***BURGERFUEL GROUP** - PRESS RELEASE*

MONDAY, 31ST MAY 2021

BURGER FUEL GROUP LIMITED PRELIMINARY FULL YEAR RESULTS FOR THE YEAR ENDED 31 MARCH 2021

OVERVIEW – FY21

The Directors of Burger Fuel Group Limited (BFG) present the audited results for the 12 months to 31 March 2021.

Net Profit after tax for the period was $712,985 representing a 41.1% increase on the previous year.

The results reflect costs associated with establishing our new brands (Winner Winner and Shake Out), exit costs for the USA settlement, the partial impairment of goodwill on the company owned BurgerFuel Takapuna and Henderson store and reduced revenue due to Covid-19. These and other operating costs were however largely offset with the Government wage subsidy received by the group as well as some rent relief provided by landlords.

Trading conditions in our largest market, New Zealand, were more favourable for the second half of the year. It is worth noting that the comparative NPAT for FY20 included many abnormal expenses including some Covid-19 write-offs.

As at 31 March 2021 the Group had no debt, and cash reserves of $7.1m.

BurgerFuel Group (unaudited) Total System Sales (all three brands) reduced by (12.5%) to $88.7m on the same period last year. The decrease in sales is mostly due to Covid-19 trading restrictions and the permanent closure of the USA and some Middle East stores including Iraq.

Group Operating Revenue decreased by 4.1% to $21.0m.

Covid-19 trading restrictions were significant in our New Zealand market, but greater in our Middle Eastern markets. The drop in revenue from the Middle East reflects an entire year of difficult conditions in both UAE and Saudi Arabia. The Group also incurred additional costs around the KPMG process and the winding up of all business affairs in the USA.

As at 31 March 2021 there were 58 BurgerFuel® restaurants operating in NZ and 13 operating in the Middle East excluding third party "ghost" kitchens operating in the UAE. There are 3 Shake Out® and 4 Winner Winner® branded stores operating in NZ.

BFG RESULTS FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

	31 March 2021 $000	31 March 2020 $000
Operating Revenue *	18,654	20,459
Interest Income – IFRS 16 non-occupied leases	1,381	1,410
Covid-19 Government wage subsidy	934	-
Total Income	**20,969**	**21,869**
Operating Expenses **	(16,941)	(18,663)
Depreciation Expense – IFRS 16 occupied leases	(699)	(630)
Interest Expense - IFRS 16 non-occupied leases	(1,381)	(1,410)
Interest Expense - IFRS 16 occupied leases	(481)	(443)
Transfer from foreign currency reserve on windup of subsidiary	(131)	-
Total Expenses	**(19,633)**	**(21,146)**
Net Profit (Loss) Before Tax	1,336	723
Net Profit (Loss) After Tax ***	713	505

* Revenue includes: Operating revenue and interest income but excludes Covid-19 related Government grants.

** Expenses include: Operating expenses, depreciation, amortisation and interest expense but excludes the transfer from foreign currency reserve on windup of subsidiary.

*** The New Zealand entities had taxable income and were unable to utilise the foreign tax losses. The overseas entities had minimal tax.

THE YEAR'S RESULTS AND GROUP OUTLOOK

NEW ZEALAND

Total systemwide sales across New Zealand (65 restaurants, all 3 brands) decreased by 4.3% on the previous year. This was mainly due to the Covid-19 trading restrictions and the associated store closures, with some offset from the opening of 4 new stores.

The Covid-19 Alert Level 4 lockdown resulted in FY21 having 27 less days of trade which impacted the Group's NZ sales by approx. (7.4%). For the balance of FY21 there were a further 106 days (15 weeks) of varying Alert Levels and associated trading restrictions. This was primarily focussed on our largest market, Auckland, but it is worth noting the CBDs and hospitality precincts of Wellington and Christchurch have also been heavily impacted by the significant social change of working from home as well as lack of tourists and students.

BurgerFuel New Zealand opened two new locations in FY21 and now has 58 locations throughout the country. Total sales for the year decreased by 7.3% which is largely due to Covid-19 disruptions and some offset by the opening of a new stores in Point Chevalier, Auckland, in May 2020 and the new store in Whangarei which opened in March 2021. Both new stores are performing well. We continue to focus on recruitment of potential new franchisees for the regional areas that we currently do not serve. BurgerFuel has maintained its policy of not using delivery aggregation services as the prohibitive costs are not sustainable for our franchisees. This may have moderated our sales during the 15 weeks of varying alert levels and operating restrictions. However, preventing the erosion of Franchisee profits is central to sustaining a healthy business for all of our key stakeholders.

