
- **Loss Given Default (LGD)**
LGD is the amount of money a Company loses when a tenant defaults on a contract. The most frequently used method to calculate this loss is by comparing the actual total losses and the total amount of potential exposure sustained at the time that a contract goes into default. In most cases, LGD is determined after a review of a Company's entire portfolio, using cumulative losses and exposure for the calculation.
- **Exposure at Default (EAD)**
EAD is the total value a Company is exposed to when a loan defaults. It refers to the gross carrying amount of financial asset.

Below is the summary of computation of allowance for expected credit losses in 2025 and 2024:

June 30, 2025					
	PD rate	LGD rate		EAD	ECL
	a	b		c	d=a*b*c
Cash in bank	0.00%	0.00% to 95.73%	₱	23,425,524	₱ -
Due from related parties	0.00%	100.00%		1,612,762,476	-
			₱	1,636,188,000	₱ -
June 30, 2024					
	PD rate	LGD rate		EAD	ECL
	a	b		C	d=a*b*c
Cash in bank	0.00%	0.00% to 92.02%	₱	6,262,280	₱ -
Due from related parties	0.00%	100.00%		1,629,925,720	-
			₱	1,636,188,000	₱ -

Cash in bank

The Company the probability of default rate by considering the following: the credit ratings; the past, current, and forecast performance of Banking Industry; the past, current, and forecast macro-economic factors that may affect the banks; and the current and projected financial information. The Company the probability of default to be nil.

Loss given default rate is calculated by taking into consideration the amount of insured deposit and estimated it to be 92.02% to 95.73%.

Exposure at default is equal to the gross carrying amount of cash in banks.

Due from related parties

The Company determined the probability of default rate by considering the credit ratings, credit history and forecast of macro-economic factors affecting the food and restaurant industry. The probability of default rate is estimated to be nil.

Loss given default rate is 100% because the Company expects to lose the whole amount in case of default.

Exposure at default is equal to the gross carrying amount.

14.02 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Weighted Average Effective Interest Rate		Within One (1) Year
June 30, 2025			
Accrued professional fee	-	P	2,129,450
June 30, 2024			
Accrued professional fee	-	P	1,353,200

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Weighted Average Effective Interest Rate		On demand
June 30, 2025			
Cash	-	P	23,425,524
Due from related parties	-		1,612,762,476
	-	P	1,636,188,000
June 30, 2024			
Cash	-	P	6,262,280
Due from related parties	-		1,482,663,427
	-	P	1,488,925,707

15. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Management reviews the capital structure of the Company on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Company has a target gearing ratio of 1:1 determined as the proportion of debt to equity.

		2025		2024
Debt	₱	2,129,450	₱	1,353,200
Equity		2,010,628,388		2,011,404,638
Debt to equity ratio	₱	0.00:1	₱	0.00:1

The Company's liabilities are composed of accrued professional fee as disclosed in Note 9. The Company's equity is composed of capital stock, additional paid-in capital and deficit.

16. APPROVAL OF SEPARATE FINANCIAL STATEMENTS

These separate financial statements were approved and authorized for issuance by the Board of Directors on November 5, 2025.

17. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS NO. 15 – 2010

The Bureau of Internal Revenue (BIR) released a revenue regulation dated November 25, 2010 amending Revenue Regulations No. 21-2002 setting forth additional disclosures on Notes to Financial Statements. Below are the disclosures required by the said Regulation:

17.01 Taxes and Licenses Paid or Accrued

The Company has not paid or accrued taxes and licenses during the taxable period.

17.01.02 Deficiency Tax Assessments and Tax Cases

No deficiency tax assessments and tax cases during the period.

18. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS NO. 19 – 2011

Pursuant to Section 244 in relation to Section 6(H) of the National Internal Revenue Code of 1997 (Tax Code), as amended, these Regulations are prescribed to revise BIR Form 1702 setting forth the following schedules. Below is the disclosure required by the said Regulation:

18.01 Itemized Deduction

The Company's itemized deduction which pertains to professional fees amounted to ₱776,250 during the taxable year.

19. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS NO. 34 – 2020

Revenue Regulation (RR) No. 34-2020 prescribes the guidelines and procedures for the submission of BIR Form No. 1709, transfer pricing documentation and other supporting documents, amending for this purpose pertinent provisions of RR Nos. 19-2020 and 21-2002, as amended by RR No. 15-2010.

The Company is not covered by the requirements and procedures for related party transactions provided in RR 34-2020.

DE JESUS & TEOFILO, CPAs

Unit 1411, Cityland Herrera Tower, 98 V.A. Rufino Ave., Makati City

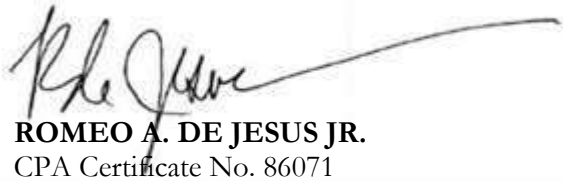
INDEPENDENT AUDITOR'S REPORT TO ACCOMPANY INCOME TAX RETURN

The Board of Directors and the Stockholders
FIGARO CULINARY GROUP, INC.
116 E. Main Avenue, Phase V, SEZ Laguna Technopark
Binan, Laguna

We have audited the separate financial statements of **FIGARO CULINARY GROUP, INC.** for the period ended June 30, 2025 on which we have rendered the attached report.

In compliance with Revenue Regulation V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

DE JESUS & TEOFILO, CPAs



ROMEO A. DE JESUS JR.

CPA Certificate No. 86071

BOA Accreditation No. 9953/P-002

Valid from March 25, 2025 to August 14, 2027

BIR Accreditation No. 08-007679-006-2024

Valid from March 15, 2024 until March 14, 2027

Tax Identification No. 109-227-897-000

PTR No. 10480595

Issued on January 13, 2025 at Makati City

November 5, 2025

DE JESUS & TEOFILO, CPAs

Unit 1411, Cityland Herrera Tower, 98 V.A. Rufino Ave., Makati City

REPORT ON THE INDEX AND SUPPLEMENTARY SCHEDULES

The Board of Directors and the Stockholders

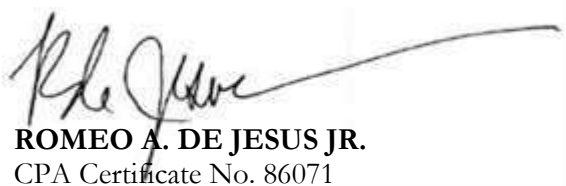
FIGARO CULINARY GROUP, INC.

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

Binan, Laguna

We have issued our report dated November 5, 2025 on the basic separate financial statements of **FIGARO CULINARY GROUP, INC.** as of and for the year June 30, 2025. Our audit was conducted for the purpose of forming an opinion on the basic separate financial statements of **FIGARO CULINARY GROUP, INC.** taken as a whole. The information in the index to the separate financial statements and the supplementary schedules as of and for the year June 30, 2025, which are not required parts of the separate financial statements, are required to be filed with the Securities and Exchange Commission. Such information is the responsibility of the Management of **FIGARO CULINARY GROUP, INC.** The information has been subjected to the auditing procedures applied in our audit of the basic separate financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

DE JESUS & TEOFILO, CPAs



ROMEO A. DE JESUS JR.

CPA Certificate No. 86071

BOA Accreditation No. 9953/P-002

Valid from March 25, 2025 to August 14, 2027

BIR Accreditation No. 08-007679-006-2024

Valid from March 15, 2024 until March 14, 2027

Tax Identification No. 109-227-897-000

PTR No. 10480595

Issued on January 13, 2025 at Makati City

November 5, 2025

FIGARO CULINARY GROUP, INC.
INDEX TO THE SHORT TERM FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES

June 30, 2025 and 2024

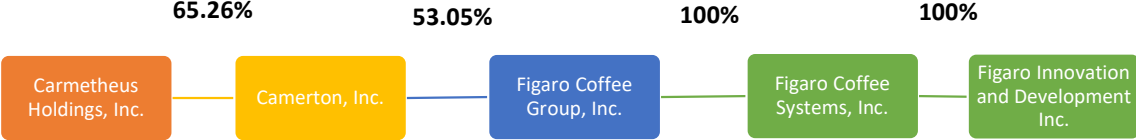
Schedule	Contents
	Index to the Short-term Audited Separate Financial Statements
I	Map Showing the Relationships Between and Among the Companies in the Group, its Ultimate Parent Company and Co-subsiaries
II	Reconciliation of Retained Earnings Available for Dividend Declaration
III	Financial Soundness Indicators
Supplementary Schedules	
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related parties)
C	Amounts Receivable from Related Parties and Amounts Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements
D	Intangible Assets - Other Assets
D	Long-Term Debt
E	Indebtedness to Related Parties
F	Guarantees of Securities of Other Issuers
G	Capital Stock

FIGARO CULINARY GROUP, INC.

INDEX I

**Map Showing the Relationships Between and Among the Companies in the Group,
its Ultimate Parent Company and Co-subidiaries**

June 30, 2025



FIGARO CULINARY GROUP, INC.**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION**

As of June 30, 2025

Unappropriated Retained Earnings, beginning of reporting period (see Footnote 2)	18,750,429
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings	
Reversal of Retained Earnings Appropriation/s	
Effect of restatements of prior-period adjustments	
Others (describe nature)	
Sub-total	-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	147,648,293
Retained Earnings appropriated during the reporting period	
Effect of restatements of prior-period adjustments	
Others (describe nature)	
Sub-total	147,648,293
Unappropriated Retained Earnings, as adjusted	(128,897,864)
Add/Less: Net Income (Loss) for the current year	146,872,043
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	
Unrealized fair value gain of investment property	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	
Sub-total	-
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to cash and cash equivalents but realized in the current reporting period (net of tax)	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	
Realized fair value gain of investment property	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	
Sub-total	-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	
Reversal of previously recorded fair value gain of Investment Property	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	
Sub-total	-
Adjusted Net Income/Loss	17,974,179
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	
Sub-total	-

Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP (see Footnote 3)

Amortization of the effect of reporting relief		
Total amount of reporting relief granted during the year		
Others (describe nature)		
Sub-total		-

Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution

Net movement of treasury shares (except for reacquisition of redeemable shares)		
Net movement of deferred tax asset not considered in the reconciling items under the previous categories		
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable		
Adjustment due to deviation from PFRS/GAAP - gain (loss)		
Others (describe nature)		
Sub-total		-

Total Retained Earnings, end of the reporting period available for dividend	17,974,179
--	-------------------

FOOTNOTES

- (1) The amount of retained earnings of a company should be based on its separate ("stand-alone") audited financial statements.
- (2) Unappropriated Retained Earnings, beginning of reporting period refers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declaration" of the immediately preceding period.
- (3) Adjustments related to the relief provided by the SEC and BSP pertain to accounting relief (e.g. losses that are reported on a staggered basis) granted by the regulators. However, these are actual losses sustained by the Company and must be adjusted in the reconciliation to reflect the actual distributable amount.
- (4) This Reconciliation of Retained Earnings Available for Dividend Declaration in pursuant to Sec. 42 of the Revised Corporation Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this Reconciliation of Retained Earnings should not be used by the REIT companies as a basis to determine the amount of its distributable income or dividends to its shareholders. The determination of its distributable income should be in accordance with the REIT Act and Implementing Rules and Regulations.

FIGARO CULINARY GROUP, INC.**INDEX III****Financial Soundness Indicators**

June 30, 2025 and 2024

Ratios	Formula	June 30, 2025	June 30, 2024
1 Current Ratio	Current Assets/Current Liabilities	₱ 768.36	₱ 1,209.13
2 Debt/Equity Ratio	Bank Debts/ Total Equity	-	-
3 Net Debt/Equity Ratio	Bank Debts-Cash & Equivalents/Total Equity	(0.01)	(0.00)
4 Asset to Equity Ratio	Total Assets/Total Equity	1.00	1.00
5 Interest Cover Ratio	EBITDA/Interest Expense	Not Applicable	Not Applicable
6 Profitability Ratios			
6.1 GP Margin	Gross Profit/Revenues	Not Applicable	Not Applicable
6.2 Net Profit Margin	Net Income/Revenues	Not Applicable	Not Applicable
6.3 EBITDA Margin	EBITDA/Revenues	Not Applicable	Not Applicable
6.4 Return on Assets	Net Income/Total Assets	(0.07)	(0.08)
6.5 Return on Equity	Net Income/Total Equity	(0.07)	(0.00)

FIGARO CULINARY GROUP, INC.
SCHEDULE A
SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS
June 30, 2025

Name of Issuing entity and association of each issue	Number of shares or Principal Amount of Bonds and Notes	Amount shown in the Statement of Financial Position *	Valued based on market quotations at end of reporting period	Income received or accrued
Amounts owed by related parties				
Parent	₱ nil	₱ nil	₱ nil	₱ nil
Subsidiary	nil	1,612,762,476	1,612,762,476	nil
Stockholders	nil	nil	nil	nil
	₱ -	₱ 1,612,762,476	₱ 1,612,762,476	₱

*Outstanding balance is based on the amount received from the related parties less collections as of end of reporting period.

FIGARO CULINARY GROUP, INC.

SCHEDULE B

SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

June 30, 2025

Name and designation of debtor *	Amounts owed by Related Parties										Balance at the end of the period	
	Balance at beginning of period	Additions		Amounts collected**	Amounts Written Off ***	Current	Not Current					
Ultimate parent												
Carmetheus Holdings, Inc.	₱ -	₱ -	₱ -	₱ -	₱ -	₱ -	₱ -	₱ -	₱ -	₱ -	₱ -	₱ -
Subsidiary												
Figaro Coffee Systems Inc.	1,612,762,476	2,836,756				1,615,599,232						1,615,599,232
Key management personnel												
Stockholders	-	-				-						-
	₱ 1,612,762,476	₱ 2,836,756				₱ 1,615,599,232						₱ 1,615,599,232

* The amounts outstanding are non-interest bearing, unsecured, will be settled in cash and collectible on demand. No guarantees or collateral have been received.

** All amounts collected were in cash.

*** No amount written off during the period.

FIGARO CULINARY GROUP, INC.

SCHEDULE C

**SUPPLEMENTARY SCHEDULE OF AMOUNTS OF RECEIVABLE FROM
RELATED PARTIES WHICH ARE ELIMINATED DURING THE
CONSOLIDATION OF FINANCIAL STATEMENTS**

June 30, 2025

Receivables from related parties which are eliminated during the consolidation							
Name and designation of debtor	Balance at beginning of period	Additions	Amount collected	Amount written off	Current	Not current	Balance at end of period

----- Nothing to Report -----

FIGARO CULINARY GROUP, INC.

SCHEDULE D

SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT

June 30, 2025

Long-term Debt			
Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "current portion of long-term" in related Statement of Financial Position	Amount shown under caption "long-term debt" in related Statement of Financial Position

----- Nothing to Report -----

FIGARO CULINARY GROUP, INC.

