Jollibee Group

Spreading Joy Through Superior Taste

2024 ANNUAL REPORT

Forward Together: Jollibee Group's evolved corporate brand

Jollibee Group

As we look to the future, we recognized the need for a corporate identity that reflects both our proud heritage and bold aspirations. To fulfill this, we've chosen the name **Jollibee Group**—a name that honors our beginnings and at the same time embraces all that we've become and what we're striving for.

For 47 years, we aimed to bring joy through delicious food and heartfelt service. From a single brand, we've grown into a diverse food and beverage organization with 19 brands across the globe. This corporate name now reflects this journey—an evolution rooted in joy and guided by purpose.

To give our corporate brand its own identity, distinct from our well-loved consumer brands, we introduced the **JoyMark**—a stylized "J" that stands for movement, momentum, and unity. Tilted at 8 degrees, it nods to our founding year 1978 and symbolizes the energy and progress that define the Jollibee Group today.

Over the years, through many challenges and changes, one thing remains the same: why we do what we do. **Our purpose—Spreading joy through superior taste**—guides every decision, every innovation, and every experience we create. It unites our people and fuels our continued passion not only to satisfy but also delight our consumers.

With this evolved identity, we reaffirm our commitment to excellence, innovation, and bringing joy to more people, in more ways, around the world. Because at Jollibee Group, true success is the result of living out our purpose. And that's what will carry us forward, one joyful bite and one joyful sip at a time.

THIS IS INTERACTIVE

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CHAIRMAN'S MESSAGE

Building a Legacy of Joy







Dear Shareholders,

Reflecting on 2024, I am filled with immense gratitude and pride for our achievements and the dedication of our teams worldwide. This third consecutive record year has been a memorable chapter, driven by resilience, innovation, and our unwavering commitment to spreading joy to communities around the world.

On behalf of the Board of Directors, I extend my heartfelt gratitude to our Global President and CEO, Ernesto Tanmantiong, the Leadership Team, and to every employee who has helped bring us closer to our aspirations.

Raising the Bar in 2024

In 2024, we raised the bar once again. Our system-wide sales (SWS) grew by an impressive 13.0%, reaching Php390.3 billion, while our consolidated revenues rose by 10.6%, totaling Php269.9 billion. What makes me proud is that these numbers aren't just the result of solid business decisions—they reflect the trust and loyalty we've built with our consumers, and the hard work of everyone involved in our journey.

We also reached a historic milestone with our Net Income Attributable to Equity Holders of the Parent Company, which soared to Php10.3 billion, a 17.7% increase. This achievement highlights our commitment to creating value for all stakeholders and underscores our financial discipline, which enables us to invest in sustainable growth and innovation.

Our brands—Jollibee, Chowking, and Mang Inasal—were recognized by Brand Finance as three of the Most Valuable Restaurant Brands in the ASEAN 500 2024 Report, and Jollibee ranked second Fastest-Growing Restaurant Brand and 5th Strongest Brand in the World—the only ASEAN and Philippine brand to make the list. Jollibee's Chickenjoy was also recognized as the best among the best fried chicken by USA TODAY in 2024. In the same year, we opened our 200th store in Vietnam, our largest international market outside the Philippines, which is 100.0% patronized by Vietnamese locals. These milestones speak to our enduring cultural relevance and deep connections with communities across the globe.

In August 2024, the Jollibee Group acquired a 70.0% stake in Compose Coffee, South Korea's fastest-growing coffee franchise with over 2,400 franchised stores. Supported by Korea's largest in-house roasting facility, Compose Coffee delivers high-quality beans at scale. This investment strengthens our position in Coffee and Tea and marks our entry into South Korea, the world's third largest in per capita coffee consumption.



Across the brands, we opened 674 new stores in 2024, bringing our total to 9,766 worldwide. Each new store represents more than just physical growth—it's a tangible step toward spreading joy with more people.

Commitment to Spreading Joy

We unified our diverse portfolio of brands under a shared purpose and vision, reinforcing our identity with our evolved corporate brand name—Jollibee Group. This allows each brand to leverage its unique strengths while aligning under a unified purpose: Spreading joy through superior taste.

This purpose guides our actions and decisions and inspires us to do our best. We are committed to bringing the joy of taste to our consumers with every meal, creating moments of happiness through superior flavors. For our franchisees, investors, and employees, we deliver the joy of success—building profitable, sustainable growth and creating opportunities for all. As we expand, our purpose drives our shared journey toward a brighter, more impactful future.

Commitment to Sustainable Growth

As we expand our global footprint, we understand the responsibility that growth brings. Our duty is to operate profitably, responsibly, and sustainably. **In 2024, we made significant strides in embedding sustainability across our operations by strengthening the resilience of our supply chains and adopting eco-efficient practices in our stores**

Our Joy for Tomorrow Sustainability Agenda guided our efforts, achieving a reduction in our environmental footprint and making a positive impact on the communities we serve. **We will continue elevating our standards of responsible practices, ensuring that our growth benefits both the planet and the people who make our success possible.**

To my fellow Board members, thank you for your invaluable guidance as we navigate the challenges and opportunities ahead. With your continued partnership, I am confident that we will continue to grow and build a more sustainable, impactful, and joyful future for all.

On behalf of the Board of Directors, I extend my heartfelt appreciation to our employees and their families, shareholders, franchisees, business partners, suppliers, and consumers. Your unwavering support fuels and inspires us every day to work hard towards our vision and create shared success that brings joy to everyone.

Dr. Tony Tan Caktiong
Chairman of the Board
Jollibee Group

CEO'S MESSAGE

Spreading Joy, Driving Growth





To our dear Shareholders,

It is an honor for me to express my deepest gratitude for your unwavering trust and support of the Jollibee Group throughout the years. With your belief, we've achieved milestones we once only dreamed of.

The year 2024 has been nothing short of extraordinary. **It marked our 3rd consecutive record-breaking triumph in both sales and profit—a testament to the organization's resilience and relentless pursuit of excellence.** Each achievement brings us closer to a goal that once seemed audacious: to triple our Net Income after Tax and quadruple our Return on Invested Capital to 20.0% in five years.

From the very start, we dared to dream big—dreams that have shaped the path of our company and inspired us to keep reaching higher. Fueled by passion, resilience, and an unwavering commitment to bringing joy through superior taste, we have now set our sights on an even greater vision: to stand among the Top 5 restaurant companies in the world. It's a bold aspiration, but one that we are determined to turn into reality.

I am thrilled to share that our 2024 performance has moved us decisively forward on this journey. **Our Net Income Attributable to Equity Holders of the Parent Company surpassed the Php10-billion milestone, reaching an exceptional Php10.3 billion**. This accomplishment is not just a numerical feat—it is a resounding testament to the strength of our strategies, the dedication of our incredible team, and the trust of every one of you, our valued stakeholders.

But that's not all. **We also achieved a Php390.3 billion in system-wide sales (SWS), reflecting a 13.0% year-over-year growth, not only perfectly aligned with our guidance but making it highest ever year in our history.** This incredible performance was driven by robust momentum across our core markets, resulting in our Philippine business achieving a 7.5% same-store sales growth (SSSG) and our international businesses experiencing a 2.8% SSSG.

Enhancing Profitability, Creating Value

Disciplined execution and operational excellence gave us big strides of our profitability, resulting in a 60-basis-point expansion in gross profit margin to 19.2%, a 40-basis-point improvement in operating income margin to 6.3%, and a 17.2% YoY increase in operating profit to Php16.9 billion – another record breaker.

With our focus on enhancing efficiencies, optimizing supply chains, and strengthening our financial foundation, we delivered strong returns to our shareholders, highlighted by a cash dividend of Php2.97 per share—representing a 29.1% increase from the previous year. Our stock also performed well, closing at Php269.00, a 7.0% increase year-on-year, significantly outperforming the Philippine Stock Exchange Index (PSEi), which rose by 1.2%.

Beyond the financial achievements, 2024 was also marked by the Jollibee brand being recognized as the 2nd fastest growing restaurant brand and 5th strongest brand in the world by Brand Finance, outperforming other bigger international competitors.



Expanding Our Global Footprint

Our international growth continues to be a key pillar of our strategy. **In 2024, we opened 674 new stores across regions, 536 of which are outside the Philippines, bringing our signature brands to more communities around the world**.

We are particularly excited about the strengthened presence of our flagship brand, Jollibee, in key cities across North America and EMEAA, reinforcing brand equity and consumer loyalty. This year Jollibee was voted #1 among the best fried chicken by USA Today. At the same time, the accelerated growth of our coffee and tea portfolio through Compose Coffee has further expanded our offerings, contributing to a 22.6% SWS growth in this segment. Jollibee Group's store network now has over 9,700 stores worldwide—a 41.8% increase, with 69.0% operated by franchisees. Each new store stands as a testament to our brands' growing appeal and the dedication of our teams and franchisees.



Sustainability and Purpose-Driven Growth

Driving business results with purpose, we're proud of the progress we've made in embedding sustainability into our operations through our Joy For Tomorrow agenda. **In 2024, we conducted 11,788 food safety audits to uphold the highest standards across our restaurants**. We believe that it is with this stringent quality that we could deliver superior taste in every store, in every serving, every single day.

We've made significant strides in minimizing our environmental impact. Our manufacturing sites in the Philippines, which represent the majority of our global commissary operations, achieved a 32.0% reduction in energy use, a 33.0% reduction in water consumption, and a 44.0% cumulative reduction in waste per metric ton of products produced compared to our 2020 baseline. Additionally, 62.0% of waste from these sites was disposed of through sustainable methods and diverted from landfills, with the Mang Inasal Marilao Commissary maintaining its zero-waste-to-landfill status in 2024. Through partnerships with local government units and the dedication of our employee volunteers, we also planted 21,500 mangrove propagules, contributing to coastal restoration and resilience.



Empowering Our People and Communities

Our people are at the heart of our success, and we are fully committed to make our teams thrive. **We were honored to receive recognition for these efforts in 2024. For the third time, we earned the Gallup Exceptional Workplace Award, and for the second time, we were recognized by TIME Magazine as one of the Best Companies of 2024**. We were also named Employer of the Year by the People Management Association of the Philippines following a highly stringent selection process among the country's top companies.

Additionally, our Farmer Entrepreneurship Program, the flagship initiative of the Jollibee Group Foundation, received the Entrepreneurship Development Programme Award and the Social Welfare Award at the regional ESG Business Awards. It also earned a spot in the 2024 Steward Leadership 25 list.

These milestones reflect our dedication to fostering a joyful workplace and empowering the communities we serve.



Looking Ahead to 2025 and Beyond

As we step into 2025, we remain focused on strategic growth and innovation. We plan to open 700 to 800 new stores across our brands and regions, supported by a capital expenditure allocation of Php18 to 21 billion for expansion and operational improvements. We aim to achieve an 8.0% to 12.0% growth in SWS, driven by a 4.0% to 6.0% same-store sales growth and a 4.0% to 8.0% increase in our store network size. Our expansion efforts will continue in North America, EMEA, and Asia, further strengthening our leadership in the global food service industry.

As we move forward, we carry with us the unwavering confidence that our solid foundation, remarkable teams, and clear sense of purpose will continue to drive us toward our ambitious long-term goals. Together, we will seize new opportunities, delight consumers, and extend the joy of superior taste to even more communities across the globe.

Your trust and support have been instrumental in turning our bold dreams into reality and in fueling our purpose of spreading joy through every sip and every bite we serve. You are an essential part of this extraordinary journey, and for that, we extend our heartfelt gratitude.

Thank you for believing in us, for standing by us, and for sharing in our vision. Together, the future is brighter than ever, and the best is yet to come.



Ernesto Tanmantiong
Global President & Chief Executive Officer
Jollibee Group

DIRECTORS & CORPORATE OFFICERS*

DIRECTORS

Dr. Tony Tan Caktiong
Chairman

Ernesto Tanmantiong
Director

William Tan Untiong
Director

Ang Cho Sit
Director

Antonio Chua Poe Eng
Director

Artemio Panganiban
Director

Cesar Purisima
Lead Independent Director

Kevin Goh
Independent Director

Ee Rong Chong
Independent Director

CORPORATE OFFICERS

Dr. Tony Tan Caktiong
Executive Chairman
Founder and Chief Taste Officer

Ernesto Tanmantiong
President and CEO

William Tan Untiong
Corporate Secretary

Atty. Valerie Amante
Compliance Officer and
Assistant Corporate Secretary

Don Alexander Lim
Treasurer

Richard Chong Woo Shin
Chief Financial Officer

*As of December 31, 2024

FINANCIAL HIGHLIGHTS

- **Record High Performance**
  both in Sales and Operating Income
- **Breached the Php10-Bn Mark**
  Net Income Attributable to Equity Holders of the Parent Company
- **System-Wide Sales at +13.0%**
  Growth YoY
- **+5.7% Same Store Sales Growth,**
  driven by PH which grew by 7.5%
- **674 New Restaurants Opened**
  (536 International; 138 Philippines), highest in JFC History
- **Operating Income and NIAT growth at +17.2% and +17.7%, respectively**
- **PHP263.6 Bn** Total assets,
  Strong balance sheet

			Change	
In Php Mn	FY 2024	FY 2023	Amt	2023 Δ%
System-Wide Retail Sales	**390,284**	345,324	44,960	13.0
Revenues	**269,942**	244,107	25,835	10.6
Gross Profit	**51,719**	45,301	6,419	14.2
Operating Income	**16,889**	14,414	2,475	17.2
EBITDA	**36,746**	33,815	2,931	8.7
Net Income	**10,796**	8,985	1,810	20.1
Net Income Attributable to Equity Holders of the Parent	**10,317**	8,766	1,550	17.7
Earnings Per Share - Basic	**8.851**	7.455	1.396	18.7

CORPORATE HIGHLIGHTS

Jollibee was named the #1 Food Brand in Southeast Asia by Campaign Asia

Jollibee, Mang Inasal, and Chowking hailed as the Top 3 Most Valuable ASEAN Restaurant Brands based on Brand Finance's ASEAN 500 2024 report

Named among the World's Best Companies in 2024
by TIME Magazine for the 2nd time

Recognized by the ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards
for 3rd straight year

Awarded Employer of the Year
by the People Management Association of the Philippines

Recognized with the Gallup Exceptional Workplace Award for the 3rd time

The Farmer Entrepreneurship Program bagged the ESG Business Awards 2024 and made it to the 2024 Steward Leadership 25 list

Completed the acquisition of Compose Coffeee

Opened the 1st Tiong Bahru Bakery
in the Philippines

JOY FOR TOMORROW

Our sustainability agenda, Joy for Tomorrow, is our global framework and strategic approach to embedding sustainability into the core of our business operations across our diverse family of brands worldwide. It aligns with our purpose, vision, and business growth strategies, serving as a cohesive guide to integrating responsible business practices, that drive long-term value for our stakeholders and deliver a positive impact to our communities and the planet.

This agenda is built around three pillars: Food, People, and Planet. Under these pillars are 10 focus areas, each with specific goals that guide our efforts in addressing some of today's most pressing challenges.

FOOD

19
Brands

11,788
Food Service Cleanliness & Condition (FSC) Audits conducted in restaurants worldwide

93%
Global Net Promoter Score exceeding industry benchmark of 50

100%
of commissaries, and logistics facilities audited

PEOPLE

31,339
Employees

29.6
Average Training Hours per employee

54%
Women in senior management and

54%
of total workforce globally

4,954
Smallholder farmers engaged, since the start of the Farmer Entrepreneurship Program in 2008

74th
Percentile in Gallup's Q12 Percentile ranking, driven by Jollibee Group's 67% employee engagement rate—well above the global average of 21%

2.68
Million meals distributed through FoodAID in 2024 alone for calamity and disaster response, totaling to 15.5 million meals since the onset of the pandemic in 2020

PLANET

16,800
solar panels across our manufacturing sites in the Philippines, generating 9.1 megawatts of clean energy

32%
reduction in energy use ratio in our Philippine Manufacturing sites by the end of 2024 against the 2020 baseline

33%
reduction in water use ratio in our Philippine Manufacturing sites by the end of 2024 against the 2020 baseline

3–7%
reduced consumption from the grid in each store with installed solar PV panels

44%
cumulative reduction in food loss and waste in our Philippine manufacturing sites by the end of 2024 against the 2020 baseline.

21,500
mangrove propagules planted in 2024

Learn more about the Jollibee Group Sustainability Agenda at www.jollibeegroup.com/sustainability



Defying Limits and Soaring to New Heights

Jollibee®

World's second fastest-growing restaurant brand

For over 47 years, Jollibee has been part of the everyday lives of Filipinos – whether it be celebrating a Jollibee Kids Party, going on a first date, or simply bonding with family and friends to celebrate small and big occasions. Our network of more than 1,700 stores in 17 countries have allowed us to share the joy through our best-tasting food like Chickenjoy, Jolly Spaghetti, and Yumburger, among other delicious and value-for-money menu offerings.



Global Bestsellers

Peach Mango Pie
Made with peaches and real Philippine mangoes in a warm, light, and crispy crust.



Chickenjoy
Our signature crispiest, juiciest, and best-tasting bone-in fried chicken, served with a side of gravy



Spicy Chicken Sandwich
The spicy version features a sriracha mayo spread and fresh jalapeno slices.





Jolly Spaghetti
The meatiest, cheesiest, sweet-sarap Jolly Spaghetti



Yumburger
Our beefiest burger, with a beefy patty and our special dressing in between soft buns

2024 Highlights

1,759
Global Store Network

136
# of Stores Opened

17
Markets Present

+14.0%
Global System-Wide Sales Growth

+8.3%
Global Same-Store Sales Growth

+6.0%
Global Store Network Growth

Milestone Openings

- **200th store** in Vietnam
- **20th stores** in Brunei, Singapore, and Malaysia
- **1st university store** at the National University of Singapore
- **1st DELTO (Delivery-Takeout) store** in Anchorvale, Singapore

Awards

- **#1 food brand in Southeast Asia** - Campaign Asia Southeast Asia's Top 50 brands
- **Most Valuable Restaurant Brand** - Brand Finance's ASEAN 500 2024
- **#2 Fastest-Growing Restaurant Brand** - Brand Finance's Restaurants 25
- **Top 10 Strongest Restaurant Brands 2024** – Brand Finance
- **#2 Most Improved Brand and #8 Best F&B Brand** in Vietnam
- **Top 5 Most Reputable Food Service Companies** in 2024 - Vietnam
- **Silver BSI Award** for CSR Projects for Jollibee Vietnam's "A Million Moments Of Chickenjoy"
- **Top 10 Brands for Customer Satisfaction in Kuwait** - 2023 Service Hero Customer Satisfaction Index Awards

Sustainability Initiatives

- Continuously **supported various LGUs, communities, schools, and organizations in the Philippines** through sponsorships.
- Donated **PHP 5 million worth of sports equipment to the National Academy of Sports (NAS)** in New Clark City, Capas, Tarlac.
- Launched the **BEE Earth's Best Friend initiative in partnership with the Department of Trade and Industry (DTI)**, in select stores in Batangas, encouraging customers to lessen plastic use.





Crafted to Crave: Elevating the Better Burger Experience

SMASH BURGER™

Smashburger is a leading fast-casual better burger restaurant known for its Certified Angus Beef® burgers that are smashed on the grill to sear in the juices and seal in the flavor

From our beginnings in Denver, Colorado in 2007, to one of the fastest growing concepts of its kind to hit 200+ restaurants, we continue to redefine culinary craftsmanship with a menu showcasing flavors and creativity. As we head towards our 20th Anniversary we continue to focus on our unique preparation as well as bold flavors and the story of the "original smash burger." From our Certified Angus Beef® to Haagen-Dazs for our handspun milkshakes we are dedicated to delivering Gold Standard food while continuing to innovate to meet evolving tastes.



Global Bestsellers

Bacon Stack SMASH
Certified Angus Beef® burger, layers of stacked applewood smoked bacon, American cheese, lettuce, tomatoes, mayo, butter-toasted bun

BBQ Bacon SMASH
Certified Angus Beef® burger, aged cheddar cheese, applewood smoked bacon, crispy fried onions, bbq sauce, butter-toasted bun



Classic SMASH
Certified Angus Beef® burger, American cheese, lettuce, tomatoes, red onions, pickles, Smash Sauce®, ketchup, butter-toasted bun

2024 Highlights

214
Global Store Network

6
Markets Present

-6.0%
Global System-Wide Sales Growth

-2.7%
Global Same-Store Sales Growth

-9.3%
Global Store Network Growth

Milestone

Lean In /Brand Relaunch
New brand book, logos, packaging and menu





Strengthened Brand Positioning via BBQ Bun Leadership

TimHoWan 添好運

Globally recognized Chinese casual dining, specializing in Dim Sum and Taste of Hong Kong

We promise to serve authentic and great tasting Hong Kong dim sum in a lively atmosphere, offering great value to our consumers. Complementing our dim sum, we also have an extended range of complementary dessert and beverages representing the taste of HK to fulfill different dine-in occasions across all dayparts.



Global Bestsellers

Shrimp Dumplings
The most recognizable Cantonese dim sum, made of fresh shrimp encased in crystal clear, translucent, and chewy dough.



Baked BBQ Pork Buns
Tim Ho Wan's signature baked BBQ pork buns are freshly baked daily. With a golden crust that is crispy and flully, our buns are filled with a savory filling of specially roasted barbecue pork



2-in-1 Char Siu Platter
Balancing sweet and savory in every tender bite, this perfectly roasted pork dish is glazed with a rich, caramelized sauce.



2024 Highlights

16
Store Network

3
# of Stores Opened

11
Markets Present

-26.8%
Global System-Wide Sales Growth

-23.3%
Global Same-Store Sales Growth

-15.8%
Global Store Network Growth

Milestone Openings

- Entered **1 new province** – Anhui
- Entered **3 new cities** – Hefei/Suzhou/Ningbo

Awards

2024 Selective Restaurant of Delicious Travel - Radio Shanghai

New Products

- Steamed Yellow Croaker with minced Pork & Pickles
- Shrimp Dumplings with Sea Urchins and Fish Roe
- Imported Grain-fed Beef Tart with Mayonnaise
- Pig Lung Boil Soup with Fresh & Dried Cabbage
- Double Lemon Oolong Tea (Cold)
- Cream Cheese Pudding with Fresh Mango, Sweet Red Bean & Chufa Popping Bead
- Chilled Peach Flavor Oolong Tea
- Australia Rib-eye Steak with Fried Rice
- Char Siu with Fried Rice
- Hongkong Style Pistachio Egg Tart
- Warm Pistachio Paste with Crushed Pistachio
- Pistachio Cream Cheese Pudding with Sweet Red Bean Popping Bead & Chufa Popping Bead



A Year of Innovation, Expansion, and Transformation

THE COFFEE BEAN & TEA LEAF™

Global Modern Specialty Coffee & Tea House

At The Coffee Bean & Tea Leaf, we bring you the best of Specialty Coffee & Tea through all your daily moments. We serve with friendliness and are committed to creating an engaging work environment that helps people grow their careers from Barista to Boardroom. We are also committed to growing our business through mutual partnerships and sustainable practices.



Global Bestsellers

Cold Brew Teas
We slowly steep whole leaf teas for 5 hours to achieve a perfectly balanced cold brew, ideal for pairing with refreshing summer flavors like Watermelon and Lychee.

Latte
Crafted from small-batch roasted Arabica beans from five unique origins, our lattes are topped with steamed milk for a smooth finish, while our signature powders unlock flavor possibilities.



Ice Blended
The pioneer of frozen coffee remains a favorite for a reason. We combine real espresso, creamy milk, and refreshing pebble ice, creating a canvas for our flavor creations

2024 Highlights

1,232
Global Store Network

139
# of Stores Opened

24
Markets Present

+12.6%
Global System-Wide Sales Growth

+7.1%
Global Same-Store Sales Growth

+5.8%
Global Store Network Growth

Milestone Openings

- **200th Store in Malaysia**
- **200th Store in Philippines**
- **1st store in Jeddah**, Saudi Arabia
- **1st Drive-thru-only concept stores** in the USA and Malaysia

Milestones

- Ventured into **New Markets: North America & Maldives**
- Signed **Master Franchise Agreement for India**
- Launched **Nespresso-Compatible Capsules**
- Organized **The Coffee Bean & Tea Leaf® Barista Championship 2024**
- Launched the **MyCBTL application** in Malaysia
- Launched a **refreshed loyalty program** in the USA

Awards

- **Recognized among the Top 10 Brands in Kuwait**
  2024 Service Hero Customer Satisfaction Index (CSI) Awards
- **Top 80 Cafes in Asia (Philippines & Singapore)**
  2024 Asia's Top 80 Restaurants and Hotels

Sustainability & People Initiatives

- Launched the **Caring Cup Global Charity Program**
- Started the **19th Anniversary Sustainability Initiative**
- Initiated the **Save Terry Campaign Malaysia**
- Elevated **Employee Experience** through the launch of a strategic Benefits Vision framework
- Implemented the **Wellbeing Flex Program and Super Magnificent Days**
- Launched the **Brew Cadet Internship Program**



Leaping Forward with a Better than Best Year

Chowking 超群

The Philippines' #1 Chinese QSR Brand

Our mission is to spread the joy of eating delicious Chinese food to everyone.

In 2024, we improved our existing offers, launched new products, leveled up every aspect of our business in our journey to become the most loved Chinese QSR brand in the world.



Global Bestsellers

Chinese Style Fried Chicken Lauriat
A complete meal with 6 bestsellers in one: served with Chowking-style fried chicken, egg fried rice, pancit canton, siomai, buchi and chicharap



Chinese Style Fried Chicken
Crispy outside and juicy inside fried chicken, with a unique blend of Chinese spices



Beef Wonton Noodle Soup
Flavorful Beef soup with al dente noodles, tender beef chunks, and wonton ball.





Chunky Asado Siopao
Meaty Asado siopao, with soft Chinese buns stuffed with slow-roasted, Hong Kong style, savory filling of meaty pork



Siomai Chao Fan
Our signature fried rice that's packed with meat, deliciously cooked on a wok, and topped with siomai dumplings

2024 Highlights

621
Global Store Network

28
# of Stores Opened

7
Markets Present

+10.0%
Global System-Wide Sales Growth

+8.1%
Global Same-Store Sales Growth

+1.3%
Global Store Network Growth

Milestone Openings

Opened the brand's **first Concept 8 Store**

Awards

- **#3 Most Valuable Restaurant Brands** - 2024 Brand Finance's ASEAN 500
- **Innovation in the Use of Viral Media**: Spicy Chao Fan Launch, **Innovation in Social Media Marketing**: Tikman ang Bagong Chowking Sarap, **Innovation in Consumer Events**: Halo-Halo Land, and **Innovation in Cross-Media Marketing**: Guess Woks Cooking - 2024 Asia Pacific Stevie Awards
- **Best Marketing Campaign** - 2024 Franchise Business Awards
- **Silver Award - Excellence in Event Marketing**: Halo-Halo Land 2024 Marketing Excellence Awards
- **Bronze Award - Excellence in Viral Marketing**: Chowking Social Media and **Excellence in Brand Strategy**: Chunky Asado Siopao - 2024 Marketing Excellence Awards
- **Merchant of the Year** - 2024 Golden GRAB Awards

Sustainability & People Initiatives

- Garnered **highest Gallup Engagement Score** in Jollibee Group Philippines
- Launched **1st ever Hackathon** in Jollibee Group Philippines
- Launched **Innovative BoCKs** (a one-stop shop, digital training job to aid for everyday great execution)



Holding Steady and Building the Foundation for Sweeter Growth Ahead

Philippine Bestsellers

Black Forest:
Made with layers of decadent chocolate fudge cake, cream and cherry filling, covered with grated chocolate, topped with chocolate squares and Maraschino cherries.



Triple Chocolate Roll:
Soft chocolate chiffon coated with choco icing, adorned with 3 chocolate toppings and finished with milk chocolate drizzle.



Chocolate Dedication Cake:
Moist chocolate cake, deliciously filled and covered with rich chocolate icing for candy-colorful, chocolate-rich birthdays.



USA Bestsellers

Butter Mamon
Combination of chiffon and 100% butter





Mango Supreme
Three layers of moist white chiffon cake, filled with real Philippine mangoes, our signature cream, and mango glaze



Chicken Empanada
Dough generously filled with 100% real chicken and a unique mix of spices, deep-fried to a crisp golden-brown

Red Ribbon is the bakeshop brand that makes people feel special

We are one of the largest bakeshop brands in the Philippines, offering attractive, delicious, and great value-for-money cakes, pastries, breads, and delicacies. Our delectable products are loved and trusted by Filipino families, helping create moments and making people feel special.

Sustainability & People Initiatives

- Distributed **school supplies** to underprivilege children in Tondo, Cavite, and Cebu.
- Implemented the **Jollibee Group Leadership Brand down to Restaurant Manager** level to set the standard for great leadership mindset and behaviors -guiding leaders to excel today and innovate for the future.
- Launched **Talent and Organizational Capability Building Programs** to strengthen talents and build competencies through instructor-led and computer-based trainings.
- Sustained **Employee Engagement via CHEERS Engagement Program** to increase employee work satisfaction and well-being.

2024 Highlights

540
Global Store Network

13
# of Stores Opened

2
Markets Present

+0.7%
Global Same-Store Sales Growth

-2.7%
Global Store Network Growth

Milestone Openings

Red Ribbon Metro Hinigaran
First in the Municipality of Hinigaran



Brewed for the People and Growing with Communities

Global Bestsellers

Phin Sua Da
Our best-selling traditional iced Vietnamese coffee made with a bold blend of Vietnamese Robusta and Arabica beans, slow-drip brewed through a traditional "phin" filter with condensed milk.

Tra Sen Vang:
Tra Sen Vang: Our refreshing Vietnamese Oolong tea, mixed with lotus seeds, a milk foam layer, and topped with chestnut jelly.

Freeze Tra Xanh
Freeze Tra Xanh: A creamy, milky matcha ice blend, topped with whipping cream and green tea jelly.



Highlands Coffee® is the Vietnamese national champion in retail coffee segment, and the global leader in the Vietnamese Specialty Coffee category

Rooted in the spirit of community, Highlands Coffee's mission has always been to serve and uplift society by enriching human connections and fostering social togetherness.

Born and currently based in Vietnam, Highlands Coffee is a 'brand or origin,' specializing in robusta-based products that are sourced in Vietnam, roasted to perfection in our state of the art, 'Robusta first' roasting facility, and distributed globally.

2024 Highlights

850
Store Network

98
# of Stores Opened

2
Markets Present

+12.1%
System-Wide Sales Growth

-3.7%
Same-Store Sales Growth

+9.1%
Store Network Growth

Milestone Openings

The **Highlands Cai Mep Roastery**, designed for scalable growth and production capacity of 75,000 tons per year as operations mature.

Awards

- **Asia's Most Influential Company** – ACES Awards 2024
- **Certified As Best Workplace – 2024 Global Great Place to Work**



Stirring Record Growth and High Revenue in 2024

Milksha

Global Bestsellers

Brown Sugar Milk
A refreshing mix of fresh milk and brown sugar that's heated and stirred until it reaches molten liquid form, with no pre-mixes or syrups used in the process.



Fresh Taro Milk with Taro Ball
Our signature fresh taro milk mixed with handcrafted fresh taro paste.

Earl Grey Latte with Honey Pearl
A delicious blend of earl grey tea and fresh milk with pearls cooked daily in-store.

The Most Popular Bubble Tea Brand in Taiwan

We are one of Taiwan's most popular beverage brands, proudly operating nearly 500 stores worldwide. In 2024, we successfully entered the Japanese market.

Sustainability & People Initiatives

- **Green Light Charity Project**, for every purchase of 6 cups or more, NT$6 is donated on behalf of the consumer.
- **Farm to Cup Approach**, sourcing high-quality peaches from farmers in rural Taiwan
- **Gender representation among team leaders** is notable, with females (60%) and males (40%).
- **Investing in training hours, lectures, and resources** on Employee Development and Health (General Well-being).

Milestone

Expanded into Japan's Kumamoto City

2024 Highlights

336
Store Network

37
# of Stores Opened

5
Markets Present

+5.3%
Global System-Wide Sales Growth

+5.4%
Global Same-Store Sales Growth

+8.4%
Global Store Network Growth



The No. 1 Pizza and Pasta Chain Marks Third Straight Year of Growth

greenwich®

Bestsellers

Hawaiian Overload Pizza
Our best-tasting Hawaiian Pizza with over-the-edge sweet pineapples, cheese, and now with smoked ham in a freshly baked crust

All-In Overload Pizza
All-in toppings with over-the-edge pepperoni, Italian sausage, chorizo, cheese, veggies, now with smoked ham in a freshly baked crust



Creamy Spinach Pizzawrap
A blend of creamy spinach, three types of cheese, and a hint of garlic in a folded pizza crust.

Lasagna Supreme
Our best pasta made with loaded layers of beefy, cheesy flavors.

Best-ever Bestsellers and Beefiest Lasagna

We bring the joy of eating great-tasting pizzas and pastas that help build meaningful connections and celebrate life's little-big moments

2024 Highlights

272
Store Network

6
# of Stores Opened

1
Markets Present

+2.4%
System-Wide Sales Growth

+2.0%
Same-Store Sales Growth

Milestones

- **Highest-ever topline and profitability numbers** in the history of the brand
- **Meaningfully engaged with young adults through the "Sarap to Feel G" campaign, celebrating authenticity and life's little-big moments.**
- Launched the **new Greenwich Mobile App**, Jollibee Group first in-house developed app
- Expanded accessibility to Greenwich products with the **launch of Tuna Lasagna, Hawaiian and Roast Beef & Cream Cheese Pizzawrap, and Frozen Cakes.**

Milestone Openings

- Opened our very **first Phygital store in SM Marilao** Launched
- Launched the cost and space-efficient **Model 80 store-type** in Banilad and Tayuman-Pritil

Awards

- **2024 Grab Fan Favorite for Lasagna Supreme & Pizza Combo Meals** – Grab Philippines
- **2024 Innovative Excellence Award for Pizzawrap - Franchise Excellence Award**

Sustainability & People Initiatives

- Result **improvement of the 2024 Gallup My Voice Matters** at 84th Mean Percentile Rank
- **Full cascade and evolution of #GWithTheBarkada**, our branded employee experience



Reaching a Historic Milestone in Store Openings and Franchise Growth

永和大王®

Bestsellers

King's Minced Pork Rice
A delicious, fine pork belly slow-cooked with our secret recipe, which has sold over 200 million bowls.

Youtiao
Handmade daily and deep-fried using our exclusive recipe, this dough has been ranked No. 1 in several cities in China.



Freshly Ground Soy Milk
Ranked number 1 in several Chinese cities, this 100% natural and authentic soy milk is freshly ground every four hours.

Famous Chinese fast-food brand in China

Yonghe King specializes in freshly made soy foods. It's an all-day Chinese fast food brand offering delicious, super value meals, using fresh soy milk, tofu pudding and tofu.

Milestone

Franchised **stores in North and Central-South China account for over 50%.**

Awards

- **Top 100 catering enterprises** of China for 15 consecutive years.
- **China Food Safety Seven** - Star Awards for 13 straight years.
- **Top Ten Rice Fast Food Brand** in China 2024
- **2024 Annual Social Value Award** and the **Loving Merchant title (Loving Meals Project)**

2024 Highlights

493
Store Network

90*
# of Stores Opened

1
Markets Present

-9.3%
System-Wide Sales Growth

-12.8%
Same-Store Sales Growth

+6.0%
Store Network Growth

Sustainability & People Initiatives

Actively **engages in public welfare activities**, fulfilling its corporate social responsibility.

*88 are franchised stores, +44% vs. 2023



Serving Legacy and Culture in Every Dish

1992
宏狀元
—現熬粥—

Bestsellers

Fresh Bone Stewed in a Casserole
Slow-cooked the traditional way with fresh bones, our casserole brings you a comforting depth of flavor that feels just like home.

Fresh Bone Stewed in a Casserole
Our signature congee is cooked for 90 minutes with soup boiled with pork for hours for a healthy and nutritious meal.



Sauteed Roasted Meat
Our freshly stir-fried and roasted meat, with secret seasoning that adds aroma to the taste.

National product and service quality brand

With instant porridge as its flagship product, it matches healthy and delicious Beijing dishes to bring customers a delicious and pleasant dining experience with high-cost performance. Committed to be a casual neighborhood restaurant that provides customers with healthy and great-tasting food at good value for money.

Milestone

Franchised **stores in North and Central-South China account for over 50%.**

Award

- **National product and service quality integrity brand** - 2024
- **Seven Star Award & Rookie Award** - China Food Health - 2024
- **Top 50** - 2024 Beijing Catering Enterprise (Group)
- **Top 100** - China Catering Innovation Award
- Most Investment Value Brand – CFA 2024

2024 Highlights

47
Store Network

5
# of Stores Opened

1
Markets Present

-16.7%
System-Wide Sales Growth

-16.0%
Same-Store Sales Growth

People Initiatives

- Completed **Gallup's Expansion training** in 2024. Gallup is a leading global analytics firm recognized for its workplace insights.
- Honored exceptional teams and individuals' 2024 contributions through the **year-end commendation summary**.



Going Beyond Great: Mang Inasal's Most Fantastic Year Ever!

Bestsellers

Chicken Inasal
Marinated chicken quarters expertly grilled the Mang Inasal way.



Extra Creamy Halo-Halo
Delicious and extra creamy shaved ice milk dessert topped with red sago, buko pandan jelly, langka, ube halaya, yellow beans, red mongo beans, leche flan, macapuno, banana, and ube ice cream.

Pork BBQ
Expertly grilled to smoky-sweet perfection, this tender pork skewer pairs best with rice and spiced vinegar.

The Philippines' Grill Expert

We are Mang Inasal, the Philippines' Grill Expert. We proudly serve Ihaw-Sarap food and bring Unli-Saya to everyone, every day.

2024 Highlights

575
Store Network

15
# of Stores Opened

1
Markets Present

+11.4%
System-Wide Sales Growth

+12.3%
Same-Store Sales Growth

+0.3%
Store Network Growth

Milestone Openings

- Launched **first-ever drive-thru store** at Santa Maria, Bulacan, as part of 21st anniversary celebration.
- Participated in opening the first **Jollibee Group multi-brand store format** at CityMall-Calamba Laguna.

Awards

- **Fastest-growing brand in the region** - Brand Finance's ASEAN 500 - 2024
- **7th in Top 50 food brands in Southeast Asia** and **3rd in the Philippines** - Campaign Asia-Pacific - 2024
- **Top 3 Filipino Fast Food Brands** - Kantar BrandZ's 2024 report
- **27 honors** for marketing and PR excellence - 2024

Sustainability & People Initiatives

- **Zero-Waste to Landfill Status** achieved at the Marilao Bulacan Commissary
- Tatak Mang Inasal Cascade – aligned the employees and franchisees with Mang Inasal's vision, mission, values, and goals
- **Serbisyong Solb Launch** – a unique and differentiated experience defined by our brand name, logo, values, and customer service excellence.
- **IHAWtastic Day and Fun Run** – Family-fun day with employees and franchisees
- **People Training System** – Empowered franchisees to develop their teams



Strong Brews, Stronger Brand: Compose Coffee Shines in 2024

COMPOSE COFFEE

Global Bestsellers

Americano
A coffee crafted with 'Bitter Holic,' a specialty blend that transforms coffee's natural bitterness into a smooth, chocolate-like flavor

Peach Iced Tea
This refreshing drink features a rich peach flavor, tangy lemon slices, and chilled ice for a burst of freshness.



Café Latte
Our latte harmonizes the rich aroma of espresso made with high-quality 'Bitter Holic' & the smoothness of steamed milk

Red Bean Milkshake
Built on a silky milk base, our milkshake lets you customize it with espresso, red bean, cream soda, or others for the perfect blend of richness and sweetness

Korea's Best Take-Out Coffee Brand

We fuel the quiet determination of everyday heroes with quality coffee they can trust—supporting their daily pursuits without compromise.

Milestones

- BTS member V's Compose Coffee **Advertisement Video Surpassed 10 Million Views**
- Seasonal **Strawberry Drink Sales Surpassed 1 Million Cups**
- Annual Cumulative **Sales of Iced Americano Surpass 100 Million Cups**

Milestone Openings

- **2,500th store in Korea**
- **2nd store in Singapore**

2024 Highlights

2,629
Store Network

87
# of Stores Opened

2
Markets Present

Awards

- **Merit Medal** – Korean Red Cross 2024
- **Korea Franchise Association Chairman's Award** – 25th Korea Franchise Industry Development Merit 2024

Sustainability & People Initiatives

- **Coffee Truck Support** for Disability Awareness Day Event
- **Franchise Startup Support** for Prospective Franchise Owners
- **Free Distribution of Combination Microwave Ovens** to All Franchise Stores
- Recognition of **Outstanding Department, Best Salesperson, and Employee with the Longest Service**

Sustaining Growth Through Exceptional Service and Food Quality







PANDA EXPRESS

At Panda Express, we define and serve American Chinese comfort food, which is born from adapting traditional Chinese recipes, flavors, and cooking techniques to American ingredients and tastes.



