BURGER FUEL GROUP LIMITED

ANNUAL REPORT 2025

TABLE OF CONTENTS

CHAIRMAN AND CHIEF EXECUTIVES' REVIEW

FOR THE YEAR ENDED 31 MARCH 2025

Burger Fuel Group Limited Full Year Results for the 12 months ended 31st March 2025

Overview – FY25

The Directors of Burger Fuel Group Limited (BFG) present the results for the 12 months to 31 March 2025.

Net Profit after tax for the period was $1,026,779 representing a 22.6% decrease on the previous year.

The FY25 profit result is down on the previous year due to a decline in sales, increased costs and a general downturn in the economy. Given the lower revenue in FY25 the Group posted a solid result. The FY25 Group results were reduced by legal costs of $221,688 incurred within the period to respond to the single shareholder opposition that was filed in relation to the proposed return of capital.

BFG (unaudited) Total System Sales (all three brands, all regions) decreased by 7.59% to $108.2M on the same period last year.

Regarding sales, it is worth noting that last financial year (FY24), we achieved our best sales year, with over $100M in sales for the New Zealand BurgerFuel system alone. This was partly due to the introduction of delivery services in New Zealand. We are now benchmarking against those higher introductory delivery sales for the same period last year. As we predicted, delivery sales spiked in the early months of introduction but ultimately resulted in many existing customers simply transferring from collecting orders themselves to using a delivery service.

Total income for the Group was down 8.45% to $24.97M.

BFG RESULTS FOR THE PERIOD 1 APRIL 2024 TO 31 MARCH 2025

	31 March 2025	31 March 2024
	$000	$000
Operating Revenue*	24,056	26,248
Interest Income IFRS 16 non-occupied leases	918	1,031
Total Income	24,974	27,279
Operating Expenses **	(21,259)	(22,948)
Depreciation Expense – IFRS 16 occupied leases	(866)	(982)
Interest Expense – IFRS 16 non-occupied leases	(918)	(1,031)
Interest Expense – IFRS 16 occupied leases	(396)	(432)
Total Expenses	(23,439)	(25,393)
Net Profit (Loss) Before Tax	1,535	1,886
Net Profit (Loss) After Tax***	1,027	1,327

*Revenue includes: Operating revenue and interest income.
**Expenses include: Operating expenses, depreciation, amortisation and interest expense.
***The New Zealand entities had taxable income and were unable to utilise the foreign tax losses. The overseas entities had minimal tax.

As of 31 March 2025, 61 BurgerFuel restaurants were operating in New Zealand and 3 were operating in the Middle East (one fewer than last year), excluding some third-party "dark" kitchens operating in the UAE.

As of 31 March 2025, there were 4 Shake Out and 2 Winner Winner restaurants operating in NZ. The Shake Out Hamilton East store, however, closed on 31 March 2025, bringing the number of physical Shake Out locations to 3.

Return of Capital occurring in June 2024 – more costs incurred to respond

FY25 Group results would have been further improved to circa $1.25M (Net profit after tax) if BFG had not been required to incur ongoing costs to respond to the single shareholder's opposition that was filed against the proposed return of capital to all shareholders. The Company incurred legal fees of approximately $205,509 in FY24 and an additional $221,688 in FY25, (Total impact $427,197 or 18.15% of profit for the two years) specifically to address and respond to the opposition. This amount excludes the many months of management time that were also incurred throughout the opposition process. The net result of the defence ultimately cost shareholders two years of reduced profits and likely had an adverse effect on the BFG share price.

The return of capital by way of a scheme of arrangement was approved by 92% of the votes of shareholders cast at a special shareholders' meeting held on 14 December 2023. Following opposition by one shareholder, a full-day hearing in the High Court of Auckland was held, and on 8 May 2024, the scheme was approved. The capital distribution to shareholders was made on 12 June 2024. Information on the scheme of arrangement, shareholder vote, notice of opposition and approval of the scheme by the High Court may be found on the NZX or at www.burgerfuel.com/nz/investor-relations#shareholder-information

The Year's Results and Group Outlook

New Zealand

Total systemwide sales across New Zealand (67 restaurants, all three brands) decreased by 6.6% on the previous year to $104M. We opened BurgerFuel Whanganui in July 2024, and this franchised store has been well received. We are also scheduled to open the franchised BurgerFuel Royal Oak store, in Auckland, in June 2025. The franchised BurgerFuel Hereford Street store in Christchurch closed in April 2024. This site never recovered from ongoing roadworks, and a new food precinct nearby didn't help. The franchised BurgerFuel store at The Base shopping centre in Hamilton has closed, however a replacement store 100 metres down the road on Te Rapa Straight is scheduled to open in late 2025.

BFG ANNUAL REPORT 2025

CHAIRMAN AND CHIEF EXECUTIVES' REVIEW

FOR THE YEAR ENDED 31 MARCH 2025

Shake Out's total sales decreased by 10.5% in FY25. Our company-owned Smales Farm and Commercial Bay stores have been impacted by a decline in foot traffic, particularly Commercial Bay in the CBD and the franchised Hamilton East store, due to increased competition and a shift in customer traffic to a new food precinct nearby. The franchisee for the Shake Out Hamilton East store decided to close the location. The franchisee has instead set up a Shake Out virtual delivery-only kitchen within his BurgerFuel store, located nearby.

The Group now has 14 virtual (delivery-only) Shake Out kitchens operating out of existing BurgerFuel sites, which cover most of Auckland and Hamilton. Further virtual stores will be rolled out in the Bay of Plenty and Christchurch in the next few months. By the end of the financial year, we are scheduled to have over 32 Shake Out virtual (delivery-only) stores operating throughout New Zealand.

These new virtual stores increase system sales, provide franchisees with additional profit for little to no additional labour costs and increase brand awareness. Once we have New Zealand covered, the sales data collected will give some insights into the possibility of opening Shake Out physical locations in New Zealand.

Shake Out investment has been reduced for FY26, and the focus for this brand will remain on operating the three current stores (two of which are company-owned) as well as the ongoing development of the remaining virtual kitchen roll-out via select BurgerFuel outlets. Shake Out provides us with a tool to help combat lower-priced competition that erodes BurgerFuel sales. It also provides a valuable testing environment for experimenting with both food and technology, for example, our IT development at BurgerFuel stems from the cashless Shake Out point-of-sale system developed by BFG.

Winner Winner total sales decreased by 41% mainly due to the closure of the Pukekohe store and our Takapuna company-owned store in FY24. In FY25, the Winner Winner and Shake Out brands represented 5.6% of the Group's total sales (5.8% of total New Zealand sales). As previously advised, we have parked any further development of Winner Winner.

The Middle East

Operation of BurgerFuel in the UAE remains under the DA (Development Agent) agreement. BFG generated modest royalties from the region. Costs are now negligible, and a small profit is anticipated in FY26. Dubai remains an expensive location for store development, and rents are very high, making expansion unattractive at this point. We do not anticipate any further growth in Dubai for FY26. However, we will continue to maintain a presence in the region, as it is not costing us, and a small profit is being generated. Most importantly, it is an opportunity to keep the BurgerFuel brand alive for both exposure and potential future development, if at any stage that looks feasible for the DA.

The Saudi region closed their Nakhla store in Riyadh in September 2024, leaving two stores remaining. Dubai still has one store in the World Trade Centre, three "Dark" delivery kitchens and a food truck for events and promotional purposes.

The Middle East system sales were down 26% in FY25. This is due to Saudi Arabia closing the two underperforming stores in the last 15 months. Saudi Arabia is facing similar high costs of development and rents, and it remains to be seen if any new stores will open; however, we are not counting on any in FY26.

Sales from this region represent 4.12% of total BurgerFuel sales.

Continued Investment in Information Technology (IT) Development

In FY24, the Group launched its online ordering platform, which features an integrated loyalty app. This online ordering platform generated $497K of revenue in FY25. We have also experienced a significant customer uptake of the loyalty app, allowing us to engage directly with our customers and update them on new specials, promotions, and targeted loyalty perks.

We view investment in technology as an ongoing necessity for the business, as well as a potential area for generating additional revenue. In FY25, we invested further in the online ordering platform, creating Version 2. Building on the learnings from our current in-house online ordering platform, we have upgraded the functionality and architecture to enhance customer interaction.

In FY26, we intend to further develop the IT capability of Version 2 which is currently in the Beta testing stage. We expect to commence integration of Version 2 within the BurgerFuel system in the second half of FY26.

Our goal is to generate additional income from this platform, both within and eventually outside the BurgerFuel system. The new platform will have the capability to be scaled across external third-party brands, offering the ability to create a generic "white label" online ordering platform. Our ongoing and considerable investment in IT is of a capital nature; thus, it hasn't impacted our Group Income Statement results in FY25.

CHAIRMAN AND CHIEF EXECUTIVES' REVIEW

FOR THE YEAR ENDED 31 MARCH 2025

Summary and Outlook

The summary and outlook stated in FY24 has largely occurred. Trading in FY25 has been one of the toughest on record for the hospitality industry. Although there is talk of economic improvement, we have not seen this translate to sales; the economy remains in recession. The slow reduction of interest rates and general economic uncertainty has led to consumers keeping their wallets in their pockets. People are spending less and most certainly eating out less. We do not anticipate significant positive changes in the economic environment over the next 12 months. It is not possible to accurately predict the year ahead, but at this stage, we anticipate sales will be relatively flat, depending on both local economic conditions and the global implications of ongoing wars, tariffs and high overseas demand for NZ produce, particularly beef. These factors directly affect our costs as well as consumer confidence and spending, resulting in reduced sales and ultimately reduced revenue. It remains to be seen how the economic recovery will play out this year.

Costs continue to rise, including both ingredients and labour. Main ingredient staples, such as beef, are increasing in cost due to overseas demand, and this trend is likely to continue in FY26. Other ingredients are also affected by the war in Ukraine. Throughout FY25, we have experienced constant cost pressures, and although we have been able to absorb some of these, the reality is that consumers are now paying more for take-out and restaurant food. We anticipate that costs will continue to rise in FY26. All of this leads to ongoing margin pressure for franchisees and for the Group, as well as higher prices for consumers who are well aware of this growing industry trend.

Other factors that we think have and will continue to affect sales and that we would like to draw shareholders' attention to include;

Wider Food Competition: Proliferation of supermarket ready to eat meals and online food delivery options either prepared at home or purchased hot and ready to eat on the growing number of delivery provider apps such as Uber Eats and Delivereasy. Consumers now have a lot of choice, so competition for "share of stomach" continues to grow.