SCHEDULE E

SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)

June 30, 2025

Indebtedness to related parties (Long-term loans from related companies)

Name of related party	Balance at beginning of period	Balance at end of period
------------------------------	---	-------------------------------------

----- Nothing to Report -----

FIGARO CULINARY GROUP, INC.
SCHEDULE F
SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF
OTHER ISSUERS
 June 30, 2025

Guarantees of Securities of Other Issuers				
Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee

----- Nothing to Report -----

FIGARO CULINARY GROUP, INC.
SCHEDULE G
SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK
June 30, 2025

Capital Stock						
Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related Statement of Financial Position caption	Number of shares reserved for options warrants, conversion and other rights	Number of shares held by related parties	Number of shares held by directors, officers and employees	Others
Common Stock	11,550,000,000	5,468,455,298	-	5,468,455,295	3	-
Preferred Stock	9,250,000,000	2,125,000,000	-	2,125,000,000	3	-
	20,800,000,000	7,593,455,298	-	7,593,455,295	3	-

The following are the significant changes made since the date of the last Statements of Financial Position filed:

Increase in authorized capital stocks

On June 6, 2023, the Parent Company's Board of Directors and Stockholders approved the increase in authorized capital stock amounting to ₱1,340,000,000 comprising of 11,550,000,000 common shares at ₱0.10 par value per share or equivalent to ₱1,155,000,000 and 9,250,000,000 preferred shares at ₱0.02 par value per share or equivalent to ₱185,000,000. SEC approved the Group's application to increase its authorized capital stock on July 14, 2023.

For BIR Use Only BCS/Item:



Republic of the Philippines
Department of Finance
Bureau of Internal Revenue

BIR Form No.
1702-RT
January 2018(ENCS)
Page 1

Annual Income Tax Return
Corporation, Partnership and Other Non-Individual
Taxpayer Subject Only to REGULAR Income Tax Rate
*Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X".
Two copies MUST be filed with the BIR and one held by the taxpayers.*



1702-RT 01/18ENCS P1

1 For <input type="radio"/> Calendar <input type="radio"/> Fiscal 2 Year Ended (MM/20YY) 06 - June 20 25	3 Amended Return? Yes <input type="radio"/> No <input type="radio"/>	4 Short Period Return Yes <input type="radio"/> No <input type="radio"/>	5 Alphanumeric Tax Code (ATC) IC 055—Minimum Corporate Income Tax (MCIT) <input type="radio"/> IC010 - CORPORATION IN GENERAL - JAN 1, 2009 <input type="radio"/>
--	--	--	--

Part I - Background Information

6 Tax Identification Number (TIN) 010 - 061 - 026 - 00000	7 RDO Code 057
8 Registered Name <i>(Enter only 1 letter per box using CAPITAL LETTERS)</i> FIGARO CULINARY GROUP, INC.	
9 Registered Address <i>(Indicate complete address. If the registered address is different from the current address, go to the RDO to update registered address by using BIR Form No. 1905)</i> 116 E. MAIN AVENUE PHASE V SEZ LAGUNA TECHNOPARK, LOMA 4024 CITY OF BIN1AN LAGUNA 9A ZIP Code 4024	
10 Date of Incorporation/Organization <i>(MM/DD/YYYY)</i> 07/06/2018	11 Contact Number 86714232
12 Email Address malou@figaro.ph	
13 Method of Deductions <input type="radio"/> Itemized Deductions [Section 34 (A-J), NIRC] <input type="radio"/> Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended]	

Part II - Total Tax Payable *(Do NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)*

14 Tax Due	0
15 Less: Total Tax Credits/Payments	0
16 Net Tax Payable (Overpayment) <i>(Item 14 Less Item 15)</i>	0
Add: Penalties	
17 Surcharge	0
18 Interest	0
19 Compromise	0
20 Total Penalties <i>(Sum of Items 17 to 19)</i>	0
21 TOTAL AMOUNT PAYABLE (Overpayment) <i>(Sum of Items 16 and 20)</i>	0

If Overpayment, mark one(1) box only *(Once the choice is made, the same is irrevocable)*
 To be refunded To be issued a Tax Credit Certificate (TCC) To be carried over as a tax credit for next year/quarter

We declare under the penalties of perjury that this return, and all its attachments, have been made in good faith, verified by us, and to the best of our knowledge and belief, are true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. *(If signed by an Authorized Representative, indicate TIN and attach authorization letter)*

Signature over Printed Name of President/Principal Officer/Authorized Representative	Signature over Printed Name of Treasurer/Assistant Treasurer	22 Number of Attachments 000
Title of Signatory	TIN	Title of Signatory

Part III - Details of Payment


Particulars	Drawee Bank/ Agency	Number	Date(MM/DD/YYYY)	Amount
-------------	---------------------	--------	------------------	--------

23 Cash/Bank Debit Memo				0
24 Check				0
25 Tax Debit Memo				0
26 Others <i>(Specify Below)</i>				0
				0
Machine Validation/Revenue Official Receipt Details <i>[if not filed with an Authorized Agent Bank(AAB)]</i>			Stamp of Receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)	

BIR Form No. 1702-RT January 2018(ENC5) Page 2	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENC5 P2
Taxpayer Identification Number(TIN)		Registered Name
<input style="width:100%;" type="text"/>		<input style="width:100%;" type="text"/>
Part IV - Computation of Tax <small>(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)</small>		
27 Sales/Revenues/Receipts/Fees	<input style="width:100%;" type="text"/>	
28 Less:Sales Returns, Allowances and Discounts	<input style="width:100%;" type="text"/>	
29 Net Sales/Revenues/Receipts/Fees <small>(Item 27 Less Item 28)</small>	<input style="width:100%;" type="text"/>	
30 Less: Cost of Sales/Services	<input style="width:100%;" type="text"/>	
31 Gross Income from Operation <small>(Item 29 less Item 30)</small>	<input style="width:100%;" type="text"/>	
32 Add: Other Taxable Income Not Subjected to Final tax	<input style="width:100%;" type="text"/>	
33 Total Taxable Income <small>(Sum of Items 31 and 32)</small>	<input style="width:100%;" type="text"/>	
Less: Deductions Allowable under Existing Law		
34 Ordinary Allowable Itemized Deductions	<input style="width:100%;" type="text"/>	
35 Special Allowable Itemized Deductions	<input style="width:100%;" type="text"/>	
36 NOLCO <small>(Only for those taxable under Sec. 27(A to C); Sec. 28(A)(1)(A)(6)(b) of Tax code, as amended)</small>	<input style="width:100%;" type="text"/>	
37 Total Deductions <small>(Sums of Items 34 to 36)</small>	<input style="width:100%;" type="text"/>	
OR [in case taxable under Sec 27(A) & 28(A)(1)]		
38 Optional Standard Deduction (OSD) <small>(40% of Item 33)</small>	<input style="width:100%;" type="text"/>	
39 Net Taxable Income/(Loss) <small>if itemized: Item 33 Less Item 37; if OSD: Item 33 Less Item 38</small>	<input style="width:100%;" type="text"/>	
40 Applicable Income Tax Rate	<input style="width:100%;" type="text"/> %	
41 Income Tax Due other than Minimum Corporate Income Tax(MCIT) <small>(Item 39 x Item 40)</small>	<input style="width:100%;" type="text"/>	
42 MCIT Due <small>(2% of Item 33)</small>	<input style="width:100%;" type="text"/>	
43 Tax Due <small>(Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher)</small>	<input style="width:100%;" type="text"/>	
Less: Tax Credits/Payments(attach proof)		
44 Prior Year's Excess Credits Other Than MCIT	<input style="width:100%;" type="text"/>	
45 Income Tax Payment under MCIT from Previous Quarter/s	<input style="width:100%;" type="text"/>	
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s	<input style="width:100%;" type="text"/>	
47 Excess MCIT Applied this Current Taxable Year	<input style="width:100%;" type="text"/>	
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	<input style="width:100%;" type="text"/>	
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter	<input style="width:100%;" type="text"/>	
50 Foreign Tax Credits, if applicable	<input style="width:100%;" type="text"/>	
51 Tax Paid in Return Previously Filed, if this is an Amended Return	<input style="width:100%;" type="text"/>	
52 Special Tax Credits	<input style="width:100%;" type="text"/>	
Other Credits/Payments <small>(Specify)</small>		
53	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>
54	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>
55 Total Tax Credits/Payments <small>(Sum of Items 44 to 54)</small>	<input style="width:100%;" type="text"/>	
56 Net Tax Payable (Overpayment) <small>(Item 43 Less Item 55)</small>	<input style="width:100%;" type="text"/>	

Part V - Tax Relief Availment

57 Special Allowable Itemized Deductions <i>(Item 35 of Part IV x Applicable Income Tax Rate)</i>		0
58 Add: Special Tax Credits		0
59 Total Tax Relief Availment <i>(Sum of Items 57 & 58)</i>		0

BIR Form No. 1702-RT January 2018(ENCS) Page 3	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P3		
Taxpayer Identification Number(TIN) 010 061 026 00000		Registered Name FIGARO CULINARY GROUP, INC.		
Part VI - Schedules <small>(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)</small>				
Schedule I - Ordinary Allowable Itemized Deductions <small>(Attach additional sheet/s if necessary)</small>				
1 Amortization		0		
2 Bad Debts		0		
3 Charitable and Other Contributions		0		
4 Depletion		0		
5 Depreciation		0		
6 Entertainment, Amusement and Recreation		0		
7 Fringe Benefits		0		
8 Interest		0		
9 Losses		0		
10 Pension Trusts		0		
11 Rental		0		
12 Research and Development		0		
13 Salaries, Wages and Allowances		0		
14 SSS, GSIS, Philhealth, HDMF and Other Contributions		0		
15 Taxes and Licenses		0		
16 Transportation and Travel		0		
17 Others(Deductions Subject to Withholding Tax and Other Expenses) <small>(Specify below; Add additional sheet(s), if necessary)</small>				
a Janitorial and Messengerial Services		0		
b Professional Fees		776,250		
c Security Services		0		
d		0		
e		0		
f		0		
g		0		
h		0		
i		0		
18 Total Ordinary Allowable Itemized Deductions <small>(Sum of Items 1 to 17)</small>		776,250		
Schedule II - Special Allowable Itemized Deductions <small>(Attach additional sheet/s, if necessary)</small>				
	Description	Legal Basis		Amount
1				0
2				0
3				0
4				0
5 Total Special Allowable Itemized Deductions <small>(Sum of Items 1 to 4)</small>				0

BIR Form No. 1702-RT January 2018(ENCS) Page 4	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P4
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Taxpayer Identification Number(TIN)	Registered Name

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)

1 Gross Income	0
2 Less: Ordinary Allowable Itemized Deductions	776,250
3 Net Operating Loss (Item 1 Less Item 2) (To Schedule IIIA, Item 7A)	(776,250)

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO)

(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

Year Incurred	Net Operating Loss A) Amount	B) NOLCO Applied Previous Year/s
4 2025	776,250	0
5 2024	386,000	0
6 2023	345,000	0
7 2022	178,571	0

Continuation of Schedule IIIA (Item numbers continue from table above)

	C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) [E = A Less (B + C + D)]
4	0	0	776,250
5	0	0	386,000
6	0	0	345,000
7	0	0	178,571
8 Total NOLCO (Sum of Items 4D to 7D)	0	0	

Schedule IV - Computation of Minimum corporate Income Tax(MCIT)

Year	A) Normal Income Tax as Adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1	0	0	0
2	0	0	0
3	0	0	0

Continuation of Schedule IV (Item numbers continue from table above)

	D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1	0	0	0	0
2	0	0	0	0
3	0	0	0	0
4 Total Excess MCIT Applied (Sum of Items 1F to 3F)			0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income (Attach additional sheet/s, if necessary)

1 Net Income/(Loss) per Books	146,872,043
Add: Non-deductible Expenses/Taxable Other Income	
2	0
3	0
4 Total (Sum of Items 1 to 3)	146,872,043
Less: A) Non-Taxable Income and Income Subjected to Final Tax	

5	DIVIDEND INCOME	147,648,293
6		0
	B) Special Deductions	
7		0
8		0
9	Total (Sum of Items 5 to 8)	147,648,293
10	Net taxable Income (Loss) (Item 4 Less Item 9)	(776,250)



Marilou Roca <malou@figaro.ph>

Tax Return Receipt Confirmation

1 message

ebirforms-noreply@bir.gov.ph <ebirforms-noreply@bir.gov.ph>
To: malou@figaro.ph

Fri, Nov 7, 2025 at 9:43 AM

This confirms receipt of your submission with the following details subject to validation by BIR:

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FOR RETURNS WITH TAX PAYABLE:

Please pay through any of the following ePayment Channels:

Land Bank of the Philippines Link.BizPortal

- LBP ATM Cards
- Bancnet ATM/Debit Cards
- PCHC PayGate or PESONeT (RCBC, Robinsons Bank, UnionBank, PSBank, BPI, Asia United Bank)

DBP PayTax Online

- Credit Cards (MasterCard/Visa)
- Bancnet ATM/Debit Cards

Unionbank of the Philippines

- Unionbank Online (for Unionbank Individual and Corporate Account Holders)
- UPAY via InstaPay (For Individual Non-Unionbank Account Holders)

Taxpayer Agent/ Tax Software Provider-TSP

- (Gcash/PayMaya/MyEG)

This is a system-generated email. Please do not reply.

Bureau of Internal Revenue



ANNEX A

SUSTAINABILITY REPORT

CONTEXTUAL INFORMATION

Name of Organization	Figaro Culinary Group, Inc. (PSE:FCG) (formerly Figaro Coffee Group, Inc.)
Location of Headquarters	116 East Main Ave, Phase V-SEZ, Laguna Technopark, Biñan, Laguna, 4034
Report Boundary: Legal entities (e.g., Subsidiary) included in this report	Figaro Coffee Systems, Inc. (FCSI)
Business Model. Including Primary Activities, Brands, Products, and Services	Full-service restaurant chain Brands: Angel's Pizza, Figaro Coffee, Tien Ma's, and Koobideh Kebabs
Reporting Period	July 1, 2024 to June 30, 2025
Highest-ranking person responsible for this report	Divina Gracia G. Cabuloy President & CEO Michael T. Barret Director/ EVP, COO & CIO
Contact for questions regarding the report	Investor Relations corporate@figaro.ph

MATERIALITY PROCESS

FIGARO CULINARY GROUP, INC., (formerly the Figaro Coffee Group, Inc.) as a Parent Company of its wholly owned operating subsidiary, Figaro Coffee Systems, Inc. (“FCSI” or the “Subsidiary”), has minimal activities. The sustainability report of the Company depends on the actions performed by its Subsidiary to manage risk and capitalize on possible opportunities. Thus, references to “FCG”, the “Company” or “Group” throughout this report pertains to both the Parent Company and its Subsidiary, unless otherwise specified in the statement.

Company Mission: Spreading Happiness Through Food and Value

Diversity and Balance. Through a diverse selection of brands and concepts, we minimize risk and volatility during challenging periods, while maximizing returns during strong economic backdrops. This streamlined brand allocation in the portfolio allows the company to maximize its back-end strengths and utilize economies of scale which creates a refined balance in the Company’s return ratios and capital allocation.

Customer-Value Oriented. To be value-oriented is one thing, but to be Customer-Value Oriented is a higher level in itself. At FCG, we make every decision and action based on what would be the best for our customers and what would delight them the most. We believe in being obsessed with customer satisfaction and aligning every facet of our strategy and goals with our valued customers.

Integrated. From our supply chain, commissary, manufacturing, and logistics, we are fully integrated to ensure high quality to maximize efficiency and optimize costs. Through technology, the company integrates outside partners as well as internal departments to always be up to speed on data analytics needed for quick decision-making.

Sustainable Execution. Our philosophy has always been long-term sustainability and business viability. We achieve this through diversification, prudent investing, and growth management. We ensure that capital expenditures will be put to good use to create long-term value for the company. We expand at our own pace based on what will create the best long-term sustainable value for customers, shareholders, and the Company.