2024 Highlights

28 Store Network

1 # of Stores Opened

+7.3% System-Wide Sales Growth

-16.8% Same-Store Sales Growth

-3.4% Store Network Growth

Awards

Gold Fan Faves Award – Grab Fan Faves Award 2024

Sustainability & People Initiatives

Launched **new branded guest service** boosting consumer relations and service quality by 6%

BURGER KING

At Burger King, we believe real food tastes better. We flame-grill 100% beef patties over real fire and serve them with fresh ingredients without preservatives or artificial flavors every day.



2024 Highlights

131 Store Network

4 # of Stores Opened

+1.9% System-Wide Sales Growth

-1.8% Same-Store Sales Growth

-0.8% Store Network Growth

Awards

- **Excellence in Marketing Activation** (BK x Deadpool Wolverine collaboration) – Disney Consumer Showcase 2024
- **Gold Fan Faves Award** – Grab Fan Faves Award 2024
- **Best Preparation Time** – Grab Food Operational Award 2024

Sustainability & People Initiatives

- Launched **Trust in Taste (TnT)** – all ingredients are free from preservatives, artificial colors and flavors, MSG, high fructose corn syrup, ADA) and bleached flour
- Inaugurated **Start with the WHY**– participants go on a journey of self-discovery that aligns their "whys" with JFC's mission & vision.
- Instituted **Hall of Flame**: Integrated Recognition – our overarching rewards program to celebrate small ang big wins.
- Initiated **Have It Your Way Playbook**– leaders are equipped with resources for their team's learning and engagement.

YOSHINOYA

At Yoshinoya, we are committed to delivering a distinct culinary experience steeped in Japanese tradition, taste, and quality.



2024 Highlights

9 Store Network

+4.9% System-Wide Sales Growth

-5.4% Same-Store Sales Growth

Awards

Finalist – 2024 Yoshinoya Asia Cup, the annual gyudon-making competition among Asian chefs

Sustainability & People Initiatives

Launched our **branded employee engagement**

Establishing Market Presence, Positioning for Scalable Growth



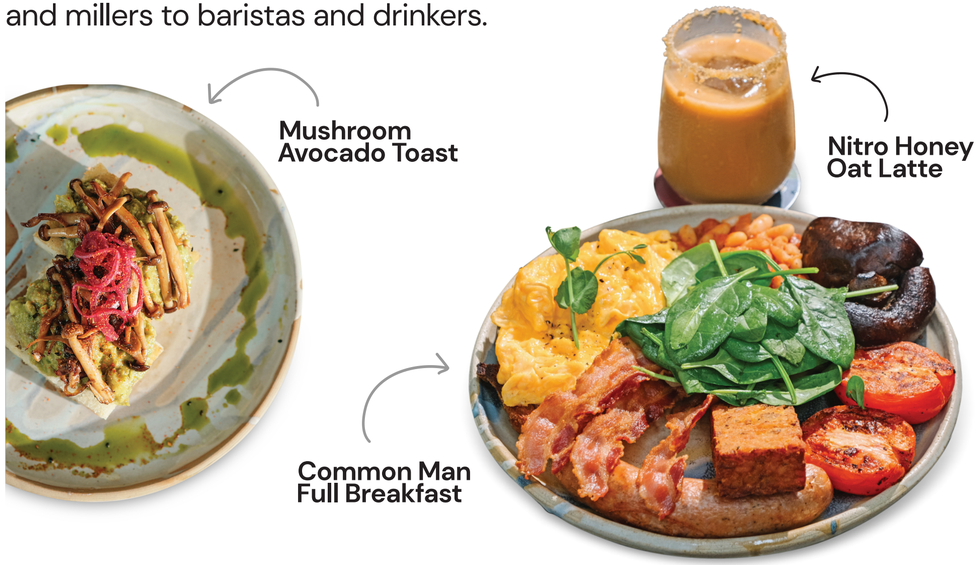


COMMON MAN COFFEE ROASTERS

TIONG BAHRU BAKERY

Best Brunch in Town

Common Man Coffee Roasters delivers leading wholesale and retail experiences, centered on delicious, specialty-grade, ethical coffee. We uphold truth in every action, celebrating the real relationships and human impact from bean to cup—from farmers and millers to baristas and drinkers.



2024 Highlights

1 Store Network

1 # of Stores Opened

1 Markets Present

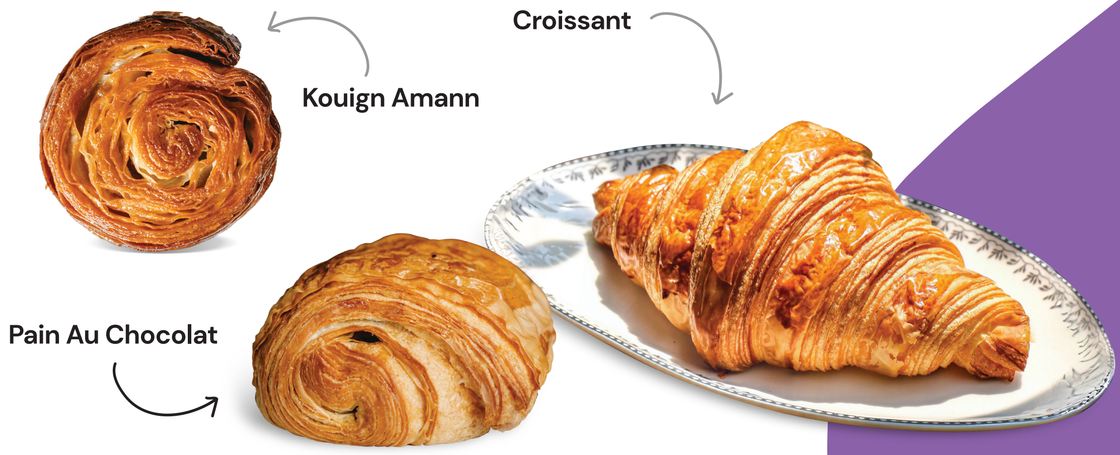
+1,457.7% System-Wide Sales Growth

Milestone

Launch of local coffee blend – Araw-Araw Blend

Home of the Handmade Croissant

Tiong Bahru Bakery is a beloved artisanal bakery from Singapore, known for its authentic French viennoiseries and bold, creative spirit. Every pastry is handmade with premium ingredients—highlighted by its signature buttery croissants, flaky kouign amann, and pain au chocolat.



2024 Highlights

1 Store Network

1* # of Stores Opened

1 Markets Present

*Opened in January 2025

BUSINESS & FUNCTION HEADS

HEADS OF PHILIPPINE BUSINESS UNITS

Joseph Tanbuntiong
Philippine Business and Jollibee Brand Global

Fernando Yu, Jr.
Jollibee Philippines

Kenneth Andrew Lingan
Chowking Philippines

Joseph Michael Castro
Mang Inasal Philippines

Joseph Tanbuntiong*
Greenwich, Burger King, and Foreign Franchised Brands

Ma. Alfonso Romeo Roderos
Greenwich Philippines

Jose Amado Dominguez
Red Ribbon Philippines

Ana Lourdes Aluyen
Panda Express Philippines

HEADS OF INTERNATIONAL BUSINESS UNITS

Carl Brian Tan Caktiong
Jollibee Group China, Global Digital, and Tim Ho Wan

Louie Liu
Yonghe King

Grey Xiong
Hong Zhuang Yuan

Maribeth dela Cruz
Jollibee Group North America

Jim Sullivan
Smashburger

Yeong Sheng Lee**
Tim Ho Wan

Thai Phi Diep
SuperFoods Group

Jose Ma. Miñana, Jr.
The Coffee Bean & Tea Leaf

Peter Huang
Milksha

Gordon Cho
Compose Coffee

Dennis Flores
Europe, Middle East, Asia, and Australia

*since October 2024
**since January 2025

BUSINESS & FUNCTION HEADS

HEADS OF CORPORATE UNITS

William Tan Untiong
Business Support

Arsenio Sabado
Human Resources

David Beal
Marketing

Don Alexander Lim
Strategy and M&A

Richard Chong Woo Shin
Finance and Risk

Atty. Valerie Amante
Legal, Ethics, and Compliance

Kaustubh Wadekar*
Procurement

Jose Ma. Miñana, Jr.
Sustainability

Thomas Ryan
Product Development

Marcos Cadena
Technology

Frank Sheng
Internal Audit

Ma. Gisela Tiongson
Jollibee Group Foundation, Inc.

*since October 2024



Elevating Work with Partners to Uplift Communities

Jollibee Group FOUNDATION

As the social development arm of the Jollibee Group, we promote improved access to food by implementing programs on agro-entrepreneurship, education, environment, and disaster response, together with our partner organizations in the Philippines and from other countries.

Farmer Entrepreneurship Program (FEP)

A comprehensive agro-entrepreneurship program where we engage partners to organize farming communities, enhance their technical skills and business acumen, and link them with institutional markets for better and sustainable income.

- **2.7 Million Kilos**
  Vegetables delivered by FEP farmer groups in 2024
- **Over 13 Million Kilos**
  Vegetables delivered by 34 farmer groups since 2008
- **Php703 Million (USD 12.7M)**
  Sales Generated for FEP Partners since 2008
- **Program Developments**
  - Expansion of Agro-Enterprise for Inclusive Value Chains (AEIVC) Training Program
  - Launch of Agri-tech Facilitators (ATF) Program with 18 inaugural farmers

Access, Curriculum, and Employability (ACE) Scholarship Program

We equip youth experiencing poverty with the necessary skills for Quick Service Restaurant Operations (QSRO) and Agro-Entrepreneurship to help them gain employment.

- **401 Scholars**
  Assisted in School Year 2024-2025
- **3,155 Scholars**
  Assisted since 2005
- **Program Developments**
  Launch of Customized Food Service Training Program for QSRO in Cebu

Jollibee Group FoodAID

We provide disaster relief by ensuring communities have immediate access to food by producing and distributing food items to calamity-affected communities and geographically isolated and disadvantaged areas.

- **2.69 Million**
  Meals served in 2024
- **15.5 Million**
  Meals served since 2020
- **Program Developments**
  1,000 farmers assisted with livelihood recovery support for major crop damage due to a series of typhoons

Busog, Lusog, Talino (BLT) Kitchen Feeding Program

We help provide daily lunch meals to children experiencing malnutrition so they remain in school and learn better by setting up central kitchens that can facilitate efficient and quality food preparation.

- **33 BLT Kitchens**
  In 2024
- **24,844 School children**
  Reached in 2024
- **250 Schools**
  Served in 2024
- **Partnership**
  Development of Kitchen Training Centers in partnership with the Department of Education

Mangrove Reforestation

In partnership with the government and community-based organizations and our Jollibee Group employee volunteers, we promoted Mangrove Management as part of the Company's global sustainability agenda.

- **7 Reforestation Activities**
  In Partnership with Department of Environment and Natural Resources and local organizations
- **21,500**
  Seedlings planted
- **315 Employee Volunteers**
  Engaged in reforestation activities

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

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JFC Group of Companies

SELECTED FINANCIAL DATA

(in P'000, except Number of Stores, Personnel, Ratios, Per Share Data and Outstanding Shares)

FOR THE YEAR	2021	2022	2023	2024
Consolidated System Wide Sales	211,719,459	296,822,356	345,324,368	390,284,421
Revenues	153,575,590	211,902,216	244,107,348	269,942,332
Net Income	5,501,991	7,338,493	8,985,453	10,795,840
Net Income (Attributable to Equity Holders of the Parent)	5,981,690	7,558,503	8,766,116	10,316,529
Payroll and Benefits	28,012,314	35,448,082	39,687,527	44,939,376
Personnel	36,314	40,468	36,227	43,605
Number of Stores				
Jollibee*	1,528	1,582	1,660	1,759
Greenwich	269	271	272	272
Chowking*	605	613	613	621
Red Ribbon*	553	566	559	544
Yonghe King	394	421	465	493
Hong Zhuang Yuan	51	58	59	47
Mang Inasal	578	574	573	575
Burger King	103	125	132	131
Dunkin' Donuts	7	-	-	-
Highlands Coffee	483	605	779	850
PHO24	54	30	-	-
Smashburger	245	243	236	214
Coffee Bean and Tea Leaf	1,048	1,071	1,164	1,232
Panda Express	4	14	29	28
Tim Ho Wan	8	17	19	16
Yoshinoya	3	7	9	9
Multibrand	-	3	5	8
Milksha	-	280	310	336
Common Man Coffee Roasters	-	-	1	1
Compose Coffee	-	-	-	2,629
Tiong Bahru Bakery	-	-	-	1

* Domestic and International

AT THE YEAR-END	2021	2022	2023	2024
Total Assets	210,838,227	233,402,705	244,174,216	263,550,894
Total Property & Equipment	30,608,819	36,485,718	39,825,319	43,893,416
Total Equity	74,184,155	80,915,033	86,256,655	94,567,419
Current Ratio	1.43	1.22	1.10	0.96
Debt Ratio	0.71	0.71	0.70	0.70
PER SHARE DATA				
Basic Earnings Per Share	5.302	6.400	7.455	8.851
Diluted Earnings Per Share	5.293	6.382	7.444	8.826
Cash Dividend	1.67	2.30	2.30	2.97
Book Value	68.01	72.58	77.30	84.64
SHARE INFORMATION				
Outstanding Shares (net of Treasury Shares)	1,090,716,893	1,114,769,415	1,115,883,544	1,117,243,842

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES** (the Jollibee Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the 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 Jollibee 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 Jollibee Group or to cease operations, or has no realistic alternative but to do so.

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

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

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders for the years ended December 31, 2024, 2023 and 2022, has audited the consolidated financial statements of the Jollibee Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed under oath by the following:

TONY TAN CAKTIONG
Chairman of the Board

DON ALEXANDER C. LIM
Treasurer

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

Before me, a notary public in and for the city named above, personally appeared the following:

Name	Proof of Identification
Tony Tan Caktiong	Passport No. P8606382C, issued on December 12, 2024 and expiring on December 11, 2034
Don Alexander C. Lim	Passport No. P9627945A, issued on November 20, 2018 and expiring on November 19, 2028

Who are personally known to me and to me known to be the same persons who presented the foregoing instrument and signed the instrument in my presence, and who took on oath before me as to such instrument.

Witness my hand and seal this MAR 13 2025.

Doc. No. 9
Page No. 3
Book No.1
Series of 2025

ATTY. VALERIE F. AMANTE
Notary Public for Pasig
Until December 31, 2025
Appointment/Commission No. 277 (2024-2025)
Roll No. 46166
PTR No. 3044867 - January 16, 2025 - Pasig City
IBP Lifetime No. LFN-06295 - June 11, 2007 - Makati City
MCLE Compliance No. VII-0021704

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Jollibee Foods Corporation
Doing business under the name and style of Jollibee
and Subsidiaries
10/F Jollibee Plaza Building
10 F. Ortigas Jr. Avenue, Ortigas Center
Pasig City

Opinion

We have audited the consolidated financial statements of Jollibee Foods Corporation Doing business under the name and style of Jollibee (the Parent Company) and its subsidiaries (the Jollibee Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Jollibee Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Accounting for Business Combination - Acquisition of Compose Coffee

On July 2, 2024, the Jollibee Group, through its wholly owned subsidiary, Jollibee Worldwide Pte. Ltd., acquired majority shareholding in Compose Coffee Co., Ltd. and JMCF Co., Ltd. (collectively Compose Coffee). The Jollibee Group recognized provisional goodwill of ₱3,416.5 million and trademark and supplier relationships of ₱12,204.5 million based on the provisional purchase price allocation performed. We considered the accounting for this acquisition to be a key audit matter because it required significant amount of management judgment and estimation in identifying the underlying acquired assets and liabilities and in determining their fair values, specifically the acquired property, plant and equipment, trademark and supplier relationships.

The disclosures in relation to the acquisition of Compose Coffee are included in Notes 4 and 11 to the consolidated financial statements.

Audit Response

We reviewed the share purchase agreement covering the acquisition, the consideration paid and the provisional purchase price allocation. We evaluated the competence, capabilities and objectivity of the external appraiser who prepared the appraisal report for the property, plant and equipment and the external valuation specialist who valued the trademark and supplier relationships by considering their qualifications, relevant experience and reporting responsibilities. We involved our internal specialist in the review of the methodologies and assumptions used in arriving at the fair values of the property, plant and equipment, trademark and supplier relationships. We compared the key assumptions used such as the list prices and adjustment factors by reference to relevant market data for the valuation of property, plant and equipment. We also compared the key assumptions in the valuation of trademark and supplier relationships such as revenue growth rate, long-term growth rate and store churn rate. We tested the parameters used in determining the discount rate against market data. We reviewed the presentation and disclosures in the consolidated financial statements.

Recoverability of Goodwill and Trademark with Indefinite Life

Under Philippine Accounting Standard (PAS) 36, Impairment of Assets, the Jollibee Group is required to annually test the amount of goodwill and trademark with indefinite life for impairment. This annual impairment test was significant to our audit because the balance of goodwill and trademark with indefinite life amounting to ₱20,114.6 million and ₱40,854.3 million, respectively, as at December 31, 2024, respectively, are material to the consolidated financial statements.

In addition, management's assessment process is complex and highly judgmental and is based on assumptions, specifically discount rate, which is applied to the cash flows, net sales forecasts, long-term revenue growth rate, and earnings before interest, taxes, depreciation and amortization (EBITDA) which are affected by expected future market or economic conditions, particularly those in the Philippines, the People's Republic of China, Vietnam, South Korea, Taiwan, Hongkong and the United States of America.

The Jollibee Group's disclosures about goodwill and trademarks with indefinite life are included in Note 14.

Audit Response

We involved our internal specialist in evaluating the methodologies and the assumptions used in determining the recoverable amounts of the cash-generating units (CGUs) for goodwill and the trademarks with indefinite life. These assumptions include the discount rate, net sales forecasts, long-term revenue growth rate, and EBITDA. We compared the key assumptions used, such as forecasted long-term revenue growth rate, forecasted net sales and EBITDA against the historical data of the CGUs and inquired from management and operations personnel about the plans to support the forecasts. Furthermore, we tested the parameters used in the determination of discount rate against market data. We also reviewed the Jollibee Group's disclosures about the assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of goodwill and trademarks with indefinite life.

Recognition of Deferred Income Tax Assets

The Parent Company and certain subsidiaries (foreign and local) have recognized deferred tax assets amounting to ₱22,867.1 million as at December 31, 2024. Of that amount, around 28% relates to net operating loss carryover and excess minimum corporate income tax over regular corporate income tax. Management evaluated the recognition of these deferred tax assets based on the forecasted taxable income taking into account the period in which the deductible temporary differences can be claimed in the Philippines, the People's Republic of China, Europe, Singapore and the United States of America. The recognition of deferred tax assets is significant to our audit because the assessment process is complex and judgmental, and is based on assumptions that are affected by expected future market or economic conditions and the expected future performance as well as management's plans and strategies of the relevant taxable entities.

The disclosures in relation to deferred income taxes are included in Note 24 to the consolidated financial statements.

Audit Response

We updated our understanding of the Parent Company and its subsidiaries' deferred income tax calculation process and, together with our internal specialist, the applicable tax rules and regulations. We evaluated management's assessment on the availability of future taxable income with reference to financial forecasts and tax strategies. We evaluated management's forecast by comparing the forecasts of future taxable income against approved budgets, historical performance of the relevant entities like past revenue growth rates and with relevant external market information such as inflation. We also assessed the timing of the reversal of future taxable and deductible temporary differences.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's report.

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Jollibee 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 Jollibee Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Julie Christine O. Mateo.

SYCIP GORRES VELAYO & CO.



Julie Christine O. Mateo
Partner
CPA Certificate No. 93542
Tax Identification No. 198-819-116
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-068-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10465357, January 2, 2025, Makati City

March 13, 2025

JOLLIBEE FOODS CORPORATION

Doing business under the name and style of Jollibee

AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousand Pesos)

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6, 31 and 32)	**₱29,326,649**	₱33,232,488
Short-term investments (Notes 6, 31 and 32)	**85,455**	624,800
Financial assets at fair value through profit or loss (Notes 10, 31 and 32)	**211,534**	7,853,800
Receivables and contract assets (Notes 7, 31 and 32)	**10,802,515**	8,567,416
Inventories (Note 8)	**13,872,706**	12,340,206
Other current assets (Note 9)	**11,476,061**	11,556,492
Total Current Assets	**65,774,920**	74,175,202
Noncurrent Assets		
Financial assets at fair value through profit or loss (Notes 10, 31 and 32)	**374,046**	316,182
Interests in and advances to joint ventures, co-venturers and associates (Note 11)	**26,827,599**	21,092,982
Property, plant and equipment (Note 12)	**43,893,416**	39,825,319
Investment properties (Note 13)	**89,395**	101,585
Right-of-use assets (Note 29)	**44,529,498**	44,966,055
Trademarks, goodwill and other intangible assets (Note 14)	**67,794,488**	51,926,645
Finance lease receivables (Notes 29, 31 and 32)	**–**	811
Deferred tax assets - net (Note 24)	**9,372,429**	7,424,064
Other noncurrent assets (Notes 15, 31 and 32)	**4,895,103**	4,345,371
Total Noncurrent Assets	**197,775,974**	169,999,014
	₱263,550,894	₱244,174,216
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities and contract liabilities (Notes 16, 31 and 32)	**₱48,364,343**	₱46,835,455
Short-term debt (Note 18)	**6,472,199**	5,751,730
Income tax payable	**787,740**	309,755
Current portion of:		
Lease liabilities (Notes 29, 31 and 32)	**8,106,429**	8,442,985
Long-term debt (Notes 18, 31 and 32)	**3,955,607**	6,180,695
Provisions (Note 17)	**733,014**	237,835
Total Current Liabilities	**68,419,332**	67,758,455

	December 31	
	2024	2023
Noncurrent Liabilities		
Senior debt securities (Notes 18 and 31)	**34,582,581**	33,077,780
Noncurrent portion of:		
Lease liabilities (Notes 29, 31 and 32)	**44,115,015**	43,288,544
Long-term debt (Notes 18, 31 and 32)	**12,096,973**	6,436,348
Provisions (Note 17)	**1,200,938**	1,399,273
Pension liability (Note 25)	**2,851,393**	2,331,230
Deferred tax liabilities - net (Note 24)	**5,717,243**	3,625,931
Total Noncurrent Liabilities	**100,564,143**	90,159,106
Total Liabilities	**168,983,475**	157,917,561
Equity Attributable to Equity Holders of the Parent Company *(Note 31)*		
Capital stock:		
Preferred (Note 19)	**12,000,000**	12,000,000
Common (Note 19)	**1,135,538**	1,132,331
Additional paid-in capital (Note 19)	**13,907,912**	12,662,905
Other reserve (Note 11)	**1,877,400**	1,877,400
Cumulative translation adjustments of foreign subsidiaries and interests in joint ventures and associates (Note 11)	**1,817,231**	1,405,390
Remeasurement loss on net defined benefit plan - net of tax (Note 25)	**(1,074,763)**	(990,150)
Excess of cost over the carrying value of non-controlling interests acquired (Notes 11 and 19)	**(2,026,340)**	(2,026,340)
Retained earnings (Note 19):		
Appropriated for future expansion	**23,400,000**	18,700,000
Unappropriated	**25,182,366**	23,341,856
	76,219,344	68,103,392
Less cost of stock held in treasury (Note 19):		
Preferred stock	**3,000,000**	–
Common stock	**180,511**	180,511
	73,038,833	67,922,881
Senior perpetual securities (Notes 10 and 19)	**20,264,804**	20,264,804
Non-controlling interests (Note 11)	**1,263,782**	(1,931,030)
Total Equity	**94,567,419**	86,256,655
	₱263,550,894	₱244,174,216

See accompanying Notes to Consolidated Financial Statements.

JOLLIBEE FOODS CORPORATION

Doing business under the name and style of Jollibee

AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousand Pesos, Except Per Share Data)

	Years Ended December 31		
	2024	2023	2022
REVENUES			
Gross sales	**₱254,957,686**	₱232,474,410	₱201,375,231
Sales discount	**(6,027,714)**	(5,772,849)	(4,717,946)
Net sales	**248,929,972**	226,701,561	196,657,285
Royalty, set-up fees and others (Note 20)	**16,147,781**	13,345,378	11,845,358
	265,077,753	240,046,939	208,502,643
PFRS 15 impact on system-wide advertising fees	**4,864,579**	4,060,409	3,399,573
	269,942,332	244,107,348	211,902,216
DIRECT COSTS (Note 21)	**218,223,014**	198,806,694	174,945,874
GROSS PROFIT	**51,719,318**	45,300,654	36,956,342
EXPENSES			
General and administrative expenses - net (Note 22)	**29,748,423**	26,084,005	22,905,918
Advertising and promotions	**5,081,824**	4,802,645	4,109,053
	34,830,247	30,886,650	27,014,971
INTEREST INCOME (EXPENSE) (Note 23)			
Interest income	**959,043**	863,515	341,189
Interest expense	**(5,771,552)**	(5,382,041)	(4,768,732)
	(4,812,509)	(4,518,526)	(4,427,543)
EQUITY IN NET EARNINGS OF JOINT VENTURES AND ASSOCIATES - Net (Note 11)	**329,176**	580,009	4,062
OTHER INCOME - Net (Note 23)	**1,780,346**	1,866,867	5,669,710
INCOME BEFORE INCOME TAX	**14,186,084**	12,342,354	11,187,600
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 24)			
Current	**5,526,758**	4,441,107	3,514,740
Deferred	**(2,136,514)**	(1,084,206)	334,367
	3,390,244	3,356,901	3,849,107
NET INCOME	**10,795,840**	8,985,453	7,338,493
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent years:			
Translation adjustments of foreign subsidiaries	**(1,521,358)**	204,908	1,309,602
Translation adjustments of foreign joint ventures and associates (Note 11)	**1,637,514**	(489,415)	(923,487)
Comprehensive income on derivative liability (Note 18)	**–**	–	12,795
	116,156	(284,507)	398,910
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent years:			
Remeasurement gain (loss) on pension - net of tax (Note 25)	**(84,613)**	(296,803)	447,460
	31,543	(581,310)	846,370
TOTAL COMPREHENSIVE INCOME	**₱10,827,383**	₱8,404,143	₱8,184,863
Net Income (Loss) Attributable to:			
Equity holders of the Parent Company (Note 28)	**₱10,316,529**	₱8,766,116	₱7,558,503
Non-controlling interests	**479,311**	219,337	(220,010)
	₱10,795,840	₱8,985,453	₱7,338,493
Total Comprehensive Income (Loss) Attributable to:			
Equity holders of the Parent Company	**₱10,643,757**	₱8,175,669	₱8,635,683
Non-controlling interests	**183,626**	228,474	(450,820)
	₱10,827,383	₱8,404,143	₱8,184,863
Earnings Per Share for Net Income Attributable to Equity Holders of the Parent Company (Note 28)			
Basic	**₱8.851**	₱7.455	₱6.400
Diluted	**8.826**	7.444	6.382

See accompanying Notes to Consolidated Financial Statements.

JOLLIBEE FOODS CORPORATION

Doing business under the name and style of Jollibee

AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEM BER 31, 2024, 2023 and 2022

(Amounts in Thousand Pesos)

	Equity Attributable to Equity Holders of the Parent Company (Note 31)														
									Retained Earnings (Note 19)						
	Preferred Stock (Note 19)	Capital Stock – Net of Subscription Receivable (Note 19)	Additional Paid-in Capital (Note 19)	Other Reserve (Note 11)	Cumulative Translation Adjustments of Foreign Subsidiaries and Interests in Joint Ventures and Associates (Note 11)	Remeasurement Gain (Loss) on Net Defined Benefit Plan – Net of tax (Note 25)	Comprehensive Income (Loss) on Derivative Liability (Note 18)	Excess of Cost Over the Carrying Value of Non-controlling Interests Acquired (Note 19)	Appropriated for Future Expansion	Unappropriated	Cost of Stock Held in Treasury (Note 19)	Total	Senior Perpetual Securities (Note 19)	Non-controlling Interests (Note 11)	Total Equity
Balance at January 1, 2024	₱12,000,000	₱1,132,331	₱12,662,905	₱1,877,400	₱1,405,390	(₱990,150)	₱–	(₱2,026,340)	₱18,700,000	₱23,341,856	(₱180,511)	₱67,922,881	₱20,264,804	(₱1,931,030)	₱86,256,655
Net income	–	–	–	–	–	–	–	–	–	10,316,529	–	10,316,529	–	479,311	10,795,840
Other comprehensive income (loss)	–		–	–	411,841	(84,613)	–	–	–	–	–	327,228	–	(295,685)	31,543
Total comprehensive income (loss)	–	–	–	–	411,841	(84,613)	–	–	–	10,316,529	–	10,643,757	–	183,626	10,827,383
Movements in other equity accounts:															
Issuances and subscriptions to common stock (Note 19)	–	3,207	694,320	–	–	–	–	–	–	–	–	697,527	–	–	697,527
Cost of stock options granted - net of tax (Note 26)	–	–	550,687	–	–	–	–	–	–	–	–	550,687	–	–	550,687
Cash dividends (Note 19)	–	–	–	–	–	–	–	–	–	(3,776,019)	–	(3,776,019)	–	–	(3,776,019)
Cash dividend received by a non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	–	–	(87,941)	(87,941)
Redemption of Series A - preferred shares	–	–	–	–	–	–	–	–	–	–	(3,000,000)	(3,000,000)	–	–	(3,000,000)
Acquisition of a subsidiary (Note 11)	–	–	–	–	–	–	–	–	–	–	–	–	–	4,244,962	4,244,962
Capital reduction of a subsidiary (Note 11)	–	–	–	–	–	–	–	–	–	–	–	–	–	(258,461)	(258,461)
Reversal of appropriated retained earnings during the year (Note 19)	–	–	–	–	–	–	–	–	(18,700,000)	18,700,000	–	–	–	–	–
Appropriation during the year (Note 19)	–	–	–	–	–	–	–	–	23,400,000	(23,400,000)	–	–	–	–	–
Distribution on senior perpetual securities (Note 19)	–	–	–	–	–	–	–	–	–	–	–	–	–	(887,374)	(887,374)
	–	3,207	1,245,007	–	–	–	–	–	4,700,000	(8,476,019)	(3,000,000)	(5,527,805)	–	3,011,186	(2,516,619)
Balances at December 31, 2024	₱12,000,000	₱1,135,538	₱13,907,912	₱1,877,400	₱1,817,231	(₱1,074,763)	₱–	(₱2,026,340)	₱23,400,000	₱25,182,366	(₱3,180,511)	₱73,038,833	₱20,264,804	₱1,263,782	₱94,567,419
Balance at January 1, 2023	₱12,000,000	₱1,131,217	₱12,091,767	₱1,877,400	₱1,699,034	(₱693,347)	₱–	(₱2,026,340)	₱18,700,000	₱17,621,540	(₱180,511)	₱62,220,760	₱20,264,804	(₱1,570,531)	₱80,915,033
Net income	–	–	–	–	–	–	–	–	–	8,766,116	–	8,766,116	–	219,337	8,985,453
Other comprehensive income (loss)	–		–	–	(293,644)	(296,803)	–	–	–	–	–	(590,447)	–	9,137	(581,310)
Total comprehensive income (loss)	–	–	–	–	(293,644)	(296,803)	–	–	–	8,766,116	–	8,175,669	–	228,474	8,404,143
Movements in other equity accounts:															
Issuances and subscriptions to common stock (Note 19)	–	1,114	207,927	–	–	–	–	–	–	–	–	209,041	–	–	209,041
Cost of stock options granted - net of tax (Note 26)	–	–	363,211	–	–	–	–	–	–	–	–	363,211	–	–	363,211
Cash dividends (Note 19)	–	–	–	–	–	–	–	–	–	(3,045,800)	–	(3,045,800)	–	–	(3,045,800)
Cash dividend received by a non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	–	–	(33,168)	(33,168)
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	–	203,261	203,261
Distribution on senior perpetual securities (Note 19)	–	–	–	–	–	–	–	–	–	–	–	–	–	(859,066)	(859,066)
Additional investment during the year (Note 11)	–	–	–	–	–	–	–	–	–	–	–	–	–	100,000	100,000
	–	1,114	571,138	–	–	–	–	–	–	(3,045,800)	–	(2,473,548)	–	(588,973)	(3,062,521)
Balances at December 31, 2023	₱12,000,000	₱1,132,331	₱12,662,905	₱1,877,400	₱1,405,390	(₱990,150)	₱–	(₱2,026,340)	₱18,700,000	₱23,341,856	(₱180,511)	₱67,922,881	₱20,264,804	(₱1,931,030)	₱86,256,655

	Equity Attributable to Equity Holders of the Parent Company (Note 31)														
	Preferred Stock (Note 19)	Capital Stock – Net of Subscription Receivable (Note 19)	Additional Paid-in Capital (Note 19)	Other Reserve (Note 11)	Cumulative Translation Adjustments of Foreign Subsidiaries and Interests in Joint Ventures and Associates (Note 11)	Remeasurement Gain (Loss) on Net Defined Benefit Plan – Net of tax (Note 25)	Comprehensive Income (Loss) on Derivative Liability (Note 18)	Excess of Cost Over the Carrying Value of Non-controlling Interests Acquired (Note 19)	Retained Earnings (Note 19)		Cost of Stock Held in Treasury (Note 19)	Total	Senior Perpetual Securities (Note 19)	Non-controlling Interests (Note 11)	Total Equity
Balance at January 1, 2022	₱12,000,000	₱1,107,164	₱10,331,342	₱1,877,400	₱1,082,109	(₱1,140,807)	(₱12,795)	(₱2,026,340)	₱18,700,000	₱13,863,987	(₱180,511)	₱55,601,549	₱20,264,804	(₱1,682,198)	₱74,184,155
Net income (loss)	–	–	–	–	–	–	–	–	–	7,558,503	–	7,558,503	–	(220,010)	7,338,493
Other comprehensive income (loss)	–		–	–	616,925	447,460	12,795	–	–	–	–	1,077,180	–	(230,810)	846,370
Total comprehensive income (loss)	–	–	–	–	616,925	447,460	12,795	–	–	7,558,503	–	8,635,683	–	(450,820)	8,184,863
Movements in other equity accounts:															
Issuances and subscriptions to common stock (Note 19)	–	8,884	1,589,033	–	–	–	–	–	–	–	–	1,597,917	–	–	1,597,917
Reversal of subscription receivable (Note 19)	–	15,169	(15,169)	–	–	–	–	–	–	–	–	–	–	–	–
Cost of stock options granted – net of tax (Note 26)	–	–	186,561	–	–	–	–	–	–	–	–	186,561	–	–	186,561
Cash dividends (Note 19)	–	–	–	–	–	–	–	–	–	(3,036,203)	–	(3,036,203)	–	–	(3,036,203)
Cash dividend received by a non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	–	–	(32,565)	(32,565)
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	–	464,810	464,810
Distribution on senior perpetual securities (Note 19)	–	–	–	–	–	–	–	–	–	(764,747)	–	(764,747)	–		(764,747)
Additional investment during the year (Note 11)	–	–	–	–	–	–	–	–	–	–	–	–	–	130,242	130,242
	–	24,053	1,760,425	–	–	–	–	–	–	(3,800,950)	–	(2,016,472)	–	562,487	(1,453,985)
Balances at December 31, 2022	₱12,000,000	₱1,131,217	₱12,091,767	₱1,877,400	₱1,699,034	(₱693,347)	₱–	(₱2,026,340)	₱18,700,000	₱17,621,540	(₱180,511)	₱62,220,760	₱20,264,804	(₱1,570,531)	₱80,915,033

See accompanying Notes to Consolidated Financial Statements.

JOLLIBEE FOODS CORPORATION

Doing business under the name and style of Jollibee

AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousand Pesos)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱14,186,084**	₱12,342,354	₱11,187,600
Adjustments for:			
Depreciation and amortization (Notes 12, 13, 14, 15, 21, 22 and 29)	**17,746,934**	16,953,816	15,598,591
Interest expense (Note 23)	**5,771,552**	5,382,041	4,768,732
Interest income (Note 23)	**(959,043)**	(863,515)	(341,189)
Impairment losses on:			
Receivables (Notes 7 and 22)	**450,373**	278,846	415,412
Property, plant and equipment (Notes 12 and 22)	**204,836**	160,354	107,900
Inventories (Notes 8 and 22)	**60,390**	177,937	274,297
Other current assets (Note 22)	**–**	8,058	121,458
Trademark (Notes 14 and 22)	**–**	–	463,101
Stock options expense (Notes 22 and 26)	**497,273**	353,863	185,016
Movement in pension liability (Note 25)	**407,433**	44,191	84,089
Equity in net losses (earnings) of joint ventures and associates (Note 11)	**(329,176)**	(580,009)	(4,062)
Provisions - net (Notes 17 and 23)	**296,844**	35,808	565,664
Loss on retirements and disposals of property, plant and equipment and other intangibles (Notes 12, 13, 14 and 22)	**279,780**	400,881	363,148
Reversals of provision for impairment on:			
Inventories (Notes 8 and 22)	**(70,855)**	(44,702)	(49,311)
Property, plant and equipment (Notes 12 and 22)	**(68,965)**	(49,777)	(262,266)
Receivables (Notes 7 and 22)	**(67,173)**	(7,800)	(4,136)
Right-of-use assets (Notes 29 and 22)	**–**	(130,843)	(86,960)
Pre-termination of leases (Notes 23 and 29)	**(69,424)**	(78,840)	(166,816)
Unrealized loss (gain) from financial assets at fair value through profit or loss (Notes 10 and 23)	**(178,589)**	(530,939)	1,053,738
Amortization of debt issue cost (Note 18)	**51,873**	46,047	50,693
Net unrealized foreign exchange loss (gain)	**13,219**	19,662	(22,167)
Gain from land conveyance (Note 23)	**–**	–	(4,896,610)
Rent concessions (Note 29)	**–**	–	(152,196)
Gain from disposal of club share (Notes 10 and 23)	**–**	–	(3,500)
Income before working capital changes	**38,223,366**	33,917,433	29,250,226
Decreases (increases) in:			
Receivables	**(1,868,389)**	811,612	(2,682,294)
Inventories	**(1,354,612)**	4,835,259	(8,124,264)
Other current assets	**1,950,089**	(1,332,449)	(1,559,306)
Increase in trade payables and other current liabilities	**1,186,044**	3,209,591	10,069,263
Net cash generated from operations	**38,136,498**	41,441,446	26,953,625
Income taxes paid	**(5,048,772)**	(4,457,417)	(3,337,293)
Interest received	**943,194**	829,071	305,579
Net cash provided by operating activities	**34,030,920**	37,813,100	23,921,911
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property, plant and equipment (Note 12)	**(11,979,797)**	(11,272,203)	(9,682,661)
Interest in joint ventures and associates (Note 11)	**(5,996,869)**	(2,214,475)	(1,210,024)
Financial assets at fair value through profit or loss (Note 10)	**(3,907,874)**	(283,800)	(1,531,200)
Intangible assets (Note 14)	**(51)**	(65,591)	–
Proceeds from:			
Redemption of financial assets at fair value through profit or loss (Note 10)	**11,854,808**	884,127	7,584,842
Property, plant and equipment (Note 12)	**421,399**	366,265	396,617
Assets held for sale (Note 9)	**–**	–	2,768,202
Club share (Note 10)	**–**	–	25,000
Decreases (increases) in:			
Short term-investments	**₱539,345**	(₱5,632)	(₱539,468)
Other noncurrent assets	**(678,960)**	(261,723)	(382,611)
Cash paid for acquisition of business - net of cash received (Note 11)	**(11,611,754)**	(765,015)	(409,672)
Collection from (advances to) joint ventures and an associate - net (Note 11)	**604,011**	(250,030)	(30,341)
Dividends received from a joint venture and an associate net of dividend paid to non-controlling interest (Note 11)	**114,269**	96,861	40,861
Net cash used in investing activities	**(20,641,473)**	(13,771,216)	(2,970,455)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Lease liabilities (Note 29)	**(11,343,098)**	(11,158,642)	(10,094,676)
Long-term debt (Note 18)	**(7,740,918)**	(4,711,976)	(6,975,614)
Cash dividends (Note 19)	**(3,781,488)**	(3,271,009)	(2,804,324)
Short-term debt (Note 18)	**(3,247,320)**	(1,020,696)	(1,102)
Distributions for senior perpetual securities	**(882,389)**	(844,389)	(835,189)
Proceeds from:			
Long-term debt (Note 18)	**10,973,991**	1,077,288	573,300
Short-term debt (Note 18)	**3,748,172**	2,515,645	3,868,308
Issuance of Common stock (Note 19)	**697,527**	209,040	1,597,917
Redemption of Series A - preferred shares (Note 19)	**(3,000,000)**	–	–
Interest paid	**(2,694,551)**	(2,560,368)	(2,231,208)
Contributions from non-controlling interests	**–**	100,000	130,242
Net cash used in financing activities (Note 33)	**(17,270,074)**	(19,665,107)	(16,772,346)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(3,880,627)**	4,376,777	4,179,110
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(25,212)**	(13,568)	(2,506)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**33,232,488**	28,869,279	24,692,675
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	**₱29,326,649**	₱33,232,488	₱28,869,279

See accompanying Notes to Consolidated Financial Statements.

