

COVER SHEET

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S.E.C. Registration Number

J	O	L	L	I	B	E	E		F	O	O	D	S		C	O	R	P	O	R	A	T	I	O	N				
D	O	I	N	G		B	U	S	I	N	E	S	S		U	N	D	E	R		T	H	E		N	A	M	E	
A	N	D		S	T	Y	L	E		O	F		J	O	L	L	I	B	E	E									

(Company's Full Name)

10/F		J	O	L	L	I	B	E	E		P	L	A	Z	A		B	U	I	L	D	I	N	G				
10		F.		O	R	T	I	G	A	S		J	R	.		A	V	E	N	U	E							
O	R	T	I	G	A	S		C	E	N	T	E	R	,		P	A	S	I	G		C	I	T	Y			

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

Atty. Vera Marie Baustista-King

Contact Person

(632) 8634-1111

Company Telephone Number

31-Dec

Month Day Year
Fiscal Year

Last Friday of June

Month Day Year
Annual Meeting

17Q

Third Quarter Ended September 30, 2024

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

Total Amount of Borrowings

--

Total no. of Stockholders

--

Domestic

--

Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier

STAMPS

Remarks = please use **black ink** for scanning purposes

COVER SHEET

JOLLIBEE FOODS CORPORATION

Doing business under the name and style of Jollibee

(Company's Full Name)

10/F Jollibee Plaza Building

10 F. Ortigas Jr. Avenue,

Ortigas Center, Pasig City

(Company's Address)

(632) 8634-1111

Telephone Number

December 31

(Fiscal Year Ending)

Last Friday of June

(Annual Meeting)

SEC Form 17-Q

Quarterly Report

Third Quarter Ended September 30, 2024

(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

DTU

77487
S.E.C REG. No.

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION SEC FORM 17-Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 (2)(b) THEREUNDER

1. For the quarterly period ended: **September 30, 2024**
2. Commission identification number: **77487**
3. BIR Tax Identification No.: **000-388-771**
4. **JOLLIBEE FOODS CORPORATION**
doing business under the name and style of Jollibee
Exact name of registrant as specified in its charter
5. **PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization
6. Industry classification code: (SEC Use Only)
7. **10/F JOLLIBEE PLAZA BUILDING, 10 F. ORTIGAS JR. AVENUE, ORTIGAS CENTER, PASIG CITY**
Address of registrant's principal office

1605
Postal Code
8. **(632) 8634-1111**
Registrant's telephone number, including area code
9. **N/A**
Former name, former address and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Outstanding Shares	1,122,735,700
Treasury Shares	16,447,340
Common JFCPA (Preferred Shares)	3,000,000
Preferred Shares (JFCPB)	9,000,000

11. Are any or all of the securities listed on the Philippine Stock Exchange?

Yes [X] No []

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period the registrant was required to file such report)

Yes [X] No []

(b) has been subject to such filing requirements for the past 90 days

Yes [X] No []

No other material information.

SIGNATURE:

JOLLIBEE FOODS CORPORATION
Registrant



RICHARD SHIN
Chief Financial Officer &
Corporate Information Officer

PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements

a.	Consolidated Statements of Financial Position as at September 30, 2024 (Unaudited) and December 31, 2023 (Audited)
b.	Unaudited Consolidated Statements of Comprehensive Income for the Quarters Ended September 30, 2024 and 2023
c.	Unaudited Consolidated Statements of Comprehensive Income for the Nine Months Ended September 30, 2024 and 2023
d.	Unaudited Consolidated Statements of Changes in Equity for the Nine Months Ended September 30, 2024 and 2023
e.	Unaudited Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2024 and 2023
f.	Store Network and System Wide Sales
g.	Notes to Unaudited Consolidated Financial Statements
h.	Unaudited Supplementary Schedules Required by Annex 68-J for the Nine Months Ended September 30, 2024
i.	Schedule of Financial Soundness Indicators for the Nine Months Ended September 30, 2024 (Unaudited) and Year Ended December 31, 2023 (Audited)

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousand Pesos)

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	Change	
			Amount	Pct
ASSETS				
Current Assets				
Cash and cash equivalents (Notes 6, 31 and 32)	33,809,488	33,232,488	577,000	1.7
Short-term investments (Notes 6, 31 and 32)	376,209	624,800	(248,591)	(39.8)
Financial assets at fair value through profit or loss (Notes 10, 31 and 32)	339	7,853,800	(7,853,461)	(100.0)
Receivables and contract assets (Notes 7, 31 and 32)	9,484,019	8,567,416	916,603	10.7
Inventories (Note 8)	11,943,587	12,340,206	(396,619)	(3.2)
Other current assets (Note 9)	11,192,561	11,556,492	(363,931)	(3.1)
Total Current Assets	66,806,203	74,175,202	(7,368,999)	(9.9)
Noncurrent Assets				
Financial assets at fair value through profit or loss (Notes 10, 31 and 32)	326,976	316,182	10,794	3.4
Interests in and advances to joint ventures, co-venturers and associates (Note 11)	26,150,899	21,092,982	5,057,917	24.0
Property, plant and equipment (Note 12)	41,921,921	39,825,319	2,096,602	5.3
Right-of-use assets (Note 29)	43,567,557	44,966,055	(1,398,498)	(3.1)
Investment properties (Notes 13 and 32)	90,919	101,585	(10,666)	(10.5)
Trademarks, goodwill and other intangible assets (Notes 14)	63,072,664	51,926,645	11,146,019	21.5
Finance lease receivables (Notes 29, 31 and 32)	599	811	(212)	(26.1)
Deferred tax assets - net (Note 24)	7,950,937	7,424,064	526,873	7.1
Other noncurrent assets (Notes 15, 31 and 32)	4,728,449	4,345,371	383,078	8.8
Total Noncurrent Assets	187,810,921	169,999,014	17,811,907	10.5
	254,617,124	244,174,216	10,442,908	4.3
LIABILITIES AND EQUITY				
Current Liabilities				
Trade payables and other current liabilities and contract liabilities (Notes 16, 31 and 32)	44,711,563	46,835,455	(2,123,892)	(4.5)
Income tax payable	923,233	309,755	613,478	198.1
Short-term debt (Notes 18 and 31)	5,805,623	5,751,730	53,893	0.9
Current portion of:				
Lease liabilities (Notes 29, 31 and 32)	7,684,522	8,442,985	(758,463)	(9.0)
Long-term debt (Notes 18, 31 and 32)	3,902,873	6,180,695	(2,277,822)	(36.9)
Provisions (Note 17)	237,835	237,835	-	-
Total Current Liabilities	63,265,649	67,758,455	(4,492,806)	(6.6)
Noncurrent Liabilities				
Senior debt securities (Notes 18 and 31)	33,488,958	33,077,780	411,178	1.2
Noncurrent portion of:				
Lease liabilities (Notes 29, 31 and 32)	43,189,679	43,288,544	(98,865)	(0.2)
Long-term debt (Notes 18, 31 and 32)	11,370,415	6,436,348	4,934,067	76.7
Provisions (Note 17)	1,399,273	1,399,273	-	-
Pension liability (Note 25)	2,619,594	2,331,230	288,364	12.4
Deferred tax liabilities - net (Note 24)	3,542,739	3,625,931	(83,192)	(2.3)
Total Noncurrent Liabilities	95,610,658	90,159,106	5,451,552	6.0
Total Liabilities (Carried Forward)	158,876,307	157,917,561	958,746	0.6

(Forward)

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	Change	
			Amount	Pct
Total Liabilities (Brought Forward)	158,876,307	157,917,561	958,746	0.6
Equity Attributable to Equity Holders of the Parent Company (Note 31)				
Capital stock (Note 19):				
Preferred	12,000,000	12,000,000	-	-
Common	1,134,774	1,132,331	2,443	0.2
Additional paid-in capital (Note 19)	13,587,144	12,662,905	924,239	7.3
Other reserve	1,877,400	1,877,400	-	-
Cumulative translation adjustments of foreign subsidiaries and interests in joint ventures and associates (Note 11)	2,216,071	1,405,390	810,681	57.7
Remeasurement loss on net defined benefit plan - net of tax (Note 25)	(990,150)	(990,150)	-	-
Excess of cost over the carrying value of non-controlling interests acquired (Note 19)	(2,026,340)	(2,026,340)	-	-
Retained earnings (Note 19):				
Appropriated for future expansion	23,400,000	18,700,000	4,700,000	25.1
Unappropriated	25,463,647	23,341,856	2,121,791	9.1
	76,662,546	68,103,392	8,559,154	12.6
Less cost of common stock held in treasury (Note 19)	180,511	180,511	-	-
	76,482,035	67,922,881	8,559,154	12.6
Senior perpetual securities (Notes 10 and 19)	20,264,804	20,264,804	-	-
Non-controlling interests (Note 11)	(1,006,022)	(1,931,030)	925,008	47.9
Total Equity	95,740,817	86,256,655	9,484,162	11.0
	254,617,124	244,174,216	10,442,908	4.3

See accompanying Notes to Unaudited Consolidated Financial Statements.

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousand Pesos, Except Per Share Data)

	Quarters Ended September 30				Change	
	2024		2023		Amount	Pct
	Pesos	Pct	Pesos	Pct		
REVENUES						
Gross sales	63,794,073	94.2%	58,650,590	95.3%	5,143,483	8.8%
Sales discount	(1,433,481)	-2.1%	(1,422,205)	-2.3%	(11,276)	-0.8%
Net sales	62,360,592	92.1%	57,228,385	93.0%	5,132,207	9.0%
Royalty, set-up fees and others	4,072,658	6.0%	3,293,078	5.4%	779,580	23.7%
	66,433,250	98.1%	60,521,463	98.4%	5,911,787	9.8%
PFRS 15 impact on system-wide advertising fees	1,294,745	1.9%	1,009,966	1.6%	284,779	28.2%
	67,727,995	100.0%	61,531,429	100.0%	6,196,566	10.1%
DIRECT COSTS						
Cost of inventories	30,987,676	45.8%	28,731,478	46.7%	2,256,198	7.9%
Store and manufacturing costs	23,772,193	35.1%	21,539,325	35.0%	2,232,868	10.4%
	54,759,869	80.9%	50,270,803	81.7%	4,489,066	8.9%
GROSS PROFIT	12,968,126	19.1%	11,260,626	18.3%	1,707,500	15.2%
EXPENSES						
General and administrative expenses - net	7,097,614	10.5%	6,163,057	10.0%	934,557	15.2%
Advertising and promotions	1,060,575	1.6%	785,735	1.3%	274,840	35.0%
	8,158,189	12.0%	6,948,792	11.3%	1,209,397	17.4%
OPERATING INCOME	4,809,937	7.1%	4,311,834	7.0%	498,103	11.6%
INTEREST INCOME (EXPENSE)						
Interest income	244,198	0.4%	241,877	0.4%	2,321	1.0%
Interest expense:						
Financing	(700,507)	-1.0%	(666,806)	-1.1%	(33,701)	-5.1%
PFRS-16 Leases and others	(744,022)	-1.1%	(678,191)	-1.1%	(65,831)	-9.7%
	(1,200,331)	-1.8%	(1,103,120)	-1.8%	(97,211)	-8.8%
EQUITY IN NET EARNINGS OF JOINT VENTURES AND ASSOCIATES - Net	889,408	1.3%	420,521	0.7%	468,887	111.5%
OTHER EXPENSE - Net	(200,972)	-0.3%	(240,097)	-0.4%	39,125	16.3%
INCOME BEFORE INCOME TAX	4,298,042	6.3%	3,389,138	5.5%	908,904	26.8%
PROVISION FOR (BENEFIT FROM) INCOME TAX						
Current	1,411,959	2.1%	1,076,541	1.7%	335,418	31.2%
Deferred	(98,424)	-0.1%	(217,643)	-0.4%	119,219	54.8%
	1,313,535	1.9%	858,898	1.4%	454,637	52.9%
NET INCOME	2,984,507	4.4%	2,530,240	4.1%	454,267	18.0%
OTHER COMPREHENSIVE INCOME (LOSS)						
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:						
Translation adjustments of foreign subsidiaries	390,118	0.6%	282,738	0.5%	107,380	38.0%
Translation adjustments of foreign joint ventures and associates	(186,649)	-0.3%	(39,573)	-0.1%	(147,076)	371.7%
	203,469	0.3%	243,165	0.4%	(39,696)	-16.3%
TOTAL COMPREHENSIVE INCOME	3,187,976	4.7%	2,773,405	4.5%	414,571	14.9%
Net Income Attributable to:						
Equity holders of the Parent Company	2,808,060	4.1%	2,434,413	4.0%	373,647	15.3%
Non-controlling interests	176,447	0.3%	95,827	0.2%	80,620	84.1%
	2,984,507	4.4%	2,530,240	4.1%	454,267	18.0%
Total Comprehensive Income Attributable to:						
Equity holders of the Parent Company	2,870,021	4.2%	2,749,843	4.5%	120,178	4.4%
Non-controlling interests	317,955	0.5%	23,562	0.0%	294,393	1249.4%
	3,187,976	4.7%	2,773,405	4.5%	414,571	14.9%
Earnings Per Share for Net Income Attributable to Equity Holders of the Parent Company						
Basic	2.412		2.081		0.331	15.9%
Diluted	2.408		2.078		0.330	15.9%

JOLLIBEE FOODS CORPORATION

Doing business under the name and style of Jollibee

AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousand Pesos, Except Per Share Data)

	Periods Ended September 30				Change	
	2024		2023		Amount	Pct
	Pesos	Pct	Pesos	Pct		
REVENUES						
Gross sales	185,966,980	94.8%	169,157,499	95.3%	16,809,481	9.9%
Sales discount	(4,346,843)	-2.2%	(4,216,924)	-2.4%	(129,919)	-3.1%
Net sales	181,620,137	92.5%	164,940,575	93.0%	16,679,562	10.1%
Royalty, set-up fees and others (Note 20)	11,167,582	5.7%	9,547,145	5.4%	1,620,437	17.0%
	192,787,719	98.2%	174,487,720	98.4%	18,299,999	10.5%
PFRS 15 impact on system-wide advertising fees	3,460,076	1.8%	2,922,248	1.6%	537,828	18.4%
	196,247,795	100.0%	177,409,968	100.0%	18,837,827	10.6%
DIRECT COSTS (Note 21)						
Cost of inventories	90,683,446	46.2%	83,064,522	46.8%	7,618,924	9.2%
Store and manufacturing costs	68,281,768	34.8%	62,151,577	35.0%	6,130,191	9.9%
	158,965,214	81.0%	145,216,099	81.9%	13,749,115	9.5%
GROSS PROFIT	37,282,581	19.0%	32,193,869	18.1%	5,088,712	15.8%
EXPENSES						
General and administrative expenses - net (Note 22)	20,557,468	10.5%	17,841,892	10.1%	2,715,576	15.2%
Advertising and promotions	2,755,245	1.4%	2,446,512	1.4%	308,733	12.6%
	23,312,713	11.9%	20,288,404	11.4%	3,024,309	14.9%
OPERATING INCOME	13,969,868	7.1%	11,905,465	6.7%	2,064,403	17.3%
INTEREST INCOME (EXPENSE) (Note 23)						
Interest income	705,746	0.4%	606,137	0.3%	99,609	16.4%
Interest expense:						
Financing	(1,963,362)	-1.0%	(1,919,772)	-1.1%	(43,590)	-2.3%
PFRS-16 Leases and others	(2,149,859)	-1.1%	(1,848,901)	-1.0%	(300,958)	-16.3%
	(3,407,475)	-1.7%	(3,162,536)	-1.8%	(244,939)	-7.7%
EQUITY IN NET EARNINGS OF JOINT VENTURES AND ASSOCIATES - Net (Note 11)	1,040,651	0.5%	497,308	0.3%	543,343	109.3%
OTHER INCOME - Net (Note 23)	705,408	0.4%	450,811	0.3%	254,597	56.5%
INCOME BEFORE INCOME TAX	12,308,452	6.3%	9,691,048	5.5%	2,617,404	27.0%
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 24)						
Current	3,964,385	2.0%	3,120,310	1.8%	844,075	27.1%
Deferred	(531,556)	-0.3%	(653,868)	-0.4%	122,312	18.7%
	3,432,829	1.7%	2,466,442	1.4%	966,387	39.2%
NET INCOME	8,875,623	4.5%	7,224,606	4.1%	1,651,017	22.9%
OTHER COMPREHENSIVE INCOME (LOSS)						
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:						
Translation adjustments of foreign subsidiaries	1,392,012	0.7%	(164,630)	-0.1%	1,556,642	945.5%
Translation adjustments of foreign joint ventures and associates (Note 11)	(639,638)	-0.3%	(82,429)	0.0%	(557,209)	-676.0%
	752,374	0.4%	(247,059)	-0.1%	999,433	404.5%
TOTAL COMPREHENSIVE INCOME	9,627,997	4.9%	6,977,547	3.9%	2,650,450	38.0%
Net Income Attributable to:						
Equity holders of the Parent Company (Note 28)	8,466,208	4.3%	6,822,667	3.8%	1,643,541	24.1%
Non-controlling interests	409,415	0.2%	401,939	0.2%	7,476	1.9%
	8,875,623	4.5%	7,224,606	4.1%	1,651,017	22.9%
Total Comprehensive Income Attributable to:						
Equity holders of the Parent Company	9,276,889	4.7%	6,630,164	3.7%	2,646,725	39.9%
Non-controlling interests	351,108	0.2%	347,383	0.2%	3,725	1.1%
	9,627,997	4.9%	6,977,547	3.9%	2,650,450	38.0%
Earnings Per Share for Net Income Attributable to Equity Holders of the Parent Company (Note 28)						
Basic	7.278		5.815		1.463	25.2%
Diluted	7.265		5.804		1.461	25.2%

See accompanying Notes to Unaudited Consolidated Financial Statements.

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED SEPTEMBER 30, 2024 and 2023

(Amounts in Thousand Pesos)

Equity Attributable to Equity Holders of the Parent Company (Note 31)														
	Preferred Stock (Note 19)	Common Stock (Note 19)	Additional Paid-in Capital (Note 19)	Other Reserve	Cumulative Translation Adjustments of Foreign Subsidiaries and Interests in Joint Ventures and Associates (Note 11)	Remeasurement Loss on Net Defined Benefit Plan - Net of tax (Note 25)	Excess of Cost Over the Carrying Value of Non- controlling Interests Acquired (Note 19)	Retained Earnings (Note 19)		Cost of Common Stock Held in Treasury (Note 19)	Total	Senior Perpetual Securities (Note 19)	Non- controlling Interests (Note 11)	Total Equity
								Appropriated for Future Expansion	Unappropriated					
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	-	-	-	-	-	-	-	-	8,466,208	-	8,466,208	-	409,415	8,875,623
Other comprehensive income (loss)	-	-	-	-	810,681	-	-	-	-	-	810,681	-	(58,307)	752,374
Total comprehensive income	-	-	-	-	810,681	-	-	-	8,466,208	-	9,276,889	-	351,108	9,627,997
Movements in other equity accounts:														
Issuances of and subscriptions to common stock (Note 19)	-	2,443	538,172	-	-	-	-	-	-	-	540,615	-	-	540,615
Cost of stock options granted (Note 19, 22, 26 and 27)	-	-	386,067	-	-	-	-	-	-	-	386,067	-	-	386,067
Cash dividends (Note 19)	-	-	-	-	-	-	-	-	(1,644,417)	-	(1,644,417)	-	-	(1,644,417)
Reversal of appropriated retained earnings during the period (Note 19)	-	-	-	-	-	-	-	(18,700,000)	18,700,000	-	-	-	-	-
Appropriation during the period (Note 19)	-	-	-	-	-	-	-	23,400,000	(23,400,000)	-	-	-	-	-
Acquisition of a subsidiary (Note 11)	-	-	-	-	-	-	-	-	-	-	-	-	1,253,292	1,253,292
Distribution on senior perpetual securities (Note 19)	-	-	-	-	-	-	-	-	-	-	-	-	(662,437)	(662,437)
Cash dividends paid to a non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(16,955)	(16,955)
	-	2,443	924,239	-	-	-	-	4,700,000	(6,344,417)	-	(717,735)	-	573,900	(143,835)
Balance at September 30, 2024	12,000,000	1,134,774	13,587,144	1,877,400	2,216,071	(990,150)	(2,026,340)	23,400,000	25,463,647	(180,511)	76,482,035	20,264,804	(1,006,022)	95,740,817
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	-	-	-	-	-	-	-	-	6,822,667	-	6,822,667	-	401,939	7,224,606
Other comprehensive loss	-	-	-	-	(192,503)	-	-	-	-	-	(192,503)	-	(54,556)	(247,059)
Total comprehensive income (loss)	-	-	-	-	(192,503)	-	-	-	6,822,667	-	6,630,164	-	347,383	6,977,547
Movements in other equity accounts:														
Issuances of and subscriptions to common stock (Note 19)	-	982	184,692	-	-	-	-	-	-	-	185,674	-	-	185,674
Cost of stock options granted (Note 19, 22, 26 and 27)	-	-	179,529	-	-	-	-	-	-	-	179,529	-	-	179,529
Cash dividends (Note 19)	-	-	-	-	-	-	-	-	(1,553,322)	-	(1,553,322)	-	-	(1,553,322)
Distribution on senior perpetual securities (Note 19)	-	-	-	-	-	-	-	-	-	-	-	-	(643,123)	(643,123)
Acquisition of a subsidiary (Note 11)	-	-	-	-	-	-	-	-	-	-	-	-	103,949	103,949
Cash dividends paid to a non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(16,332)	(16,332)
	-	982	364,221	-	-	-	-	-	(1,553,322)	-	(1,188,119)	-	(555,506)	(1,743,625)
Balance at September 30, 2023	12,000,000	1,132,199	12,455,988	1,877,400	1,506,531	(693,347)	(2,026,340)	18,700,000	22,890,885	(180,511)	67,662,805	20,264,804	(1,778,654)	86,148,955

See accompanying Notes to Unaudited Consolidated Financial Statements.

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousand Pesos)

	Periods Ended September 30		Change	
	2024	2023	Amount	Pct
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	12,308,452	9,691,048	2,617,404	27.0
Adjustments for:				
Depreciation and amortization (Notes 12, 13, 14, 15, 21, 22 and 29)	12,674,596	11,615,816	1,058,780	9.1
Interest expense (Note 23)	4,113,221	3,768,673	344,548	9.1
Equity in net earnings of joint ventures and associates (Note 11)	(1,040,651)	(497,308)	543,343	109.3
Interest income (Note 23)	(705,746)	(606,137)	99,609	16.4
Stock options expense (Notes 19, 22, 26 and 27)	386,067	179,529	206,538	115.0
Movement in pension liability (Notes 21 and 22)	288,364	262,112	26,252	10.0
Impairment losses on:				
Inventories (Notes 8 and 22)	70,013	99,837	(29,824)	(29.9)
Receivables (Notes 7 and 22)	61,219	20,275	40,944	201.9
Property, plant and equipment (Notes 12 and 22)	10,313	-	10,313	100.0
Other current assets (Note 22)	-	18,056	(18,056)	(100.0)
Net unrealized gain from financial assets at fair value through profit or loss (Notes 10 and 23)	(136,023)	(125,237)	10,786	8.6
Loss on retirements and disposals of property, plant and equipment (Notes 12 and 22)	114,568	34,098	80,470	236.0
Amortization of debt issue cost (Note 18)	36,547	34,493	2,054	6.0
Reversals of provision for impairment on:				
Property, plant and equipment (Notes 12 and 22)	(24,968)	-	24,968	100.0
Inventories (Notes 8 and 22)	(7,998)	(35,186)	(27,188)	(77.3)
Receivables (Notes 7 and 22)	-	(349)	(349)	(100.0)
Pre-termination of leases (Notes 23 and 29)	(24,815)	(62,636)	(37,821)	(60.4)
Net unrealized foreign exchange loss	13,219	15,646	(2,427)	(15.5)
Provisions - net (Notes 17 and 23)	-	320,289	(320,289)	(100.0)
Income before working capital changes	28,136,378	24,733,019	3,403,359	13.8
Decreases (increases) in:				
Receivables	(311,148)	1,986,373	(2,297,521)	(115.7)
Inventories	459,182	4,807,469	(4,348,287)	(90.4)
Other current assets	812,767	(740,106)	1,552,873	209.8
Decrease in trade payables and other current liabilities	(2,269,622)	(1,334,853)	934,769	70.0
Net cash generated from operations	26,827,557	29,451,902	(2,624,345)	(8.9)
Income taxes paid	(3,350,907)	(3,200,626)	150,281	4.7
Interest received	708,128	576,995	131,133	22.7
Net cash provided by operating activities	24,184,778	26,828,271	(2,643,493)	(9.9)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Business - net of cash received (Note 11)	(10,766,640)	(802,875)	9,963,765	1,241.0
Property, plant and equipment (Note 12)	(7,916,787)	(7,399,193)	517,594	7.0
Interests in a joint venture and an associate (Note 11)	(3,949,363)	(2,214,475)	1,734,888	78.3
Intangible assets (Note 14)	(51)	(63,782)	(63,731)	(99.9)
Proceeds from:				
Redemption of financial assets at fair value through profit or loss (Note 10)	8,162,102	875,212	7,286,890	832.6
Disposals of property, plant and equipment	311,858	302,217	9,641	3.2
Decreases (increases) in:				
Short-term investments	248,591	296,582	(47,991)	(16.2)
Other noncurrent assets	(239,831)	(338,903)	(99,072)	(29.2)
Advances to joint ventures and an associate - net (Note 11)	(60,213)	(238,591)	(178,378)	(74.8)
Dividend received from (paid to) an associate and non-controlling interest - net (Note 11)	67,533	(16,332)	83,865	513.5
Net cash used in investing activities	(14,142,801)	(9,600,140)	4,542,661	47.3

(Forward)

	Periods Ended September 30		Change	
	2024	2023	Amount	Pct
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Lease liabilities (Note 29)	(7,956,787)	(7,288,396)	668,391	9.2
Long-term debt (Note 18)	(5,605,329)	(3,523,982)	2,081,347	59.1
Cash dividends (Note 19)	(1,641,544)	(1,443,646)	197,898	13.7
Short-term debt (Note 18)	(1,162,120)	(1,020,696)	141,424	13.9
Senior perpetual securities (Note 19)	(882,388)	(844,389)	37,999	4.5
Proceeds from:				
Long-term debt (Note 18)	8,063,207	734,671	7,328,536	997.5
Short-term debt (Note 18)	1,116,507	2,392,645	(1,276,138)	(53.3)
Issuances of and subscriptions to common stock	540,615	185,674	354,941	191.2
Interest paid	(1,923,943)	(1,878,590)	45,353	2.4
Net cash used in financing activities	(9,451,782)	(12,686,709)	(3,234,927)	(25.5)
NET INCREASE IN CASH AND CASH EQUIVALENTS	590,195	4,541,422	(3,951,227)	(87.0)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(13,195)	(5,520)	7,675	139.0
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	33,232,488	28,869,279	4,363,209	15.1
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 6)	33,809,488	33,405,181	404,307	1.2

See accompanying Notes to Unaudited Consolidated Financial Statements.