We always practice good governance and actively pursue the cause of socio-cultural and environmental concerns. The Group creates long-term value for its shareholders and business partners through profitable operations and business sustainability, and dignity of life for its employees. As the Company moves towards the accomplishment of its corporate goals and ultimately to create and sustain increased value for all its shareholders, the Board of Directors, the Board Committees, particularly the Corporate Governance Committee, the management, officers, and employees of the Company believe that sound and effective governance is fundamental to its continued success and long-term existence.

a. Environment

FCG’s Environmental, Social and Governance (“ESG”) Policy goals are embedded and remain our core in everything we do in business. We believe we have a responsibility to minimize the energy, carbon, water, and waste impacts of our business and recognize that these impacts occur not just in the daily operations of our portfolio but also throughout our entire value chain. As a result, we strive to reduce environmental impacts across the full life cycle of our buildings and our corporate operations.

b. People

A deep commitment to social responsibility is core to who we are as a Company. We believe people are the heart of our business and take pride in our outstanding work culture. We strive to be an optimal player to our employees, business partners, as well as valued partners in our communities.

We create fun, spirited work environments that reward innovation and collaboration at all levels. Also, the health and safety of our employees, tenants, and vendors is of the utmost importance to us. Each year, we conduct various health seminars and awareness programs which require our employees to complete safety training.

Our management team has a strong background in the food and beverage industry, with an average of 31 years of exposure in different aspects of restaurant/café operations management such as store operations, business development, sales and marketing, international store expansion, research and development. We maximize our employees' potential by honing their unique skills and motivating them to become an important part of the organization. We continue to develop processes and procedures to train our employees on the techniques required to effectively operate our kitchens.

c. Product

The Company Mission is to deliver quality, innovative, and value-for-money food favorites that every customer will love and want to share. Our Company continues to work towards our vision to be the top- of-mind food company in delivering happiness to customers and value to our partners and shareholders. We ensure that our products are of top quality and meet the requirements of Food Safety Regulators. FCG also develops products that health-conscious individuals would love.

Our products are produced under the strict supervision of our Quality Assurance Department, making sure that all produced goods will be of the highest quality. With the well-established systems and the presence of dynamic individuals from the Research and Development group, we are highly confident that we can capture a larger share of the food and beverage segment by providing a variety of new products to a broader spectrum of customers. Principles of professionalism, sustainability, and customer focus run our business philosophy. We operate our own roasting facility, warehouse and supplies, and commissaries to cater to and supply our stores and business partners. Our commissary is capable of producing high-volume products without compromising on its quality. Our roasting facility operations guarantee the freshness and quality of our coffee products. Our Roasting Team members are trained at the Institution of Coffee Excellence located in Mandaluyong City. Training courses include Coffee 101, Roasting, and Third Wave, among others. We highlight the importance of Quality, Consistency, and Value in all the goods that we are producing.

Our commissary was previously Halal-certified and HACCP-compliant. Due to the pandemic, these certifications have not yet been renewed. However, the Company's operations and processes have been further enhanced to consistently adhere to the strict standards on food preparation, safety, and quality. Our facilities also adhere to the highest quality standards and have complied with the Rules and Regulations Governing the Operations of Food and Food Products Manufacturing and Processing Establishments, and the Good Manufacturing Practices Requirements under Administrative Order No.153, series of 2004. On April 24, 2025, the Food and Drug Administration issued the renewal of the Company's License to Operate as Food Manufacturer and is valid until May 5, 2029. In addition, as of end of September 2025, the Company is in the process of securing the Certificate of Good Manufacturing Practice (GMP) in favor of the Company. Also, through our commissary, we now offer a variety of ready-to-eat and frozen meals, including pastries, available to the market and our employees at the head office.

RECENT DEVELOPMENTS

DIGITAL PROGRAMS

To cater to the ever-changing consumer demand, the Figaro Group Online (www.figaro.ph) and Angel's Pizza Online Store (www.angelpizza.com.ph) launched in 2020, continue to serve our customers. Our brand can also be reached in Google Play and App Store using the Angel's Pizza mobile application. Connected to the Amazon Cloud, it features an exciting points-and-rewards system that would be convenient and fun for mobile users to earn and collect points as they make purchases. We also opened a TikTok account <https://www.tiktok.com/@figarocoffeeph> to provide entertainment and customer engagement such as dance challenges and singing contests. On October 27, 2023, Angel's Pizza released the Sama-Sama sa Angel's Pizza music video on its Facebook page, which garnered millions of views on Facebook and TikTok. The music video displayed Filipino values and simple celebrations such as bringing boxes of pizza to your family at home as "*pasalubong*", partnered with a catchy melody and lyrics that everyone can sing along to. We ensure that our systems are up-to-date, reliable, and secure. We have successfully directed our efforts in developing ready-to-eat (RTE) meals and capitalized on our strong delivery team to provide convenience to the comforts of their homes or offices.

AWARDS AND RECOGNITION

The Group's Angel Pizza brand became one of the top food delivery brands identified by Grab, and Creamy Spinach continues to be the Group's top-selling Pizza variant. FCG has been highlighted at the Golden Grab Awards wherein Angel's Pizza received awards for Operational Excellence and the coveted Platinum Fan Fave Award for two consecutive years. FCG is recognized for the overall partnership with Grab and its success in pizza delivery services. The Research and Development Team, in collaboration with our Marketing Team, continues to identify and keep up with the recent trends that influence the consumer's behavior and preferences by comparing previous and present data and conducting product revamp and dry run. We ensure that every option that consumers are looking for is available in our stores.

SCRAP RECOVERY

Further, in the first quarter of 2023, Management commenced the Scrap Recovery initiative which has been found successful in generating good results. Several benefits to the community and financial gains for the company are anticipated for the coming years. The total cash generated for this period is P326,132.00, higher than last year.

STRATEGIC PARTNERSHIP WITH LOCAL AGRICULTURAL COOPERATIVES

On October 11, 2024, FCSI's subsidiary, Figaro Innovation and Development Inc ('FIDI') signed a strategic partnership with San Jose Worker's Multi-Purpose Cooperative ('SJWMPC') and the Batangas Organic and Natural Farming Agriculture Cooperative ('BONFAC') aimed at boosting the local agricultural development and ensuring food security with the ongoing efforts to promote sustainable agriculture and provide innovative solutions to food security challenges in the country. This signing event coincided with the World Egg Day, emphasizing on the importance of local food production.

SAMA SAMA RUN PROGRAM

On January 12, 2025, Angel's Pizza organized the first "Sama Sama Run 2025" at Ortigas Center in Pasig City. The event was joined by approximately 3,500 participants who took part in the race of four categories: 16K, 10K, 5K and 3K. Aside from reaching their personal fitness goals, runners also supported a meaningful cause, as a portion of the event's proceeds were donated to the Figaro Foundation to support the local coffee farmers.

Participants received medals, finisher shirts and loot bags as event souvenirs. The list of the winners for this event is posted on <https://angelpizza.myruntime.com/results/angels-pizza-sama-sama-run-2025> .

ANGHEL KAPE LAUNCH

Angel's Pizza: Now Brewing Beyond Pizza

Angel's Pizza has proudly launched its first-ever venture into the *ready-to-drink* coffee segment. Launched in July 2025, Anghel Kape features a selection of 3-in-1 coffee mixes, thoughtfully developed to cater the evolving tastes and preferences of the Filipino consumers. Available in three rich and flavorful variants, each crafted to deliver a quality coffee experience in the convenience of a sachet. *Caramel Macchiato*, smooth and indulgent blend of coffee with the sweet, buttery notes of caramel. *Spanish Latte*, a well balanced combination of espresso and sweetened milk offering a creamy and familiar taste profile and *Palm Sugar Latte*, a unique blend that features the natural richness of palm sugar for a deeper, more nuanced flavor. These instant coffee mixes can be served either hot or cold, for consumers to enjoy at anytime of the day. Anghel Kape is now available nationwide on Shopee, Lazada and Tiktok Shop.

With Anghel Kape, Angel's Pizza continues its commitment to diversifying its offerings while maintaining the quality and value that the brand is known for, extending its reach beyond pizza, bringing its signature flavor experience into the everyday coffee moments of our valued customers.

CONCEPT	NEW STORES OPENED
	2025 (July 1, 2024 – June 30, 2025)
FIGARO	61
ANGEL'S PIZZA	157
TIEN MA	8
FIGARO EXPRESS	11
KOOBIDEH KEBABS	1
TOTAL	238

*Our Angel's Pizza concept includes full stores, kiosks, carts, and dual-concept, sharing the same space with Figaro and Tien Ma's stores.

** As of 31 October 2025, Figaro Culinary Group Inc. has a total number of 223 stores to date.

The Group enthusiastically opened in December 16, 2023, its very first Persian-concept store in Makati called Koobideh Kebabs, offering a diverse and versatile menu where diners can have an Indo-European culinary experience and choose between heavy and light meals. Featured among the main dishes are Chelo Kebab Meals, Chelo Kebab Packs, Burger Kebab, Hummus with Pita, and Sheikh's Best Guava Iced Tea.

New Products

The Company's new products launched within this fiscal year period include:

Angel's Pizza

- Creamy Spinach Double Deal Plus (launched for GrabFood Fan Faves 2024 contest)
- Angel's Combo Meals (Meal Deals)
- Chocolate Chipicious
- Super Saver Pizza
- Angel's Pizza Pink Lychee Lemonade
- Chocolate Crinkles
- Bulgogi Gochujang Pizza

Figaro Coffee

- American Breakfast Sampler
- Easy Eggs Benedict
- Classic Avocado Toast with Poached Egg
- Wild Berries Muffin
- English Bread Pudding
- Sausage Roll
- Biscoff NY Cheesecake
- Dilmah Tea Bags
- Strawberry Filled Forever
- Caramel Cookie Crumble
- Purple Yam Oat Milk Latte
- Dulce De Leche Series
- Strawberry Shortcake
- Strawberry Shortcake Éclair
- Orange Marmalade Chia Muffin

- Rice Meals
- English Muffin – Ham
- English Muffin – Bacon
- English Muffin – Longganisa
- Ham & Cheese Sandwich
- BLT Sandwich
- Grilled Cheese Bacon
- Grilled Cheese Ham
- Panini Sandwich – BLT
- Panini BBQ Chicken Sandwich
- Panini Ham & Bacon Sandwich

Tien Ma's

- Chicken and Vegetable Claypot
- Tofu and Vegetable Claypot
- Sambal Kangkong
- Butterflied Tilapia
- Vegetarian Green Fried Rice

Koobideh Kebabs

- Mediterranean Quinoa Salad
- Moussaka

CORPORATE SOCIAL RESPONSIBILITY

The Company remains committed to continuing its Corporate Social Responsibility (“CSR”) program in line with our commitment to “Strengthening our Communities” as embodied in our ESG Policy. We have a long history of providing meaningful, and often transformational support to the communities in which we operate. We support activities and programs geared towards community welfare and environmental protection. We also provide charitable support to key industry and professional organizations, often in the form of event sponsorships. In January 2024, the Figaro Foundation was re-established to pursue deeply-rooted advocacies and to designate a strong dedicated team that will do the planning and coordinating with external organizations to make the existing and future CSR activities of the company happen, aligning them with the company’s mission to provide food favorites that everyone wants to share.

Led by the Figaro Foundation, our CSR activities for this fiscal year period include the following:

Angel ng Buhay Ko – An Angel’s Pizza Series Project

Angel’s Pizza’s “*Anghel ng Buhay Ko*” is a collection of a 3-minute documentary series featuring stories of individuals that share inspiration to viewers with each episode highlighting their unique ways of helping others despite their own circumstances and how to make a difference in the world.

The project also aims to help those who are in need and/or deserve appreciation and recognition for their love and compassion towards others. “*Angel ng Buhay Ko*” started production in November 2023 and published its first episode on December 08, 2023. Now, with 10 episodes posted on <https://www.facebook.com/angelpizzaph/>, Angel’s Pizza’s official Facebook page, the series already garnered 43 million views on Facebook.

Angel’s Pizza Party

This program was created for orphanages and charitable institutions with the goal to create and give the children, the best party experience and happiness to every child involved. The program features an hour-long celebration planned by the Figaro Foundation team beginning with the introduction of the Angel mascot to set the cheerful tone for the party followed by the intermission performance of the team much to the delight of the audience, specially the children watching. The program also highlights dance challenges and traditional Filipino games played by children with prizes in store for the winners. Angel’s very own pizza and pasta combo meals are served as a special treat. The program ends with the distribution of party favors among the kids and a group photo session to capture the heartwarming memory of the event.

11 July 2024 – Little Angels Home, Mendez Cavite (30 children in attendance)

08 Aug 2024 – Bukid Bataan Center, General Trias Cavite (25 children in attendance)

Bethlehem House of Bread Orphanage, Baliwag Bulacan (75 children in attendance)

23 Oct 2024 – Children’s Home of Mary of Eucharist, San Fernando Pampanga (25 children in attendance)

16 Nov 2024 – Gabay sa Landas, Angono Rizal (25 children in attendance)

10 Dec 2024 – Fr. Simpliciano Children’s Home in San Jose Del Monte Bulacan (50 children in attendance)

04 February 2025 – Samaritan’s Place, Silang Cavite

15 February 2025 – Sponsorship for Cerebral Palsy Warriors

14 March 2025 – Tahanan Mapagkalinga ni Madre Rita, Inc.

25 April 2025 - St. Martin De Porres

23 May 2025 – JCI Sponsorship (UCAL) , Balut Tondo Manila

“End Hunger for a Better Tomorrow” Program

Bunwich and Lugaw Project

The global issue of hunger and food security has shown an alarming increase since 2015, aggravated by factors including the COVID-19 pandemic, conflict, climate change and deepening inequalities. The Figaro Foundation with the theme “*End Hunger for a Better Tomorrow*”, continue to conduct a feeding program which aims to provide free food to the urban community. This is a weekly scheduled activity, specifically every Thursday to cater to the needs of these communities. Distribution of bunwich and porridge to children including their families benefit from this ongoing program. Each FCG department sends representative/s together with Ms. MJ Herrera, admin from the Figaro Foundation to facilitate the program. The “Lugaw Project” distributes 300 servings of lugaw with egg and packs of assorted vegetables generously supplied by Sarisuki. To date, FCG has supported communities in Baseco, Tondo, Makati, selected hospitals and several schools. Families and evacuees affected by recent typhoon and fire related incidents were also supported by this donation drive.

12 September 2024 – Payatas Quezon City, 400 Asado and Teriyaki bunwiches were distributed
19 September 2024 – Visit to 4 Daycare Centers in Payatas Quezon City (Sto. Nino, Pinasama, Lower Jasmin and Lourdes Daycare Center, 300 servings of lugaw with egg were distributed
03 October and 10 October 2024 – Hosted at San Pedro Calungsol Quasi-Parish in Muntinlupa, 300 servings distributed
17 October and 24 October 2024 – Bgy. Layug Pasay, City , 300 servings of lugaw distributed
L. Lupa St. Bgy 32 Maypajo, Kalookan
23 January 2025 – Pasay City residents affected by fire
30 January 2025 – Philippine National School for the Blind, University of Pasay
06 February 2025 – Day Care Center
27 February 2025 – San Ildefonso Parish
06 March 2025 – San Ildefonso Parish
13 March 2025 – Tramo Pasay
20 March 2025 – City University of Pasay
27 March 2025 – San Pablo Apostol Parish, Tondo Manila
10 April 2025 - San Pablo Apostol Parish & Block 10, Tondo Manila
23 April 2025 – Naval Base Heracleo Alano, Sangley Point, Cavite City
30 April 2025 - San Pablo Apostol Parish, Tondo Manila
17 May 2025 – Summer Outing Sponsorship for Hospicio De San Jose
12 June 2025 – Lung Center of the Philippines (AP and Figaro sponsorship)
26 June 2025 – Hospicio de San Jose

“From Crop to Cup” – The Figaro Coffee Tree Planting Project

The Figaro Foundation, in collaboration with the local government of Balete Batangas, and the Batangas Coffee Farmers Federation (“BaCoFFed”) hosted the first coffee tree planting event called “*Figaro Coffee Tree Planting 2024: From Crop to Cup*” held last August 24, 2024 in Barangay Malabanan, Balete Batangas.