Bigger Discounts in QSR and Online: There is considerable discounting occurring every day in both the major chains and smaller operators as well as in online service apps such as Uber Eats, where food is regularly sold by a range of vendors at well below cost. We do not intend to compete at such high discounting levels to gain business, as we view this trend as merely the beginning of a steep and slippery slope of discounting, which is almost impossible to recover from. Instead BurgerFuel continues to focus on high-quality product and providing value for money at a more premium level.

Target market decline: As we expressed in earlier commentary, there has been a significant exodus of home-grown, hardcore BurgerFuel customers to Australia and other overseas destinations. These younger BurgerFuel customers are not being replaced by incoming migrants, who are unlikely to purchase from BurgerFuel for some years.

Countering the Headwinds

Overall, our strength is our brand. BurgerFuel continues to innovate and find ways to bring customers back to our brand and product, based on our renowned in-store experience, innovative marketing, high-quality ingredients, strict standards, and the environmental and other pillars on which we stand, rather than offering cheap processed food at discounted prices.

An excellent example of an initiative designed to address growing market discounting has been the launch of our lightweight burgers. This range maintains our high standards for taste and ingredients while reintroducing more affordable burgers known as our "Lightweight" range, which is now available in-store. The Lightweight range is all about offering consumers a product that is "kind to your belly and even kinder to your wallet."

Other initiatives include trialling extended trading hours designed to capture both later night walk-in customers as well as the delivery market in those areas where we think a market may exist after 10.00PM. We have also introduced new store designs which will gradually roll-out throughout the system over the next few years as economic circumstances allow. In FY25 we undertook a significant franchisee refresh programme with a number of stores changing hands to bring in fresh operators, this programme continues as required into FY26.

The further development of our loyalty programme (VIB Club) designed to incentivise customers to increase purchase frequency through the accumulation of loyalty points, also remains a key focus. Menu innovation has always been a strength of BurgerFuel, and this is something which we continue to invest in. This includes keeping the menu fresh with the development of interesting gourmet flavours and combinations, which are a big part of bringing customers back to stores.

Despite the challenges posed throughout FY25, the Group achieved a strong result. The economy remains tough, and hospitality in general remains challenging. However, we expect to remain in profit in FY26 and continue investing in areas of the business that are generating reasonable returns, aiming to achieve some growth. This includes our commitment to opening new outlets where possible, reviewing new opportunities and income streams, currently through ongoing investment in IT and managing our supply chain costs as efficiently as possible, given the current environment.

We remain aware of potential opportunities in the food sector and continue to review them; however, at this

CHAIRMAN AND CHIEF EXECUTIVES' REVIEW

FOR THE YEAR ENDED 31 MARCH 2025

stage, the Board would not be comfortable with further investment in food, unless a unique and manageable opportunity presents itself, at least until we can see an end to rising costs and economic uncertainty.

The Group intends to continue strategic investment in IT and other areas, and to maintain its "no material debt" policy, ensuring that we retain ample cash reserves available at any time if required for system investment or new opportunities. Having just undertaken a significant return of capital to shareholders, BFG does not intend to offer dividends in the next 24 months, at which time the dividend policy will be reviewed.

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

Best regards,

Alan Gourdie
Chairman

Josef Roberts
Group CEO

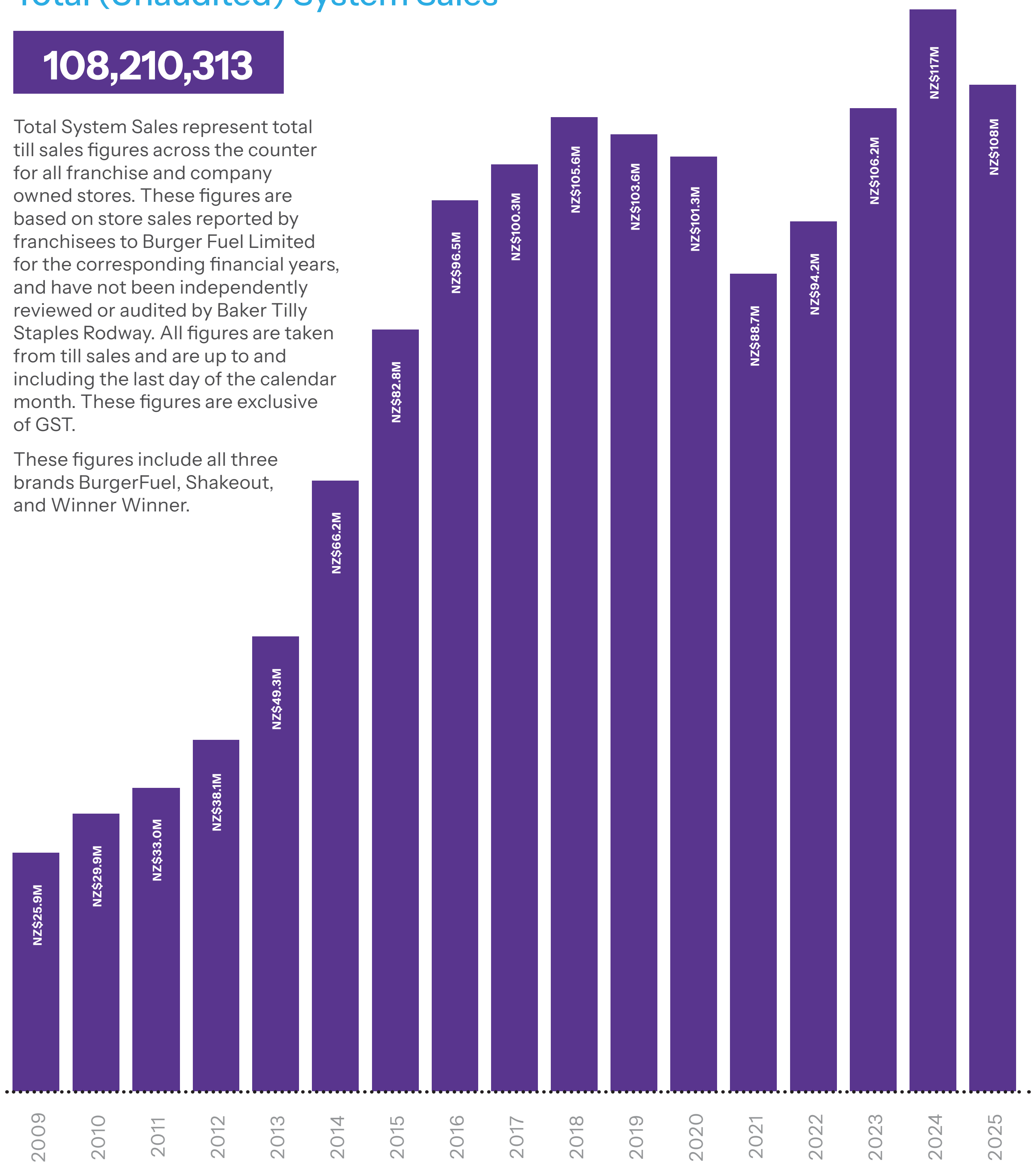
BURGER FUEL GROUP LIMITED FY25 TOTAL SYSTEM SALES

Total (Unaudited) System Sales

108,210,313

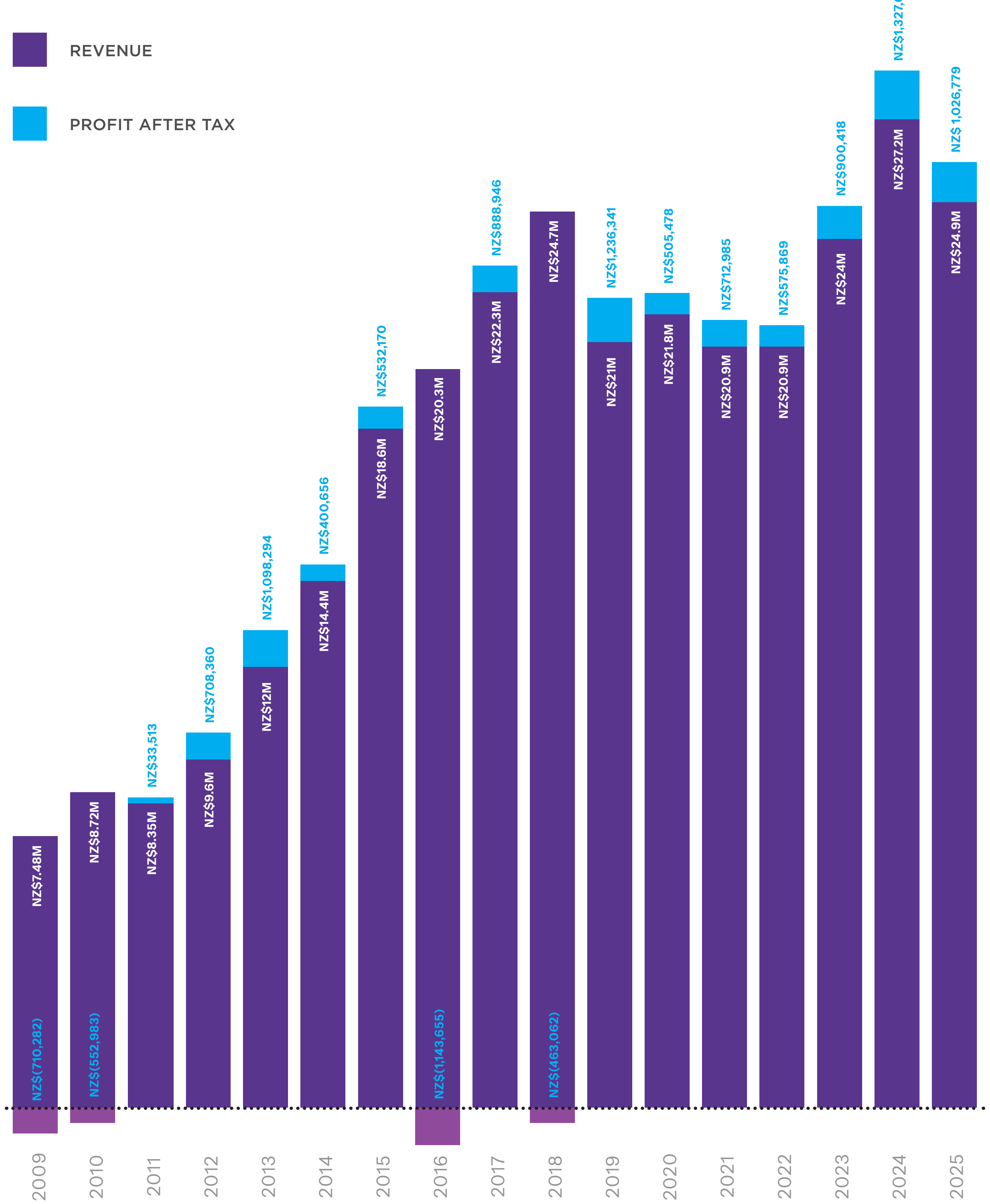
Total System Sales represent total till sales figures across the counter for all franchise and company owned stores. These figures are based on store sales reported by franchisees to Burger Fuel Limited for the corresponding financial years, and have not been independently reviewed or audited by Baker Tilly Staples Rodway. All figures are taken from till sales and are up to and including the last day of the calendar month. These figures are exclusive of GST.