Jollibee Foods Corporation - Number of Stores

	Dec-23 Stores	January - September			Ownership Change	Acquisition	Sep-24 Stores
		Open	Close	Net			
Jollibee							
Co-owned	437	8	7	1	(3)	-	435
Franchised	802	38	19	19	3	-	824
Total	1,239	46	26	20	-	-	1,259
Chowking							
Co-owned	174	-	4	(4)	(1)	-	169
Franchised	387	13	8	5	1	-	393
Total	561	13	12	1	-	-	562
Greenwich							
Co-owned	118	-	1	(1)	-	-	117
Franchised	154	4	5	(1)	-	-	153
Total	272	4	6	(2)	-	-	270
Red Ribbon							
Co-owned	177	1	2	(1)	3	-	179
Franchised	341	7	17	(10)	(3)	-	328
Total	518	8	19	(11)	-	-	507
Mang Inasal							
Co-owned	15	1	2	(1)	-	-	14
Franchised	558	6	8	(2)	-	-	556
Total	573	7	10	(3)	-	-	570
Burger King	132	-	5	(5)	-	-	127
Panda Express	29	1	-	1	-	-	30
Yoshinoya	9	-	1	(1)	-	-	8
Common Man Coffee Roasters	1	-	-	-	-	-	1
Multibrand	5	1	-	1	-	-	6
Total Philippines	3,339	80	79	1	-	-	3,340
Yonghe King							
Co-owned	286	1	31	(30)	(1)	-	255
Franchised	179	67	21	46	1	-	226
Total	465	68	52	16	-	-	481
Hongzhuangyuan							
Co-owned	45	-	8	(8)	(2)	-	35
Franchised	14	3	8	(5)	2	-	11
Total	59	3	16	(13)	-	-	46
Tim Ho Wan	19	3	5	(2)	-	-	17
Jollibee Hong Kong							
Co-owned	15	1	1	-	-	-	15
Franchised	5	-	-	-	-	-	5
Total	20	1	1	-	-	-	20
Jollibee Macau	4	-	-	-	-	-	4
Total - China	567	75	74	1	-	-	568
North America							
Jollibee US	70	4	-	4	-	-	74
Jollibee Canada	27	1	-	1	-	-	28
Red Ribbon	41	1	3	(2)	-	-	39
Chowking	15	-	-	-	-	-	15
Total NA Asian brands	153	6	3	3	-	-	156
Smashburger							
Co-owned	133	-	1	(1)	(6)	-	126
Franchised	103	3	13	(10)	6	-	99
Total	236	3	14	(11)	-	-	225
Total - North America	389	9	17	(8)	-	-	381

Jollibee Foods Corporation - Number of Stores

	Dec-23 Stores	January - September			Ownership Change	Acquisition	Sep-24 Stores
	Open	Close	Net				
Other Asia							
Jollibee:							
Vietnam	180	18	1	17	-	-	197
Brunei	20	-	-	-	-	-	20
Singapore	19	4	1	3	-	-	22
<i>Co-owned*</i>	12	1	1	-	-	-	12
<i>Franchised</i>	7	3	-	3	-	-	10
Malaysia	1	-	-	-	-	-	1
West Malaysia	9	3	-	3	-	-	12
Total - Other Asia	229	25	2	23	-	-	252
Middle East							
Jollibee							
Saudi Arabia	12	-	1	(1)	-	-	11
Qatar	14	1	1	-	-	-	14
Kuwait	7	1	-	1	-	-	8
UAE	20	3	-	3	-	-	23
Bahrain	1	-	-	-	-	-	1
Oman	1	-	-	-	-	-	1
Chowking:							
UAE	20	2	3	(1)	-	-	19
Qatar	6	-	1	(1)	-	-	5
Oman	2	-	-	-	-	-	2
Kuwait	5	-	-	-	-	-	5
Saudi Arabia	4	-	-	-	-	-	4
Total - Middle East	92	7	6	1	-	-	93
Europe (Jollibee)							
Italy (Milan)	2	-	-	-	-	-	2
United Kingdom	12	-	-	-	-	-	12
Spain	1	-	-	-	-	-	1
Total - Europe	15	-	-	-	-	-	15
Oceania							
Jollibee Guam	1	1	-	1	-	-	2
Total - EMEA PH Brands	337	33	8	25	-	-	362
Coffee Bean							
Co-owned	376	18	11	7	-	-	383
Franchised	788	82	34	48	-	-	836
Total	1,164	100	45	55	-	-	1,219
SuperFoods							
Highlands Coffee							
Co-owned	646	46	10	36	-	-	682
Franchised	133	11	11	-	-	-	133
Total	779	57	21	36	-	-	815
Milksha							
Co-owned	20	8	3	5	(1)	-	24
Franchised	290	22	4	18	1	-	309
Total	310	30	7	23	-	-	333
Compose Coffee							
Co-owned	-	-	-	-	-	-	-
Franchised	-	25	-	25	-	2,555	2,580
Total	-	25	-	25	-	2,555	2,580
Total International Stores	3,546	329	172	157	-	2,555	6,258
Total Global	6,885	409	251	158	-	2,555	9,598
System Wide Sales (Amounts in PhP Millions)							
					30-Sep-24	30-Sep-23	% Growth
Q3 2024 vs Q3 2023					98,482	86,963	13.2%
9M 2024 vs 9M 2023					281,108	251,094	12.0%

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES

NOTES TO UNAUDITED 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” and “Compose Coffee”. 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 Unaudited Consolidated Financial Statements

The consolidated financial statements as at September 30, 2024 and December 31, 2023 and for the nine months ended September 30, 2024 and 2023 were reviewed and approved by the Audit Committee and approved on November 6, 2024 and authorized for issuance by the Board of Directors (BOD) on November 11, 2024.

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).

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 paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or noncurrent. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting year;
- 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*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach); and,
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

On December 15, 2021, the Financial and Sustainability Reporting Standards Council (FSRSC) amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting years beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

Adoption of this standard is not expected to have any material impact to the Jollibee Group.

▪ Amendments to PAS 21, *Lack of Exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact to the Jollibee Group.

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*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

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

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.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Jollibee Group's accounting policies. All intra and inter-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Jollibee Group are eliminated in full at consolidation.

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.

If the Jollibee Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss; and,
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Jollibee Group had directly disposed of the related assets or liabilities.

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.

The consolidated financial statements include the accounts of the Parent Company and the following wholly owned and majority-owned subsidiaries as at September 30, 2024 and December 31, 2023:

	Country of Incorporation	Principal Activities	September 2024 (Unaudited)		December 2023 (Audited)	
			Direct Ownership	Indirect Ownership	Direct Ownership	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. ^(e)	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 ^(d)	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. (HBFPP)	Singapore	Holding company	–	100	–	100
- Happy Bee Foods Processing (Anhui) Co. Ltd.	PRC	Food service	–	100	–	100

(Forward)

	Country of Incorporation	Principal Activities	September 2024 (Unaudited)		December 2023 (Audited)	
			Direct Ownership	Indirect Ownership	Direct Ownership	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. ^(f)	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. ^(c)	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 ^(g)	USA	Holding company	–	80	–	80
• CBTL Ventures, LLC	USA	Food service	–	100	–	100
• CBTL Franchising, LLC	USA	Franchising company	–	100	–	100
- 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 ^(b)	USA	Food service	–	100	–	–

(Forward)

	Country of Incorporation	Principal Activities	September 2024 (Unaudited)		December 2023 (Audited)	
			Direct Ownership	Indirect Ownership	Direct Ownership	Indirect Ownership
Donut Magic Phils., Inc. (Donut Magic) ^(h)	Philippines	Dormant	100	—	100	—
Ice Cream Copenhagen Phils., Inc. (ICCP) ^(h)	Philippines	Dormant	100	—	100	—
Mary's Foods Corporation (Mary's) ^(h)	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 March 21, 2024, MKSA LLC was incorporated in the State of Delaware.

(c) On March 6, 2024, JWPL Technology was incorporated in Thailand.

(d) On September 1, 2023, the Parent company, through its wholly owned subsidiary, GPPL, completed the acquisition of 60% ownership in Meko Holdings Limited.

(e) On August 29, 2023, FCJB Foods, Inc. was incorporated in the Philippines which is 60% owned by the Parent Company.

(f) On August 21, 2023, Jollibee (Shanghai) Consulting Management Co., Ltd. was incorporated in PRC.

(g) Effective January 1, 2023, pursuant to a recapitalization, ICTL is now an 80% holder of 6000 Jefferson BH LLC.

(h) 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 June 30, 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.

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 period 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 September 30, 2024 and December 31, 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 September 30, 2024 and December 31, 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 September 30, 2024 and December 31, 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.

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 September 30, 2024 and December 31, 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 September 30, 2024 and December 31, 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 September 30, 2024 and December 31, 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).

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 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.

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 in 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.

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 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 goods 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.

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 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).

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 other intangible assets 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 the relief-from-royalty method wherein the fair value of trademarks is based on cost savings from owning the trademarks. Significant assumptions and estimates used include comparable royalty rates, long-term growth rates, discount rates based on available market data and revenue growth rate forecasts. The property and equipment were valued using the replacement cost. Adjustments were made to replacement cost to reflect depreciation. The valuation of other intangible assets was based on market values using income approach.

Recoverability of Trademarks, Goodwill and Other Intangible Assets. The Jollibee Group determines whether trademarks, goodwill and other intangible assets 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, goodwill and other intangible assets amounted to ₱63,072.7 million and ₱51,926.6 million as at September 30, 2024 and December 31, 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 September 30, 2024 and December 31, 2023 are as follows (see Note 11):

	September 2024 (Unaudited)	December 2023 (Audited)
Interests in joint ventures	₱17,240,639	₱13,969,289
Interests in associates	6,400,798	4,766,622
Advances to a joint venture, associates and a co-venturer	2,509,462	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, USA, Europe and Singapore. 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 ₱20,607.8 million and ₱20,458.3 million as at September 30, 2024 and December 31, 2023, respectively. Unrecognized deferred tax assets amounted to ₱3,282.5 million and ₱2,836.8 million as at September 30, 2024 and December 31, 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.

Provision for impairment loss recognized on property, plant and equipment amounted to ₱10.3 million and nil for the periods ended September 30, 2024 and 2023, respectively. Reversal of previously recognized impairment loss amounted to ₱25.0 million and nil for the periods ended September 30, 2024 and 2023, respectively (see Notes 12 and 22).

The aggregate carrying values of property, plant and equipment, right-of-use assets and investment properties as at September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Property, plant and equipment (see Note 12)	₱41,921,921	₱39,825,319
Right-of-use assets (see Note 29)	43,567,557	44,966,055
Investment properties (see Note 13)	90,919	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 ₱61.2 million and ₱20.3 million for the periods ended September 30, 2024 and 2023, respectively (see Note 22). Reversal of previously recognized impairment loss amounted to nil and ₱0.4 million for the periods ended September 30, 2024 and 2023, respectively (see Note 22). The carrying amount of receivables and contract assets amounted to ₱9,484.0 million and ₱8,567.4 million as at September 30, 2024 and December 31, 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 ₱70.0 million and ₱99.8 million for the periods ended September 30, 2024 and 2023, respectively (see Note 22). Reversal of previously recognized impairment loss amounted to ₱8.0 million and ₱35.2 million for the periods ended September 30, 2024 and 2023, respectively (see Note 22). The carrying amount of inventories amounted to ₱11,943.6 million and ₱12,340.2 million as at September 30, 2024 and December 31, 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 ₱2,619.6 million and ₱2,331.2 million as at September 30, 2024 and December 31, 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 ₱386.1 million and ₱179.5 million for the periods ended September 30, 2024 and 2023, 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 write-off of certain liabilities as other income.

Other income recognized by the Jollibee Group from write-off of liabilities amounted to ₱1,278.9 million and ₱466.4 million for the periods ended September 30, 2024 and 2023, 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 ₱1,637.1 million as at September 30, 2024 and December 31, 2023 (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.

The following tables present certain information on revenues, expenses and other segment information of the different business segments for the periods ended September 30, 2024 and 2023:

	September 2024 (Unaudited)				
	Food Service	Franchising	Support Services	Eliminations	Consolidated
Revenues from external customers	₱181,830,859	₱14,003,024	₱413,912	₱-	₱196,247,795
Inter-segment revenues	28,061,522	4,489,991	5,637,695	(38,189,208)	-
Segment revenues	209,892,381	18,493,015	6,051,607	(38,189,208)	196,247,795
Segment expenses	(206,697,841)	(7,950,067)	(5,710,648)	38,189,208	(182,169,348)
Provisions for impairment loss on receivables, inventories and property, plant and equipment – net of reversals	(108,579)	-	-	-	(108,579)
Equity in net earnings of joint ventures and associates – net	1,040,651	-	-	-	1,040,651
Other segment income – net	705,408	-	-	-	705,408
Segment result	₱4,832,020	₱10,542,948	₱340,959	₱-	15,715,927
Interest income					705,746
Interest expense					(4,113,221)
Income before income tax					12,308,452
Provision for income tax					3,432,829
Net income					₱8,875,623

September 2023 (Unaudited)					
	Food Service	Franchising	Support Services	Eliminations	Consolidated
Revenues from external customers	P165,184,692	P11,977,016	P248,260	P-	P177,409,968
Inter-segment revenues	25,953,896	4,265,522	5,253,712	(35,473,130)	-
Segment revenues	191,138,588	16,242,538	5,501,972	(35,473,130)	177,409,968
Segment expenses	(188,383,393)	(7,187,770)	(5,303,837)	35,473,130	(165,401,870)
Provisions for impairment loss on receivables, inventories and other current assets – net of reversals	(102,633)	-	-	-	(102,633)
Equity in net earnings of joint ventures and associates – net	497,308	-	-	-	497,308
Other segment income – net	450,811	-	-	-	450,811
Segment result	P3,600,681	P9,054,768	P198,135	P-	12,853,584
Interest income					606,137
Interest expense					(3,768,673)
Income before income tax					9,691,048
Provision for income tax					2,466,442
Net income					P7,224,606

The following tables present certain information on assets and liabilities and other segment information of the different business segments as at September 30, 2024 and December 31, 2023:

September 2024 (Unaudited)					
	Food Service	Franchising	Support Services	Eliminations	Consolidated
Assets and Liabilities					
Segment assets	P246,121,086	P-	P 545,101	P-	P246,666,187
Deferred tax assets – net	7,950,910	-	27	-	7,950,937
Consolidated assets	P254,071,996	P-	P545,128	P-	P254,617,124
Segment liabilities	P139,109,762	P-	P27,285	P-	P139,137,047
Deferred tax liabilities – net	3,542,739	-	-	-	3,542,739
Long-term debt – including current portion	15,273,288	-	-	-	15,273,288
Income tax payable	922,630	-	603	-	923,233
Consolidated liabilities	P158,848,419	P-	P27,888	P-	P158,876,307
Other Segment Information					
Capital expenditures	P7,916,838	P-	P-	P-	P7,916,838
Depreciation and amortization	12,673,681	-	915	-	12,674,596

December 2023 (Audited)					
	Food Service	Franchising	Support Services	Eliminations	Consolidated
Assets and Liabilities					
Segment assets	P236,497,363	P-	P252,789	P-	P236,750,152
Deferred tax assets – net	7,424,037	-	27	-	7,424,064
Consolidated assets	P243,921,400	P-	P252,816	P-	P244,174,216
Segment liabilities	P141,328,172	P-	P36,660	P-	P141,364,832
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	P157,880,901	P-	P36,660	P-	P157,917,561
Other Segment Information					
Capital expenditures	P11,337,794	P-	P-	P-	P11,337,794
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:

	As at and Period Ended September 30, 2024 (Unaudited)			
	Philippines	International	Eliminations	Consolidated
Segment revenues	P120,559,656	P77,337,318	(P1,649,179)	P196,247,795
Segment assets	81,768,951	164,897,236	–	246,666,187
Capital expenditures	4,165,055	3,751,783	–	7,916,838

	As at and Period Ended September 30, 2023 (Unaudited)			
	Philippines	International	Eliminations	Consolidated
Segment revenues	P109,776,862	P68,912,956	(P1,279,850)	P177,409,968
Segment assets	82,494,320	148,726,973	–	231,221,293
Capital expenditures	2,803,473	4,595,720	–	7,399,193

Revenue from Contracts with Customers

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

Revenue Source	September 2024 (Unaudited)			Total
	Food Service	Franchising	Support Services	
Sale of goods	P181,620,137	P–	P–	P181,620,137
Royalty fees	–	10,109,263	–	10,109,263
Set-up fees	–	433,685	–	433,685
System-wide advertising fees	–	3,460,076	–	3,460,076
Service fees	–	–	377,228	377,228
Other revenues	210,722	–	36,684	247,406
Total revenue from contracts with customers	P181,830,859	P14,003,024	P413,912	P196,247,795

Timing of recognition:

Goods transferred at a point in time	P182,244,771
Services transferred over time	14,003,024
	P196,247,795

Revenue Source	September 2023 (Unaudited)			Total
	Food Service	Franchising	Support Services	
Sale of goods	₱164,940,575	₱—	₱—	₱164,940,575
Royalty fees	—	8,723,808	—	8,723,808
Set-up fees	—	330,960	—	330,960
System-wide advertising fees	—	2,922,248	—	2,922,248
Service fees	—	—	233,943	233,943
Other revenues	244,117	—	14,317	258,434
Total revenue from contracts with customers	₱165,184,692	₱11,977,016	₱248,260	₱177,409,968
Timing of recognition:				
Goods transferred at a point in time				₱165,432,952
Services transferred over time				11,977,016
				₱177,409,968

6. Cash and Cash Equivalents and Short-term Investments

Cash and Cash Equivalents

This account consists of:

	September 2024 (Unaudited)	December 2023 (Audited)	September 2023 (Unaudited)
Cash on hand	₱399,347	₱401,355	₱416,950
Cash in banks	19,559,798	17,294,487	16,672,762
Short-term deposits	13,850,343	15,536,646	16,315,469
	₱33,809,488	₱33,232,488	₱33,405,181

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 ₱376.2 million and ₱624.8 million as at September 30, 2024 and December 31, 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 ₱622.9 million and ₱533.2 million for the periods ended September 30, 2024 and 2023, respectively (see Note 23).

7. Receivables and Contract Assets

This account consists of:

	September 2024 (Unaudited)	December 2023 (Audited)
Trade	P6,814,241	P6,549,315
Less allowance for impairment loss	1,221,597	1,170,126
	5,592,644	5,379,189
Advances to employees	1,260,507	706,276
Receivable from retirement fund (see Notes 25 and 27)	969,375	770,297
Current portion of employee car plan receivables (see Note 15)	56,553	62,158
Interest receivable	4,441	20,104
Others	80,788	93,498
	7,964,308	7,031,522
Contract assets	1,519,711	1,535,894
	P9,484,019	P8,567,416

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 September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Balance at beginning of period	P1,170,126	P919,192
Provisions (see Note 22)	61,219	278,846
Write-offs	(16,608)	(13,896)
Reversals	—	(7,800)
Translation adjustments	6,860	(6,216)
Balance at end of period	P1,221,597	P1,170,126

8. Inventories

This account consists of:

	September 2024 (Unaudited)	December 2023 (Audited)
At net realizable value:		
Food supplies and processed inventories	₱10,602,319	₱11,177,602
Novelty items	143,916	96,199
	10,746,235	11,273,801
At cost -		
Packaging, store and other supplies	1,197,352	1,066,405
Total inventories at lower of cost and net realizable value	₱11,943,587	₱12,340,206

The cost of food supplies and processed inventories, and novelty items carried at net realizable value amounted to ₱11,097.2 million and ₱230.1 million, respectively, as at September 30, 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 September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Balance at beginning of period	₱549,518	₱442,711
Provisions (see Note 22)	70,013	177,937
Write-offs	(31,951)	(25,801)
Reversals (see Note 22)	(7,998)	(44,702)
Translation adjustments	1,504	(627)
Balance at end of period	₱581,086	₱549,518

9. Other Current Assets

This account consists of:

	September 2024 (Unaudited)	December 2023 (Audited)
Prepaid expenses:		
Taxes	₱6,309,895	₱6,073,296
Rent	864,885	970,816
Supplies	133,397	100,844
Insurance and others	1,386,502	1,103,495
Deposit to suppliers and other third parties	2,296,734	3,152,957
Current portion of security and other deposits (see Note 15)	201,148	155,084
	₱11,192,561	₱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:

	September 2024 (Unaudited)	December 2023 (Audited)
Investments in:		
Private equity fund	₱278,794	₱283,800
Club shares	48,182	32,382
Bond funds	339	7,853,800
	327,315	8,169,982
Less current portion	339	7,853,800
Noncurrent portion	₱326,976	₱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 September 30, 2024 and December 31, 2023, total subscription amounted to USD5.0 million (₱278.8 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 USD144.0 million (₱8,162.1million) and USD15.6 million (₱884.1 million), respectively. As at September 30, 2024 and December 31, 2023, remaining balance in investment in bond funds, including interest and dividends earned, amounted to USD0.01 million (₱0.3 million) and USD141.8 million (₱7,853.8 million), respectively.

The movements in financial assets at FVTPL are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Balance at beginning of period	₱8,169,982	₱8,278,493
Redemptions	(8,162,102)	(884,127)
Marked-to-market gain on financial assets at FVTPL (see Note 23)	136,023	530,939
Additions	—	283,800
Translation adjustment	183,412	(39,123)
Balance at end of period	₱327,315	₱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 signed definitive agreements to acquire majority shareholding of effectively 70% in Compose Coffee Co., Ltd. and JMCFC Co. Ltd. (collectively called “Compose Coffee”). The remaining shareholdings shall be held by Elevation Equity Partners Korea Limited and Titan Dining II LP with effective shareholdings of 25% and 5%, respectively.

The total consideration for the acquisition is approximately KRW470.0 billion (₱19,974.0 million) on a debt-free basis and cash accretive position. Completion of this transaction is subject to closing and financing conditions, final purchase price to be confirmed thereafter.

On August 16, 2024, JWPL completed the acquisition of 70% ownership in Compose Coffee under the same terms as disclosed on July 2, 2024 for a total consideration of KRW329.0 billion (₱13,982.5 million). JWPL paid a total cash consideration of KRW326.3 billion (₱13,851.6 million) and the remaining amount of KRW2.7 billion (₱130.9 million) was withheld by the Jollibee Group pending confirmation of the final purchase price through a closing financial statement reviewed by an independent auditing firm. 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 September 30, 2024.

The Jollibee Group included Compose Coffee in its financial consolidation starting August 16, 2024 (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	₱3,084,977
Receivables	784,344
Inventories	124,579
Other current assets	448,837
Property, plant and equipment (see Note 12)	341,165
Trademark (see Note 14)	36,679
Other noncurrent assets	51,310
Total identifiable assets acquired	4,871,891
Less:	
Trade payables and other current liabilities	694,250
Net identifiable assets acquired	₱4,177,641

The amount of provisional goodwill at acquisition date amounted to ₱11,058.2 million determined as follows:

<i>Fair value of consideration transferred:</i>	
Total consideration	₱13,982,500
Fair value of non-controlling interest's share in the net identifiable assets acquired	1,253,292
Aggregate amount	15,235,792
Less fair value of net identifiable assets acquired	4,177,641
Provisional goodwill (see Note 14)	₱11,058,151

The net cash outflow from the acquisition is as follows:

Cash paid on acquisition	₱13,851,617
Less cash acquired from subsidiary	3,084,977
	₱10,766,640

The provisional goodwill of ₱11,058.2 million is attributable to synergies and other benefits from the acquisition of Compose Coffee.