JOLLIBEE FOODS CORPORATION

Doing business under the name and style of Jollibee

AND SUBSIDIARIES

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

Corporate Information

Jollibee Foods Corporation Doing business under the name and style of Jollibee (the Parent Company or Ultimate Parent Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on January 11, 1978. The Parent Company and its subsidiaries (collectively referred to as "the Jollibee Group") and affiliates are involved primarily in the development, operations and franchising of quick service restaurants (QSRs) under the trade names "Jollibee", "Greenwich", "Chowking", "Yong He King", "Red Ribbon", "Hong Zhuang Yuan", "Mang Inasal", "Burger King", "Highlands Coffee", "Smashburger", "Tortazo", "Tim Ho Wan", "The Coffee Bean & Tea Leaf", "Panda Express", "Yoshinoya", "Milksha", "Common Man Coffee Roasters", "Compose Coffee" and "Tiong Bahru Bakery". The Parent Company is also primarily organized to invest in, acquire, own, hold, use, sell, assign, transfer, lease, mortgage, exchange, or otherwise dispose of real and personal properties, of every kind and description, or interests in the foregoing, pursuant to its business objectives. The other activities of the Jollibee Group include manufacturing and support services for the QSR systems and other business activities (see Notes 2 and 5).

The common and preferred shares of the Parent Company are listed and traded in the Philippine Stock Exchange (PSE) beginning July 14, 1993 and October 14, 2021, respectively.

The registered office address of the Parent Company is 10/F Jollibee Plaza Building, 10 F. Ortigas Jr. Ave., Ortigas Center, Pasig City.

Approval and Authorization for Issuance of Audited Consolidated Financial Statements

The audited consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years ended December 31, 2024 were authorized for issue by the Board of Directors (BOD), on March 13, 2025, as reviewed and recommended for approval by the Audit Committee, on the same date.

2. Basis of Preparation, Statement of Compliance, Changes in Accounting Policies and Basis of Consolidation

Basis of Preparation

The consolidated financial statements of the Jollibee Group have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL) which are measured at fair value. The consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional and presentation currency. All values are rounded to the nearest thousand pesos, except par values, per share amounts, number of shares and when otherwise indicated.

Statement of Compliance

The accompanying consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

New Standards, Interpretations and Amendments adopted by the Jollibee Group

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Jollibee Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, the adoption of these new standards did not have significant impact on the consolidation of the financial statements.

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent*
  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current;
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right; and,
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

  The amendments had no impact to the Jollibee Group.

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

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

  The amendments had no material impact to the Jollibee Group.

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

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

  The amendments had no material impact to the Jollibee Group.

Future Changes in Accounting Policies

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Jollibee Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements.

Effective beginning on or after January 1, 2025
- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
- Amendments to PFRS 7, *Gain or Loss on Derecognition*
- Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
- Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- *PFRS 19, Subsidiaries without Public Accountability*

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

Basis of Consolidation

The Jollibee Group is considered to have control over an investee when the Jollibee Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and,
- The ability to use its power over the investee to affect its returns.

When the Jollibee Group has less than majority of voting or similar rights of an investee, the Jollibee 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 Jollibee Group's voting rights and potential voting rights.

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

The reporting dates of the Parent Company and the associates or joint ventures are identical and the latter's accounting policies conform to those used by the Parent Company for like transactions and events in similar circumstances.

Non-controlling interests represent the interests in the subsidiaries not held by the Parent Company, and are presented separately in the consolidated statement of comprehensive income and consolidated statement of financial position, separately from equity attributable to equity holders of the Parent Company.

A change in ownership interest in a subsidiary that does not result in a loss of control is accounted for as an equity transaction. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in the Jollibee Group's relative interests in the subsidiary. The Jollibee Group recognizes directly in equity any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attribute it to the equity holders of the Parent Company. In particular cases where the Jollibee Group acquires non-controlling interest in a subsidiary at a consideration in excess of its carrying amount, the excess is charged to the "Excess of cost over the carrying value of non-controlling interests acquired" account under equity. These changes in the ownership interest in a subsidiary do not result in the recognition of a gain or loss in profit or loss. These include acquisitions of non-controlling interests of Greenwich, Yong He King, Adgraphix, Mang Inasal, Happy Bee Foods Processing Pte. Ltd. and Smashburger.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include the accounts of the Parent Company and the following wholly owned and majority-owned subsidiaries as at December 31, 2024 and 2023:

	Country of Incorporation	Principal Activities	2024 Direct Ownership	2024 Indirect Ownership	2023 Direct Ownership	2023 Indirect Ownership
Fresh N' Famous Foods Inc. (Fresh N' Famous)	Philippines	Food service	**100**	**–**	100	–
Chowking Food Corporation USA	United States of America (USA)	Holding company	**–**	**100**	–	100
Zenith Foods Corporation (Zenith)	Philippines	Food service	**100**	**–**	100	–
Pinnacle Quality Food Inc. (PQF)	Philippines	Food service	**–**	**100**	–	100
Freemont Foods Corporation (Freemont)	Philippines	Food service	**100**	**–**	100	–
RRB Holdings, Inc. (RRBH):	Philippines	Holding company	**100**	**–**	100	–
Red Ribbon Bakeshop, Inc. (RRBI)	Philippines	Food service	**–**	**100**	–	100
Red Ribbon Bakeshop, Inc. USA (RRBI USA)	USA	Food service	**–**	**100**	–	100
Mang Inasal Philippines Inc. (Mang Inasal)	Philippines	Food service	**100**	**–**	100	–
Grandworth Resources Corporation (Grandworth):	Philippines	Leasing	**100**	**–**	100	–
Adgraphix, Inc. (Adgraphix)	Philippines	Digital printing	**–**	**100**	–	100
Iconnect Multi Media Network, Inc. (Iconnect)	Philippines	Dormant	**–**	**60**	–	60
FCJB Foods, Inc. [g]	Philippines	Food service	**60**	**–**	60	–
Jollibee Worldwide Pte. Ltd. (JWPL):	Singapore	Holding company	**100**	**–**	100	–
Regional Operating Headquarters of JWPL (JWS)	Philippines	Financial accounting, human resources and logistics services	**–**	**100**	–	100
Golden Plate Pte., Ltd. (GPPL):	Singapore	Holding company	**–**	**100**	–	100
- Golden Beeworks Pte. Ltd.	Singapore	Food service	**–**	**60**	–	60
- Golden Piatto Pte. Ltd.	Singapore	Holding company	**–**	**75**	–	75
• Cibo Felice S.R.L.	Italy	Food service	**–**	**100**	–	100
- Bee World Spain, Sociedad Limitada	Spain	Food service	**–**	**100**	–	100
- Hong Yun Hong (Shanghai) Food and Beverages Management Company Ltd.	PRC	Food service	**–**	**60**	–	60
- Meko Holdings Limited [f]	Hong Kong	Food service	**–**	**60**	–	60
Golden Cup Pte. Ltd.	Singapore	Holding company	**–**	**60**	–	60
Beijing New Hongzhuang Yuan Food and Beverage Management Co., Ltd. (Hong Zhuang Yuan)	PRC	Food service	**–**	**100**	–	100
Southsea Binaries Ltd. (Southsea)	British Virgin Island (BVI)	Holding company	**–**	**100**	–	100
Beijing Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Shenzhen Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Hangzhou Yongtong Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Hangzhou Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Wuhan Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Tianjin Yong He King Food and Beverage Co., Ltd.	PRC	Food service	**–**	**100**	–	100
Happy Bee Foods Processing Pte. Ltd. (HBFPPL)	Singapore	Holding company	**–**	**100**	–	100
- Happy Bee Foods Processing (Anhui) Co. Ltd.	PRC	Food service	**–**	**100**	–	100

	Country of Incorporation	Principal Activities	2024 Direct Ownership	2024 Indirect Ownership	2023 Direct Ownership	2023 Indirect Ownership
JSF Investments Pte. Ltd. (JSF):	Singapore	Holding company	**–**	**100**	–	100
- SF Vung Tau Joint Stock Company	Vietnam	Holding company	**–**	**60**	–	60
• Highland Coffee Service Joint-stock Company	Vietnam	Food service	**–**	**100**	–	100
• Quantum Corporation	Vietnam	Food service	**–**	**100**	–	100
▪ Pho Viet Joint Stock Company	Vietnam	Food service	**–**	**100**	–	100
▪ Pho 24 Service Trade Manufacture Corporation	Vietnam	Food service	**–**	**100**	–	100
- Blue Sky Holdings Limited	Hong Kong	Holding company	**–**	**60**	–	60
• Sino Ocean Limited	Hong Kong	Food service	**–**	**100**	–	100
• Blue Sky Holdings (Macau) Limited	Macau	Food service	**–**	**100**	–	100
Jollibee (China) Food & Beverage Management Co.Ltd.	PRC	Management company	**–**	**100**	–	100
- Jollibee (Shanghai) Consulting Management Co., Ltd. [h]	PRC	Management company	**–**	**100**	–	100
Jollibee International (BVI) Ltd. (JIBL):	BVI	Holding company	**–**	**100**	–	100
- Jollibee Vietnam Corporation Ltd.	Vietnam	Food service	**–**	**100**	–	100
• Goldstar Food Trade and Service Company Limited (GSC)	Vietnam	Food service	**–**	**100**	–	100
- PT Chowking Indonesia	Indonesia	Dormant	**–**	**100**	–	100
- PT Jollibee Indonesia	Indonesia	Dormant	**–**	**100**	–	100
- Jollibee (Hong Kong) Limited	Hong Kong	Dormant	**–**	**85**	–	85
- Belmont Enterprises Ventures Limited (Belmont)	BVI	Holding company	**–**	**100**	–	100
• Yong He Holdings Co., Ltd.	BVI	Holding company	**–**	**100**	–	100
▪ Centenary Ventures Ltd.	BVI	Holding company	**–**	**100**	–	100
Bee World UK Limited (UK)	UK	Food service	**–**	**100**	–	100
JWPL Management Co., Pte. Ltd.	Singapore	Management company	**–**	**100**	–	100
- Branch of JWPL Management Co., Pte. Ltd.	Hong Kong	Management company	**–**	**100**	–	100
- JWPL Technology Co. Ltd.[e]	Thailand	Digital services	**–**	**100**	–	–
Super Magnificent Coffee Company Pte. Ltd. (SMCC-SG)	Singapore	Holding company	**–**	**80**	–	80
- Super Magnificent Coffee Company Ireland Limited (SMCC-IE)	Ireland	Holding company	**–**	**100**	–	100
- Super Magnificent Coffee Company Hungary Kft. (SMCC-HU)	Hungary	Holding company	**–**	**100**	–	100
• International Coffee & Tea, LLC (ICTL)	USA	Food service	**–**	**100**	–	100
▪ 6000 Jefferson BH, LLC [i]	USA	Holding company	**–**	**80**	–	80
▪ CBTL Ventures, LLC	USA	Food service	**–**	**100**	–	100
▪ CBTL Franchising, LLC[c]	USA	Franchising company	**–**	**–**	–	100
▪ CBTL Gift Card LLC [b]	USA	Sale of gift cards	**–**	**100**	–	100

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

	Country of Incorporation	Principal Activities	2024 Direct Ownership	2024 Indirect Ownership	2023 Direct Ownership	2023 Indirect Ownership
- The Coffee Bean & Tea Leaf (Singapore) Pte., Ltd. (CBTL-SG)	Singapore	Food service	–	100	–	100
• The Coffee Bean & Tea Leaf (Malaysia) Sdn. Bhd.	Malaysia	Food service	–	100	–	100
• The Coffee Bean & Tea Leaf (Hongkong) Limited	Hong Kong	Dormant	–	100	–	100
- Magnificent Coffee Trading Pte. Ltd	Singapore	Food service	–	100	–	100
Milkshop International Inc. (Milksha)	Taiwan	Food service	–	51	–	51
Jolli-K Co. Ltd. (Jolli-K) [a]	South Korea	Holding company	–	70	–	–
- Compose Coffee Co. Ltd. (Compose Coffee) [a]	South Korea	Food service	–	100	–	–
- JMCF Co. Ltd. (JMCF) [a]	South Korea	Food service	–	100	–	–
Chanceux, Inc.	Philippines	Holding company	100	–	100	–
BKTitans Inc. (BKTitans)	Philippines	Holding company	–	54	–	54
- PFN Holdings Corporation	Philippines	Holding company	–	99	–	99
• PERF Restaurants, Inc.	Philippines	Food service	–	100	–	100
PERF Trinoma, Inc.	Philippines	Food service	–	100	–	100
PERF MOA Pasay Inc.	Philippines	Food service	–	100	–	100
Jollibee Foods Corporation (USA)	USA	Holding company	100	–	100	–
Honeybee Foods Corporation (HFC)	USA	Food service	–	100	–	100
- Tokyo Teriyaki Corporation (TTC)	USA	Food service	–	100	–	100
- Honeybee Foods (Canada) Corporation (HFCC)	Canada	Food service	–	100	–	100
Bee Good! Inc. (BGI)	USA	Holding company	–	100	–	100
- SJBF LLC (SJBF)	USA	Food service	–	100	–	100
Jolly USA Services LLC	USA	Holding company	–	100	–	100
- JBM LLC	USA	Franchising	–	100	–	100
- MKSA LLC [d]	USA	Food service	–	100	–	–
Donut Magic Phils., Inc. (Donut Magic)[j]	Philippines	Dormant	100	–	100	–
Ice Cream Copenhagen Phils., Inc. (ICCP)[j]	Philippines	Dormant	100	–	100	–
Mary's Foods Corporation (Mary's)[j]	Philippines	Dormant	100	–	100	–
QSR Builders, Inc.	Philippines	Dormant	100	–	100	–

(a) On August 16, 2024, the Parent company, through its wholly owned subsidiary, JWPL, completed the acquisition of 70% ownership in Compose Coffee Co., Ltd. and JMCF Co. Ltd. (collectively called "Compose Coffee").
(b) On August 2, 2024, the Jollibee Group, through ICTL, incorporated CBTL Gift Card LLC in the State of Arizona, USA.
(c) On July 17, 2024, CBTLF was deregistered.
(d) On March 21, 2024, MKSA LLC was incorporated in the State of Delaware.
(e) On March 6, 2024, JWPL Technology was incorporated in Thailand.
(f) On September 1, 2023, the Parent company, through its wholly owned subsidiary, GPPL, completed the acquisition of 60% ownership in Meko Holdings Limited.
(g) On August 29, 2023, FCJB Foods, Inc. was incorporated in the Philippines which is 60% owned by the Parent Company.
(h) On August 21, 2023, Jollibee (Shanghai) Consulting Management Co., Ltd. was incorporated in PRC.
(i) Effective January 1, 2023, pursuant to a recapitalization, ICTL is now an 80% holder of 6000 Jefferson BH LLC.
(j) On June 18, 2004, the stockholders of the Jollibee Group approved the Plan of Merger of the three (3) dormant companies. The application is pending approval from the SEC as at December 31, 2024.

3. Material Accounting Policy Information

The material accounting policies adopted in the preparation of the consolidated financial statements are summarized below:

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations, without any deduction for transaction costs. Where the Jollibee Group has financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk, it has elected to use the measurement exception to measure the fair value of its net risk exposure by applying the bid or ask price to the net open position as appropriate. For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities), the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible) and the cost approach (i.e., based on the amount required to replace the service capacity of an asset).

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

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

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

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Jollibee Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest-level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Jollibee Group's management determines the policies and procedures for both recurring fair value measurement and non-recurring measurement. At each reporting date, the management analyzes the movements in the values of assets and liabilities which are required to be remeasured or reassessed as per the Jollibee Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the purpose of fair value disclosures, the Jollibee Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from the date of acquisition and are subject to an insignificant risk of change in value.

Short-term Investments
Short-term investments are deposits with original maturities of more than three months to one year from acquisition date.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition. The Jollibee Group recognizes a financial asset or a financial liability in the consolidated statements of financial position, when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Jollibee Group commits to purchase or sell the asset.

Financial Instruments – Initial Recognition and Subsequent Measurement

Financial Assets

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Jollibee Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Jollibee Group has applied the practical expedient, the Jollibee Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Jollibee Group has applied the practical expedient are measured at the transaction price determined under PFRS 15.

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

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

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

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

The Jollibee Group has no financial assets at FVOCI as at December 31, 2024 and 2023.

Financial Assets at Amortized Cost (Debt Instruments). This category is the most relevant to the Jollibee Group. The Jollibee Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and,

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Jollibee Group's cash in banks, short-term deposits, short-term investments, receivables (excluding receivables from government agencies), security and other deposits, operating lease receivables and finance lease receivables are classified under this category as at December 31, 2024 and 2023.

Financial Assets at FVTPL. Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the consolidated statements of financial position at fair value with net changes in fair value recognized in the consolidated statements of comprehensive income.

The Jollibee Group's investments in golf, leisure club shares, bond funds and private equity are classified under this category as at December 31, 2024 and 2023.

Impairment of Financial Assets. The Jollibee Group recognizes an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows the Jollibee Group expects to receive discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For receivables and contract assets, and operating lease receivables, the Jollibee Group applies a simplified approach in calculating ECLs. Therefore, the Jollibee Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Jollibee Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For security and other deposits, the Jollibee Group applies the general approach and calculates ECL based on the 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instruments since initial recognition.

For cash in banks, short-term deposits and short-term investments, the Jollibee Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Jollibee Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there is a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Jollibee Group assesses that there is a significant increase in credit risk of a financial asset when default occurs.

The Jollibee Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Jollibee Group may also consider a financial asset to be in default when internal or external information indicates that the Jollibee Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Jollibee Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Jollibee Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. To do this, the Jollibee Group has considered a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs.

Based on the Jollibee Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Jollibee Group considers two or more economic scenarios and the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The Jollibee Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The Jollibee Group considers macro-economic factors such as gross domestic product growth rates and inflation rates in its analysis

Financial Liabilities

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

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

The Jollibee Group's financial liabilities include loans and borrowings, payables and derivative financial liabilities as at December 31, 2024 and 2023.

Subsequent Measurement

- *Loans and Borrowings, and Other Payables*. This is the category most relevant to the Jollibee Group. After initial recognition, interest-bearing loans and borrowings, and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

  Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs, including debt issue costs for the Jollibee Group's debts that are an integral part of the EIR. The EIR amortization is included as interest expense in the consolidated statements of comprehensive income.

  This category includes the Jollibee Group's trade payables and other current liabilities (excluding local and other taxes payable and unearned revenue from gift certificates), short-term and long-term debts, senior debt securities and lease liabilities as at December 31, 2024 and 2023.

- *Debt Issue Costs*. Debt issue costs are specific incremental costs, other than those paid to the lender, that are directly related to issuing a debt instrument. These are presented in the consolidated statements of financial position as a reduction from the related debt instrument and are amortized through the EIR amortization process.

Derecognition of Financial Assets and Liabilities

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

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

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

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

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of comprehensive income.

Derivative Financial Instruments and Hedge Accounting

Initial Recognition and Subsequent Measurement. The Jollibee Group uses derivative financial instruments, such as cross currency swaps and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit or loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment; and,
- Hedges of a net investment in a foreign operation.

The Jollibee Group's interest rate swap is a cash flow hedge. The Jollibee Group has no fair value hedge and hedge of a net investment in a foreign operation as at December 31, 2024 and 2023.

At the inception of a hedge relationship, the Jollibee Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Jollibee Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument;
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship; and,
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Jollibee Group actually hedges and the quantity of the hedging instrument that the Jollibee Group actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Cash Flow Hedges. Cash flow hedges are hedges of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset, liability or a highly probable forecast transaction and could affect the consolidated statements of comprehensive income. Changes in the fair value of a hedging instrument that qualifies as a highly effective cash flow hedge are recognized as "Comprehensive income (loss) on derivative liability" in the consolidated statements of comprehensive income, whereas any hedge ineffectiveness is immediately recognized in profit or loss.

Amounts recognized as other comprehensive are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged income or expense is recognized or when a forecast sale occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in other comprehensive income remains separately in equity until the forecasted transaction occurs or the foreign currency firm commitment is met.

Contract Balances

Trade Receivables. A receivable represents the Jollibee Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Contract Assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Jollibee Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Jollibee Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenues when the Jollibee Group performs under the contract.

Inventories
Inventories are valued at the lower of cost and net realizable value. Costs are accounted for as follows:

Processed inventories	- Standard costing, which is reviewed on a quarterly basis and revised as necessary to approximate current costs determined using first in, first out (FIFO). Cost includes direct materials, labor and a proportion of manufacturing overhead costs based on normal operating capacity.
Food supplies, packaging, store and other supplies, and novelty items	- Standard costing which is reviewed on a quarterly basis and revised as necessary to approximate current costs determined using FIFO.

Net realizable value of processed inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Net realizable value of food supplies, packaging, store and other supplies is the current replacement cost. Food and other supplies are held for use in the production of processed inventories.

Net realizable value of novelty items is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Other Current Assets
Other current assets include prepaid expenses which are paid in advance and recorded as asset before these are utilized, deposits which pertain to advance payments to suppliers to be applied for future purchases, and creditable withholding taxes, which will be applied in the following year against corporate income tax or be claimed for refund with the Tax Authorities. Prepaid expenses are amortized over time and recognized as expense as the benefit is derived from the asset.

Interests in and Advances to Joint Ventures, Co-venturers and Associates
The Jollibee Group's investments in its associates and joint ventures are accounted for using the equity method based on the percentage share of ownership and capitalization. Interests in joint ventures are accounted for under the equity method from the date the joint control or influence is obtained.

Property, Plant and Equipment
Property, plant and equipment, except land and construction in progress, are stated at cost less accumulated depreciation and amortization and any accumulated impairment in value. Such cost includes the cost of replacing part of property, plant and equipment at the time that cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing. Land is stated at cost less any impairment in value.

The initial cost of property, plant and equipment consists of its purchase price, including import duties and nonrefundable taxes and any other costs directly attributable in bringing the asset to its working condition and location for its intended use. Cost also includes any related asset retirement obligation and interest incurred during the construction period on funds borrowed to finance the construction of the asset. Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to profit or loss in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property, plant and equipment.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the assets:

Land improvements	5 years
Plant, buildings, commercial condominium units and improvements	5 – 40 years
Leasehold improvements	2 – 10 years or term of the lease, whichever is shorter
Office, store and food processing equipment	1 – 15 years
Furniture and fixtures	3 – 5 years
Transportation equipment	3 – 5 years

The residual values, if any, useful lives and depreciation and amortization method of the assets are reviewed at the end of each financial period and adjusted prospectively, if appropriate.

Fully depreciated assets are retained in the accounts until they are disposed or retired.

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

Construction in progress represents assets under construction and is stated at cost less any impairment in value. This includes the cost of construction and other direct costs. Cost also includes interest on borrowed funds incurred during the construction period. Construction in progress is not depreciated until such time that the relevant assets are completed and ready for use.

When one or more items of property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets, the cost of such property, plant and equipment is measured at fair value unless (a) the exchange transaction lacks commercial substance or (b) the fair value of neither the asset received, nor the asset given up is reliably measurable. The acquired item is measured in this way even if an entity cannot immediately derecognize the asset given up. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

Investment Properties
Investment properties consist of buildings and building improvements held by the Jollibee Group for capital appreciation and rental purposes. Investment properties are carried at cost, including transaction costs, less accumulated depreciation and amortization and any impairment in value.

The depreciation of buildings and building improvements are calculated on a straight-line basis over the estimated useful lives of the assets which are five (5) to thirty-five (35) years.

Business Combinations
Business combinations are accounted for using the acquisition method. Applying the acquisition method requires the (a) determination whether the Jollibee Group will be identified as the acquirer; (b) determination of the acquisition date; (c) recognition and measurement of the identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquiree; and (d) recognition and measurement of goodwill or a gain from a bargain purchase.

When the Jollibee Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at acquisition date.

The cost of an acquisition is measured as the aggregate of the (a) consideration transferred by the Jollibee Group, measured at acquisition-date fair value, (b) amount of any non-controlling interest in the acquiree and (c) acquisition-date fair value of the Jollibee Group's previously held equity interest in the acquiree in a business combination achieved in stages. Acquisition costs incurred are expensed and included in "General and administrative expenses" account in the consolidated statements of comprehensive income.

Initial Measurement of Non-controlling Interest. For each business combination, the Jollibee Group measures the non-controlling interest in the acquiree using the proportionate share of the acquiree's fair value of identifiable net assets.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Business Combination Achieved in Stages. In a business combination achieved in stages, the Jollibee Group remeasures its previously held equity interests in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss, if any, in profit or loss.

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 Jollibee 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 Jollibee 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.

Initial Measurement of Goodwill or Gain on a Bargain Purchase. Goodwill is initially measured by the Jollibee Group at cost being the excess of the total consideration transferred 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. Before recognizing a gain on a bargain purchase, the Jollibee Group determines whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognize any additional assets or liabilities that are identified in that review.

Subsequent Measurement of Goodwill. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Impairment Testing of Goodwill. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Jollibee Group's CGU, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or group of units.

Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Jollibee Group at which the goodwill is monitored for internal management purposes; and,
- is not larger than an operating segment as defined in PFRS 8, *Operating Segments*, before aggregation.

Frequency of Impairment Testing. Irrespective of whether there is any indication of impairment, the Jollibee Group tests goodwill acquired in a business combination for impairment annually as at December 31 and more frequently when circumstances indicate that the carrying amount is impaired.

Allocation of Impairment Loss. An impairment loss is recognized for a CGU if the recoverable amount of the unit or group of units is less than the carrying amount of the unit or group of units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit or group of units first to reduce the carrying amount of goodwill allocated to the CGU or group of units and then to the other assets of the unit or group of units pro rata on the basis of the carrying amount of each asset in the unit or group of units. In allocating the impairment loss, the Jollibee Group cannot reduce the carrying amount of an asset below the highest of its fair value less cost of disposal if measurable, its value in use if determinable and zero.

Intangible Assets

Intangible assets acquired separately are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment loss. The useful lives of intangible assets are assessed at the individual asset level as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life using the straight-line method and assessed for impairment whenever there is an indication that the intangible assets may be impaired. At a minimum, the amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level. Such intangible assets are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Amortization of computer software, trademarks and other intangible assets are calculated on a straight-line basis over the following estimated useful lives of the assets:

Computer software	10 years
Trademarks	5 years
Other intangible assets	5 years

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 when the asset is derecognized.

Impairment of Nonfinancial Assets

The carrying values of interests in and advances to joint ventures, co-venturers and associates, property, plant and equipment, right-of-use assets, investment properties, trademarks and other intangible assets with definite useful life, and other noncurrent assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets or CGU are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell or value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction between knowledgeable and willing parties, less costs of disposal. 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

For nonfinancial assets, excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior periods. Such reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value on a systematic basis over its remaining useful life.

Revenue from Contracts with Customers

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

Sale of Goods. Revenue from sale of goods is recognized at the point in time when control is transferred to the customer, which is normally upon delivery. Sales returns and discounts are deducted from sales to arrive at net sales shown in the consolidated statements of comprehensive income.

Royalty Fees. Revenue from royalty fees is recognized as the royalty accrues based on certain percentages of the franchisees' net sales.

Set-up Fees. Revenue from set-up fees is recognized on a straight-basis over the term of the franchise agreement and when performance obligations relating to the payment of set-up fees have been satisfied.

System-wide Advertising Fees. Revenues consisting of reimbursements of network advertising and promotional costs from franchisees are recognized upon performance of service.

Service Fees. Revenue is recognized the period in which the service has been rendered.

Management Fees. Revenue is recognized in the period in which the administration services has been rendered based on a certain percentage of the total costs incurred.

Other Revenues

The following specific recognition criteria must also be met before other revenue is recognized:

Rent Income. Rent income from short-term leases and leases of low-value asset is recognized on a straight-line basis over the lease terms.

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Interest Income. Interest income is recognized as the interest accrues, taking into account the effective yield on the asset.

Other Income. Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Jollibee Group through an increase in asset or reduction in liability and that can be measured reliably.

Cost and Expenses
Cost and expenses are decreases in economic benefits during the reporting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Cost and expenses are recognized as incurred.

Advertising and promotion expenses include costs incurred for advertising schemes and promotional activities for new products.

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

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Pension expense comprises the following:
- Service cost; and,
- Net interest on the net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as part of pension expense. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the pension liability or asset is the change during the period in the liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the pension liability or asset. Net interest on the pension liability or asset is recognized under "Direct costs" and "General and administrative expenses" in the consolidated statements of comprehensive income.

Remeasurements comprising of actuarial gains and losses, return on plan liability or assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Jollibee Group, nor can they be paid directly to the Jollibee Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Jollibee Group also participates in various government-defined contribution schemes for the PRC-based and USA-based subsidiaries. Under these schemes, pension benefits of existing and retired employees are guaranteed by the local pension benefit plan, and each subsidiary has no further obligations beyond the annual contribution.

Share-based Payments
The Jollibee Group has stock option plans granting its management and employees an option to purchase a fixed number of shares of stock at a stated price during a specified period ("equity-settled transactions").

The cost of the options granted to the Jollibee Group's management and employees that becomes vested is recognized in profit or loss over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant management and employees become fully entitled to the award ("vesting date").

The fair value is determined using the Black-Scholes Option Pricing Model. The cumulative expense recognized for the share-based transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Jollibee Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit in profit or loss or the investment account for a period represents the movement in cumulative expense recognized as of the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest.

Where the terms of a share-based award are modified, at a minimum, an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any modification, which increases the total fair value of the share-based payment agreement or is otherwise beneficial to the management and employees as measured at the date of modification.

Where a share-based award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if there was a modification of the original award.

Leases
The Jollibee Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Jollibee Group as Lessee. The Jollibee Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Jollibee Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

- *Right-of-Use Assets.* The Jollibee Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Jollibee Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

- *Lease Liabilities.* At the commencement date of the lease, the Jollibee Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

  In calculating the present value of lease payments, the Jollibee Group uses the incremental borrowing rate (IBR) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. In determining the IBR, the Jollibee Group uses risk-free rate plus credit spread where the credit spread is based on the credit risk of the lessee. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

  The Jollibee Group's lease liabilities are included in interest-bearing loans and borrowings.

- *Short-term Leases and Leases of Low-value Assets.* The Jollibee Group applies the short-term lease recognition exemption to its short-term leases of QSR outlets. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e., below USD5,000 or approximately ₱250,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Foreign Currency Transactions and Translations
The consolidated financial statements are presented in Philippine Peso, which is the Parent Company's functional and presentation currency. Each entity in the Jollibee Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of subsidiaries domiciled and operating in the Philippines are also determined to be the Philippine Peso. Where the functional currency is the Philippine Peso, transactions in foreign currencies are recorded in Philippine

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Peso using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the closing rate of exchange at reporting date. All differences are recognized in profit or loss. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

The functional currencies of the Jollibee Group's foreign operations are US dollar (USD), PRC Renminbi (RMB), Vietnam dong (VND), Singapore dollar (SGD), Malaysian ringgit (MYR), Canadian dollar (CND), Euro, Pound (GBP), Hong Kong dollar (HKD), Indonesia rupiah (IDR), Macau pataca (MOP), New Taiwan dollar (TWD) and Korean won (KRW). As at the reporting date, the assets and liabilities of foreign subsidiaries are translated into the presentation currency of the Parent Company at the rate of exchange ruling at the reporting date while the income and expense accounts are translated at the weighted average exchange rates for the year. The resulting translation differences are included in equity under the account "Cumulative translation adjustments of foreign subsidiaries and interests in joint ventures and associates." On disposal of a foreign subsidiary, the accumulated exchange differences are recognized in profit or loss.

Taxes

Current Tax. Current tax liabilities for the current and prior periods are measured at the amount expected to be paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity (not in the profit or loss). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused tax credits from excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward benefits of excess of MCIT over RCIT and NOLCO can be utilized, except in certain circumstances as provided in the standard, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and,
- in respect of deductible temporary differences associated with investments in subsidiaries and interest in joint ventures and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced 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. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date. Deferred tax assets and liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax (VAT). Revenues, expenses and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as part of "Trade payables and other current liabilities" account in the consolidated statement of financial position. When VAT passed on from purchases of gods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as part of "Other current assets" account in the consolidated statement of financial position.

Earnings per Share (EPS) Attributable to Equity Holders of the Parent Company
Basic EPS is calculated by dividing the net income for the year attributable to the equity holders of the Parent Company, adjusted for the after-tax amounts of preferred dividends, by the weighted average number of common shares outstanding during the year, after considering the retroactive effect of stock dividend declaration, if any. The effect of cumulative distributions on perpetual capital securities classified as equity in accordance with PAS 32, Financial Instruments: Presentation, is deducted from net income attributable to equity holders of the Parent Company to arrive at the adjusted amount.

Diluted EPS is computed by dividing the net income for the period attributable to the equity holders of the Parent Company by the weighted average number of common shares outstanding during the period, adjusted for any potential common shares resulting from the assumed exercise of outstanding stock options. Outstanding stock options will have dilutive effect under the treasury stock method only when the average market price of the underlying common share during the period exceeds the exercise price of the option.

Where the EPS effect of the shares to be issued to management and employees under the stock option plan would be anti-dilutive, the basic and diluted EPS would be stated at the same amount.

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

Business Segments
The Jollibee Group is organized and managed separately according to the nature of operations and geographical locations of businesses. The three major operating businesses of the Jollibee Group are food service, franchising and support services while geographical segments are segregated to Philippine businesses and International businesses. These operating and geographical businesses are the basis upon which the Jollibee Group reports its primary segment information presented in Note 5.

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

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the consolidated financial statements and related notes at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

The Jollibee Group believes the following represents a summary of these significant judgments, estimates and assumptions and the related impact and associated risks on the Jollibee Group's consolidated financial statements.

Judgments
In the process of applying the Jollibee Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Revenue from Contracts with Customers – Determining the Timing of Satisfaction of Set-up Fees. The Jollibee Group undertakes activities prior to store opening (e.g., initial training, site development, systems set-up, etc.) as indicated in the franchise agreement. The Jollibee Group determines whether these activities are capable of being distinct (i.e., whether the franchisee can benefit on each of these activities on a standalone basis) and whether these activities are distinct within the context of the franchise agreement (i.e., whether these activities can be separated from the franchise license granted to the franchisee).

The Jollibee Group determined that revenue from set-up fees should be recognized on a straight-line basis over the term of the franchise agreement and when performance obligations relating to the payment of set-up fees have been satisfied.

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

Determining the Lease Term of Contracts with Renewal Options – Jollibee Group as Lessee. The Jollibee Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Jollibee Group has the option, under some of its leases to lease the assets for additional terms of 5 to 15 years. The Jollibee Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors (i.e., current and forecasted of the operations) that create an economic incentive for it to exercise the renewal. After the commencement date, the Jollibee Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). The Jollibee Group included the renewal period as part of the lease term for leases of QSR outlets and warehouses due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., 5 to 10 years) and there will be a significant negative effect on operations if a replacement is not readily available.

Assessing Joint Control of an Arrangement and the Type of Arrangement. Joint control is the contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Jollibee Group assessed that it has joint control in all joint arrangements by virtue of a contractual agreement with other stockholders. The Jollibee Group's joint ventures have separate legal entities and the shareholders have right to their net assets (see Note 11).

Assessing Control over Investment in Associates. An associate is an entity over which the Jollibee Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Material Partly-Owned Subsidiaries. The consolidated financial statements include additional information about subsidiaries that have non-controlling interests that are material to the Jollibee Group (see Note 11). Management determined material partly-owned subsidiaries as those with balance of non-controlling interest greater than 5% of total non-controlling interests and those subsidiaries with activities that are important to the Jollibee Group as at end of the period.

Material Joint Ventures and Associates. The consolidated financial statements include additional information about joint ventures and associates that are material to the Jollibee Group (see Note 11). Management determined material joint ventures and associates as those joint ventures and associates where the Jollibee Group's carrying amount of investment is greater than 5% of the total interests in joint ventures and investments in associates as at end of the period.

Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Jollibee Group based its assumptions and estimates on parameters available when the consolidated financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to changes on market circumstances arising beyond the control of the Jollibee Group. Such changes are reflected in the assumptions when they occur.

Determination of Purchase Price Allocation. Management has measured the trademarks and supplier relationships based on the valuation report prepared by the external valuation specialist and the property and equipment that were acquired using the appraisal reports that were prepared by an independent appraiser. The trademarks were valued using present value techniques wherein fair value of the trademarks is based on the present value of the cash flows attributable to the recurring royalty fees and upfront franchise fees as stipulated in the franchise agreement. Significant assumptions and estimates used include long-term growth rates and discount rates based on available market data. The property and equipment were valued using the replacement cost. Adjustments were made to replacement cost to reflect depreciation. The supplier relationships were valued using the multi-period excess earnings method wherein the fair value of supplier relationships is based on the present value of the cash flows attributable to the subject intangible asset after excluding the proportion of the cash flows that are attributable to other assets required to generate the cash flows ("contributory assets"). Significant assumptions and estimates used include long-term growth rates, discount rates based on available market data, revenue growth rate forecasts and store churn rate (see Note 11).

Recoverability of Trademarks and Goodwill. The Jollibee Group determines whether trademarks and goodwill with indefinite useful life is impaired at least on an annual basis or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the value in use of the CGU to which the goodwill is allocated. Estimating the value in use requires the Jollibee Group to make an estimate of the expected net sales, long-term growth rates and earnings before interest, taxes, depreciation and amortization (EBITDA) from the CGU and also consider market data in determining discount rate in order to calculate the present value of those cash flows.

Except for Pho24 trademark where Jollibee Group recognized impairment loss of ₱463.1 million in 2022 because it closed its stores in the Philippines and discontinued its Pho24 business in 2023, management has determined that trademarks, goodwill and other intangible assets are not impaired. The carrying amount of trademarks and goodwill amounted to ₱60,968.8 million and ₱51,697.7 million as at December 31, 2024 and 2023, respectively (see Note 14).

Recoverability of Interests in and Advances to Joint Ventures, Co-venturers and Associates. The Jollibee Group performs impairment test of its interests in and advances to joint ventures, co-venturers and associates when there are facts and circumstances indicating that their carrying amounts exceed their recoverable amounts. Determining the recoverable amount of assets, which requires the determination of future cash flows expected to be generated from the continued operations of joint ventures and associates, requires the Jollibee Group to make significant assumptions that can materially affect the consolidated financial statements. These assumptions include long-term growth rates, EBITDA and discount rate. Future events could cause the Jollibee Group to conclude that the assets are impaired. Any resulting impairment loss could have a material adverse impact on the Jollibee Group's financial position and performance.

The carrying amounts of interests in and advances to joint ventures, co-venturers and associates as at December 31 are as follows (see Note 11):

	2024	2023
Interests in joint ventures	**₱18,288,433**	₱13,969,289
Interests in associates	**6,393,166**	4,766,622
Advances to a joint venture, associates and a co-venturer	**1,967,852**	2,357,071

Recognition of Deferred Income Tax Assets. The carrying amounts of deferred tax assets at each reporting date is reviewed and reduced to the extent that sufficient taxable profits are available to allow all or part of the deferred tax assets to be utilized. The Jollibee Group's assessment on the recognition of deferred tax assets is based on the forecasted taxable income taking into account the period in which the deductible temporary differences can be claimed in the Philippines, PRC, Europe, Singapore and USA. This forecast is based on assumptions that are affected by expected future market or economic conditions and the expected future performance as well as management's plans and strategies of the relevant taxable entities, including the Parent Company and certain subsidiaries.

The carrying amount of the recognized deferred tax assets amounted to ₱22,867.1 million and ₱20,458.3 million as at December 31, 2024 and 2023, respectively. Unrecognized deferred tax assets amounted to ₱2,764.2 million and ₱2,836.8 million as at December 31, 2024 and 2023, respectively (see Note 24).

Impairment of Property, Plant and Equipment, Right-of-use Assets and Investment Properties. The Jollibee Group performs impairment review of property, plant and equipment, right-of-use assets and investment properties when certain impairment indicators are present. Management has identified store closures and pre-termination of underlying lease agreements as impairment indicators and has performed impairment assessment on its property, plant and equipment and right-of-use assets and has identified the related lease pre-termination costs, if any.

Determining the fair value of assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Jollibee Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause the Jollibee Group to conclude that the assets are impaired. Any resulting impairment loss could have a material adverse impact on the Jollibee Group's financial position and performance.

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Provision for impairment loss recognized on property, plant and equipment and right-of-use assets amounted to ₱204.8 million, ₱160.4 million and ₱107.9 million in 2024, 2023 and 2022, respectively. Reversal of previously recognized impairment loss amounted to ₱69.0 million, ₱180.6 million and ₱349.2 million in 2024, 2023 and 2022, respectively (see Notes 12, 22 and 29).

The aggregate carrying values of property, plant and equipment, right-of-use assets and investment properties as at December 31, 2024 and 2023 are as follows:

	2024	2023
Property, plant and equipment (see Note 12)	**₱43,893,416**	₱39,825,319
Right-of-use assets (see Note 29)	**44,529,498**	44,966,055
Investment properties (see Note 13)	**89,395**	101,585

Impairment of Receivables and Contract Assets. The Jollibee Group uses a provision matrix to calculate ECLs for its receivables and contract assets. The provision rates are based on days past due.