Shake Out total store sales increased by 25% in FY21. The Browns Bay location was permanently closed after the Level 4 lockdown, however a new location opened in Hamilton East keeping the total at three Shake Out locations in New Zealand. This new location was also the 7th restaurant for the Group (all brands) in the Waikato and the 1st region in New Zealand where all 3 of our brands are operating in close proximity. Results from the Waikato have been pleasing and have informed us on how future regions can be optimised for the Group.

Winner Winner total sales increased by 98%. This result reflects the opening of two new stores just before the financial year commenced, and a new store in Takapuna late in the FY21 financial year. Winner Winner has a larger mix of dine-in customers and the constantly changing Alert Levels had a larger impact on Winner Winner than our other two brands.

The new company owned store in Takapuna is only two tenancies away from our BurgerFuel location which has not suffered any noticeable cannibalisation, and this is further informing our future network plans. It is early days for this latest Winner Winner store with sales figures lower than expected.

For the entire financial year, the two new brands represented 6.5% of total NZ sales for the group.

The reality of establishing new brands is that it takes considerable time and financial investment. We believe both brands have a future in New Zealand, however resources in terms of cash and management will need to be significantly increased on FY21, if we are to build these brands in line with our vision. This investment is expected to affect cash and profitability through to FY23.

THE MIDDLE EAST

The Middle East continues to be a difficult market for BurgerFuel with each country experiencing major challenges. Total sales for the region have decreased 42% for the year.

At our mid-year update we reported that the UAE had decided to close some of its retail locations and operate via some ghost kitchens that provide home delivery services only. The UAE has exceeded 500,000 Covid-19 cases which has seen most of the population stay at home as much as possible and tourist numbers dry up. BurgerFuel UAE does provide home delivery and this has been the sales channel of choice for many months now. The UAE does have a very high rate of vaccination and we are hopeful that its eventual recovery as an international destination will improve the sales position. However, this remains uncertain at this stage.

BurgerFuel Saudi Arabia opened a new location at Faisaliyah in the city of Dammam and closed two lower performing stores, one in Riyadh and one in Dammam. Saudi Arabia has had in excess of 400,000 Covid-19 cases and trading conditions have been bleak for the entire year. Saudi Arabia’s vaccination rate is a lot lower than neighbouring UAE, so we expect these difficult trading conditions to continue for some time yet.

Overall, revenue from the Middle East has significantly declined during the pandemic period and the region is not yet showing signs of bouncing back, but as a nation the UAE in particular is highly committed to recovery. That said, as always, we continue to caution the market in regard to the Middle Eastern region.

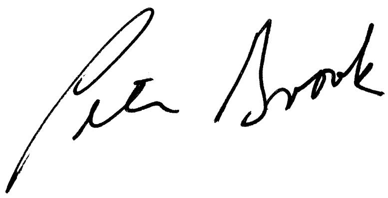
SUMMARY AND OUTLOOK

The FY21 year brought with it many challenges which overall the Group managed to navigate well. The BurgerFuel brand in particular demonstrated a high level of resilience throughout the various lockdowns and levels imposed as a result of Covid-19. At present the hospitality market feels somewhat devitalised and therefore system development is measured and certainly slower than we would like. The ability to match long term, suitable franchisees to winning operating locations, remains challenging. We are however, pleased that our focus on the basics in FY21, allowed us to operate safely and open further locations in what was a challenging and unprecedented year.

BurgerFuel Group in conjunction with its advisors KPMG are still reviewing its options regarding a possible sale, merger, joint venture, international partnership, domestic partnership or alternative process. The Board will keep the market updated with any material developments should they occur throughout the ongoing strategic review process.

We would like to thank all shareholders, staff, franchisees, suppliers and of course our valued customers for their continued support.

Best regards,



Peter Brook
Chairman

Josef Roberts
Group CEO

For further information please
contact: Mark Piet
+64 9 360 6730
communications@burgerfuel.com
www.burgerfuel.com