These figures include all three brands BurgerFuel, Shakeout, and Winner Winner.



Financial years are from 1st April to 31st March. Total system sales represent total till sales figures across the counter for all franchise and company owned stores.

BURGER FUEL GROUP LIMITED FY25 REVENUE AND TRADING HISTORY



2025 THE BURGERFUEL GROUP BOARD

ALAN GOURDIE

INDEPENDENT DIRECTOR AND BOARD CHAIR

Alan has had an international career as CEO and Global Marketing Director for high-profile national and global organisations within the telecommunications and FMCG industries.

His career includes roles with the Heineken organisation and a number of New Zealand businesses, including the CEO for Telecom (Spark) Retail.

JOSEF ROBERTS

GROUP CEO

Josef is the Group CEO and is responsible for the overall direction and management of the business.

Former CEO and founder of Red Bull Australasia.

TRISTRAM VAN DER MEIJDEN

INDEPENDENT DIRECTOR AND CHAIR OF THE BFG AUDIT COMMITTEE

Tristram has 20 plus years accounting experience in retirement villages, property development, property management, financial services, life insurance, professional services, hotels, business valuation, consultancy, and retail. Tristram has held CFO roles at Dorchester Pacific and Metlifecare. Tristram is a Director and board member for several private companies including being on the Board of Governors of King's College and Chair of their Audit & Risk Committee.

TYRONE FOLEY

INDEPENDENT DIRECTOR

Tyrone was the BFG Group COO from 2011 to 2021.

Tyrone's previous management roles have been with McDonald's and BP. He is currently the CEO of Reduced to Clear.

MARK PIET

CHIEF FINANCIAL OFFICER

Mark is the CFO & Company Secretary of BurgerFuel and has been with the company since 2008.

Mark is a chartered accountant & a member of Chartered Accountants Australia and New Zealand.

Prior to joining BurgerFuel, Mark worked for Deutsche Bank & The Economist in London.

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STAPLES RODWAY

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BURGER FUEL GROUP LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Burger Fuel Group Limited ('the Group') on pages 19 to 58, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').

Our report is made solely to the Shareholders of the Group. Our audit work has been undertaken so that we might state to the Shareholders of the Group those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Shareholders of the Group as a body, for our audit work, for our report or for the opinions we have formed.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor, our firm carries out other assignments for Burger Fuel Group Limited and its subsidiaries in the area of taxation compliance services. The provision of these other services has not impaired our independence.

bakertilly
STAPLES RODWAY

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter

Leases
 	
As disclosed in Note 18 of the Group's consolidated financial statements, the Group has lease liabilities of $19.4m (2024: $22.5m), right-of-use assets of $5.7m (2024: $5.9m) and lease receivables of $12.7m (2024: $15.7m).
 	
Lease liabilities, right-of-use assets and lease receivables were significant to our audit due to the size of the assets and liabilities and the subjectivity complexity and uncertainty inherent in the application of NZ IFRS 16 Leases and the assumptions required by Management for the calculations of the lease balances.
 	
These calculations require estimation regarding the lease term and the discount rate. In addition, Management has exercised their judgement in determining the recoverability of the lease receivables for the sublease arrangements.
	Our audit procedures, among others, included:
	· Understanding and evaluating the Group's internal controls relevant to the accounting estimates used to determine the expected term of the Group's leases and applicable incremental borrowing rates.
	· Evaluating Management's processes relating to the identification, recording, recognition and measurement of leases within the scope of NZ IFRS 16.
	· Evaluating Management's judgements made in applying allowable practical expedients against the requirements of NZ IFRS 16.
	· Evaluating the completeness of identified lease contracts by checking that all leases were included in the calculation.
	· For new leases:
	  · Agreeing key inputs in the lease calculation to the underlying lease agreement(s);
	  · Recalculating the lease liability, right-of-use asset and lease receivable based on the key inputs noted above and comparing our recalculations to the balances recorded by the Group; and
	  · Checking the appropriateness of the classification of the lease liability and lease receivable between current and non-current based on the remaining term of the lease.
	· For a sample of existing leases, evaluating Management's calculations for the subsequent measurement of the leases, including lease modifications and rent revisions.

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Key Audit Matter	How our audit addressed the key audit matter
	• Evaluating Management's estimates regarding lease terms and Management's consideration of options to extend or terminate the leases • Evaluating Management's assessment of the incremental borrowing rates applied to individual leases or portfolios of leases. • Evaluating the inputs and any underlying assumptions with a view to identifying Management bias. • Evaluating Management's assessment of any indicators of impairment for the right-of-use assets in accordance with NZ IAS 36 Impairment of Assets • Evaluating the recoverability of the lease receivable based on Management's assessment of impairment using the expected credit losses model in accordance with NZ IFRS 9 Financial Instruments. • Evaluating the disclosures (including the material accounting policy information and accounting estimates) related to leases which are included in Group's consolidated financial statements.

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Key Audit Matter	How our audit addressed the key audit matter

Impairment assessment of Goodwill
As disclosed in Note 13 of the Group's consolidated financial statements, the Group has goodwill of \$1.3m (2024: \$1.3m), allocated across two (2024: two) cash-generating units ('CGUs').
Goodwill was significant to our audit due to the size of the assets and the subjectivity, complexity, and uncertainty inherent in the measurement of the recoverable amount of these CGUs for the purpose of the required annual impairment test. The measurement of a CGU's recoverable amount includes the assessment and calculation of its 'value in-use' or its fair value less costs to sell.
The annual impairment test involves complex and subjective estimates and judgements by Management on the future performance of the CGUs, discount rates applied to the future cash flow forecasts and future market and economic conditions.
	Our audit procedures, among others, included:
	• Understanding and evaluating the Group's internal controls relevant to the accounting estimates used to determine the recoverable value of the Group's CGUs.
	• Evaluating Management's determination of the Group's CGUs based on our understanding of the nature of the Group's business and the economic environment in which the CGU's operate. We also analysed the internal reporting of the Group to assess how the CGUs are monitored and reported.
	• Challenging Management's assumptions and estimates used to determine the recoverable value of its goodwill, including those relating to forecasted revenue, cost, capital expenditure and discount rates, by adjusting for future events and corroborating the key market related assumptions to external data.
	• Procedures included:
	  • Evaluating the logic of the 'value-in-use 'calculations supporting Management's annual impairment test and testing the accuracy of these calculations;
	  • Evaluating Management's processes regarding the preparation and review of forecasts;Comparing forecasts to Board approved forecasts;
	  • Comparing forecasts to Board approved forecasts;Challenging and evaluating the forecast growth assumptions;
	  • Evaluating the historical accuracy of the Group's forecasting to actual historical performance;
	  • Challenging and evaluating the forecast growth assumptions;
	  • Evaluating the inputs to the calculation of the discount rates applied;
	  • Engaging our own internal valuation experts to evaluate the reasonability of Management's discount rate;
	  • Evaluating the forecasts, inputs and underlying assumptions with a view to identifying Management bias;
	  • Evaluating Management's sensitivity analysis for reasonably possible changes in key assumptions; and
	  • Performing our own sensitivity analysis for reasonably possible changes in key assumptions, the two main assumptions being: the discount rate and forecast growth assumptions.
	• Evaluating the related disclosures (including the material accounting policies and accounting estimates) about goodwill, and the risks attached to them which are included in the Group's consolidated financial statements.

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Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2025 (but does not include the consolidated financial statements and our auditor's report thereon).

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

The Directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

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

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board's website at: https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/

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Matters Relating to the Electronic Presentation of the Audited Consolidated Financial Statements

This audit report relates to the consolidated financial statements of Burger Fuel Group Limited and its subsidiaries for the year ended 31 March 2025 included on Burger Fuel Group Limited's website. The Directors of Burger Fuel Group Limited are responsible for the maintenance and integrity of Burger Fuel Group Limited's website. We have not been engaged to report on the integrity of Burger Fuel Group Limited's website. We accept no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website.

The audit report refers only to the consolidated financial statements named above. It does not provide an opinion on any other information which may have been hyper linked to or from these consolidated financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication, they should refer to the published hard copy of the audited consolidated financial statements and related audit report dated 27 June 2025 to confirm the information included in the audited consolidated financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of consolidated financial statements may differ from legislation in other jurisdictions.

The engagement partner on the audit resulting in this independent auditor's report is D I Searle.

