



August 24, 2020

PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower, 28th Street cor. 5th Avenue

Bonifacio Global City, Taguig City

Attention: **MS. JANET A. ENCARNACION**

Head, Disclosure Department

RE: Press Release – Shakey's Pizza brings R&B Brand of Milk Tea to the Philippines

Please be informed that Shakey's Pizza Asia Ventures Inc (PIZZA) is issuing the attached press release entitled "Shakey's Pizza brings R&B Brand of Milk Tea to the Philippines"

Very truly yours,

GIOVANNA M. VERA

Head – Investor Relations



Shakey's Pizza brings *R&B* Brand of Milk Tea to the Philippines

Shakey's Pizza Asia Ventures Inc (PSE: PIZZA), the Philippines' leading chained full-service restaurant, has entered into a master franchise agreement with Singapore-based Koufu Group Ltd to bring the *R&B* milk tea brand to the Philippines.

R&B is one of the leading milk tea and bubble tea players in Singapore. It currently has more than 1,000 outlets worldwide, spanning across China, US, Singapore, Cambodia, Vietnam, Malaysia and Indonesia. Koufu Group Ltd, a publicly-listed company, is one of the largest operators and managers of food courts and coffee shops in Singapore.

Under the agreement, PIZZA shall be awarded the territorial rights to sell *R&B* milk tea, bubble tea, and other specialty tea drinks in the Philippines, through stand-alone store formats and co-branding in select *Shakey's* and *Peri-Peri Charcoal Chicken* outlets.

This co-branding strategy allows PIZZA to leverage on its well-established store network throughout the Philippines, and its strong delivery presence thanks to an already established in-house delivery infrastructure.

The Philippines has a growing milk tea and bubble tea market, with approximately 45 million Filipinos falling within the age group of between 15 to 39 years old, the typical market for the product. The beverage is one of the top-selling products for take-out and delivery, including via food aggregator platforms. It travels well like pizza - the quintessential delivery product.

Vicente Gregorio, PIZZA's President and Chief Executive Officer said, "We are pleased to bring the *R&B* milk tea experience to the Philippines, and we look forward to WOW-ing our guests with the brand's premium quality milk tea and bubble tea offerings. This co-branding initiative is likewise in line with our renewed focus on out-of-store consumption, enhancing sales thru these channels with minimal additional investment and maximizing the use of our existing assets."

Gregorio added, "Though we remain in unusual times and continue to prioritize cash and liquidity as we navigate thru the crisis, we are also working on a number of strategic initiatives, including this one, rolling out a variety of new and exciting innovations for our guests."

Since the start of the pandemic, Shakey's has launched a number of new offerings, including a vegetarian pizza for the more health-conscious consumer, ghost kitchens, al-fresco dining, *park-n-order*, and Peri co-branded locations. It is also looking to opportunistically expand its smaller store formats, including ghost kitchens and delivery hubs.

Mr. Pang Lim, Koufu's Executive Chairman and Chief Executive Officer said, "We are excited to bring our high growth tea beverage concept brands to a new market, the Philippines, with Manila as our initial



landing point. We have carefully considered the market trends and found the conditions in the Philippines to be favourable, where there has been a growing receptiveness towards the bubble tea culture in recent years. We are confident that the locals will enjoy our R&B beverages, as do our customers in other markets.”

He added, “We adopt stringent evaluation criteria in selecting our strategic partners to ensure the success of our expansion, such as possessing deep F&B experience in the local market. We are pleased to have found a strong strategic partner in Shakey’s to expand our footprint in the region.”

Shakey’s is the Philippines’ largest casual dining restaurant brand and the leading player in full-service pizza chain. It has built an established track record of building and operating stores throughout its 45-year history.

In line with the Company’s vision of establishing a portfolio of industry-leading brands, it acquired the *Peri-Peri Charcoal Chicken (Peri)* brand last June 2019. *Peri* is an emerging fast casual and full-service restaurant brand in the Philippines, well-known for its charcoal-grilled chicken served with an assortment of unique sauces.

About PIZZA:

Shakey’s has been creating over 40 years of great times and great memories. Shakey’s is one of the leading operators of Fast Casual Restaurants in the Philippines, focused on family casual dining. It maintains market leadership in both the chained pizza full-service and chained full-service restaurant categories. Shakey’s believes its superior value arises from its differentiated menu offerings, high-quality products, and a mission to consistently provide great times and great memories to every Shakey’s guest. *Peri* is an emerging fast casual and full service restaurant brand in the Philippines. Its mainstay is charcoal-grilled chicken, marinated for 24 hours, served with an assortment of unique sauces to choose from. Over the last few years, the business has demonstrated consistent profitability, brand strength, and robust growth in both system wide sales and store count.



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