The activity is centered on planting Liberica coffee seedlings with the goal of reviving the region’s rich coffee heritage and extend support to the region’s local coffee farmers. The seedlings were donated to Batangas Coffee Farmers Federation (“BaCoFFed”). Over 100 participants took part in the event including local officials, celebrities among others, planting 1,000 Liberica seedlings donated by the Figaro Foundation to the Batangas Coffee Federation.

Souvenirs and kits were sponsored by thirteen (13) of FCG's major suppliers. The Figaro Foundation pledged to maintain the planted areas through a biannual site maintenance ensuring their growth and sustainability for the next two years.

The next coffee tree planting event is scheduled on September 13, 2025.

ECONOMIC

ECONOMIC PERFORMANCE

DISCLOSURE	AMOUNT	AMOUNT	AMOUNT	UNIT
	2025	2024	2023	
Direct Economic value generated (revenue)	5,671,444,081	5,450,109,015	4,284,080,714.00	Php
Direct economic value distributed:				
a. Payments to Suppliers and Operating Costs	3,893,101,410	4,135,523,313	2,953,180,468.00	Php
b. Employee wages and benefits	663,662,978	640,356,951	441,584,160.00	Php
c. Interest payments to loan providers	79,833,872	25,436,709	1,728,647.00	Php
d. Dividends given to stockholders	147,648,293	147,648,293	-	Php
e. Taxes given to government	70,152,034	344,968,377	123,128,036.00	Php
f. Investment to communities (eg. Donations, CSR)	600,000.00	2,105,845	1,143,057.00	Php

Management Approach on Economic Performance

Php million of Php 5.4 billion revenues are funneled towards our key stakeholders, including our business partners, suppliers, stockholders, employees, banks, and government agencies.

The Group continues to make its mark in the industry through the growth of store network and product developments. As of 30 September 2025, the company operates 223 stores nationwide (corporate owned and franchise) with an additional 53 stores that opened from 01 July 2024 up to 31 October 2025. Further, 15 stores are still in progress to form part of the 280 target number of stores by the end of the year 2025.

FCG owns 100% of its Subsidiary, thus any negative effect on the Subsidiary's business would greatly affect the financial performance of the Company.

Figaro Innovation and Development Inc. (FIDI), a subsidiary of Figaro Coffee Systems Inc. (FCSI), commenced commercial operations in 2023. The company was duly certified by the Department of Trade and Industry (DTI) and the Philippine Economic Zone Authority (PEZA) as an Accredited Coffee Exporter, authorized to engage in the production of coffee blends, including the House Reserve, Espresso Blend, and French Roast. PEZA likewise recognized FIDI as an Export Enterprise for these activities.

On October 7, 2024, PEZA issued a Certificate of Registration (COR) to FIDI for its new project involving the production of pizza products and frozen pizza. This new activity was likewise registered under PEZA as an Export Enterprise and is entitled to the same set of incentives previously granted for the coffee blend operations. These incentives include: an Income Tax Holiday (ITH) for five (5) years, Special Corporate Income Tax (SCIT) for ten (10) years, duty exemption for fifteen (15) years, and exemption from Value-Added Tax (VAT) and VAT zero-rating for fifteen (15) years.

Climate Related Risks and Opportunities

The impacts of climate change in the Philippines are immense. Heavy rainfall and floods are just some of the major impacts which also is a risk to our business.

We are committed to driving down our energy and carbon impacts, as we believe that climate change is one of the greatest risks to our world. The company supports a vision to be net zero carbon and to reduce our greenhouse emissions. Our sustainability program is committed to environmentally sustainable initiatives that deliver near-term efficiency, value, and health for our business, tenants, and community.

Climate change is a priority issue for our business. We have a long-standing strategy to reduce our carbon footprint. We approach this challenge by reducing the impact we have on climate change; by identifying the risks of a changing climate has on our business; and by collaborating with key stakeholders to amplify our actions. Our climate strategy supports our sustainable agriculture, water, and waste strategies.

We are committed to driving down our energy and carbon impacts, as we believe that climate change is one of the greatest risks to our world. The Company supports a vision to be net zero carbon and to reduce our greenhouse emissions. Our sustainability program is committed to environmentally sustainable initiatives that deliver near-term efficiency, value, and health for our business, tenants, and community. As part of the Group's mindful consumption of natural resources and reduced paper usage, we highly practice paperless transactions by digitalizing check preparation and invoicing.

Our business is a contributor in the emission of greenhouse gas emissions, be it direct or indirect, beginning from our business partners, including suppliers and franchisees, up to our consumers. To help the environment and in line with FCG's ESG Policy that embodies our sustainability advocacy, we have established specific Company policies on different aspects of our business – whether our water, waste, or energy conservation efforts. These Company Policies and Guidelines being strictly implemented by the Group include (i) Stores Proper Waste Management Policy, (ii) Commissary Proper Waste Management Policy, (iii) Waste Management & Disposal Guidelines, (iv) Drainage System Guidelines, (v) Waste Segregation & Disposal Guidelines, (vi) Waste Collection Guidelines, (vii) Waste Transportation Guidelines, and (viii) Water Safety Policy.

PROCUREMENT PRACTICES

DISCLOSURE	QUANTITY 2025	QUANTITY 2024	QUANTITY 2023	UNIT
Percentage of Procurement Budget used for significant locations of operations that is spent on local suppliers	63.30% Local	66.84% Local	57% Local	%
	36.70% Imported	33.16% Imported	43% Imported	
	100% (Procurement Budget)	100% (Procurement Budget)	100% (Procurement Budget)	

The Company sources all its materials both local and imported ingredients for its products through FCG's accredited local suppliers and distributors.

The Company uses raw materials that are manufactured locally and abroad. All of the Company's supply of fresh vegetables, processed meat, and coffee beans are sourced locally from our accredited local suppliers, while our supply of dairies, mozzarella, cream cheese, frozen spinach, and shrimp are imported from foreign suppliers through our accredited local distributors. With store expansion, the Company strengthened its local procurement of materials and ingredients and started importing packaging this year. The Company prioritizes providing opportunities for local products to be recognized nationwide. Our store equipment, furniture, and fixtures are likewise manufactured overseas but we procure through local distributors as well. Meanwhile, our stainless equipment is locally fabricated. The following summary provides details on the percentage of our procurement budget spent on local and imported materials.

LOCAL	2025 %	2024 %	2023 %	IMPORTED	2025 %	2024 %	2023 %
Perishable (vegetables, processed meat, coffee)	45.11%	51.09%	41%	Perishable (dairies, shrimp, frozen spinach)	34%	27.71%	37%
Non-perishable	5.66%	6.11%	5%	Non-perishable	0.26%	0.72%	1%
Equipment	5.86%	2.57%	1%	Equipment	2.20%	4.52%	6%
Packaging	6.67%	7.12%	8%	Packaging	0.22%	0.22%	0.20%

Management Approach on Procurement Practices

Food Safety is a top priority and we dedicate significant resources, including our supply chain team and quality assurance team, to help ensure that our customers enjoy safe, quality food products. We have taken various steps to mitigate food quality and safety risks, including having personnel focused on this goal together with our supply chain team. Our stores undergo third-party food safety reviews, internal safety audits, and routine health inspections. We also consider food safety and quality assurance when selecting our suppliers.

Maintaining a high degree of quality in our stores depends in part on our ability to acquire from reliable suppliers' ingredients and other necessary supplies that consistently meet our specifications. We carefully select suppliers based on quality and their understanding of our brand, and we seek to develop mutually beneficial long-term relationships with them. We work closely with our suppliers and negotiate the terms of our contracts consistent with the industry standards. We rely on key suppliers for certain raw materials. We do not depend on a single supplier that would have a material adverse effect on its operations. Despite having key suppliers, we do not have any exclusive supply agreements and instead have several suppliers for each key raw materials and equipment needs.

To ensure high quality and safe materials, supplies, equipment, and services by accrediting suppliers and regularly evaluating their performance. The procedure covers the activities from the assessment of the application for accreditation to the evaluation of the performance of accredited suppliers.

They are also being audited by our Quality Assurance Department based on a comprehensive Assessment Checklist to make sure that suppliers meet the set standards.

As of date, FCG engages local suppliers and distributors for all of the raw materials needed for our products. Fresh vegetables are sourced from Baguio, Cavite, and Nueva Ecija for the NCR stores and Commissary, while for our provincial stores in Visayas and Mindanao region, we give priority to the communities and local markets in their respective areas to supply fresh products once approved by our Purchasing Department and R&D Team. Further, our supplier for mozzarella, whom we are giving about 70% of our consumption, is now being produced locally. The Procurement Team is also exploring the possibility of directly importing key dairy products i.e. Mozzarella and Cream Cheese.

The Internal Audit Department has initiated a program to outsource centralized suppliers for specific raw materials – such as chicken, vegetables, and mozzarella, targeting provincial locations including Laoag, La Union, Tuguegarao, Cebu, Davao and Dumaguete. The Purchasing Department has already identified suitable suppliers to serve these areas. Additionally, the Internal Audit Department has implemented the centralization of service providers for repairs and maintenance. The initiative aims to enhance operational efficiency, improve service response times and reduce costs across all stores.

Supplier audits for coffee beans and spinach were completed in the last quarter of 2024 as part of the ongoing quality and compliance checks.

In addition, the Company has continued to champion the local Barako coffee and now offers a wide selection of different coffee flavors, as our Figaro Coffee brand that celebrated its 30th milestone in 2023 has become the epitome of what a world- class global homegrown Filipino brand can become. We source our coffee beans from local suppliers that have passed our stringent accreditation standards to ensure that every batch of coffee beans supply has passed our Quality Assurance. We have no long-time warehousing, we do not import roasted coffee and we do not use broken or old green beans. We roast our coffee in our own roasting facility, and directly supply each of our Figaro Coffee branch and other stores serving our brand.

The Company's Procurement Team is also working on finding additional suppliers for our expansion plans. The Company considers suppliers who not only qualify based on our criteria and standards for accreditation of suppliers, but also those who share the same vision and goals as the Group.

ANTI-CORRUPTION

DISCLOSURE	AMOUNT 2025	AMOUNT 2024	UNITS
Percentage of employees to whom the organization's anti- corruption policies and procedures have been communicated to	100	100	%
Percentage of business partners to whom the organization's anti- corruption policies and procedures have been communicated to	100	100	%
Percentage of directors and management that have received anti- corruption training	100	100	%
Percentage of employees that have received anti-corruption training	100	100	%

Management Approach on Anti-Corruption

FCG ensures that all Rules and Regulations, including our Anti-Corruption policies, are properly cascaded to new employees during employees' orientation. The Company likewise ensures that FCG's Business Integrity principles are integrated into the engagements, contracts, and dealings among franchisees, suppliers, service providers, and government authorities. FCG strongly abides with its Code of Business Conduct and Ethics ("Code") which upholds Business Integrity at all times through its commitment that, "any form of corruption, extortion and embezzlement shall be prohibited. We shall not offer, pay, or accept bribes or participate in other illegal inducements in business or government relationships. We shall work against corruption in all its forms."

Incidents of Corruption

DISCLOSURE	AMOUNT	AMOUNT	UNITS
Number of incidents in which directors were removed or disciplined for corruption	0	0	%
Number of incidents in which employees were dismissed or disciplined for corruption	0	0	%
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	0	%

Management Approach on Incidents of Corruption

As of date, there has been no incident of corruption involving our directors, employees, and business partners. The Company's HR Policies provide the appropriate procedures and sanctions for violations of the Company Policies and Code that will be accordingly implemented by Management should there be any incident of corruption.

ENVIRONMENT

RESOURCE MANAGEMENT

We have a long-term environmental performance target for the portfolio that addresses energy and water consumption. To achieve our targets, each of our properties is monitored regularly by our third-party consultants. Water Potability sampling, testing, and monitoring are done on a monthly basis by our accredited service provider, Scientia Tech. Water Potability and LPG usage of the Company are also being monitored by the accredited service providers endorsed by the respective LGUs where the Company's stores or branches are located. The Company's LPG or gas line suppliers likewise conduct monitoring and inspection of our stores.

Energy Consumption within the organization

DISCLOSURE	AMOUNT 2025	AMOUNT 2024	AMOUNT 2023	UNIT	REDUCTION
Energy consumption (LPG)	728,100	667,450	437,417	Kls	-
Energy consumption (Diesel)	259,385.34	242,861.83	153,448.61	Liters	-
Energy consumption (Electricity)	39,938.78	23,833	23,082.13	GJ	-

Increase in the consumption of LPG, Diesel and Electricity is brought about by increasing number of stores.

Management Approach on Energy Consumption

Our corporate office, stores, and commissaries run primarily on electricity, LPG, and gasoline. The Company is committed to ensuring efficiency in energy consumption for its business operations and will continue to study and find ways to be even more efficient in the use of energy resources. Our energy consumption initiatives include energy retrofits, energy management system upgrades, and equipment upgrades. We have adopted sustainability policies for our head office and all corporate and franchise stores that include criteria such as energy-efficient lighting and appliances, water-efficient fixtures, recycling programs with 3rd party service providers, and e-waste collection events which promote a healthy, safe working environment for all. We also consistently encourage our employees to conserve electricity not just to help the environment but also to optimize the operating expenses of the Company. The Management believes that efficiency in energy consumption is significant in the sustainability program of the Group.

The increase in electricity consumption for this reporting period is due to the following reasons: (i) acquisition of various kinds of updated equipment, (ii) opening and/or expansion of physical stores/dine-in areas to accommodate more guests and walk-ins since the lifting of the state of public health emergency, and (iii) week-long store operations, including 24-hours stores schedule and activities in line with the store network expansion. One of the cost reductions implemented in all stores and the head office is the fire up fire down policy, ensuring that not all equipment and outlets are being used simultaneously.

Water consumption within the organization

DISCLOSURE	QUANTITY 2025	QUANTITY 2024	QUANTITY 2023	UNIT	REDUCTION
Water consumption					
Stores (Figaro Coffee, Angel's Pizza, Tien Ma's and Koobideh Kebab)	408,891.34	391,498.34	387,548.85	m ³	
FCG Head Office (Corporate Offices Commissary and Angel's Pizza Mayon branch)	14,755	17,393	13,613	m ³	

Management Approach on Water Consumption

Water is a critical resource in the Company's business. The programs for efficiency in energy consumption likewise cover the Company's water consumption management, which includes the efficient use of water by our employees and the implementation of water conservation measures in our stores. The Company regularly monitors water usage through checking of the water bills of the stores on a monthly basis.

The increase in water consumption reported for this period is mainly due to the increasing number of operating stores inside and outside Metro Manila and the placing of additional staff for each store. Implementing 24-hour store operations is likewise a major factor. Further, when store sales increase, water and electricity consumption also increase correspondingly.