Baker Tilly Staples Rodway

BAKER TILLY STAPLES RODWAY AUCKLAND
Auckland, New Zealand
27 June 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025	2024
		$	$
Revenue	4	23,860,756	25,949,980
Operating Expenses	5	(20,538,033)	(22,356,343)
Profit before Interest, Taxation, Depreciation and Amortisation		**3,322,723**	**3,593,637**
Depreciation on Property, Plant and Equipment	10	(431,590)	(361,020)
Depreciation on Right of Use Assets	18	(865,847)	(982,435)
Amortisation	13	(289,153)	(229,793)
		(1,586,590)	(1,573,248)
Profit before Interest and Taxation		**1,736,133**	**2,020,389**
Interest Income		195,118	297,754
Interest Income leases non-occupied	18	918,461	1,030,566
Interest Expense		-	-
Interest Expense leases occupied	18	(395,786)	(432,457)
Interest Expense leases non-occupied	18	(918,461)	(1,030,566)
		(200,668)	(134,703)
Profit before Taxation		**1,535,465**	**1,885,686**
Income Tax Expense	6	(508,686)	(558,609)
Net Profit attributable to shareholders		**1,026,779**	**1,327,077**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Movement in Foreign Currency Translation Reserve	19	4,912	(5,425)
Total comprehensive income		**1,031,691**	**1,321,652**
Basic Earnings per Share (cents)	24	**2.68**	**2.64**
Diluted Earnings per Share (cents)	24	2.68	2.64

The attached notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

		2025	2024
Shareholders' equity	Note	$	$
Contributed equity	17	7,836,208	11,913,499
Retained earnings		2,563,108	1,536,329
Capital Return Costs	17	(252,698)	-
Foreign currency translation reserve	19	(284,281)	(289,193)
		9,862,337	**13,160,635**
Current assets			
Cash and cash equivalents	16	4,826,098	9,571,160
Trade and other receivables	8	2,036,521	2,156,732
Prepaid licence fee	8	22,500	-
Prepaid legal expenses		-	215,548
Tax receivable		21,157	-
Lease Receivable: non-occupied	18	1,122,746	1,499,901
Contract Asset		64,095	35,374
Inventories	9	621,088	657,211
Loans	12	28,229	18,440
		8,742,434	**14,154,366**
Non-current assets			
Property, plant and equipment	10	2,083,969	2,242,482
Right of use asset - leases	18	5,674,107	5,864,168
Contract Asset		578,693	384,100
Lease receivable non-occupied	18	11,551,757	14,214,413
Deferred tax asset	6	493,818	566,380
Loans	12	61,607	-
Prepaid licence fee	8	277,500	-
Intangible assets	13	2,806,665	2,048,342
		23,528,116	**25,319,885**
Total Assets		**32,270,550**	**39,474,251**
Current liabilities			
Trade and other payables	14	1,456,484	1,888,605
Contract Liability	14	181,359	250,958
Lease Liability occupied	18	784,205	691,690
Lease Liability non-occupied	18	1,122,746	1,499,901
Income tax payable		-	320,095
Provisions	15	400,802	472,386
		3,945,596	**5,123,635**

The attached notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

		2025	2024
Non-current liabilities	Note		
Contract Liability	14	905,128	807,740
Lease Liability occupied	18	5,956,240	6,121,086
Lease Liability non-occupied	18	11,551,757	14,214,413
Provisions	15	49,492	46,742
		18,462,617	**21,189,981**
Total liabilities		**22,408,213**	**26,313,616**
Net assets		**9,862,337**	**13,160,635**
Net tangible assets per share ($ per share - non-GAAP measure)	27	0.19	0.21

For and on behalf of the Board who approved these financial statements for issue on 27 June 2025.

Alan Gourdie
Director

Josef Roberts
Director

The attached notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

2025	Contributed Equity	Foreign Currency Translation Reserve	Return of Capital Cost	Retained earnings	Total Equity
	$	$	$	$	**$**
Balance as at 1 April 2024	11,913,499	(289,193)	-	1,536,329	**13,160,635**
Return of Capital	(4,077,291)	-	(252,698)	-	**(4,329,989)**
Movement in foreign currency translation reserve recognised in other comprehensive income	-	4,912	-	-	**4,912**
Net Profit for the period ended 31 March 2025	-	-	-	1,026,779	**1,026,779**
Total comprehensive income	-	4,912	-	1,026,779	**1,031,691**
Balance as at 31 March 2025	**7,836,208**	**(284,281)**	**(252,698)**	**2,563,108**	**9,862,337**

2024	Contributed Equity	Foreign Currency Translation Reserve	Retained earnings	Total Equity
	$	$	$	**$**
Balance as at 1 April 2023	11,913,499	(283,768)	209,252	**11,838,983**
Movement in foreign currency translation reserve recognised in other comprehensive income	-	(5,425)	-	**(5,425)**
Net Profit for the year ended 31 March 2024	-	-	1,327,077	**1,327,077**
Total comprehensive income	-	(5,425)	1,327,077	**1,321,652**
Balance as at 31 March 2024	**11,913,499**	**(289,193)**	**1,536,329**	**13,160,635**

The attached notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

		2025	2024
Cash flows from operating activities	Note	$	$
Receipts from customers		23,611,463	25,903,530
Interest received		195,118	260,251
Goods and services tax		45,823	(54,920)
Payments to suppliers & employees		(21,019,282)	(22,300,320)
Interest Paid		-	-
Interest on leases		(395,786)	(432,457)
Taxes paid		(777,377)	(453,536)
Net cash flows provided from operating activities	25	**1,659,959**	**2,922,548**
Cash flows from investing activities			
Repayments of loans		75,603	27,060
Loans to staff and franchisees		(147,000)	-
Sale of property, plant and equipment		62,765	128,147
Acquisition of intangible assets	13	(1,047,476)	(221,880)
Acquisition of property, plant & equipment	10	(286,152)	(536,584)
Net cash flows applied to investing activities		**(1,342,260)**	**(603,257)**
Cash flows from financing activities			
Return Of Capital	17	(4,329,989)	-
Lease Liability Principal Component		(739,683)	(955,937)
Net cash flows applied to financing activities		**(5,069,672)**	**(955,937)**
Net movement in cash and cash equivalents		(4,751,973)	1,363,354
Exchange gains on cash and cash equivalents		6,911	5,782
Opening cash and cash equivalents		9,571,160	8,202,024
Closing cash and cash equivalents	16	**4,826,098**	**9,571,160**

The attached notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1) Reporting Entities and Statutory Base

Burger Fuel Group Limited ("BFG") is a Company registered under the Companies Act 1993 and is listed with the New Zealand Stock Exchange (NZX). The Company is a Financial Markets Conduct (FMC) reporting entity for the purposes of the Financial Markets Conduct Act 2013 and its financial statements comply with that Act.

The financial statements presented are those of Burger Fuel Group Limited (the 'Group'). A list of its wholly owned subsidiaries is listed in note 11 of the financial statements.

The Group operates as a franchisor of gourmet burger and chicken restaurants and is a for-profit oriented entity, incorporated and domiciled in New Zealand.

2) Basis of preparation

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and the requirements of the Companies Act 1993, the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013. They comply with the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), and other applicable Financial Reporting Standards as appropriate for, for-profit oriented entities. For the purposes of complying with NZ GAAP, the Group is a Tier 1 for-profit entity as defined in the XRB's Accounting Standards Framework. These financial statements also comply with International Financial Reporting Standards ("IFRS").

These financial statements are presented in New Zealand dollars ($), which is the Group's functional currency and they have been rounded to the nearest dollar.

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

The financial statements were approved by the Board of Directors on the date set out on page 21 of the Annual Report.

Basis of Measurement

These financial statements have been prepared under the historical cost convention, adjusted for fair value for specific balances as outlined below and on a going concern basis.

Use of Estimates and Judgements

The preparation of financial statements in conformity with NZ IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The principal areas of judgments in preparing these financial statements are set out below:

IFRS16 – Expected Lease Term

The Group has estimated the lease terms for the occupied and non-occupied leases will run to their final expiry, taking into account all optional exercise periods. This is based on the fact that the Group and franchisee spends a significant amount on the store fitout, thus it is in their best interest to extend the lease term for as long as possible while the asset is generating revenue. The leases are generally aligned with the 10-year franchise agreements.

Recoverability of lease receivables

The Group holds the head leases on 33 (FY24: 40) franchised Burger Fuel stores in New Zealand (Non-occupied leases). These have been sublet to the franchisees on the same terms and conditions and the franchisee is a guarantor of the lease. The liability of the lease passes to the franchisee and a number of these leases have default liability clauses included, which limits lease payments from 3 to 24 months. There are judgements involved in determining the recoverability of the lease receivable, based on the possible nonpayment of rent from the franchisee, who is the sublessee in this relationship.

Accounting for Income Tax

Preparation of the annual financial statements requires management to make estimates as to, amongst other things, the amount of tax that will ultimately be payable, the availability of losses to be carried forward and the amount of foreign tax credits it will receive in each of the jurisdictions it operates in.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses (where applicable) only to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Actual results may differ from these estimates as a result of reassessment by management or taxation authorities.

Refer to note 6 for additional information on accounting for income tax.

Impairment of Goodwill

The Group reviews goodwill for impairment on an annual

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

basis. This requires an estimation of the value in use of the cash-generating units to which the Goodwill is allocated. Estimating the value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit in the forecasted period of 5 years and also to determine a suitable discount rate in order to calculate the present value of those cash flows. The Group's longer-term forecasts are subject to a higher level of uncertainty as it mostly depends on consumer spending, market conditions and level of competition. For additional information on the impairment test, reference is made to note 13.1 - Intangible Assets.

3) Material accounting Policies

The following is a summary of specific accounting policies adopted by the Group in the preparation of the financial statements that materially affect the measurement of financial performance, cash flows and the financial position.

a) Adoption of new & revised standards and interpretations

The Group adopted the amendments to NZ IAS 1 Classification of Liabilities as Current or Non-current (Amendments to NZ IAS 1) and Non-current Liabilities with Covenants – The group has no covenants on non-current liabilities that could become repayable within twelve months and this amendment did not affect the financial or disclosure aspects of the Group's financial statements.

The Group adopted the amendments Lease Liability in a Sale and Leaseback (Amendments to NZ IFRS 16). This amendment did not affect the financial or disclosure aspects of the Group's financial statements.

The Group adopted the amendments Disclosure of Fees for Audit Firms' Services (Amendments to FRS-44). This amendment did not affect the financial or disclosure aspects of the Group's financial statements.

Supplier Finance Arrangements (Amendments to NZ IAS 7 and NZ IFRS 7). This amendment did not affect the financial or disclosure aspects of the Group's financial statements as there are no Supplier Finance Arrangements.

No other new standards, amendments, or interpretations to existing standards effective from 1 April 2024 materially impacted the Group's financial statements or required retrospective adjustments.

b) Revenue Recognition

Revenue arises mainly from the sale of food and beverage products from our fast-casual stores that the Group owns directly and from franchise and royalty arrangements that it has in place with franchise holders both in New Zealand and offshore.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other contract liabilities in the statement of financial position.

Sale of goods

The Group is in the business of providing fast-casual food solutions to its customers and franchisees. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer or franchisee at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements, because it controls the goods or services before transferring them to the customer.

Management has determined the performance obligation to deliver the food & proprietary products is completed when control of goods passes to the customer. Revenue is recognised at this time.

Franchise fees

The Group recognises revenue derived from its franchise operations in New Zealand and the Middle East on a straight-line basis over a period of time that the franchise agreement is in place, which is generally 10 years. This is the period of time over which the performance obligation, the use of the intellectual property, is satisfied. Payment is received annually over the term of the agreement.

The transaction price includes a variable price consideration for the possible transfer of franchise rights. This is unknown until a transfer transaction is completed. Given the high uncertainty of this transfer, the transaction price for a franchise contract is not adjusted for these transferred franchise rights until the Group is notified of the sale.