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

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

Provision for impairment loss on receivables amounted to ₱450.4 million, ₱278.8 million and ₱415.4 million in 2024, 2023 and 2022, respectively (see Note 22). Reversal of previously recognized impairment loss amounted to ₱67.2 million, ₱7.8 million and ₱4.1 million in 2024, 2023 and 2022, respectively (see Note 22). The carrying amount of receivables and contract assets amounted to ₱10,802.5 million and ₱8,567.4 million as at December 31, 2024 and 2023, respectively (see Note 7).

Net Realizable Value of Inventories. The Jollibee Group writes down inventories to net realizable value, through the use of an allowance account, whenever the net realizable value of inventories becomes lower than the cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes.

The estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made of the amounts the inventories are expected to be realized. These estimates take into consideration fluctuations of prices or costs directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at reporting date. The allowance account is reviewed on a regular basis to reflect the accurate valuation in the financial records.

The Jollibee Group assessed that the net realizable value for some inventories is lower than cost, hence, it recognized provision for inventory obsolescence amounting to ₱60.4 million, ₱177.9 million and ₱274.3 million in 2024, 2023 and 2022, respectively (see Note 22). Reversal of previously recognized impairment loss amounted to ₱70.9 million, ₱44.7 million and ₱49.3 million in 2024, 2023 and 2022, respectively (see Note 22). The carrying amount of inventories amounted to ₱13,872.7 million and ₱12,340.2 million as at December 31, 2024 and 2023, respectively (see Note 8).

Present Value of Defined Benefit Obligation. The pension expense as well as the present value of the defined benefit obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates and the future salary increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Future salary increases are based on budgetary salary increases.

The carrying amount of pension liability amounted to ₱2,851.4 million and ₱2,331.2 million as at December 31, 2024 and 2023, respectively (see Note 25).

Share-based Payments. The Parent Company measures the cost of its equity-settled transactions with management and employees by reference to the fair value of the equity instruments at the grant date. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about these inputs. The fair value of the share option is being determined using the Black-Scholes Option Pricing Model. The expected life of the stock options is based on the expected exercise behavior of the stock option holders and is not necessarily indicative of the exercise patterns that may occur. The volatility is based on the average historical price volatility which may be different from the expected volatility of the shares of the Parent Company.

Total expense arising from share-based payment recognized by the Jollibee Group amounted to ₱497.3 million, ₱353.9 million and ₱185.0 million in 2024, 2023 and 2022, respectively (see Notes 19, 22, 26 and 27).

Accrual of Liabilities. In the normal course of business, the Jollibee Group accrues liabilities based on management's best estimate of costs incurred, particularly in cases when the Jollibee Group has not yet received final billings from suppliers and vendors. There are also ongoing negotiations and reconciliations with suppliers and vendors on certain liabilities recorded. These balances are continuously reviewed by management and are adjusted based on these reviews, resulting to reversals of certain liabilities as other income.

Other income recognized by the Jollibee Group from reversals of liabilities amounted to ₱2,613.3 million, ₱1,200.2 million and ₱1,922.5 million in 2024, 2023 and 2022, respectively (see Note 23).

Fair Value of Financial Assets and Liabilities. When the fair values of financial assets and financial liabilities recorded or disclosed in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but when this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The fair value of financial assets and liabilities are discussed in Note 32.

Provisions and Contingencies. The Jollibee Group is involved in litigations, claims and disputes, and regulatory assessments which are normal to its business. The estimate of the probable costs for the resolution of these claims has been developed in consultation with the Jollibee Group's legal counsels and based upon an analysis of potential results (see Note 17). The inherent uncertainty over the outcome of these matters is brought about by the differences in the interpretation and application of laws and rulings. Management believes that the ultimate liability, if any, with respect to the litigations, claims and disputes, and regulatory assessments will not materially affect the financial position and performance of the Jollibee Group.

Total outstanding provisions amounted to ₱1,934.0 million and ₱1,637.1 million as at December 31, 2024 and 2023, respectively (see Notes 17 and 30).

5. Segment Information

For management purposes, the Jollibee Group is organized into segments based on the nature of the products and services offered and geographical locations. The Executive Management Committee monitors the operating results of its segments separately for resource allocation and performance assessment. Segment results are evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Business Segments

The Jollibee Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

- The food service segment is involved in the operations of QSRs and the manufacture of food products to be sold to Jollibee Group-owned and franchised QSR outlets.
- The franchising segment is involved in the franchising of the Jollibee Group's QSR store concepts.
- The support services segment is involved in providing various services mainly to the Jollibee Group's independent franchisees like but not limited to repairs and maintenance of store equipment, staffing, helpdesk services and other business activities in support of the QSR systems.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The following tables present certain information on revenues, expenses and other segment information of the different business segments in 2024, 2023 and 2022:

	2024				
	Food Service	**Franchising**	**Support Services**	**Eliminations**	**Consolidated**
Revenues from external customers	**₱249,234,297**	**₱19,940,290**	**₱767,745**	**₱–**	**₱269,942,332**
Inter-segment revenues	**38,444,710**	**5,528,795**	**7,857,542**	**(51,831,047)**	**–**
Segment revenues	**287,679,007**	**25,469,085**	**8,625,287**	**(51,831,047)**	**269,942,332**
Segment expenses	**(286,029,217)**	**(10,393,374)**	**(7,953,111)**	**51,831,047**	**(252,544,655)**
Provisions for impairment loss on receivables, inventories and property, plant and equipment – net of reversals	**(508,606)**	**–**	**–**	**–**	**(508,606)**
Equity in net earnings of joint ventures and associates – net	**329,176**	**–**	**–**	**–**	**329,176**
Other segment income – net	**1,780,346**	**–**	**–**	**–**	**1,780,346**
Segment result	**₱3,250,706**	**₱15,075,711**	**₱672,176**	**₱–**	**18,998,593**
Interest income					**959,043**
Interest expense					**(5,771,552)**
Income before income tax					**14,186,084**
Provision for income tax					**3,390,244**
Net income					**₱10,795,840**

	2023				
	Food Service	Franchising	Support Services	Eliminations	Consolidated
Revenues from external customers	₱227,035,697	₱16,587,677	₱483,974	₱–	₱244,107,348
Inter-segment revenues	35,977,969	5,617,689	6,055,802	(47,651,460)	–
Segment revenues	263,013,666	22,205,366	6,539,776	(47,651,460)	244,107,348
Segment expenses	(261,146,732)	(9,678,098)	(6,127,901)	47,651,460	(229,301,271)
Provisions for impairment loss on receivables, inventories, other current assets, property, plant and equipment and right-of-use assets – net of reversals	(392,073)	–	–	–	(392,073)
Equity in net earnings of joint ventures and associates – net	580,009	–	–	–	580,009
Other segment income – net	1,866,867	–	–	–	1,866,867
Segment result	₱3,921,737	₱12,527,268	₱411,875	₱–	16,860,880
Interest income					863,515
Interest expense					(5,382,041)
Income before income tax					12,342,354
Provision for income tax					3,356,901
Net income					₱8,985,453

	2022				
	Food Service	Franchising	Support Services	Eliminations	Consolidated
Revenues from external customers	₱197,436,005	₱14,158,863	₱307,348	₱–	₱211,902,216
Inter-segment revenues	31,330,117	5,565,429	7,309,091	(44,204,637)	–
Segment revenues	228,766,122	19,724,292	7,616,439	(44,204,637)	211,902,216
Segment expenses	(228,812,871)	(8,965,002)	(7,408,114)	44,204,637	(200,981,350)
Provisions for impairment loss on receivables, inventories, other current assets, property, plant and equipment and trademark – net of reversals	(979,495)	–	–	–	(979,495)
Equity in net earnings of joint ventures and associates – net	4,062	–	–	–	4,062
Other segment income – net	5,271,583	–	398,127	–	5,669,710
Segment result	₱4,249,401	₱10,759,290	₱606,452	₱–	15,615,143
Interest income					341,189
Interest expense					(4,768,732)
Income before income tax					11,187,600
Provision for income tax					(3,849,107)
Net income					₱8,985,453

The following tables present certain information on assets and liabilities and other segment information of the different business segments as at December 31, 2024 and 2023:

	2024				
	Food Service	**Franchising**	**Support Services**	**Eliminations**	**Consolidated**
Assets and Liabilities					
Segment assets	**₱253,979,057**	**₱–**	**₱199,408**	**₱–**	**₱254,178,465**
Deferred tax assets – net	**9,372,402**	**–**	**27**	**–**	**9,372,429**
Consolidated assets	**₱263,351,459**	**₱–**	**₱199,435**	**₱–**	**₱263,550,894**
Segment liabilities	**₱146,400,757**	**₱–**	**₱ 25,155**	**₱–**	**₱146,425,912**
Deferred tax liabilities – net	**5,717,243**	**–**	**–**	**–**	**5,717,243**
Long-term debt – including current portion	**16,052,580**	**–**	**–**	**–**	**16,052,580**
Income tax payable	**787,087**	**–**	**653**	**–**	**787,740**
Consolidated liabilities	**₱168,957,667**	**₱–**	**₱25,808**	**₱–**	**₱168,983,475**
Other Segment Information					
Capital expenditures	**₱11,979,848**	**₱–**	**₱–**	**₱–**	**₱11,979,848**
Depreciation and amortization	**17,745,718**	**–**	**1,216**	**–**	**17,746,934**

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

	2023				
	Food Service	Franchising	Support Services	Eliminations	Consolidated
Assets and Liabilities					
Segment assets	₱236,497,363	₱–	₱252,789	₱–	₱236,750,152
Deferred tax assets – net	7,424,037	–	27	–	7,424,064
Consolidated assets	₱243,921,400	₱–	₱252,816	₱–	₱244,174,216
Segment liabilities	₱141,328,172	₱–	₱36,660	₱–	₱141,364,832
Deferred tax liabilities – net	3,625,931	–	–	–	3,625,931
Long-term debt – including current portion	12,617,043	–	–	–	12,617,043
Income tax payable	309,755	–	–	–	309,755
Consolidated liabilities	₱157,880,901	₱–	₱36,660	₱–	₱157,917,561
Other Segment Information					
Capital expenditures	₱11,337,794	₱–	₱–	₱–	₱11,337,794
Depreciation and amortization	16,952,718	–	1,098	–	16,953,816

Geographical Segments

The Jollibee Group's geographical segments are based on the location of the assets producing revenues in the Philippines and in other locations which include PRC, USA, Canada, Vietnam, Singapore, Malaysia, Italy, UK, UAE, Hongkong, Macau, Brunei, Taiwan and South Korea. Sales to external customers disclosed in the geographical segments are based on the geographical location of the customers.

Majority of the Jollibee Group's revenues were generated from the Philippines, which is the Parent Company's country of domicile.

The Jollibee Group does not have a single external customer with revenues amounting to 10% or more of the Jollibee Group's revenues.

The following tables present segment revenues, segment assets and capital expenditures of the Jollibee Group's geographical segments:

	2024			
	Philippines	**International**	**Eliminations**	**Consolidated**
Segment revenues	**₱166,546,839**	**₱105,660,467**	**(₱2,264,974)**	**₱269,942,332**
Segment assets	**83,576,170**	**170,602,295**	**–**	**254,178,465**
Capital expenditures	**6,699,642**	**5,280,206**	**–**	**11,979,848**

	2023			
	Philippines	International	Eliminations	Consolidated
Segment revenues	₱152,457,059	₱93,452,384	(₱1,802,095)	₱244,107,348
Segment assets	85,123,447	151,626,705	–	236,750,152
Capital expenditures	4,373,038	6,964,756	–	11,337,794

	2022			
	Philippines	International	Eliminations	Consolidated
Segment revenues	₱131,580,480	₱82,223,763	(₱1,902,027)	₱211,902,216
Segment assets	84,418,668	142,957,195	–	227,375,863
Capital expenditures	3,486,984	6,195,677	–	9,682,661

Revenue from Contracts with Customers

Set out below is the disaggregation of the Jollibee Group's revenue from contracts with customers:

	2024			
Revenue Source	**Food Service**	**Franchising**	**Support Services**	**Total**
Sale of goods	**₱248,929,972**	**₱–**	**–**	**₱248,929,972**
Royalty fees	**–**	**14,318,894**	**–**	**14,318,894**
Set-up fees	**–**	**756,816**	**–**	**756,816**
System-wide advertising fees	**–**	**4,864,579**	**–**	**4,864,579**
Service fees	**–**	**–**	**713,259**	**713,259**
Other revenues	**304,326**	**–**	**54,486**	**358,812**
Total revenue from contracts with customers	**₱249,234,298**	**₱19,940,289**	**₱767,745**	**₱269,942,332**
Timing of recognition:				
Goods transferred at a point in time				**₱249,234,298**
Services transferred over time				**20,708,034**
				₱269,942,332

	2023			
Revenue Source	Food Service	Franchising	Support Services	Total
Sale of goods	₱226,701,561	₱–	–	₱226,701,561
Royalty fees	–	12,089,063	–	12,089,063
Set-up fees	–	438,205	–	438,205
System-wide advertising fees	–	4,060,409	–	4,060,409
Service fees	–	–	483,974	483,974
Other revenues	334,136	–	–	334,136
Total revenue from contracts with customers	₱227,035,697	₱16,587,677	₱483,974	₱244,107,348
Timing of recognition:				
Goods transferred at a point in time				₱227,035,697
Services transferred over time				17,071,651
				₱244,107,348

	2022			
Revenue Source	Food Service	Franchising	Support Services	Total
Sale of goods	₱196,657,284	₱–	–	₱196,657,284
Royalty fees	–	10,414,482	–	10,414,482
Set-up fees	–	344,808	–	344,808
System-wide advertising fees	–	3,399,573	–	3,399,573
Service fees			307,348	307,348
Other revenues	778,721	–	–	778,721
Total revenue from contracts with customers	₱197,436,005	₱14,158,863	₱307,348	₱211,902,216
Timing of recognition:				
Goods transferred at a point in time				₱197,436,005
Services transferred over time				14,466,211
				₱211,902,216

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

6. Cash and Cash Equivalents and Short-term Investments

Cash and Cash Equivalents
This account consists of:

	2024	2023
Cash on hand	**₱335,246**	₱401,355
Cash in banks	**21,620,463**	17,294,487
Short-term deposits	**7,370,940**	15,536,646
	₱29,326,649	₱33,232,488

Cash in banks earn interest at the respective savings or special demand deposit rates. Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Jollibee Group, and earn interest at the respective short-term deposit rates.

Short-term Investments

The Jollibee Group also has short-term investments amounting to ₱85.5 million and ₱624.8 million as at December 31, 2024 and 2023, respectively. These pertain to deposits with maturities of more than three months but less than a year.

Interest income earned from cash and cash equivalents and short-term investments amounted to ₱786.2 million, ₱755.5 million and ₱258.5 million in 2024, 2023 and 2022, respectively (see Note 23).

7. Receivables and Contract Assets

This account consists of:

	2024	2023
Trade	**₱7,600,569**	6,549,315
Less allowance for impairment loss	**1,381,857**	1,170,126
	6,218,712	5,379,189
Advances to employees	**1,473,304**	706,276
Receivable from retirement fund (see Notes 25 and 27)	**1,009,022**	770,297
Current portion of employee car plan receivables (see Note 15)	**63,478**	62,158
Interest receivable	**6,819**	20,104
Others	**84,740**	93,498
	8,856,075	7,031,522
Contract assets	**1,946,440**	1,535,894
	₱10,802,515	₱8,567,416

The terms and conditions of the receivables are as follows:

- Trade receivables are noninterest-bearing and are generally settled on a 14-day term. The Jollibee Group classified accrued receivables as contract assets, which are billed and collected in the next twelve (12) months.
- Receivable from retirement fund represents benefit payments made by the Jollibee Group for and on behalf of the retirement plans. The receivable is noninterest-bearing
- Advances to employees, current portion of employee car plan receivables, interest and other receivables are normally collectible within the next financial year.
- Other receivables consist of receivables from the Social Security System (SSS) and insurance claims.

The movements in the allowance for impairment loss on trade receivables as at December 31 are as follows:.

	2024	2023
Balance at beginning of year	**₱1,170,126**	₱919,192
Provisions (see Note 22)	**450,373**	278,846
Write-offs	**(202,455)**	(13,896)
Reversals (see Note 22)	**(67,173)**	(7,800)
Translation adjustments	**30,986**	(6,216)
Balance at end of year	**₱1,381,857**	₱1,170,126

8. Inventories

This account consists of:

	2024	2023
At net realizable value:		
Food supplies and processed inventories	**₱12,564,898**	₱11,177,602
Novelty items	**86,348**	96,199
	12,651,246	11,273,801
At cost -		
Packaging, store and other supplies	**1,221,460**	1,066,405
Total inventories at lower of cost and net realizable value	**₱13,872,706**	₱12,340,206

The cost of food supplies and processed inventories, and novelty items carried at net realizable value amounted to ₱12,936.6 million and ₱162.5 million, respectively, as at December 31, 2024 and ₱11,686.3 million and ₱137.0 million, respectively, as at December 31, 2023.

The movements in the allowance for inventory obsolescence as at December 31 are as follows:

	2024	2023
Balance at beginning of year	**₱549,518**	₱442,711
Write-offs	**(94,949)**	(25,801)
Reversals (see Note 22)	**(70,855)**	(44,702)
Provisions (see Note 22)	**60,390**	177,937
Translation adjustments	**3,750**	(627)
Balance at end of year	**₱447,854**	₱549,518

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

9. Other Current Assets

This account consists of:

	2024	2023
Prepaid expenses:		
Taxes	**₱6,372,012**	₱6,073,296
Rent	**1,013,849**	970,816
Supplies	**141,219**	100,844
Insurance and others	**1,308,330**	1,103,495
Deposit to suppliers and other third parties	**2,364,719**	3,152,957
Current portion of security and other deposits (see Note 15)	**275,932**	155,084
	₱11,476,061	₱11,556,492

Terms and conditions of other current assets are as follows:

- Prepaid taxes represent creditable withholding taxes that can be applied in the following year against the corporate income tax due or can be claimed as tax refund from Tax Authorities. This also includes prepaid real property and local business taxes which are expected to be utilized within the next twelve (12) months.
- Prepaid rent pertains to short-term leases of store and office spaces that are paid in advance. Supplies consist of various office and administrative supplies. Prepaid rent, insurance and others are normally utilized within the next financial year.
- Deposit to suppliers and other third parties are generally applied to purchase of inventories and availment of services within the next financial year.

10. Financial Assets at FVTPL

This account consists of:

	2024	2023
Investments in:		
Private equity fund	**₱335,363**	₱283,800
Bond funds	**211,535**	7,853,800
Club shares	**38,682**	32,382
	585,580	8,169,982
Less current portion	**211,534**	7,853,800
Noncurrent portion	**₱374,046**	₱316,182

On October 25, 2023, the Jollibee Group, through its wholly owned subsidiary, JFC USA, subscribed as a limited partner in LCGP3 Fresh Flavors Holdings, L.P., a private equity fund in the United States of America, for a committed amount of USD5.0 million (₱284.3 million). As at December 31, 2024 and 2023, total subscription amounted to USD5.8 million (₱335.4 million) and USD5.0 million (₱283.8 million), respectively.

Investment in club shares includes investment in shares of stocks of Tagaytay Highlands and other golf and leisure clubs.

Unused proceeds from the issuance of senior perpetual securities in January 2020 and senior debt securities in June 2020 totaling to USD759.8 million (₱37,857.1 million) were invested by the Jollibee Group in bond funds (see Notes 18 and 19).

In 2024 and 2023, JWPL redeemed bond funds amounting to USD207.5 million (₱11,854.8 million) and USD15.6 million (₱884.1 million), respectively. As at December 31, 2024 and 2023, remaining balance in investment in bond funds, including interest and dividends earned, amounted to USD3.7 million (₱211.5 million) and USD141.8 million (₱7,853.8 million), respectively.

The movements in financial assets at FVTPL are as follows:

	2024	2023
Balance at beginning of year	**₱8,169,982**	₱8,278,493
Redemptions	**(11,854,808)**	(884,127)
Additions	**3,907,874**	283,800
Mark-to-market gain on financial assets at FVTPL (see Note 23)	**178,589**	530,939
Translation adjustment	**183,943**	(39,123)
Balance at end of year	**₱585,580**	₱8,169,982

The fair value of financial assets at FVTPL has been determined directly by reference to quoted prices in active market or inputs other than quoted prices that are directly or indirectly observable.

11. Business Combinations, Incorporation of New Subsidiaries, Material Non-controlling Interests, Interests in and Advances to Joint Ventures, Co-venturers and Associates and Divestments

A. Business Combinations

Acquisition of Compose Coffee. On July 2, 2024, the Jollibee Group, through its wholly owned subsidiary, JWPL, in partnership with Elevation Equity Partners Korea Limited (EEP) and Titan Dining Investments Pte. Ltd. (TDIPL), signed definitive agreements to acquire majority shareholding in Compose Coffee Co., Ltd. and JMCF Co. Ltd. (collectively called "Compose Coffee"). JPWL, EEP and TDIPL acquired Compose Coffee through the creation of Jolli-K Co., Ltd. (Jolli-K).

Jolli-K, with an initial capitalization of KRW470.0 billion (₱19,851.7 million), is 70% owned by JWPL while the remaining shareholdings are held by EEP and TDIPL with effective shareholdings of 25% and 5%, respectively.

On August 16, 2024, Jolli-K completed the acquisition of Compose Coffee for a total cash consideration of KRW455.0 billion (₱19,017.7 million) on a debt-free basis and cash accretive position. The completion of the transaction was effected after the completion of closi ng conditions, including required government approvals, provided under the definitive agreements.

Transaction costs of KRW1.1 billion (₱47.1 million) have been expensed and are included in general and administrative expenses in the consolidated statement of comprehensive income for the year ended December 31, 2024.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

"The Jollibee Group included Compose Coffee in its financial consolidation starting August 16, 2024, following the completion of the acquisition of Compose Coffee, the BOD of the Jolli-K approved the resolution to reduce its capitalization from KRW470.0 billion (P19,851.7 million) to KRW 435.0 billion (P18,389.2 million) by the way of distribution proportionate to the shareholders' ownership interest.The fair value of the identifiable assets acquired, and liabilities assumed as at the date of the acquisition were as follows:

Cash and cash equivalents	₱1,694,557
Receivables	784,486
Inventories	167,423
Other current assets	1,869,658
Property, plant and equipment (see Note 12)	566,786
Supplier relationships (see Note 14)	6,796,001
Trademark (see Note 14)	5,408,469
Deferred tax assets	200
Other noncurrent assets	11,440
Total identifiable assets acquired	17,299,020
Less:	
Trade payables and other current liabilities	574,729
Deferred tax liabilities	2,589,494
Total identifiable liabilities assumed	3,164,223
Net identifiable assets acquired	₱14,134,797

The amount of provisional goodwill at acquisition date amounted to ₱3,416.5 million determined as follows:

Fair value of consideration transferred:	
Total consideration	₱13,306,311
Proportionate share of the non-controlling interest's share in fair value of the net identifiable assets acquired	4,244,962
Aggregate amount	17,551,273
Less fair value of net identifiable assets acquired	14,134,797
Provisional goodwill (see Note 14)	₱3,416,476

The net cash outflow from the acquisition is as follows:

Cash paid on acquisition	₱13,306,311
Less cash acquired from subsidiary	1,694,557
	₱11,611,754

The provisional goodwill of ₱3,416.5 million is attributable to synergies and other benefits from the acquisition of Compose Coffee.

The net assets recognized in the consolidated financial statements were based on the provisional assessment of their fair value while the Jollibee Group sought an independent valuation for trademark and other intangible assets owned by Compose Coffee. The valuation had not been completed by the date the consolidated financial statements were approved for issue by the BOD.

From the acquisition date, Compose Coffee contributed ₱2,376.7 million of revenue and ₱651.0 million net income to the Jollibee Group. If the business combination had taken place at the beginning of 2024, contribution to consolidated revenues and net income for the year would have been ₱6,465.3 million and ₱2,726.9 million, respectively.

Acquisition of MHL. On April 5, 2023, the Jollibee Group through GPPL, disclosed that it will purchase a majority stake from the shareholders of Meko Holdings Limited (MHL), Jollibee brand's master franchisee in Hong Kong. GPPL will acquire 60% ownership for USD16.1 million (₱910.1 million) subject to adjustments. The remaining 40% will continue to be owned by the current shareholders of MHL. Completion of this transaction is subject to the fulfillment of the agreed closing conditions.

On September 1, 2023, GPPL completed the acquisition of 60% ownership in MHL under the same terms as disclosed on April 5, 2023 for a total consideration of USD16.1 million (₱910.1 million). GPPL paid a total cash consideration of USD14.1 million (₱796.9 million). In accordance with the Purchase Agreement, the remaining amount of USD2.0 million (₱113.2 million), was withheld by the Jollibee Group to recover for potential liabilities of MHL until August 31, 2024. This amount is presented as part of "trade payables and other current liabilities and contract liabilities" in the consolidated statements of financial position as at December 31, 2023. Subsequently, the USD2.0 million (₱113.2 million) was paid on September 3, 2024.

The Jollibee Group included MHL in its financial consolidation starting September 1, 2023 (the "acquisition date").

The fair value of the identifiable assets acquired, and liabilities assumed as at the date of the acquisition were as follows:

Cash and cash equivalents	₱31,913
Receivables	382
Inventories	11,051
Other current assets	13,392
Property, plant and equipment (see Note 12)	419,833
Right-of-use assets	411,609
Deferred tax assets	73,954
Other noncurrent assets	145,162
Total identifiable assets acquired	1,107,296
Less:	
Trade payables and other current liabilities	77,413
Lease liabilities	411,609
Deferred tax liabilities	110,121
Total identifiable liabilities assumed	599,143
Net identifiable assets acquired	₱508,153

The amount of goodwill at acquisition date amounted to ₱605.2 million determined as follows:

Fair value of consideration transferred:	
Total consideration	₱910,128
Fair value of non-controlling interest's share in the net identifiable assets acquired	203,261
Aggregate amount	1,113,389
Less fair value of net identifiable assets acquired	508,153
Goodwill (see Note 14)	₱605,236

The net cash outflow from the acquisition is as follows:

Cash paid on acquisition	₱796,928
Less cash acquired from subsidiary	31,913
	₱765,015

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The goodwill of ₱605.2 million is attributable to synergies and other benefits from the acquisition of MHL.

From the acquisition date, MHL contributed ₱10.8 million net income to the Jollibee Group. If the business combination had taken place at the beginning of 2023, contribution to consolidated revenues and net income for the year would have been ₱846.4 million and ₱60.7 million, respectively.

B. Incorporation of New Subsidiaries

CBTL Gift Card LLC. On August 2, 2024, the Jollibee Group, through ICTL, incorporated CBTL Gift Card LLC in the State of Arizona. Its main business will be to issue gift cards within the US.

MKSA LLC (MKSA). On March 21, 2024, the Jollibee Group, through its wholly owned subsidiary Jolly USA Services LLC, organized MKSA in the State of Delaware to operate Milksha stores and potential franchising in the United States of America. As at December 31, 2024, the capital investment to MKSA amounted to USD2.0 million (₱116.6 million) and has not started commercial operations.

JWPL Technology Co. Ltd. (JWPL Technology). On March 6, 2024, the Jollibee Group, through its wholly owned subsidiary, JWPLM, incorporated JWPL Technology in Thailand. Its main business will be digital services including in-house development of digital platforms, project and product management and digital center of excellence of the Jollibee Group. As at December 31, 2024, the capital investment to JWPL Technology amounted to USD0.6 million (₱34.7 million) and has not started commercial operations.

FCJB Foods Inc. (FCJB). On August 3, 2023, the Parent Company and Food Collective, Pte. Ltd. (FCPL) announced the establishment of a joint venture that will own and operate Tiong Bahru Bakery and Common Man Coffee Roaster brands in the Philippines.

The joint venture entity, incorporated as FCJB on August 29, 2023, is 60% owned by the Parent Company and 40% owned by FCPL. Both companies have committed to invest up to ₱250.0 million to the joint venture. FCJB started operations on December 8, 2023. The capital investment of the Parent Company to FCJB amounted to ₱250.0 million and ₱150.0 million as at December 31, 2024 and 2023, respectively.

Jollibee (Shanghai) Consulting Management Co., Ltd. (Shanghai Consulting Management). On August 21, 2023, the Jollibee Group, through its wholly owned subsidiary, Jollibee (China) Food & Beverage Management Co. Ltd., incorporated Shanghai Consulting Management to provide executive, human resources and business technology services in China. Shanghai Consulting Management started commercial operations on May 1, 2024. The capital investment to Shanghai Consulting Management amounted to RMB30.0 million (₱233.9 million) and RMB1.0 million (₱8.8 million) as at December 31, 2024 and 2023, respectively.

Pinnacle Quality Food Inc. (PQF). On June 6, 2022, the Jollibee Group, through its wholly owned subsidiary, Zenith, incorporated PQF to engage in, operate, conduct and maintain the business of manufacturing, importing, buying, selling or otherwise undertaking in wholesale and retail of all kinds of food products and any and all equipment, materials, supplies used or employed in or related to the manufacture of such finished products; to engage, directly or indirectly, in the planting, raising, culture, harvesting and processing of raw agricultural and fishery products into semi-processed or finished products, the packaging and marketing of such products, and to engage in other farm activities and practices. As at December 31, 2024 and 2023, the capital investment to PQF amounted to ₱150.6 million and has not started commercial operations.

C. Material Non-Controlling Interests

The Jollibee Group has subsidiaries with material non-controlling interests as provided below.

Proportion of equity interest held by non-controlling interests in 2024 and 2023 are as follows:

	Country of incorporation and operation	**2024**	2023
SuperFoods Group	Vietnam	**40%**	40%
SMCC-SG	Singapore	**20%**	20%
GBPL	Singapore	**40%**	40%
Milksha	Taiwan	**49%**	49%
MHL	Hong Kong	**40%**	40%
Compose Coffee	South Korea	**30%**	–

The summarized financial information of SuperFoods Group, SMCC-SG, GBPL, Milksha, MHL and Compose Coffee in 2024, 2023 and 2022 are provided below. These information are based on amounts before intercompany eliminations.

Summarized Statements of Comprehensive Income for the year ended December 31

	SuperFoods Group		
	2024	2023	2022
Revenues	**₱10,230,363**	₱9,049,127	₱8,162,150
Net income	**218,824**	356,776	336,991
Other comprehensive loss	**(6,262)**	(4,940)	(37,822)
Total comprehensive income	**212,562**	351,836	299,169
Total comprehensive income attributable to non-controlling interests	**85,025**	140,734	119,668

	SMCC – SG		
	2024	2023	2022
Revenues	**₱20,551,240**	₱18,049,684	₱16,833,441
Net loss	**(1,907,142)**	(3,444,247)	(499,101)
Other comprehensive income (loss)	**(641,546)**	91,090	(923,517)
Total comprehensive loss	**(2,548,688)**	(3,353,157)	(1,422,618)
Total comprehensive loss attributable to non-controlling interests	**(509,738)**	(670,631)	(284,524)

	GBPL		
	2024	2023	2022
Revenues	**₱1,933,856**	₱1,146,923	₱1,446,668
Net income	**75,996**	50,013	54,365
Other comprehensive income	**3,485**	1,905	33,912
Total comprehensive income	**79,481**	51,918	88,277
Total comprehensive income attributable to non-controlling interests	**31,792**	20,767	35,311

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

	Milksha		
	2024	2023	2022
Revenues	**₱2,335,259**	₱2,127,378	₱1,775,301
Net income	**188,392**	156,384	141,772
Other comprehensive income (loss)	**631**	(16,337)	(3,595)
Total comprehensive income	**189,023**	140,047	138,177
Total comprehensive income attributable to non-controlling interests	**92,621**	68,623	67,707

	MHL	
	2024	2023
Revenues	**₱1,663,097**	₱512,369
Net income (loss)	**(99,434)**	1,796
Other comprehensive income	**6,203**	4,497
Total comprehensive income (loss)	**(93,231)**	6,293
Total comprehensive income (loss) attributable to non-controlling interests	**(37,292)**	2,517

	Compose Coffee
	2024
Revenues	**₱2,377**
Net income	**651**
Other comprehensive income	**–**
Total comprehensive income	**651**
Total comprehensive income attributable to non-controlling interests	**166**

Summarized Statements of Financial Position as at December 31

	SuperFoods Group	
	2024	2023
Current assets	**₱1,085,260**	₱1,116,943
Noncurrent assets	**7,982,398**	7,221,973
Current liabilities	**4,741,827**	4,313,442
Noncurrent liabilities	**3,645,629**	3,553,038
Total equity	**680,202**	472,436
Equity attributable to non-controlling interests	**272,081**	188,974

	SMCC – SG	
	2024	2023
Current assets	**₱4,035,210**	₱3,646,394
Noncurrent assets	**34,484,198**	34,255,083
Current liabilities	**28,128,762**	25,720,613
Noncurrent liabilities	**12,887,910**	11,969,037
Total equity (deficit)	**(2,497,264)**	211,827
Deficit attributable to non-controlling interests	**(3,419,093)**	(2,877,260)

	GBPL	
	2024	2023
Current assets	**₱366,267**	₱364,602
Noncurrent assets	**734,771**	298,217
Current liabilities	**282,610**	255,346
Noncurrent liabilities	**535,661**	131,581
Total equity	**282,767**	275,892
Equity attributable to non-controlling interests	**113,107**	110,357

	Milksha	
	2024	2023
Current assets	**₱1,098,898**	₱910,139
Noncurrent assets	**192,527**	175,865
Current liabilities	**612,424**	461,497
Noncurrent liabilities	**93,138**	79,752
Total equity	**585,863**	544,755
Equity attributable to non-controlling interests	**287,073**	266,930

	2024	2023
Current assets	**₱181,818**	₱180,946
Noncurrent assets	**969,646**	943,336
Current liabilities	**638,628**	523,494
Noncurrent liabilities	**103,532**	99,156
Total equity	**409,304**	501,632
Equity attributable to non-controlling interests	**163,722**	200,653

	Compose Coffee
	2024
Current assets	**₱4,296,146**
Noncurrent assets	**17,668,712**
Current liabilities	**984,814**
Noncurrent liabilities	**2,372,137**
Total equity	**18,607,907**
Equity attributable to non-controlling interests	**5,548,067**

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Summarized Audited Cash Flow Information for the year ended December 31

SuperFoods Group

	2024	2023	2022
Net cash provided by operating activities	**₱977,022**	₱835,371	₱1,504,501
Net cash used in investing activities	**(1,137,921)**	(1,631,426)	(800,903)
Net cash provided by (used in) financing activities	**19,543**	327,180	(54,793)
Net increase (decrease) in cash and cash equivalents	**(141,356)**	(468,875)	648,805

SMCC-SG

	2024	2023	2022
Net cash provided by operating activities	**₱2,028,840**	₱760,812	₱1,986,690
Net cash used in investing activities	**(1,692,238)**	(1,820,796)	(173,752)
Net cash provided by (used in) financing activities	**18,515**	364,756	(1,172,545)
Net increase (decrease) in cash and cash equivalents	**355,117**	(695,228)	640,393

GBPL

	2024	2023	2022
Net cash provided by operating activities	**₱300,700**	₱296,635	₱305,821
Net cash used in investing activities	**(255,739)**	(183,252)	(186,414)
Net cash used in financing activities	**(55,249)**	(82,920)	(81,410)
Net increase (decrease) in cash and cash equivalents	**(10,288)**	30,463	37,997

Milksha

	2024	2023	2022
Net cash provided by operating activities	**₱37,298**	₱150,269	₱242,848
Net cash used in investing activities	**(48,905)**	(49,359)	(36,187)
Net increase (decrease) in cash and cash equivalents	**(11,607)**	100,910	206,661

MHL

	2024	2023
Net cash provided by operating activities	**₱67,363**	₱3,356
Net cash provided by (used in) investing activities	**(97,013)**	1,914
Net cash provided by financing activities	**3,643**	60,976
Net increase (decrease) in cash and cash equivalents	**(26,007)**	66,246

Compose Coffee

	2024
Net cash provided by operating activities	**₱542,949**
Net cash used in investing activities	**(338,423)**
Net increase (decrease) in cash and cash equivalents	**204,526**

D. Interests in and Advances to Joint Ventures, Co-venturers and Associates

	2024	2023
Interests in joint ventures:		
Titan Dining LP	**₱16,264,727**	₱13,271,276
Titan Dining II LP	**1,358,801**	–
Golden Bee Foods Restaurant LLC	**417,172**	392,247
JBPX Foods Inc.	**156,271**	217,017
Yoshinoya Jollibee Foods, Inc.	**91,462**	88,749
	18,288,433	13,969,289
Interests in associates:		
CentralHub Industrial Centers, Inc.	**3,428,692**	3,419,135
Botrista, Inc.	**1,695,057**	–
Tortazo LLC	**628,063**	725,227
C-Joy Poultry Meats Production, Inc.	**669,639**	434,633
Entrek (B) SDN BHD	**186,267**	197,205
C-Joy Poultry Realty, Inc.	**15,390**	20,151
Beeworks Food SDN. BHD.	**(51,795)**	(29,729)
	6,571,313	4,766,622
Advances to a joint venture, associates and a co-venturer:		
VTI Group	**1,557,026**	2,066,012
Tortazo LLC	**183,156**	86,656
JBPX Foods Inc.	**133,077**	128,865
Beeworks Food SDN. BHD	**94,594**	75,538
	1,967,853	2,357,071
	₱26,827,599	₱21,092,982

Interests in Joint Ventures

Titan Dining LP (Titan). The Jollibee Group, through JWPL, as a Limited Liability Partner, has 92% and 90% participating interest in Titan as at December 31, 2024 and 2023, respectively. Titan is a private equity fund that owns the Asia Pacific master franchise holder of the "Tim Ho Wan" brand, Tim Ho Wan Pte. Ltd. and its affiliate Dim Sum Pte. Ltd., which owns and operates Tim Ho Wan stores in Singapore.

On January 1, 2024, JWPL announced the increase in the total maximum fund of Titan from SGD350.0 million (₱14,395.5 million) to SGD450.0 million (₱18,940.5 million) to fund the store expansion plans and working capital requirements of Tim Ho Wan and the completion of other projects. With the increase in fund size, JWPL's total commitment to the fund shall amount to SGD414.0 million (₱17,425.3 million). JWPL also increased its participating interest from 90% to 92% through the purchase of 2% participating interest of another limited partner in the fund for a total consideration of SGD7.7 million (₱324.8 million). These amendments are necessary to support the growth expansion of Tim Ho Wan, other brands and other future food and beverage concepts that will be part of Titan's portfolio.

On April 11 and November 18, 2024, JWPL made additional investments amounting to SGD15.6 million (₱659.4 million) and SGD41.4 million (₱1,813.6 million) proportionate to its participating interest in Titan.

On April 11 and November 18, 2024, JWPL made additional investments amounting to SGD15.6 million (₱659.4 million) and SGD41.4 million (₱1,813.6 million) proportionate to its participating interest in Titan.

On November 5, 2024, the Jollibee Group disclosed that its wholly owned subsidiary, JWPL, signed an agreement with a subsidiary of Titan Dining LP (Titan Fund) to transfer the ownership and management of Tim Ho Wan business from Titan Fund to JWPL, through the transfer of 100% ownership of Tim Ho Wan business to JWPL. The completion of this transaction is subject to closing conditions.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

On January 2, 2025, JWPL completed the transfer of 100% ownership of Tim Ho Wan business under the same terms as disclosed on November 5, 2024, for a total consideration of SGD252.2 million (₱10,695.8 million).

The Jollibee Group included Tim Ho Wan business in its financial consolidation starting January 2, 2025 (the "acquisition date").

JWPL held a 92% participating interest in Titan Fund since January 2024. Accordingly, its cash payment for the transaction shall only be for SGD20.2 million (₱881.5 million), corresponding to the 8% participating interest held by the other investors in the Titan Fund.

The details of the Jollibee Group's participating interest in Titan as at December 31, 2024 and December 31, 2023 are as follows:

	2024	2023
Interest in a joint venture – cost:		
Balance at beginning of year	**₱12,786,939**	₱10,767,706
Additions during the year	**2,797,807**	2,019,233
Balance at end of year	**15,584,746**	12,786,939
Cumulative equity in net earnings:		
Balance at beginning of year	**484,337**	138,197
Equity in net earnings during the year	**195,644**	346,140
Balance at end of year	**679,981**	484,337
	₱16,264,727	₱13,271,276

Summarized financial information of Titan based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2024	2023
Current assets	**₱349,362**	₱680,984
Noncurrent assets	**18,961,700**	13,017,078
Total assets	**₱19,311,062**	₱13,698,062
Current liabilities	**₱39,382**	₱24,993

The amounts of assets and liabilities above include:

	2024	2023
Cash and cash equivalents	**₱248,897**	₱679,813

The amounts of the income accounts include the following:

	2024	2023	2022
Net income (loss)	**₱212,657**	₱384,600	(₱68,958)
Total comprehensive income (loss)	**212,657**	384,600	(68,958)

	2024	2023
Net assets	**₱19,271,680**	₱13,673,069
Proportion of the Jollibee Group's participating interest	**92%**	90%
	17,729,946	12,305,762
Goodwill	**61,901**	2,336,248
Cumulative translation adjustments	**(1,527,120)**	(1,370,734)
	₱16,264,727	₱13,271,276

Titan Dining II LP (Titan Fund II). On April 3, 2024, the Jollibee Group, through its wholly owned subsidiary, JWPL, announced its participation and capital call commitment to Titan Dining II LP (Titan Fund II).