From the acquisition date, Compose Coffee contributed ₱362.3 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 ₱4,981.5 million and ₱2,515.1 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:

<i>Fair value of consideration transferred:</i>	
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

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

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 September 30, 2024, no capital investment has been made other than the investment to incorporate the new entity 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 September 30, 2024, no capital investment has been made other than the investment to incorporate the new entity 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 P250.0 million to the joint venture. FCJB started operations on December 8, 2023. The capital investment of the Parent Company to FCJB amounted to P150.0 million as at September 30, 2024 and December 31, 2023.

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 (P233.9 million) and RMB1.0 million (P8.8 million) as at September 30, 2024 and December 31, 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 September 30, 2024 and December 31, 2023, the capital investment to PQF amounted to P150.6 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 and 2023 are provided below. These information are based on amounts before intercompany eliminations.

Summarized Unaudited Statements of Comprehensive Income for the period ended September 30

	SuperFoods Group	
	2024	2023
Revenues	P7,574,176	P6,720,974
Net income	193,379	343,219
Other comprehensive loss	(4,953)	(6,081)
Total comprehensive income	188,426	337,138
Total comprehensive income attributable to non-controlling interests	75,370	134,855
	SMCC – SG	
	2024	2023
Revenues	P15,133,627	P13,090,698
Net loss	(1,083,488)	(1,706,713)
Other comprehensive loss	(355,774)	(182,945)
Total comprehensive loss	(1,439,262)	(1,889,658)
Total comprehensive loss attributable to non-controlling interests	(287,852)	(377,932)
	GBPL	
	2024	2023
Revenues	P1,467,768	P1,146,923
Net income	77,757	50,013
Other comprehensive income	9,592	1,905
Total comprehensive income	87,349	51,918
Total comprehensive income attributable to non-controlling interests	34,940	20,767

	Milksha	
	2024	2023
Revenues	₱1,722,954	₱1,617,558
Net income	132,302	120,296
Other comprehensive loss	(3,561)	—
Total comprehensive income	128,741	120,296
Total comprehensive income attributable to non-controlling interests	63,083	58,945

	MHL	
	2024	2023
Revenues	₱1,198,719	₱112,948
Net loss	(93,071)	(7,115)
Other comprehensive income	3,991	1,597
Total comprehensive loss	(89,080)	(5,518)
Total comprehensive loss attributable to non-controlling interests	(35,632)	(2,207)

	Compose Coffee	
	2024	
Revenues	₱873,484	
Net income	362,312	
Other comprehensive income	64,810	
Total comprehensive loss	427,122	
Total comprehensive loss attributable to non-controlling interests	128,137	

Summarized Statements of Financial Position as at September 30, 2024 (Unaudited) and December 31, 2023 (Audited)

	SuperFoods Group	
	2024	2023
Current assets	₱1,032,173	₱1,116,943
Noncurrent assets	7,531,892	7,221,973
Current liabilities	4,535,671	4,313,442
Noncurrent liabilities	3,372,405	3,553,038
Total equity	655,989	472,436
Equity attributable to non-controlling interests	262,396	188,974

	SMCC – SG	
	2024	2023
Current assets	₱4,216,604	₱3,646,394
Noncurrent assets	34,320,172	34,255,083
Current liabilities	27,072,253	25,720,613
Noncurrent liabilities	12,781,127	11,969,037
Total equity (deficit)	(1,316,604)	211,827
Equity attributable to non-controlling interests	(3,183,128)	(2,877,260)

	GBPL	
	2024	2023
Current assets	P409,894	P364,602
Noncurrent assets	750,313	298,217
Current liabilities	320,015	255,346
Noncurrent liabilities	536,132	131,581
Total equity	304,060	275,892
Equity attributable to non-controlling interests	121,624	110,357

	Milksha	
	2024	2023
Current assets	P1,008,075	P910,139
Noncurrent assets	183,430	175,865
Current liabilities	576,624	461,497
Noncurrent liabilities	86,567	79,752
Total equity	528,314	544,755
Equity attributable to non-controlling interests	258,874	266,930

	MHL	
	2024	2023
Current assets	P151,763	P180,946
Noncurrent assets	873,793	943,336
Current liabilities	526,526	523,494
Noncurrent liabilities	86,098	99,156
Total equity	412,932	501,632
Equity attributable to non-controlling interests	165,173	200,653

	Compose Coffee	
	2024	
Current assets	P4,966,414	
Noncurrent assets	955,546	
Current liabilities	966,577	
Total equity	4,955,383	
Equity attributable to non-controlling interests	1,486,615	

Summarized Unaudited Cash Flow Information for the period ended September 30

	SuperFoods Group	
	2024	2023
Net cash provided by operating activities	P793,588	P527,511
Net cash used in investing activities	(762,477)	(889,336)
Net cash provided by (used in) financing activities	(138,882)	319,258
Net decrease in cash and cash equivalents	(107,771)	(42,567)

	SMCC-SG	
	2024	2023
Net cash provided by operating activities	P1,963,428	P1,133,707
Net cash used in investing activities	(1,197,046)	(1,772,275)
Net cash provided by (used in) financing activities	(241,071)	186,916
Net increase (decrease) in cash and cash equivalents	525,311	(451,652)

	GBPL	
	2024	2023
Net cash provided by operating activities	₱205,995	₱220,306
Net cash used in investing activities	(179,936)	(139,116)
Net cash used in financing activities	(42,386)	(40,830)
Net increase (decrease) in cash and cash equivalents	(16,327)	40,360

	Milksha	
	2024	2023
Net cash provided by operating activities	₱28,239	₱100,623
Net cash used in investing activities	(48,905)	(20,208)
Net increase (decrease) in cash and cash equivalents	(20,666)	80,415

	MHL	
	2024	2023
Net cash provided by operating activities	₱47,504	28,529
Net cash used in investing activities	(90,982)	(4,198)
Net cash provided by financing activities	1,714	-
Net increase (decrease) in cash and cash equivalents	(41,764)	24,331

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

	September 2024 (Unaudited)	December 2023 (Audited)
Interests in joint ventures:		
Titan Dining LP	₱15,083,586	₱13,271,276
Titan Dining II LP	1,387,693	—
Golden Bee Foods Restaurant LLC	501,377	392,247
JBPX Foods Inc.	178,647	217,017
Yoshinoya Jollibee Foods, Inc.	89,336	88,749
	17,240,639	13,969,289
Interests in associates:		
CentralHub Industrial Centers, Inc.	3,427,297	3,419,135
Botrista, Inc.	1,577,489	—
Tortazo LLC	646,629	725,227
C-Joy Poultry Meats Production, Inc.	608,399	434,633
Entrek (B) SDN BHD	166,813	197,205
C-Joy Poultry Realty, Inc.	18,868	20,151
Beeworks Food SDN. BHD.	(44,697)	(29,729)
	6,400,798	4,766,622
Advances to a joint venture, associates and a co-venturer:		
VTI Group	₱2,145,931	₱2,066,012
Tortazo LLC	153,646	86,656
JBPX Foods Inc.	130,936	128,865
Beeworks Food SDN. BHD	78,949	75,538
	2,509,462	2,357,071
	₱26,150,899	₱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 September 30, 2024 and December 31, 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 (P14,395.5 million) to SGD450.0 million (P18,940.5 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 (P17,425.3 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 (P324.8 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, 2024, JWPL made an additional investment amounting to SGD15.6 million (P659.4 million) proportionate to its participating interest in Titan.

The details of the Jollibee Group’s participating interest in Titan as at September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Interest in a joint venture – cost:		
Balance at beginning of period	P12,786,939	P10,767,706
Additions during the period	984,181	2,019,233
Balance at end of period	13,771,120	12,786,939
Cumulative equity in net earnings:		
Balance at beginning of period	484,337	138,197
Equity in net earnings during the period	828,129	346,140
Balance at end of period	1,312,466	484,337
	P15,083,586	P13,271,276

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:

	September 2024 (Unaudited)	December 2023 (Audited)
Current assets	P323,331	P680,984
Noncurrent assets	15,572,763	13,017,078
Total assets	P15,896,094	P13,698,062
Current liabilities	P35,140	P24,993

The amounts of assets and liabilities above include:

	September 2024 (Unaudited)	December 2023 (Audited)
Cash and cash equivalents	₱321,064	₱679,813

The amounts of the income accounts include the following:

	September 2024 (Unaudited)	September 2023 (Unaudited)
Net income	₱920,455	₱408,631
Total comprehensive income	920,455	408,631

	September 2024 (Unaudited)	December 2023 (Audited)
Net assets	₱15,860,954	₱13,673,069
Proportion of the Jollibee Group's participating interest	92%	90%
	14,592,078	12,305,762
Goodwill	2,485,560	2,336,248
Cumulative translation adjustments	(1,994,052)	(1,370,734)
	₱15,083,586	₱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).

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.

The details of the Jollibee Group's interest in the Golden Bee as at September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Interest in a joint venture – cost	P33,926	P33,926
Cumulative equity in net earnings:		
Balance at beginning of period	358,321	308,848
Equity in net earnings during the period	109,130	138,503
Dividends received	-	(89,030)
Balance at end of period	467,451	358,321
	P501,377	P392,247

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:

	September 2024 (Unaudited)	December 2023 (Audited)
Current assets	P1,193,162	P1,270,781
Noncurrent assets	1,048,547	213,791
Total assets	P2,241,709	P1,484,572
Current liabilities	P985,617	P523,818
Noncurrent liabilities	160,405	88,663
Total liabilities	P1,146,022	P612,481

The amounts of assets and liabilities above include:

	September 2024 (Unaudited)	December 2023 (Audited)
Cash and cash equivalents	P868,483	P844,953

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

	September 2024 (Unaudited)	September 2023 (Unaudited)
Revenues	P2,054,276	P1,719,880
Depreciation and amortization	43,975	42,168
Net income	222,714	193,282
Total comprehensive income	222,714	193,282

	September 2024 (Unaudited)	December 2023 (Audited)
Net assets	₱1,095,687	₱872,091
Proportion of the Jollibee Group's ownership	49%	49%
	536,887	427,325
Cumulative translation adjustments	(35,510)	(35,078)
	₱501,377	₱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 September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Interest in a joint venture – cost	₱281,750	₱281,750
Cumulative equity in net losses:		
Balance at beginning of period	(64,733)	(36,446)
Equity in net loss during the period	(38,370)	(28,287)
Balance at end of period	(103,103)	(64,733)
	₱178,647	₱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:

	September 2024 (Unaudited)	December 2023 (Audited)
Current assets	₱301,627	₱450,063
Noncurrent assets	1,035,724	1,068,500
Total assets	₱1,337,351	₱1,518,563
Current liabilities	₱262,563	₱326,634
Noncurrent liabilities	717,494	757,895
Total liabilities	₱980,057	₱1,084,529

The amounts of assets and liabilities above include:

	September 2024 (Unaudited)	December 2023 (Audited)
Cash and cash equivalents	₱260,549	₱406,173
Current financial liabilities (excluding trade payables and other current liabilities and provisions)	62,166	59,171
Noncurrent financial liabilities (excluding trade and other payables and provisions)	717,432	757,833

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

	September 2024 (Unaudited)	September 2023 (Unaudited)
Revenues	P972,654	P888,576
Depreciation and amortization	134,762	91,481
Taxes and licenses	12	2,037
Interest income	7,458	10,765
Interest expense	(42,585)	(16,892)
Net loss	(76,740)	(40,059)
Total comprehensive loss	(76,740)	(40,059)

	September 2024 (Unaudited)	December 2023 (Audited)
Net assets	P357,294	P434,034
Proportion of the Jollibee Group's ownership	50%	50%
	P178,647	P217,017

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 September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Interest in a joint venture – cost	P95,000	P95,000
Cumulative equity in net losses:		
Balance at beginning of period	(6,251)	(8,816)
Equity in net earnings during the period	587	2,565
Balance at end of period	(5,664)	(6,251)
	P89,336	P88,749

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:

	September 2024 (Unaudited)	December 2023 (Audited)
Current assets	P99,068	P99,733
Noncurrent assets	160,186	191,884
Total assets	P259,254	P291,617
Current liabilities	P51,632	P72,792
Noncurrent liabilities	28,950	41,327
Total liabilities	P80,582	P114,119

The amounts of assets and liabilities above include:

	September 2024 (Unaudited)	December 2023 (Audited)
Cash and cash equivalents	₱89,447	₱89,039
Current financial liabilities (excluding trade payables and other current liabilities and provisions)	9,883	14,565
Noncurrent financial liabilities	28,950	41,327

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

	September 2024 (Unaudited)	September 2023 (Unaudited)
Revenues	₱287,184	₱270,031
Depreciation and amortization	28,968	20,984
Taxes and licenses	1	14
Interest income	2,162	2,430
Interest expense	(2,264)	(817)
Net income (loss)	1,174	(3,047)
Total comprehensive income (loss)	1,174	(3,047)

	September 2024 (Unaudited)	December 2023 (Audited)
Net assets	₱178,672	₱177,498
Proportion of the Jollibee Group's ownership	50%	50%
	₱89,336	₱88,749

Interests in Associates

CentralHub Industrial Centers, Inc. (CentralHub). As at September 30, 2024 and December 31, 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 September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Interest in an associate – cost	₱3,390,073	₱3,390,073
Cumulative equity in net earnings:		
Balance at beginning of period	29,062	26,318
Equity in net earnings during the period	8,162	2,744
Balance at end of period	37,224	29,062
	₱3,427,297	₱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 September 30, 2024 and December 31, 2023 are set out below:

	September 2024 (Unaudited)	December 2023 (Audited)
Current assets	₱3,232,020	₱3,474,127
Noncurrent assets	4,666,402	4,282,876
Total assets	₱7,898,422	₱7,757,003
Current liabilities	₱525,719	₱486,775
Noncurrent liabilities	374,347	292,799
Total liabilities	₱900,066	₱779,574

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

	September 2024 (Unaudited)	September 2023 (Unaudited)
Revenues	₱39,671	₱39,487
Taxes and licenses	8,708	8,914
Interest income	14	20,659
Interest expense	(1,936)	(1,766)
Net income	20,929	162
Total comprehensive income	20,929	162

	September 2024 (Unaudited)	December 2023 (Audited)
Net assets	₱6,998,356	₱6,977,429
Proportion of the Jollibee Group's ownership	39%	39%
	2,729,359	2,721,197
Goodwill	697,938	697,938
	₱3,427,297	₱3,419,135

Botrista, Inc. (Botrista). On March 27, 2024, the Jollibee Group, through JWPL, invested USD28.0 million (₱1,577.5 million) for a 10% ownership in Botrista, 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.

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 September 30, 2024 and December 31, 2023, the Jollibee Group, through JFC USA, has 52.60% ownership in Tortazo, a company that 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 (P195.2 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 September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Interest in an associate – cost:		
Balance at beginning of period	P978,230	P782,988
Additions during the period	-	195,242
Balance at end of period	978,230	978,230
Cumulative equity in net losses:		
Balance at beginning of period	(253,003)	(164,609)
Equity in net loss during the period	(78,598)	(88,394)
Balance at end of period	(331,601)	(253,003)
	P646,629	P725,227

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:

	September 2024 (Unaudited)	December 2023 (Audited)
Current assets	P135,698	P229,385
Noncurrent assets	617,584	572,888
Total assets	P753,282	P802,273
Current liabilities	P228,241	P138,263

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

	September 2024 (Unaudited)	September 2023 (Unaudited)
Revenues	P193,796	P193,951
Net loss	(149,426)	(132,161)
Total comprehensive loss	(149,426)	(132,161)

	September 2024 (Unaudited)	December 2023 (Audited)
Net assets	P525,041	P664,010
Proportion of the Jollibee Group's ownership	52.60%	52.60%
Goodwill	276,172	349,269
Cumulative translation adjustments	(11,075)	(5,574)
	P646,629	P725,227

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 September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Interest in an associate – cost	P1,920,126	P1,920,126
Cumulative equity in net losses:		
Balance at beginning of period	(1,485,493)	(1,646,442)
Equity in net earnings during the period	173,766	160,949
Balance at end of period	(1,311,727)	(1,485,493)
	P608,399	P434,633

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:

	September 2024 (Unaudited)	December 2023 (Audited)
Current assets	P2,649,762	P2,367,899
Noncurrent assets	2,235,066	2,028,622
Total Assets	P4,884,828	P4,396,521
Current liabilities	P2,640,487	P2,819,212
Noncurrent liabilities	216,345	128,532
Total liabilities	P2,856,832	P2,947,744

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

	September 2024 (Unaudited)	September 2023 (Unaudited)
Revenues	P10,541,318	P8,307,265
Depreciation and amortization	232,783	186,617
Taxes and licenses	15,878	13,177
Interest income	7,078	2,394
Interest expense	(46,371)	(75,825)
Net income	579,221	305,169
Total comprehensive income	621,060	347,818

	September 2024 (Unaudited)	December 2023 (Audited)
Net assets	P2,027,996	P1,448,777
Proportion of the Jollibee Group's ownership	30%	30%
	P608,399	P434,633

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 September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Interest in an associate – cost	₱16,660	₱16,660
Cumulative equity in net earnings:		
Balance at beginning of period	180,545	155,742
Equity in net earnings during the period	54,096	65,802
Dividends received	(84,488)	(40,999)
Balance at end of period	150,153	180,545
	₱166,813	₱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:

	September 2024 (Unaudited)	December 2023 (Audited)
Current assets	₱745,341	₱858,959
Noncurrent assets	332,082	322,206
Total assets	₱1,077,423	₱1,181,165
Current liabilities	₱462,585	₱622,578

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

	September 2024 (Unaudited)	September 2023 (Unaudited)
Revenues	₱1,280,160	₱1,135,096
Depreciation	71,310	72,679
Net income	162,287	145,263
Total comprehensive income	162,287	145,263

	September 2024 (Unaudited)	December 2023 (Audited)
Net assets	₱614,838	₱558,587
Proportion of the Jollibee Group's ownership	33.33%	33.33%
	204,946	186,196
Cumulative translation adjustments	(38,133)	11,009
	₱166,813	₱197,205

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 September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Interest in an associate – cost	₱10,586	₱10,586
Cumulative equity in net earnings:		
Balance at beginning of period	9,565	6,661
Equity in net earnings (loss) during the period	(1,283)	2,904
Balance at end of period	8,282	9,565
	₱18,868	₱20,151

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:

	September 2024 (Unaudited)	December 2023 (Audited)
Current assets	₱205,017	₱6,402
Noncurrent assets	186,237	62,152
Total assets	₱391,254	₱68,554
Current liabilities	₱28,359	₱1,383
Noncurrent liabilities	300,000	–
Total liabilities	₱328,359	₱1,383

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

	September 2024 (Unaudited)	September 2023 (Unaudited)
Revenues	₱10,633	₱10,633
Taxes and licenses	11,275	1
Interest income	407	89
Interest expense	(3,557)	(227)
Net income (loss)	(4,276)	7,183
Total comprehensive income (loss)	(4,276)	7,183
	September 2024 (Unaudited)	December 2023 (Audited)
Net assets	₱62,895	₱67,171
Proportion of the Jollibee Group's ownership	30%	30%
	₱18,868	₱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 September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Interest in an associate – cost	₱9,299	₱9,299
Cumulative equity in net losses:		
Balance at beginning of period	(39,028)	(16,111)
Equity in net loss during the period	(14,968)	(22,917)
Balance at end of period	(53,996)	(39,028)
	(₱44,697)	(₱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 September 30, 2024 and December 31, 2023 are set out below:

	September 2024 (Unaudited)	December 2023 (Audited)
Current assets	₱169,653	₱138,060
Noncurrent assets	303,922	251,069
Total assets	₱473,575	₱389,129
Current liabilities	₱174,379	₱110,733
Noncurrent liabilities	463,797	375,991
Total liabilities	₱638,176	₱486,724

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

	September 2024 (Unaudited)	September 2023 (Unaudited)
Revenues	₱362,234	₱255,522
Depreciation	30,677	26,764
Net loss	(49,892)	(55,968)
Total comprehensive loss	(49,892)	(55,968)

	September 2024 (Unaudited)	December 2023 (Audited)
Net liabilities	(₱164,601)	(₱97,595)
Proportion of the Jollibee Group's ownership	30%	30%
	(49,380)	(29,279)
Cumulative translation adjustments	4,683	(450)
	(₱44,697)	(₱29,729)

Advances to a Co-venturer

Advances to VTI Group. The details of the Jollibee Group's advances to VTI Group as at September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Balance at beginning of period	₱2,066,012	₱2,009,362
Accrual of interest (see Note 23)	56,250	71,035
Translation adjustments and others	23,669	(14,385)
Balance at end of period	₱2,145,931	₱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. Total interest from this loan, recognized as interest income, amounted to USD1.0 million (₱56.2 million) and USD0.8 million (₱52.8 million) for the periods ended September 30, 2024 and 2023, respectively (see Note 23).

Advances to Associates

Advances to Tortazo. The details of the Jollibee Group's advances to Tortazo as at September 30, 2024 and December 31, 2023 follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Balance beginning of period	₱86,656	₱-
Advances during the period	76,193	92,168
Payments during the period	(11,722)	(11,074)
Accrual of interest (see Note 23)	4,399	3,910
Translation adjustments	(1,880)	1,652
Balance at end of period	₱153,646	₱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.

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, JFC USA granted a two-year loan to Tortazo amounting to USD0.4 million (P22.7 million) subject to an interest rate of 7.0% per annum payable on maturity date. Additionally, on the same date, Tortazo issued a four-year convertible promissory note to JFC USA amounting to USD0.9 million (P53.5 million) which bears an interest rate of 14.0% per annum payable on the maturity date.

Advances to Beeworks – West Malaysia. The details of the Jollibee Group's advances to Beeworks – West Malaysia as at September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Balance beginning of period	P75,538	P30,473
Accrual of interest (see Note 23)	2,555	1,894
Advances during the period	–	43,936
Translation adjustments	856	(765)
Balance at end of period	P78,949	P75,538

On May 11, 2022, the Jollibee Group, through GPPL, extended a 5-year loan to Beeworks – West Malaysia amounting to MYR2.4 million (P30.0 million) available in two (2) tranches subject to an interest rate of 3.5% per annum. The first tranche amounting MYR1.2 million (P15.0 million) was issued on June 10, 2022. Subsequently, the second tranche amounting to MYR1.2 million (P15.3 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 (P43.9 million), available in two (2) tranches subject to an interest rate of 4.74% per annum. The first tranche amounting MYR1.7 million (P21.4 million) was issued on April 3, 2023. Subsequently, the second tranche amounting to MYR1.9 million (P22.5 million) was issued on October 31, 2023. The loan is payable in full on the 8th year from date of agreement.

Advances to a Joint Venture

Advances to JBPX. The details of the Jollibee Group's advances to JBPX as at September 30, 2024 and December 31, 2023 follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Balance beginning of period	P128,865	P–
Accrual of interest (see Note 23)	6,329	3,865
Payments during the period	(4,258)	–
Advances during the period	–	125,000
Balance at end of period	P130,936	P128,865

On July 14, 2023, the Parent Company extended a loan to JBPX amounting to P125.0 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:

	September 2024 (Unaudited)							
	Land and 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 period	₱73,169	₱10,252,710	₱36,075,887	₱32,026,096	₱3,818,069	₱583,952	₱6,295,443	₱89,125,326
Additions	–	307,308	925,778	1,718,053	100,033	59,503	4,806,112	7,916,787
Acquisition of a business (see Note 11)	62,980	139,077	–	129,786	–	3,786	5,536	341,165
Retirements and disposals	–	(33,484)	(962,130)	(1,134,826)	(82,013)	(44,203)	(130,516)	(2,387,172)
Reclassifications	–	76,014	2,189,208	1,161,500	109,624	18,366	(3,554,712)	–
Translation adjustments	2,227	17,826	447,071	285,698	99,376	1,175	16,067	869,440
Balance at end of period	138,376	10,759,451	38,675,814	34,186,307	4,045,089	622,579	7,437,930	95,865,546
Accumulated Depreciation and Amortization								
Balance at beginning of period	–	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)	–	602,301	2,601,794	2,585,999	288,808	37,897	–	6,116,799
Retirements and disposals	–	(17,684)	(746,694)	(1,017,802)	(74,724)	(38,974)	–	(1,895,878)
Translation adjustments	–	2,551	245,243	181,269	63,134	3,123	–	495,320
Balance at end of period	–	4,728,397	20,881,318	24,241,853	2,978,412	423,089	–	53,253,069
Accumulated Impairment Loss								
Balance at beginning of period	–	–	449,655	311,864	1,307	–	353	763,179
Additions (see Note 22)	–	4,104	5,689	520	–	–	–	10,313
Reversals (see Note 22)	–	–	(23,383)	(1,114)	(471)	–	–	(24,968)
Write-offs	–	–	–	(64,868)	–	–	–	(64,868)
Translation adjustments	–	–	–	6,900	–	–	–	6,900
Balance at end of period	–	4,104	431,961	253,302	836	–	353	690,556
Net Book Value	₱138,376	₱6,026,950	₱17,362,535	₱9,691,152	₱1,065,841	₱199,490	₱7,437,577	₱41,921,921

December 2023 (Audited)								
	Land and 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 a provision amounting to ₱10.3 million and nil in 2024 and 2023 and reversal of provision amounting to ₱25.0 million and nil in 2024 and 2023, respectively (see Note 22). Consequently, allowance for impairment loss amounted to ₱690.6 million and ₱763.2 million as at September 30, 2024 and December 31, 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 ₱114.6 million and ₱34.1 million for the periods ended September 30, 2024 and 2023, respectively (see Note 22).