Royalties from Franchises and Master Licencing Arrangements (MLAs)

The Group recognises revenue derived from its Franchises, MLAs and Development Agent agreements over time, based on sales that are reported back to the Group on a monthly basis for sales that occurred in that month. Payment is received on a monthly basis.

The performance obligation, to provide access to the brand intellectual property, is satisfied over time. Royalty revenue is recognised as the underlying sales take place.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3) Material accounting Policies(Continued)

Training fees

The Group recognises revenue from training over time as each 12-week training course is provided to the new operators of franchises. Payment is received upfront when the new operator signs a franchise agreement.

Advertising revenue

The Group recognises advertising revenue derived from its Franchises and MLAs over time, based on sales that are reported back to the Group on a monthly basis for sales that occurred in that month. Payment is received on a monthly basis.

The performance obligation, to provide access to the brand intellectual property and advertising services, is satisfied over time. Advertising revenue is recognised as the underlying sales take place, in accordance with sales-based royalties. The Group provides marketing services to increase sales and brand exposure over the life of the agreement.

Property management fees

The Group recognises revenue from property management services on a straight-line basis over 12 months. This reflects the period of time over which the Group provides property management services to each franchise.

Other revenue

Other revenue includes incentives, bonuses and rebates received by the Group from its suppliers in relation to volume of goods and services that have been purchased by franchise holders. Rebate revenue is recognised when the sale of the underlying asset is completed. Other revenues are recognised when reliable estimates of the amounts due to the Group are deemed to be highly probable.

Online ordering (software) revenue

The Group recognises revenue derived from its Franchises over time, based on online sales that are reported back to the Group on a monthly basis for sales that occurred in that month. Payment is received on a monthly basis.

The performance obligation, to provide access to the Groups online ordering platform, is satisfied over time.

Royalty revenue is recognised as the underlying sales take place.

Significant financing components

Using the practical expedient in NZ IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

c) Accounts Receivable

Trade receivables

The Group makes use of a simplified approach in accounting for trade receivables. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

The Group assesses the impairment of all its trade receivables on a specific as well as a collective basis in order to determine the allowance for credit losses.

Management has assessed the information available and concluded that no provision for expected credit losses was identified.

d) Inventories

Inventories are stated at the lower of cost and net realisable value after due consideration for excess and obsolete items. Cost is based on the first in, first out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

e) Financial Instruments

Loans Receivable and Lease Receivable at amortised cost

Management have assessed each counterparty as having a low risk of default and a strong capacity to meet their contractual cash flow obligations in the near term.

f) Share Capital

Ordinary Shares

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

g) Property, Plant and Equipment

Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

BFG ANNUAL REPORT 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit and loss as incurred.

Depreciation rates

Property, plant and equipment are stated at cost less accumulated depreciation. The following depreciation rates have been used:

Motor Vehicles	24% - 40% diminishing value
Leasehold Improvements	9% - 40% diminishing value
Computer Hardware	16% - 75% diminishing value
Furniture & Fittings	8% - 67% diminishing value
Kitchen Equipment	8% - 67% diminishing value
Office Equipment	8% - 67% diminishing value

Where an asset is disposed of, the gain or loss recognised in the Statement of Comprehensive Income is calculated as the difference between the sale price and the carrying amount of the asset.

h) Leased Assets

As a lessee

The Group has elected to apply the practical expedient in accordance with IFRS 16, allowing for the combination of lease and non-lease components.

As a lessor

When the Group is an intermediate lessor (based on sub-leasing) it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a lease transfers substantially all of the risks and rewards incidental to the right-of-use asset, it is treated as a finance lease. These are classified as non-occupied leases in the financial statements.

The initial measurement of the present value of the lease liability is offset with a lease receivable, representing its right to receive lease payments from a sublessee.

Variable lease payments, such as percentage rent based on turnover, not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a right of use asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the term of the lease.

i) Intangible Assets

The Group's intangible assets have finite useful lives (with the exception of goodwill) and are stated at cost less accumulated amortisation. This class of intangible asset which includes brand assets, software and patents are amortised in the Statement of Comprehensive Income on a straight-line basis over the period during which benefits are expected to be derived, which is up to 10 years for trademarks. Where there has been an impairment in the value, the balance has been written off in the Statement of Comprehensive Income.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the intangible asset to which it relates. All other expenditure is recognised in the Statement of Comprehensive Income when incurred.

As part of a previous business combination, an acquirer may acquire a right that it had previously granted to the acquiree to use one or more of the acquirer's recognised or unrecognised assets. An example of such rights include a right to use the acquirer's trade name under a franchise agreement. A reacquired right is an identifiable intangible asset that the acquirer recognises separately from goodwill. Reacquired rights are initially valued at the present value of the expected future cash flows and subsequently amortised on a straight-line basis over its useful life, being the remaining contractual period without considering contractual extension possibilities but not exceeding 10 years.

The cost of self-constructed intangible assets includes the cost of direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3) Material accounting Policies (Continued)

integral to the functionality of the related equipment is capitalised as part of that equipment. These self-constructed intangible assets have a useful life of 3 years.

j) Earnings and Net Tangible Assets Per Share

The Group also presents Net Tangible Assets Per Share (a non-GAAP measure) for its ordinary shares, and it is calculated by dividing the net tangible assets of the Group by the number of shares outstanding at the end of the year.

This is a non-GAAP measure, but the disclosure is required under the NZX listing rules.

k) Segment Reporting

Operating segments have been identified based on the information provided to the chief operating decision maker; being the Board of Directors.

The Group operates in two operating segments – these consist of the following geographical locations, New Zealand, and international markets.

l) Goodwill

Refer to Note 13.1 for a description of impairment testing procedures.

m) Impairment Testing of Goodwill, Other Intangible Assets and Non-financial Assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows.

The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

Impairment losses for cash-generating units reduce first the carrying amount of any Goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of Goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount. Refer to note 13 for more details around the impairment testing.

BFG ANNUAL REPORT 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4) Revenue

	2025	2024
	$	$
Sale of Goods	10,350,969	11,151,620
Franchising Fees	395,100	253,708
Training Fees	37,500	-
Royalties	6,273,943	6,781,499
Advertising Fees	4,198,525	4,863,227
Property Management Fees	60,000	62,000
Other Revenue	1,985,315	2,594,269
Gain on Sale of Fixed Assets (refer Note 10)	60,081	21,791
Foreign Exchange Gains	1,999	11,208
Online Ordering Income	497,324	210,658
	23,860,756	**25,949,980**

5) Expenses

	2025	2024
Operating expenses include:	$	$
Cost of Sales	4,046,368	4,427,506
Loss on Disposal of Property, Plant and Equipment. (refer Note 10)	10,390	268,068
Directors' Fees (refer Note 23)	200,750	178,667
Wages and Salaries	5,687,485	6,073,404
Contributions to a defined contribution plan	152,803	134,631
Key management personnel costs: (refer Note 23)		
- Salary and other short-term benefits	2,004,675	1,957,203
- Contributions to a defined contribution plan	30,570	35,604
Auditors' remuneration – Audit Services – Baker Tilly Staples Rodway:		
- Audit of Financial Statements	131,250	100,590
- Tax compliance services	36,800	28,825
Other Operating Expenses	3,985,906	4,410,902
Legal Expenses – Return of Capital Opposition	221,688	205,509
Write-off of obsolete stock (refer Note 9)	22,701	103,206
Advertising Expenditure	4,006,647	4,432,228
	20,538,033	**22,356,343**

The above key management personnel costs include remuneration of the Group Chief Executive and the members of the executive team.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

6) Income tax

	2025	2024
	$	$
Taxation expense is represented by:		
Current Tax	436,124	506,655
Deferred Tax	72,562	51,954
	508,686	**558,609**
Profit / (Loss) before income tax expense	1,535,465	1,885,686
Timing differences & non-deductible expenses:		
50% entertainment	45,985	41,012
Non-deductible expenditure	223,702	255,950
Depreciation & Amortisation	43,922	(151,307)
IFRS 15 Deferred revenue	(195,523)	(165,923)
IFRS 16 Leases	117,730	26,168
Accruals	(20,955)	(14,587)
Make good provision	2,750	3,500
Holiday pay not paid out within 63 days	(71,881)	108,504
Other	(23,144)	12,171
	122,586	**115,488**
Taxable Profit	1,658.051	2,001,174
Tax Losses utilised	(172,844)	(193,153)
Net Taxable Profit	1,485,207	1,808,021
Taxation at the company's effective tax rate	415,858	506,246
Deferred tax movement Statement of comprehensive income	36,907	52,040
Under Provision of Prior Period	55,921	323
Total income tax expense per statement of comprehensive income	**508,686**	**558,609**

BFG ANNUAL REPORT 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

6) Income tax (Continued)

	2025	2024
Reconciliation of deferred tax asset:	$	$
Deferred tax on temporary differences		
Opening balance	566,380	618,420
Prior period adjustment	(35,654)	(87)
Provision for employee benefits	(20,127)	30,381
Provisions for make good	770	980
Depreciation & amortisation	10,058	(42,366)
Accruals	(5,868)	(4,084)
Deferred revenue	(54,705)	(44,192)
Impact of leases	32,964	7,328
	493,818	**566,380**
Opening Balance	**566,380**	**618,420**
Charged to profit or loss	(36,907)	(51,954)
Prior period adjustment	(35,654)	(88)
Other	(1)	2
Closing Balance	**493,818**	**566,380**

The Group has $1,165,603 of unrecognised losses to be carried forward (2024: $1,299,429). The potential benefit of these losses is $349,681 (2024: $389,828) which has not been recognised in the financial statements. The losses carried forward relate to the Australian operations and are therefore in Australian dollars.

The Group has recognised a deferred tax asset of $493,818 (2024: $566,380) with respect to other temporary differences. This has been recognised as it is probable that future taxable profit will be available to allow the asset to be utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

7) Imputation credits

	2025	2024
	$	$
Opening balance	3,268,530	3,041,016
Add		
Tax payable	484,736	153,714
Resident withholding tax	37,815	74,313
	522,551	228,027
Deduct		
Income tax refund received	(1,449)	(513)
Closing balance	**3,789,632**	**3,268,530**

8) Trade and other receivables

	2025	2024
	$	$
Trade receivables	1,896,317	2,039,531
Allowance for expected credit losses	-	-
	1,896,317	2,039,531
Prepayments	132,720	102,292
Prepayments - Licence Fee	300,000	-
Sundry receivables	7,484	14,909
	2,336,521	**2,156,732**
Current	2,059,021	2,156,732
Non-current	277,500	-
	2,336,521	**2,156,732**

Receivables denominated in currencies other than the presentation currency are Australian Dollars and they comprise 2.1% of the trade receivables (2024: 2.8%) The total receivables impaired for the 2025 financial year are Nil (2024: Nil).