ENVIRONMENTAL IMPACT MANAGEMENT

Solid and Hazardous Waste

DISCLOSURE	AMOUNT 2025	AMOUNT 2024	AMOUNT 2023	UNITS
Total solid waste generated	616,052	552904.50	448,672	kg
Reusable	No available information	No available information	No available information	
Recyclable				
Composted				
Incinerated				
Residuals / Landfilled	616,052	552904.50	448,672	kg

The Company is committed to ensuring the safety of all consumers and workers and maintaining the highest quality of raw materials used in food processing. Wastes generated from store operations are collected by third-party waste collection service provider, IPM Hauling Services owned by Renato Malabanan duly certified and accredited by the Department of Environment and Natural Resources - Environmental Management Bureau (DENR-EMB), who handle and manage the proper treatment, storage, and disposal of the waste. The Management ensures that these selected providers engaged by the Company are government-certified and adhere to the strict waste management, treatment, storage, and disposal guidelines and regulations. In addition, the stores also implement waste segregation, in which all store personnel and managers are responsible for identifying waste materials.

Management Approach on Environmental Impact Management

Environmental impact may be hard to limit yet we are finding ways to manage our emissions through reducing our energy consumption as much as we can. We are also looking into using only highly efficient and energy-saving equipment as we purchase for our newly built stores and for the renovation of old stores.

The FCG corporate office, commissary, and stores are fully compliant with the environmental requirements and permits prescribed by the government. The Company secures all required permits and licenses, including, but not limited to, Business Permit, Environmental Clearance, Locational Clearance, and Sanitary, Occupancy, and Fire Permits, and complies with all applicable operational and reporting requirements prior to any store openings. Annual and periodic inspections are conducted by the respective LGUs and relevant government authorities prior to the renewal of these permits to ensure our compliance with the business operations standards and requirements, that are relevant to our overall environment impact management.

Our existing systems in place, such as the ESG Manual and all supporting policies and guidelines including the Proper Waste Management Policy of our stores and commissaries, Guidelines for Waste

Segregation and Disposal, and Guidelines for Drainage Systems, Waste Water, and Hazardous Waste, ensure the safe handling, movement, storage, recycling, reuse or management of waste, air emissions, and wastewater discharges. Any waste, wastewater or emissions with the potential to adversely impact human or environmental health must be appropriately managed, controlled, and treated prior to release into the environment. We likewise have existing systems to ensure safety in handling, storage, and releasing of hazardous materials, as well as procedures to manage and contain accident spills and releases as stated in our Sanitation Standard Operating Procedures. These Guidelines are being reviewed and updated to improve the Company's environmental impact management.

Also, as a matter of policy, our Company has initiated and implemented lesser use of paper and plastic cups at work. We have a long-term established proper waste management for used oil. The local government strictly implements that oil waste shall not be disposed of, thus there is a corresponding penalty for noncompliance. In this regard, we have accredited oil waste collection service providers for our head office and stores in NCR, while the provincial stores have their respective accredited waste collection service providers. A minimum of three cans of used oil are sold every Monday and Thursday to accredited collectors and eventually used for Biodiesel and feeding of farm animals. For used oil, collection is done by Caranzo Trading for Metro Manila, Cavite, Bulacan and Rizal areas and a privately owned service provider for stores located in Pampanga, Urdaneta, Tarlac and San Miguel while Apeiron Bioenergy, collects for Laoag, Tuguegarao, Santiago Isabela, Baguio, Batangas, Calapan and Quezon areas.

Furthermore, the stores, commissary, and warehouse are the primary departments that continue to practice extensively the recovery of scrap since its implementation as one of the ways to reduce the environmental impact of operations and productions. Our Internal Audit Department initiated and headed the program to closely monitor the process and ensure both the effectiveness and efficiency of this project.

ENVIRONMENTAL COMPLIANCE

Non-compliance with Environmental Laws and Regulations

DISCLOSURE	QUANTITY 2025	QUANTITY 2024	UNITS
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	0	Php
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	0	#
No. of cases resolved through dispute resolution mechanism	0	0	#

Management Approach on Environmental Compliance

The Company views good governance as essential to creating and preserving value for our shareholders and other stakeholders. This includes a committed approach to corporate governance that complies with all applicable laws, rules, regulations, and policies as well as unwavering adherence to our values. Thus, we are committed to fully comply with all applicable environmental rules and regulations covering all of our business operations. Prior to store openings, all required environmental, business, fire, sanitary, and occupancy permits, licenses, and locational clearances are obtained. To facilitate the government's annual inspection of our business and the smooth renewal of permits, the Group consistently abides with the environmental laws and regulations, without any violation.

SOCIAL

EMPLOYEE MANAGEMENT

Employee Hiring and Benefit

Employee Data

DISCLOSURE	QUANTITY 2025	QUANTITY 2024	UNITS
Total number of employees	2,504	2,237	
a. Number of female employees	1,228	1,080	#
b. Number of male employees	1,276	1,157	#
Attrition rate	3.1	2.0	Rate
Ratio of lowest paid employee against minimum wage	0	0	Ratio

Management Approach on Employee Hiring and Benefits

A deep commitment to social responsibility is core to who we are as a Company. We believe that our people are at the heart of our business and take pride in our outstanding work culture. We strive to be an optimal employer to our employees, and business partners, as well as a valued partner to our communities.

We provide equal employment opportunity (EEO) to all employees without regard to gender, sexual orientation, religion, ethnicity, age, disability, or marital status in accordance with our ESG Manual and applicable government regulations. We embrace and value diversity in all its forms, regardless of gender, age, marital status, ethnicity, or cultural background. Equal opportunity is integral to our recruitment process, as we aim to develop a community of diverse talent. We seek to maintain a positive workplace, free from discrimination and harassment. We champion pay equity and mutual respect, promoting an environment of fairness and equality. Our commitment to diversity and inclusion applies to the highest levels of the organization, including at the board level, where we recognize that diversity strengthens board performance and promotes long-term shareholder value. In an era where social media is a powerful tool to find qualified jobseekers, we ensure to post the right job qualifications that are respectful to anyone who can see our job advertisement.

We contribute positively to the promotion of social responsibility in the community in which we live and work by supporting activities and programs geared towards community welfare and environmental protection. Also, the Company, particularly our stores across all brands, prioritizes hiring locally to provide job opportunities to the community. We ensure that employees are assigned to the nearest branch from their residence.

The hiring, training and development of FCG directly affect the efficiency and productivity of our operations. The Company's rules and regulations ensure, among others, that employees are well informed with respect to salary and benefits. Individual KRA Assessment is also being done monthly aside from the Performance Evaluation which is done quarterly which assesses the level of performance done by the employees which will be the basis if they are qualified for incentives and/or salary increases.

FCG also prioritizes the health and safety of employees. We make sure that sufficient training is given to employees to educate them such as First Aid conducted by the Philippine Red Cross and Basic Occupational Safety and Health by DOLE to promote safety and health in the workplace. We conduct Annual Physical Exam for all employees which helps both the Company and the employees to be well-informed on their health conditions. To protect oneself and everyone in cold and flu season in the Philippines, the company conducts an annual discounted vaccination for employees and their dependents.

DISCLOSURE	Y/N	% of female employees who availed for the year 2025	% of male employees who availed for the year 2025	% of female employees who availed for the year 2024	% of male employees who availed for the year 2024
SSS	Y	9%	10%	1%	2%
PhilHealth	Y	1%	0%	1%	2%
Pag-Ibig	Y	6%	3%	2.31%	3.03%
Parental Leaves	Y	0.0%	0.0%	0.0%	0.0%
Vacation Leaves*	Y	32%	28%	32%	54%
Sick Leaves*	Y	18%	15%	16%	23%
Medical Benefits (aside from PhilHealth)	Y	26.0%	23.5%	14.81%	19.45%
Housing Assistance (aside from Pag-ibig)	Y	N/A	N/A	N/A	N/A
Retirement fund (aside from SSS)	Y	0%	0%	N/A	N/A
Further education support	N	N/A	N/A	N/A	N/A
Company stock options	N	N/A	N/A	N/A	N/A
Telecommuting	N	N/A	N/A	N/A	N/A
Flexible working hours	N	N/A	N/A	N/A	N/A
(Others)	N	N/A	N/A	N/A	N/A

*Vacation leaves and sick leaves are paid if not used.

The housing assistance that the Group provides for the employees from the head office is the Company's affiliated which is the Charmview Building in West Rembo Taguig City. This provides safe and comfortable accommodation for employees to avoid commuting from their hometown to the office.

Compensation and Benefits

The Group sets a competitive and market-based compensation system that is anchored on the principle of equal pay for substantially equal work, in conformance with legally mandated regulations on condition of employment. We offer competitive compensation and benefits to all regular full-time employees, including but not limited to paid holiday, vacation, and sick leave, retirement savings plans, and medical, dental, and vision coverage. Employee incentives are continuously evaluated to ensure the necessity, fairness, and adequacy of such incentives.

Employee Training and Development

DISCLOSURE	QUANTITY 2025	QUANTITY 2024	UNITS
Total training hours provided to employees			
a. Store Staff	120	240	Hours/employee
b. Management Trainees	360	360	Hours/employee
c. Office Staff	8	8	Hours/employee
d. Food Safety / Commissary Staff	120	160	Hours/employee

Management Approach on Employee Training and Development

At FCG, employee training both for operations and office staff is vital for the employees to perform at their best. When it comes to promotion, the Management focuses on giving the opportunity internally before posting on job portals for external hiring to recognize the performance of existing employees.

We manage the development of our employees through the following processes:

1. Monthly KRA assessment is conducted to assess the performance of employees. They are evaluated by their supervisors and given appropriate commendations and/or recommendations.
2. Quarterly / Semi-annual Performance Evaluation is also conducted to assess the quality of work of the employee. Recommendations such as salary increases and/or additional allowances are given depending on the results of the evaluation.
3. We also provide continuous learning opportunities to employees such as inhouse training and third-party (virtual and/or face-to-face) seminars whenever possible.

To ensure consistent quality in our services, our managers undergo a Basic Supervisory Skills Training Program which is a three-month intensive training program covering, among others, the Figaro Group's philosophy, concept, and established procedures. For franchise, our Franchise Relations Team provides operations and marketing support, on-site consultations, and spot quality assurance audits of all the stores under the Figaro Group's brands. We have a Safety Officer from the Quality Assurance Department who regularly attends seminars to improve our safety measures. This has become crucial to our operations, especially during the COVID-19 pandemic.

We also organize and conduct training programs in coordination with our major suppliers of equipment for Basic Knowledge and Training on Proper Equipment Handling, Usage, and Maintenance. We prepared a Training Kit which serves as a starter pack to orient the trainees. For personal and team growth, Training Seminar and Refresher Courses have been continuously provided. For promotion opportunities, complying with the process of Human Resources and Admin Department is essential to ensure fairness, transparency, and satisfaction among staff. Employees can submit application requirements to present their eligibility. Then, the employees will be scheduled for an interview and examination to assess their readiness to advance their careers.

Food safety is a top priority and we dedicate significant resources, including our supply chain team and quality assurance teams, to help ensure that our customers enjoy safe, quality food products. We have taken various steps to mitigate food quality and safety risks, including having personnel focused on this goal together with our supply chain team. We have developed processes and procedures to train our employees on the techniques required to effectively operate our kitchens. Our Training Department redesigns course outlines and comes up with new training programs for the continuous development of store staff. This 2024, a new training program has been implemented for Management Trainees of Angel's Pizza, with a longer training period to further prepare them for customer service practices, food preparation, and managerial roles.

Our Manager Training Program adheres to the following curriculum:

1. Company Orientation
2. Basic Behaviour
3. Legendary Standards
4. Company Rules and Regulations
5. WOW Experience

This Training Curriculum provides the following training points:

- Introduction / Orientation
- Customer Service
- Product-specific Training
- Food Preparation
- Social Responsibility
- Cashier Training
- Product Quality Assessment
- Inventory Training

List of Training and refresher courses conducted for this reporting period:

(In House and Third-party Seminars)

- Figaro Coffee 101
- Project Quality (Davao & Cebu Franchise)
- Rider's Refresher Course
- Marketing 101

- Special PQS and Mekus (Virac)
- House Keeping Seminar
- Safety 6S Housekeeping Implementation
- Mystery Shopper
- Effective Presentation Skills
- Leadership and Supervision during Crisis
- Documentation on HACCP
- Basic Food Safety, Hygiene and Sanitation
- Purchasing Management
- Complaints Management
- Creative Thinking Skills for Managers and Leaders
- 5S of Good Housekeeping Webinar

Labor Management Relations

DISCLOSURE	QUANTITY 2025	QUANTITY 2024	UNITS
% of employees covered with Collective Bargaining Agreements	None	None	%
Number of consultations conducted with employees concerning employee-related policies			
For Corporate store personnel	Twice per month per store/area	Twice per month per store/area	#
Head Office personnel	Weekly	Weekly	#

Management Approach on Labor Management Relations

Communication is the best way to actively engage with all employees. At FCG, we keep communication channels open throughout the Company through Department Heads and the HR Team to be constantly aware of the employees' well-being and to foster healthy professional relationships. Among others, providing employees with an open line of communication in voicing out their opinions allows Management to manage expectations and risks in relation to labor relations.

DISCLOSURE	QUANTITY 2025	QUANTITY 2024	UNITS
% of female workers in the workforce	49%	48%	%
% of male workers in the workforce	51%	52%	%
Number of employees from indigenous committees and/or vulnerable sectors*	0	0	#

*Vulnerable sectors include elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

Management Approach on Diversity and Equal Opportunity

As a Company with a workforce of 2,504 employees as of 30 June 2025, the Human Resources Department plays a vital role throughout the hiring process up to the development and promotion of employees. We provide equal employment opportunity to all employees regardless of gender, sexual orientation, religion, ethnicity, age, disability, and marital status. Equal opportunity is integral to our recruitment process as we aim to develop a community of diverse talent. We provide a workplace free of harassment, discrimination, and harsh and inhumane treatment.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

DISCLOSURE	QUANTITY 2025	QUANTITY 2024	UNITS
Safe Man-hours	5,769,216	4,547,360	Manhours
No. of work-related injuries*	3	7	instances
No. of work-related fatalities	0	0	#
No. of work-related ill-health**	0	0	instances
No. of safety drills	2	2	#

*The 3 work-related injuries pertain to minor injuries related to (i) equipment use during operation of the unit, (ii) vehicle sustained injuries of a delivery rider, and (iii) slip/ fall accident.

Management Approach on Occupational Health and Safety

FCG gives importance to the health and safety of its employees. The Company provides continuous training to all staff from store level up to office level to educate them on the importance of Health and Safety. A local unit of the Bureau of Fire Protection is invited yearly to host a seminar on the preparedness of the employees and facilities for earthquake and fire with the facilitation of the Company's health and safety officers. Right after the seminar, a simulation is being done to assess the knowledge and emergency preparedness of the employees. The Company's Safety Committee likewise ensures that appropriate safety measures are in place and that we always maintain a safe and sustainable working environment.

As stressed in this report, food safety is a top priority of the Group, and we dedicate significant resources, including our supply chain team and quality assurance teams, to help ensure that our customers enjoy safe, quality food products, as well as the health and safety of all our employees. We have taken various steps to mitigate food quality and safety risks, including having personnel focused on this goal together with our supply chain team. Our stores undergo third-party food safety reviews, internal safety audits, and routine health inspections. We have developed processes and procedures to train our employees on the techniques required to operate our kitchens effectively and in compliance with strict health and safety standards.