The fund size of Titan Fund II will be SGD100.0 million (₱4,184.0 million) which will be used to fund strategic investments in food and beverage concepts with the objective to further grow the Asia Pacific food service brands and/or bring strong global food service brands to the Asia Pacific. JWPL will have 90% participating interest in Titan Fund II, with a capital commitment of SGD90.0 million (₱3,765.6 million). Titan Fund II will be managed by Titan Dining Partners II Ltd., consisting of individuals with extensive experience in the food and beverage sector in the Asia Pacific Region.

On July 29, 2024, JWPL made an initial capital contribution amounting to SGD31.5 million (₱1,387.7 million).

The details of the Jollibee Group's participating interest in Titan Fund II as at December 31, 2024 is as follows:

Interest in a joint venture – cost:	
Addition during the year	₱1,387,693
Cumulative equity in net earnings:	
Balance at beginning of year	–
Equity in net losses during the year	(28,892)
Balance at end of year	(28,892)
	₱1,358,801

Summarized financial information of Titan Fund II based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements as at December 31, 2024 are set out below:

Current assets	₱210,582
Noncurrent assets	1,278,241
Total assets	₱1,488,823
	₱26,625
Current liabilities	
Cash and cash equivalents was	₱113,184
The amounts of income accounts include the following:	
Net loss	(₱32,102)
Total comprehensive loss	(32,102)
Net assets	1,462,198
Proportion of the Jollibee Group's participating interest	90%
	1,315,978
Cumulative translation adjustments	42,823
	₱1,358,801

Golden Bee Foods Restaurant LLC (Golden Bee). The Jollibee Group, through GPPL, has 49% ownership in Golden Bee, a company that owns and operates the Jollibee brand in the United Arab Emirates.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The details of the Jollibee Group's interest in the Golden Bee as at December 31 are as follows:

	2024	2023
Interest in a joint venture – cost	**₱33,926**	₱33,926
Cumulative equity in net earnings:		
Balance at beginning of year	**358,321**	308,848
Equity in net earnings duringthe year	**142,647**	138,503
Dividends received	**(117,722)**	(89,030)
Balance at end of year	**383,246**	358,321
	₱417,172	₱392,247

Summarized financial information of Golden Bee based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2024	2023
Current assets	**₱1,092,733**	₱1,270,781
Noncurrent assets	**881,002**	213,791
Total assets	**₱1,973,735**	₱1,484,572
Current liabilities	**₱818,433**	₱523,818
Noncurrent liabilities	**186,744**	88,663
Total liabilities	**₱1,005,177**	₱612,481

The amounts of assets and liabilities above include:

	2024	2023
Cash and cash equivalents	**₱752,045**	₱844,953

The amounts of the income and expense accounts include the following:

	2024	2023	2022
Revenues	**₱2,828,973**	₱2,376,616	₱2,106,493
Depreciation and amortization	**62,776**	55,052	77,914
Net income	**291,116**	282,659	214,994
Total comprehensive income	**291,116**	222,714	214,994

	2024	2023
Net assets	**₱968,558**	₱872,091
Proportion of the Jollibee Group's ownership	**49%**	49%
	474,593	427,325
Cumulative translation adjustments	**(57,421)**	(35,078)
	₱417,172	₱392,247

JBPX Foods Inc. (Panda Express). The Jollibee Group, through the Parent Company, has 50% ownership in JBPX Foods Inc., a company that owns and operates the Panda Express brand in the Philippines.

The details of Jollibee Group's interest in Panda Express as at December 31 are as follows:

	2024	2023
Interest in a joint venture – cost	**₱281,750**	₱281,750
Cumulative equity in net losses:		
Balance at beginning of year	**(64,733)**	(36,446)
Equity in net loss during the year	**(60,746)**	(28,287)
Balance at end of year	**(125,479)**	(64,733)
	₱156,271	₱217,017

Summarized financial information of Panda Express based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2024	2023
Current assets	**₱303,240**	₱450,063
Noncurrent assets	**933,074**	1,068,500
Total assets	**₱1,236,314**	₱1,518,563
Current liabilities	**₱299,405**	₱326,634
Noncurrent liabilities	**624,367**	757,895
Total liabilities	**₱923,772**	₱1,084,529

The amounts of assets and liabilities above include:

	2024	2023
Cash and cash equivalents	**₱256,798**	₱406,173
Current financial liabilities (excluding trade payables and other current liabilities and provisions)	**52,170**	59,171
Noncurrent financial liabilities (excluding trade and other payables and provisions)	**624,180**	757,833

The amounts of the income and expense accounts include the following:

	2024	2023	2022
Revenues	**₱1,353,878**	₱1,265,891	₱822,465
Depreciation and amortization	**183,383**	142,988	80,240
Taxes and licenses	**17**	2,041	283
Interest income	**9,875**	16,554	3,386
Interest expense	**(54,812)**	(42,442)	(19,046)
Net loss	**(121,492)**	(56,574)	(29,347)
Total comprehensive loss	**(122,135)**	(57,195)	(28,521)

	2024	2023
Net assets	**₱312,542**	₱434,034
Proportion of the Jollibee Group's ownership	**50%**	50%
	₱156,271	₱217,017

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Yoshinoya Jollibee Foods, Inc. (Yoshinoya). The Jollibee Group, through the Parent Company, has 50% ownership in Yoshinoya, a company that owns and operates the Yoshinoya brand in the Philippines.

The details of Jollibee Group's interest in Yoshinoya as at December 31 are as follows:

	2024	2023
Interest in a joint venture – cost	**₱95,000**	₱95,000
Cumulative equity in net earnings(losses):		
Balance at beginning of year	**(6,251)**	(8,816)
Equity in net earnings during the year	**2,713**	2,565
Balance at end of year	**(3,538)**	(6,251)
	₱91,462	₱88,749

Summarized financial information of Yoshinoya based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2024	2023
Current assets	**₱115,242**	₱99,733
Noncurrent assets	**173,428**	191,884
Total assets	**₱288,670**	₱291,617
Current liabilities	**₱67,539**	₱72,792
Noncurrent liabilities	**38,207**	41,327
Total liabilities	**₱105,746**	₱114,119

The amounts of assets and liabilities above include:

	2024	2023
Cash and cash equivalents	**₱101,085**	₱89,039
Current financial liabilities (excluding trade payables and other current liabilities and provisions)	**11,445**	14,565
Noncurrent financial liabilities	**38,206**	41,327

The amounts of the income and expense accounts include the following:

	2024	2023	2022
Revenues	**₱397,362**	₱380,150	₱183,432
Depreciation and amortization	**38,699**	30,554	11,522
Taxes and licenses	**–**	18	26
Interest income	**3,091**	3,127	1,863
Interest expense	**(3,152)**	(1,763)	(2,090)
Net income (loss)	**5,427**	5,130	(20,210)
Total comprehensive income (loss)	**5,446**	5,025	(18,877)

	2024	2023
Net assets	**₱182,924**	₱177,498
Proportion of the Jollibee Group's ownership	**50%**	50%
	₱91,462	₱88,749

Interests in Associates

CentralHub Industrial Centers, Inc. (CentralHub). As at December 31, 2024 and 2023, the Jollibee Group, through the Parent Company and its wholly subsidiary, Zenith, owns 39% interest in CentralHub, a company in the industrial real estate business. CentralHub intends to register and operate as a Real Estate Investment Trust (REIT) company, with a planned initial public offering on or before December 2025.

The details of Jollibee Group's interest in CentralHub as at December 31 are as follows:

	2024	2023
Interest in an associate – cost	**₱3,390,073**	₱3,390,073
Cumulative equity in net earnings:		
Balance at beginning of year	**29,062**	26,318
Equity in net earnings during the year	**9,557**	2,744
Balance at end of year	**38,619**	29,062
	₱3,428,692	₱3,419,135

Summarized financial information of CentralHub based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements as at December 31 are set out below:

	2024	2023
Current assets	**₱3,131,280**	₱3,474,127
Noncurrent assets	**4,804,017**	4,282,876
Total assets	**₱7,935,297**	₱7,757,003
Current liabilities	**₱556,480**	₱486,775
Noncurrent liabilities	**376,883**	292,799
Total liabilities	**₱933,363**	₱779,574

The amounts of the income and expense accounts include the following:

	2024	2023	2022
Revenues	**₱52,882**	₱52,688	₱25,439
Taxes and licenses	**11,494**	11,732	4,910
Interest income	**21**	20,762	2,823
Interest expense	**(2,582)**	(2,385)	(410)
Net income	**24,506**	7,036	95,074
Total comprehensive income	**24,506**	7,036	95,074

	2024	2023
Net assets	**₱7,001,934**	₱6,977,429
Proportion of the Jollibee Group's ownership	**39%**	39%
	2,730,754	2,721,197
Goodwill	**697,938**	697,938
	₱3,428,692	₱3,419,135

Botrista, Inc. (Botrista). On March 27, 2024, the Jollibee Group, through JWPL, invested USD28.0 million (₱1,577.5 million) in Botrista's common and convertible preferred shares, in consideration for 10% fully-diluted interest. Botrista is a leader in the beverage technology space that holds more than 100 patents globally for its proprietary dispense technology which provides automated solutions to serve cold specialty coffee and tea-based drinks with premium and all-natural ingredients.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

On December 14, 2024, JWPL made additional investment amounting to USD4.0 million (₱233.9 million). As a result, the ownership interest in Botrista increased from 10.0% to 10.8% on a fully diluted basis.

The details of Jollibee Group's interest in Botrista as at December 31, 2024 are as follows:

Interest in a joint venture – cost:	
Additions during the year	₱1,811,369
Cumulative equity in net earnings:	
Balance at beginning of year	–
Equity in net losses during the year	(116,312)
Balance at end of year	(116,312)
	₱1,695,057

Summarized financial information of Botrista based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements as at December 31, 2024 are set out below:

Current assets	₱2,238,380
Noncurrent assets	1,006,461
Total assets	₱3,244,841
Current liabilities	₱1,156,197
Noncurrent liabilities	356,270
Total liabilities	₱1,512,467

The amounts of the income and expense accounts include the following:

Revenues	₱561,725
Net loss	(2,944,600)
Net assets	₱1,732,374
Proportion of the Jollibee Group's ownership	10.8%
	187,096
Goodwill	1,538,946
Cumulative translation adjustments	(30,985)
	₱1,695,057

JWPL's investment in Botrista is a strong fit to Jollibee Group's goal of growing its coffee and tea business. It will pave strategic access to innovative and sustainable platform and technology, creating gateway to tap the USD3.0 trillion (₱168.7 trillion)-worth total addressable market for beverages industry globally, by expanding distribution channels and providing consumers with healthier options. This gives Jollibee Group an opportunity to leverage Botrista's technological capabilities, which will create significant learnings and synergies that will further enhance Jollibee Group's competitive advantage.

Tortazo LLC (Tortazo). As at December 31, 2024 and 2023, the Jollibee Group, through JFC USA, has 52.30% and 52.60% ownership in Tortazo, respectively. The company owns and operates the Tortazo business – a Mexican fast-casual restaurant business in the USA, founded by award-winning Chef Rick Bayless.

On July 6, 2023, the Jollibee Group made an additional investment in Tortazo amounting to USD3.5 million (₱195.2 million). The additional investments increased the ownership interest of the Jollibee Group from 52.22% to 52.60%.

The details of the Jollibee Group's interest in Tortazo as at December 31are as follows:

	2024	2023
Interest in an associate – cost:		
Balance at beginning of year	**₱978,230**	₱782,988
Additions during the year	**–**	195,242
Balance at end of year	**978,230**	978,230
Cumulative equity in net losses:		
Balance at beginning of year	**(253,003)**	(164,609)
Equity in net loss during the year	**(97,164)**	(88,394)
Balance at end of year	**(350,167)**	(253,003)
	₱628,063	₱725,227

Summarized financial information of Tortazo based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2024	2023
Current assets	**₱123,581**	₱229,385
Noncurrent assets	**625,421**	572,888
Total assets	**₱749,002**	₱802,273
Current liabilities	**₱241,897**	₱138,263

The amounts of the income and expense accounts include the following:

	2024	2023	2022
Revenues	**₱265,847**	₱264,627	₱163,320
Net loss	**(185,782)**	(168,675)	(164,868)
Total comprehensive loss	**(185,782)**	(168,675)	(164,868)

	2024	2023
Net assets	**₱507,105**	₱664,010
Proportion of the Jollibee Group's ownership	**52.30%**	52.60%
	265,216	349,269
Goodwill	**381,532**	381,532
Cumulative translation adjustments	**(18,685)**	(5,574)
	₱628,063	₱725,227

C-Joy Poultry Meats Production, Inc. (C-Joy Poultry). The Parent Company has 30% ownership interest in C-Joy Poultry, a company that operates a poultry processing plant in Sto. Tomas, Batangas, Philippines.

The details of Jollibee Group's interest in C-Joy Poultry as at December 31 are as follows:

	2024	2023
Interest in an associate – cost	**₱1,920,126**	₱1,920,126
Cumulative equity in net earnings(losses):		
Balance at beginning of year	**(1,485,493)**	(1,646,442)
Equity in net earnings during the year	**235,006**	160,949
Balance at end of year	**(1,250,487)**	(1,485,493)
	₱669,639	₱434,633

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Summarized financial information of the C-Joy Poultry based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2024	2023
Current assets	**₱2,511,668**	₱2,367,899
Noncurrent assets	**2,234,770**	2,028,622
Total Assets	**₱4,746,438**	₱4,396,521
Current liabilities	**₱2,313,222**	₱2,819,212
Noncurrent liabilities	**201,087**	128,532
Total liabilities	**₱2,514,309**	₱2,947,744

The amounts of the income and expense accounts include the following:

	2024	2023	2022
Revenues	**₱14,693,261**	₱12,005,551	₱10,034,776
Depreciation and amortization	**298,507**	248,445	207,758
Taxes and licenses	**16,393**	17,606	25,239
Interest income	**4,597**	3,421	763
Interest expense	**(56,755)**	(100,032)	(78,794)
Net income	**783,352**	536,496	9,239
Total comprehensive income	**825,191**	579,145	38,720

	2024	2023
Net assets	**₱2,232,129**	₱1,448,777
Proportion of the Jollibee Group's ownership	**30%**	30%
	₱669,639	₱434,633

Entrek (B) SDN BHD (Entrek). The Jollibee Group, through JIBL, has 1/3 or 33.33% ownership in Entrek, a company that operates Jollibee stores in Brunei.

The details of the Jollibee Group's interest in Entrek as at December 31 are as follows:

	2024	2023
Interest in an associate – cost	**₱16,660**	₱16,660
Cumulative equity in net earnings:		
Balance at beginning of year	**180,545**	155,742
Equity in net earnings during the year	**73,550**	65,802
Dividends received	**(84,488)**	(40,999)
Balance at end of year	**169,607**	180,545
	₱186,267	₱197,205

Summarized financial information of Entrek based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2024	2023
Current assets	**₱784,351**	₱858,959
Noncurrent assets	**349,581**	322,206
Total assets	**₱1,133,932**	₱1,181,165
Current liabilities	**₱475,171**	₱622,578

The amounts of the income and expense accounts include the following:

	2024	2023	2022
Revenues	**₱1,732,600**	₱1,538,480	₱1,304,237
Depreciation	**94,324**	96,779	92,948
Net income	**220,651**	197,406	135,422
Total comprehensive income	**220,651**	197,406	135,422

	2024	2023
Net assets	**₱658,761**	₱558,587
Proportion of the Jollibee Group's ownership	**33.33%**	33.33%
	219,565	186,177
Cumulative translation adjustments	**(33,320)**	11,009
	₱186,245	₱197,186

C-Joy Poultry Realty, Inc. (C-Joy Realty). The Parent Company has 30% ownership interest in C-Joy Realty, a company which leases the land where the C-Joy Poultry plant is located.
The details of the Jollibee Group's interest in C-Joy Realty as at December 31 are as follows:

	2024	2023
Interest in an associate – cost	**₱10,586**	₱10,586
Cumulative equity in net earnings:		
Balance at beginning of year	**9,565**	6,661
Equity in net earnings (loss) during the year	**(4,761)**	2,904
Balance at end of year	**4,804**	9,565
	₱15,390	₱20,151

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Summarized financial information of C-Joy Realty based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2024	2023
Current assets	**₱154,730**	₱6,402
Noncurrent assets	**310,322**	62,152
Total assets	**₱465,052**	₱68,554
Current liabilities	**₱65,753**	₱1,383
Noncurrent liabilities	**348,000**	–
Total liabilities	**₱413,753**	₱1,383

The amounts of the income and expense accounts include the following:

	2024	2023	2022
Revenues	**₱14,996**	₱14,177	₱14,177
Taxes and licenses	**13,951**	1	1
Interest income	**853**	112	41
Interest expense	**–**	(227)	(694)
Net income (loss)	**(15,871)**	9,681	9,233
Total comprehensive income (loss)	**(15,871)**	9,681	9,233

	2024	2023
Net assets	**₱51,299**	₱67,171
Proportion of the Jollibee Group's ownership	**30%**	30%
	₱15,390	₱20,151

Beeworks Food SDN. BHD. (Beeworks – West Malaysia). The Jollibee Group, through GPPL, has 30% ownership interest in Beeworks – West Malaysia, a company that owns and operates Jollibee stores in West Malaysia which covers the country's capital, Kuala Lumpur.

The details of the Jollibee Group's interest in Beeworks – West Malaysia as at December 31 are as follows:

	2024	2023
Interest in an associate – cost	**₱9,299**	₱9,299
Cumulative equity in net losses:		
Balance at beginning of year	**(39,028)**	(16,111)
Equity in net loss during the year	**(22,066)**	(22,917)
Balance at end of year	**(61,094)**	(39,028)
	(₱51,795)	(₱29,729)

Summarized financial information of Beeworks – West Malaysia based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements as at December 31 are set out below:

	2024	2023
Current assets	**₱131,943**	₱138,060
Noncurrent assets	**490,829**	251,069
Total assets	**₱622,772**	₱389,129
Current liabilities	**₱289,703**	₱110,733
Noncurrent liabilities	**514,237**	375,991
Total liabilities	**₱803,940**	₱486,724

The amounts of the income and expense accounts include the following:

	2024	2023	2022
Revenues	**₱544,248**	₱349,975	₱132,635
Depreciation	**45,335**	36,310	10,691
Net loss	**(73,555)**	(76,390)	(53,704)
Total comprehensive loss	**(73,555)**	(76,390)	(53,704)

	2024	2023
Net liabilities	**(₱181,168)**	(₱97,595)
Proportion of the Jollibee Group's ownership	**30%**	30%
	(54,350)	(29,279)
Cumulative translation adjustments	**2,555**	(450)
	(₱51,795)	(₱29,729)

Advances to a Co-venturer

Advances to VTI Group. The details of the Jollibee Group's advances to VTI Group as at December 31 are as follows:

	2024	2023
Balance at beginning of year	**₱2,066,012**	₱2,009,362
Payment during the year	**(700,028)**	–
Accrual of interest (see Note 23)	**85,531**	71,035
Translation adjustments and others	**105,511**	(14,385)
Balance at end of year	**₱1,557,026**	₱2,066,012

On December 14, 2016, a loan of USD9.0 million (₱447.5 million) was extended to the VTI Group with an interest rate of 3.5% per annum. The loan was agreed to be used for SuperFoods Group's capital needs. The loan is part of the total agreed loan of USD30.0 million payable in eight (8) years from the first utilization date. On June 2, 2017, the additional loan of USD21.0 million (₱1,060.0 million) was granted to the VTI Group. The loan is secured by pledged shares in SFVT and Blue Sky which will be released in proportion to the amount of the principal paid. On December 17, 2024, the USD9.0 million loan and related interest were paid in full.

Total interest from this loan, recognized as interest income, amounted to USD1.5 million (₱85.5 million), USD1.3 million (₱71.0 million) and USD1.1 million (₱57.5 million) in 2024, 2023 and 2022, respectively (see Note 23).

Advances to Associates

Advances to Tortazo. The details of the Jollibee Group's advances to Tortazo as at December 31 follows:

	2024	2023
Balance at beginning of year	**₱86,656**	₱–
Advances during the year	**111,205**	92,168
Payments during the year	**(23,342)**	(11,074)
Accrual of interest (see Note 23)	**5,787**	3,910
Translation adjustments	**2,850**	1,652
Balance at end of year	**₱183,156**	₱86,656

On February 9, 2023, the Jollibee Group, through JFC USA, granted a one-year loan to Tortazo amounting to USD0.7 million (₱37.6 million) subject to an interest rate of 6.0% per annum payable on maturity date. On January 26, 2024, the maturity date of the loan was extended to February 26, 2027.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

On July 6, 2023, additional loan was granted amounting to USD1.0 million (₱54.6 million) subject to an interest rate of 7.0% per annum payable on July 5. 2024, the maturity date. Tortazo made partial payments totalling to USD0.2 million (₱11.7 million) and USD0.2 million (₱11.1 million) in 2024 and 2023, respectively. The maturity date of the loan was extended to July 5, 2025.

On June 21, 2024, Tortazo issued a four-year convertible promissory note to JFC USA amounting to USD0.9 million (₱53.5 million). Subsequently, additional notes were issued on September 4 and December 2, 2024 amounting to USD0.2 million (₱12.2 million) and USD0.2 million (₱12.3 million), respectively. The notes bear an interest rate of 14.0% per annum and payable on the maturity date.

On June 21, 2024, JFC USA granted a loan to its co-venturer amounting to USD0.4 million (₱22.7 million). On September 4 and December 2, 2024, additional loans were granted amounting to USD0.1 million (₱5.2 million) and USD0.9 million (₱5.3 million). The loans bear an interest rate of 7.0% per annum and payable on the maturity date.

Advances to Beeworks – West Malaysia. The details of the Jollibee Group's advances to Beeworks – West Malaysia as at December 31 are as follows:

	2024	2023
Balance at beginning of year	**₱75,538**	₱30,473
Accrual of interest (see Note 23)	**3,516**	1,894
Advances during the year	**12,413**	43,936
Translation adjustments	**3,127**	(765)
Balance at end of year	**₱94,594**	₱75,538

On May 11, 2022, the Jollibee Group, through GPPL, extended a 5-year loan to Beeworks – West Malaysia amounting to MYR2.4 million (₱30.0 million) available in two (2) tranches subject to an interest rate of 3.5% per annum. The first tranche amounting MYR1.2 million (₱15.0 million) was issued on June 10, 2022. Subsequently, the second tranche amounting to MYR1.2 million (₱15.3 million) was issued on September 1, 2022. The loan is payable in full on the 5th year from the date of the agreement.

On March 2, 2023, GPPL extended an 8-year loan amounting to MYR3.6 million (₱43.9 million), available in two (2) tranches subject to an interest rate of 4.74% per annum. The first tranche amounting MYR1.7 million (₱21.4 million) was issued on April 3, 2023. Subsequently, the second tranche amounting to MYR1.9 million (₱22.5 million) was issued on October 31, 2023. The loan is payable in full on the 8th year from date of agreement.

On October 18, 2024, GPPL extended a 7-year loan amounting to MYR0.9 million (₱12.4 million) subject to an interest rate of 5.12% per annum. The loan is payable i n full upon maturity.

Advances to a Joint Venture

Advances to JBPX. The details of the Jollibee Group's advances to JBPX as at December 31 are as follows:

	2024	2023
Balance at beginning of year	**₱128,865**	₱–
Accrual of interest (see Note 23)	**8,471**	3,865
Payments during the year	**(4,259)**	–
Advances during the year	**–**	125,000
Balance at end of year	**₱133,077**	₱128,865

On July 14, 2023, the Parent Company extended a loan to JBPX amounting to ₱125.0 million subject to a variable interest rate based on the sum of six (6) month PHP BVAL plus spread of 0.7% to be repriced and paid semi-annually. The loan is payable in full on the 4th year from the date of the agreement.

E. Cessation of Business and Dissolution of a Subsidiary

Pho24 Business. On May 10, 2023, the SuperFoods Group which owns Highlands Coffee and Pho24 transferred the assets of the Pho24 business to East-West Restaurant Concepts resulting to a gain of ₱36.2 million. Pho24 operated fourteen (14) stores in Vietnam. The franchise agreement for the operation of Pho24 stores in the Philippines was also terminated.

BGCC. On November 8, 2022, the Jollibee Group and Jasmine Asset Holdings, Ltd., announced the termination of the Master Franchise Agreement for Dunkin' Donuts and ceased the operations of Beijing Golden Cup Food & Beverage Management Co., Ltd. (BGCC), which operated seven (7) Dunkin' Donuts restaurants in Beijing. Upon execution of the exit agreement on November 14, 2022, the remaining balance of market entry fee amounting to ₱77.3 million was written-off. BGCC completed its dissolution on July 19, 2023

12. Property, Plant and Equipment

The rollforward analysis of property, plant and equipment are as follows:

	2024							
	Land and Land Improvements	Plant, Buildings, Commercial Condominium Units and Improvements	Leasehold Improvements	Office, Store and Food Processing Equipment	Furniture and Fixtures	Transportation Equipment	Construction in Progress	Total
Cost								
Balance at beginning of year	**₱73,169**	**₱10,252,710**	**₱36,075,887**	**₱32,026,096**	**₱3,818,069**	**₱583,952**	**₱6,295,443**	**₱89,125,326**
Additions	**–**	**581,824**	**1,326,784**	**2,488,944**	**126,238**	**214,733**	**7,241,274**	**11,979,797**
Acquisition of a business (see Note 11)	**66,249**	**183,122**	**–**	**294,474**	**–**	**14,278**	**8,663**	**566,786**
Retirements and disposals	**–**	**(175,267)**	**(1,300,967)**	**(1,531,107)**	**(121,211)**	**(50,563)**	**(151,609)**	**(3,330,724)**
Reclassifications	**–**	**260,917**	**3,086,695**	**1,828,025**	**156,678**	**18,366**	**(5,350,681)**	**–**
Translation adjustments	**(39)**	**79,329**	**718,632**	**390,288**	**108,469**	**1,110**	**57,402**	**1,355,191**
Balance at end of year	**139,379**	**11,182,635**	**39,907,031**	**35,496,720**	**4,088,243**	**781,876**	**8,100,492**	**99,696,376**
Accumulated Depreciation and Amortization								
Balance at beginning of year	**–**	**4,141,229**	**18,780,975**	**22,492,387**	**2,701,194**	**421,043**	**–**	**48,536,828**
Depreciation and amortization (see Notes 21 and 22)	**–**	**814,627**	**3,467,956**	**3,514,589**	**387,943**	**55,308**	**–**	**8,240,423**
Retirements and disposals	**–**	**(57,335)**	**(1,012,989)**	**(1,321,983)**	**(98,289)**	**(41,594)**	**–**	**(2,532,190)**
Translation adjustments	**–**	**50,594**	**354,240**	**271,227**	**69,851**	**3,165**	**–**	**749,077**
Balance at end of year	**–**	**4,949,115**	**21,590,182**	**24,956,220**	**3,060,699**	**437,922**	**–**	**54,994,138**
Accumulated Impairment Loss								
Balance at beginning of year	**₱–**	**₱–**	**₱449,655**	**₱311,864**	**₱1,307**	**₱–**	**₱353**	**₱763,179**
Additions (see Note 22)	**–**	**4,104**	**197,133**	**2,249**	**1,350**	**–**	**–**	**204,836**
Reversals (see Note 22)	**–**	**–**	**(23,932)**	**(44,466)**	**(567)**	**–**	**–**	**(68,965)**
Write-offs	**–**	**–**	**(73,699)**	**(23,035)**	**(621)**	**–**	**–**	**(97,355)**
Translation adjustments	**–**	**–**	**3,169**	**3,933**	**25**	**–**	**–**	**7,127**
Balance at end of year	**–**	**4,104**	**552,326**	**250,545**	**1,494**	**–**	**353**	**808,822**
Net Book Value	**₱139,379**	**₱6,229,416**	**₱17,764,523**	**₱10,289,955**	**₱1,026,050**	**₱343,954**	**₱8,100,139**	**₱43,893,416**

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

	2023							
	Land and Land Improvements	Plant, Buildings, Commercial Condominium Units and Improvements	Leasehold Improvements	Office, Store and Food Processing Equipment	Furniture and Fixtures	Transportation Equipment	Construction in Progress	Total
Cost								
Balance at beginning of year	₱73,684	₱9,252,790	₱33,034,940	₱28,501,195	₱3,371,662	₱678,016	₱6,995,392	₱81,907,679
Additions	–	907,003	2,441,358	3,095,459	427,279	87,230	4,313,874	11,272,203
Acquisition of a business (see Note 11)	–	–	315,690	90,475	13,668	–	–	419,833
Retirements and disposals	–	(110,704)	(1,931,834)	(1,227,790)	(118,599)	(195,215)	(435,046)	(4,019,188)
Reclassifications (see Note 13)	–	255,872	2,368,133	1,669,695	152,045	14,742	(4,562,072)	(101,585)
Translation adjustments	(515)	(52,251)	(152,400)	(102,938)	(27,986)	(821)	(16,705)	(353,616)
Balance at end of year	73,169	10,252,710	36,075,887	32,026,096	3,818,069	583,952	6,295,443	89,125,326
Accumulated Depreciation and Amortization								
Balance at beginning of year	–	3,552,153	17,641,035	20,504,199	2,498,687	558,481	–	44,754,555
Depreciation and amortization (see Notes 21 and 22)	–	721,767	3,032,077	3,145,084	336,749	47,680	–	7,283,357
Retirements and disposals	–	(98,523)	(1,765,276)	(1,078,090)	(111,508)	(184,367)	–	(3,237,764)
Translation adjustments	–	(34,168)	(126,861)	(78,806)	(22,734)	(751)	–	(263,320)
Balance at end of year	–	4,141,229	18,780,975	22,492,387	2,701,194	421,043	–	48,536,828
Accumulated Impairment Loss								
Balance at beginning of year	–	1,437	391,343	270,842	2,895	–	889	667,406
Additions (see Note 22)	–	–	63,564	96,118	672	–	–	160,354
Reversals (see Note 22)	–	(1,437)	(5,006)	(40,541)	(2,257)	–	(536)	(49,777)
Write-offs	–	–	–	(14,278)	–	–	–	(14,278)
Translation adjustments	–	–	(246)	(277)	(3)	–	–	(526)
Balance at end of year	–	–	449,655	311,864	1,307	–	353	763,179
Net Book Value	₱73,169	₱6,111,481	₱16,845,257	₱9,221,845	₱1,115,568	₱162,909	₱6,295,090	₱39,825,319

Construction in progress account mainly pertains to costs incurred for ongoing construction of properties, including soon-to-open stores.

Management reassessed the recoverable amount of the Jollibee Group's property and equipment and recognized net provision amounting to ₱135.9 million in 2024, ₱110.6 million in 2023 and net reversal of provision amounting to ₱154.4 million in 2022 (see Note 22). Consequently, allowance for impairment loss amounted to ₱808.8 million and ₱763.2 million as at December 31, 2024 and 2023, respectively.

In the normal course of business, certain stores of the Jollibee Group have been renovated or permanently closed resulting in loss on retirements and disposals of property, plant and equipment amounting to ₱279.8 million, ₱400.9 million and ₱363.1 million in 2024, 2023 and 2022, respectively (see Note 22).

There are no borrowing costs capitalized as at December 31, 2024 and 2023.

No property, plant and equipment as at December 31, 2024 and 2023 have been pledged as security or collateral for the Jollibee Group's debts.

13. Investment Properties

This account consists of buildings and building improvements reclassified from property, plant and equipment account in 2023 (see Note 12).

The rollforward analysis of this account follows:

	2024	2023
Cost		
Balance at beginning of year	**₱101,585**	₱–
Reclassifications (see Note 12)	**–**	101,585
	101,585	101,585
Accumulated Depreciation and Amortization		
Depreciation during the period (see Note 22)	**12,190**	–
Net Book Value	**₱89,395**	₱101,585

Rent income derived from income-generating properties amounted to ₱31.8 in 2024, ₱20.1 in 2023, and ₱7.0 million in 2022 (see Notes 20 and 29).

Operating costs relating to the investment properties which include maintenance expenses totaled to nil in 2024, nil in 2023, and ₱10.7 million in 2022.

No investment properties as at December 31, 2024 and 2023 have been pledged as security or collateral for the Jollibee Group's debts.

14. Trademarks, Goodwill and Other Intangible Assets

This account consists of:

	2024	2023
Trademarks	**₱40,854,263**	₱35,445,794
Goodwill	**20,114,567**	16,251,878
Computer software, net of accumulated amortization	**101,279**	196,576
Other intangible assets, net of accumulated amortization	**6,724,379**	32,397
	₱67,794,488	₱51,926,645

Trademarks and Goodwill
Trademarks and goodwill acquired through business combinations are attributable to the following group of CGUs as at December 31:

	2024	2023
Trademarks:		
CBTL	**₱18,484,721**	₱18,484,721
Smashburger	**10,414,000**	10,414,000
Compose Coffee (see Note 11)	**5,408,469**	–
Highlands Coffee	**3,681,912**	3,681,912
Mang Inasal	**2,004,256**	2,004,256
Milksha	**860,905**	860,905
Total	**40,854,263**	35,445,794

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	2024	2023
Goodwill:		
Smashburger	**5,938,867**	5,684,271
Compose Coffee (see Note 11)	**3,416,476**	–
Hong Zhuang Yuan	**2,981,358**	2,928,856
SuperFoods Group	**2,681,815**	2,616,404
Mang Inasal	**1,781,267**	1,781,267
Red Ribbon Bakeshop:		
Philippine operations	**737,939**	737,939
US operations	**457,673**	438,053
Yong He King	**631,286**	620,169
MHL (see Note 11)	**625,327**	605,236
Chowking US operations	**512,486**	490,516
GSC	**180,738**	176,330
Milksha	**164,090**	167,592
Burger King	**5,245**	5,245
	20,114,567	16,251,878
Trademarks and goodwill	**₱60,968,830**	₱51,697,672

As of December 31, 2024, and 2023, the intangible assets of the Jollibee Group with an indefinite useful life relate to trademarks acquired through various acquisitions. The Jollibee Group plans to maintain the use of these trademarks to target specific market segments. Consequently, these trademarks are regarded as having an indefinite useful life.

The rollforward analysis of the Jollibee Group's trademarks as at December 31 are as follows:

	2024	2023
Cost		
Balance at beginning of year	**₱35,445,794**	₱35,908,895
Addition (see Note 11)	**5,408,469**	–
Write-off	**–**	(463,101)
Balance at end of year	**40,854,263**	35,445,794
Allowance for Impairment		
Balance at beginning of year	**–**	463,101
Write-off	**–**	(463,101)
Balance at end of year	**–**	–
Net Book Value	**₱40,854,263**	₱35,445,794

The rollforward analysis of the Jollibee Group's goodwill as at December 31 are as follows:

	2024	2023
Cost		
Balance at beginning of year	**₱15,171,622**	₱14,566,386
Addition (see Note 11)	**3,416,476**	605,236
Balance at end of year	**18,588,098**	15,171,622
Translation Adjustments		
Balance at beginning of year	**1,080,256**	1,283,781
Translation adjustments of foreign subsidiaries	**446,213**	(203,525)
Balance at end of year	**1,526,469**	1,080,256
Net Book Value	**₱20,114,567**	₱16,251,878

Computer Software
The Jollibee Group's computer software pertains to the Enterprise Resource Planning (ERP) system which the Jollibee Group started to use on August 1, 2014 and cloud-based hosting arrangements and implementation costs of CBTL.

The rollforward analysis of the Jollibee Group's computer software as at December 31 are as follows:

	2024	2023
Cost		
Balance at beginning of year	**₱971,136**	₱907,354
Additions	**–**	63,782
Balance at end of year	**971,136**	971,136
Accumulated Amortization		
Balance at beginning of year	**779,596**	660,820
Amortization (see Note 22)	**97,945**	118,776
Balance at end of year	**877,541**	779,596
Translation adjustment	**7,684**	5,036
Net Book Value	**₱101,279**	₱196,576

Other Intangible Assets

The Jollibee Group's other intangible assets include other trademarks and patents, liquor licenses and customer list amortized over a useful life of five (5) years, while supplier relationships were amortized over a useful life of thirty (30) years.

The rollforward analysis of other intangible assets as at December 31 are as follows:

	2024	2023
Cost		
Balance at beginning of year	**₱742,095**	₱740,286
Acquisition of a business (see Note 11)	**6,796,001**	–
Additions	**51**	1,809
Balance at end of year	**7,538,147**	742,095
Accumulated Amortization		
Balance at beginning of year	**₱698,375**	₱562,247
Amortization (see Note 22)	**104,576**	136,128
Balance at end of year	**802,951**	698,375
Translation adjustment	**(10,817)**	(11,323)
Net Book Value	**₱6,724,379**	₱32,397

Impairment Testing of Trademarks and Goodwill
Goodwill acquired through business combinations have been allocated to fourteen (14) groups of CGUs, which are subsidiaries of the Parent Company, owned directly or indirectly. The recoverable amounts of the groups of CGUs have been determined based on value in use calculations and fair value less cost of disposal calculation of the underlying net assets of the CGUs using cash flow projections derived from the BOD-approved long range planning process, taking into consideration effect of significant events on the macroeconomic factors used in developing the assumptions. Furthermore, the trademarks of Smashburger, SuperFoods Group and Mang Inasal are allocated to the CGU of Smashburger, SuperFoods Group and Mang Inasal, respectively. The recoverable amount of the trademark of CBTL was determined using the relief-from-royalty method wherein the value is based on cost savings from owning the trademark.

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The calculation of value in use is most sensitive to the following assumptions which vary per geographical location:

CGUs	Geographical Location	Pre-tax Discount Rate	Long-term Revenue Growth Rate
Hong Zhuang Yuan	PRC	13.8%	4.4%
Yong He King	PRC	13.8%	4.4%
Mang Inasal	Philippines	15.5%	6.1%
Red Ribbon Bakeshop:			
Philippine operations	Philippines	16.1%	6.1%
US operations	USA	11.7%	2.5%
Burger King	Philippines	15.5%	6.1%
GSC	Vietnam	13.8%	6.3%
SuperFoods Group	Vietnam	14.9%	6.3%
Chowking US operations	USA	11.9%	2.5%
Smashburger	USA	11.9%	2.5%
CBTL	USA	15.6%	3.5%
MHL	Hongkong	12.6%	2.0%
Milksha	Taiwan	11.0%	2.0%
Compose Coffee	Korea	18.9%	1.0%

The recoverable amount of the CGUs as at December 31, 2024 and 2023, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the management covering a five-year period.

Key assumptions with respect to the calculation of value in use of the groups of CGUs as at December 31, 2024 used by management in its cash flow projections to undertake impairment testing of goodwill are as follows:

a) Discount rates - discount rates represent the current market assessment of the risks specific to each group of CGUs, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Jollibee Group's group of CGUs, derived from the weighted average cost of capital (WACC) of each group of CGUs. The WACC takes into account both the cost of debt and equity. The cost of equity is calculated using the Capital Asset Pricing Model (CAPM). The cost of debt is based on the assumed interest-bearing borrowings each group of CGUs is obliged to service. CGU-specific risk is incorporated by applying individual alpha and beta factors. The beta factors are evaluated annually based on publicly available market data.

b) Long-term growth rates - rates are determined in consideration of historical and projected results, as well as the economic environment where the group of CGUs operate.

c) EBITDA - is based on the most recent value achieved in the year preceding the start of the budget period, and adjusted for planned efficiency improvement, if any.

In 2022, the Jollibee Group closed its Pho24 stores in the Philippines and discontinued its Pho24 business in 2023 (see Note 11). Management assessed that Pho24 trademark is impaired hence, the Jollibee Group recognized a provision for impairment loss amounting to ₱463.1 million in 2022 and written-off in 2023 with the discontinuance of the Pho24 business.

15. Other Noncurrent Assets

This account consists of:

	2024	2023
Security and other deposits (see Notes 9, 31 and 32)	**₱3,996,656**	₱3,642,633
Noncurrent portion of employee car plan receivables (see Notes 7, 31 and 32)	**123,877**	121,907
Franchise rights - net of accumulated amortization of ₱126.4 million and ₱110.8 million in 2024 and 2023,respectively	**69,468**	68,464
Deferred compensation	**24,483**	22,759
Returnable containers and others	**8,356**	5,035
Tools and other assets	**672,263**	484,573
	₱4,895,103	₱4,345,371

Terms and conditions of other noncurrent assets are as follows:

- Security and other deposits generally represent deposits for leases entered into by the Jollibee Group as lessee. The security deposits are recoverable from the lessors at the end of the lease terms, which range from three to twenty years. These are carried at amortized cost. The discount rates used range from 1.74%-14.02% in 2024 and 2023. The difference between the fair value at initial recognition and the notional amount of the security deposits is recognized as right-of-use asset.

- Employee car plan receivables are presented at amortized cost. The difference between the fair value at initial recognition and the notional amount of the employee car plan receivables is recognized as "Deferred compensation" and is amortized on a straight-line basis over the credit year.