9) Inventories

	2025	2024
	$	$
Ingredients	185,368	182,110
Finished Goods	435,720	475,101
Total Inventory	**621,088**	**657,211**

Finished goods includes signage, kitchen equipment, computer equipment & proprietary products (BurgerFuel sauces & dry goods). During the year ended 31 March 2025, $22,701 of obsolete ingredients, IT Equipment and stationery were written off. (2024: $103,206).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

10) Property, plant & equipment

2025	Motor vehicles	Office equipment	Furniture and fittings	Computer Hardware	Kitchen equipment	Leasehold Improve-ments	Total
	$	$	$	$	$	$	$
Cost							
Balance 1 April 2024	247,870	78,451	1,245,733	1,327,575	1,386,494	2,363,763	6,649,886
Additions	71,296	1,853	45,024	81,791	75,738	10,450	286,152
Disposals	(38,892)	-	(6,123)	(62,079)	(7,857)	-	(114,951)
Cost at 31 March 2025	**280,274**	**80,304**	**1,284,634**	**1,347,287**	**1,454,375**	**2,374,213**	**6,821,087**
Depreciation and impairment losses							
Balance 1 April 2024	183,118	64,983	933,752	1,110,970	758,544	1,356,037	4,407,404
Disposals	(37,219)	-	(4,152)	(54,874)	(5,631)	-	(101,876)
Depreciation for the year	27,845	2,660	66,783	125,582	106,438	102,282	431,590
Foreign exchange impact	-	-	-	-	-	-	-
Balance 31 March 2025	**173,744**	**67,643**	**996,383**	**1,181,678**	**859,351**	**1,458,319**	**4,737,118**
Net Book Value							
Balance 1 April 2024	64,752	13,468	311,981	216,605	627,950	1,007,726	2,242,482
Depreciation for the year	(27,845)	(2,660)	(66,783)	(125,582)	(106,438)	(102,282)	(431,590)
Additions	71,296	1,853	45,024	81,791	75,738	10,450	286,152
Disposals	(1,673)	-	(1,971)	(7,205)	(2,226)	-	(13,075)
Foreign exchange impact	-	-	-	-	-	-	-
Net Book Value at 31 March 2025	**106,530**	**12,661**	**288,251**	**165,609**	**595,024**	**915,894**	**2,083,969**

The gain on sale recorded in the Statement of Comprehensive Income was $60,081 (2024: $21,791), relating to the sale of a motor vehicle and kitchen equipment. The loss on sale recorded relates to IT and kitchen equipment $10,390 (2024: $268,068)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

10) Property, plant & equipment (Continued)

2024	Motor vehicles	Office equipment	Furniture & fittings	Computer Hardware	Kitchen Equipment	Leasehold Improve-ments	Total
	$	$	$	$	$	$	$
Cost							
Balance 1 April 2023	267,179	77,791	1,232,646	1,384,249	1,425,127	2,508,051	6,895,043
Additions	58,342	660	108,584	114,307	201,461	53,230	536,584
Disposals	(77,651)	-	(95,497)	(170,981)	(240,094)	(197,518)	(781,741)
Cost at 31 March 2024	**247,870**	**78,451**	**1,245,733**	**1,327,575**	**1,386,494**	**2,363,763**	**6,649,886**
Depreciation and impairment losses							
Balance 1 April 2023	234,689	62,465	928,302	1,095,720	710,757	1,421,768	4,453,701
Disposals	(76,421)	-	(40,813)	(158,003)	(90,591)	(41,489)	(407,318)
Depreciation for the year	24,850	2,518	46,263	173,253	138,378	(24,242)	361,020
Foreign exchange impact	-	-	-	-	-	-	-
Balance 31 March 2024	**183,118**	**64,983**	**933,752**	**1,110,970**	**758,544**	**1,356,037**	**4,407,404**
Net Book Value							
Balance 1 April 2023	32,490	15,326	304,344	288,529	714,370	1,086,283	2,441,342
Depreciation for the year	(24,850)	(2,518)	(46,263)	(173,253)	(138,378)	24,242	(361,020)
Additions	58,342	660	108,584	114,307	201,461	53,230	536,584
Disposals	(1,230)	-	(54,684)	(12,978)	(149,503)	(156,029)	(374,424)
Foreign exchange impact	-	-	-	-	-	-	-
Net Book Value at 31 March 2024	**64,752**	**13,468**	**311,981**	**216,605**	**627,950**	**1,007,726**	**2,242,482**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

11) Investment in subsidiaries

The Parent Company's investment in the subsidiaries comprises shares at cost.
All subsidiaries have a 31 March balance date.

Subsidiary Companies	Country of Incorporation	Interest Held 2025	Interest Held 2024
BF Lease Company Limited	New Zealand	100%	100%
BF Lease Company No 1 Limited - removed	New Zealand	-	100%
BF Lease Company No 2 Limited - removed	New Zealand	-	100%
BF Lease Company No 3 Limited	New Zealand	100%	100%
BF Lease Company No 4 Limited	New Zealand	100%	100%
BF Lease Company No 5 Limited	New Zealand	100%	100%
BF Lease Company No 6 Limited	New Zealand	100%	100%
BF Lease Company No 7 Limited	New Zealand	100%	100%
BF Lease Company No 8 Limited	New Zealand	100%	100%
BF Lease Company No 9 Limited	New Zealand	100%	100%
BF Lease Company No 10 Limited	New Zealand	100%	100%
BF Lease Company No 11 Limited	New Zealand	100%	100%
BF Lease Company No 12 Limited	New Zealand	100%	100%
BF Lease Company No 13 Limited	New Zealand	100%	100%
BF Lease Company No 14 Limited	New Zealand	100%	100%
BF Lease Company No 15 Limited - removed	New Zealand	-	100%
BF Lease Company No 16 Limited - removed	New Zealand	-	100%
BF Lease Company No 17 Limited	New Zealand	100%	100%
BF Lease Company No 18 Limited	New Zealand	100%	100%
BF Lease Company No 19 Limited	New Zealand	100%	100%
BF Lease Company No 20 Limited	New Zealand	100%	100%
BF Lease Company No 21 Limited	New Zealand	100%	100%
BF Lease Company No 22 Limited - removed	New Zealand	-	100%
BF Lease Company No 23 Limited	New Zealand	100%	100%
BF Lease Company No 24 Limited	New Zealand	100%	100%
BF Lease Company No 25 Limited	New Zealand	100%	100%
BF Lease Company No 26 Limited	New Zealand	100%	100%
BF Lease Company No 27 Limited	New Zealand	100%	100%
BF Lease Company No 28 Limited	New Zealand	100%	100%
BF Lease Company No 29 Limited	New Zealand	100%	100%
BF Lease Company No 30 Limited	New Zealand	100%	100%
BF Lease Company No 31 Limited - removed	New Zealand	-	100%
BF Lease Company No 32 Limited	New Zealand	100%	100%
BF Lease Company No 33 Limited - removed	New Zealand	-	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

11) Investment in subsidiaries (Continued)

Subsidiary Companies	Country of Incorporation	Interest Held 2025	Interest Held 2024
BF Lease Company No 34 Limited	New Zealand	100%	100%
BF Lease Company No 35 Limited	New Zealand	100%	100%
BF Lease Company No 36 Limited	New Zealand	100%	100%
BF Lease Company No 37 Limited	New Zealand	100%	100%
BF Lease Company No 38 Limited	New Zealand	100%	100%
BF Lease Company No 39 Limited	New Zealand	100%	100%
BF Lease Company No 40 Limited	New Zealand	100%	100%
BF Lease Company No 41 Limited	New Zealand	100%	100%
BF Lease Company No 42 Limited	New Zealand	100%	100%
BF Lease Company No 44 Limited	New Zealand	100%	100%
BF Lease Company No 45 Limited - removed	New Zealand	-	100%
BF Lease Company No 46 Limited - removed	New Zealand	-	100%
BF Lease Company No 47 Limited - removed	New Zealand	-	100%
BF Lease Company No 48 Limited - removed	New Zealand	-	100%
Burger Fuel Group Lease Limited (formally BF Lease Company No 49 Limited)	New Zealand	100%	100%
Burger Fuel Worldwide Limited (formally BF Lease Company No 50 Limited)	New Zealand	100%	100%
Burger Fuel (Dubai) NZ Limited	New Zealand	100%	100%
Burger Fuel International Limited	New Zealand	100%	100%
Burger Fuel (Australia) Pty Limited	New Zealand	100%	100%
Burger Fuel (Australia) No2 Pty Limited	New Zealand	100%	100%
Burger Fuel International Management Limited	New Zealand	100%	100%
Burger Fuel Limited	New Zealand	100%	100%
BurgerFuel Henderson Limited	New Zealand	100%	100%
Burger Fuel Takapuna Limited	New Zealand	100%	100%
Winner Winner Limited	New Zealand	100%	100%
Shake Out Limited	New Zealand	100%	100%
Concept Brands Limited	New Zealand	100%	100%
Shake Out Commercial Bay Limited	New Zealand	100%	100%
Shake Out Container Limited	New Zealand	100%	100%
Burger Fuel Pty Limited	Australia	100%	100%
Burger Fuel Australia Pty Limited	Australia	100%	100%
BFG Delivery Kitchen Limited (formally BF Lease Company No 43 Limited)	New Zealand	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

11) Investment in subsidiaries (Continued)

The principal activities of the subsidiaries are:

Burger Fuel Limited – Franchise systems – gourmet burger restaurants.

Burger Fuel International Limited – Holds patents, trademarks and licences and holds the international Master Franchise Agreements.

Burger Fuel International Management Limited – Owns the BurgerFuel Australia operation and holds the international Master Franchise Agreements.

Burger Fuel (Australia) Pty Limited – Non trading.

Burger Fuel (Australia) No2 Pty Limited – Non trading.

Burger Fuel Australia Pty Limited – Non trading.

Burger Fuel Pty Limited – Administration.

Burger Fuel (Dubai) NZ Limited – was the holding company of the subsidiary in Dubai (Burger Fuel (ME) DMCC).

BurgerFuel Henderson Limited – New Zealand based company trading as restaurant.

Burger Fuel Takapuna Limited – New Zealand based company trading as restaurant.

Winner Winner Limited – New Zealand based company trading as restaurant – Closed May 2023.

Shake Out Limited – New Zealand based company trading as restaurant.

Concept Brands Limited - Franchise systems – Shake Out and Winner Winner brands.