There are no borrowing costs capitalized as at September 30, 2024 and December 31, 2023.

No property, plant and equipment as at September 30, 2024 and December 31, 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:

	September 2024 (Unaudited)	December 2023 (Audited)
Cost		
Balance at beginning of period	P101,585	P-
Reclassifications (see Note 12)	-	101,585
	101,585	101,585
Accumulated Depreciation and Amortization		
Depreciation during the period (see Note 22)	10,666	-
Net Book Value	P90,919	P101,585

There is no rent income derived from income-generating properties for the periods ended September 30, 2024 and 2023.

There are no operating costs relating to the investment properties for the periods ended September 30, 2024 and 2023.

No investment properties as at September 30, 2024 and December 31, 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:

	September 2024 (Unaudited)	December 2023 (Audited)
Trademarks	P35,482,473	P35,445,794
Goodwill	27,461,867	16,251,878
Computer software, net of accumulated amortization	113,105	196,576
Other intangible assets, net of accumulated amortization	15,219	32,397
	P63,072,664	P51,926,645

Trademarks and Goodwill

Trademarks and goodwill acquired through business combinations are attributable to the following group of CGUs as at September 30, 2024 and December 31, 2023:

	September 2024 (Unaudited)	December 2023 (Audited)
Trademarks:		
CBTL	P18,484,721	P18,484,721
Smashburger	10,414,000	10,414,000
Highlands Coffee	3,681,912	3,681,912
Mang Inasal	2,004,256	2,004,256
Milksha	860,905	860,905
Compose Coffee (see Note 11)	36,679	—
Total	35,482,473	35,445,794
Goodwill:		
Compose Coffee (see Note 11)	11,058,151	—
Smashburger	5,752,026	5,684,271
Hong Zhuang Yuan	2,988,858	2,928,856
SuperFoods Group	2,623,170	2,616,404
Mang Inasal	1,781,267	1,781,267
Red Ribbon Bakeshop:		
Philippine operations	737,939	737,939
US operations	443,275	438,053
Yong He King	632,874	620,169
MHL (see Note 11)	601,888	605,236
Chowking US operations	496,363	490,516
GSC	176,786	176,330
Milksha	164,025	167,592
Burger King	5,245	5,245
	27,461,867	16,251,878
Trademarks and goodwill	P62,944,340	P51,697,672

The rollforward analysis of the Jollibee Group's trademarks as at September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Cost		
Balance at beginning of period	P35,445,794	P35,908,895
Addition (see Note 11)	36,679	—
Write-off	—	(463,101)
Balance at end of period	35,482,473	35,445,794
Allowance for Impairment		
Balance at beginning of period	—	463,101
Write-off	—	(463,101)
Balance at end of period	—	—
Net Book Value	P35,482,473	P35,445,794

The rollforward analysis of the Jollibee Group's goodwill as at September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Cost		
Balance at beginning of period	₱15,171,622	₱14,566,386
Addition (see Note 11)	11,058,151	605,236
Balance at end of period	26,229,773	15,171,622
Translation Adjustments		
Balance at beginning of period	1,080,256	1,283,781
Translation adjustments of foreign subsidiaries	151,838	(203,525)
Balance at end of period	1,232,094	1,080,256
Net Book Value	₱27,461,867	₱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 September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Cost		
Balance at beginning of period	₱971,136	₱907,354
Additions	—	63,782
Balance at end of period	971,136	971,136
Accumulated Amortization		
Balance at beginning of period	779,596	660,820
Amortizations (see Note 22)	84,728	118,776
Balance at end of period	864,324	779,596
Translation adjustment	6,293	5,036
Net Book Value	₱113,105	₱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.

The rollforward analysis of other intangible assets as at September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Cost		
Balance at beginning of period	₱742,095	₱740,286
Additions	51	1,809
Balance at end of period	742,146	742,095
Accumulated Amortization		
Balance at beginning of period	698,375	562,247
Amortizations (see Note 22)	18,125	136,128
Balance at end of period	716,500	698,375
Translation adjustment	(10,427)	(11,323)
Net Book Value	₱15,219	₱32,397

Impairment Testing of Trademarks and Goodwill

Goodwill acquired through business combinations have been allocated to eleven (11) 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.

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	12.1%	4.4%
Yong He King	PRC	12.1%	4.4%
Mang Inasal	Philippines	13.9%	6.1%
Red Ribbon Bakeshop:			
Philippine operations	Philippines	13.9%	6.1%
US operations	USA	13.7%	2.5%
Burger King	Philippines	13.9%	6.1%
GSC	Vietnam	16.1%	6.3%
SuperFoods Group	Vietnam	16.1%	6.3%
Chowking US operations	USA	13.7%	2.5%
Smashburger	USA	13.7%	2.5%
CBTL	USA	12.3%	3.5%

Key assumptions with respect to the calculation of value in use of the groups of CGUs as at December 31, 2023 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. No impairment loss was recognized in 2024 and 2023.

15. Other Noncurrent Assets

This account consists of:

	September 2024 (Unaudited)	December 2023 (Audited)
Security and other deposits (see Notes 9, 31 and 32)	₱3,876,532	₱3,642,633
Noncurrent portion of employee car plan receivables (see Notes 7, 31 and 32)	122,077	121,907
Franchise rights - net of accumulated amortization of ₱121.8 million and ₱110.8 million in 2024 and 2023, respectively	68,252	68,464
Deferred compensation	22,759	22,759
Returnable containers and others	11,500	5,035
Tools and other assets	627,329	484,573
	₱4,728,449	₱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% and 1.28%-14.46% in 2023 and 2022, respectively. 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 ₱13.3 million and ₱13.7 million for the periods ended September 30, 2023 and 2024, 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 Coffee 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 September 30, 2024 and December 31, 2023 are as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Franchise Rights		
Balance at beginning of period	₱179,254	₱145,483
Additions	10,761	33,771
Balance at end of period	190,015	179,254
Accumulated Amortization		
Balance at beginning of period	110,790	95,795
Amortizations (see Note 22)	10,973	14,995
Balance at end of period	121,763	110,790
	₱68,252	₱68,464

- Tools and other assets represent tools for repairs and maintenance of office and store equipment which are still unused as at September 30, 2024 and December 31, 2023.

16. Trade Payables and Other Current Liabilities and Contract Liabilities

This account consists of:

	September 2024 (Unaudited)	December 2023 (Audited)
Trade	₱16,982,128	₱18,628,725
Accruals for:		
Salaries, wages and employee benefits	5,444,787	5,077,099
Local taxes	3,239,580	3,500,937
Store operations	1,574,043	1,699,345
Freight	1,561,632	1,789,427
Rent	1,092,864	1,384,043
Advertising and promotions	777,619	1,772,713
Interest (see Note 18)	581,653	542,234
Utilities	543,112	592,040
Repairs and maintenance	436,093	488,149

(Forward)

	September 2024 (Unaudited)	December 2023 (Audited)
Operating supplies	₱233,341	₱225,239
Professional fees	187,113	259,719
Security	185,401	208,612
Insurance	116,689	77,471
Transportation and travel	56,121	55,477
Communication	46,737	62,314
Trainings and seminars	11,455	10,799
Service fees and others	3,309,840	3,246,771
Customer deposits	2,083,241	1,052,183
Contractors' retention	839,566	752,824
Unearned revenue from gift certificates	722,674	764,319
Dividends and distributions payable (see Note 19)	385,328	594,590
Staled checks	78,197	71,231
Other current liabilities	2,306,713	2,031,850
	42,795,927	44,888,111
Contract liabilities	1,915,636	1,947,344
	₱44,711,563	₱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 ₱1.9 million and ₱2.2 million for the periods ended September 30, 2024 and 2023 respectively (see Note 23).

- Other current liabilities consist of amounts withheld from the acquisition of Compose Coffee amounting to KRW2.7 billion (₱130.9 million) as at September 30, 2024 and from the acquisition of Milksha and MHL totaling to ₱140.9 million as at December 31, 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:

	September 2024 (Unaudited)	December 2023 (Audited)
Balance at beginning of period	₱1,947,344	₱1,956,671
Utilization and amortization	(1,943,619)	(2,379,266)
Additions	1,915,460	2,392,521
Write-offs	(17,786)	(14,267)
Translation adjustments	14,237	(8,315)
Balance at end of period	₱1,915,636	₱1,947,344

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 for the periods ended September 30, 2024 and 2023 amounted to ₱1,943.6 million and ₱1,685.0 million, respectively.

17. Provisions

The rollforward analysis of provisions is as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Balance at beginning of period	₱1,637,108	₱1,601,300
Additions	—	361,227
Reversals	—	(325,419)
Balance at end of period	1,637,108	1,637,108
Current portion	237,835	237,835
Noncurrent portion	₱1,399,273	₱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).

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	September 2024 (Unaudited)	December 2023 (Audited)
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	₱840,450	₱830,550
Loan 2	April 4, 2024	November 30, 2024	SOFR plus spread; monthly	Unsecured	280,150	–
Loan 3	April 15, 2022/ July 1, 2022/ August 17, 2022	February 3, 2023/ February 2, 2024/ January 31, 2025	SOFR plus spread; quarterly	Unsecured	1,680,900	1,661,100
Loan 4	February 2, 2023 - September 2023/ February 9, 2024/ April 26, 2024	January 17, 2024/ January 16, 2025	SOFR plus spread; quarterly	Unsecured	1,680,900	1,107,400
PHP-denominated						
Loan 5	December 15, 2022	September 11, 2023/ March 8, 2024	5.5% per annum	Unsecured	–	1,000,000
SGD-denominated						
Loan 6	December 28, 2022/ March 1, 2023/ July 3, 2023	December 28, 2023/ July 3, 2024/ June 26, 2025	SORA plus spread; quarterly	Unsecured	850,980	820,755
MYR-denominated						
Loan 7	September 15, 2023	September 15, 2024/ September 15, 2025	KLIBOR plus spread; quarterly	Unsecured	372,900	331,925
VND-denominated						
Loan 8	April 24, 2024	April 24, 2025	Bank's three-month COF; quarterly	Unsecured	99,343	–
					₱5,805,623	₱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

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. As at September 30, 2024 and December 31, 2023, the carrying value of the loan amounted to USD15.0 million (₱840.5 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 (P277.7 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. As at September 30, 2024, the carrying value of the loan amounted to USD5.0 million (P280.2 million).

USD-denominated loans of SJBFI. 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 (P1,786.8 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 (P549.8 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, SJBFI requested to decrease the maximum amount for uncommitted line of credit to USD30.0 million (P1,531.5 million). Subsequent drawdowns of USD10.0 million (P586.3 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. As at September 30, 2024 and December 31, 2023, the carrying value of the loan amounted to USD30.0 million (P1,680.9 million) and USD30.0 million (P1,661.1 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 (P1,092.4 million) signed on January 18, 2023. Initial drawdown was made on February 2, 2023 amounting to USD5.0 million (P271.8 million). Subsequent drawdowns totaling to USD15.0 million (P835.9 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 (P1,661.1 million) and extended until January 16, 2025. On February 9, 2024 and April 26, 2024, additional drawdowns amounting to USD5.0 million (P281.2 million) and USD5.0 million (P293.1 million) were availed, respectively. As at September 30, 2024 and December 31, 2023, the carrying value of the loan amounted to USD30.0 million (P1,680.9 million) and USD20.0 million (P1,107.4 million), respectively.

PHP-denominated loan of Zenith. Loan 5 consists of a short-term loan availed on December 15, 2022 amounting to P2,000.0 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 P1,000.0 million and rolled over the balance of P1,000.0 million until March 8, 2024, the extended maturity date. The remaining balance of the loan was paid on maturity date. As at September 30, 2024 and December 31, 2023, the carrying value of the loan amounted to nil and P1,000.0 million, respectively.

SGD-denominated loan of CBTL-SG. Loan 6 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 (P540.5 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 (P124.7 million). Subsequent drawdown amounting to SGD10.0 million (P410.0 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 (P806.3 million). Additional drawdown amounting to SGD6.5 million (P265.4 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 September 30, 2024 and

December 31, 2023, the carrying value of the loan amounted to SGD19.5 million (P851.0 million) and SGD19.5 million (P820.8 million), respectively.

MYR-denominated loan of CBTL-MY. Loan 7 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 (P333.3 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 (P333.3 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 September 30, 2024 and December 31, 2023, the carrying value of the loan amounted to MYR27.5 million (P372.9 million) and MYR27.5 million (P331.9 million), respectively.

VND-denominated Loan of SuperFoods Group. Loan 8 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 (P169.1 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 VND112.7 billion (P272.3 million) were availed in May to September 2024. As at September 30, 2024, the carrying value of the loan amounted to VND42.7 billion (P99.3 million).

Interest expense recognized on short-term debt amounted to P311.8 million and P256.6 million for the periods ended September 30, 2024 and 2023, respectively (see Note 23).

Long-term Debt

The long-term debt consists of the following:

	September 2024 (Unaudited)	December 2023 (Audited)
Principal	P15,357,931	P12,668,543
Unamortized debt issue cost	(84,643)	(51,500)
	P15,273,288	P12,617,043

The details of long-term debt follow:

	Availment Date	Maturity Date	Interest Rate	Condition	September 2024 (Unaudited)	December 2023 (Audited)
USD-denominated						
<i>Subsidiary</i>						
Loan 1	November 29, 2016	November 29, 2024	3.0% per annum; annually	Unsecured	P-	P1,544,823
VND-denominated						
<i>Subsidiary</i>						
Loan 2	November 19 - December 31, 2020	August 30, 2024	Bank's three-month COF plus spread; quarterly	Unsecured	-	69,600
Loan 3	August 27, 2020- July 30, 2021	July 26, 2026	Bank's three-month COF plus spread; quarterly	Unsecured	117,389	204,900
Loan 4	January 7, 2022- December 27, 2022	September 26, 2026	Bank's three-month COF plus spread; quarterly	Unsecured	268,286	367,941
Loan 5	August 25, 2022- June - July 2023	August 25, 2027	Bank's BLR plus spread; quarterly	Unsecured	56,495	70,437
Loan 6	March 1, 2023- September 30, 2023	March 1, 2028	Bank's three-month COF plus spread; quarterly	Unsecured	651,280	742,400
Loan 7	December 29, 2023- March 2024	December 29, 2028	Personal Savings Deposit plus spread; quarterly	Unsecured	-	76,638
Loan 8	December 29, 2023- March 2024	December 28, 2028	Bank's three-month COF plus spread; quarterly	Unsecured	174,131	7,399
Loan 9	August 13, 2024	September 12, 2029	VND three-month BLR; quarterly	Unsecured	33,510	-

(Forward)

	Availment Date	Maturity Date	Interest Rate	Condition	September 2024 (Unaudited)	December 2023 (Audited)
SGD-denominated						
Subsidiary						
Loan 10	December 31, 2023- September 2024	December 31, 2026	SORA plus spread; quarterly	Unsecured	₱567,320	₱189,405
MYR-denominated						
Subsidiary						
Loan 11	February 6, 2024	February 6, 2027	KLIBOR plus spread; quarterly	Unsecured	250,860	—
Loan 12	April 29, 2024	April 30, 2027	KLIBOR plus spread; quarterly	Unsecured	318,660	—
PHP-denominated						
Parent Company						
Loan 13	March 27, 2018	March 27, 2025	PDST-R2 plus spread; quarterly	Unsecured	417,750	1,044,375
Loan 14	May 11, 2018	May 11, 2025	PDST R2 plus spread; quarterly	Unsecured	447,857	895,446
Loan 15	August 15, 2018	August 15, 2025	PDST-R2 plus spread; quarterly	Unsecured	537,348	940,179
Loan 16	October 6, 2021	October 7, 2026	BVAL plus spread	Unsecured	2,237,500	2,983,000
Loan 17	July 25, 2024	July 25, 2031	BVAL plus spread	Unsecured	3,474,375	—
Loan 18	July 23, 2024	July 23, 2029	BVAL plus spread	Unsecured	2,978,250	—
Subsidiaries						
Loan 19	May 8, 2019	May 8, 2026	BVAL plus spread	Unsecured	8,304	497,500
Loan 20	October 6, 2021	October 7, 2026	BVAL plus spread	Unsecured	1,678,125	2,237,250
Loan 21	October 6, 2021	October 8, 2026	Fixed	Unsecured	559,375	745,750
Loan 22	April 29, 2024	April 29, 2031	BVAL plus spread	Unsecured	496,473	—
					15,273,288	12,617,043
Less current portion - net of debt issue costs of ₱19.6 million and ₱23.7 million in 2024 and 2023					3,902,873	6,180,695
Noncurrent portion					₱11,370,415	₱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

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 September 30, 2024 and December 31, 2023, the carrying value of the loan amounted to nil and ₱1,544.8 million, respectively.

VND-denominated Loans of SuperFoods Group. Loan 2 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 September 30, 2024 and December 31, 2023, the carrying value of the loan amounted to nil and VND30.0 billion (₱69.6 million), respectively.

Loan 5 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 September 30, 2024 and December 31, 2023, the carrying value of the loan amounted to VND24.3 billion (₱56.5 million) and VND30.4 billion (₱70.4 million), respectively.

Loan 6 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 September 30, 2024 and December 31, 2023, the carrying value of the loan amounted to VND280.0 billion (₹651.3 million) and VND320.0 billion (₹742.4 million), respectively.

Loan 7 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 September 30, 2024 and December 31, 2023, the carrying value of the loan amounted to nil and VND33.0 billion (₹76.6 million), respectively.

Loan 8 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 VND71.7 billion (₹171.3 million) were availed in 2024. As at September 30, 2024 and December 31, 2023, the carrying value of the loan amounted to VND74.9 billion (₹174.1 million) and VND3.2 billion (₹7.4 million), respectively.

Loans 2 to 8 are guaranteed by the Ultimate Parent Company.

Loan 9 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 VND14.4 billion (₹33.5 million) were availed in September 2024. As at September 30, 2024, the carrying value of the loan amounted to VND14.4 billion (₹33.5 million).

SGD-denominated Loan of CBTL-SG. Loan 10 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 December 31, 2023. Subsequent drawdowns totaling to SGD8.5 million (₹358.1 million) were availed in January, March and July 2024. The principal is payable on maturity date. As at September 30, 2024 and December 31, 2023, the carrying value of the loan amounted to SGD13.0 million (₹567.3 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 11 consists of a 3-year facility agreement with a local bank in Malaysia up to an aggregate amount of MYR18.5 million (P220.7 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 September 30, 2024, the carrying value of the loan amounted to MYR18.5 million (P250.9 million).

Loan 12 consists of a 3-year revolving facility agreement with a local bank in Malaysia up to an aggregate amount of MYR23.5 million (P285.1 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 April 29, 2024. The principal is payable in four (4) quarterly installments commencing on the 25th month from the drawdown date. As at September 30, 2024, the carrying value of the loan amounted to MYR23.5 million (P318.7 million).

The loans are guaranteed by the Ultimate Parent Company.

PHP-denominated Loans of the Parent Company. Loan 17 consists of a 7-year unsecured loan availed from a local bank on July 25, 2024 amounting to P3.5 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 P26.3 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 P3,474.4 million, net of unamortized debt issue cost of P25.6 million as at September 30, 2024.

Loan 18 consists of a 5-year unsecured loan availed from a local bank on July 23, 2024 amounting to P3.0 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 P22.5 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 P2,978.3 million, net of unamortized debt issue cost of P21.8 million, as at September 30, 2024.

The Parent Company's PHP-denominated long-term debt (Loans 13 to 18) amounted to P10,093.1 million, net of unamortized debt issue cost of P66.9 million, and P5,863.0 million, net of unamortized debt issue cost of P32.0 million, as at September 30, 2024 and December 31, 2023, respectively. The current portion amounted to P2,397.0 million, net of unamortized debt issue cost of P13.0 million and P2,963.4 million, net of unamortized debt issue cost of P16.6 million, as at September 30, 2024 and December 31, 2023, respectively.

PHP-denominated Loans of Zenith. Zenith's PHP-denominated long-term debt (Loans 19 to 21) amounted to P2,245.8 million, net of unamortized debt issue cost of P14.2 million, and P3,480.5 million, net of unamortized debt issue cost of P19.5 million, as at September 30, 2024 and December 31, 2023, respectively. The current portion amounted to P994.0 million, net of unamortized debt issue cost of P6.0 million and P1,192.9 million, net of unamortized debt issue cost of P7.1 million, as at September 30, 2024 and December 31, 2023, respectively.

PHP-denominated Loan of PERFI. Loan 22 consists of a 7-year unsecured loan acquired from a local bank on April 29, 2024 amounting to P500.0 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 P3.8 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 P12.5 million and the remaining balance on the maturity date. The carrying amount of the loan amounted to P496.5 million, net of unamortized debt issue cost of P3.5 million, as at September 30, 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 September 30, 2024 and December 31, 2023.

Interest expense recognized on long-term debt amounted to P513.3 million and P555.1 million for the periods ended September 30, 2024 and 2023, respectively (see Note 23).

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

	September 2024 (Unaudited)	December 2023 (Audited)
2024	P1,119,111	P6,476,731
2025	3,795,739	3,540,994
2026	4,126,837	2,404,731
2027	2,232,224	199,687
2028 to 2031	4,084,020	46,400
	15,357,931	12,668,543
Less debt issue costs	(84,643)	(51,500)
	P15,273,288	P12,617,043

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 September 30, 2024 and December 31, 2023.

Senior Debt Securities (Notes)

On June 24, 2020, the Jollibee Group, through JWPL, issued a USD300.0 million (P14,994.0 million) 5.5-year and USD300.0 million (P14,994.0 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 (P200.4 million) for this transaction. As at September 30, 2024 and December 31, 2023, the carrying value of the Notes amounted to USD597.7 million (P33,489.0 million) and USD597.4 million (P33,077.8 million), net of unamortized debt issue cost of USD2.3 million (P129.0 million) and USD2.6 million (P144.2 million), respectively.

Interest expense recognized on senior debt securities amounted to P1,138.2 million and P1,108.1 million for the periods ended September 30, 2024 and 2023, 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 P1,000 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 and Series B is 3 and 7, respectively, as at September 30, 2024 and December 31, 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 P1,000.00 per share, with an estimated issue size of P5.0 billion to up to P8.0 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.

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 disclosed that it 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:

	September 2024 (Unaudited)	December 2023 (Audited)
Authorized - ₱1 par value		
Balance at beginning and end of period	₱1,430,000	₱1,430,000
Issued and subscribed:		
Balance at beginning of period	₱1,132,331	₱1,131,217
Issuances during the period	2,443	1,114
Balance at end of period	₱1,134,774	₱1,132,331

The total number of shareholders for common shares of the Parent Company is 2,971 and 2,922 as at September 30, 2024 and December 31, 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 period ended September 30, 2024 and year ended December 31, 2023, stock options totaling 2,443,581 shares and 1,114,129 shares, respectively, were exercised (see Note 26). This resulted to an additional paid-in capital amounting to ₱538.2 million and ₱207.9 million for the period ended September 30, 2024 and year ended December 31, 2023, respectively.

Stock options expense, amounting to ₱386.1 million and ₱179.5 million for the periods ended September 30, 2024 and 2023, 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 ₱9.3 million in 2023.

As at September 30, 2024 and December 31, 2023, total additional paid-in capital amounted to ₱13,587.1 million and ₱12,662.9 million, respectively.

d. Treasury Shares

The cost of common stock of the Parent Company held in treasury of ₱180.5 million consists of 16,447,340 shares as at September 30, 2024 and December 31, 2023.

e. Senior Perpetual Securities (Securities)

The Securities amounting to USD600.0 million (P30,588.0 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 (P10,323.2 million) Securities.

As at September 30, 2024 and December 31, 2023, the Securities amounted to USD396.5 million (P20,264.8 million).

Accrued distribution amounted to USD2.9 million (P161.2 million) and USD6.7 million (P373.4 million) as at September 30, 2024 and December 31, 2023, respectively (see Note 16).