Accretion of interest on security and other deposits and employee car plan receivables amounted to ₱21.2 million and ₱26.3 million in 2024 and 2023, respectively (see Note 23).

- Franchise rights pertain to franchise fees paid by PERF entities to Burger King Asia Pacific and by FCJB to Common Man Coffeee Roasters Pte Ltd for the license to operate Burger King and Common Man Coffee Roaster stores, respectively, in the Philippines. Franchise rights are amortized over ten (10) years.

  The rollforward analysis of franchise rights as at December 31 are as follows:

	2024	2023
Franchise Rights		
Balance at beginning of year	**₱179,254**	₱145,483
Additions	**16,635**	33,771
Balance at end of year	**195,889**	179,254
Accumulated Amortization		
Balance at beginning of year	**110,790**	95,795
Amortization (see Note 22)	**15,631**	14,995
Balance at end of year	**126,421**	110,790
	₱69,468	₱68,464

- Tools and other assets represent tools for repairs and maintenance of office and store equipment which are still unused as at December 31, 2024 and 2023.

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16. Trade Payables and Other Current Liabilities and Contract Liabilities

This account consists of:

	2024	2023
Trade	**₱18,725,489**	₱18,628,725
Accruals for:		
Salaries, wages and employee benefits	**5,634,961**	5,077,099
Local taxes	**3,949,532**	3,500,937
Freight	**1,746,766**	1,789,427
Rent	**1,281,782**	1,384,043
Store operations	**1,199,455**	1,699,345
Advertising and promotions	**1,125,230**	1,772,713
Utilities	**594,398**	592,040
Interest (see Note 18)	**559,293**	542,234
Repairs and maintenance	**419,052**	488,149
Professional fees	**274,504**	259,719
Operating supplies	**222,830**	225,239
Security	**182,740**	208,612
Insurance	**88,901**	77,471
Transportation and travel	**46,531**	55,477
Communication	**34,280**	62,314
Trainings and seminars	**7,653**	10,799
Service fees and others	**3,608,077**	3,246,771
Customer deposits	**1,772,619**	1,052,183
Contractors' retention	**275,811**	752,824
Dividends and distributions payable (see Note 19)	**605,844**	594,590
Staled checks	**80,499**	71,231
Other current liabilities	**3,101,653**	2,031,850
	45,537,900	44,123,792
Contract liabilities	**2,826,443**	2,711,663
	₱48,364,343	₱46,835,455

The terms and conditions of the above liabilities are as follows:

- Trade payables to suppliers are noninterest-bearing and are normally settled on a 30 to 60-day term.
- Accrued expenses are noninterest-bearing and are normally settled within the next financial year. Other accrued liabilities presented under "Service fees and others" consist of asset retirement obligation and other miscellaneous expenses.
- Customer deposits pertain to deposits from franchisees for sale of store assets and security deposits from operating leases with franchisees which are refundable at the end of the lease term.
- Accretion of interest on customer deposits amounted to ₱3.5 million and ₱3.1 million in 2024 and 2023, respectively (see Note 23).
- Other current liabilities consist of amounts withheld from the acquisition of Milksha and MHL totaling to ₱31.1 million and ₱140.9 million as at December 31, 2024 and 2023 (see Note 11), and other liabilities expected to be settled within the next financial year.
- Contract liabilities pertain to deferred revenues and unearned revenues from gift cards from international operations.

  Movements in contract liabilities arising from deferred revenues and unearned revenues from gift certificates from international operations are as follows:

	2024	2023
Balance at beginning of year	**₱1,947,344**	₱1,956,671
Additions	**3,330,978**	3,156,840
Utilization	**(2,464,609)**	(2,379,266)
Write-offs	**(40,771)**	(14,267)
Translation adjustments	**53,501**	(8,315)
Balance at end of year	**₱2,826,443**	₱2,711,663

The amount of contract liabilities arising from deferred revenues and unearned revenues from gift certificates from international operations is expected to be earned within one year.

Contract liabilities recognized as revenues in 2024 and 2023 amounted to ₱2,464.6 million, ₱2,379.3 million, respectively.

17. Provisions

The rollforward analysis of provisions is as follows:

	2024	2023
Balance at beginning of year	**₱1,637,108**	₱1,601,300
Additions (see Note 23)	**305,469**	361,227
Reversals (see Note 23)	**(8,625)**	(325,419)
Balance at end of year	**1,933,952**	1,637,108
Current portion	**733,014**	237,835
Noncurrent portion	**₱1,200,938**	₱1,399,273

The Jollibee Group's outstanding provisions consist mainly of provisions for asserted claims which are normal to the Jollibee Group's business. These include estimates of legal services, settlement amounts and other costs of claims made against the Jollibee Group. Other information on the claims is not disclosed as this may prejudice the Jollibee Group's position on such claims (see Note 30).

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

18. Short and Long-term Debts and Senior Debt Securities

Short-term Debt
The short-term debt of the subsidiaries consists of the following:

	Availment Date	Maturity Date	Interest Rate	Condition	**2024**	2023
USD-denominated						
Loan 1	October 27, 2020/ May 8, 2023	September 24, 2021/ March 24, 2022/ March 24, 2023/ March 22, 2024/ March 21. 2025	LIBOR plus spread; quarterly SOFR plus spread; quarterly	Unsecured	**₱289,250**	₱830,550
Loan 2	April 4, 2024	November 30, 2024/ September 30, 2025	SOFR plus spread; monthly	Unsecured	**289,250**	–
Loan 3	April 15, 2022/ July 1, 2022/ August 17, 2022	February 3, 2023/ February 2, 2024/ January 31, 2025/ February 2, 2026	SOFR plus spread; quarterly	Unsecured	**1,735,500**	1,661,100
Loan 4	February 2, 2023 - September 2023/ February 9, 2024/ April 26, 2024	January 17, 2024/ January 16, 2025/ January 16, 2026	SOFR plus spread; quarterly	Unsecured	**2,024,750**	1,107,400
Loan 5	November 21, 2024	November 21, 2025	SOFR or SORA plus spread; quarterly	Unsecured	**129,237**	–
PHP-denominated						
Loan 6	December 15, 2022	September 11, 2023/ March 8, 2024	5.5% per annum	Unsecured	**–**	1,000,000
SGD-denominated						
Loan 7	December 28, 2022/ March 1, 2023/ July 3, 2023	December 28, 2023/ July 3, 2024/ June 26, 2025	SORA plus spread; quarterly	Unsecured	**832,455**	820,755
Loan 8	November 18, 2024 December 18, 2024	November 18, 2025 December 18, 2025	COF plus spread; quarterly	Unsecured	**277,485**	–
MYR-denominated						
Loan 9	September 15, 2023	September 15, 2024/ September 15, 2025	KLIBOR plus spread; quarterly	Unsecured	**357,225**	331,925
Loan 10	December 9, 2024	December 8, 2025	COF plus spread; quarterly	Unsecured	**415,680**	–
VND-denominated						
Loan 11	April 24, 2024	April 24, 2025	Bank's three-month COF; quarterly	Unsecured	**121,367**	–
					₱6,472,199	₱5,751,730

LIBOR – London Interbank Offered Rate
SOFR – Secured Overnight Financing Rate
SORA – Singapore Overnight Rate Average
KLIBOR – Kuala Lumpur Interbank Offered Rate
COF – Cost of Funds

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

USD-denominated loan of ICTL. Loan 1 consists of a short-term uncommitted line of credit agreement signed on September 25, 2020 with a local bank in the US up to an aggregate amount of USD10.0 million (₱483.8 million). The loan was availed on October 27, 2020 and is subject to variable interest rate based on LIBOR plus spread determined by the bank and subject to quarterly repricing. The loan is payable in three months from drawdown date and can be rolled over until September 24, 2021, the maturity date. On September 24, 2021, the credit agreement was extended up to March 24, 2022 and was further extended up to March 24, 2023 subject to a new variable interest rate based on CME Term SOFR plus spread determined by the bank. On August 9, 2022, ICTL requested to increase the uncommitted line of credit to USD15.0 million (₱727.7 million) and payable to six months from drawdown date. On February 1, 2023, the credit agreement was extended until March 22, 2024. On May 8, 2023, final drawdown amounting to USD5.0 million (₱276.3 million) was availed. On January 18, 2024, the maturity of the loan was further extended to March 21, 2025. On December 23, 2024, principal repayment amounting to USD10.0 million (₱584.5 million) was made. As at December 31, 2024 and 2023, the carrying value of the loan amounted to USD5.0 million (₱289.3 million) and USD15.0 million (₱830.6 million), respectively.

Loan 2 consists of a short-term uncommitted line of credit agreement signed on March 15, 2024 with a local bank in the US up to an aggregate amount of USD5.0 million (₱277.7 million). The loan was availed on April 4, 2024 and is subject to variable interest rate based on SOFR plus spread of 1.5% and subject to monthly repricing. On December 17, 2024 the maturity of the loan was extended until September 30, 2025. As at December 31, 2024, the carrying value of the loan amounted to USD5.0 million (₱289.3 million).

USD-denominated loans of SJBF. Loan 3 consists of a restated short-term uncommitted line of credit agreement with a local bank in the US up to an aggregate amount of USD35.0 million (₱1,786.8 million) signed on February 3, 2022. The loan is subject to variable interest rate based on CME Term SOFR plus spread determined by the bank and subject to quarterly repricing. The initial drawdown was availed on April 15, 2022 amounting to USD10.0 million (₱549.8 million). The loan is payable in three months from drawdown date and can be rolled over until February 3, 2023, the last available date of the credit agreement. On August 30, 2022, SJBF requested to decrease the maximum amount for uncommitted line of credit to USD30.0 million (₱1,531.5 million). Subsequent drawdowns of USD10.0 million (₱586.3 million) each were made on July 1 and August 17, 2022. On January 30, 2023, the last available date of the credit facility was extended until February 2, 2024 and was further extended until January 31, 2025. On January 20, 2025, the credit facility was amended to extend the maturity date on February 2, 2026. As at December 31, 2024 and 2023, the carrying value of the loan amounted to USD30.0 million (₱1,735.5 million) and USD30.0 million (₱1,661.1 million), respectively.

Loan 4 consists of a restated short-term uncommitted line of credit agreement with a local bank in the US up to an aggregate amount of USD20.0 million (₱1,092.4 million) signed on January 18, 2023. Initial drawdown was made on February 2, 2023 amounting to USD5.0 million (₱271.8 million). Subsequent drawdowns totaling to USD15.0 million (₱835.9 million) were availed in April to September 2023. The loan is subject to variable interest rate based on CME Term SOFR plus spread determined by the bank and subject to quarterly repricing. The loan is payable in six months from drawdown date and can be rolled over until January 17, 2024, the maturity date. On January 26, 2024, the credit facility was increased to USD30.0 million (₱1,661.1 million) and extended until January 16, 2025. On December 11, 2024, the credit facility was increased to USD 45.0 million (₱2,603.2 million) and was extended until January 16, 2026. Multiple drawdowns totaling USD15.0 million (₱843.6 million) were availed from February to December 2024. As at December 31, 2024 and 2023, the carrying value of the loan amounted to USD35.0 million (₱2,024.8 million) and USD20.0 million (₱1,107.4 million), respectively.

USD loan of SMCC-SG. Loan 5 consist of a short-term uncommitted line of credit with a local bank in Singapore up to an aggregate amount of USD5.0 million (₱295.0 million) signed on November 8, 2024. The loan is available for drawdown either in USD or SGD and subject to variable interest rate based on SOFR or SORA, respectively, plus spread of 1.3% and subject to quarterly repricing. The initial drawdown was availed on November 21, 2024 amounting to SGD3.0 million (₱131.8 million). The loan is payable on November 21, 2025, the maturity date. As at December 31, 2024, the carrying value of the loan amounted to USD2.2 million (₱129.2 million).

PHP-denominated loan of Zenith. Loan 6 consists of a short-term loan availed on December 15, 2022 amounting to ₱2,000.0 million payable on September 11, 2023, the maturity date. The loan is subject to a fixed rate of 5.5% per annum. The loan was partially paid on September 11, 2023 amounting to ₱1,000.0 million and rolled over the balance of ₱1,000.0 million until March 8, 2024, the extended maturity date. The remaining balance of the loan was paid on maturity date. As at December 31, 2024 and 2023, the carrying value of the loan amounted to nil and ₱1,000.0 million, respectively.

SGD-denominated loan of CBTL-SG. Loan 7 consists of a short-term uncommitted line of credit agreement with a local bank in Singapore up to an aggregate amount of SGD13.0 million (₱540.5 million) signed on August 22, 2022. The loan is subject to variable interest rate based on SORA plus spread of 1.5% subject to quarterly repricing. The initial drawdown was availed on December 28, 2022 amounting to SGD3.0 million (₱124.7 million). Subsequent drawdown amounting to SGD10.0 million (₱410.0 million) was made on March 1, 2023. The loan is payable on December 28, 2023, the maturity date. On June 23, 2023, the aggregate amount of the credit agreement was increased to SGD19.5 million (₱806.3 million). Additional drawdown amounting to SGD6.5 million (₱265.4 million) was availed on July 3, 2023. The maturity date of the loan was extended to July 3, 2024, and was further extended to June 26, 2025. As at December 31, 2024 and 2023, the carrying value of the loan amounted to SGD19.5 million (₱832.5 million) and SGD19.5 million (₱820.8 million), respectively.

Loan 8 consist of a short-term uncommitted line of credit agreement with a local bank in Singapore up to an aggregate amount of SGD6.5 million (₱284.1 million) signed on November 13, 2024. The loan is subject to variable interest rate based on COF plus spread of 0.75% per annum. The initial drawdown was availed on November 18, 2024 amounting to SGD4.0 million (₱175.2 million). Subsequent drawdown amounting to SGD2.5 million (₱108.9 million) was made on December 18, 2024. The loan is payable one year after the drawdown date. As at December 31, 2024, the carrying value of the loan amounted to SGD6.5 million (₱277.5 million).

MYR-denominated loan of CBTL-MY. Loan 9 consists of a short-term uncommitted line of credit agreement with a local bank in Malaysia up to an aggregate amount of MYR27.5 million (₱333.3 million) signed on September 6, 2023. The loan is subject to variable interest rate based on KLIBOR plus spread of 1.0% subject to quarterly repricing. The drawdown was made on September 15, 2023 amounting to MYR27.5 million (₱333.3 million). The loan is payable on September 15, 2024, the maturity date. On September 17, 2024, the maturity of the loan was extended to September 15, 2025. As at December 31, 2024 and 2023, the carrying value of the loan amounted to MYR27.5 million (₱357.2 million) and MYR27.5 million (₱331.9 million), respectively.

Loan 10 consists of a three-year facility agreement with a local bank in Malaysia up to an aggregate amount of MYR70.0 million (₱418.6 million) available from November 13, 2024, the agreement date. The loan is subject to variable interest rate based on COF plus spread of 1.65% subject to quarterly repricing. The initial drawdown was availed on December 9, 2024 amounting to MYR32.0 million (₱418.6 million). The principal is payable on December 8, 2025, the maturity date. As at December 31, 2024, the carrying value of the loan amounted to MYR32.0 million (₱415.7 million).

Loans 10 is guaranteed by the Ultimate Parent Company.

VND-denominated loan of SuperFoods Group. Loan 11 consists of a short-term uncommitted line of credit agreement with a local bank in Vietnam up to an aggregate amount of VND70.0 billion (₱169.1 million) signed on April 24, 2024. The loan is subject to a variable interest rate based on the Bank's three-month COF subject to quarterly repricing. The principal is payable on April 24, 2025, the maturity date. Multiple drawdowns totaling to VND121.0 billion (₱288.3 million) were availed in May to December 2024. As at December 31, 2024, the carrying value of the loan amounted to VND51.0 billion (₱121.4 million)

Interest expense recognized on short-term debt amounted to ₱406.1 million, ₱358.1 million and ₱59.7 million in 2024, 2023 and 2022, respectively (see Note 23).

Long-term Debt

The long-term debt consists of the following:

	2024	2023
Principal	**₱16,127,742**	₱12,668,543
Unamortized debt issue cost	**(75,162)**	(51,500)
	₱16,052,580	₱12,617,043

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The details of long-term debt follow:

	Availment Date	Maturity Date	Interest Rate	Condition	**2024**	2023
USD-denominated						
Subsidiaries						
Loan 1	November 29, 2016	November 29, 2024	3.0% per annum; annually	Unsecured	**₱–**	₱1,544,823
Loan 2	August 28 – November 12, 2024	April 19, 2027	SOFR plus spread; quarterly	Unsecured	**1,735,500**	–
VND-denominated						
Subsidiary						
Loan 3	November 19 - December 31, 2020	August 30, 2024	Bank's three-month COF plus spread; quarterly	Unsecured	**–**	69,600
Loan 4	August 27, 2020- July 30, 2021	July 26, 2025	Bank's three-month COF plus spread; quarterly	Unsecured	**90,010**	204,900
Loan 5	January 7, 2022- December 27, 2022	September 26, 2026	Bank's three-month COF plus spread; quarterly	Unsecured	**–**	367,941
Loan 6	August 25, 2022- June - July 2023	August 25, 2027	Bank's BLR plus spread; quarterly	Unsecured	**52,945**	70,437
Loan 7	March 1, 2023- September 30, 2023	March 1, 2028	Bank's three-month COF plus spread; quarterly	Unsecured	**–**	742,400
Loan 8	December 29, 2023- March 2024	December 29, 2028	Personal Savings Deposit plus spread; quarterly	Unsecured	**–**	76,638
Loan 9	December 29, 2023- March 2024	December 28, 2028	Bank's three-month COF plus spread; quarterly	Unsecured	**177,866**	7,399
Loan 10	August 13, 2024 September-December 2024	September 12, 2029	VND three-month BLR; quarterly	Unsecured	**258,393**	–
Loan 11	October 3, 2024	March 1, 2028	VND three-month BLR; quarterly	Unsecured	**618,280**	–
Loan 12	October 3, 2024	September 27, 2026	VND three-month BLR; quarterly	Unsecured	**239,998**	–
SGD-denominated						
Subsidiary						
Loan 13	November 28, 2023- July 2024	November 28, 2026	SORA plus spread; quarterly	Unsecured	**485,599**	189,405
MYR-denominated						
Subsidiary						
Loan 14	February 6, 2024	February 6, 2027	KLIBOR plus spread; quarterly	Unsecured	**240,315**	–
Loan 15	May 9, 2024	July 30, 2026	KLIBOR plus spread; quarterly	Unsecured	**305,265**	–
PHP-denominated						
Parent Company						
Loan 16	March 27, 2018	March 27, 2025	PDST-R2 plus spread; quarterly	Unsecured	**₱208,875**	₱1,044,375
Loan 17	May 11, 2018	May 11, 2025	PDST R2 plus spread; quarterly	Unsecured	**298,661**	895,446
Loan 18	August 15, 2018	August 15, 2025	PDST-R2 plus spread; quarterly	Unsecured	**403,071**	940,179
Loan 19	October 6, 2021	October 7, 2026	BVAL plus spread	Unsecured	**1,989,000**	2,983,000
Loan 20	July 25, 2024	July 25, 2031	BVAL plus spread	Unsecured	**3,475,313**	–
Loan 21	July 23, 2024	July 23, 2029	BVAL plus spread	Unsecured	**2,979,375**	–
Subsidiaries						
Loan 22	May 8, 2019	May 8, 2026	BVAL plus spread	Unsecured	**8,507**	497,500
Loan 23	October 6, 2021	October 7, 2026	BVAL plus spread	Unsecured	**1,491,750**	2,237,250
Loan 24	October 6, 2021	October 8, 2026	Fixed	Unsecured	**497,250**	745,750
Loan 25	April 29, 2024	April 29, 2031	BVAL plus spread	Unsecured	**496,607**	–
					16,052,580	12,617,043
Less current portion - net of debt issue costs of ₱19.6 million and ₱23.7 million in 2024 and 2023					**3,955,607**	6,180,695
Noncurrent portion					**₱12,096,973**	₱6,436,348

COF – Cost of Funds
BLR – Base Lending Rate
SORA – Singapore Overnight Rate Average
KLIBOR – Kuala Lumpur Interbank Offered Rate
BVAL – Bloomberg Valuation Service
PDST-R2 – Philippine Dealing System Treasury - Reference Rate Two

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USD-denominated loan of JWPL. Loan 1 consists of an 8-year unsecured loan acquired on November 29, 2016 amounting to USD30.0 million (₱1,491.9 million) with an interest rate of 3.0% per annum. The principal is payable in 7 yearly installments commencing on November 29, 2017 up to November 29, 2023 amounting to USD0.3 million (₱14.9 million), and the remaining balance on November 29, 2024, the maturity date. The remaining balance amounting to USD27.9 million (₱1,635.2 million) was prepaid in full on June 5, 2024. As at December 31, 2024 and 2023, the carrying value of the loan amounted to nil and ₱1,544.8 million, respectively.

USD-denominated loan of HFC. Loan 2 consists of a 3-year credit facility agreement signed on April 19, 2024, with an international cooperative bank in the US up to an aggregate amount of USD50.0 million (₱2,892.5 million). The credit facility is comprised of Term Loan and Uncommitted Revolving Credit Loan amounting to USD30.0 million (₱1,735.5 million) and USD20.0 million (₱1,157.0 million), respectively, available in multiple drawdowns. On August 28, 2024, USD15.0 million (₱844.2 million) of the term loan was availed subject to variable interest rate based on three-month SOFR plus spread of 1.5% subject to repricing. On November 12, 2024, USD15.0 million (₱882.4 million) of the uncommitted revolving credit loan was availed subject to variable interest rate based on one-month SOFR plus 1.5% spread. The USD15.0 million (₱882.4 million) from the uncommitted revolving credit loan was refinanced through the term loan on February 12, 2025, subject to variable interest rate based on three-month SOFR plus spread of 1.5% subject to repricing. The term loan is payable on April 19, 2027, the maturity date. The carrying value of the loan amounted to USD30.0 million (₱1,735.5 million) as at December 31, 2024.

VND-denominated loans of SuperFoods Group. Loan 3 consists of a 5-year unsecured loan acquired from a local bank in Vietnam amounting to VND160.0 billion (₱349.6 million) available in tranches within twelve (12) months from August 29, 2019, the date of loan agreement. The loan is subject to a variable interest rate based on the Bank's three-month COF plus spread of 1.35%. The principal is payable in sixteen (16) quarterly installments commencing on the 16th month from the date of agreement. The loan was paid in full on August 30, 2024, the maturity date. As at December 31, 2024 and 2023, the carrying value of the loan amounted to nil and VND30.0 billion (₱69.6 million), respectively.

Loan 6 consists of a 5-year facility agreement with a local bank in Vietnam up to an aggregate amount of VND114.0 billion (₱285.6 million) available in tranches within twelve (12) months from April 27, 2022, the agreement date. The loan is subject to a variable interest rate based on the Bank's Based Lending Rate (BLR) plus spread of 0.7% payable quarterly. The principal is payable in seventeen (17) quarterly installments commencing on the 13th month from the first utilization date. Initial drawdown amounting to VND9.6 billion (₱24.1 million) was availed on August 25, 2022. Subsequent tranches totaling to VND24.8 billion (₱58.2 million) were availed in June to July 2023. As at December 31, 2024 and 2023, the carrying value of the loan amounted to VND22.3 billion (₱52.9 million) and VND30.4 billion (₱70.4 million), respectively.

Loan 7 consists of a 5-year facility agreement with a local bank in Vietnam up to an aggregate amount of VND320.0 billion (₱736.9 million) available in tranches within twelve (12) months from March 1, 2023, the agreement date. The loan is subject to a variable interest rate based on the Bank's three-month COF plus spread of 1.5%. The principal is payable in sixteen (16) quarterly installments commencing on the 15th month from the agreement date. Multiple drawdowns totaling to VND320.0 billion (₱745.6 million) were availed in 2023. The loan was prepaid in full on October 3, 2024. As at December 31, 2024 and 2023, the carrying value of the loan amounted to nil and VND320.0 billion (₱742.4 million), respectively.

Loan 8 consists of a 5-year facility agreement with a local bank in Vietnam up to an aggregate amount of VND108.0 billion (₱250.6 million) available in tranches within twelve (12) months from December 1, 2023, the agreement date. The loan is subject to a variable interest rate based on the Personal Savings Deposit rate plus spread of 2.5%. The principal is payable in sixteen (16) quarterly installments commencing on the 15th month from the first utilization date. Initial drawdown amounting to VND33.0 billion (₱76.6 million) was availed on December 29, 2023. Multiple drawdowns totaling to VND20.1 billion (₱47.0 million) were availed in 2024. On August 14, 2024, the loan was prepaid in full. As at December 31, 2024 and 2023, the carrying value of the loan amounted to nil and VND33.0 billion (₱76.6 million), respectively.

Loan 9 consists of a 5-year facility agreement with a local bank in Vietnam up to an aggregate amount of VND79.5 billion (₱184.4 million) available in tranches within twelve (12) months from December 1, 2023, the agreement date. The loan is subject to a variable interest rate based on the Bank's three-month COF plus spread of 0.7%. The principal is payable in seventeen (17) quarterly installments commencing on the 13th month from the first utilization date. Initial drawdown amounting to VND3.2 billion (₱7.4 million) was availed on December 29, 2023. Multiple drawdowns totaling to VND76.3 billion (₱182.3 million) were availed in 2024. As at December 31, 2024 and 2023, the carrying value of the loan amounted to VND74.8 billion (₱177.9 million) and VND3.2 billion (₱7.4 million), respectively.

Loans 2 to 9 are guaranteed by the Ultimate Parent Company.

Loan 10 consists of a 5-year facility agreement with a local bank in Vietnam up to an aggregate amount of VND400.0 billion (₱930.4 million) available in tranches within twelve (12) months from August 13, 2024, the agreement date. The loan is subject to a variable interest rate based on the VND three-month BLR. The principal is payable in seventeen (17) quarterly installments commencing on the 13th month from the first utilization date. Multiple drawdowns totaling to VND108.7 billion (₱257.6 million) were availed from September to December 2024. As at December 31, 2024, the carrying value of the loan amounted to VND108.7 billion (₱258.4 million).

Loan 11 consists of a 3.5-year facility agreement with a local bank in Vietnam up to an aggregate amount of VND300.0 billion (₱713.4 million). The loan is subject to a variable interest rate based on the VND three-month BLR. The principal is payable in fifteen (15) quarterly installments commencing on December 1, 2024. Initial drawdown amounting to VND280.0 billion (₱665.8 million) was availed on October 3, 2024. As at December 31, 2024, the carrying value of the loan amounted to VND261.0 billion (₱618.3 million).

Loan 12 consists of a 2-year facility agreement with a local bank in Vietnam up to an aggregate amount of VND129.8 billion (₱308.6 million). The loan is subject to a variable interest rate based on the VND three-month BLR. The principal is payable in nine (9) quarterly installments commencing on December 27, 2024. Initial drawdown amounting to VND115.3 billion (₱274.3 million) was availed on October 3, 2024. As at December 31, 2024, the carrying value of the loan amounted to VND100.9 billion (₱240.0 million).

SGD-denominated loan of CBTL-SG. Loan 13 consists of a 3-year facility agreement with a local bank in Singapore up to an aggregate amount of SGD13.0 million (₱547.2 million) available in tranches within four (4) months from November 2, 2023, acceptance date of the agreement. The loan is subject to variable interest rate based on SORA plus spread of 1.7% subject to quarterly repricing. Initial drawdown amounting to SGD4.5 million (₱189.4 million) was availed on November 28, 2023. Subsequent drawdowns totaling to SGD8.5 million (₱358.1 million) were availed in January, March and July 2024. The principal is payable in eight (8) quarterly installments, the first installment commencing in twelve (12) months from the date of the first drawdown. As at December 31, 2024 and 2023, the carrying value of the loan amounted to SGD11.4 million (₱485.6 million) and SGD4.5 million (₱189.4 million), respectively.

The loan is guaranteed by the Ultimate Parent Company.

MYR-denominated loans of CBTL-MY. Loan 14 consists of a 3-year facility agreement with a local bank in Malaysia up to an aggregate amount of MYR18.5 million (₱220.7 million) available from December 29, 2023, the agreement date. The loan is subject to variable interest rate based on three-months KLIBOR plus spread of 2.15% subject to quarterly repricing. The loan was availed in full on February 6, 2024. The principal is payable in four (4) quarterly installments commencing on the 25th month from the drawdown date. As at December 31, 2024, the carrying value of the loan amounted to MYR18.5 million (₱240.3 million).

Loan 15 consists of a 3-year revolving facility agreement with a local bank in Malaysia up to an aggregate amount of MYR23.5 million (₱285.1 million) available from April 25,2024, the agreement date. The loan is subject to variable interest rate based on three-months KLIBOR plus spread of 2.15% subject to quarterly repricing. The loan was availed in full on May 9, 2024. The principal is payable in four (4) quarterly installments commencing on July 30, 2026. As at December 31,

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2024, the carrying value of the loan amounted to MYR23.5 million (₱305.3 million).

The loans are guaranteed by the Ultimate Parent Company.

PHP-denominated loans of the Parent Company. Loan 20 consists of a 7-year unsecured loan availed from a local bank on July 25, 2024 amounting to ₱3.5 billion. The loan is subject to a floating rate based on PHP BVAL Reference Rate for three (3) months tenor plus spread of 0.48% subject to quarterly repricing. The Parent Company incurred debt issue cost of ₱26.3 million, representing documentary stamp tax, in relation to this loan. The principal is payable in equal quarterly installment commencing on the 2nd anniversary from the drawdown date. The carrying amount of the loan amounted to ₱3,475.3 million, net of unamortized debt issue cost of ₱24.5 million, as at December 31, 2024.

Loan 21 consists of a 5-year unsecured loan availed from a local bank on July 23, 2024 amounting to ₱3.0 billion. The loan is subject to a floating rate based on PHP BVAL Reference Rate for three (3) months tenor plus spread of 0.48% subject to quarterly repricing. The Parent Company incurred debt issue cost of ₱22.5 million, representing documentary stamp tax, in relation to this loan. The principal is payable in equal quarterly installment commencing on the 1st anniversary from the drawdown date. The carrying amount of the loan amounted to ₱2,979.4 million, net of unamortized debt issue cost of ₱20.6 million, as at December 31, 2024.

The Parent Company's PHP-denominated long-term debt (Loans 16 to 21) amounted to ₱9,354.3 million, net of unamortized debt issue cost of ₱60.7 million, and ₱5,863.0 million, net of unamortized debt issue cost of ₱32.0 million, as at December 31, 2024 and 2023, respectively. The current portion amounted to ₱2,092.1 million, net of unamortized debt issue cost of ₱10.4 million and ₱2,963.4 million, net of unamortized debt issue cost of ₱16.6 million, as at December 31, 2024 and 2023, respectively.

PHP-denominated loans of Zenith. Zenith's PHP-denominated long-term debt (Loans 22 to 24) amounted to ₱1,997.5 million, net of unamortized debt issue cost of ₱11.1 million, and ₱3,480.5 million, net of unamortized debt issue cost of ₱19.5 million, as at December 31, 2024 and 2023, respectively. The current portion amounted to ₱999.7.0 million, net of unamortized debt issue cost of ₱6.0 million and ₱1,192.9 million, net of unamortized debt issue cost of ₱7.1 million, as at December 31, 2024 and 2023, respectively.

PHP-denominated loan of PERFI. Loan 25 consists of a 7-year unsecured loan acquired from a local bank on April 29, 2024 amounting to ₱500.0 million. The loan is subject to a floating rate based on PHP BVAL Reference Rate for three (3) months tenor plus spread of 0.7%. PERFI incurred debt issue cost of ₱3.8 million, representing documentary stamp tax, in relation to this loan. The principal is payable annually commencing on the 4th quarter from the drawdown date amounting to ₱12.5 million and the remaining balance on the maturity date. The carrying amount of the loan amounted to ₱496.6 million, net of unamortized debt issue cost of ₱3.4 million, as at December 31, 2024.

The loans are guaranteed by the Parent Company. Consequently, the Parent Company is subject to certain debt covenants which include, among others, maintaining Debt-to-Equity ratio, Debt-to-EBITDA ratio and Debt-to-Service Coverage Ratio. The Parent Company is in compliance with the applicable debt covenants as at December 31, 2024 and 2023.

Interest expense recognized on long-term debt amounted to ₱780.2 million, ₱740.5 million and ₱697.8 million in 2024, 2023 and 2022, respectively (see Note 23).

The future expected principal settlements of the Jollibee Group's long-term debt follow:

	2024	2023
2024	**₱–**	₱6,476,731
2025	**4,160,035**	3,540,994
2026	**4,029,507**	2,404,731
2027	**3,900,700**	199,687
2028 to 2031	**4,037,500**	46,400
	16,127,742	12,668,543
Less debt issue costs	**(75,162)**	(51,500)
	₱16,052,580	₱12,617,043

Embedded Derivatives
Certain long-term loans of the Jollibee Group include provisions for an option to convert the variable interest rate into a fixed interest rate. Certain long-term loans are also subject to an interest rate floor. In addition, the Jollibee Group's long-term loans generally provide an option to pre-pay the loan in full before the maturity date.

The Jollibee Group assessed that the derivatives embedded in the loan contracts need not be bifurcated since they are clearly and closely related to the economic characteristics and risks of the host loan contract and do not qualify for separate accounting as at December 31, 2024 and 2023.

Senior Debt Securities (Notes)

On June 24, 2020, the Jollibee Group, through JWPL, issued a USD300.0 million (₱14,994.0 million) 5.5-year and USD300.0 million (₱14,994.0 million) 10-year Reg S dual tranche US dollar denominated guaranteed Notes with coupon rates of 4.125% and 4.750%, respectively, and payable semi-annually. This was listed in the Singapore Exchange Securities Trading Limited on June 25, 2020.

The proceeds from the issuance were used for general corporate purposes as well as fund initiatives of the Jollibee Group (see Note 10).

The Jollibee Group incurred debt issue cost of USD4.0 million (₱200.4 million) for this transaction. As at December 31, 2024 and 2023, the carrying value of the Notes amounted to USD597.8 million (₱34,582.6 million) and USD597.4 million (₱33,077.8 million), net of unamortized debt issue cost of USD2.2 million (₱127.4 million) and USD2.6 million (₱144.2 million), respectively.

Interest expense recognized on senior debt securities amounted to ₱1,525.3 million, ₱1,481.1 million and ₱1,451.1 million in 2024, 2023 and 2022, respectively (see Note 23).

19. Equity

a. Preferred Stock

On September 24, 2021, the Philippine SEC approved the shelf registration in the Philippines of 20,000,000 cumulative, non-voting, non-participating, non-convertible, redeemable, peso-denominated perpetual preferred shares to be offered within a period of three (3) years from the date of effectivity of the registration statement and granted the Parent Company the permit to sell 8,000,000 preferred shares and an over subscription option of up to 4,000,000 preferred shares, at an offer price of ₱1,000 per share in two (2) series: Preferred Shares-Series A and Series B with a dividend rate of 3.2821% and 4.2405% per annum, respectively.

On October 14, 2021, the Parent Company issued Preferred Shares-Series A and Series B totaling to 3,000,000 shares and 9,000,000 shares, respectively. The preferred shares were listed in the Philippine Stock Exchange (PSE) on the same day.

The total number of shareholders of the Parent Company for Preferred Shares-Series A is nil and 7 and Series B is 3 and 7, respectively, as at December 31, 2024 and 2023.

On March 8, 2024, the BOD of the Parent Company approved the plan to offer and issue in the Philippines an additional 5,000,000 preferred shares with an oversubscription option of up to 3,000,000 preferred shares. The preferred shares will be sold at a subscription price of ₱1,000.00 per share, with an estimated issue size of ₱5.0 billion to up to ₱8.0 billion, if the oversubscription option is fully exercised. These will be cumulative, non-voting, non-participating, non-convertible, redeemable, peso-denominated perpetual preferred shares.

On July 29, 2024, the Parent Company announced the withdrawal of its application to offer and list up to 8,000,000 preferred shares filed with the Philippine SEC and PSE in June 2024. On September 13, 2024, the BOD of the Parent Company approved the redemption of all its 3,000,000 Preferred Shares-Series A issued and listed on the PSE on October 14, 2021.

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In accordance with the terms of issuance, the Parent Company will redeem all outstanding Preferred Shares-Series A on October 14, 2024 at a redemption price equal to the offer price plus any accrued and unpaid cash dividends, after deducting transfer costs customarily chargeable to stockholders, as applicable, to effect the redemption (Redemption Price). Holders of Preferred Shares-Series A as at September 30, 2024 will receive the Redemption Price.

On October 15, 2024, the Parent Company redeemed all outstanding Preferred Shares-Series A and holders thereof as at September 30, 2024 were paid the Redemption Price.

The redeemed preferred shares shall not be considered retired and may be reissued by the Parent Company.

b. Common Stock

The movements in the account are as follows:

	2024	2023
Authorized - ₱1 par value		
Balance at beginning and end of year	**₱1,430,000**	₱1,430,000
Issued and subscribed:		
Balance at beginning of year	**₱1,132,331**	₱1,131,217
Issuances during the year	**3,207**	1,114
Balance at end of year	**₱1,135,538**	₱1,132,331

The total number of shareholders for common shares of the Parent Company is 2,905 and 2,922 as at December 31, 2024 and 2023, respectively.

c. Additional Paid-in-Capital

The movements in the additional paid in-capital pertain to the difference between the exercise prices of stock options exercised and the par value of Parent Company's shares. For the year ended December 31, 2024 and 2023, stock options totaling 3,207,065 shares and 1,114,129 shares, respectively, were exercised (see Note 26). This resulted to an additional paid-in capital amounting to ₱694.3 million and ₱207.9 million for the years ended December 31, 2024 and 2023, respectively.

Stock options expense, amounting to ₱497.3 million, ₱353.9 million and ₱185.0 million in 2024, 2023 and 2022, respectively, were also recognized as part of additional paid-in capital (see Notes 22, 26 and 27).

The Parent Company recognized deferred tax assets on MSOP and ELTIP in additional paid-in capital resulting to an increase of ₱53.4 million ₱9.3 million in 2024 and 2023.

As at December 31, 2024 and 2023, total additional paid-in capital amounted to ₱13,907.9 million and ₱12,662.9 million, respectively.

d. Treasury Shares

The cost of preferred and common stock of the Parent Company held in treasury of ₱3,000.0 million and ₱180.5 million consist of 3,000,000 shares and 16,447,340 shares as at December 31, 2024 and 2023.

e. Senior Perpetual Securities (Securities)

The Securities amounting to USD600.0 million (₱30,588.0 million) was issued by the Jollibee Group, through JWPL, on January 23, 2020 and was listed in the Singapore Exchange Securities Trading Limited (SGX-ST) on January 24, 2020. The Securities confer a right to receive a return on the Securities (the "Distribution") every Distribution Payment Date as described in the terms and conditions of the Securities. These distributions are payable semi-annually in arrears on the Distribution Payment Dates of each year. The Securities offered an initial distribution rate of 3.9%, noncallable in five (5) years and payable semi-annually. However, the Issuer may, at its sole and absolute discretion, prior to any Distribution Payment Date, resolve to defer payment of all or some of the Distribution which would otherwise be payable on that Distribution Payment Date subject to exceptions enumerated in the terms and conditions of the Securities. The Securities are perpetual securities in respect of which there is no fixed redemption date, but the Issuer may, at its option change the status of the Securities or redeem the same on instances defined under its terms and conditions. The Securities are unconditionally and irrevocably guaranteed by the Parent Company.

The proceeds from issuance of the Securities were partially used to refinance the short-term debt for the acquisition of CBTL while some were invested to bond funds (see Note 10).

The Securities are treated as equity as part of non-controlling interests in the consolidated financial statements of the Jollibee Group because nothing in the terms and conditions of the Securities gives rise to an obligation of the Jollibee Group to deliver cash or another financial asset in the future as defined by PAS 32.

In 2021, JWPL made a Tender Offer to the holders of the Securities and repurchased and cancelled an aggregate principal amount of USD203.5 million (₱10,323.2 million) Securities.

On December 19, 2024, the Jollibee Group disclosed that JWPL will redeem the remaining Securities on January 23, 2025. The redemption price will be the principal amount of the Securities, plus any accrued but unpaid Distributions and any Arrears of Distribution (including any amount of Distributions accrued thereon). Upon redemption, the Securities will be cancelled and subsequently delisted from the Singapore Exchange Securities Trading Limited.

As at December 31, 2024 and 2023, the Securities amounted to USD396.5 million (₱20,264.8 million).

Accrued distribution amounted to USD6.7 million (₱390.1 million) and USD6.7 million (₱373.4 million) as at December 31, 2024 and 2023, respectively (see Note 16).