Shake Out Commercial Bay Limited – New Zealand based company trading as restaurant.

Shake Out Container Limited – New Zealand based company trading as mobile restaurant.

BFG Delivery Kitchen Limited – Shake Out delivery Only kitchen – Closed Nov 2023.

All other companies are head lease holders for store premises in New Zealand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

12) Loans

	2025	2024
	$	$
Advance to staff	3,490	-
Advance to Franchisee	86,346	18,440
Total Loans	**89,836**	**18,440**
Current	28,229	18,440
Non-current	61,607	-
Total	**89,836**	**18,440**

Advances to Franchisee

The advance to a franchisee is to assist with opening of a BurgerFuel Store. The loan is interest bearing at 7% (2024: 5.7%).

These advances have been assessed by management and there is no impairment or expected credit losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

13) Intangible assets

2025	Brand Assets	Goodwill	Reacquired Rights	Computer Software	Patent	Trade Marks	Total
	$	$	$	$	$	$	**$**
Cost							
Balance 1 April 2024	221,333	1,639,279	250,760	620,914	18,506	775,857	**3,526,649**
Disposals	-	-	-	-	-	(4,249)	**(4,249)**
Acquisitions	-	-	-	1,017,515	2,293	27,668	**1,047,476**
Balance at 31 March 2025	221,333	1,639,279	250,760	1,638,429	20,799	799,276	**4,569,876**
Amortisation							
Balance 1 April 2024	140,262	315,000	195,034	169,331	14,966	643,714	**1,478,307**
Disposals	-	-	-	-	-	(4,249)	**(4,249)**
Impairment	-	-	-	-	-	-	**-**
Current year amortisation	19,142	-	27,862	195,983	1,448	44,718	**289,153**
Balance 31 March 2025	159,404	315,000	222,896	365,314	16,414	684,183	**1,763,211**
Net Book Value							
Balance 1 April 2024	81,071	1,324,279	55,726	451,583	3,540	132,143	**2,048,342**
Disposals	-	-	-	-	-	-	**-**
Impairment	-	-	-	-	-	-	**-**
Additions	-	-	-	1,017,515	2,293	27,668	**1,047,476**
Amortisation	(19,142)	-	(27,862)	(195,983)	(1,448)	(44,718)	**(289,153)**
Net Book Value at 31 March 2025	**61,929**	**1,324,279**	**27,864**	**1,273,115**	**4,385**	**115,093**	**2,806,665**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

13) Intangible assets (Continued)

2024	Brand Assets	Goodwill	Reacquired Rights	Computer Software	Patent	Trade Marks	Total
	$	$	$	$	$	$	**$**
Cost							
Balance 1 April 2023	221,333	1,639,279	250,760	414,985	17,896	760,516	**3,304,769**
Disposals	-	-	-	-	-	-	**-**
Acquisitions	-	-	-	205,929	610	15,341	**221,880**
Balance at 31 March 2024	221,333	1,639,279	250,760	620,914	18,506	775,857	**3,526,649**
Amortisation							
Balance 1 April 2023	121,120	315,000	167,172	32,967	13,541	598,714	**1,248,514**
Disposals	-	-	-	-	-	-	**-**
Impairment	-	-	-	-	-	-	**-**
Current year amortisation	19,142	-	27,862	136,364	1,425	45,000	**229,793**
Balance 31 March 2024	140,262	315,000	195,034	169,331	14,966	643,714	**1,478,307**
Net Book Value							
Balance 1 April 2023	100,213	1,324,279	83,588	382,018	4,355	161,802	**2,056,255**
Disposals	-	-	-	-	-	-	**-**
Impairment	-	-	-	-	-	-	**-**
Additions	-	-	-	205,929	610	15,341	**221,880**
Amortisation	(19,142)	-	(27,862)	(136,364)	(1,425)	(45,000)	**(229,793)**
Net Book Value at 31 March 2024	**81,071**	**1,324,279**	**55,726**	**451,583**	**3,540**	**132,143**	**2,048,342**

The reacquired rights will be amortised over the life of the franchise agreement at the time of purchase being 9.5 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

13.1) Impairment testing

Impairment

The goodwill of the two cash generating units (CGU's) (BurgerFuel Takapuna and BurgerFuel Henderson stores) have been tested for impairment. Based on the impairment testing results, no impairment loss on Goodwill is recorded in the 2025 financial year (2024: Nil). Estimation uncertainty relates to assumptions about current value or operating results and the determination of a suitable discount rate. For the purpose of annual impairment testing, goodwill is allocated to the following cash-generating units, which are the units expected to benefit from the synergies of the business combinations in which the Goodwill arises.

	2025	2024
	$	$
New Zealand Retail – Henderson Store	586,427	586,427
New Zealand Retail – Takapuna Store	737,852	737,852
Goodwill allocation at 31 March	1,324,279	1,324,279

The recoverable amounts of the cash-generating units were determined based on the higher of the value-in-use and fair value less cost of disposal calculations, covering a detailed forecast period of 5 years of expected cash flows for the units' remaining useful lives using the growth rates determined by management.

Management assessed the impact of reduced economic activity and lower revenues due to slower economic growth on the valuation of the Group's financial and non-financial assets (i.e. impairment assessment of cash generating units).

The Group has prepared revised cash flow forecasts for the purposes of the Group's annual impairment testing of goodwill and brand. This assessment has confirmed the carrying value of goodwill and brand assets as at 31 March 2025.

The present value of the expected cash flows of each segment is determined by applying a suitable discount rate.

	Growth Rates		Discount Rates	
	2025	2024	2025	2024
New Zealand Retail – Henderson Store	2.0%	2.0%	17.1%	16.8%
New Zealand Retail – Takapuna Store	2.0%	2.0%	16.8%	16.7%

13.2) Growth rates

The growth rates reflect the long-term average growth rates for the product line and industry of the segments (all publicly available). The Group is expecting the FY25 revenue growth rates combined across the two CGU's to be 1.95% based on the current economic conditions. (FY24 7.6%)

13.3) Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each unit and these are pre-tax discount rates.

13.4) Cash flow assumptions

The forecasts assume that New Zealand will have no further restrictions placed on the business operations during the forecast period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

14) Trade and other payables and contract liabilities

	2025	2024
	$	$
Trade payables	1,139,270	1,638,192
Payroll liabilities	19,564	-
GST payable	241,178	195,355
Accrued expenses	56,472	55,058
	1,456,484	**1,888,605**

Contract Liability

	Franchise Fees	MLA	Total
2025			
Balance 01 April 2024	896,019	162,679	1,058,698
Franchise fees booked to Balance Sheet in FY25	295,454	-	295,454
Revenue recognised – Franchise fees	(242,674)	(24,991)	(267,665)
Balance 31 March 2025	**948,799**	**137,688**	**1,086,487**
Contract Liability - Current	156,368	24,991	181,359
Contract Liability – Non-current	792,431	112,697	905,128
Total	**948,799**	**137,688**	**1,086,487**
2024			
Balance 01 April 2023	617,641	187,671	805,312
Franchise fees booked to Balance Sheet in FY24	499,311	-	499,311
Revenue recognised – Franchise fees	(220,933)	(24,992)	(245,925)
Balance 31 March 2024	**896,019**	**162,679**	**1,058,698**
Contract Liability - Current	225,967	24,991	250,958
Contract Liability – Non-current	670,051	137,689	807,740
Total	**896,018**	**162,680**	**1,058,698**

The contract liability represents the remaining balance of franchise and MLA fees spread over the life of the agreement which is typically 10 & 20 years in length, respectively. The franchises of 11 New Zealand stores expired and were renewed or were terminated and re issued due to a sale and purchase of the franchise in FY25.

NZ Franchise fees are now received annually over franchise term, rather than as an upfront franchise fee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

15) Provisions

	2025	2024
	$	$
Store Closure Provision (non current)		
Opening balance	46,742	43,242
Provisions made during the year	2,750	3,500
	49,492	**46,742**
Holiday Pay Provision (current)		
Opening balance	472,386	345,696
Provisions made during the year	643,036	805,086
Provisions used during the year	(714,620)	(678,396)
	400,802	**472,386**
Total Provisions	**450,294**	**519,128**

Store Closure Provision

This is the make good provision that is set aside to cover the costs of returning premises that are occupied by BurgerFuel back to their original condition, after taking into account the normal wear and tear of these premises.

Holiday Pay Provision

This is the allocation of the 8% annual leave entitlement that each full-time and part-time employee is entitled to as part of their employment, which is accrued throughout the year.

BFG ANNUAL REPORT 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

16) Cash and cash equivalents

	2025	2024
	$	$
Cash at bank	1,495,060	4,329,752
Cash on deposit	3,331,038	5,241,408
	4,826,098	**9,571,160**

At balance date there is $58,012 (2024: $58,012) in restricted cash for bonds issued to the NZX and a lease guarantee bond. Refer note 21 for further information.

17) Contributed equity

	Number of Shares		Share Capital	
	2025	2024	2025	2024
			$	$
Opening ordinary shares on issue	50,336,863	50,336,863	11,913,499	11,913,499
Share buyback and cancellation	(15,101,076)	-	(4,077,291)	-
Authorised & issued ordinary shares on issue at 31 March	**35,235,787**	**50,336,863**	**7,836,208**	**11,913,499**
Return of Capital costs	-	-	(252,698)	-
			7,583,510	

Burger Fuel Group Limited was listed on the New Zealand Alternative Stock Exchange (NZAX) on 27 July 2007. The Group migrated to the main board (NZX) on the 1st July 2019. The Company has 35,235,787 (2024: 50,336,863) authorised and fully paid ordinary shares on issue. All shares have equal voting rights and share equally in dividends and any surplus on winding up. The shares have no par value.

The High Court in Auckland approved the capital return, and $4.077 million was distributed to shareholders on 12 June 2024. This reduced cash reserves accordingly, and the number of shares on issue from 50,336,863 to 35,235,787. $252,698 of direct costs to complete the return of capital were included in the equity section of the Statement of Financial Position.

No Dividends were paid in the 2025 financial year (2024: NIL).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

18) Right of use assets, lease receivable and lease liabilities

In addition to the head office, company owned stores & warehouse leases **(Occupied leases)**, the Group at 31 March 2025 holds the head leases on 33 franchised Burger Fuel stores in New Zealand **(Non-occupied leases)**. These have been sublet to the franchisees on the same terms and conditions as the head leases. These are considered finance leases and the net investment in the lease is recorded as a receivable. Expected credit losses have been reviewed and no impairments noted

2025

	Non-Occupied	Vehicle Leases	Occupied	Total
Right of Use Assets				
Opening balance	-	117,989	5,746,179	5,864,168
Remeasurements of ROU assets*	-	179,593	496,193	675,786
Depreciation	-	(99,146)	(766,701)	(865,847)
Right of use Asset as at 31 March 2025	**-**	**198,436**	**5,475,671**	**5,674,107**

* Remeasurements of ROU assets include vehicle and property leases and lease changes.