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 September 30, 2024 and December 31, 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	P168,257
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 HBFPPPL 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
	<u>P2,026,340</u>

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 15.8%, 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
<i>(In Thousands, except dividend per share)</i>				
2024				
Common Shares				
April 23	May 9	May 23	P1.15	P1,284,336
Preferred Shares-Series A				
March 8	March 25	April 15	P8.21	P24,616
June 10	July 2	July 15	8.21	24,616
September 13	September 30	October 15	8.21	24,616
			P24.63	P73,848
Preferred Shares-Series B				
March 8	March 25	April 15	P10.60	P95,411
June 10	July 2	July 15	10.60	95,411
September 13	September 30	October 15	10.60	95,411
			P31.80	P286,233
2023				
Common Shares				
April 17	May 3	May 22	P1.07	P1,193,241
November 10	November 24	December 11	1.23	1,372,451
			P2.30	P2,565,692
Preferred Shares-Series A				
March 14	March 29	April 14	P8.21	P24,616
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
			P32.84	P98,464
Preferred Shares-Series B				
March 14	March 29	April 14	P10.60	P95,411
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
			P42.40	P381,644

Declaration Date	Record Date	Payment Date	Cash Dividend per Share	Total Cash Dividends Declared
<i>(In Thousands, except dividend per share)</i>				
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

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 HBFPL (₱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 September 30, 2024 and December 31, 2023, respectively.

The unappropriated retained earnings of the Parent Company is also restricted to the extent of cost of common stock held in treasury amounting to ₱180.5 million as at September 30, 2024 and December 31, 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 ₱33,438.0 million and ₱32,701.2 million as at September 30, 2024 and December 31, 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	
				September 2024 (Unaudited)	December 2023 (Audited)
Common shares	75,000,000	₱9	July 14, 1993	2,971	2,922
Preferred shares-Series A	3,000,000	1,000	October 14, 2021	3	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:

	September 2024 (Unaudited)	September 2023 (Unaudited)
Royalty fees	₱10,109,263	₱8,723,808
Set-up fees	433,685	330,960
Service fees	377,228	233,943
Scrap sales	98,543	107,548
Rent income (see Note 29)	20,366	5,220
Delivery fees and others	128,497	145,666
	₱11,167,582	₱9,547,145

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:

	September 2024 (Unaudited)	September 2023 (Unaudited)
<i>Cost of Sales</i>		
Cost of inventories	₱90,683,446	₱83,064,522
Personnel costs:		
Salaries, wages and other employee benefits	21,306,403	19,225,587
Pension expense	128,816	118,381
Depreciation and amortization (see Notes 12 and 29)	12,178,208	11,069,686
Contracted services	7,334,059	6,997,096
Rent (see Note 29)	5,383,178	5,048,977
Electricity and other utilities	5,038,565	4,626,055
Supplies	2,544,467	2,531,202
Repairs and maintenance	2,324,943	1,999,446
Security and janitorial	1,075,864	947,542
Communication	331,588	293,251
Professional fees	168,877	121,026
Representation and entertainment	46,949	50,088
Delivery costs, insurance and others	6,959,775	6,200,992
	155,505,138	142,293,851
<i>Cost of Services</i>		
Advertising expense	3,460,076	2,922,248
	₱158,965,214	₱145,216,099

22. General and Administrative Expenses

This account consists of:

	September 2024 (Unaudited)	September 2023 (Unaudited)
Personnel costs:		
Salaries, wages and other employee benefits	₱11,411,042	₱10,116,205
Stock options expense (see Notes 19, 26 and 27)	386,067	179,529
Pension expense	159,548	143,731
Taxes and licenses	2,082,315	1,756,204
Professional fees	1,175,750	983,584
Contracted services	922,042	760,207
Membership and subscriptions	684,453	332,561
Transportation and travel	562,970	435,216
Depreciation and amortization (see Notes 12, 13, 14, 15 and 29)	496,388	546,130
Rent (see Note 29)	407,592	389,469
Repairs and maintenance	287,707	292,109

(Forward)

	September 2024 (Unaudited)	September 2023 (Unaudited)
Corporate events	₱185,968	₱88,110
Donations	154,577	129,799
Impairment in value of:		
Inventories (see Note 8)	70,013	99,837
Receivables (see Note 7)	61,219	20,275
Property, plant and equipment (see Note 12)	10,313	—
Other current assets (see Note 9)	—	18,056
Insurance	141,199	132,994
Supplies	129,007	116,908
Loss on retirements and disposals of property, plant and equipment (see Note 12)	114,568	34,098
Communication	104,778	134,106
Electricity and other utilities	50,292	42,331
Training	50,114	52,744
Representation and entertainment	44,937	47,692
Association dues	33,172	38,493
Reversals of provision for impairment on:		
Property, plant and equipment (see Note 12)	(24,968)	—
Inventories (see Note 8)	(7,998)	(35,186)
Receivables (see Note 7)	—	(349)
Security and janitorial	17,283	9,312
Research and development and others	847,120	977,727
	₱20,557,468	₱17,841,892

23. Interest Income (Expense) and Other Income (Expense)

	September 2024 (Unaudited)	September 2023 (Unaudited)
Interest income		
Cash and cash equivalents and short-term investments (see Note 6)	₱622,932	₱533,240
Loans and advances (see Note 11)	69,533	57,880
Accretion of:		
Interest on security and other deposits and employee car plan receivables (see Note 15)	13,281	13,672
Lease receivables (see Note 29)	—	1,345
	₱705,746	₱606,137

	September 2024 (Unaudited)	September 2023 (Unaudited)
Interest expense		
Financing:		
Senior debt securities (see Note 18)	(P1,138,219)	(P1,108,066)
Long-term debt (see Note 18)	(513,305)	(555,138)
Short-term debt (see Note 18)	(311,838)	(256,568)
	(P1,963,362)	(1,919,772)
Accretion of:		
Lease liabilities (see Note 29)	(2,147,972)	(1,846,653)
Customer deposits (see Note 16)	(1,887)	(2,248)
	(2,149,859)	(1,848,901)
	(P4,113,221)	(P3,768,673)
	September 2024 (Unaudited)	September 2023 (Unaudited)
Other income (expense)		
Write-off of liabilities	P1,278,860	P466,418
Foreign exchange loss – net	(743,915)	(52,256)
Bank charges	(666,311)	(631,528)
Rebates, suppliers’ incentives and government subsidies	283,863	303,837
Marked-to-market gain on financial assets at FVTPL (see Note 10)	136,023	125,237
Other rentals	77,912	14,452
Penalties and charges	59,288	50,984
Gain on pre-termination of lease agreements (see Note 29)	24,815	62,636
Charges to franchisees	8,108	17,195
Provisions	–	(320,289)
Insurance claims and others	246,765	414,125
	P705,408	P450,811

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.

24. Income Taxes

The Jollibee Group's provision for current income tax consists of the following:

	September 2024 (Unaudited)	September 2023 (Unaudited)
Final tax withheld on:		
Royalty income	₱1,891,277	₱1,693,131
Interest income	92,965	85,793
RCIT:		
With itemized deduction	1,832,559	1,285,099
With Optional Standard Deduction (OSD)	2,081	2,298
MCIT	145,503	53,989
	₱3,964,385	₱3,120,310

RCIT consists of corporate income taxes from the Jollibee Group's operations in the Philippines, PRC, USA, Canada, Vietnam, Singapore and South Korea.

For the periods ended September 30, 2024 and 2023, Grandworth, a wholly-owned subsidiary, elected to use OSD in computing for its taxable income. The net tax benefit from the availment of OSD amounted to ₱0.6 million and ₱0.3 million for the periods ended September 30, 2024 and 2023, respectively.

The components of the Jollibee Group's recognized net deferred tax assets as at September 30, 2024 and December 31, 2023 follow:

	September 2024 (Unaudited)	December 2023 (Audited)
Deferred tax assets:		
Lease liabilities	₱7,543,030	₱7,754,947
NOLCO:		
USA-based entities	4,510,665	4,072,586
PRC-based entities	417,754	613,432
Europe-based entity	39,578	37,461
Accrued expenses	811,863	800,393
Pension liability and other benefits	621,844	552,564
Accumulated impairment loss in value of receivables, inventories, property, plant and equipment and other nonfinancial assets	414,667	399,916
Accrued benefit liability and bonus	331,554	333,217
Provision	299,677	322,551
Unrealized foreign exchange loss	261,099	335,756
Contract revenue	162,774	120,223
MSOP and ELTIP	149,279	149,279
Unaccreted discount on security deposits and employee car plan receivables	17,831	18,190

(Forward)

	September 2024 (Unaudited)	December 2023 (Audited)
Unamortized past service costs	₱6,144	₱7,004
Capital allowance	—	3,998
Others	406	457
	15,588,165	15,521,974
Deferred tax liabilities:		
Right-of-use assets	6,140,906	6,445,736
Excess of fair value over book value of identifiable assets of acquired businesses	956,978	1,119,582
Unrealized foreign exchange gain	278,410	307,324
Operating lease receivables	210,297	176,832
Unaccrued discount on employee car plan receivables and security deposits	23,812	24,719
Prepaid rent	15,712	11,292
Deferred rent expense	8,365	9,677
Unrealized gain on change in fair value of financial assets at FVTPL	2,748	2,748
	7,637,228	8,097,910
Deferred tax assets - net	₱7,950,937	₱7,424,064

The components of the Jollibee Group's recognized net deferred tax liabilities as at September 30, 2024 and December 31, 2023 follow:

	September 2024 (Unaudited)	December 2023 (Audited)
Deferred tax assets:		
Lease liabilities	₱4,450,472	₱4,541,661
Capital allowance	311,854	216,631
NOLCO:		
Singapore-based entity	50,762	16,060
USA-based entity	45,561	41,371
Contract revenue	47,118	43,231
Pension liability and other benefits	27,501	24,690
Provision	20,767	—
Allowance for impairment loss on receivables, inventories and property, plant and equipment	20,044	20,044
Accrued expenses	17,483	6,144
Accrued bonus	15,260	12,981
MSOP and ELTIP	6,734	6,734
Unamortized past service costs	5,767	6,316
Unaccrued discount on security deposits and employee car plan receivables	304	347
Unrealized foreign exchange loss	—	73
	5,019,627	4,936,283

(Forward)

	September 2024 (Unaudited)	December 2023 (Audited)
Deferred tax liabilities:		
Excess of fair value over book value of identifiable assets of acquired businesses	₱4,501,555	₱4,334,747
Right-of-use assets	4,059,711	4,226,385
Unaccreted discount on employee car plan receivables, security and product security deposits	1,100	1,082
	8,562,366	8,562,214
Deferred tax liabilities - net	₱3,542,739	₱3,625,931

The rollforward analysis of the net deferred tax assets and liabilities of the Jollibee Group follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Balance at beginning of period	₱3,798,133	₱2,673,834
Income tax effect to profit or loss	531,556	1,084,206
Income tax effect of remeasurements of net defined benefit plan	—	98,934
Tax effect of MSOP and ELTIP	—	9,348
Income tax effect arising from business acquisition	—	(5,838)
Translation adjustments	78,509	(62,351)
Balance at end of period	₱4,408,198	₱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:

	September 2024 (Unaudited)	December 2023 (Audited)
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 September 30, 2024 and December 31, 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:

	September 2024 (Unaudited)	December 2023 (Audited)
NOLCO	₱2,979,690	₱2,592,798
Excess MCIT over RCIT	302,856	244,031
	₱3,282,546	₱2,836,829

As at September 30, 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	₱2,187,424	₱459,359
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
	21,777,695	4,573,316
Utilization	(314,886)	(66,126)
Translation adjustments	233,505	49,036
	₱21,696,314	₱4,556,226

NOLCO of USA-based entities has no prescription effective taxable year 2018. The 2015, 2016 and 2017 NOLCO will expire in 2035, 2036 and 2037, respectively.

The PRC enterprise income tax law provides that income tax rates are unified at 25%. As at September 30, 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	₱547,552	₱136,888
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
		3,001,280	750,320
Write-off		(1,380,528)	(345,132)
Translation adjustments		50,264	12,566
		₱1,671,016	₱417,754

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.

As at September 30, 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	11,142	2,117
	₱208,305	₱39,578

NOLCO of Europe-based entity has no prescription.

As at September 30, 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	34,806	5,917
	₱298,599	₱50,762

NOLCO of Singapore-based entity has no prescription.

The following are the movements in deferred tax assets on NOLCO of the Jollibee Group:

	September 2024 (Unaudited)	December 2023 (Audited)
Balance at beginning of period	₱4,780,910	₱4,906,426
Additions	625,032	717,912
Write-off and expirations	(345,132)	(797,556)
Utilization during the period	(66,126)	(5,418)
Translation adjustments	69,636	(40,454)
	₱5,064,320	₱4,780,910

The net change in deferred tax liabilities recognized in equity amounted to ₱98.9 million, (₱149.2 million), and (₱168.0 million) in 2023, 2022 and 2021, respectively.

Provision for current income tax of foreign entities operating in the US, Canada, PRC, Vietnam, Singapore and South Korea amounted to ₱125.6 million, ₱30.4 million, ₱0.5 million, ₱139.0 million, ₱14.5 million and ₱125.1 million, respectively, for the period ended September 30, 2024 and ₱16.6 million, ₱7.5 million, ₱7.9 million, ₱147.1 million, ₱13.4 million and nil, respectively, for the period ended September 30, 2023.

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 consolidated 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 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:			
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 changes arising from changes in financial assumptions	224,270	—	224,270
Actuarial changes due to experience adjustment	159,290	—	159,290
Actuarial changes due to 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

Changes in pension liability of the Jollibee Group in 2022 are as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Pension Liability
At January 1, 2022	₱4,421,591	₱2,005,126	₱2,416,465
Pension expense:			
Current service cost	345,434	—	345,434
Net interest	219,146	99,560	119,586
Settlement loss	2,562	—	2,562
	567,142	99,560	467,582
Benefits paid	(237,288)	(237,288)	—
Settlement paid	(20,230)	(19,277)	(953)
Remeasurements in other comprehensive income:			
Return on plan assets (excluding amount included in net interest)	—	(165,613)	165,613
Actuarial changes arising from changes in financial assumptions	(693,781)	—	(693,781)
Actuarial changes due to experience adjustment	66,058	—	66,058
Actuarial changes due to demographic adjustment	(134,503)	—	(134,503)
	(762,226)	(165,613)	(596,613)
Contributions	—	383,493	(383,493)
Transferred out-net	(11,686)	—	(11,686)
At December 31, 2022	₱3,957,303	₱2,066,001	₱1,891,302

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

The following table presents the carrying amounts, which approximate the estimated fair values, of the assets of the plan:

	September 2024 (Unaudited)	December 2023 (Audited)
Cash and cash equivalents	₱19,081	₱124,768
Investments in government and corporate debt securities	2,478,213	2,364,023
Investments in quoted equity securities:		
Holding firms	198,283	213,518
Banks	177,436	149,961
Property	131,610	135,749
Transportation	75,036	52,226
Food and beverage	64,207	54,609
Telecommunications	47,864	33,677

(Forward)

	September 2024 (Unaudited)	December 2023 (Audited)
Electricity, energy, power and water	₱36,552	₱40,884
Others	13,222	18,177
Interest and dividends receivable	31,367	32,681
Fund liabilities (see Notes 7 and 27)	(974,958)	(941,590)
	₱2,297,913	₱2,278,683

The plan assets consist of the following:

- Investments in government securities consist of retail treasury bonds that bear interest ranging from 4.63%-6.25% and have maturities from October 2026 to October 2037 and fixed-rate treasury notes that bear interest ranging from 3.38%-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 4.34%-6.99% maturing from March 2025 to April 2032.
- 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:

	December 31, 2023	December 31, 2022
Discount rate	6.1% - 7.3%	3.7% - 7.3%
Salary increase rate	5.7%	6%

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	
		2023	2022
Discount rates	+0.50%	(₱543,539)	(₱430,617)
	-0.50%	941,738	770,593
Future salary increases	+0.50%	941,645	777,232
	-0.50%	(544,587)	(455,090)

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31:

	2023	2022
Less than 1 year	₱1,141,121	₱943,135
More than 1 year to 5 years	1,500,190	1,451,423
More than 5 years to 10 years	2,450,048	2,351,784
More than 10 years to 15 years	3,244,825	3,107,963
More than 15 years to 20 years	3,710,396	3,731,237
More than 20 years	9,140,354	9,127,038

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 ₱401.7 million to the defined benefit pension plans in 2023.

The average duration of the defined benefit obligation is 10 years as at December 31, 2023 and 2022.

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 ₱425.2 million and ₱343.0 million for the periods ended September 30, 2024 and 2023, 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.

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 October 25, 2023, the 20th MSOP cycle, the Compensation Committee granted 5,548,602 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:

	September 2024 (Unaudited)		December 2023 (Audited)		December 2022 (Audited)	
	Number of Options	WAEP	Number of Options	WAEP	Number of Options	WAEP
Total options granted at beginning of period	71,014,940	P135.87	65,466,338	P129.24	61,141,454	P122.96
Options granted during the period	—	—	5,548,602	214.00	4,324,884	218.00
Total options granted at end of period	71,014,940	P135.87	71,014,940	P135.87	65,466,338	P129.24
Outstanding at beginning of period	21,024,259	P209.77	17,246,159	P205.97	20,984,985	P194.51
Options granted during the period	—	—	5,548,602	214.00	4,324,884	218.00
Options exercised during the period	(2,443,581)	221.17	(827,462)	189.72	(5,886,568)	180.01
Options forfeited during the period	—	—	(943,040)	182.77	(2,177,142)	189.61
Outstanding at end of period	18,580,678	P208.27	21,024,259	P209.77	17,246,159	P205.97
Exercisable at end of period	11,590,448	P204.31	11,185,984	P208.08	8,706,088	P216.22

The weighted average share price of the Parent Company's common shares is ₱243.59, ₱234.57 and ₱228.53 in 2024, 2023 and 2022, respectively. The weighted average remaining contractual life for the stock options outstanding is 5.16 years, 5.14 years and 4.73 years as at December 31, 2023, 2022 and 2021, respectively.

The weighted average fair value of stock options granted in 2023, 2022 and 2021 is ₱77.52, ₱64.50 and ₱48.71, 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

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 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 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 2023 and 2022 follow:

	December 2023 (Audited)		December 2022 (Audited)	
	Number of Options	WAEP	Number of Options	WAEP
Total options granted at beginning and end of year	78,969,999	P74.58	78,969,999	P74.58
Outstanding at beginning of year	476,667	P180.00	3,680,034	P180.00
Options exercised during the year	(286,667)	180.00	(2,997,367)	180.00
Options forfeited during the year	(190,000)	180.00	(206,000)	180.00
Outstanding at end of year	–	P–	476,667	P180.00
Exercisable at end of year	–	P–	476,667	P180.00

The weighted average remaining contractual life for the stock options outstanding is nil, 0.33 year, and 1.33 years as at December 31, 2023, 2022 and 2021, respectively.

The fair value of stock options granted is P26.13 in 2015. There were no additional stock option grants under ELTIP in 2023, 2022 and 2021. 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 4th 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
4th	2015	2.00%	18.94%	2.98%	3-4 years	P180.00	P180.00

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.

The cost of the stock options expense charged to operations for both MSOP and ELTIP in the “General and administrative expenses” account amounted to P386.1 million and P179.5 million for the periods ended September 30, 2024 and 2023, 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:

	September 2024 (Unaudited)	September 2023 (Unaudited)
Salaries and short-term benefits	P2,034,572	P1,694,759
Stock options expense (see Notes 19, 22 and 26)	386,067	179,529
Net pension expense	106,260	240,120
Employee car plan and other long-term benefits	42,438	37,490
	P2,569,337	P2,151,898

Transactions with the Retirement Plans

As at September 30, 2024 and December 31, 2023, certain retirement funds of the Jollibee Group include investment in equity securities of the Parent Company with details as follows:

	September 2024 (Unaudited)	December 2023 (Audited)
Number of shares	108,100	83,760
Market value	P29,036	P21,057
Cost	25,311	18,690
Unrealized gain	P3,725	P2,367

The Jollibee Group’s receivable from the retirement fund amounted to P969.4 million and P770.3 million as at September 30, 2024 and December 31, 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.

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 September 30, 2024 and December 31, 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:

	September 2024 (Unaudited)	September 2023 (Unaudited)
<i>(In Thousand pesos, except for shares data and EPS)</i>		
Net income attributable to the equity holders of the		
Parent Company	P8,466,208	P6,822,667
Less dividends on preferred shares - net of tax	338,420	338,316
Adjusted net income attributable to the equity		
holders of the Parent Company (a)	P8,127,788	P6,484,351
Weighted average number of shares - basic (b)	1,116,742,037	1,115,155,411
Weighted average number of shares outstanding		
under the stock options plan	12,389,520	14,954,001
Weighted average number of shares that would		
have been purchased at fair market value	(10,394,444)	(12,936,559)
Adjusted weighted average shares – diluted (c)	1,118,737,113	1,117,172,853
EPS		
Basic (a/b)	P7.278	P5.815
Diluted (a/c)	7.265	5.804

Potential common shares for stock options under the 13th, 15th and 20th MSOP cycles in 2024 and 13th and 15th 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	4,346,090	53,371	—	4,399,461
Depreciation expense (see Notes 21 and 22)	(6,365,655)	(13,499)	(54,151)	(6,433,305)
Pre-terminations (see Note 23)	(13,811)	—	—	(13,811)
Cumulative translation adjustments	647,296	—	1,861	649,157
As at September 30, 2024	₱41,986,380	₱1,400,682	₱180,495	₱43,567,557

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	September 2024 (Unaudited)	December 2023 (Audited)
As at beginning of period	₱51,731,529	₱48,144,447
Payments	(7,956,787)	(11,158,642)
Additions	4,558,496	12,717,272
Accretion of interest (see Note 23)	2,147,972	2,799,307
Pre-terminations (see Note 23)	(38,626)	(838,394)
Cumulative translation adjustments	431,617	67,539
As at end of period	₱50,874,201	₱51,731,529
Current	₱7,684,522	₱8,442,985
Noncurrent	43,189,679	43,288,544

The maturity analysis of lease liabilities is disclosed in Note 31.

The following are the amounts recognized in profit or loss:

	September 2024 (Unaudited)	September 2023 (Unaudited)
Depreciation expense of right-of-use assets (see Notes 21 and 22)	₱6,433,305	₱6,080,841
Rent expense - short-term leases (see Notes 21 and 22)	3,913,898	3,691,323
Interest expense on lease liabilities (see Note 23)	2,147,972	1,846,653
Rent expense - variable lease payments (see Notes 21 and 22)	1,876,872	1,747,123
Gain on pre-termination of lease agreements (see Note 23)	(24,815)	(62,636)
	₱14,347,232	₱13,303,304

The Jollibee Group had total cash outflows for leases of ₱13,747.6 million and ₱12,726.8 million for the periods ended September 30, 2024 and 2023, respectively.

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 ₱20.4 million and ₱5.2 million for the periods ended September 30, 2024 and 2023, 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 period:

	September 2024 (Unaudited)	December 2023 (Audited)
At beginning of period	₱811	₱41,619
Payments	(212)	(15,710)
Pre-terminations	–	(26,128)
Accretion of interest	–	1,030
At end of period	₱599	₱811

Shown below is the maturity analysis of the undiscounted finance lease receivables:

	September 2024 (Unaudited)	December 2023 (Audited)
1 year	₱260	₱298
more than 1 year to 5 years	389	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, 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		
		2023	2022	2021
PHP	+100	(93,435)	(134,998)	(169,260)
	-100	93,435	134,998	169,260
USD	+100	(15,448)	(15,724)	(43,344)
	-100	15,448	15,724	43,344
VND	+100	(1,894)	(11,909)	(10,997)
	-100	1,894	11,909	10,997

The assumed movement in basis point for interest rate sensitivity analysis is based on the currently observable market environment.

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 USA, PRC and Vietnam. The net assets of foreign businesses account for 7.4% and 7.6% of the consolidated net assets of the Jollibee Group as at September 30, 2024 and December 31, 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 September 30, 2024 and December 31, 2023:

	September 2024 (Unaudited)		December 2023 (Audited)	
	USD	PHP Equivalent	USD	PHP Equivalent
Foreign currency denominated assets:				
Cash and cash equivalents	15,947	893,510	20,881	1,156,181
Receivables	16,503	924,663	18,590	1,029,328
	32,450	1,818,173	39,471	2,185,509
Foreign currency denominated liability -				
Accounts payable - trade	(13,126)	(735,450)	(6,019)	(333,272)
Foreign currency denominated assets - net	19,324	1,082,723	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 ₱743.9 million and ₱52.3 million for the periods ended September 30, 2024 and 2023, respectively (see Note 23), included under "Other income - net" account. This resulted from the movements of the Philippine peso against the USD as shown below:

September 30, 2024	56.03
December 31, 2023	55.37

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 September 30, 2024 and December 31, 2023:

	September 2024 (Unaudited)			December 2023 (Audited)	
	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	(₱28,986)	(₱28,986)	(₱50,178)	(₱50,178)
	(1.50)	28,986	28,986	50,178	50,178
	1.00	(19,324)	(19,324)	(33,452)	(33,452)
	(1.00)	19,324	19,324	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.