Labor Laws and Human Rights

DISCLOSURE	QUANTITY 2025	QUANTITY 2024	UNITS
No. of legal actions or employee grievances involving forced or child labor	0	0	#

Management Approach on Labor Laws and Human Rights

The Company and its business partners support and respect the internationally recognized human rights principles and practices that promote and protect human rights, and ensure that we are not complicit in human rights abuses.

Our Human Rights Policy reflects our long-standing dedication to the preservation of basic rights and human dignity in our workplace and beyond. The Figaro Group holds human rights to be an essential component of our business. The Code of Business Conduct and Ethics policy applies to our operations and affiliates in all assets we own and operate.

SUPPLY CHAIN MANAGEMENT

Supplier Accreditation Policy of the Organization

TOPIC	Y/N	If YES, cite reference in the supplier policy
Environmental Performance	Y	Supplier Selection and Accreditation Purchasing Manual on Materials Management
Human rights	Y	Supplier and Purchase Agreements
Bribery and corruption	Y	Supplier and Purchase Agreements

Management Approach on Supply Chain Management

From our supply chain, commissary, manufacturing, and logistics, we are fully integrated to ensure high-quality products and services, and to maximize efficiency and optimize costs. Through technology, the Company integrates outside partners as well as internal departments to always be up to speed on data analytics needed for quick decision-making and resolution of issues.

The Company expects all of its business partners to exhibit the same values of fairness, transparency, accountability, and integrity, as a condition of their engagement. Our business partners must be aligned and demonstrate compliance with the Company's principles and standards as stated in the FCG Code as a condition to their continued business relationship with the Company, as well as apply the Code to the parties with whom they work in providing goods and services to the Company. Our business partners must value the health and safety of human beings and the protection of the environment. They must adhere to effective and efficient management systems to meet contractual obligations, facilitate continual improvement, and uphold the image and brands of the Company. Our management approach in cost reduction in this particular area, is to maintain at least three to four alternative suppliers to minimize the product and supply costs. Also, the Purchasing Department is tasked with using and providing canvass sheets that will be reviewed regularly by the Internal Audit Team. Additionally, the Internal Audit Team conducts supplier plant audits to assess whether the suppliers have concrete investments in manufacturing plants and facilities, which support the organization's goals of ensuring quality, stability, and consistency.

To facilitate the selection of our business partners, a summary of FCG's general accreditation process is provided below:

1. FCG shall deal only with legitimate, reputable, reliable, competent, and responsible suppliers who will pass the prescribed accreditation process.
2. Product samples are presented by the potential suppliers and must undergo product testing through R&D (Research and Development Department) for the evaluation of the products.
3. Potential suppliers must present all documentary requirements that establish their legal capacity to contract and operate their business and in compliance with Good Manufacturing Practice (GMP) in respect of its facilities and manufacturing processes. The required documents shall be updated regularly.
4. A facility audit or onsite visit shall be conducted as part of the accreditation process to survey the premises, structures, equipment, and personnel as well as the procedures in relation to production, receiving, storage, distribution, and compliance with the statutory requirements with respect to operations.
5. Suppliers who satisfactorily have passed the assessment with product samples that meet standards will proceed with the accreditation process.

RELATIONSHIP WITH COMMUNITY

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)	Does the particular operation have impacts on indigenous people? (Y/N)	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Manpower (stores)	Cities where stores are located (NCR, Luzon, Visayas and Mindanao)	-	N	-	-
Supplier (Local suppliers/markets)	- Baguio/ Benguet - Nueva Ecija - Cavite - Davao - Cebu - Palawan - Oriental Mindoro - Tagum - CDO - Pagadian - Butuan - Pampanga - Pangasinan - Local suppliers and markets where community stores are located	-	N	-	-

**Vulnerable sectors include elderly, persons with disabilities, vulnerable woman, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

Management Approach on Significant Impacts on Local Communities

We have a long history of providing meaningful, and often transformational, support to communities in which we operate. As reported in the previous section on procurement practices and CSR activities, our commissary and stores across all our brands, particularly our provincial stores, provide business opportunities to the local markets for the supply of raw materials, such as coffee beans, vegetables, and processed meat. Our supply of vegetables for our NCR stores is sourced from Baguio, Cavite, and Nueva Ecija, Cebu for the Visayan region, Davao, Tagum and CDO from the Mindanao region. FCG is committed to promoting and sustaining the *Angkat sa Baguio* initiative in support of the farmers in Baguio, Benguet, and the rest of the Cordillera Administrative Region. Our provincial stores source fresh vegetables directly from the local community markets where the stores are located. As further reported above, the Company has continued to champion the local Barako coffee. We source our coffee beans from local coffee beans suppliers that have passed our stringent accreditation standards. The Company's Procurement Team is also working on finding additional suppliers from local communities to support our expansion plans. In 2023, the Company has marketing collaborations with Pepsi-Cola Products Philippines, Inc. and Nestle Philippines. One of the engagements with Pepsi-Cola is to promote health and wellness by replacing 7Up with Sugar with 7Up No Sugar for customers who still want to enjoy their favorite drink but considering their sugar consumption. To further promote the livelihood of our local farmers, we are pleased to add to the list our new vegetable supplier from Cavite. As for this reporting period, all Figaro Coffee corporate stores will have an exclusive tie-up with Booky and UnionBank to offer a variety of exciting promo in the market. Company-owned selected Angel's Pizza branches have participated in the initiatives with Foodpanda such as the 20% off customer-targeted discounts and Foodpanda's fully funded voucher, PICHAPIE and EATNA promotions. This shows the Company's continued excellent engagement with customer-friendly platforms and commitment to providing high-quality customer experience.

Our operations have also provided business opportunities and instruments for wealth creation for our franchisees in the Philippines and abroad. Our provincial franchisees are men and women in their respective cities and provinces who share the same vision as the Company to provide quality and sustainable food and food services to Filipinos throughout the country.

The Figaro Foundation, in collaboration with the local government of Balete Batangas, and the Batangas Coffee Farmers Federation ("BaCoFFed") hosted the first coffee tree planting event called "*Figaro Coffee Tree Planting 2024: From Crop to Cup*" held last August 24, 2024 in Barangay Malabanan, Balete Batangas.

The activity is centered on planting Liberica coffee seedlings with the goal of reviving the region's rich coffee heritage and extend support to the region's local coffee farmers. The seedlings were donated to Batangas Coffee Farmers Federation ("BaCoFFed"). Over 100 participants took part in the event including local officials, celebrities among others, planting 1,000 Liberica seedlings donated by the Figaro Foundation to the Batangas Coffee Federation.

Souvenirs and kits were sponsored by thirteen (13) of FCG's major suppliers. The Figaro Foundation pledged to maintain the planted areas through a biannual site maintenance ensuring their growth and sustainability for the next two years.

The next coffee tree planting event is scheduled on September 13, 2025.

On October 11, 2024, FCSI's subsidiary, Figaro Innovation and Development Inc ("FIDI") signed a strategic partnership with San Jose Worker's Multi-Purpose Cooperative ("SJWMPC") and the Batangas Organic and Natural Farming Agriculture Cooperative ("BONFAC") aimed at boosting the local agricultural development

and ensuring food security with the ongoing efforts to promote sustainable agriculture and provide innovative solutions to food security challenges in the country. This signing event coincided with the World Egg Day, emphasizing on the importance of local food production.

Further, as likewise cited above, the Company prioritizes hiring locally, particularly in the areas where our stores are located, thus, providing job opportunities to these communities. As a matter of policy, our employees are assigned to the nearest branch from their residence.

CUSTOMER MANAGEMENT

FCG strives to be the customer’s preferred choice. We listen to our customers to understand and anticipate their needs. Customers choose us because we provide them with products and services that exceed their expectations.

Customer Satisfaction

DISCLOSURE	SCORE	Did a third party conduct the customer satisfaction study (Y/N)
Customer Satisfaction	See discussion below	N

In line with our mission “to deliver quality, innovative and value-for-money food favorites that every customer will love and want to share”, the Company has established programs to assess and monitor customer satisfaction, including our Store and Quality Audit Monitoring, Mystery Shopper Program, Customer Feedback, and social media monitoring.

Through our Mystery Shopper Program, we are able to determine and measure the quality of service and gather specific information about the products and services being offered in our corporate stores from external parties. This is our principal method for identifying customer service behaviors, measuring employee performance, and evaluating ways to improve and promote excellence in customer service and customer satisfaction is the Store and Quality Audit Monitoring, headed by the Quality Assurance Department. This is a comprehensive summary of reports which include the ranking of stores based on the findings of the audit made. Issues within the stores such as customer complaints are being addressed in this internal monitoring. The frequency of this internal initiative is done three times a month to both Corporate and Franchisee-owned stores. Stores that received a failed score shall fill out the Corrective and Preventive Action Report (CPAR). This gives the chance for every brand to analyze the root cause of all deviations that were seen in their respective stores and present their corrective actions. CPAR can be used as well to develop a long-term solution to prevent such actions. Our Customer Feedback program is also being implemented in our Corporate and Franchise stores. Aside from customer feedback received directly in our stores, customer complaints, comments, suggestions, and concerns are also being monitored through our Facebook, Instagram, and Tiktok brand/corporate accounts, managed by our Marketing Department and our Call Center’s Admin Department. With the assistance of our Area Managers, all customer feedback matters are consolidated on a weekly basis and reported to Management. For product concerns, customers are provided with complimentary gift vouchers for product replacement. Depending on the gravity of the concern, store managers are trained to manage immediate customer concerns. Also, our Digital Marketing Assistants manages FCG’s social media activities through our Facebook pages, Instagram, and Tiktok accounts. Our social media platforms enable us to identify customer service behavior, measure employee performance, and conduct appropriate evaluations to improve and promote excellence in customer service and customer satisfaction. Our Rules and Regulations Book governs the service and store staff for appropriate sanctions and penalties that may be imposed for carelessness, negligence of duty, or any actions that can tarnish the brand and customer perceptions.

It is our Company's vision to be a top-of-mind company in delivering happiness to customers and value to partners and shareholders. To be value-oriented is one thing, but to be Customer-Value oriented is a higher level in itself. We make every decision and action regarding our products based on what would be the best for our customers and what would delight them the most. We believe in being obsessed with customer satisfaction and aligning every facet of our strategy and goals with our valued customers. We have received the following awards during this fiscal year period in recognition of our continuous commitment and excellence to realizing our Company's vision:

- 2024 Grab Food Platinum Fan Fave Award
- Operational Awards Critically Acclaimed

Health and Safety

DISCLOSURE	QUANTITY 2025	QUANTITY 2024	UNITS
No. of substantiated complaints on products or service health and safety*	0	0	#
No. of complaints addressed	-	-	#

*Substantiated complaints include complaints from customers that went through organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

Management Approach on Health and Safety

As of date, no complaints regarding health and safety were filed. Despite that, our Food Safety Practices are all fully implemented in all our branches as well as our commissaries, as managed by the Safety Committee headed by the Company's Safety Officer. In case of complaints, we have existing procedures for handling such complaints, and our personnel training includes Crisis Management and Customer Service modules. Health and safety matters that may be raised by customers are part of the weekly monitoring that is reported to Management, as monitored and consolidated by our Area Managers, Marketing Department, and our Call Center.

Marketing and Labeling

DISCLOSURE	QUANTITY 2025	QUANTITY 2024	UNITS
No. of substantiated complaints on marketing and labeling*	0	0	#
No. of complaints addressed	-	-	#

*Substantiated complaints include complaints from customers that went through organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

Management Approach on Marketing and Labeling

As of date, no complaints regarding our marketing activities and strategy have been filed against the Company. Our Marketing Department manages the marketing activities of our Group, including activities through our social media platforms. As stated above, a weekly consolidated report is elevated to Management that includes matters on customer management and the function of marketing to manage and improve customer relations and satisfaction.

Customer Privacy

DISCLOSURE	QUANTITY 2025	QUANTITY 2024	UNITS
No. of substantiated complaints on privacy*	0	0	#
No. of complaints addressed	0	0	#
No. of customers, users, and account holders whose information is used for secondary purpose	0	0	#

*Substantiated complaints include complaints from customers that went through organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

Data Security



DISCLOSURE	QUANTITY 2025	QUANTITY 2024	UNITS
No. of data breaches, including leaks, thefts, and losses of data	0	0	#




Management Approach on Customer Privacy and Data Security


Our Company respects individuals in a manner consistent with the rights to privacy and data protection. We ensure that information about our customers and business partners are used appropriately for necessary business purposes and shall be protected from misuse to prevent undue harm to individuals such as discrimination, stigmatization, or other damage to reputation and personal dignity, impact on physical integrity, fraud, financial loss, or identity theft. The Company shall continue to strictly enforce its Data Privacy Policy as integrated into our business operations, including FCG's online customer and delivery portals, to ensure full compliance with the data privacy laws and regulations.

UN SUSTAINABLE DEVELOPMENT GOALS

Our philosophy has always been long-term sustainability and business viability. We achieve this through diversification, prudent investing, and growth management. We ensure that capital expenditures will be put to good use to create long-term value for the Company. We expand at our own pace based on what will create the best long-term sustainable value for customers, our shareholders, the Company, and our business partners.