On January 23, 2025, JWPL completed the redemption of the remaining Securities amounting to USD396.5 million (₱21,682.8 million) and paid the Distribution amounting to USD7.7 million (₱453.7 million). Subsequently, the Securities was delisted on January 23, 2025.

f. Excess of Cost Over the Carrying Value of Non-controlling Interests Acquired

The amount of excess of cost over the carrying value of non-controlling interests acquired as at December 31, 2024 and 2023, recognized as part of "Equity Attributable to Equity Holders of the Parent Company" section in the consolidated statements of financial position, resulted from the following acquisitions of non-controlling interests:

20% of Greenwich in 2006	₱168,257
15% of Yonghe King in 2007	375,721
40% of Adgraphix in 2010	(1,214)
30% of Mang Inasal in 2016	1,217,615
30% of HBFPPL in 2016	391,782
15% of SJBF in 2018	(347,395)
30% of Smashburger Long Island in 2020	95,774
49% of Smashburger Westchester in 2020	125,800
	₱2,026,340

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g. Retained Earnings

The Jollibee Group has a cash dividend policy of declaring one-third of the Jollibee Group's net income for the year as cash dividends payable to all common stockholders. It uses best estimate of its net income as basis for declaring cash dividends. Actual cash dividends per share declared as a percentage of the EPS are 33.6%, 30.9% and 35.9% in 2024, 2023 and 2022, respectively.

Preferred Shares-Series A and Series B shareholders, subject to the discretion of the BOD to the extent permitted by law, are entitled to dividends. If cash dividends are declared, cash dividends shall be as follows:

- Preferred Shares-Series A shall be at the fixed rate of 3.2821% per annum; and,
- Preferred Shares-Series B shall be at the fixed rate of 4.2405% per annum.

Cash dividends on Preferred Shares-Series A and Series B will be payable quarterly.

The Parent Company's cash dividend declarations for 2024, 2023 and 2022 follow:

Declaration Date	Record Date	Payment Date	Cash Dividend per Share	Total Cash Dividends Declared
			(In Thousands, except dividend per share)	
2024				
Common Shares				
April 23	May 9	May 23	**₱1.15**	**₱1,284,336**
November 11	November 25	December 10	**1.82**	**2,036,190**
			₱2.97	**₱3,320,526**
Preferred Shares-Series A				
March 8	March 25	April 15	**₱8.21**	**₱24,616**
June 10	July 2	July 15	**8.21**	**24,616**
September 13	September 30	October 15	**8.21**	**24,616**
			₱24.63	**₱73,848**
Preferred Shares-Series B				
March 8	March 25	April 15	**₱10.60**	**₱95,411**
June 10	July 2	July 15	**10.60**	**95,411**
September 13	September 30	October 15	**10.60**	**95,411**
December 19	January 8, 2025	January 15,2025	**10.60**	**95,411**
			₱42.40	**₱381,644**
2023				
Common Shares				
April 17	May 3	May 22	₱1.07	₱1,193,241
November 10	November 24	December 11	1.23	1,372,451
			₱2.30	₱2,565,692
Preferred Shares-Series A				
March 14	March 29	April 14	₱8.21	₱24,616
June 16	July 4	July 14	8.21	24,616
September 19	October 4	October 16	8.21	24,616
December 15	January 3, 2024	January 15, 2024	8.21	24,616
			₱32.84	₱98,464
Preferred Shares-Series B				
March 14	March 29	April 14	₱10.60	₱95,411
June 16	July 4	July 14	10.60	95,411
September 19	October 4	October 16	10.60	95,411
December 15	January 3, 2024	January 15, 2024	10.60	95,411
			₱42.40	₱381,644
2022				
Common Shares				
April 19	May 5	May 19	₱1.07	₱1,185,021
November 8	November 23	December 14	1.23	1,371,074
			₱2.30	₱2,556,095
Preferred Shares-Series A				
March 14	March 29	April 18	₱8.21	₱24,616
April 19	June 22	July 14	8.21	24,616
April 19	September 21	October 14	8.21	24,616
November 8	December 20	January 13, 2023	8.21	24,616
			₱32.84	₱98,464
Preferred Shares-Series B				
March 14	March 29	April 18	₱10.60	₱95,411
April 19	June 22	July 14	10.60	95,411
April 19	September 21	October 14	10.60	95,411
November 8	December 20	January 13, 2023	10.60	95,411
			₱42.40	₱381,644

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An important part of the Jollibee Group's growth strategy is the acquisition of new businesses in the Philippines and abroad. Examples were acquisitions of 85% of Yonghe King in 2004 in PRC (₱1,200.0 million), 100% of Red Ribbon in 2005 (₱1,700.0 million), the remaining 20% minority share in Greenwich in 2006 (₱384.0 million), the remaining 15% share of Yonghe King in 2007 (₱413.7 million), 100% of Hong Zhuang Yuan restaurant chain in PRC in 2008 (₱2,600.0 million), 70% of Mang Inasal in 2010 (₱2,976.2 million), 100% of Chowking US operations in 2011 (₱693.3 million), 40% of SJBF LLC, the parent company of the entities comprising the Smashburger business in the US (₱4,812.8 million), including transaction costs in 2015, the remaining 30% minority share each in Mang Inasal (₱2,000.0 million) and HBFPPL (₱514.9 million), acquisition of GSC (₱8.6 million) in 2016, the acquisition of additional 10% share in SuperFoods Group (₱2,712.7 million) in 2017, acquisition of the remaining 60% share in SJBF LLC (₱5,735.8 million) in 2018, acquisition of 80% of The Coffee Bean & Tea Leaf (₱17,098.7 million) in 2019, the remaining 30% minority share in Smashburger Long Island (₱95.8 million) in 2020, acquisition of 51% of Milksha (₱654.5 million) in 2022, acquisition of 60% stake of MHL (₱910.1 million) in 2023 and acquisition of 70% share in Compose Coffee (₱13,851.6 million) in 2024.

The Jollibee Group plans to continue to make substantial acquisitions in the coming years. The Jollibee Group uses its cash generated from operations to finance these acquisitions and capital expenditures. These limit the amount of cash dividends that it can declare and pay.

On December 7, 2021, the BOD approved the appropriation of ₱18,700.0 million from the Parent Company's unappropriated retained earnings for capital expenditures in 2022.

On March 8, 2024, the BOD approved the release of the previously approved appropriated retained earnings in 2021 amounting to ₱18,700.0 million and new appropriation of ₱23,400.0 million from the Parent Company's unappropriated retained earnings for capital expenditures in 2024. Consequently, appropriated retained earnings for capital expenditures amounted to ₱23,400.0 million and ₱18,700.0 million as at December 31, 2024 and 2023, respectively.

The unappropriated retained earnings of the Parent Company is also restricted to the extent of cost of common and preferred stock held in treasury amounting to ₱3,180.5 million as at December 31, 2024 and 2023. The unappropriated retained earnings of the Jollibee Group includes accumulated losses from its subsidiaries.

The Parent Company's retained earnings available for dividend declaration, computed based on the guidelines provided in SEC Memorandum Circular No. 11, amounted to ₱33,528.1 million and ₱32,701.2 million as at December 31, 2024 and 2023, respectively.

In relation with the Securities Regulation Code, below is the summary of the Parent Company's track record of registration of securities.

	Number of Shares Registered	Initial Issue/ Offer Price	Listing date	Number of Holders of Securities	
				2024	2023
Common shares	75,000,000	₱9	July 14, 1993	**2,905**	2,922
Preferred shares-Series A	3,000,000	1,000	October 14, 2021	**–**	3
Preferred shares-Series B	9,000,000	1,000	October 14, 2021	**7**	7

20. Royalty, Set-up Fees and Others

This account consists of:

	2024	2023	2022
Royalty fees	**₱14,318,894**	₱12,089,063	₱10,414,482
Service fees	**713,259**	440,758	280,007
Set-up fees	**756,816**	438,205	344,808
Scrap sales	**164,293**	151,588	132,662
Rent income (see Notes 13 and 29)	**31,768**	20,084	6,971
Delivery fees and others	**162,751**	205,680	666,428
	₱16,147,781	₱13,345,378	₱11,845,358

The Jollibee Group has existing Royalty and Service Agreements with independent franchisees for the latter to operate QSR outlets under the "Jollibee", "Greenwich", "Chowking", "Yong He King", "Red Ribbon", "Hong Zhuang Yuan", "Mang Inasal", "Highlands Coffee", "Smashburger", " The Coffee Bean & Tea Leaf", "Milksha" and "Compose Coffee" concepts and trade names. In consideration thereof, the franchisees agree to pay set-up fees and monthly royalty fees equivalent to a certain percentage of the franchisees' net sales. The Jollibee Group's franchisees pay service fees for various services, including repairs and maintenance services, rendered by the Jollibee Group's personnel.

21. Direct Costs

This account consists of:

	2024	2023	2022
Cost of Sales			
Cost of inventories	**₱124,907,082**	₱113,996,948	₱99,273,159
Personnel costs:			
Salaries, wages and other employee benefits	**28,605,518**	25,776,101	23,278,163
Pension expense (see Note 25)	**224,933**	201,686	213,071
Depreciation and amortization (see Notes 12 and 29)	**16,938,465**	16,236,912	14,907,987
Contracted services	**10,331,889**	9,796,329	8,417,982
Rent (see Note 29)	**6,829,795**	5,618,557	4,559,715
Electricity and other utilities	**6,774,379**	6,254,822	5,468,598
Supplies	**3,440,555**	3,406,884	3,364,439
Repairs and maintenance	**3,263,857**	2,876,502	2,576,398
Security and janitorial	**1,475,572**	1,285,592	1,097,320
Communication	**448,670**	408,253	371,083
Professional fees	**236,870**	176,784	122,049
Representation and entertainment	**82,817**	78,245	90,212
Delivery costs, insurance and others	**9,798,033**	8,632,670	7,806,125
	213,358,435	194,746,285	171,546,301
Cost of Services			
Advertising expense	**4,864,579**	4,060,409	3,399,573
	₱218,223,014	₱198,806,694	₱174,945,874

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

22. General and Administrative Expenses

This account consists of:

	2024	2023	2022
Personnel costs:			
Salaries, wages and other employee benefits	**₱15,333,732**	₱13,111,630	₱11,517,320
Stock options expense (see Notes 19, 26 and 27)	**497,273**	353,863	185,016
Pension expense (see Note 25)	**277,919**	244,247	254,511
Taxes and licenses	**2,918,002**	2,827,061	2,075,552
Professional fees	**1,872,837**	1,467,482	1,377,184
Contracted services	**1,421,937**	1,174,063	915,596
Depreciation and amortization (see Notes 12, 13, 15 and 29)	**808,469**	716,904	690,604
Transportation and travel	**806,557**	633,251	492,698
Membership and subscriptions	**982,033**	539,979	505,405
Impairment in value of:			
Receivables (see Note 7)	**450,373**	278,846	415,412
Property, plant and equipment (see Note 12)	**204,836**	160,354	107,900
Inventories (see Note 8)	**60,390**	177,937	274,297
Other current assets (see Note 9)	**–**	8,058	121,458
Trademark (see Note 14)	**–**	–	463,101
Rent (see Note 29)	**509,290**	562,084	498,368
Repairs and maintenance	**376,297**	484,443	491,157
Loss on retirements and disposals of property, plant and equipment (see Note 12)	**279,780**	400,881	363,148
Reversals of provision for impairment on:			
Inventories (see Note 8)	**(70,855)**	(44,702)	(49,311)
Property, plant and equipment (see Note 12)	**(68,965)**	(49,777)	(262,266)
Receivables (see Note 7)	**(67,173)**	(7,800)	(4,136)
Right-of-use assets (see Note 29)	**–**	(130,843)	(86,960)
Corporate events	**252,240**	155,306	88,782
Insurance	**233,164**	202,698	170,830
Supplies	**190,893**	167,341	148,959
Communication	**167,627**	177,270	273,995
Donations	**165,482**	148,856	97,912
Training	**116,787**	83,525	94,662
Representation and entertainment	**73,424**	68,123	54,640
Electricity and other utilities	**69,363**	55,976	47,318
Association dues	**42,928**	52,533	37,041
Security and janitorial	**39,128**	18,404	9,046
Research and development and others	**1,804,655**	2,046,012	1,536,679
	₱29,748,423	₱26,084,005	₱22,905,918

23. Interest Income (Expense) and Other Income (Expense)

	2024	2023	2022
Interest income			
Cash and cash equivalents and short-term investments (see Note 6)	**₱786,245**	₱755,505	₱258,484
Loans and advances (see Note 11)	**143,663**	80,686	57,799
Accretion of:			
Interest on security and other deposits and employee car plan receivables (see Note 15)	**21,151**	26,294	22,455
Lease receivables (see Note 29)	**7,984**	1,030	2,451
	₱959,043	₱863,515	₱341,189
Interest expense			
Financing:			
Senior debt securities (see Note 18)	**(₱1,525,346)**	(₱1,481,149)	(₱1,451,063)
Long-term debt (see Note 18)	**(780,163)**	(740,472)	(697,794)
Short-term debt (see Note 18)	**(406,102)**	(358,054)	(59,714)
	(2,711,611)	(2,579,675)	(2,208,571)
Accretion of:			
Lease liabilities (see Note 29)	**(3,056,484)**	(2,799,307)	(2,559,104)
Customer deposits (see Note 16)	**(3,457)**	(3,059)	(1,057)
	(3,059,941)	(2,802,366)	(2,560,161)
	(₱5,771,552)	(₱5,382,041)	(₱4,768,732)

	2024	2023	2022
Other income (expense)			
Write-off of liabilities	**₱2,613,326**	₱1,200,237	₱1,922,502
Bank charges	**(895,794)**	(847,526)	(668,454)
Mark-to-market gain (loss) on financial assets at FVTPL (see Note 10)	**178,589**	530,939	(1,053,738)
Rebates, suppliers' incentives and government subsidies	**389,814**	473,177	476,663
Penalties and charges	**73,243**	113,724	29,843
Foreign exchange gain (loss) – net	**(801,808)**	(106,514)	43,967
Gain on pre-termination of lease agreements (see Note 29)	**69,424**	78,840	166,816
Reversal of (provisions for) business transformation and contingencies (see Note 17)	**(296,844)**	(35,808)	(565,664)
Charges to franchisees	**11,037**	19,519	6,229
Other rentals	**108,920**	18,953	29,452
Gain on land conveyance and disposals (see Notes 9, 11 and 12)	**–**	–	4,896,610
Gain from disposal of club share (see Note 10)	**–**	–	3,500
Insurance claims and others	**330,439**	421,326	381,984
	₱1,780,346	₱1,866,867	₱5,669,710

In the normal course of business, the Jollibee Group accrues liabilities based on management's best estimate of costs incurred, particularly in cases when the Jollibee Group has not yet received final billings from suppliers and vendors. There are also ongoing negotiations and reconciliations with suppliers and vendors on certain liabilities recorded. These balances are continuously reviewed by management and are adjusted based on these reviews, resulting to write-off of certain liabilities as other income.

Insurance claims and others include claims from insurance settlements, gain from asset sale of Pho24 in 2023 (see Note 11), and others.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

24. Income Taxes

The Jollibee Group's provision for current income tax consists of the following:

	2024	2023	2022
Final tax withheld on:			
Royalty income	**₱2,623,349**	₱2,350,190	₱1,990,974
Interest income	**114,748**	116,391	34,847
RCIT:			
With itemized deduction	**2,654,782**	1,879,515	1,263,492
With Optional Standard Deduction (OSD)	**2,228**	3,161	54,762
MCIT	**131,651**	91,850	62,104
Capital gains	**–**	–	108,561
	₱5,526,758	₱4,441,107	₱3,514,740

RCIT consists of corporate income taxes from the Jollibee Group's operations in the Philippines, PRC, USA, Canada, Vietnam, Singapore, South Korea, and Europe.

For the years ended 2024, 2023 and 2022, Grandworth, a wholly owned subsidiary, elected to use OSD in computing for its taxable income. The net tax benefit (disadvantage) from the availment of OSD amounted to (₱2.2) million, ₱0.7 million and ₱31.7 million in 2024, 2023 and 2022, respectively.

The components of the Jollibee Group's recognized net deferred tax assets as at December 31 follow:

	2024	2023
Deferred tax assets:		
Lease liabilities	**₱7,835,896**	₱7,754,947
NOLCO:		
USA-based entities	**5,259,925**	4,072,586
PRC-based entities	**429,801**	613,432
PH-based entity	**195,423**	–
Europe-based entity	**38,477**	37,461
Accrued expenses	**833,719**	800,393
Pension liability and other benefits	**684,768**	552,564
MSOP and ELTIP	**477,641**	149,279
Accrued benefit liability and bonus	**438,123**	333,217
Accumulated impairment loss in value of receivables, inventories, property, plant and equipment and other nonfinancial assets	**361,642**	399,916
Provision	**337,655**	322,551
Unrealized foreign exchange loss	**222,729**	335,756
Excess MCIT and RCIT	**130,601**	–
Contract revenue	**78,457**	120,223
Unaccreted discount on security deposits and employee car plan receivables	**8,795**	18,190
Unamortized past service costs	**5,857**	7,004
Capital allowance	**–**	3,998
Others	**356**	457
	17,339,865	15,521,974

	2024	2023
Deferred tax liabilities:		
Right-of-use assets	**6,393,635**	6,445,736
Excess of fair value over book value of identifiable assets of acquired businesses	**981,074**	1,119,582
Unrealized foreign exchange gain	**329,423**	307,324
Operating lease receivables	**212,774**	176,832
Unaccreted discount on employee car plan receivables and security deposits	**24,452**	24,719
Prepaid rent	**13,602**	11,292
Deferred rent expense	**8,153**	9,677
Unrealized gain on change in fair value of financial assets at FVTPL	**4,323**	2,748
	7,967,436	8,097,910
Deferred tax assets – net	**₱9,372,429**	₱7,424,064

The components of the Jollibee Group's recognized net deferred tax liabilities as at December 31 follow:

	2024	2023
Deferred tax assets:		
Lease liabilities	**₱4,602,385**	₱4,541,661
Capital allowance	**316,731**	216,631
NOLCO:		
PH-based entity	**347,383**	–
Singapore-based entity	**45,122**	16,060
USA-based entity	**45,692**	41,371
Excess MCIT and RCIT	**11,145**	–
Contract revenue	**46,889**	43,231
Pension liability and other benefits	**22,563**	24,690
Provision	**20,767**	–
Accrued expenses	**17,953**	6,144
Allowance for impairment loss on receivables, inventories and property, plant and equipment	**12,710**	20,044
Unamortized past service costs	**10,163**	6,316
Accrued bonus	**9,993**	12,981
Unaccreted discount on security deposits and employee car plan receivables	**8,964**	347
MSOP and ELTIP	**8,792**	6,734
Unrealized foreign exchange loss	**–**	73
	5,527,252	4,936,283
Deferred tax liabilities:		
Excess of fair value over book value of identifiable assets of acquired businesses	**7,074,543**	4,334,747
Right-of-use assets	**4,168,551**	4,226,385
Unaccreted discount on employee car plan receivables, security and product security deposits	**1,401**	1,082
	11,244,495	8,562,214
Deferred tax liabilities – net	**₱5,717,243**	₱3,625,931

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The rollforward analysis of the net deferred tax assets and liabilities of the Jollibee Group follows:

	2024	2023
Balance at beginning of year	**₱3,798,133**	₱2,673,834
Income tax effect arising from business acquisition	**(2,562,010)**	(5,838)
Income tax effect to profit or loss	**2,136,514**	1,084,206
Tax effect of MSOP and ELTIP	**53,414**	9,348
Income tax effect of remeasurements of net defined benefit plan	**28,204**	98,934
Translation adjustments	**200,932**	(62,351)
Balance at end of year	**₱3,655,187**	₱3,798,133

OSD

The availment of the OSD method also affected the recognition of several deferred tax assets and liabilities. Deferred tax assets and liabilities, for which the related income and expense are not considered in determining gross income for income tax purposes, are not recognized. This is because the manner by which the Jollibee Group expects to recover or settle the underlying assets and liabilities, for which the deferred tax assets and liabilities were initially recognized, would not result to any future tax consequence under the OSD method. Meanwhile, deferred tax assets and liabilities, for which the related income and expense are considered in determining gross income for income tax purposes, are recognized only to the extent of their future tax consequence under the OSD method. Hence, the tax base of these deferred tax assets and liabilities is reduced by the 40% allowable deduction provided for under the OSD method.

Accordingly, the Jollibee Group's deferred tax assets and liabilities, which were not recognized due to the use of the OSD method, are as follows:

	2024	2023
Deferred tax assets:		
Allowance for impairment loss on receivables and nonfinancial assets	**₱4,449**	₱4,449
Unaccreted discount on financial instruments and others	**149**	33
Customer deposits	**–**	92
	4,598	4,574
Deferred tax liabilities – others	**59**	59
Deferred tax assets – net	**₱4,539**	₱4,515

As at December 31, 2024 and 2023, the component of deferred tax assets of the Philippine-based subsidiaries which were not recognized as it is not probable that taxable income will be sufficient against which they can be utilized are as follows:

	2024	2023
NOLCO	**₱2,620,285**	₱2,592,798
Excess MCIT over RCIT	**143,866**	244,031
	₱2,764,151	₱2,836,829

As at December 31, 2024, NOLCO of the USA-based entities that can be claimed as deductions from taxable income are as follows:

Year Incurred	Tax Losses	Deferred Tax at 21%
2024	₱4,988,962	₱719,419
2023	2,942,848	617,998
2022	2,873,248	603,382
2021	2,565,114	538,674
2020	4,406,838	925,436
2019	3,831,214	804,555
2018	1,086,171	228,096
2017	934,352	196,214
2016	846,705	177,808
2015	103,781	21,794
	24,579,233	4,833,376
Utilization	(191,824)	(40,283)
Translation adjustments	877,433	184,262
	₱25,264,842	₱4,977,355

The Jollibee Group continues to recognize NOLCO of USA-based entities, even incurring losses, since these NOLCO has no prescription effective taxable year 2018. The 2015, 2016 and 2017 NOLCO will expire in 2035, 2036 and 2037, respectively. In addition, the Jollibee Group assess that they will have future taxable income to be able to utilize the NOLCO.

The PRC enterprise income tax law provides that income tax rates are unified at 25%. As at December 31, 2024, NOLCO of the PRC-based entities that can be claimed as deductions from taxable income are as follows:

Year Incurred	Carryforward Benefit Up to	Tax Losses	Deferred Tax at 25%
2024	December 31, 2029	₱632,440	₱158,110
2023	December 31, 2028	613,524	153,381
2022	December 31, 2027	911,520	227,880
2021	December 31, 2026	148,572	37,143
2020	December 31, 2028	780,112	195,028
		3,086,168	771,542
Write-off		(1,377,064)	(344,266)
Utilization		(33,884)	(8,471)
Translation adjustments		43,984	10,996
		₱1,719,204	₱429,801

As provided in Article 4 of the Announcement of the Ministry of Finance and the State Administration of Taxation No. 8 of 2020, the maximum carryforward year for losses incurred by enterprises in difficult industries greatly affected by the pandemic in 2020 is extended from five (5) years to eight (8) years.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2024, NOLCO of the Europe-based entity that can be claimed as deductions from taxable income are as follows:

Year Incurred	Tax Losses	Deferred Tax at 19%
2020	₱181,858	₱34,553
2018	15,305	2,908
	197,163	37,461
Translation adjustments	5,347	1,016
	₱202,510	₱38,477

NOLCO of Europe-based entity has no prescription. As at December 31, 2024, NOLCO of the Singapore-based entity that can be claimed as deductions from taxable income are as follows:

Year Incurred	Tax Losses	Deferred Tax at 17%
2023	₱169,323	₱28,785
2019	94,470	16,060
	263,793	44,845
Translation adjustment	1,629	277
	₱265,422	₱45,122

NOLCO of Singapore-based entity has no prescription

The following are the movements in deferred tax assets on NOLCO of the Jollibee Gro up:

	2024	2023
Balance at beginning of year	**₱4,780,910**	₱4,906,426
Additions	**1,777,566**	717,912
Write-offs and expirations	**(344,266)**	(797,556)
Utilization during the year	**(48,754)**	(5,418)
Translation adjustments	**196,367**	(40,454)
	₱6,361,823	₱4,780,910

The net change in deferred tax liabilities recognized in equity amounted to ₱28.2 million, ₱98.9 million and (₱149.2 million) in 2024, 2023 and 2022, respectively.

The reconciliation of provision for income tax computed at the statutory income tax rates to provision for income tax as shown in the consolidated statements of comprehensive income are as follows:

	2024	2023	2022
Provision for income tax at statutory income tax rate	**₱4,535,441**	₱3,085,589	₱2,796,900
Income tax effects of:			
Effect of different tax rate for royalty and interest income	**(687,313)**	(618,410)	(402,485)
Expired/written off NOLCO and excess of MCIT over RCIT	**(124,079)**	481,675	203,610
Net movement in unrecognized DTA	**393,965**	94,939	(144,712)
Nontaxable income	**(80,208)**	(46,796)	(40,062)
Tax effect of MSOP and ELTIP	**(128,855)**	45,432	37,591
Nondeductible expenses	**224,599**	44,221	109,128
Intrinsic value of stock options exercised	**(23,802)**	(9,951)	(101,731)
Stock option expense		(8,894)	–
Difference between OSD and itemized deductions	**(534)**	(723)	(31,732)
Effect of different tax rates for capital gains tax	**(718,970)**	–	(552,269)
Change in tax rate		–	–
Effect of different tax rates for international operations and others	**–**	289,819	1,974,869
	₱3,390,244	₱3,356,901	₱3,849,107

Provision for current income tax of foreign entities operating in the US, Canada, PRC, Vietnam, Singapore and South Korea amounted to ₱172.8 million, ₱50.0 million, ₱3.0 million, ₱190.4 million, ₱17.1 million and ₱277.4 million, respectively, in 2024 and ₱23.1 million, ₱7.5 million, ₱29.8 million, ₱163.5 million, ₱21.5 million and nil, respectively, in 2023.

Pillar Two Rules
The Organization for Economic Co-operation and Development (OECD/G20 Exclusive Framework on Base Erosion and Profit Shifting (BEPS) addresses the tax challenges arising from the digitalization of the global economy. The Global Anti-Base Erosion Model Rules (Pillar Two model rules) apply to multinational enterprises (MNEs) with annual revenue exceeding EUR750 million per their consolidated financial statements.

The Pillar Two model rules introduce four (4) new taxing mechanisms under which MNEs would pay a minimum level of tax (Minimum Tax):
- The Qualified Domestic Minimum Top-up Tax (QDMTT)
- The Income Inclusion Rule (IIR)
- The Under Taxed Payment/Profits Rule (UTPR)
- The Subject to Tax Rule

The Subject to Tax Rule is a tax treaty-based rule that generally proposes a Minimum Tax on certain cross-border intercompany transactions that otherwise are not subject to a minimum level of tax.

The new taxing mechanisms can impose a minimum tax on the income arising in each jurisdiction in which an MNE operates. The IIR, UTPR and QDMTT do so by imposing a top-up tax in a jurisdiction whenever the effective tax rate (ETR), determined on a jurisdiction basis under the Pillar Two rules, is below the 15% minimum rate.

On May 23, 2023, IASB issued International Tax Reform – Pillar Two Model Rules – Amendment to IAS 12 (the Amendments). The Amendments clarify that IAS 12 applies to income tax arising from tax law enacted or substantially enacted to implement the Pillar Two Model rules published by OECD, including the tax law that implements a QDMTT. The Jollibee Group has adopted these amendments, which introduce:

- A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of 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.

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The Pillar Two model rule was adopted by the Jollibee Group at the end of 2023 and are applicable from January 1, 2024. According to this rule, the Jollibee Group is considered an MNE to which the Pillar Two rules shall be applied. At the same time, Pillar Two legislation has been enacted or substantively enacted in several of the jurisdictions in which the Jollibee Group operates effective January 1, 2024 and some jurisdiction to be effective on January 1, 2025.

The Jollibee Group has assessed its potential tax exposure to Pillar Two income taxes based on 2023 country-by-country reporting and the 2024 financial for its constituent entities. The Pillar Two effective tax rates in most of the jurisdictions in which the Jollibee Group operates is above 15%, while some of the jurisdictions qualify under the transitional safe harbour reliefs. The Jollibee Group has identified subsidiaries that operate in jurisdiction with low statutory tax rates and noted that the potential current tax exposures under Pillar Two rules was not material as at December 31, 2024. For 2025, the Jollibee Group is anticipating almost the same level of Pillar Two tax exposure.

The Jollibee Group will continue to monitor the Pillar Two legislative developments and its potential impact to its consolidated financial statements.

25. Pension Liability

Defined Benefit Plan

The Parent Company and certain Philippine-based subsidiaries have funded, independently-administered, non-contributory defined benefit pension plan covering all permanent employees.
The benefits are based on the employees' projected salaries and number of years of service.

The funds are administered by trustee banks. Subject to the specific instructions provided in writing, the Parent Company and certain Philippine-based subsidiaries direct the trustee banks to hold, invest and reinvest the funds and keep the same invested, in its sole discretion, without distinction between principal and income in, but not limited to, certain cash and other short-term deposits, investments in government and corporate debt securities and quoted equity securities.

Under the existing regulatory framework, Republic Act No. 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employees' retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The following tables summarize the components of pension expense, included under "Cost of sales" and "General and administrative expenses" accounts in the statements of comprehensive income and pension liability in the consolidated statements of financial position, which are based on annual actuarial valuations.

Changes in pension liability of the Jollibee Group in 2024 are as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Pension Liability
At January 1, 2024	**₱4,610,165**	**₱2,278,935**	**₱2,331,230**
Pension expense (see Notes 21 and 22):			
Current service cost	**354,097**	**–**	**354,097**
Net interest	**282,239**	**139,915**	**142,324**
Settlement loss	**6,431**	**–**	**6,431**
	642,767	**139,915**	**502,852**
Benefits paid	**(229,418)**	**(229,338)**	**(80)**
Settlement paid	**(50,123)**	**(50,123)**	**–**
Remeasurements in other comprehensive income:			
Return on plan assets (excluding amount included in net interest)	**–**	**5,452**	**(5,452)**
Actuarial changes arising from changes in financial assumptions	**(54,563)**	**–**	**(54,563)**
Actuarial changes due to experience adjustment	**180,146**	**–**	**180,146**
Actuarial changes due to demographic adjustment	**(7,314)**	**–**	**(7,314)**
	118,269	**5,452**	**112,817**
Contributions	**–**	**95,420**	**(95,420)**
Transferred out - net	**(6)**	**–**	**(6)**
At December 31, 2024	**₱5,091,654**	**₱2,240,261**	**₱2,851,393**

Changes in pension liability of the Jollibee Group in 2023 are as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Pension Liability
At January 1, 2023	₱3,957,303	₱2,066,001	₱1,891,302
Pension expense (see Notes 21 and 22):			
Current service cost	303,516	–	303,516
Net interest	282,539	148,211	134,328
Settlement loss	8,089	–	8,089
	594,144	148,211	445,933
Benefits paid	(323,157)	(332,469)	9,312
Settlement paid	(44,795)	(35,484)	(9,311)
Remeasurements in other comprehensive income:			
Return on plan assets(excluding amount included in net interest)	–	30,933	(30,933)
Actuarial changesarising from changes in financial assumptions	224,270	–	224,270
Actuarial changes due to experience adjustment	159,290	–	159,290
Actuarial changes dueto demographic adjustment	43,110	–	43,110
	426,670	30,933	395,737
Contributions	–	401,743	(401,743)
At December 31, 2023	₱4,610,165	₱2,278,935	₱2,331,230

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

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The following table presents the carrying amounts, which approximate the estimated fair values, of the assets of the plan:

	2024	2023
Cash and cash equivalents	**₱8,273**	₱124,768
Investments in government and corporate debt securities	**2,513,620**	2,364,023
Investments in quoted equity securities:		
Holding firms	**178,146**	213,518
Banks	**180,139**	149,961
Property	**104,159**	135,749
Transportation	**86,328**	52,226
Food and beverage	**62,225**	54,609
Telecommunications	**47,358**	33,677
Electricity, energy, power and water	**51,559**	40,884
Others	**11,837**	18,177
Interest and dividends receivable	**2,908**	32,681
Fund liabilities (see Notes 7 and 27)	**(1,006,291)**	(941,590)
	₱2,240,261	₱2,278,683

The plan assets consist of the following:

- Investments in government securities consist of retail treasury bonds that bear interest ranging from 4.34%-6.99% and have maturities from March 2025 to July 2034 and fixed-rate treasury notes that bear interest ranging from 3.63%-9.25% and have maturities from April 2025 to May 2044.
- Investments in debt securities consist of long-term corporate bonds in the property sector, which bear interest ranging from 2.63%-6.25% maturing from August 2025 to February 2029.
- Investments in equity securities consist of investments in listed equity securities, including equity securities of the Parent Company, for certain retirement plans of the Jollibee Group (see Note 27).
- Other financial assets held by the retirement plan are primarily accrued interest income on cash and cash equivalents, debt instruments and other securities.

Pension expense as well as the present value of the pension liability are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension expense and liability for the defined benefit plans are shown below:

	2024	2023
Discount rate	**6.1%- 6.2%**	6.1%- 7.3%
Salary increase rate	**6%**	5.7%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the present value of the defined benefit obligation as at the end of the reporting year, assuming all other assumptions were held constant:

	Increase (Decrease)	Philippine Plan 2024	Philippine Plan 2023
Discount rates	+0.50%	**(111,883)**	(₱543,539)
	-0.50%	**120,387**	941,738
Future salary increases	+0.50%	**120,502**	941,645
	-0.50%	**(131,865)**	(544,587)

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31:

	2024	2023
Less than 1 year	**₱1,322,267**	₱1,141,121
More than 1 year to 5 years	**1,652,390**	1,500,190
More than 5 years to 10 years	**2,835,359**	2,450,048
More than 10 years to 15 years	**3,589,200**	3,244,825
More than 15 years to 20 years	**3,669,681**	3,710,396
More than 20 years	**9,655,504**	9,140,354

The Parent Company and certain Philippine-based subsidiaries do not have a formal asset-liability matching strategy. The overall investment policy and strategy of the retirement plans is based on the client suitability assessment, as provided by trustee banks, in compliance with the BSP requirements. Nevertheless, the Parent Company and certain Philippine-based subsidiaries ensure that there will be sufficient assets to pay the retirement benefits as they fall due while attempting to mitigate the various risks of the plans.

The plan assets are primarily exposed to financial risks such as liquidity risk and price risk. Liquidity risk pertains to the plans' ability to meet obligation to the employees upon retirement. To effectively manage liquidity risk, the trustee banks maintain assets in cash and short-term deposits. Price risk pertains mainly to fluctuation in market prices of the retirement funds' marketable securities. In order to effectively manage price risk, the trustee banks continuously assess these risks by closely monitoring the market value of the securities and implementing prudent investment strategies.

The Parent Company and certain Philippine-based subsidiaries contributed ₱95.4 million to the defined benefit pension plans in 2024.

The average duration of the defined benefit obligation is 10 years as at December 31, 2024 and 2023.

Defined Contribution Plan

The employees of the PRC-domiciled subsidiaries of the Jollibee Group are members of a state-managed pension benefit scheme operated by the national government. These subsidiaries are required to contribute a specified percentage of their payroll costs to the pension benefit scheme to fund the benefits. The only obligation of these subsidiaries with respect to the pension benefit scheme is to make the specified contributions. Pension expense under the defined contribution plan amounted to ₱470.8 million, ₱577.6 million and ₱445.0 million in 2024, 2023 and 2022, respectively.

26. Stock Options Plan

Senior Management Stock Option and Incentive Plan

On January 10, 2017 and December 17, 2002, the SEC approved the exemption requested by the Jollibee Group on the registration requirements of 31,500,000 and 101,500,000 options, respectively, underlying the Parent Company's common shares to be issued pursuant to the Jollibee Group's Senior Management Stock Option and Incentive Plan (the Plan). The Plan covers selected key members of management of the Jollibee Group and designated affiliated entities.

On December 23, 2022, the Philippine SEC approved the registration of up to 136,000,000 common shares with a par value of ₱1.00 per share to be issued at ₱167.20 to ₱216.80 per share to eligible participants of the Company pursuant to the Plan.

The Plan is divided into two programs, namely, the Management Stock Option Program (MSOP) and the Executive Long-term Incentive Program (ELTIP). The MSOP provides a yearly stock option grant program based on company and individual performance while the ELTIP provides stock ownership as an incentive to reinforce entrepreneurial and long-term ownership behavior of executive participants.

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MSOP. The MSOP is a yearly stock option grant program open to members of the senior management committee of the Jollibee Group and members of the management committee, key talents and designated consultants of some of the business units. Each MSOP cycle refers to the period commencing on the MSOP grant date and ending on the last day of the MSOP exercise period. Vesting is conditional on the employment of the employee-participants in the Jollibee Group within the vesting period. The options will vest at the rate of one-third of the total options granted on each anniversary of the MSOP grant date until the third anniversary

The exercise price of the stock options is determined by the Jollibee Group with reference to the prevailing market prices over the three months immediately preceding the date of grant for the 1st to the 7th MSOP cycle. Starting with the 8th MSOP cycle, the exercise price of the option is determined by the Jollibee Group with reference to the market closing price at date of grant.

The options will vest at the rate of one-third of the total options granted from the start of the grant date on each anniversary date which will start after a year from the grant date. For instance, under the 1st MSOP cycle, the Compensation Committee of the Jollibee Group granted 2,385,000 options to eligible participants on July 1, 2004. One-third of the options granted, or 795,000 options, vested and may be exercised starting July 1, 2005. The exercise period for the 1st MSOP cycle was until June 30, 2012. From July 1, 2005 to October 25, 2023, the Compensation Committee granted series of MSOP grants under the 2nd to 20th MSOP cycle to eligible participants. Under the most recent grant on August 13, 2024, the 21st MSOP cycle, the Compensation Committee granted 2,807,880 options. These options vest similar to the 1st MSOP cycle.

The options under MSOP expire eight (8) years after grant date. The 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th , 12th and 13th MSOP cycles expired in 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024, respectively.

The Jollibee Group does not pay cash as a form of settlement.

The movements in the number of stock options outstanding under MSOP and related weighted average exercise prices (WAEP) in 2024, 2023 and 2022 follow:

	2024		2023		2022	
	Number of Options	**WAEP**	Number of Options	WAEP	Number of Options	WAEP
Total options granted at beginning of period	**71,014,940**	**₱135.87**	65,466,338	₱129.24	61,141,454	₱122.96
Options granted during the year	**2,807,880**	**234.60**	5,548,602	214.00	4,324,884	218.00
Total options granted at end of year	**73,822,820**	**₱139.62**	71,014,940	₱135.87	65,466,338	₱129.24
Outstanding at beginning of year	**21,024,259**	**₱209.77**	17,246,159	₱205.97	20,984,985	₱194.51
Options granted during the year	**2,807,880**	**234.60**	5,548,602	214.00	4,324,884	218.00
Options exercised during the year	**(3,162,620)**	**218.04**	(827,462)	189.72	(5,886,568)	180.01
Options forfeited during the year	**(536,496)**	**219.90**	(943,040)	182.77	(2,177,142)	189.61
Outstanding at end of year	**20,133,023**	**₱211.66**	21,024,259	₱209.77	17,246,159	₱205.97
Exercisable at end of year	**12,184,447**	**₱204.91**	11,185,984	₱208.08	8,706,088	₱216.22

The weighted average share price of the Parent Company's common shares is ₱246.97, ₱234.57 and ₱228.53 in 2024, 2023 and 2022, respectively. The weighted average remaining contractual life for the stock options outstanding is 5.04 years, 5.16 years and 5.14 years as at December 31, 2024, 2023 and 2022, respectively.

The weighted average fair value of stock options granted in 2024, 2023 and 2022 is ₱80.55, ₱77.52 and ₱64.50, respectively. The fair value of share options as at the date of grant is estimated using the Black-Scholes Option Pricing Model, taking into account, the terms and conditions upon which the options were granted. The option style used for this plan is the American style because the option plan allows exercise before the expiry date.

The inputs in the valuation of the options granted on the dates of grant for each MSOP cycle are shown below:

MSOP Cycle	Year of Grant	Dividend Yield	Expected Volatility	Risk-free Interest Rate	Expected Life of the Option	Stock Price on Grant Date	Exercise Price
12th	2015	2.00%	18.94%	2.98%	3-4 years	₱180.00	₱180.00
13th	2016	2.00%	17.76%	2.63%	3-4 years	236.00	236.00
14th	2017	2.00%	16.70%	3.92%	3-4 years	206.20	206.20
15th	2018	2.00%	28.98%	4.95%	3-4 years	245.00	245.00
16th	2019	2.00%	27.65%	4.18%	3-4 years	219.00	219.00
17th	2020	2.00%	35.17%	2.40%	3-4 years	138.00	138.00
18th	2021	1.70%	36.19%	2.29%	3-4 years	189.60	189.60
19th	2022	1.70%	37.18%	4.92%	3-4 years	218.00	218.00
20th	2023	1.56%	34.42%	6.63%	5 years	214.00	214.00
21st	2024	1.83%	34.39%	6.08%	5 years	234.60	234.60

The expected life of the stock options is based on historical data and current expectations and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

ELTIP. The ELTIP entitlement is given to members of the senior management committee and designated consultants of the Jollibee Group.