The aging analysis of financial assets as at September 30, 2024 and December 31, 2023 as follows:

	September 2024 (Unaudited)					
	Total	Neither Past Due nor Impaired	Past Due but not Impaired (Age in Days)			
			1-30	31-60	61-120	Over 120
Financial Assets at Amortized Cost						
Cash and cash equivalents*	₱33,410.1	₱33,410.1	₱-	₱-	₱-	₱-
Short-term investments	376.2	376.2	-	-	-	-
Receivables:						
Trade	6,814.2	3,745.5	419.3	187.5	160.7	1,079.6
Advances to employees	1,260.5	1,260.5	-	-	-	-
Receivable from retirement fund	969.4	8.5	40.6	38.4	53.6	828.3
Employee car plan receivables**	178.6	178.6	-	-	-	-
Other receivables***	1.2	1.2	-	-	-	-
Finance lease receivables	0.6	0.6	-	-	-	-
Other noncurrent assets -						
Security and other deposits**	4,077.7	4,077.7	-	-	-	-
	47,088.5	43,058.9	459.9	225.9	214.3	1,907.9
Financial Assets at FVTPL**	327.3	327.3	-	-	-	-
	₱47,415.8	₱43,386.2	₱459.9	₱225.9	₱214.3	₱1,907.9
						₱1,221.6

*Excluding cash on hand amounting to ₱399.3 million

**Including noncurrent portion

***Including interest receivable and excluding receivables from government agencies amounting to ₱84.0 million

December 2023 (Audited)							
	Total	Neither Past Due nor Impaired	Past Due but not Impaired (Age in Days)				Impaired
			1-30	31-60	61-120	Over 120	
Financial Assets at Amortized Cost			<i>(In Millions)</i>				
Cash and cash equivalents*	P32,831.1	P 32,831.1	P—	P—	P—	P—	P—
Short-term investments	624.8	624.8	—	—	—	—	—
Receivables:							
Trade	6,549.3	3,761.8	339.6	165.9	281.4	830.5	1,170.1
Receivable from retirement fund	770.3	15.7	17.8	30.7	45.3	660.8	—
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	—	—	—	—	—
	45,480.1	41,938.0	357.4	196.6	326.7	1,491.3	1,170.1
Financial Assets at FVTPL**	8,170.0	8,170.0	—	—	—	—	—
	P53,650.1	P50,108.0	P357.4	P196.6	P326.7	P1,491.3	P1,170.1

*Excluding cash on hand amounting to P401.4 million

**Including noncurrent portion

***Including interest receivable and excluding receivables from government agencies amounting to P97.8 million

Credit Risk Exposure. The tables below show the maximum exposure to credit risk of the Jollibee Group as at September 30, 2024 and December 31, 2023 without considering the effects of collaterals and other credit risk mitigation techniques:

September 2024 (Unaudited)			
	Gross Maximum Exposure	Fair Value and Financial Effect of Collateral or Credit Enhancement	Net Exposure
	(a)	(b)	(c) = (a) - (b)
Financial Assets at Amortized Cost			
Cash and cash equivalents*	P33,410.1	P304.1	P33,106.0**
Short-term investments	376.2	—	376.2
Receivables:			
Trade	6,814.2	—	6,814.2
Advances to employees	1,260.5	—	1,260.5
Receivable from retirement fund	969.4	—	969.4
Employee car plan receivables****	178.6	—	178.6
Other receivables***	1.2	—	1.2
Finance lease receivables	0.6	—	0.6
Other noncurrent assets -			
Security and other deposits****	4,077.7	—	4,077.7
Financial assets at FVTPL****	327.3	—	327.3
	P47,415.8	P304.1	P47,111.7

* Excluding cash on hand amounting to P399.3 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 P84.0 million

**** Including noncurrent portion

	December 2023 (Audited)		
	Gross Maximum Exposure (a)	Fair Value and Financial Effect of Collateral or Credit Enhancement (b)	Net Exposure (c) – (a) – (b)
<i>(In Millions)</i>			
Financial Assets at Amortized Cost			
Cash and cash equivalents*	P32,831.1	P304.1	P32,527.0**
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
	P53,650.1	P304.1	P53,346.0

* Excluding cash on hand amounting to P401.1 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 P97.8 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:

	September 2024 (Unaudited)			
	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL
<i>(in Millions)</i>				
Financial Assets at Amortized Cost				
Receivables:				
Trade	P6,814.2	P4,164.8	P1,427.8	P1,221.6
Advances to employees	1,260.5	1,260.5	–	–
Receivable from retirement fund	969.4	49.1	920.3	–
Employee car plan receivables*	178.6	178.6	–	–
Other receivables**	1.2	1.2	–	–
Contract Assets	1,519.7	1,519.7	–	–
Financial Assets at FVTPL*	327.3	327.3	–	–
	P11,070.9	P7,501.2	P2,348.1	P1,221.6

*Including noncurrent portion

**Including interest receivable and excluding receivables from government agencies amounting to P84.0 million

	December 2023 (Audited)			
	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL
Financial Assets at Amortized Cost	<i>(in Millions)</i>			
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 for the period ended September 30, 2024 and year ended December 31, 2023.

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 ₱33,809.5 million, ₱376.2 million, ₱0.3 million and ₱7,112.4 million, respectively, as at September 30, 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 September 30, 2024 and December 31, 2023:

	September 2024 (Unaudited)			
	Due and Demandable	Less than 1 Year	1 to 5 Years	Over 5 Years
	<i>(in Millions)</i>			
Financial Liabilities				
Trade payables and other current liabilities*	₱10,077.8	₱29,915.9	₱—	₱—
Short-term debt	—	6,131.1	—	—
Long-term debt (including current portion)	—	1,304.8	14,496.0	1,616.8
Senior debt securities	—	2,290.2	19,151.8	18,006.6
Lease liabilities	—	10,520.3	33,141.2	29,901.0
Total Financial Liabilities	₱10,077.8	₱50,162.3	₱66,789.0	₱49,524.4
				₱176,553.5

*Excluding statutory obligations such as local and other taxes payable, PHIC, SSS, HDMF and NHMFC payables and unearned revenue from gift certificates amounting to ₱4,717.9 million as at September 30, 2024

	December 2023 (Audited)				
	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)	–	3,226.5	9,999.2	–	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 September 30, 2024 and December 31, 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 September 30, 2024 and December 31, 2023, the Jollibee Group's debt ratio and net debt ratio are as follows:

Debt Ratio

	September 2024 (Unaudited)	December 2023 (Audited)
Total debt (a)	₱158,876,307	₱157,917,561
Total equity attributable to equity holders of the Parent Company	76,482,035	67,922,881
Total debt and equity attributable to equity holders of the Parent Company (b)	₱235,358,342	₱225,840,442
Debt ratio (a/b)	68%	70%

Net Debt Ratio

	September 2024 (Unaudited)	December 2023 (Audited)
Total debt	₱158,876,307	₱157,917,561
Less cash and cash equivalents, short-term investments and current portion of financial assets at FVTPL	34,186,036	41,711,088
Net debt (a)	124,690,271	116,206,473
Total equity attributable to equity holders of the Parent Company	76,482,035	67,922,881
Net debt and equity attributable to equity holders of the Parent Company (b)	₱201,172,306	₱184,129,354
Net debt ratio (a/b)	62%	63%

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 applicable rates as follows:

	2023	2022
Finance lease receivables	3.95%-5.82%	3.90%-5.36%
Security and other deposits	1.74%-14.02%	1.28%-14.46%
Employee car plan receivables	2.30%-8.50%	0.73%-8.55%
Long-term debt	0.75%-5.87%	1.03%-4.12%
Lease liabilities	2.00%-9.00%	0.18%-14.46%

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 September 30, 2024 (Unaudited):

	Carrying Value	Total	Fair Value Measurement Using		
			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	₱327,315	₱327,315	₱-	₱327,315	₱-
Assets for which fair value is disclosed:					
Finance lease receivables	599	599	-	-	599
Other noncurrent assets:					
Security and other deposits	4,077,680	1,838,453	-	-	1,838,453
Employee car plan receivables	178,630	130,069	-	-	130,069

Quantitative fair value measurement hierarchy for assets as at December 31, 2023 (Audited):

	Carrying Value	Total	Fair Value Measurement Using		
			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, 2023 (Audited):

		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

Quantitative fair value measurement hierarchy for liabilities as at December 31, 2022 (Audited):

	Date of Valuation	Total	Fair Value Measurement Using		
			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, 2022	₱2,581	₱–	₱–	₱2,581
Long-term debt	December 31, 2022	14,293,556	–	–	14,293,556

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.

33. Notes to the Statements of Cash Flows

For the periods ended September 30, 2024 and December 31, 2023, movements in the Jollibee Group's liabilities and equity arising from financing activities follow:

	September 2024 (Unaudited)												
	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)	September 30, 2024
	<i>(in Millions)</i>												
Dividends and distributions payable (see Note 16)	P594.6	(P2,524.0)	P2,306.9	P-	P-	P-	P7.8	P-	P-	P-	P-	P-	P385.3
Short-term debt (Note 18)	5,751.7	(45.6)	-	-	-	-	99.5	-	-	-	-	-	5,805.6
Long-term debt (Note 18)	12,617.0	2,457.9	-	-	-	19.4	179.0	-	-	-	-	-	15,273.3
Senior debt securities (Note 18)	33,077.8	-	-	-	-	17.2	394.0	-	-	-	-	-	33,489.0
Interest payable (Note 16)	542.4	(1,923.9)	-	-	1,963.4	-	-	-	-	-	-	-	581.9
Lease liabilities (Note 29)	51,731.5	(7,956.8)	-	-	2,148.0	-	431.6	-	-	4,558.5	(38.6)	-	50,874.2
Preferred stock (Note 19)	12,000.0	-	-	-	-	-	-	-	-	-	-	-	12,000.0
Common stock (Note 19)	1,132.3	2.4	-	-	-	-	-	-	-	-	-	-	1,134.7
Additional paid-in capital (Note 19)	12,662.9	538.2	-	386.1	-	-	-	-	-	-	-	-	13,587.2
Senior perpetual securities (Note 19)	20,264.8	-	-	-	-	-	-	-	-	-	-	-	20,264.8
Non-controlling interest (Note 11)	(1,931.0)	-	(679.5)	-	-	-	-	409.4	(58.2)	-	-	1,253.3	(1,006.0)
Total liabilities and equity on financing activities	P148,444.0	(P9,451.8)	P1,627.4	P386.1	P4,111.4	P36.6	P1,111.9	P409.4	(P58.2)	P4,558.5	(P38.6)	P1,253.3	P152,390.0

December 2023 (Audited)													
	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 (in Millions)	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
Dividends and distributions payable (see Note 16)	P822.4	(P4,115.4)	P3,904.9	P–	P–	P–	(P17.3)	P–	P–	P–	P–	P–	P594.6
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	P147,335.0	(P19,665.1)	P3,012.7	P363.2	P5,379.0	P46.1	(P337.5)	P219.3	P9.1	P12,717.3	(P838.4)	P203.3	P148,444.0

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 P101.6 million (see Notes 12 and 13).

34. Events After Reporting Period

Tim Ho Wan Ownership and Management to Transfer to the Jollibee Group

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.

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.

Dividend Declaration

On November 11, 2024, the BOD of the Parent Company approved a cash dividend of ₱1.82 per share of common stock to all stockholders of record as at November 25, 2024. Consequently, the cash dividend is expected to be paid out on December 10, 2024. The cash dividend is 48.0% higher than the ₱1.23 per share declared on November 10, 2023.

JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES
SRC Annex 68-J Schedules
September 30, 2024

- A. Financial Assets (Temporary Investments, Time Deposits and Financial Assets at Fair Value through Profit or Loss)
- B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)*
- C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
- D. Long-term Debt
- E. Indebtedness to Related Parties*
- F. Guarantees of Securities of Other Issuers*
- G. Capital Stock

** These schedules, which are required by Revised SRC Rule 68 have been omitted because they are not applicable.*

JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES
SCHEDULE A: FINANCIAL ASSETS - Temporary Investments, Time Deposits and Financial Assets at Fair Value through Profit or Loss (FVTPL)
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
(Amounts in Thousand Pesos)

	Name of Issuing Entity and Association of each use	Amount shown in the Consolidated Statement of Financial Position	Income Received and Accrued
<i>Financial Assets at Amortized Cost</i>			
Cash in banks and cash equivalents*	N/A	33,410,141	588,887
Short-term investments	N/A	376,209	34,044
Receivables:			
Trade	N/A	6,814,241	-
Retirement fund	N/A	969,375	-
Advances to employees	N/A	1,260,507	-
Employee car plan**	N/A	178,630	-
Others***	N/A	1,187	-
Finance lease receivables	N/A	599	-
Security and other deposits**	N/A	4,077,680	-
		47,088,569	622,932
<i>Financial Assets at FVTPL</i>			
Investments in private equity	LCGP3 Fresh Flavors Holdings, LP	278,794	-
Equity investments	Tagaytay Highlands	36,000	-
Equity investments	Tagaytay Midlands	3,000	-
Equity investments	The Palms Country Club	2,200	-
Equity investments	Tagaytay Country Club	700	-
Equity investments	Valle Verde Country Club, Inc.	600	-
Equity investments	The Rockwell Club	500	-
Equity investments	Club Filipino	300	-
Equity investments	Celebrity Sports Plaza	300	-
Equity investments	Others	4,582	-
Investments in bond funds	Citibank	339	-
		327,315	-
Total Financial Assets		47,415,884	622,932

* Excludes cash on hand amounting to PHP399.3 million

** Includes current and noncurrent portion

*** Includes interest receivable and excludes receivables from government agencies amounting to PHP84.0 million

JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
(Amounts in Thousand Pesos)

Name of Debtor	Balance at beginning of period	Additions	Amount collected	Equitized	Balance at end of period	Current	Noncurrent
Super Magnificent Coffee Co. Ltd.	17,731,253	1,830,781	(890,361)	-	18,671,673	4,664,173	14,007,500
SJBF LLC	10,608,463	1,149,606	(111,142)	-	11,646,927	2,401,977	9,244,950
Jollibee Worldwide Pte. Ltd.	3,428,608	7,562,832	(190,284)	-	10,801,156	4,413,736	6,387,420
Jollibee Foods Corporation	10,164,905	12,250,395	(15,223,320)	-	7,191,980	7,191,980	-
Honeybee Foods Corporation	7,960,947	1,319,909	(2,307,107)	-	6,973,749	6,973,749	-
Burger King Entities	4,317,748	2,978,797	(3,306,720)	-	3,989,825	3,989,825	-
Zenith Foods Corporation	2,970,285	4,139,310	(3,979,250)	-	3,130,344	3,130,344	-
SuperFoods Group	2,520,692	175,377	(132,973)	-	2,563,096	2,563,096	-
Jollibee Vietnam Corporation Ltd.	2,199,094	463,831	(145,238)	-	2,517,687	2,517,687	-
Jollibee (China) Food & Beverage Management Co. Ltd.	1,964,816	517,718	(13,222)	-	2,469,313	2,469,313	-
JSF Investments Pte. Ltd.	2,130,155	187,287	(107,058)	-	2,210,384	2,210,384	-
Red Ribbon Bakeshop, Inc. (USA)	1,135,486	319,728	(45,437)	-	1,409,777	1,409,777	-
International Coffee & Tea LLC	1,281,921	1,084,461	(1,038,246)	-	1,328,136	39,446	1,288,690
Tokyo Teriyaki Corporation	1,117,745	185,535	(88,571)	-	1,214,710	1,214,710	-
Red Ribbon Bakeshop, Inc.	1,140,028	1,938,236	(1,871,949)	-	1,206,315	1,206,315	-
Freemont Foods Corporation	1,235,155	9,889,169	(9,997,769)	-	1,126,555	1,126,555	-
Fresh N' Famous Foods, Inc.	1,119,831	5,389,236	(5,517,249)	-	991,817	991,817	-
Others	4,071,111	2,571,046	(1,417,745)	-	5,224,411	5,224,411	-
	77,098,243	53,953,254	(46,383,641)	-	84,667,856	53,739,296	30,928,560

JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES
SCHEDULE D: LONG-TERM DEBT
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
(Amounts in Thousand Pesos)

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown Under Caption Current Portion of	Amount Shown Under Caption Noncurrent Portion
		Long-term Debt in Related Consolidated Statement of Financial Position	of Long-term Debt in Related Consolidated Statement of Financial Position
Vietnam dong-denominated:			
Five-year unsecured loan	117,389	117,389	-
Five-year unsecured loan	268,286	134,143	134,143
Five-year unsecured loan	56,495	18,831	37,664
Five-year unsecured loan	651,280	186,080	465,200
Five-year unsecured loan	174,131	43,510	130,621
Five-year unsecured loan	33,510	-	33,510
SG dollar-denominated:			
Three-year unsecured loan	567,320	-	567,320
MYR dollar-denominated:			
Three-year unsecured loan	250,860	-	250,860
Three-year unsecured loan	318,660	-	318,660
Philippine peso-denominated:			
Seven-year unsecured loan	420,000	420,000	-
Seven-year unsecured loan	450,000	450,000	-
Seven-year unsecured loan	540,000	540,000	-
Five-year unsecured loan	2,250,000	1,000,000	1,250,000
Seven-year unsecured loan	3,500,000	-	3,500,000
Five-year unsecured loan	3,000,000	-	3,000,000
Seven-year unsecured loan	10,000	-	10,000
Five-year unsecured loan	1,687,500	750,000	937,500
Five-year unsecured loan	562,500	250,000	312,500
Seven-year unsecured loan	500,000	12,500	487,500
Unamortized debt issue costs	(84,643)	(19,580)	(65,063)
Total	15,273,288	3,902,873	11,370,415

JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES
SCHEDULE G: CAPITAL STOCK
FOR THE PERIOD ENDED SEPTEMBER 30, 2024

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held by		
				Affiliates	Directors, Officers and Employees	Others
Preferred Shares	20,000,000	12,000,000	-	-	-	12,000,000
Common Shares	1,430,000,000	1,138,802,199	16,447,340	484,866,539	129,573,180	507,915,140

JOLLIBEE FOODS CORPORATION AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
FOR THE PERIOD ENDED SEPTEMBER 30, 2024 AND YEAR ENDED DECEMBER 31, 2023

		September 2024 (Unaudited)	December 2023 (Audited)	
i.	Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.06	1.09
ii.	Acid test ratio	$\frac{\text{Cash and cash equivalents} + \text{Short-term investments} + \text{Current receivables}}{\text{Current liabilities}}$	0.69	0.63
iii.	Solvency ratio	$\frac{\text{Net income} + \text{Depreciation and amortization}}{\text{Total liabilities}}$	0.18	0.16
iv.	Debt to equity ratio	$\frac{\text{Total debt}^*}{\text{Total debt} + \text{Equity attributable to equity holders of the Parent Company}}$	0.68	0.70
	Net debt to equity ratio	$\frac{\text{Total debt}^* - \text{Cash and cash equivalents} - \text{Short-term investments}}{(\text{Total debt}^* - \text{Cash and cash equivalents} - \text{Short-term investments}) + \text{Equity attributable to equity holders of the Parent Company}}$	0.62	0.65
v.	Asset to equity ratio	$\frac{\text{Total assets}}{\text{Equity attributable to equity holders of the Parent Company}}$	3.33	3.59
vi.	Interest rate coverage ratio	$\frac{\text{Earnings before interest expense and taxes}}{\text{Interest expense}}$	3.99	3.29
vii.	Return on equity	$\frac{\text{Net income attributable to equity holders of the Parent Company}}{\text{Average Equity attributable to equity holders of the Parent Company}}$	0.16	0.13
viii.	Return on assets	$\frac{\text{Net income}}{\text{Total assets}}$	0.05	0.04
ix.	Net profit margin	$\frac{\text{Net income}}{\text{Revenue}}$	0.05	0.04
x.	Debt service coverage ratio	$\frac{\text{Net income}}{\text{Total liabilities}}$	0.07	0.06

**Including both total current and total noncurrent liabilities*

JOLLIBEE FOODS CORPORATION
Doing business under the name and style of Jollibee
AND SUBSIDIARIES
Management Discussion and Analysis of
Results of Operations and Financial Condition

The following Management Discussion and Analysis should be read in conjunction with the submitted Unaudited Consolidated Financial Statements as at September 30, 2024 and December 31, 2023 and for the periods ended September 30, 2024 and 2023.

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new accounting pronouncements starting January 1, 2024. Adoption of these pronouncements did not have any significant impact on the unaudited consolidated statement of financial position and performance unless otherwise indicated.

Please refer to Note 2 of the attached Unaudited Consolidated Financial Statements for the Basis of Preparation, Statement of Compliance, Changes in Accounting Policies and Basis of Consolidation.

Results of Operations

Causes for any material variances

(Increase or decrease of 5% or more in the Income Statement)

For the Period Ended September 30, 2024 vs. September 30, 2023

(All Amounts are in Million Pesos)

On August 16, 2024, Jollibee Foods Corporation (JFC), also known as the Jollibee Group, included Compose Coffee in its financial consolidation. The table below shows the contribution of Compose Coffee to the Jollibee Group's revenues:

Q3 2024	% of Global Revenues
Revenues	1.3%
Gross Profit	0.8%
Operating Income	0.7%
Net Income	0.5%
Net Income Attributable to Equity Holders of the Parent Company	0.4%

See Note 11 to the accompanying Unaudited Consolidated Financial Statements for details.

Revenues and System Wide Sales (SWS)

	Quarters Ended September 30				Change	Nine Months Ended September 30				Change
	2024		2023			2024		2023		
	(Unaudited)	(Unaudited)	Amount	Pct		(Unaudited)	(Unaudited)	Amount	Pct	
System-wide Sales	98,482.2	86,962.6	11,519.5	13.2%	281,107.8	251,093.8	30,014.1	12.0%		
Revenues	67,728.0	61,531.4	6,196.6	10.1%	196,247.8	177,410.0	18,837.8	10.6%		

SWS is the Jollibee Group's measure for all sales to consumers, both from Group-owned and franchised stores. Consolidated SWS increased by ₱11,519.5 million or 13.2% to ₱98,482.2 million for Q3 2024 compared to ₱86,962.6 million for Q3 2023. For nine months 2024, SWS reached ₱281,107.8 million, an increase of ₱30,014.1 million or 12.0% compared to the same period last year. Compose Coffee contributed 4.0% to the Jollibee Group's global SWS.

Consolidated revenues increased by ₱6,196.6 million or 10.1% to ₱67,728.0 million for Q3 2024 compared to consolidated revenues for the same quarter last year. For nine months 2024, consolidated revenues amounted to ₱196,247.8 million, an increase of ₱18,837.8 million or 10.6% compared to the same period last year.

As at September 30, 2024, the Jollibee Group had 9,598 company-owned and franchised stores globally, growing by 42.8% year-over-year. Compose Coffee added 2,580 stores to the Jollibee Group's store network as at end of the third quarter. Organically, the Jollibee Group's store network grew by 4.4% YoY.

The Jollibee Group opened 409 new stores during the period: 80 in the Philippines, 75 in China, 9 in North America and 33 in EMEAA. CBTL, Highlands, Milksha and Compose Coffee opened 100, 57 and 30, and 25 stores, respectively. A total of 251 stores were permanently closed during the period: 79 in the Philippines and 172 abroad.

The table below shows a breakdown of the growth of the Jollibee Group's SWS by region/business for the periods ended September 30, 2024 and 2023:

Quarter 3 2024 (Unaudited)					Impact of
		Same Store Sales	New Store	Acquisition-driven	FOREX on
	SWS Growth	Growth	Contribution	Growth	SWS
Percent					
Philippines	8.5	6.4	2.1	-	-
People's Republic of China	(7.4)	(12.1)	1.3	-	3.4
North America	4.8	8.1	(5.4)	-	2.2
Europe, Middle East, Asia (EMEA)	25.4	10.5	14.9	-	
Coffee Bean & Tea Leaf	17.8	10.7	4.9	-	2.2
Highlands Coffee	12.2	(2.5)	13.9	-	0.8
Milksha	4.4	4.2	(0.0)	-	0.3
Compose Coffee	100.0	-	100.0	-	-
International	20.5	4.5	1.5	11.6	2.9
Total worldwide	13.2	5.7	1.8	4.6	1.2

9M 2024 (Unaudited)					Impact of
		Same Store Sales	New Store	Acquisition-driven	FOREX on
	SWS Growth	Growth	Contribution	Growth	SWS
Percent					
Philippines	10.2	7.5	2.7	-	-
People's Republic of China	(7.8)	(9.9)	1.8	-	0.3
North America	7.8	2.8	2.2	-	2.7
Europe, Middle East, Asia (EMEA)	27.1	14.0	13.1	-	-
Coffee Bean & Tea Leaf	19.8	8.1	9.0	-	2.7
Highlands Coffee	12.4	(5.0)	16.4	-	1.0
Milksha	5.6	6.5	(0.0)	-	(0.8)
Compose Coffee	100.0	-	100.0	-	-
International	14.7	3.2	5.1	4.0	2.3
Total worldwide	12.0	5.8	3.6	1.6	0.9

	Q3 2024	Q3 2023	9M 2024	9M 2023
	<i>Percent</i>		<i>Percent</i>	
Same store sales growth	5.7	8.8	5.8	12.7
New store contribution	1.8	4.0	3.6	5.5
Acquisition-driven growth	4.6	-	1.6	-
Foreign exchange rate changes	1.2	(0.9)	0.9	0.9

- (1) Same store sales growth (SSSG) refers to food sales (net of discount and returns) of Jollibee Group-owned and franchised stores that have been in operation for at least 15 months. It excludes sales from new store openings.
- (2) New store contribution refers to the impact of newly opened stores during the period.
- (3) Acquisition-driven growth refers to the incremental sales contributed by a newly acquired majority-owned business during the period.
- (4) Foreign exchange rate changes refer to the impact of currency fluctuations. To eliminate the impact of currency fluctuations, the Jollibee Group utilizes constant currencies by converting current SWS using the prior period's average exchange rate.