Key Products and Services	UN Sustainable Development Goals	Social Value / Contribution to SDG
<ul style="list-style-type: none"> • Purely Filipino and home-grown diversified food group, operating more than corporate and franchise branches nationwide: Figaro Coffee, Angel's Pizza Tien Ma's, and the first branch of a Persian concept in Makati called Koobideh Kebabs. • FCG ensures high-quality products by controlling our production process, from roasting our own coffee weekly, producing our own breads, pastries, and food products, and engaging with suppliers that meet the same high-quality standards. 	<p>SDG 2: Zero Hunger</p> 	<p>FCG sources raw materials from local farmers and suppliers, like vegetables from Baguio, Nueva Ecija, Cavite, Davao, Cebu, Palawan, Oriental Mindoro, Tagum, CDO, Pagadian, Butuan, Pampanga, Pangasinan and in the local community markets where our provincial stores are located. Our coffee beans are likewise sourced from local coffee suppliers.</p> <p>Figaro Foundation's "Lugaw & Bunwich" weekly feeding program under the "End Hunger for a Better Tomorrow" program-theme of the Company continues to provide free food distribution to the urban communities in Baseco, Tondo, Makati among others.</p>
<ul style="list-style-type: none"> • Extensive and innovative menu offerings that cater to a wide market – families and groups through our large-sized offerings at Tien Ma's and through our pizzas and bundles at Angel's Pizza; also cater to corporate and private functions/ events through Figaro coffee. • Developed four different successful store formats – full store, kiosk, cart, and dual concept. We complement our dine-in services with an efficient delivery system and an expanding online sales platform. • FCG's Commissary business offers customized and large-volume products to institutional clients in a B2B model. Our 	<p>SDG 3: Good Health and Well-being</p> 	<p>As FCG pursues its mission and vision "spreading happiness through food and value" – we maintain a sustainable working environment and provide high- quality and healthy food products and services to our customers. We have launched new products for this fiscal period, including new product items to supplement our menu of products catering to health-conscious customers, and those who love to explore innovative tastes.</p> <p>FCG continue to offer competitive health care benefit packages for regular full-time employees. Wellness and social programs are integrated into yearly activities of the Company such as the "Sama-Sama Run 2025" and the annual Art of Coffee Competition to showcase the talent and skills of individuals who have passion for Coffee Art.</p>

Key Products and Services	UN Sustainable Development Goals	Social Value / Contribution to SDG
<p>products range from rice meals, baked goods, ready-to-eat, frozen food, customized coffee blends, and various coffee solutions among others.</p>	<p>SDG 4: Quality Education</p> 	<p>FCG values career growth and development and firmly believes in the potential of every employee. Refresher trainings consisting of practical exercises in utilizing present and newly acquired resources and occupational safety practices are constantly provided to store staff. Annual earthquake and fire safety drills are conducted at the head office. Staff from different areas and functions such as office, customer service representative, and commissary staff are encouraged to participate the safety drills. Board members attend annual training in Corporate Governance to enhance board efficiency.</p> <p>FCG also aims to promote a high quality of education for Filipinos by supporting scholarship programs through its established Foundation.</p>
	<p>SDG 5: Gender Equality</p> 	<p>FCG provides equal opportunity to all employees without regard to gender, religion, marital status, ethnicity, or age. We champion pay equity and mutual respect, promoting an environment of fairness and equality. Our women workforce has equal opportunities for career growth, and women continue to hold critical roles in our senior management team.</p>
	<p>SDG 6: Clean Water and Sanitation</p> 	<p>FCG's ESG Manual and all supporting policies and guidelines including Stores' Proper Waste Management Policy, Waste Disposal Control, and Guidelines for Waste Water and Hazardous</p> <p>Waste, ensure the safe handling, movement, storage, or management of waste, air emissions and waste water discharges. Also providing safe and clean drinking water for all.</p>
		<p>FCG provides employment through our stores and store network expansion and sets competitive and market-based benefits, compensation, healthcare, continuous recruitment, and training of employees. We also provide business opportunities for our business partners including local suppliers and franchisees. Our food products showcase Philippine culture and products, including how</p>

Key Products and Services	UN Sustainable Development Goals	Social Value / Contribution to SDG
	<p>SDG 8: Decent Work and Economic Growth</p> 	<p>FCG has championed the Philippine Barako coffee. FCG continues to provide internship programs to college and graduating students from particular schools in Mindoro and NCR as part of their requirements for various degrees, assigning them to the head office or company-owned stores.</p>
	<p>SDG 12: Responsible consumption and production</p> 	<p>Continuous strategic sourcing of our raw materials, goods and services while maintaining and improving service levels. FCG’s commitment to sustainable practices including strict implementation of Waste Reduction and Proper Waste Management Policy, Waste Segregation and Disposal Guidelines and Drainage System Guidelines to support the environmental impact management of the Group. FCG’s Procurement and Supply Chain Management policies are also aligned with FCG’s principles and values of fairness, transparency, accountability and integrity. FCG’s Marketing creates responsible product promotions, ad campaigns and strategies.</p> <p>FCSI’s Subsidiary , Figaro Innovation and Development Inc. (“FIDI”), collaborated with San Jose Workers Multi-Purpose Cooperative and the Batangas Organic and Natural Farming Agriculture Cooperative to boost the local agricultural development and providing innovative solutions to food security in the country.</p>
	<p>SDG 16: Peace and Justice Strong Institutions</p> 	<p>FCG has established corporate governance policies and regulations for all employees across all business units (Operations, Support, Sales, and Business Development), for its Board of Directors, and business partners. Decision-making and processes are guided and supported by the Company’s strong management systems such as business continuity and risk management. Ensure full regulatory compliance for legal and financial aspects of the business.</p>

Key Products and Services	UN Sustainable Development Goals	Social Value / Contribution to SDG
	<p data-bbox="662 262 909 352">SDG 17: Partnership for the Goals</p> 	<p data-bbox="948 233 1498 436">It is very important for the Group to link up with brands and organizations sharing the same goals and vision as the Company. FCG continues to partner with local communities like Barangay of Baseco, Manila for conducting consistent feeding program to their residences.</p> <p data-bbox="948 478 1498 646">FCG’s <i>“Anghel ng Buhay Ko”</i> is a special 3-minute documentary about the lives of extraordinary individuals who brings inspiration by helping others in need despite their personal circumstances.</p> <p data-bbox="948 688 1498 856">Working with well-known non-profit organizations for creating meaningful events and activities. Achieving sustainable and ethical business practices with various accredited business partners.</p> <p data-bbox="948 898 1498 1171">FCSI’s Subsidiary , Figaro Innovation and Development Inc. (“FIDI”), collaborated with San Jose Workers Multi-Purpose Cooperative and the Batangas Organic and Natural Farming Agriculture Cooperative to boost the local agricultural development and providing innovative solutions to food security in the country.</p> <p data-bbox="948 1213 1498 1560">Figaro Foundation’s “From Crop to Cup Program” is an initiative centered on planting Liberica coffee seedlings as part of the efforts to revive Batangas’ rich coffee heritage and support local coffee farmers. The seedlings were donated by the Figaro Foundation to Batangas Coffee Farmers Federation (“BaCoFFed”) with biannual site maintenance scheduled over the next two years to ensure their growth and sustainability.</p>



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CONFIDENTIAL

November 03, 2025

FIGARO CULINARY GROUP INC.

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

Attention : **MS. DIVINA GRACIA G. CABULOY**
President and CEO

Subject : **REPORT ON THE LIST OF TOP 20 STOCKHOLDERS**

Gentlemen:

As Transfer Agent for FIGARO CULINARY GROUP INC. we submit herewith the report on the list of top 20 stockholders as of October 31, 2025, as follows:

	Name of Shareholder	Nationality	No. of Shares	Percentage
1	CAMERTON INC.**		11,401,148,995	81.6206856934
2	PCD NOMINEE CORPORATION FILIPINO		1,179,646,712	8.4450763297
3	PCD NOMINEE CORPORATION NON FILIPINO*		1,012,594,588	7.2491522248
4	CARMETHEUS HOLDINGS, INC		375,000,000	2.6846203965
5	PERFECTO CROOC NOLASCO		20,000	0.0001431798
6	HERRERA, GABRIELLE CLAUDIA F.		10,000	0.0000715899
7	HERRERA, JOSELITO C.		10,000	0.0000715899
8	HERRERA, NADEZHDA ISKRA F.		10,000	0.0000715899
9	LIM, JUAN TRINIDAD		10,000	0.0000715899
10	RAMOS, JENNIFER T.		5,000	0.0000357949
11	GUIDOTE, CORAZON P.		1	0.0000000072
12	VILLANUEVA, HECTOR		1	0.0000000072
13	MATOTO, SENEN L.		1	0.0000000072
	TOTAL		13,968,455,298	100.0000000000

****includes 8,500,000,000 preferred shares, partially paid, not for listing**

***includes 820,268,295 scripless common shares of Monde Nissin Corporation.**

Very truly yours,
Philippine National Bank
Acting Through Its Trust Banking Group
As Transfer Agent
By:



WALTER R. BRIONES
Assistant Vice President



JOANNA MARIE L. AVILES
Assistant Manager 2

MINUTES OF THE ORGANIZATIONAL BOARD MEETING

of

FIGARO COFFEE GROUP, INC.

Held on 18 December 2024 at 4:00PM

via videoconference

<https://us02web.zoom.us/j/89415534906?pwd=CFAns7qtoSFCIn6CyK8nhrdRp0bOtx.1>

PRESENT:

Justin T. Liu	-	Chairman/Director
Michael Stephen T. Liu	-	Director
Senen L. Matoto	-	Independent Director
Corazon P. Guidote	-	Independent Director
Hector R. Villanueva	-	Independent Director
Divina Gracia G. Cabuloy	-	President/CEO/Director
Sigrid Von D. De Jesus	-	Director
Michael T. Barret	-	Director

ALSO PRESENT:

Sigrid Von D. De Jesus	-	Assistant Corporate Secretary
Jose Petronio D. Español III	-	Chief Finance Officer
Marilou R. Roca	-	Chief Accounting Officer

PROCEEDINGS

I. CALL TO ORDER

The Chairman, Justin T. Liu, called the meeting to order and presided over the same. The Assistant Corporate Secretary, Sigrid Von D. De Jesus, recorded the minutes of the meeting.

II. CERTIFICATION OF NOTICE AND QUORUM

A roll call was made by the Assistant Corporate Secretary, in compliance with the rules promulgated by the Securities and Exchange Commission on the conduct of board meetings through remote communication. All the directors confirmed and stated for the record that (i) they are participating in the meeting through the use of mobile phone or computers with videoconferencing capabilities, (ii) they can completely and clearly hear all the other participants in the meeting, and (iii) they have received the agenda and all materials for the meeting.

The Assistant Corporate Secretary then certified that notice of the meeting was sent to all the directors and that at least a majority of the members of the Board was present. There was, therefore, a quorum to transact business.

III. CERTIFICATION OF ELECTION OF DIRECTORS

At the request of the Chairman, the Assistant Corporate Secretary certified that the following have been elected as members of the Board of Directors of the Corporation for the year 2025 or until their successors have been elected and qualified:

Mr. Mr. Justin T. Liu
Mr. Michael Stephen T. Liu
Mr. Brian Gregory T. Liu
Ms. Divina Gracia G. Cabuloy
Ms. Sigrid Von D. De Jesus
Mr. Michael T. Barret
Mr. Senen L. Matoto (Independent Director)
Ms. Corazon P. Guidote (Independent Director)
Mr. Hector R. Villanueva (Independent Director)

IV. ELECTION OF OFFICERS

Upon nominations duly made and the unanimous vote of all directors present, the following were elected to the positions set forth opposite their respective names, to serve as such for a period of one year and until their successors have been duly elected:

Jerry S. Liu
Justin T. Liu
Divina Gracia G. Cabuloy
Michael Stephen T. Liu
Brian Gregory T. Liu
Lowela L. Concha
Jose Petronio Vicente D. Español III

Marilou R. Roca
Michael T. Barret

Sigrid Von D. De Jesus

Chairman Emeritus
Chairman of the Board
President and Chief Executive Officer
Director
Director
Corporate Secretary
Chief Finance Officer, Treasurer and Chief Risk Officer
Comptroller and Chief Accounting Officer
Executive Vice President, Chief Operating Officer, Chief Information Officer, and Chief Investor Relations Officer
Chief Compliance Officer and Assistant Corporate Secretary

V. APPOINTMENT OF COMMITTEE MEMBERS

Upon nominations duly made and the unanimous vote of all directors present, the following were appointed to the various Committees, to serve as such for a period of one year and until their successors have been duly elected:

Audit Committee	Corporate Governance and Nominations Committee	Board Risk Oversight Committee	Related Party Transactions Committee
Senen L. Matoto Chairman	Corazon P. Guidote Chairman	Hector R. Villanueva Chairman	Hector R. Villanueva Chairman
Corazon P. Guidote Member	Justin T. Liu Member	Senen L. Matoto Member	Corazon P. Guidote Member
Justin T. Liu Member	Divina Gracia G. Cabuloy Member	Michael T. Barret Member	Sigrid Von D. De Jesus Member

VI. OTHER MATTERS

The Chairman opened the floor to other matters that need to be taken up by the Board. Mr. Matoto pointed out the need to supplement the resolutions adopted by the Board on 11 October 2024 on the amendments of the articles of incorporation and by-laws of the Corporation to align the same with the resolutions approved by the stockholders of the Corporation.

Upon motion duly made and the unanimous vote of all directors present, the following resolutions adopted by the stockholders on the amendments to the articles of incorporation and by-laws of the Corporation in the annual meeting of the stockholders held on 18 December 2024 was adopted and approved by the Board of Directors in toto.

"RESOLVED, AS IT IS HEREBY RESOLVED, that the Corporation be hereby authorized to amend its latest Articles of Incorporation and By-Laws to change its corporate name from "Figaro Coffee Group, Inc." to "Figaro Culinary Group, Inc.";

"RESOLVED FURTHER, that the title and the FIRST ARTICLE of the Amended Articles of Incorporation and the title of the Amended By-Laws of the Corporation be hereby amended to reflect the following:

A. Articles of Incorporation

ARTICLE	SECTION	AMENDED ARTICLES OF INCORPORATION As approved by the SEC on 14 July 2023	PROPOSED AMENDMENT
TITLE	TITLE	AMENDED ARTICLES OF INCORPORATION OF FIGARO COFFEE GROUP, INC.	AMENDED ARTICLES OF INCORPORATION OF FIGARO CULINARY GROUP, INC. (formerly FIGARO COFFEE GROUP, INC.)

FIRST	N/A	FIRST: That the name of this corporation shall be: FIGARO COFFEE GROUP, INC.	FIRST: That the name of this corporation shall be: FIGARO CULINARY GROUP, INC. (formerly, FIGARO COFFEE GROUP, INC.)
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B. By-Laws

ARTICLE	SECTION	AMENDED BY-LAWS As approved by the SEC on 23 March 2023	PROPOSED AMENDMENT
TITLE	N/A	BY-LAWS OF FIGARO COFFEE GROUP, INC.	BY-LAWS OF FIGARO CULINARY GROUP, INC. (formerly, FIGARO COFFEE GROUP, INC.)

"RESOLVED, FURTHER, that the Corporation be hereby authorized to: (a) subject to approval of the Securities and Exchange Commission to the amendments to the articles of incorporation and by-laws, call on the stockholders, as necessary, for the amendment of their stock certificates to reflect the new name of the Corporation; and (b) issue replacement stock certificates, as necessary, to reflect the new name of the Corporation;

"RESOLVED, FINALLY, that any of the following officers namely:

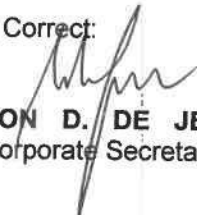
Name	Position	
Justin T. Liu	Chairman	
Divina Gracia G. Cabuloy	President	
Lowela L. Concha	Corporate Secretary	
Sigrid Von D. De Jesus	Assistant Corporate Secretary	

acting singly, be hereby authorized to: (a) sign such documents and certificates for the application for amendment of the articles of incorporation and by-laws of the Corporation; (b) apply before the Securities and Exchange Commission ("SEC") and secure the approval for the amendments to the articles of incorporation and by-laws of the Corporation; (c) submit such disclosures and relevant documents to the Philippine Stock Exchange and the SEC to implement the foregoing amendments; and (d) do all acts and deeds to implement the foregoing resolutions."

VII. ADJOURNMENT

There being no other matters to be discussed, the meeting was, upon motion made and duly seconded, adjourned.

Certified Correct:


SIGRID VON D. DE JESUS
 Assistant Corporate Secretary

Attested by:


JUSTIN T. LIU
 Chairman

Minutes Read and Approved:


MICHAEL STEPHEN T. LIU


BRIAN GREGORY T. LIU


DIVINA GRACIA G. CABULOY


SIGRID VON D. DE JESUS


MICHAEL T. BARRET


SENEEN L. MATOTO


CORAZON P. GUIDOTE


HECTOR R. VILLANUEVA

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING

of

FIGARO COFFEE GROUP, INC.