Each ELTIP cycle refers to the period commencing on the ELTIP entitlement date and ending on the last day of the ELTIP exercise year. Actual grant and vesting are conditional upon achievement of the Jollibee Group's medium to long-term goals and individual targets in a given period, and the employment of the employee-participants in the Jollibee Group within the vesting period. If the goals are achieved, the options will be granted. For the 3rd ELTIP cycle, a percentage of the options to be granted are based on the percentage of growth in annual earnings per share such that 100%, 50% or 25% of the options granted when percentage of growth in annual earnings per share are 12% and above, 10% to less than 12% or 8% to less than 10%, respectively. For the 4th ELTIP cycle, the percentage of the options to be granted and the targeted percentage of growth in annual earnings per share have been further revised such that 150%, 100% or 50% of the options granted when percentage of growth in annual earnings per share are 15% and above, 12% to less than 15% or 10% to less than 12%, respectively.

The exercise price of the stock options under ELTIP is determined by the Jollibee Group with reference to the prevailing market prices over the three months immediately preceding the date of entitlement for the first and second ELTIP cycles. Starting with the 3rd ELTIP cycle, the exercise price of the option is determined by the Jollibee Group with reference to the closing market price as at the date of entitlement.

The options will vest at the rate of one-third of the total options granted on each anniversary date which will start after the goals are achieved. For instance, on July 1, 2004, the Compensation Committee gave an entitlement of 22,750,000 options under the 1st ELTIP cycle to eligible participants. One-third of the options granted, or 7,583,333 options, vested

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and were exercised starting July 1, 2007 until June 30, 2012. On July 1, 2008, October 19, 2012, August 25, 2015, January 3, 2018 and May 19, 2021, entitlement to 20,399,999, 24,350,000, 11,470,000, 9,290,000 and 15,629,998 options were given to eligible participants under the 2nd, 3rd, 4th, 5th and 6th ELTIP cycles, respectively. The 1st, 2nd, 3rd and 4th ELTIP cycles expired on June 30, 2012, April 30, 2017, April 30, 2020 and April 30, 2023, respectively. The 5th ELTIP cycle was not granted to ELTIP participants as the Jollibee Group did not achieve the minimum hurdle rate of 10% of annual growth of the EPS due to the impact of the COVID-19 pandemic to Jollibee Group's business performance in 2020. The 6th ELTIP cycle was granted on May 1, 2024 at 100% of options allocated with a total of 11,368,932 options.

The Jollibee Group does not pay cash as a form of settlement.

The movements in the number of stock options outstanding for the 4th ELTIP cycle and related WAEP in 2024, 2023 and 2022 follow:

	2024		2023		2022	
	Number of Options	**WAEP**	Number of Options	WAEP	Number of Options	WAEP
Total options granted at beginning and end of year	**90,338,931**	**₱87.21**	78,969,999	₱74.58	78,969,999	₱74.58
Outstanding at beginning of year	**–**	**₱–**	476,667	₱180.00	3,680,034	₱180.00
Options granted during the year	**11,368,932**	**175.00**	(286,667)	180.00	(2,997,367)	180.00
Options exercised during the year	**(44,445)**	**175.00**	(190,000)	180.00	(206,000)	180.00
Outstanding at end of year	**11,324,487**	**₱175.00**	–	₱–	476,667	₱180.00
Exercisable at end of year	**3,745,199**	**₱175.00**	–	₱–	476,667	₱180.00

The weighted average remaining contractual life for the stock options outstanding is 4.33 years and nil as at December 31, 2024 and 2023, respectively.

The fair value of stock options granted is ₱80.55 in 2024 and ₱26.13 in 2015. There were no additional stock option grants under ELTIP in 2023 and 2022. The fair value of share options as at the date of grant is estimated using the Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the options were granted. The option style used for this plan is the American style because this option plan allows exercise before the maturity date.

The inputs to the model used for the options granted on the date of grant for the 6th ELTIP cycle are shown below:

ELTIP Cycle	Year of Grant	Dividend Yield	Expected Volatility	Risk-free Interest Rate	Expected Life of the Option	Stock Price on Grant Date	Exercise Price
6th	2024	1.70%	33.12%	3.13%	5 years	₱175.00	₱175.00

The expected life of the stock options is based on historical data and current expectations and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

On October 1, 2024, the Parent Company has replaced the MSOP and ELTIP with a Restricted Stock Unit Program (RSUP) to align leadership behavior with long-term shareholder value creation.

The RSUP is a long-term incentive program under the Plan established by the Parent Company. It entitles participants to earn stock units, subject to meeting set eligibility and performance criteria. Eligible participants include the leadership teams, key talents and designated consultants of the Jollibee Group.

The RSUP emphasizes performance over a 3-year horizon, with clearly defined performance hurdles to drive sustained profitability and growth. Designed to support the Jollibee Group's strategic objectives, the RSUP fosters value creation, strengthens growth momentum, and positions the Jollibee Group for global leadership in the QSR industry

The RSUP has an annual cycle. Every year, employees who meet the set eligibility criteria are identified as RSUP participants and are granted stock units. Granted stock units will cliff-vest over a 3-year period. On the RSUP Vesting Date, the number of shares to be issued to the grantees of stock units will be computed using the Stock Units Multiplier. The Stock Units Multiplier shall take into account the achievement by the Jollibee Group of performance targets based on the Parent Company's three (3)-year share price growth rate for the relevant RSUP Stock Unit Cycle.

On October 1, 2024, under the RSUP Cycle 1, Jollibee Group has given a total of 3,205,850 stock units entitlement to eligible participants. The vesting date is on October 1, 2027, subject to meeting the Parent Company's 3-yr share price growth rate targets.

The cost of the stock options expense charged to operations for both MSOP and ELTIP in the "General and administrative expenses" account amounted to ₱497.3 million, ₱353.9 million and ₱185.0 million in 2024, 2023 and 2022, respectively (see Notes 19, 22 and 27). Correspondingly, a credit was made to additional paid-in-capital (see Note 19).

27. Related Party Transactions

The Jollibee Group has transactions with related parties. Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Jollibee Group, including holding companies, subsidiaries and fellow subsidiaries are related entities of the Jollibee Group. Individuals owning, directly or indirectly, an interest in the voting power of the Jollibee Group that give them significant influence over the enterprise, key management personnel, including directors and officers of the Jollibee Group, and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

Compensation of Key Management Personnel of the Jollibee Group

The aggregate compensation and benefits to key management personnel of the Jollibee Group are as follows:

	2024	2023	2022
Salaries and short-term benefits	**₱2,629,284**	₱2,195,691	₱1,803,677
Stock options expense (see Notes 19, 22 and 26)	**497,273**	353,863	185,016
Net pension expense	**196,114**	272,801	187,618
Employee car plan and other long-term benefits	**55,179**	49,533	51,999
	₱3,377,850	₱2,871,888	₱2,228,310

Transactions with the Retirement Plans

As at December 31, 2024 and 2023, certain retirement funds of the Jollibee Group include investment in equity securities of the Parent Company with details as follows:

	2024	2023
Number of shares	**108,100**	83,760
Market value	**₱31,072**	₱21,057
Cost	**27,609**	18,690
Unrealized gain	**₱3,463**	₱2,367

The Jollibee Group's receivable from the retirement fund amounted to ₱1,009.0 million and ₱770.3 million as at December 31, 2024 and 2023, respectively (see Notes 7 and 25). The receivable arose from benefit payments made by the Jollibee Group for and on behalf of the retirement plans. The receivable is noninterest-bearing.

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Terms and Conditions of Transactions with other Related Parties
Transactions with related parties are made at market prices and are normally settled in cash. The Jollibee Group has approval process and established limits when entering into material related party transactions. For related party transactions related to advances to joint ventures which include the terms and conditions, transactions and outstanding balance as at December 31, 2024 and 2023, respectively, are disclosed in Note 11 to the consolidated financial statements. Other related party transactions between entities under the Jollibee Group are eliminated in the consolidation process

28. Earnings Per Share (EPS)

Basic and diluted EPS are computed as follows:

	2024	2023	2022
	(In Thousand pesos, except for shares data and EPS)		
Net income attributable to the equity holders of the Parent Company	**₱10,316,529**	₱8,766,116	₱7,558,503
Less dividends on preferred shares – net of tax	**428,181**	451,105	451,190
Adjusted net income attributable to the equity holders of the Parent Company (a)	**₱9,888,348**	₱8,315,011	₱7,107,313
Weighted average number of shares - basic (b)	**1,117,243,842**	1,115,319,822	1,110,581,972
Weighted average number of shares outstanding under the stock options plan	**27,182,399**	8,282,429	16,441,062
Weighted average number of shares that would have been purchased at fair market value	**(24,014,732)**	(6,520,800)	(13,405,748)
Adjusted weighted average shares – diluted (c)	**1,120,411,509**	1,117,081,451	1,113,617,286
EPS			
Basic (a/b)	**₱8.851**	₱7.455	₱6.400
Diluted (a/c)	**8.826**	7.444	6.382

Potential common shares for stock options under the 15th and 21st MSOP cycles in 2024 and 13th, 15th and 19th MSOP cycles in 2023 were not included in the calculation of the diluted EPS because they are anti-dilutive.

29. Leases

Jollibee Group as Lessee
The Jollibee Group has lease contracts for QSR outlets, warehouses, and office spaces. Leases of QSR outlets and warehouses generally have lease terms between three (3) to twenty (20) years. The Jollibee Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Jollibee Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed in subsequent paragraphs.

The Jollibee Group also has certain leases of QSR outlets with lease term of 12 months or less. The Jollibee Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	QSR Outlets	Warehouses	Office Spaces	Total
As at December 31, 2022	**₱41,529,442**	**₱505,714**	**₱42,857**	**₱42,078,013**
Additions	11,582,370	928,286	233,621	12,744,277
Depreciation expense	(9,284,204)	(73,190)	(43,166)	(9,400,560)
Pre-terminations	(733,426)	–	–	(733,426)
Reversal of impairment loss	130,843	–	–	130,843
Cumulative translation adjustments	147,435	–	(527)	146,908
As at December 31, 2023	**43,372,460**	**1,360,810**	**232,785**	**44,966,055**
Additions	8,634,010	53,371	94,646	8,782,027
Depreciation expense (see Notes 21 and 22)	(9,081,139)	(64,412)	(130,618)	(9,276,169)
Pre-terminations (see Note 23)	(457,175)	–	–	(457,175)
Cumulative translation adjustments	508,110	–	6,650	514,760
As at December 31, 2024	**₱42,976,266**	**₱1,349,769**	**₱203,463**	**₱44,529,498**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	December 2024	December 2023
As at beginning of year	**₱51,731,529**	₱48,144,447
Payments	**(11,343,098)**	(11,158,642)
Additions	**8,734,271**	12,717,272
Accretion of interest (see Note 23)	**3,056,484**	2,799,307
Pre-terminations (see Note 23)	**(526,599)**	(838,394)
Cumulative translation adjustments	**568,857**	67,539
As at end of year	**₱52,221,444**	₱51,731,529
Current	**₱8,106,429**	₱8,442,985
Noncurrent	**44,115,015**	43,288,544

The maturity analysis of lease liabilities is disclosed in Note 31.

The following are the amounts recognized in profit or loss:

	2024	2023	2022
Depreciation expense of right-of-use assets (see Notes 21 and 22)	**₱9,276,169**	₱9,400,560	₱8,895,357
Rent expense - short-term leases (see Notes 21 and 22)	**4,782,869**	3,802,175	3,049,252
Interest expense on lease liabilities (see Note 23)	**3,056,484**	2,799,307	2,559,104
Rent expense - variable lease payments (see Notes 21and 22)	**2,556,216**	2,378,466	2,008,831
Gain on pre-termination of lease agreements (see Note 23)	**(69,424)**	(78,840)	(166,816)
	₱19,602,314	₱18,301,668	₱16,345,728

The Jollibee Group had total cash outflows for leases of ₱18,682.2 million, ₱17,339.3 million and ₱15,152.8 million in 2024, 2023 and 2022, respectively.

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Jollibee Group as Lessor
The Jollibee Group entered into commercial property leases for its investment property units. These leases have terms of between three (3) and twenty (20) years. Leases generally include a clause to enable upward revision of the rent charges on an annual basis based on prevailing market conditions.

Rent income recognized on a straight-line basis amounted to ₱31.8 million, ₱20.1 million, and ₱7.0 million in 2024, 2023. and 2022, respectively (see Note 20).

Jollibee Group as an Intermediate Lessor
The Jollibee Group subleases certain parcels of land with lease terms between five (5) to twenty (20) years. The lease contracts contain renewal options under terms and conditions that are mutually agreed upon by the parties.

Set out below are the carrying amounts of finance lease receivables and the movements during the year:

	2024	2023
At beginning of year	**₱811**	₱41,619
Payments	**(811)**	(15,710)
Pre-terminations	**–**	(26,128)
Accretion of interest	**–**	1,030
At end of year	**₱–**	₱811

Shown below is the maturity analysis of the undiscounted finance lease receivables:

	2024	2023
1 year	**₱–**	₱298
more than 1 year to 5 years	**–**	1,150

30. Contingencies

The Jollibee Group is involved in litigations, claims and disputes, and regulatory assessments which are normal to its business. Management believes that the ultimate liability, if any, with respect to these litigations, claims and disputes will not materially affect the financial position and financial performance of the Jollibee Group. Thus, other than the provisions in Note 17, there were no other provisions made for contingencies.

The Jollibee Group does not provide further information on these provisions and contingencies in order not to impair the outcome of the litigations, claims and disputes.

31. Financial Risk Management Objectives and Policies

The Jollibee Group is exposed to a variety of financial risks from its operating, investing and financing activities. The Jollibee Group's risk management policies focus on actively securing the Jollibee Group's short-term to medium-term cash flows by minimizing the exposure to financial markets.

The Jollibee Group's principal financial instruments comprise of cash and cash equivalents, short-term investments, current portion of financial assets at FVTPL, receivables, short-term and long-term debts and senior debt securities. The main purpose of these financial instruments is to obtain financing for the Jollibee Group's operations. The Jollibee Group has other financial assets and liabilities such as security and other deposits, finance lease receivables, lease liabilities and trade payables and other current liabilities (excluding accrual for local and other taxes, liabilities to government agencies and unearned revenue from gift certificates) which arise directly from its operations and noncurrent portion of financial assets at FVTPL.

The main risks arising from these financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The risk management policies reviewed regularly by the Parent Company's BOD and management for managing each of these risks are summarized as follows:

Interest Rate Risk
Interest rate risk arises from the possibility that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Jollibee Group's exposure to interest rate risk relates primarily to short-term and long-term debts with floating interest rates. Floating rate financial instruments are subject to cash flow interest rate risk. The Jollibee Group's interest rate exposure management policy centers on reducing the Jollibee Group's overall interest expense and exposure to changes in the interest rates.

With the Jollibee Group's Corporate Planning Team, it enters into loan contracts with variable interest rates and option to fix interest rates which can be availed to manage its loan risks.

There is minimal exposure on the other sources of the Jollibee Group's interest rate risk. These other sources are from the Jollibee Group's cash in banks, short-term deposits and short-term investments.

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Jollibee Group's income before income tax as at December 31, 2024, 2023 and 2022. The impact on the Jollibee Group's income before income tax is due to changes in the fair value of floating interest rates.

Long-term Debt with Floating Interest Rates

	Increase/ Decrease in Basis Points	Effect in Profit or Loss Before Income Tax		
		2024	2023	2022
PHP	+100	**(₱113,512)**	(₱93,435)	(₱134,998)
	-100	**113,512**	93,435	134,998
USD	+100	**(17,355)**	(15,448)	(15,724)
	-100	**17,355**	15,448	15,724
VND	+100	**(14,375)**	(15,393)	(11,909)
	-100	**14,375**	15,393	11,909
MYR	+100	**(5,456)**	–	–
	-100	**5,456**	–	–
SGD	+100	**(4,856)**	(1,894)	–
	-100	**4,856**	1,894	–

The assumed movement in basis point for interest rate sensitivity analysis is based on the currently observable market environment.

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Foreign Currency Risk

The Jollibee Group's exposure to foreign currency risk arises from the Parent Company's investments outside the Philippines, which are mainly in the Singapore, USA, PRC and Vietnam. The net assets of foreign businesses account for 8.0% and 7.6% of the consolidated net assets of the Jollibee Group as at December 31, 2024 and 2023, respectively.

The Jollibee Group also has transactional foreign currency exposures. Such exposures arise from the Jollibee Group's Philippine operations' cash and cash equivalents, receivables and trade payables in foreign currencies.

The table below shows the Jollibee Group's Philippine operations' foreign currency-denominated monetary assets and liabilities and their peso equivalents as at December 31:

	2024		2023	
	USD	**PHP Equivalent**	USD	PHP Equivalent
Foreign currency denominated assets:				
Cash and cash equivalents	**18,521**	**1,071,440**	20,881	1,156,181
Receivables	**13,127**	**759,397**	18,590	1,029,328
	31,648	**1,830,837**	39,471	2,185,509
Foreign currency denominated liability -				
Accounts payable - trade	**(6,234)**	**(360,637)**	(6,019)	(333,272)
Foreign currency denominated assets - net	**25,414**	**1,470,200**	33,452	1,852,237

Foreign Currency Risk Sensitivity Analysis

The Jollibee Group has recognized in its profit or loss, a net foreign exchange loss of ₱801.8 million in 2024, ₱106.5 million in 2023 and net foreign exchange gain of ₱44.0 million in 2022 (see Note 23), included under "Other income - net" account. This resulted from the movements of the Philippine peso against the USD as shown below:

December 31, 2024	**57.85**
December 31, 2023	55.37
December 31, 2022	55.76

The table below demonstrates the sensitivity to a reasonably possible change in USD to Philippine peso exchange rate, with all other variables held constant, of the Jollibee Group's income before income tax (due to changes in the fair value of monetary assets and liabilities) as at December 31:

		2024		2023	
Appreciation (Depreciation) of ₱ against Foreign Currency		**Effect on Income before Income Tax**	**Effect on Equity before Income Tax**	Effect on Income before Income Tax	Effect on Equity before Income Tax
USD	1.50	**(₱38,121)**	**(₱38,121)**	(₱50,178)	(₱50,178)
	(1.50)	**38,121**	**38,121**	50,178	50,178
	1.00	**(25,414)**	**(25,414)**	(33,452)	(33,452)
	(1.00)	**25,414**	**25,414**	33,452	33,452

Credit Risk

Credit risk is the risk that a customer or counterparty fails to fulfill its contractual obligations to the Jollibee Group. This includes risk of non-payment by borrowers, failed settlement of transactions and default on outstanding contracts.

The Jollibee Group has a strict credit policy. Its credit transactions are with franchisees and customers that have gone through rigorous screening before granting them the franchise. The credit terms are very short, while deposits and advance payments are also required before rendering the services or delivering the goods, thus, mitigating the possibility of non-collection. In cases of non-collection, defaults of the debtors are not tolerated; the exposure is contained the moment a default occurs and transactions that will further increase the exposure of the Jollibee Group are discontinued.

The Jollibee Group has no significant concentration of credit risk with counterparty. The Jollibee Group's franchisee profile is such that no single franchisee accounts for more than 5% of the total system-wide sales of the Jollibee Group.

Credit Risk Exposure. The tables below show the maximum exposure to credit risk of the Jollibee Group as at December 31, 2024 and 2023 without considering the effects of collaterals and other credit risk mitigation techniques:

	2024		
	Gross Maximum Exposure (a)	**Fair Value and Financial Effect of Collateral or Credit Enhancement (b)**	**Net Exposure (c) - (a) - (b)**
		(In Millions)	
Financial Assets at Amortized Cost			
Cash and cash equivalents*	**₱28,991.4**	**₱304.1**	**₱28,687.3****
Short-term investments	**85.5**	**–**	**85.5**
Receivables:			
Trade	**7,600.6**	**–**	**7,600.6**
Advances to employees	**1,473.3**	**–**	**1,473.3**
Receivable from retirement fund	**1,009.0**	**–**	**1,009.0**
Employee car plan receivables****	**187.4**	**–**	**187.4**
Other receivables***	**6.1**	**–**	**6.1**
Other noncurrent assets -			
Security and other deposits****	**4,272.6**	**–**	**4,272.6**
Financial assets at FVTPL****	**585.6**	**–**	**585.6**
	₱44,211.5	**₱304.1**	**₱43,907.4**

** Excluding cash on hand amounting to ₱335.2 million.*
*** Gross financial assets after taking into account insurance bank deposits for cash and cash equivalents.*
**** Including interest receivable and excluding receivables from government agencies amounting to ₱85.5 million*
***** Including noncurrent portion*

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	2023		
	Gross Maximum Exposure (a)	Fair Value and Financial Effect of Collateral or Credit Enhancement (b)	Net Exposure (c) – (a) - (b)
		(In Millions)	
Financial Assets at Amortized Cost			
Cash and cash equivalents*	₱32,831.1	₱304.1	₱32,527.0**
Short-term investments	624.8	–	624.8
Receivables:			
Trade	6,549.3	–	6,549.3
Receivable from retirement fund	770.3	–	770.3
Advances to employees	706.3	–	706.3
Employee car plan receivables****	184.1	–	184.1
Other receivables***	15.8	–	15.8
Finance lease receivables	0.8	–	0.8
Other noncurrent assets -			
Security and other deposits****	3,797.6	–	3,797.6
Financial assets at FVTPL****	8,170.0	–	8,170.0
	₱53,650.1	₱304.1	₱53,346.0

** Excluding cash on hand amounting to ₱401.4 million.*
*** Gross financial assets after taking into account insurance bank deposits for cash and cash equivalents.*
**** Including interest receivable and excluding receivables from government agencies amounting to ₱97.8 million*
***** Including noncurrent portion*

With respect to credit risk arising from financial assets of the Jollibee Group, the Jollibee Group's exposure to credit risk arises from default of the counterparty, with a gross maximum exposure equal to the carrying amount of these instruments.

Credit Quality. The financial assets of the Jollibee Group are grouped according to stage of which description is explained as follows:

Stage 1 - Those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - Those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as at reporting date.

Stage 3 - Those that are considered in default or demonstrate objective evidence of impairment as at reporting date.

The tables below show determination of ECL stage of the Jollibee Group's financial assets:

	2024			
		Stage 1	Stage 2	Stage 3
	Total	12-month ECL	Lifetime ECL	Lifetime ECL
Financial Assets at Amortized Cost		*(in Millions)*		
Receivables:				
Trade	**₱7,600.6**	**₱5,012.9**	**₱1,205.8**	**₱1,381.9**
Advances to employees	**1,473.3**	**1,473.3**	**–**	**–**
Receivable from retirement fund	**1,009.0**	**53.0**	**956.0**	**–**
Employee car plan receivables*	**187.4**	**187.4**	**–**	**–**
Other receivables**	**6.1**	**6.1**	**–**	**–**
Contract Assets	**1,946.4**	**1,946.4**	**–**	**–**
Financial Assets at FVTPL*	**585.6**	**585.6**	**–**	**–**
	₱12,808.4	**₱9,264.7**	**₱2,161.8**	**₱1,381.9**

**Including noncurrent portion*
***Including interest receivable and excluding receivables from government agencies amounting to ₱85.5 million*

	2023			
		Stage 1	Stage 2	Stage 3
	Total	12-month ECL	Lifetime ECL	Lifetime ECL
Financial Assets at Amortized Cost		(in Millions)		
Receivables:				
Trade	₱6,549.3	₱4,101.4	₱1,277.8	₱1,170.1
Receivable from retirement fund	770.3	33.5	736.8	–
Advances to employees	706.3	706.3	–	–
Employee car plan receivables*	184.1	184.1	–	–
Other receivables**	15.8	15.8	–	–
Contract Assets	1,535.9	1,535.9	–	–
Financial Assets at FVTPL*	8,170.0	8,170.0	–	–
	₱17,931.7	₱14,747.0	₱2,014.6	₱1,170.1

**Including noncurrent portion*
***Including interest receivable and excluding receivables from government agencies amounting to ₱97.8 million*

Liquidity Risk
The Jollibee Group's exposure to liquidity risk refers to the risk that its financial liabilities are not serviced in a timely manner and that its working capital requirements and planned capital expenditures are not met. To manage this exposure and to ensure sufficient liquidity levels, the Jollibee Group closely monitors its cash flows to be able to finance its capital expenditures and to pay its obligations as and when they fall due.

On a weekly basis, the Jollibee Group's Cash and Banking Team monitors its collections, expenditures and any excess/deficiency in the working capital requirements, by preparing cash position reports that present actual and projected cash flows for the subsequent week. Cash outflows resulting from major expenditures are planned so that money market placements are available in time for the planned major expenditure. In addition, the Jollibee Group has short-term cash deposits and portfolio investments and has available credit lines with accredited banking institutions, in case there is a sudden deficiency. The Jollibee Group maintains a level of cash and cash equivalents deemed sufficient to finance its operations. No changes were made in the objectives, policies or processes of the Jollibee Group.

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The Jollibee Group's financial assets, which have maturity of less than 12 months and are used to meet its short-term liquidity needs, are cash and cash equivalents, short-term investments, financial assets at FVTPL and trade receivables and contract assets amounting to ₱29,326.6 million, ₱85.5 million, ₱211.5 million and ₱8,165.1 million, respectively, as at December 31, 2024 and ₱33,232.5 million, ₱624.8 million, ₱7,853.8 million and ₱6,915.1 million, respectively, as at December 31, 2023.

The tables below summarize the maturity profile of the Jollibee Group's other financial liabilities based on the contractual undiscounted cash flows as at December 31, 2024 and 2023:

	2024				
	Due and Demandable	Less than 1 Year	1 to 5 Years	Over 5 Years	Total
			(in Millions)		
Financial Liabilities					
Trade payables and other current liabilities*	**₱11,695.0**	**₱31,037.4**	**₱–**	**₱–**	**₱42,732.4**
Short-term debt	**–**	**6,472.2**	**–**	**–**	**6,472.2**
Long-term debt (including current portion)	**–**	**4,870.6**	**11,953.9**	**1,616.8**	**18,441.3**
Senior debt securities	**–**	**1,182.3**	**21,010.4**	**17,767.2**	**39,959.9**
Lease liabilities	**–**	**10,733.2**	**34,484.1**	**38,363.0**	**83,580.3**
Total Financial Liabilities	**₱11,695.0**	**₱54,295.7**	**₱67,448.4**	**₱57,747.0**	**₱191,186.1**

**Excluding statutory obligations such as local and other taxes payable, PHIC, SSS, HDMF and NHMFC payables and unearned revenue from gift certificates amounting to ₱5,632.0 million as at December 31, 2024*

	2023				
	Due and Demandable	Less than 1 Year	1 to 5 Years	Over 5 Years	Total
			(in Millions)		
Financial Liabilities					
Trade payables and other current liabilities*	₱13,025.8	₱28,669.5	₱–	₱–	₱41,695.3
Short-term debt	–	6,062.2	–	–	6,062.2
Long-term debt (including current portion)	–	6,812.7	6,413.0	–	13,225.7
Senior debt securities	–	1,474.2	20,452.3	17,794.5	39,721.0
Lease liabilities	–	10,334.0	33,947.6	31,284.9	75,566.5
Total Financial Liabilities	₱13,025.8	₱49,766.4	₱64,399.1	₱49,079.4	₱176,270.7

**Excluding statutory obligations such as local and other taxes payable, PHIC, SSS, HDMF and NHMFC payables and unearned revenue from gift certificates amounting to ₱5,140.2 million as at December 31, 2023*

Price Risk
Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or contract, or by factors affecting all similar contracts or financial instruments traded in the market.

The Jollibee Group's price risk exposure relates to financial assets which values will fluctuate as a result of changes in market prices.

The Jollibee Group price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments.

The Jollibee Group has no significant concentration of price risk.

The Jollibee Group is not exposed to significant equity price risk on its investment in quoted equity securities consisting of investment in golf and club shares and private equity fund.

At the reporting date, the Jollibee Group's exposure to other price risk arises from the changes in fair value of bond funds. The Jollibee Group has determined that an increase (decrease) ranging from 1% to 5% on the market prices could have an impact of approximately ₱0.1 million and ₱235.6 million on the profit or loss and equity before income tax as at December 31, 2024 and 2023, respectively.

The analysis was performed for reasonably possible movements in the market index with all other variables held constant. The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis.

Capital Management Policy
Capital includes equity attributable to equity holders of the Parent Company.

The primary objective of the Jollibee Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Jollibee Group has sufficient capitalization.

The Jollibee Group generates cash flows from operations sufficient to finance its organic growth. It declares cash dividends representing at least one-third of its consolidated net income, a ratio that would still leave some additional cash for future expansion. If needed, the Jollibee Group would borrow money for acquisitions of new businesses.

As at December 31, 2024 and 2023, the Jollibee Group's debt ratio and net debt ratio are as follows:

Debt Ratio

	2024	2023
Total debt (a)	**₱168,983,475**	₱157,917,561
Total equity attributable to equity holders of the Parent Company	**73,038,833**	67,922,881
Total debt and equity attributable to equity holders of the Parent Company (b)	**₱242,022,308**	₱225,840,442
Debt ratio (a/b)	**70%**	70%

Net Debt Ratio

	2024	2023
Total debt	**₱168,983,475**	₱157,917,561
Less cash and cash equivalents, short-term investments and current portion of financial assets at FVTPL	**29,623,638**	41,711,088
Net debt (a)	**139,359,837**	116,206,473
Total equity attributable to equity holders of the Parent Company	**73,038,833**	67,922,881
Net debt and equity attributable to equity holders of the Parent Company (b)	**₱212,398,670**	₱184,129,354
Net debt ratio (a/b)	**66%**	63%

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32. Fair Value of Financial Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.

Financial Instruments Which Carrying Amounts Approximate Fair Value. Management has determined that the carrying amounts of cash and cash equivalents, short-term investments, receivables, trade payables and other current liabilities, based on their notional amounts, reasonably approximate their fair values because of their short-term nature or due to the immaterial effect of discounting when the present value of future cash flows from these instruments are calculated.

Financial Assets at FVTPL. The fair value of bond funds, private equity fund investment and quoted shares of stock in golf and leisure clubs are based on quoted prices. The Jollibee Group does not have the intention to dispose its quoted shares of stock in the near term.

Finance Lease Receivables, Security and Other Deposits, Employee Car Plan Receivables, Long-term Debt and Lease Liabilities. Management has determined that the estimated fair value of finance lease receivables, security and other deposits, noncurrent portion of employee car plan receivables, long-term debt and lease liabilities are based on the discounted value of future cash flows using the following applicable rates in 2024 and 2023:

Finance lease receivables	3.95%-5.82%
Security and other deposits	1.74%-14.02%
Employee car plan receivables	2.30%-8.50%
Long-term debt	0.75%-5.87%
Lease liabilities	2.00%-9.00%

The following tables provide the fair value measurement hierarchy of the Jollibee Group's recurring financial assets and liabilities.

Quantitative disclosure fair value measurement hierarchy for assets as at December 31, 2024:

		Fair Value Measurement Using		
	Carrying Value	Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value -					
Financial assets at FVTPL	₱585,580	**₱585,580**	**₱–**	**₱585,580**	**₱–**
Assets for which fair value is disclosed:					
Finance lease receivables	–	**–**	**–**	**–**	**–**
Other noncurrent assets:					
Security and other deposits	4,272,588	**1,926,329**	**–**	**–**	**1,926,329**
Employee car plan receivables	187,355	**136,422**	**–**	**–**	**136,422**

Quantitative fair value measurement hierarchy for assets as at December 31, 2023:

		Fair Value Measurement Using			
	Carrying Value	Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value -					
Financial assets at FVTPL	₱8,169,982	₱8,169,982	₱–	₱8,169,982	₱–
Assets for which fair value is disclosed:					
Finance lease receivables	811	811	–	–	811
Other noncurrent assets:					
Security and other deposits	3,797,582	1,712,169	–	–	1,712,169
Employee car plan receivables	184,066	134,027	–	–	134,027

Quantitative fair value measurement hierarchy for liabilities as at December 31, 2024:

			Fair Value Measurement Using		
	Date of Valuation	Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities disclosed at fair value:					
Tenants' deposit	**December 31, 2024**	**₱3,578**	**₱–**	**₱–**	**₱3,578**
Long-term debt	**December 31, 2024**	**16,052,579**	**–**	**–**	**16,052,579**

Quantitative fair value measurement hierarchy for liabilities as at December 31, 2023:

			Fair Value Measurement Using		
	Date of Valuation	Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities disclosed at fair value:					
Tenants' deposit	December 31, 2023	₱3,261	₱–	₱–	₱3,261
Long-term debt	December 31, 2023	15,498,567	–	–	15,498,567

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements during the period.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

33. Notes to the Statements of Cash Flows

For the years ended December 31, 2024 and 2023, movements in the Jollibee Group's liabilities and equity arising from financing activities follow:

	2024													
	January 1, 2024	Cash Flows	Dividends Declared (Note 19)	Granted Stock Options to Employees and Subsidiaries (Note 22)	Interest Expense (Note 23)	Amortization of Debt Issue Cost (Note 18)	Cumulative Translation Adjustments	Share in Net Earnings of Non-controlling Interest (Note 11)	Share in Cumulative Translation Adjustments of Non-controlling Interest (Note 11)	Additions (Note 29)	Pre-termination of Leases (Note 29	Acquisition of a Business (Note 11)	Stock held in Treasury (Note 19)	December 31, 2024
							(in Millions)							
Dividends and distributions payable (see Note16)	₱594.6	(₱4,663.9)	₱4,663.4	₱–	₱–	₱–	₱11.7	₱–	₱–	₱–	₱–	₱–	₱–	₱605.8
Short-term debt (Note 18)	5,751.7	500.9	–	–	–	–	219.6	–	–	–	–	–	–	6,472.2
Long-term debt (Note 18)	12,617.0	3,233.1	–	–	–	28.8	173.6	–	–	–	–	–	–	16,052.5
Senior debt securities (Note 18)	33,077.8	–	–	–	–	23.0	1,481.8	–	–	–	–	–	–	34,582.6
Interest payable (Note 16)	542.4	(2,694.6)	–	–	2,711.6	–	–	–	–	–	–	–	–	559.4
Lease liabilities (Note 29)	51,731.5	(11,343.1)	–	–	3,056.5	–	568.8	–	–	8,734.3	(526.6)	–	–	52,221.4
Preferred stock (Note 19)	12,000.0	(3,000.0)	–	–	–	–	–	–	–	–	–	–	3,000.0	12,000.0
Common stock (Note 19)	1,132.3	3.2	–	–	–	–	–	–	–	–	–	–	–	1,135.5
Additional paid-in capital (Note19)	12,662.9	694.3	–	550.7	–	–	–	–	–	–	–	–	–	13,907.9
Senior perpetual securities (Note 19)	20,264.8	–	–	–	–	–	–	–	–	–	–	–	–	20,264.8
Non-controlling interest (Note 11)	(1,931.0)	–	(975.3)	–	–	–	–	479.3	(295.7)	–	–	3,986.5	–	1,263.8
Total liabilities and equity on financing activities	₱148,444.0	(₱17,270.1)	₱3,688.1	₱550.7	₱5,768.1	₱51.8	₱2,455.5	₱479.3	(₱295.7)	₱8,734.3	(₱526.6)	₱3,986.5	₱3,000.0	₱159,065.9

	2023												
	January 1, 2023	Cash Flows	Dividends Declared (Note 19)	Granted Stock Options to Employees and Subsidiaries (Note 22)	Interest Expense (Note 23)	Amortization of Debt Issue Cost (Note 18)	Cumulative Translation Adjustments	Share in Net Earnings of Non-controlling Interest (Note 11)	Share in Cumulative Translation Adjustments of Non-controlling Interest (Note 11)	Additions (Note 29)	Pre-termination of Leases (Note 29)	Acquisition of a business (Note 11)	December 31, 2023
							(in Millions)						
Dividends and distributions payable (see Note 16)	₱822.4	(₱4,115.4)	₱3,904.9	₱–	₱–	₱–	(₱17.3)	₱–	₱–	₱–	₱–	₱–	₱594.6
Short-term debt (Note 18)	4,376.4	1,494.9	–	–	–	–	(119.6)	–	–	–	–	–	5,751.7
Long-term debt (Note 18)	16,263.2	(3,634.7)	–	–	–	23.7	(35.2)	–	–	–	–	–	12,617.0
Senior debt securities (Note 18)	33,288.3	–	–	–	–	22.4	(232.9)	–	–	–	–	–	33,077.8
Interest payable (Note 16)	523.0	(2,560.3)	–	–	2,579.7	–	–	–	–	–	–	–	542.4
Lease liabilities (Note 29)	48,144.4	(11,158.6)	–	–	2,799.3	–	67.5	–	–	12,717.3	(838.4)	–	51,731.5
Preferred stock (Note 19)	12,000.0	–	–	–	–	–	–	–	–	–	–	–	12,000.0
Common stock (Note 19)	1,131.2	1.1	–	–	–	–	–	–	–	–	–	–	1,132.3
Additional paid-in capital (Note 19)	12,091.8	207.9	–	363.2	–	–	–	–	–	–	–	–	12,662.9
Senior perpetual securities (Note 19)	20,264.8	–	–	–	–	–	–	–	–	–	–	–	20,264.8
Non-controlling interest (Note 11)	(1,570.5)	100.0	(892.2)	–	–	–	–	219.3	9.1	–	–	203.3	(1,931.0)
Total liabilities and equity on financing activities	₱147,335.0	(₱19,665.1)	₱3,012.7	₱363.2	₱5,379.0	₱46.1	(₱337.5)	₱219.3	₱9.1	₱12,717.3	(₱838.4)	₱203.3	₱148,444.0

Noncash Activities

In 2023, the principal noncash transaction under investing activities pertains to the transfer of buildings and building improvements to investment properties amounting to ₱101.6 million (see Notes 12 and 13).

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

34. Events After Reporting Period

Loan availments
On January 6, 2025, the Parent Company availed a 7-year unsecured loan from a local bank in the Philippines amounting to ₱5,800.0 million. The loan is subject to a floating rate based on PHP BVAL Reference Rate for three (3) months tenor plus spread of 0.48% subject to quarterly repricing. The principal is payable in equal quarterly installments commencing on the 2nd anniversary from the drawdown date.

On January 14, 2025, JWPL availed a short-term unsecured loan from a local bank in Singapore amounting to USD300.0 million (₱17,600.0 million). The loan is subject to interest rate based on SOFR plus spread of 0.725%. The principal plus interest is payable on April 28, 2025, the maturity date.

Dividend Declaration, Release of Appropriated and Appropriation of Retained Earnings

On March 7, 2025, the BOD of the Parent Company approved the following:
- Declaration of regular cash dividend of ₱10.60125 per share (₱95.4 million) of preferred shares-Series B, to stockholders of record as at March 24, 2025. The cash dividend is expected to be paid out on April 15, 2025.
- Release of previously approved appropriated retained earnings in 2024 amounting to ₱23.400.0 million.
- Appropriation of ₱38,000.0 million from the Parent Company's unappropriated retained earnings for capital expenditures in 2025 to 2026.

Business-related acquisition

Titan I. On January 2, 2025, JWPL completed the transfer of 100% ownership of Tim Ho Wan business under the same terms as disclosed on November 5, 2024, for a total consideration of SGD252.2 million (₱10,695.8 million).

The Jollibee Group included Tim Ho Wan business in its financial consolidation starting January 2, 2025 (the "acquisition date").

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES

SUPPLEMENTAL SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
For the Years Ended December 31, 2024 and 2023

	2024	2023
Total Audit Fees	**₱61,581,564**	₱55,230,083
Non-Audit service fees		
Other Assurance Services	**2,069,617**	2,446,504
Tax Services	**19,729,713**	38,393,433
All other services	**88,545**	–
Total Non-Audit Fees	**21,887,875**	40,839,937
Total Audit and Non-Audit Fees	**₱83,469,439**	₱96,070,020

COMPANY INFORMATION & STOCKHOLDER SERVICES

Company Headquarters

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No. 10 F. Ortigas Jr. Road
Ortigas Center, Pasig City,
Philippines 1605

Telephone: (632) 8634-1111

Website: www.jollibeegroup.com

For investor inquiries,
please contact ir@jollibeegroup.com

Annual Stockholders Meeting

The Annual Stockholders' Meeting will be held on June 27, 2025 at 2:00 P.M. The Corporation shall conduct the meeting virtually and stockholders may attend and participate via remote communication and by voting in absentia or by appointing the Chairman of the meeting as their proxy

Stakeholder Inquiry

Inquiries regarding dividend payments, account status, address changes, stock certificates, and other pertinent matters may be addressed to the Company's registrar and transfer agent:

For Common Stock, please contact:
RCBC Trust Corporation
Stock Transfer Office
Ground Floor, West Wing,
Grepalife Building
221 Senator Gil Puyat Avenue,
Makati City

Telephone: (632) 8894-9000 locals 3690, 3691, 3693 and 3694

Email address: rcbcstocktransfer@rcbc.com

For Preferred Stock, please contact:
Stock Transfer Service, Inc.
34F Unit D, Rufino Pacific Tower.
6784 Ayala Avenue, Makati City
Telephone: (632) 5310-1343

SEC Form 17-A

The financial information in this report, in the opinion of Management, substantially conforms with the information required in the "17-A Report" submitted to the Securities and Exchange Commission.

SEC Form 17-A is available in the Jollibee Group's corporate website.

Jollibee Group

Spreading Joy Through Superior Taste

2024 ANNUAL REPORT

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No. 10 F. Ortigas Jr. Road
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