The table below shows the breakdown of Jollibee Group's same store sales growth by region for the periods ended September 30, 2024 and 2023:

Region/Brand	Same Store Sales	Transaction Count	Average Check	Same Store Sales	Transaction Count	Average Check
	(SSS)	(TC)	(AC)	(SSS)	(TC)	(AC)
	% Growth vs Q3 2023			% Growth vs 9M 2023		
Philippines	6.4	8.2	(1.7)	7.5	7.6	(0.0)
People's Republic of China	(12.1)	(7.7)	(4.8)	(9.9)	(5.8)	(4.4)
North America	8.1	1.1	6.9	2.8	(2.7)	5.7
Europe, Middle East, Asia (EMEA)	10.5	6.3	4.0	14.0	7.3	6.2
Coffee Bean & Tea Leaf	10.7	7.2	3.2	8.1	5.9	2.1
Highlands Coffee	(2.5)	(0.2)	(2.3)	(5.0)	(4.8)	(0.2)
Milksha	4.2	7.2	(2.8)	6.5	8.1	(1.5)
Compose Coffee	-	-	-	-	-	-
International	4.5	1.5	2.9	3.2	0.8	2.3
Total worldwide	5.7	6.2	(0.5)	5.8	5.5	0.3

SSSG of the Philippine business increased by 6.4% (TC + 8.2%; AC -1.7%) mainly coming from Jollibee, Mang Inasal and Chowking. EMEA grew by 10.5% driven by Jollibee Vietnam which posted SSSG of 14.0%. In North America, Jollibee US and Canada grew by 19.5% and 19.7%, respectively, while Smashburger declined by 4.5%. For the coffee & tea segment, CBTL posted +10.7%, Milksha +4.2% and Highlands Coffee -2.5%. China declined by 12.1% due to continued weak consumer spending. Overall, SSSG of the international business grew by 4.5%.

Direct Costs

Consolidated direct costs for Q3 2024 increased to ₱54,759.9 million, representing an increase of ₱4,489.1 million or 8.9% compared to the consolidated direct costs Q3 2023. For nine months 2024, consolidated direct costs increased to ₱158,965.2 million, which is ₱13,749.1 million or 9.5% higher than the consolidated direct costs for 2023. The increase was primarily a result of an increase in: (i) the cost of inventories and (ii) store and manufacturing costs arising mainly from the Jollibee Group's organic expansion.

The following table summarizes the breakdown of the Jollibee Group's direct costs for the quarters and periods ended September 30, 2024 and 2023 and the percentage of each component and the consolidated cost of sales to consolidated revenues:

	Quarters Ended September 30				Change		Pct to Rev		Nine Months Ended September 30				Change		Pct to Rev	
	2024		2023		Amount	Pct	2024	2023	2024		2023		Amount	Pct	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)					(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)				
<i>Cost of Sales</i>																
Cost of inventories	30,987.7	28,731.5	2,256.2	7.9%	45.8%	46.7%	90,683.4	83,064.5	7,618.9	9.2%	46.2%	46.8%				
Personnel costs:																
Salaries, wages and other employee benefits	7,468.1	6,717.3	750.8	11.2%	11.0%	10.9%	21,306.4	19,225.6	2,080.8	10.8%	10.9%	10.8%				
Pension expense	44.0	40.5	3.5	8.7%	0.1%	0.1%	128.8	118.4	10.4	8.8%	0.1%	0.1%				
Depreciation and amortization	3,963.7	3,897.6	66.1	1.7%	5.9%	6.3%	12,178.2	11,069.7	1,108.5	10.0%	6.2%	6.2%				
Contracted services	2,461.7	2,425.4	36.4	1.5%	3.6%	3.9%	7,334.1	6,997.1	337.0	4.8%	3.7%	3.9%				
Rent	1,994.1	1,587.4	406.7	25.6%	2.9%	2.6%	5,383.2	5,049.0	334.2	6.6%	2.7%	2.8%				
Electricity and other utilities	1,838.5	1,641.2	197.3	12.0%	2.7%	2.7%	5,038.6	4,626.1	412.5	8.9%	2.6%	2.6%				
Supplies	870.3	821.7	48.6	5.9%	1.3%	1.3%	2,544.5	2,531.2	13.3	0.5%	1.3%	1.4%				
Repairs and maintenance	800.8	786.6	14.2	1.8%	1.2%	1.3%	2,324.9	1,999.4	325.5	16.3%	1.2%	1.1%				
Security and janitorial	367.2	325.7	41.5	12.8%	0.5%	0.5%	1,075.9	947.5	128.3	13.5%	0.5%	0.5%				
Communication	110.0	100.4	9.6	9.5%	0.2%	0.2%	331.6	293.3	38.3	13.1%	0.2%	0.2%				
Professional fees	71.0	54.4	16.7	30.7%	0.1%	0.1%	168.9	121.0	47.9	39.5%	0.1%	0.1%				
Representation and entertainment	16.7	21.3	(4.7)	-21.9%	0.0%	0.0%	46.9	50.1	(3.1)	-6.3%	0.0%	0.0%				
Delivery costs, insurance and others	2,471.5	2,110.0	361.5	17.1%	3.6%	3.4%	6,959.8	6,201.0	758.8	12.2%	3.5%	3.5%				
	53,465.1	49,260.8	4,204.3	8.5%	78.9%	80.1%	155,505.1	142,293.9	13,211.3	9.3%	79.2%	80.2%				
<i>Cost of Services</i>																
Advertising expense	1,294.7	1,010.0	284.8	28.2%	1.9%	1.6%	3,460.1	2,922.2	537.8	18.4%	1.8%	1.6%				
	54,759.9	50,270.8	4,489.1	8.9%	80.9%	81.7%	158,965.2	145,216.1	13,749.1	9.5%	81.0%	81.9%				

Consolidated cost of inventories and consolidated store and manufacturing costs increased mainly due to an increase in the Jollibee Group's company-owned store network. The Jollibee Group opened 458 owned stores and closed 193 owned stores globally from nine months 2023 to nine months 2024. As a percentage of revenues, consolidated store and manufacturing costs increased slightly by 0.1%.

The following discussion details the components of store and manufacturing costs, for the period ended September 30, 2024 compared to September 30, 2023:

For the third quarter and nine months 2024, Personnel costs, Depreciation, Rent, Electricity and other utilities, Repairs and maintenance, Security and janitorial and Communication expenses increased due to the Jollibee Group's continued store expansion.

Entertainment, amusement and recreational expenses decreased due to lower store expenses of a foreign subsidiary.

Professional fees increased, mainly driven by an increase in the international business' legal and consultancy fees.

Delivery costs, insurance and others increased, mainly due to higher delivery-related costs from the growing delivery channel sales.

Gross Profit

As a result of the foregoing, gross profit increased by ₱1,707.5 million or 15.2% from ₱11,260.6 million for Q3 2023 to ₱12,968.1 million for Q3 2024.

For nine months 2024, gross profit increased by ₱5,088.7 million or 15.8% from ₱32,193.9 million for 2023 to ₱37,282.6 million for 2024.

Please see table on page 9¹ which provides a breakdown of the gross profit margin for the Philippine and International businesses for the quarters and periods ended September 30, 2024 and 2023.

Expenses

Consolidated expenses increased by ₱1,209.4 million or 17.4% from ₱6,948.8 million for Q3 2023 to ₱8,158.2 million for Q3 2024, primarily driven by an increase in labor costs as the Jollibee Group continues to invest in its organization, both for the Philippine and international businesses. As a percentage of revenues, general and administrative expenses increased by 0.5% while advertising and promotions increased by 0.3% YoY.

The following table summarizes the breakdown of the Jollibee Group's expenses for the quarters and periods ended September 30, 2024 and 2023 and the percentage of each component and the consolidated expenses to consolidated revenues:

	Quarters Ended September 30				Change		Pct to Rev		Nine Months Ended September 30				Change		Pct to Rev	
	2024	2023							2024	2023						
	(Unaudited)	(Unaudited)	Amount	Pct					(Unaudited)	(Unaudited)	Amount	Pct				
Personnel costs:																
Salaries, wages and other employee benefits	3,963.2	3,269.5	693.6	21.2%	5.9%	5.3%			11,411.0	10,116.2	1,294.8	12.8%	5.8%	5.7%		
Stock options expense	145.9	69.2	76.7	110.8%	0.2%	0.1%			386.1	179.5	206.5	115.0%	0.2%	0.1%		
Pension expense	54.9	49.7	5.2	10.5%	0.1%	0.1%			159.5	143.7	15.8	11.0%	0.1%	0.1%		
Taxes and licenses	677.2	595.2	81.9	13.8%	1.0%	1.0%			2,082.3	1,756.2	326.1	18.6%	1.1%	1.0%		
Professional fees	422.1	364.0	58.1	16.0%	0.6%	0.6%			1,175.8	983.6	192.2	19.5%	0.6%	0.6%		
Contracted services	365.9	296.7	69.2	23.3%	0.5%	0.5%			922.0	760.2	161.8	21.3%	0.5%	0.4%		
Membership and subscriptions	272.5	104.6	167.9	160.5%	0.4%	0.2%			684.5	332.6	351.9	105.8%	0.3%	0.2%		
Transportation and travel	215.8	162.9	52.9	32.5%	0.3%	0.3%			563.0	435.2	127.8	29.4%	0.3%	0.2%		
Depreciation and amortization	156.3	193.5	(37.2)	-19.2%	0.2%	0.3%			496.4	546.1	(49.7)	-9.1%	0.3%	0.3%		
Rent	150.5	122.4	28.1	22.9%	0.2%	0.2%			407.6	389.5	18.1	4.7%	0.2%	0.2%		
Repairs and maintenance	118.9	153.6	(34.7)	-22.6%	0.2%	0.2%			287.7	292.1	(4.4)	-1.5%	0.1%	0.2%		
Corporate events	35.6	9.1	26.4	288.8%	0.1%	0.0%			186.0	88.1	97.9	111.1%	0.1%	0.0%		
Donations	10.0	0.8	9.3	1223.0%	0.0%	0.0%			154.6	129.8	24.8	19.1%	0.1%	0.1%		
Impairment in value of:																
Inventories	(3.3)	81.0	(84.3)	-104.1%	0.0%	0.1%			70.0	99.8	(29.8)	-29.9%	0.0%	0.1%		
Receivables	49.8	4.9	44.9	907.2%	0.1%	0.0%			61.2	20.3	40.9	201.9%	0.0%	0.0%		
Property, plant & equipment	0.3	-	0.3	0.0%	0.0%	0.0%			10.3	-	10.3	0.0%	0.0%	0.0%		
Other current assets	-	18.1	(18.1)	-100.0%	0.0%	0.0%			-	18.1	(18.1)	-100.0%	0.0%	0.0%		
Insurance	47.4	50.9	(3.5)	-6.9%	0.1%	0.1%			141.2	133.0	8.2	6.2%	0.1%	0.1%		
Supplies	43.7	33.6	10.2	30.3%	0.1%	0.1%			129.0	116.9	12.1	10.3%	0.1%	0.1%		
Loss (gain) on retirements and disposals of property, plant and equipment	34.0	60.5	(26.5)	-43.8%	0.1%	0.1%			114.6	34.1	80.5	236.0%	0.1%	0.0%		
Communication	38.3	40.5	(2.1)	-5.3%	0.1%	0.1%			104.8	134.1	(29.3)	-21.9%	0.1%	0.1%		
Electricity and other utilities	20.4	15.3	5.1	33.2%	0.0%	0.0%			50.3	42.3	8.0	18.8%	0.0%	0.0%		
Training	31.2	35.8	(4.6)	-12.9%	0.0%	0.1%			50.1	52.7	(2.6)	-5.0%	0.0%	0.0%		
Representation and entertainment	13.6	19.1	(5.5)	-28.7%	0.0%	0.0%			44.9	47.7	(2.8)	-5.8%	0.0%	0.0%		
Association dues	9.5	8.6	0.9	10.9%	0.0%	0.0%			33.2	38.5	(5.3)	-13.8%	0.0%	0.0%		
Reversals of provision for impairment on:																
Property, plant & equipment	(0.3)	-	(0.3)	0.0%	0.0%	0.0%			(25.0)	-	(25.0)	0.0%	0.0%	0.0%		
Inventories	(0.0)	(5.7)	5.7	99.8%	0.0%	0.0%			(8.0)	(35.2)	27.2	77.3%	0.0%	0.0%		
Receivables	-	0.0	(0.0)	-100.0%	0.0%	0.0%			-	(0.3)	0.3	100.0%	0.0%	0.0%		
Security and janitorial	3.8	4.4	(0.6)	-14.0%	0.0%	0.0%			17.3	9.3	8.0	85.6%	0.0%	0.0%		
Research and development and others	220.3	404.7	(184.4)	-45.6%	0.3%	0.7%			847.1	977.7	(130.6)	-13.4%	0.4%	0.6%		
Total General and Administrative Expenses	7,097.6	6,163.1	934.6	15.2%	10.5%	10.0%			20,557.5	17,841.9	2,715.6	15.2%	10.5%	10.1%		
Advertising and promotions	1,060.6	785.7	274.8	35.0%	1.6%	1.3%			2,755.2	2,446.5	308.6	12.6%	1.4%	1.4%		
	8,158.2	6,948.8	1,209.4	17.4%	12.0%	11.7%			23,312.7	20,288.4	3,024.2	14.9%	11.9%	11.4%		

¹ Domestic and International Business – Profitability Margins

The following discussion details the components of the Jollibee Group's expenses for the period ended September 30, 2024 compared to September 30, 2023:

Personnel costs increased, primarily as a result of: (1) headcount increase; and, (2) higher performance-related increases in basic pay, employee promotions, bonuses and upgrades in employee benefits. The Jollibee Group continues to invest in its organization.

Taxes and licenses increased due to higher business-related taxes and license fees, both domestic and international businesses, resulting from an increase in revenues.

Professional fees increased mainly due to higher fees relating to talent search and acquisition, market research, and other consulting and legal fees.

Contracted services increased mainly driven by the Jollibee Group's Business Technology projects and the acquisition of Compose Coffee.

Membership and subscription expenses increased driven by various membership and subscriptions to digital platforms and services by Information Management and Digital Technology.

Transportation and travel expenses increased, primarily due to domestic and international business trips.

Depreciation and amortization decreased due to amortization of computer software and other intangible assets in 2024 compared to same period in 2023.

Repairs and maintenance expenses increased mainly due to increased software maintenance expenses.

Donations increased mainly due to higher 2023 audited consolidated income compared to 2022 audited consolidated income which is the basis for donations made to the Jollibee Group Foundation, Inc.

Corporate events increased, primarily due to the timing and venues of the various businesses' National and Franchise Conventions.

The Jollibee Group recognized provisions for impairment in value of receivables, inventories, and property, plant and equipment, totaling to ₱141.5 million in 2024, following certain assessments performed by the Group. In addition, the Group recognized a reversal of ₱33.0 million on previously recognized provisions for impairment on property, plant and equipment and inventories in 2024 following certain assessments performed by the Group. See Note 22 of the accompanying Unaudited Consolidated Financial Statements for details.

Communication expenses decreased significantly in the Philippine business, primarily due to a higher base resulting from the timing of expense recognition in Q3 2023.

The loss on retirements and disposals of property, plant and equipment pertains to loss incurred arising from change in store ownership, store renovations and closures.

Electricity increased mainly due to increased usage both by the Philippine and international businesses.

Representation and entertainment decreased due lower marketing campaign of foreign subsidiaries.

Association dues decreased slightly driven by both the Philippine and international businesses.

Research and development and others decreased due to lower research and development expenses and various miscellaneous expenses, both for domestic and international businesses.

Operating Income

As a result of the foregoing, operating income increased by **₱498.1** million or 11.6% from **₱4,311.8** million for Q3 2023 to **₱4,809.9** million for Q3 2024. Operating profit margin improved by 0.1%, from 7.0% in Q3 2023 to 7.1% in Q3 2024.

For nine months 2024, operating income increased by **₱2,064.4** million or 17.3% from **₱11,905.5** million in 2023 to **₱13,969.9** million in 2024. Operating profit margin improved by 0.4%, from 6.7% in 2023 to 7.1% in 2024.

Excluding the impact of the consolidation of Compose Coffee, operating income increased by 0.6% YoY in Q3 2024 vs Q3 2023 and by 13.4% in nine months 2024 vs nine months 2023.

Please see table on page 9¹ which provides a breakdown of the operating income margin for the Philippine and International businesses for the quarters and periods ended September 30, 2024 and 2023.

Interest Income (Expense)

	Quarters Ended September 30				Change		Pct to Rev		Nine Months Ended September 30				Change		Pct to Rev	
	2024 (Unaudited)	2023 (Unaudited)	Amount	Pct	2024	2023	2024	2023	2024 (Unaudited)	2023 (Unaudited)	Amount	Pct	2024	2023	2024	2023
Current	1,412.0	1,076.5	335.4	31.2%	2.1%	1.7%			3,964.4	3,120.3	844.1	27.1%	2.0%	1.8%		
Deferred	(98.4)	(217.6)	119.2	54.8%	-0.1%	-0.4%			(531.6)	(653.9)	122.3	18.7%	-0.3%	-0.4%		
	1,313.5	858.9	454.6	52.9%	1.9%	1.4%			3,432.8	2,466.4	966.4	39.2%	1.7%	1.4%		

Interest income increased primarily as a result of higher money market placement interest rates for Philippine peso and US dollar deposits.

Interest expense increased mainly due to the increased impact of PFRS 16 Leases from new stores opened from October 2023 to September 2024.

Equity in Net Earnings of Joint Ventures and Associates – Net

	Quarters Ended September 30				Change		Pct to Rev		Nine Months Ended September 30				Change		Pct to Rev	
	2024 (Unaudited)	2023 (Unaudited)	Amount	Pct	2024	2023	2024	2023	2024 (Unaudited)	2023 (Unaudited)	Amount	Pct	2024	2023	2024	2023
Equity in net earnings of joint ventures and associates - net	889.4	420.5	468.9	111.5%	1.3%	0.7%			1,040.7	497.3	543.3	109.3%	0.5%	0.3%		

Equity in net earnings of joint ventures and associates for the third quarter and nine months 2024 pertains primarily to the equity in net earnings of Titan Dining, C-Joy Poultry, Golden Bee (Jollibee UAE), Entrek (Jollibee Brunei), CentralHub, and Yoshinoya, partly offset by the equity in net losses of Tortazo, Panda Express and Jollibee West Malaysia. See Note 11 to the accompanying Unaudited Consolidated Financial Statements for details.

Other Income (Expense) - Net

	Quarters Ended September 30				Change		Pct to Rev		Nine Months Ended September 30				Change		Pct to Rev	
	2024 (Unaudited)	2023 (Unaudited)	Amount	Pct	2024	2023	2024	2023	2024 (Unaudited)	2023 (Unaudited)	Amount	Pct	2024	2023	2024	2023
Write-off of liabilities	402.0	149.2	252.8	169.5%	0.6%	0.2%			1,278.9	466.4	812.4	174.2%	0.7%	0.3%		
Foreign exchange loss - net	(639.3)	(56.7)	(582.6)	-1027.6%	-0.9%	-0.1%			(743.9)	(52.3)	(691.7)	-1323.6%	-0.4%	0.0%		
Bank charges	(229.3)	(264.1)	34.7	13.1%	-0.3%	-0.4%			(666.3)	(631.5)	(34.8)	-5.5%	-0.3%	-0.4%		
Rebates, suppliers' incentives and government subsidies	102.6	139.0	(36.4)	-26.2%	0.2%	0.2%			283.9	303.8	(20.0)	-6.6%	0.1%	0.2%		
Marked-to-market gain (loss) on financial assets at FVTPL	(23.2)	(25.4)	2.2	8.9%	0.0%	0.0%			136.0	125.2	10.8	8.6%	0.1%	0.1%		
Other rentals	33.2	5.4	27.8	514.9%	0.0%	0.0%			77.9	14.5	63.5	439.1%	0.0%	0.0%		
Penalties and charges	34.1	23.1	11.0	47.4%	0.1%	0.0%			59.3	51.0	8.3	16.3%	0.0%	0.0%		
Gain on pre-termination of lease agreements	19.9	10.0	9.9	98.5%	0.0%	0.0%			24.8	62.6	(37.8)	-60.4%	0.0%	0.0%		
Charges to franchisees	(0.2)	1.2	(1.3)	-113.3%	0.0%	0.0%			8.1	17.2	(9.1)	-52.8%	0.0%	0.0%		
Provisions - net	-	(391.7)	391.7	100.0%	0.0%	-0.6%			-	(320.3)	320.3	100.0%	0.0%	-0.2%		
Insurance claims and others	99.1	169.8	(70.7)	-41.6%	0.1%	0.3%			246.8	414.1	(167.4)	-40.4%	0.1%	0.2%		
	(201.0)	(240.1)	39.1	16.3%	-0.3%	-0.4%			705.4	450.8	254.6	56.5%	0.4%	0.3%		

For Q3 2024, other expenses were mainly driven by forex losses from intercompany settlements.

¹ Domestic and International Business – Profitability Margins

For nine months 2024, the increase in consolidated other income - net was mainly due to reversal of prior years' accruals offset by bank charges and foreign exchange loss compared to nine months 2023.

Provision for (Benefit from) Income Tax

	Quarters Ended September 30		Change		Pet to Rev		Nine Months Ended September 30		Change		Pet to Rev	
	2024 (Unaudited)	2023 (Unaudited)	Amount	Pct.	2024	2023	2024 (Unaudited)	2023 (Unaudited)	Amount	Pct.	2024	2023
Current	1,412.0	1,076.5	335.4	31.2%	2.1%	1.7%	3,964.4	3,120.3	844.1	27.1%	2.0%	1.8%
Deferred	(98.4)	(217.6)	119.2	54.8%	-0.1%	-0.4%	(531.6)	(653.9)	122.3	18.7%	-0.3%	-0.4%
	1,313.5	858.9	454.6	52.9%	1.9%	1.4%	3,432.8	2,466.4	966.4	39.2%	1.7%	1.4%

Provision for income tax for the third quarter and nine months 2024 increased due mainly to higher taxable income.

Net Income

As a result of the foregoing, the Jollibee Group generated a net income of ₱2,984.5 million for Q3 2024 compared to a net income of ₱2,530.2 million for Q3 2023, an increase of ₱454.3 million or 18.0% YoY.

For nine months 2024, the Jollibee Group generated a net income of ₱8,875.6 million compared to a net income of ₱7,224.6 million in 2023, an increase of ₱1,651.0 million or 22.9%.

Net Income Attributable to Equity Holders of the Parent Company

Net income attributable to the equity holders of the Parent Company for Q3 2024 amounted to ₱2,808.1 million compared to ₱2,434.4 million for Q3 2023, an increase of ₱373.6 million or 15.3%. Basic earnings per share in Q3 2024 amounted to ₱2.412 compared to ₱2.081 in 2023.

For nine months 2024, net income attributable to the equity holders of the Parent Company amounted to ₱8,466.2 million compared to a net income of ₱6,822.7 million for 2023, an increase of ₱1,643.5 million or 24.1%. Basic earnings per share amounted to ₱7.278 in 2024 compared to ₱5.815 in 2023.

Please see table on page 9¹ which provides a breakdown of the net income attributable margin for the Philippine and International businesses for the periods ended September 30, 2024 and 2023.

¹ Domestic and International Business – Profitability Margins

Key Operating Measures

For the Period Ended September 30, 2024 vs September 30, 2023

Domestic and International Business – Contribution to Global

The table below sets forth a breakdown of Jollibee Group's key operating measures for domestic and international segments for the quarters and periods ended September 30, 2024 vs. September 30, 2023. Domestic business remains to be the main driver of growth, contributing 83.7% Operating Income to Global JFC in the first nine months of 2024.