Held on 18 December 2024 at 2:00PM

via videoconference

<https://us02web.zoom.us/j/89415534906?pwd=CFAmS7qtoSFCIn6CyK8nhrdRp0bOtx.1>

Stockholders	No. of Shares Present/Represented	Percentage of Ownership
1. Camerton, Inc.	11,401,148,995 ¹	81.62
2. Monde Nissin Corporation	820,268,295	5.87
3. Carmetheus Holdings, Inc.	375,000,000	2.68
4. Shirley L. Olores	56,000	0.00
5. Brian Gregory T. Liu	1	0.00
6. Michael Stephen T. Liu	1	0.00
7. Sigrid Von D. De Jesus	1	0.00
8. Michael T. Barret	1	0.00
9. Divina Gracia G. Cabuloy	1	0.00
10. Justin T. Liu	1	0.00
11. Corazon P. Guidote	1	0.00
12. Senen L. Matoto	1	0.00
13. Hector R. Villanueva	1	0.00
TOTAL	12,596,482,293	90.18

PRESENT:

Justin T. Liu	-	Chairman/Director
Michael Stephen T. Liu	-	Director
Brian Gregory T. Liu	-	Director
Senen L. Matoto	-	Independent Director
Corazon P. Guidote	-	Independent Director
Hector R. Villanueva	-	Independent Director
Divina Gracia G. Cabuloy	-	President/CEO/Director
Sigrid Von D. De Jesus	-	Director
Michael T. Barret	-	Director

ALSO PRESENT:

Sigrid Von D. De Jesus	-	Assistant Corporate Secretary
Jose Petronio D. Español III	-	Chief Finance Officer
Marilou R. Roca	-	Chief Accounting Officer

Representatives from Picazo Buyco Tan Fider and Santos

Representatives from R.S. Bernaldo & Associates

¹ Includes the 8,500,000,000 Preferred Shares Series 2023-1 of Camerton, Inc.

Minutes of the Meeting subject to the approval of the stockholders in the next stockholder's meeting

PROCEEDINGS OF THE MEETING

I. CALL TO ORDER

The Chairman, Justin T. Liu, called the meeting to order and presided over the same. The Assistant Corporate Secretary, Sigrid Von D. De Jesus, recorded the minutes of the meeting.

II. CERTIFICATION OF NOTICE AND QUORUM

The Assistant Corporate Secretary conducted certain procedural matters. The stockholders confirmed and stated for the record that (i) they are participating in the meeting through the use of mobile phone with videoconferencing capabilities, (ii) they can completely and clearly hear all other participants in the meeting, and (iii) they have received the agenda and all materials for the meeting.

Thereafter, the Assistant Corporate Secretary certified that notices of the meeting were sent to all the directors of the Corporation and that there was a quorum to transact business.

III. APPROVAL OF MINUTES OF THE PREVIOUS ANNUAL STOCKHOLDERS' MEETING HELD ON 06 DECEMBER 2023

Mr. Justin T. Liu stated that the first item on the agenda is the approval of the minutes of the annual meeting of the stockholders held on 06 December 2023. He further stated that a copy of the minutes was made available to all stockholders of record, together with the Definitive Information Statement and has been uploaded on the Corporation's website.

The stockholders thereafter cast their votes. With stockholders owning or representing 12,596,482,293 shares equivalent to approximately 90.18%, or more than a majority of the entire outstanding voting stock of the Corporation, voting in favor of the approval of the minutes, as confirmed by the Assistant Corporate Secretary, the stockholders approved the minutes of the Annual Stockholders' Meeting held on 6 December 2023.

IV. RATIFICATION OF MATTERS APPROVED AND TAKEN BY FCG'S MANAGEMENT AND BOARD OF DIRECTORS FROM 06 DECEMBER 2023 TO DATE OF ANNUAL STOCKHOLDERS' MEETING

The next agenda item, as explained by Mr. Justin T. Liu, is the ratification of the acts of the Board of Directors, Board Committees, and Management of the Corporation from 06 December 2023 to date including those set forth in the minutes of the meetings of the Board of Directors held during the same period and in the disclosures that have been duly filed with the Securities and Exchange Commission ("SEC") and the Philippine Stock Exchange ("PSE").

Among the acts of the Board of Directors, Board Committees, and Management which are for ratification in addition to those disclosed in the Corporation's audited financial statements, are the following: (i) All material resolutions adopted by the Board and duly reported by the Corporation to the SEC and PSE through the filing of SEC Form 17-C, as well as those covered by minutes of board meetings which are available for inspection at the offices of the Corporation; (ii) All other resolutions adopted by the Board in the ordinary course of business; (iii) All resolutions adopted by the Board Committees; and (iv) All other acts executed by the Management in the exercise of their functions in the regular and ordinary course of business of the Corporation.

The stockholders owning or representing 12,596,482,293 shares equivalent to approximately 90.18%, or more than a majority of the entire outstanding voting stock of the Corporation, approved the ratification of the acts of the Board of Directors, Board Committees, and Management of the Corporation from 06 June 2023 to date including those set forth in the minutes of the meetings of the Board of Directors held during the same period and in the disclosures that have been duly filed with the SEC and PSE.

V. APPROVAL OF THE PRESIDENT'S REPORT (REPORT OF MANAGEMENT), ANNUAL REPORT, AND AUDITED FINANCIAL STATEMENTS

Mr. Jose Petronio D. Español III reported on the results of operations of the Corporation for the fiscal year ending 30 June 2024, a copy of which is attached hereto as Annex "A". He discussed the financial highlights of the business.

Ms. Divina Gracia G. Cabuloy subsequently delivered the President's report, a copy of which is attached hereto as Annex "B". She reported on the results of operations of the Corporation for the fiscal year ending 30 June 2024.

The stockholders owning or representing 12,596,417,299 shares equivalent to approximately 90.18%, or more than a majority of the entire outstanding voting stock of the Corporation, approved the President's Report and the Audited Financial Statements for the fiscal year ended 30 June 2024.

An open forum ensued. There were questions raised on the delay on the submission of the Annual Report of the Corporation and strategies for growth of the Corporation. Representatives of the Corporation replied to the said questions.

VI. APPROVAL OF AMENDMENTS TO THE ARTICLES OF INCORPORATION AND BY-LAWS TO CHANGE THE CORPORATE NAME FROM "FIGARO COFFEE GROUP, INC." TO "FIGARO CULINARY GROUP, INC."

Mr. Justin T. Liu explained that the next agenda item is the approval of the proposed amendments of the Articles of Incorporation and By-Laws to change the corporate name from "Figaro Coffee Group, Inc." to "Figaro Culinary Group, Inc." Specifically, the amendments are as follows:

A. Articles of Incorporation

ARTICLE	SECTION	AMENDED ARTICLES OF INCORPORATION As approved by the SEC on 14 July 2023	PROPOSED AMENDMENT
TITLE	TITLE	AMENDED ARTICLES OF INCORPORATION OF FIGARO COFFEE GROUP, INC.	AMENDED ARTICLES OF INCORPORATION OF FIGARO CULINARY GROUP, INC. (formerly FIGARO COFFEE GROUP, INC.)
FIRST	N/A	FIRST: That the name of this corporation shall be: FIGARO COFFEE GROUP, INC.	FIRST: That the name of this corporation shall be: FIGARO CULINARY GROUP, INC. (formerly, FIGARO COFFEE GROUP, INC.)

B. By-Laws

ARTICLE	SECTION	AMENDED BY-LAWS As approved by the SEC on 23 March 2023	PROPOSED AMENDMENT
TITLE	N/A	BY-LAWS OF FIGARO COFFEE GROUP, INC.	BY-LAWS OF FIGARO CULINARY GROUP, INC. (formerly, FIGARO COFFEE GROUP, INC.)

The change in name is to accurately reflect the current commercial undertakings of the Corporation, considering that the Corporation not only offers coffee products to the public but is also engaged in various food business. The Board has determined that it is in the best interest of the Corporation to change its corporate name to better reflect its strategic vision and broaden its brand identity. The proposed new name, "Figaro Culinary Group, Inc." will outline the Corporation's commitment to quality and innovation as it expands its offerings to include a wide range of culinary products and experiences.

Thereafter, there was a proposal, as noted by Mr. Liu, to have the foregoing matters approved and adopted by the stockholders. Consequently, considering that the stockholders owning or representing 12,596,417,299 shares equivalent to approximately 90.18%, or more than two-thirds (2/3) of the entire outstanding voting stock of the Corporation voted in favor of this matter, with the following resolutions duly approved:

"RESOLVED, AS IT IS HEREBY RESOLVED, that the Corporation be hereby authorized to amend its latest Articles of Incorporation and By-Laws to change its corporate name from "Figaro Coffee Group, Inc." to "Figaro Culinary Group, Inc.";

"RESOLVED FURTHER, that the title and the FIRST ARTICLE of the Amended Articles of Incorporation and the title of the Amended By-Laws of the Corporation be hereby amended to reflect the following:

A. Articles of Incorporation

ARTICLE	SECTION	AMENDED ARTICLES OF INCORPORATION As approved by the SEC on 14 July 2023	PROPOSED AMENDMENT
TITLE	TITLE	AMENDED ARTICLES OF INCORPORATION OF FIGARO COFFEE GROUP, INC.	AMENDED ARTICLES OF INCORPORATION OF FIGARO CULINARY GROUP, INC. (formerly FIGARO COFFEE GROUP, INC.)
FIRST	N/A	FIRST: That the name of this corporation shall be: FIGARO COFFEE GROUP, INC.	FIRST: That the name of this corporation shall be: FIGARO CULINARY GROUP, INC. (formerly, FIGARO COFFEE GROUP, INC.)

B. By-Laws

ARTICLE	SECTION	AMENDED BY-LAWS As approved by the SEC on 23 March 2023	PROPOSED AMENDMENT
TITLE	N/A	BY-LAWS OF FIGARO COFFEE GROUP, INC.	BY-LAWS OF FIGARO CULINARY GROUP, INC. (formerly, FIGARO COFFEE GROUP, INC.)

"RESOLVED, FURTHER, that the Corporation be hereby authorized to: (a) subject to approval of the Securities and Exchange Commission to the amendments to the articles of incorporation and by-laws, call on the stockholders, as necessary, for the amendment of their stock certificates to reflect the new name of the Corporation; and (b) issue replacement stock certificates, as necessary, to reflect the new name of the Corporation;

"RESOLVED, FINALLY, that any of the following officers namely:

Name	Position
Justin T. Liu	Chairman
Divina Gracia G. Cabuloy	President
Lowela L. Concha	Corporate Secretary
Sigrid Von D. De Jesus	Assistant Corporate Secretary

acting singly, be hereby authorized to: (a) sign such documents and certificates for the application for amendment of the articles of incorporation and by-laws of the Corporation; (b) apply before the Securities and Exchange Commission ("SEC") and secure the approval for the amendments to the articles of incorporation and by-laws of the Corporation; (c) submit such disclosures and relevant documents to the Philippine Stock Exchange and the SEC to implement the foregoing amendments; and (d) do all acts and deeds to implement the foregoing resolutions."

VII. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS INCLUDING THE INDEPENDENT DIRECTORS FOR THE ENSUING YEAR

The next agenda item, as noted by Mr. Liu, is the election of the members of the Board of Directors for the ensuing year. Ms. Corazon P. Guidote, the Chairman of the Nominations Committee, was requested to confirm that the nomination procedures undertaken by the Committee are in accordance with applicable laws, rules and regulations.

Consequently, Ms. Guidote confirmed that the members of the Nominations Committee duly and timely received the names of the nominees for directors this year. Following such receipt, she confirmed that the Committee implemented procedures for their nominations, all of which are in accordance with the applicable laws, rules, and regulations of the Philippine Stock Exchange and the Securities and Exchange Commission. She likewise confirmed that all the nominees possess the qualifications and none of the disqualifications for them to be nominated as directors.

Thereafter, Sigrid Von D. De Jesus, the Assistant Corporate Secretary, read the names of the persons who have been duly nominated in accordance with the provision of the Corporation's By-Laws and who have been determined by the Board to be qualified to be elected as members of the Board of Directors, as follows:

1. Mr. Justin T. Liu
2. Mr. Michael Stephen T. Liu
3. Mr. Brian Gregory T. Liu
4. Ms. Divina Gracia Cabuloy
5. Ms. Sigrid Von De Jesus
6. Mr. Michael T. Barret

In addition to the said nomination, Atty. Concha noted that the following individuals who are qualified as independent directors were also duly nominated by a registered shareholder of the Corporation. These nominees are listed as follows:

1. Mr. Senen L. Matoto
2. Ms. Corazon P. Guidote
3. Mr. Hector Villanueva

Atty. Concha observed that, since there are as many nominated directors as there are board seats, all the nine (9) nominees are qualified to be elected as directors of the Corporation comprising of six (6) regular directors, and three (3) independent directors.

Mr. Liu noted that he, as Chairman, representing more than a majority of the issued and outstanding shares of the Corporation, and acting on the instructions given by the relevant holders of said shares, casted his votes attaching to his corresponding shares, in favor of all the nine (9) nominees to the Board of Directors of the Corporation, in accordance with the instructions given in the relevant proxy forms. He noted that the final tabulation of the actual votes cast in favor of each nominee, including votes against and abstentions, shall be reflected in the minutes of the stockholders' meeting and in the relevant disclosures to be filed by the Corporation with the Securities and Exchange Commission and the Philippine Stock Exchange.

As confirmed by the tabulators and the Assistant Corporate Secretary, Sigrid Von D. De Jesus, all directors each received votes consisting of 12,596,417,299 shares in their favor. All nine (9) nominees have sufficient number of votes to be elected as directors of the Corporation for the ensuing year. All of the nine (9) nominees identified by the Assistant Corporate Secretary were elected as members of the Board of Directors of Figaro Coffee Group, Inc. for the ensuing year.

VIII. APPOINTMENT OF EXTERNAL AUDITOR

The next agenda item, as noted by Mr. Liu, relates to the appointment of external auditor for the Fiscal Year 2025. The approval of the stockholders is being sought for the appointment of R.S. Bernaldo and Associates as the external auditor of the Corporation.

Subsequently, there was a proposal, as noted by Mr. Liu, to have such appointment of external auditor approved by the stockholders. The stockholders owning or representing 12,596,417,299 shares equivalent to approximately 90.18%, or more than a majority of the entire outstanding voting stock of the Corporation, approved the re-appointment of R.S. Bernaldo and Associates as the external auditor of the Corporation. Mr. Liu observed that, considering that more than a majority of the entire outstanding voting stock of the Corporation voted in favor of this matter, the appointment of R.S. Bernaldo and Associates as the external auditor of the Corporation was thus approved by the stockholders.

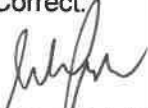
X. OTHER MATTERS

The Chairman noted that there were no other matters which the stockholders seek to be addressed. Mr. Liu stated that, if there are questions on the part of any stockholder, an email may be sent to fcgasm_info@figaro.ph and the Corporation will endeavor to answer the questions via email.

XI. ADJOURNMENT

There being no other matters to be discussed, the meeting was, upon motion made and duly seconded, adjourned.

Certified Correct:



SIGRID VON D. DE JESUS
Assistant Corporate Secretary

Attested by



JUSTIN T. LIU
Chairman

Minutes Read and Approved:


MICHAEL STEPHEN T. LIU

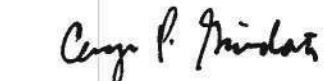

BRIAN GREGORY T. LIU

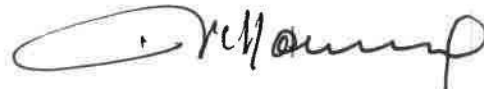

DIVINA GRACIA G. CABULOY


SIGRID VON D. DE JESUS


MICHAEL T. BARRET


SENE L. MATOTO


CORAZON P. GUIDOTE


HECTOR R. VILLANUEVA