Key Metrics	Quarters Ended September 30			Nine Months Ended September 30		
	2024	2023	vs. LY	2024	2023	vs. LY
	% Contribution to Total		Change	% Contribution to Total		Change
Global Revenues	100.0%	100.0%	0.0	100.0%	100.0%	0.0
Philippines	59.9%	61.0%	-1.1	60.6%	61.2%	-0.6
International	40.1%	39.0%	1.1	39.4%	38.8%	0.6
Global Cost of Sales	100.0%	100.0%	0.0	100.0%	100.0%	0.0
Philippines	59.9%	61.0%	-1.1	60.4%	60.9%	-0.5
International	40.1%	39.0%	1.1	39.6%	39.1%	0.5
Global Gross Profit	100.0%	100.0%	0.0	100.0%	100.0%	0.0
Philippines	59.7%	60.9%	-1.2	61.4%	62.2%	-0.8
International	40.3%	39.1%	1.2	38.6%	37.8%	0.8
Global Opex and Ads	100.0%	100.0%	0.0	100.0%	100.0%	0.0
Philippines	48.1%	48.0%	0.1	48.1%	47.1%	1.0
International	51.9%	52.0%	-0.1	51.9%	52.9%	-1.0
Global Operating Income	100.0%	100.0%	0.0	100.0%	100.0%	0.0
Philippines	79.5%	81.8%	-2.3	83.7%	87.9%	-4.2
International	20.5%	18.2%	2.3	16.3%	12.1%	4.2
Global NIAT	100.0%	100.0%	0.0	100.0%	100.0%	0.0
Philippines	83.4%	92.9%	-9.5	97.5%	108.0%	-10.5
International	16.6%	7.1%	9.5	2.5%	-8.0%	10.5

Domestic and International Business – Profitability Margins

The table below sets forth a breakdown of Jollibee Group's key profitability margins for domestic and international segments for the quarters and periods ended September 30, 2024, compared to same period in 2023.

Key Metrics	Quarters Ended September 30			Nine Months Ended September 30		
	2024	2023	vs. LY	2024	2023	vs. LY
	Margins as % to Revenues		Change	Margins as % to Revenues		Change
Global Cost of Sales	80.9%	81.7%	-0.8	81.0%	81.9%	-0.9
Philippines	80.9%	81.7%	-0.8	80.7%	81.6%	-0.9
International	80.8%	81.7%	-0.9	81.4%	82.3%	-0.9
Global Gross Profit	19.1%	18.3%	0.8	19.0%	18.1%	0.9
Philippines	19.1%	18.3%	0.8	19.3%	18.4%	0.9
International	19.2%	18.3%	0.9	18.6%	17.7%	0.9
Global Opex and Ads	12.0%	11.3%	0.7	11.9%	11.4%	0.5
Philippines	9.7%	8.9%	0.8	9.4%	8.8%	0.6
International	15.6%	15.1%	0.5	15.7%	15.6%	0.1
Global Operating Income	7.1%	7.0%	0.1	7.1%	6.7%	0.4
Philippines	9.4%	9.4%	0.0	9.8%	9.6%	0.2
International	3.6%	3.3%	0.4	3.0%	2.1%	0.9
Global NIAT	4.1%	4.0%	0.1	4.3%	3.8%	0.5
Philippines	5.8%	6.0%	-0.2	6.9%	6.8%	0.1
International	1.7%	0.7%	1.0	0.3%	-0.8%	1.1

EBITDA

The table below sets forth a breakdown of EBITDA for domestic and international segments for the quarter and period-ended September 30, 2024 compared to same period in 2023.

Metrics in Php Mn	Quarter Ended September 30		Change vs LY		Nine Months Ended September 30		Change vs LY	
	2024	2023	Amount	%	2024	2023	Amount	%
Philippines	5,646.1	4,955.0	691.1	13.9%	18,152.2	15,926.5	2,225.7	14.0%
People's Republic of China	-7.2	596.8	-604.0	-101.2%	499.8	1,008.1	-508.3	-50.4%
North America	760.0	708.1	51.9	7.3%	2,415.0	1,732.9	682.1	39.4%
Asian Brands	976.0	659.6	316.4	48.0%	2,451.8	1,443.1	1,008.6	69.9%
Smashburger	-216.0	48.6	-264.6	-544.6%	-36.7	289.7	-326.5	-112.7%
Europe, Middle East, Asia (EMEA) ¹	395.7	296.0	99.6	33.6%	1,185.3	769.0	416.4	54.1%
Coffee and Tea	1,939.6	1,179.7	759.9	64.4%	4,632.5	3,449.9	1,182.6	34.3%
CBTL	814.9	507.7	307.1	60.5%	2,196.4	1,572.7	623.7	39.7%
Highlands Coffee	568.9	597.6	-28.7	-4.8%	1,743.3	1,693.6	49.7	2.9%
Milksha	73.0	74.4	-1.4	-1.8%	209.9	183.6	26.3	14.3%
Compose Coffee	482.8	-	482.8	100.0%	482.8	-	482.8	100.0%
International	3,088.1	2,780.7	307.4	11.1%	8,732.7	6,959.8	1,772.8	25.5%
Others ²	884.1	847.6	36.5	4.3%	1,505.7	1,583.1	-77.4	-4.9%
Global	9,618.3	8,583.3	1,035.0	12.1%	28,390.5	24,469.4	3,921.1	16.0%

¹ EMEA Q3 key composition are as follows: Vietnam Php200Mn +8%, Europe Php37Mn +369%, JB SG Php82Mn +6%, and JB HK Php77Mn +185%

² Non-operational entities hold mostly FVPTL assets and Management Fees

The persistent weak spending weighed on China's overall performance, leading to a negative EBITDA of ₱7.2 million for the third quarter 2024. This is a reversal from the EBITDA of ₱596.8 million during the same quarter last year. Meanwhile, the decline in Smashburger's revenues due to negative SSSG and store closures resulted in a negative EBITDA of ₱216.0 million for the third quarter 2024 compared to a positive EBITDA of ₱48.6 million in third quarter 2023.

Key Topline Measures per Brand

The table below sets forth a breakdown of Jollibee Group's key topline measures by brand for the quarters and periods ended September 30, 2024 compared to same period in 2023.

BU	Store Count			SWS % Contribution		% Growth vs Q3 2023		SWS % Contribution		% Growth vs 9M 2023	
	COO	FR	Total	Q3 2024	Q3 2023	SWS	SSS	9M 2024	9M 2023	SWS	SSS
Jollibee	435	824	1,259	36.0%	37.0%	10.3%	7.2%	36.6%	36.7%	11.6%	8.2%
Chowking	169	393	562	6.9%	7.3%	7.9%	6.6%	7.4%	7.5%	9.7%	7.6%
Greenwich	117	153	270	2.6%	3.0%	-0.9%	-1.0%	2.8%	3.0%	3.6%	3.0%
Red Ribbon	179	328	507	2.1%	2.4%	0.9%	2.4%	2.2%	2.5%	-1.6%	-0.8%
Mang Inasal	14	556	570	7.7%	8.0%	8.1%	9.8%	8.1%	8.2%	11.8%	12.4%
Burger King	127	-	127	2.0%	2.2%	0.8%	-1.6%	2.1%	2.3%	3.1%	-1.2%
Panda Express (JV)	30	-	30	0.3%	0.4%	7.9%	-15.7%	0.4%	0.4%	9.9%	-23.6%
Yoshinoya (JV)	8	-	8	0.1%	0.1%	4.3%	-5.5%	0.1%	0.1%	6.7%	-9.0%
Common Man Coffee Roasters	1	-	1	0.0%	--	100.0%	--	0.0%	--	100.0%	--
Multibrand	-	6	6	0.1%	0.1%	32.2%	-2.3%	0.1%	0.1%	53.0%	2.6%
Total - Philippines	1,080	2,260	3,340	57.9%	60.4%	8.5%	6.4%	59.7%	60.7%	10.2%	7.5%
Yonghe King	255	226	481	4.6%	5.6%	-5.9%	-12.8%	4.6%	5.5%	-7.5%	-11.3%
Hong Zhuang Yuan	35	11	46	0.5%	0.8%	-19.2%	-17.1%	0.6%	0.8%	-12.9%	-14.3%
Tim Ho Wan (JV)	17	-	17	0.3%	0.5%	-29.5%	-29.7%	0.4%	0.5%	-26.0%	-24.4%
Jollibee Hong Kong	15	5	20	0.5%	0.5%	13.2%	10.9%	0.5%	0.6%	11.9%	15.4%
Jollibee Macau	-	4	4	0.1%	0.1%	9.2%	5.5%	0.1%	0.1%	12.2%	13.9%
Total - China	322	246	568	6.1%	7.5%	-7.4%	-12.1%	6.2%	7.5%	-7.8%	-9.9%
Jollibee NA	102	-	102	6.7%	6.6%	14.4%	19.6%	6.6%	6.2%	19.3%	8.7%
Red Ribbon	39	-	39	1.0%	1.1%	-2.4%	-2.0%	1.0%	1.1%	0.1%	-1.8%
Chowking	15	-	15	0.5%	0.5%	1.8%	4.4%	0.5%	0.5%	0.4%	6.3%
North America Asian Brands	156	-	156	8.1%	8.3%	11.3%	15.4%	8.1%	7.8%	15.3%	7.1%
Smashburger	126	99	225	3.8%	4.7%	-6.7%	-4.5%	4.2%	4.9%	-4.2%	-4.3%
Total - North America	282	99	381	12.0%	12.9%	4.8%	8.1%	12.3%	12.7%	7.8%	2.8%
Jollibee - Other Asia	209	43	252	3.4%	3.0%	31.2%	12.4%	3.5%	2.9%	32.0%	16.2%
Jollibee - Europe / Guam	15	2	17	0.9%	0.8%	28.2%	17.3%	0.9%	0.8%	34.5%	26.4%
Jollibee Middle East	-	58	58	1.4%	1.4%	16.4%	4.2%	1.5%	1.4%	17.0%	4.4%
Chowking Middle East	-	35	35	0.4%	0.4%	6.9%	3.1%	0.4%	0.4%	11.9%	7.9%
Total - EMEA	224	138	362	6.1%	5.5%	25.4%	10.5%	6.2%	5.5%	27.1%	14.0%
Coffee Bean & Tea Leaf	383	836	1,219	10.0%	9.6%	17.8%	10.7%	10.3%	9.6%	19.8%	8.1%
SuperFoods	682	133	815	2.4%	2.4%	12.2%	-2.5%	2.5%	2.4%	12.4%	-5.0%
Milksha	24	309	333	1.4%	1.6%	4.4%	4.2%	1.5%	1.6%	5.6%	6.5%
Compose Coffee	-	2,580	2,580	4.0%	--	100.0%	--	1.4%	--	100.0%	--
Total - International	1,917	4,341	6,258	42.1%	39.6%	20.5%	4.5%	40.3%	39.3%	14.7%	3.2%
Total - Global	2,997	6,601	9,598	100.0%	100.0%	13.2%	5.7%	100.0%	100.0%	12.0%	5.8%

Average Daily Sales (ADS)

Amounts in Thousands

Region/Brand	Currency	Q3 2024			9M 2024		
		From	To	+/- vs LY	From	To	+/- vs LY
Philippines	PHP	185.0	195.0	+HSD	185.0	190.0	+HSD
People's Republic of China	RMB	14.0	16.0	-LT	14.0	15.0	-LT
North America	USD	5.0	7.0	+MSD	5.0	7.0	+MSD
EMEA	PHP	180.0	185.0	+HT	180.0	185.0	+LT
CBTL	USD	1.5	1.7	+HSD	1.3	1.5	+HSD
Highlands Coffee	VND	16,000.0	17,000.0	-MSD	16,000.0	18,000.0	-HSD
Milksha	TWD	29.0	31.0	-LSD	26.0	28.0	-LSD
International	PHP	125.0	130.0	+LT	115.0	125.0	+LSD
Total Worldwide	PHP	155.0	160.0	+HSD	150.0	155.0	+MSD

Totals for worldwide, international and EMEA are expressed in PHP while amounts for other regions and brands are in their respective local currencies.

LSD: Low single-digit LDD: Low double-digit
MSD: Mid single-digit LT: Low teens
HSD: High single-digit HT: High teens

Financial Condition

As at September 30, 2024 (Unaudited) Versus December 31, 2023 (Audited)

Causes for any material variances **(Increase or decrease of 5% or more in the Balance Sheet)**

The Jollibee Group ended nine months 2024 with consolidated total assets of ₱254,617.1 million, an increase of 4.3% compared to the ₱244,174.2 million balance as at end of 2023. The following explain the significant movements in the asset accounts:

- The Jollibee Group's consolidated cash and cash equivalents amounted to ₱33,809.5 million, an increase of ₱577.0 million or 1.7% compared to the balance at year-end 2023. The movements in the Jollibee Group's cash and cash equivalents will be explained further in the cash flow discussion.
- Short-term investments decreased by ₱248.6 million or 39.8% to ₱376.2 million, primarily due to reclassification to cash and cash equivalents that have matured.
- Financial assets at fair value through profit and loss (FVTPL) pertain to unused proceeds from the issuance of senior perpetual securities and senior debt securities in January 2020 and June 2020, respectively, which were invested by the Jollibee Group in portfolio investments. The decline was primarily due to full redemptions, net of and marked-to-market gain and forex translation.
- Consolidated receivables and contract assets increased by ₱916.6 million or 10.7% to ₱9,484.0 million, primarily due to higher collectible from franchisees for royalty and commissary purchases.

The Company has a current ratio of 1.06:1.00 as at September 30, 2024, slightly lower than the current ratio of 1.09:1.00 as at December 31, 2023.

- Interests in and advances to joint ventures, co-venturers and associates increased by ₱5,057.9 million or 24.0% to ₱26,150.9 million primarily due to additional investments in Botrista (₱1,577.5 million) and Titan II (₱1,387.7 million), Titan capital call (₱984.2 million) and equity share in net earnings (₱1,040.6 million).
- Consolidated property, plant and equipment increased by ₱2,096.6 million or 5.3% to ₱41,921.9 million primarily due to increased asset base from new stores opened net of depreciation and amortization during the period.
- Consolidated investment properties decreased by ₱10.7 million or 10.5% to ₱90.9 million, primarily due to depreciation during the period.
- The increase in trademarks, goodwill (provisional goodwill) and other intangible assets of ₱11.1 million to ₱63.1 million arising from the acquisition of Compose Coffee. See Note 11 to the accompanying Unaudited Consolidated Financial Statements for details.
- Consolidated finance lease receivables decreased by ₱0.2 million or 26.1% to ₱0.6 million, primarily due to amortization for the period.
- Consolidated deferred tax assets – net increased by ₱526.9 million to ₱7,950.9 million due to recognition of NOLCO of a US entity, DTA on accrued expenses offset by lower DTA on amortization of lease liabilities for the period.
- Consolidated other noncurrent assets increased by ₱383.1 million or 8.8% to ₱4,728.4 million, primarily as a result of increase in refundable and security deposits for new stores.

Consolidated current liabilities amounted to ₱63,265.6 million, ₱4,492.8 million or 6.6% lower than the 2023 year-end balance of ₱67,758.5 million. The following explain the significant movements in current liabilities:

- Consolidated income tax payable increased by ₱613.5 million or 198.1% to ₱923.2 million, primarily due to the consolidation of Compose Coffee's income tax payable.
- Consolidated current portion of lease liabilities decreased by ₱758.5 million or 9.0% to ₱7,684.5 million, primarily due to amortization for the quarter partially offset by reclassification of lease payable within one year from noncurrent portion to current portion.
- Consolidated current portion of long-term debt decreased by ₱2,277.8 million or 36.9% to ₱3,902.9 million, primarily as a result of amortization for the period partly offset by reclassification from noncurrent portion to current portion. See Notes 18, 31 and 32 to the accompanying Unaudited Consolidated Financial Statements for details.

Consolidated noncurrent liabilities amounted to ₱95,610.7 million, an increase of 6.0% or ₱5,451.6 million compared to the December 31, 2023 audited balance of ₱90,159.1 million. The following explain the significant movements in noncurrent liabilities:

- Consolidated noncurrent portion of long-term debt increased by ₱4,934.1 million or 76.7% to ₱11,370.4 million, primarily as a result of new loans acquired partly offset by reclassification to current portion of loans maturing within one year. See Notes 18, 31 and 32 to the accompanying Unaudited Consolidated Financial Statements for details.
- Consolidated pension liability increased by ₱288.4 million or 12.4% to ₱2,619.6 million, primarily as a result of additional accruals during the period.

Consolidated total equity increased by ₱9,484.2 million or 11.0% to ₱95,740.8 million from ₱86,256.7 million as at December 31, 2023. The following explain the significant movements in Equity:

- Additional paid-in capital increased by ₱924.2 million or 7.3% to ₱13,587.1 million, primarily due to issuance of new shares from the exercise of stock options.
- The change of ₱810.7 million in cumulative translation adjustment was due to the depreciation of the Philippine Peso versus the RMB for nine months 2024 (Peso to RMB: 7.97) compared to December 31, 2023 (Peso to RMB: 7.81) and the depreciation of the Philippine Peso versus the USD for nine months 2024 (Peso to USD: 56.03) compared to December 31, 2023 (Peso to USD: 55.37) which increased the value of the Jollibee Group's net assets.
- The increase in consolidated retained earnings by ₱6,821.8 million or 0.2% to ₱48,863.6 million pertains to the consolidated net income attributable to equity holders of the Parent Company of ₱8,466.2 million for nine months 2024 offset by ₱1,644.4 million cash dividend payments for common and preferred shares.

Liquidity and Capital Resources c

The Jollibee Group's primary source of liquidity is its cash flows from operations generated from revenues coming from store operations, franchising, and commissary sales to stores.

The Jollibee Group's continued strong earnings produced an EBITDA of ₱9,618.3 million for Q3 2024, an increase of 12.1% or ₱1,035.0 million compared to Q3 2023. For the first nine months, EBITDA was ₱28,390.5 million an increase of 16.0% or ₱3,921.1 million compared to nine months 2023.

Overall, the Jollibee Group has financed operations and capital expenditures of its business units primarily through cash generated from its operations and partly through external loans. The capital expenditures spent for nine months 2024 amounted to ₱7,916.8 million were primarily related to new stores and renovations and manufacturing. The Jollibee Group generated free cash flow after investments of -₱5,121.0 million (- ₱7,633 if excluding lease payments) for the quarter and ₱5,813.0 million (- ₱2,144.0 if excluding lease payments) for nine months 2024.

Consolidated net cash provided by operating activities amounted to ₱24,184.8 million as at September 30, 2024, a decrease of ₱2,643.5 million compared to the consolidated net cash provided by operating activities of ₱26,828.3 million as at September 30, 2023. The decrease resulted primarily from an increase in cash used for working capital for the nine months 2024 compared to the same period of 2023.

Consolidated net cash used in investing activities amounted to ₱14,142.8 million as at September 30, 2024, an increase of ₱4,542.7 million or 47.3% mainly due to the acquisition of Compose Coffee, investments mainly in Botrista and Titan Funds I and II and an increase in capital expenditures for the period partly offset by proceeds from redemption of financial assets at FVTPL.

Consolidated net cash used in financing activities amounted to ₱9,451.8 million as at September 30, 2024, a decrease of ₱3,234.9 million or 25.5% primarily as a result of an increase in use of cash for payments of short- and long-term debts, lease liabilities, and cash dividends, partly offset by an increase in proceeds from the issuance of common stock and availment of short and long-term debts. Of the availed long-term debts, ₱6,500.0 million is attributable to the funding of the acquisition of Compose Coffee.

Cash and cash equivalents at the end of September 2024 stood at ₱33,809.5 million, an increase of ₱0.4 million or 1.2% compared to the September 30, 2023 balance of ₱33,405.2 million.

Discussion and Analysis of Material Events and Uncertainties

1. Any event that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

No events during the period will trigger direct or contingent financial obligation material to the Jollibee Group.

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

There were no material off-balance sheet transactions, arrangements, obligations created during the reporting period.

3. Any material commitments for capital expenditures, the general purpose for such commitments, and the expected sources of funds for such expenditures.

The Jollibee Group spent ₱7,916.8 million for capital expenditures for the first nine months of 2024, an increase of 6.0% compared to the ₱7,463.0 million spent during the first nine months of 2023.

For 2024, JFC has allotted ₱20,000.0 million to ₱23,000.0 million in capital expenditures, to be used for new stores, store renovations, supply chain and business technology investments. Construction of JFC's new commissary facility in Cebu to support its expansion plans in Visayas and Mindanao is ongoing. These capital expenditures will be primarily funded by cash generated from operations and bank loans.

4. Any seasonal aspects that had a material effect on the financial condition or results of operations.

Food service operations have both peak and lean seasons. Historically, sales in the second and fourth quarters are strong due to the summer and the Christmas seasons, respectively. Demand during the first and third quarters usually slackens. The material financial impact of this seasonality has been considered in the Jollibee Group's consolidated financial forecast.

5. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations should be described.
- Increased commodity prices driven by rising inflation and fuel price hikes may impact consumer disposable income and spending habits thus affecting sales volumes. Continued increase in raw material prices, labor cost and freight charges may result in cost pressures for the Jollibee Group.

6. Any significant elements of income or loss that did not arise from the registrant's continuing operations.

All the Jollibee Group's income arose from its continuing operations.

7. Events after the Reporting Period:

Tim Ho Wan Ownership and Management to Transfer to the Jollibee Group

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) for the transfer of 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. Completion of this transaction is subject to closing conditions.

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

Dividend Declaration

On November 11, 2024, the BOD of the Parent Company approved a cash dividend of ₱1.82 per share of common stock to all stockholders of record as at November 25, 2024. Consequently, the cash dividend is expected to be paid out on December 10, 2024. The cash dividend is 48.0% higher than the ₱1.23 per share declared on November 10, 2023.

Discussion of the Jollibee Group's Top Five (5) Key Performance Indicators

System Wide Sales

System Wide Sales is a measure of all sales to consumers both from company-owned and franchised stores.

	YTD September 30, 2024 (Unaudited)	YTD September 30, 2023 (Unaudited)
System Wide Sales	₱281,107.8 million	₱251,093.8 million
% Growth vs LY	12.0%	19.1%

Revenues

Revenues is a measure of (1) all sales made by the Jollibee Group's company-owned stores (both food and novelty sales); (2) Commissary sales to franchised stores; (3) fees from stores operated by franchisees; (4) revenues from services rendered by the Jollibee Group in support of the QSR systems; and (5) scrap sales, rent, delivery fees and others.

	YTD September 30, 2024 (Unaudited)	YTD September 30, 2023 (Unaudited)
Revenues	₱196,247.8 million	₱177,410.0 million
% Growth vs LY	10.6%	18.0%

Net Income Margin

Net Income Margin is the ratio of the Jollibee Group's earnings after interest and tax. This is computed by dividing consolidated net income by consolidated revenues. The quotient is expressed in percentage. This measures the Jollibee Group's return for every peso of revenue earned, after deducting cost of sales, operating expenses, interest and taxes.

	YTD September 30, 2024 (Unaudited)	YTD September 30, 2023 (Unaudited)
Net Income	₱8,875.6 million	₱7,224.6 million
% to Revenues	4.5%	4.1%

Basic Earnings Per Share (EPS)

EPS is the portion of the Jollibee Group's profit allocated to each outstanding share of common stock. This is computed by dividing the net income for the period attributable to the equity holders of the Parent Company by the weighted average outstanding shares during the same period. This serves as an indicator of the Jollibee Group's profitability.

	YTD September 30, 2024 (Unaudited)	YTD September 30, 2023 (Unaudited)
EPS (Basic)	₱7.278	₱5.815
% Growth vs LY	25.2%	-6.5%

Return on Equity (ROE)

ROE is the ratio of the Jollibee Group's net income attributable to equity holders of the Parent Company to equity. It is computed by dividing net income attributable to equity holders of the Parent Company by average equity attributable to equity holders of the Parent Company (average means average of the amounts as of the beginning and end of the same period). ROE is a measure of return for every peso of invested equity. The Jollibee Group also uses ROE for comparing its profitability with other firms in the same industry.

Annualized	YTD September 30, 2024 (Unaudited)	YTD September 30, 2023 (Unaudited)
Return on Equity	15.6%	13.9%

Financial Ratios

Jollibee Foods Corporation and Subsidiaries

	Formula	Sep-24 Unaudited	Dec-23 Audited
Liquidity Ratios			
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.06	1.09
Financial Leverage Ratios			
Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Total Equity Attributable to Equity Holders of the Parent Company}}$	3.33	3.59
Debt Ratio	$\frac{\text{Total Debt*}}{\text{Total Debt + Equity Attributable to Equity Holders of the Parent Company}}$	67.5%	69.9%
Net Debt Ratio	$\frac{\text{Total Debt* - Cash and Cash Equivalents - Short-term Investments - Financial Assets at FVTPL}}{(\text{Total Debt* - Cash and Cash Equivalents - Short-term Investments - Financial Assets at FVTPL}) + \text{Equity Attributable to Equity Holders of the Parent Company}}$	62.0%	63.1%
Interest Coverage Ratio	$\frac{\text{Earnings before Interest and Taxes**}}{\text{Interest Expense**}}$	3.99	3.29
Solvency Ratio	$\frac{\text{Net Income (Loss) + Depreciation and Amortization**}}{\text{Total Liabilities}}$	0.18	0.16
Debt Service Coverage Ratio	$\frac{\text{Net Income (Loss)**}}{\text{Total Liabilities}}$	0.07	0.06

* Including both total current and total noncurrent liabilities

** Annualized, computed as amounts for the three months ended September 30, 2024 divided by 9 multiplied by 12