2024

	Non-Occupied	Vehicle Leases	Occupied	Total
Right of Use Assets				
Opening balance	-	212,826	6,474,721	6,687,547
Remeasurements of ROU assets*	-	2,506	156,550	159,056
Depreciation	-	(97,343)	(885,092)	(982,435)
Right of use Asset as at 31 March 2024	**-**	**117,989**	**5,746,179**	**5,864,168**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

18) Right of use assets, lease receivable and lease liabilities (Continued)

2025	Non-Occupied	Vehicle Leases	Occupied	Total
Lease Receivable				
Opening Balance	15,714,314	-	-	15,714,314
Remeasurements of existing lease receivables**	(1,612,975)	-	-	(1,612,975)
Interest income	918,461	-	-	918,461
Rent payments	(2,345,297)	-	-	(2,345,297)
Lease Receivable as at 31 March 2025	**12,674,503**	**-**	**-**	**12,674,503**

** Remeasurements of existing lease receivables are lease changes and non-occupied leases exited. The group exited 5 non-occupied head leases in FY25.

2024	Non-Occupied	Vehicle Leases	Occupied	Total
Lease Receivable				
Opening Balance	17,085,674	-	-	17,085,674
Remeasurements of existing lease receivables**	61,884	-	-	61,884
Interest income	1,030,566	-	-	1,030,566
Rent payments	(2,463,810)	-	-	(2,463,810)
Lease Receivable as at 31 March 2024	**15,714,314**	**-**	**-**	**15,714,314**

2025	Non-Occupied	Vehicle Leases	Occupied	Total
Lease Liability				
Opening balance	(15,714,314)	(124,469)	(6,688,307)	(22,527,090)
Remeasurements of existing lease liabilities	1,612,975	(179,593)	(495,968)	937,414
Interest	(918,461)	(10,995)	(384,791)	(1,314,247)
Rent payments	2,345,297	110,610	1,033,068	3,488,975
Lease Liability as at 31 March 2025	**(12,674,503)**	**(204,447)**	**(6,535,998)**	**(19,414,948)**

2024	Non-Occupied	Vehicle Leases	Occupied	Total
Lease Liability				
Opening balance	(17,085,674)	(222,424)	(7,387,563)	(24,695,661)
Remeasurements of existing lease liabilities	(61,884)	(2,173)	57,746	(6,311)
Interest	(1,030,566)	(9,526)	(422,931)	(1,463,023)
Rent payments	2,463,810	109,654	1,064,441	3,637,905
Lease Liability as at 31 March 2024	**(15,714,314)**	**(124,469)**	**(6,688,307)**	**(22,527,090)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

18) Right of use assets, lease receivable and lease liabilities (Continued)

	Non-Occupied	Vehicle Leases	Occupied	Total
Maturity analysis – undiscounted				
Less than one year	1,874,778	91,582	1,064,217	3,030,577
Between one and five years	6,784,494	139,983	4,046,656	10,971,133
More than five years	8,666,811	-	3,091,471	11,758,282
Lease Liability as at 31 March 2025	**17,326,083**	**231,565**	**8,202,344**	**25,759,992**

The cash impact of the occupied leases (rent), short term low value asset, and motor vehicle lease payments in 2025 is $1,143,678 (2024: $1,174,095). This decrease is mainly due to the exit of the Winner Winner Takapuna lease & the Shake Out dark kitchen lease.

The group has 4 stores that have variable lease payments based on sales turnover that are not included in the measurement for lease liability above, as the base rent was not exceeded or was capped. This was Nil in 2025 (2024: Nil).

Contractual Lease Commitments

The lease liability under IFRS 16 takes the lease term to its expiry as it is Management's intention to use the asset's to date of final expiry.

The actual legal commitment as per the lease agreement is $4,102,284 (2024: $5,091,246). This reduction in lease obligation is due to renewal terms in the lease agreement and limited liability clauses.

	Non-Occupied	Vehicle Leases	Occupied	Total
Limited Liability No Discount FY25				
Less than one year	1,711,663	78,242	612,061	2,401,966
Between one and five years	968,263	125,826	530,762	1,624,851
More than five years	75,467	-	-	75,467
31 March 2025	**2,755,393**	**204,068**	**1,142,823**	**4,102,284**

	Non-Occupied	Vehicle Leases	Occupied	Total
Limited Liability No Discount FY24				
Less than one year	2,131,568	85,721	708,642	2,925,931
Between one and five years	1,491,346	38,748	635,221	2,165,315
More than five years	-	-	-	-
31 March 2024	**3,622,914**	**124,469**	**1,343,863**	**5,091,246**

The Group holds the head lease over 44 of 69 sites in NZ. The lease on the franchised sites (33) are then licensed to its franchisees under the same terms and conditions. At balance date, the current annual rent expense of leases under this arrangement including occupied leases, was $3,117,175 (2024: $3,446,908).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

19) Foreign currency translation reserve

Nature and Purpose of Reserves:

Foreign Currency Translation Reserve

Translation differences arising on the translation of the results of subsidiaries with functional currencies other than New Zealand dollars are recognised directly in the Foreign Currency Translation Reserve. The cumulative amounts are released to profit or loss upon disposal of these subsidiaries.

20) Financial instruments and risk management

Financial risk management

Management provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk), credit risk, liquidity risk and cash flow interest rate risk.

The Management reports quarterly to the Group's audit committee, who monitors risk and policies implemented to mitigate risk exposures.

Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Market risk exposures are analysed by sensitivity analysis. There has not been significant change to BurgerFuel's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk management

The Group's foreign exchange risk is limited to its Australian Dollar bank accounts and the trading of its Australian subsidiaries. It maintains amounts in these foreign bank accounts and transfers funds when foreign exchange rates are favourable.

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in the NZ dollar against the Australian dollar. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at year end for a 10% change in foreign currency rates.

The sensitivity analysis includes external loans as well as loans to foreign operations within the Group. A positive number below indicates an increase in profit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

20) Financial instruments and risk management (Continued)

GROUP

	10% Strengthening		10% Weakening	
	2025	2024	2025	2024
	$000	$000	$000	$000
Profit / (Loss) before tax	4	5	(5)	(6)
Equity	3	4	(3)	(4)

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the balance date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance date was outstanding for the whole year. A 100-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If the interest rates on cash and cash equivalents had been 100 basis points higher and all other variables were held constant, the Group's operating result for the year ended 31 March 2025 would have been $48,261 higher (2024: $95,712 higher).

Interest Rate Risk

The Group has cash flow interest rate risk from financial instruments that attract interest. Interest rate risk is the risk that the value of the Group's assets and liabilities will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk primarily through its cash balances and advances.

The Group manages its interest rate risk by maintaining minimal variable rate cash balances. Excess cash resources are placed into fixed rate term deposits where appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

20) Financial instruments and risk management (Continued)

Interest Rate Risk Profile

2025	Weighted average effective interest rate %	Greater than 1 year	Less than 1 year	Non - interest bearing	Total
		$	$	$	$
Financial Assets					
Cash and cash equivalent	0.83%	-	4,826,098	-	**4,826,098**
Advance to franchisee	7.00%	61,607	24,739	-	**86,346**
Advance to staff	5.00%	-	3,490	-	**3,490**
Trade and other receivables	-	-	-	1,903,800	**1,903,800**
Lease Receivable -non occupied	8.39%	11,551,757	1,122,746	-	**12,674,503**
		11,613,364	**5,977,073**	**1,903,800**	**19,494,237**
Financial Liabilities					
Trade payables	-	-	-	1,456,484	**1,456,484**
Lease Liability – occupied	6.30%	5,830,261	705,963	-	**6,536,224**
Lease Liability – vehicles	8.39%	125,979	78,242	-	**204,221**
Lease Liability – non -occupied	8.39%	11,551,757	1,122,746	-	**12,674,503**
		17,507,997	**1,906,951**	**1,456,484**	**20,871,432**

2024	Weighted average effective interest rate %	Greater than 1 year	Less than 1 year	Non - interest bearing	Total
		$	$	$	$
Financial Assets					
Cash and cash equivalent	1.13%	-	9,571,160	-	**9,571,160**
Advance to Franchisee	5.70%	-	18,440	-	**18,440**
Trade and other receivables	-	-	-	2,269,987	**2,269,987**
Lease Receivable - non occupied	9.14%	14,214,413	1,499,901	-	**15,714,314**
		14,214,413	**11,089,501**	**2,269,987**	**27,573,901**
Financial Liabilities					
Trade payables	-	-	-	1,888,605	**1,888,605**
Lease Liability – Occupied	5.90%	6,082,337	605,970	-	**6,688,307**
Lease Liability – Vehicles	4.95%	38,748	85,721	-	**124,469**
Lease Liability – Non-occupied	9.14%	14,214,413	1,499,901	-	**15,714,314**
		20,335,498	**2,191,592**	**1,888,605**	**24,415,695**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

20) Financial instruments and risk management (Continued)

Credit Risk

Credit risk is the risk that the counter party to a transaction with the Group will fail to discharge its obligations, causing the Group to incur a financial loss. The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The credit ratings of its counterparties are continuously monitored by management and the aggregate value of transactions concluded is spread amongst approved counterparties.

Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash, trade debtors, loans and advances.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained. The maximum credit risk exposures are

	Group	
	2025	2024
	$	$
Cash and bank balances	4,826,098	9,571,160
Loans, advances and receivables	1,986,153	2,288,427
Lease Receivable	2,755,393	3,622,914

Maximum exposures are net of any recognised provisions, and at balance date no loans or advances are considered to be impaired (2024: $Nil). No trade receivables are impaired in FY25 with no further amounts past due (2024: Nil).

Cash

The Group's major concentration of credit risk relates to cash deposits with ASB Limited in New Zealand and CBA Bank Limited in Australia

Receivables

The Group has a credit policy, which is used to manage its exposure to credit risk. As part of this policy, limits on exposures have been set, lending is subject to defined criteria and loans are monitored on a regular basis. The trade receivable are payable on the 10th of the following month and loans are subject to a loan agreement which stipulates monthly repayments or payable on demand. No security is held but there is a PPSR registered against the franchisee loan.

Capital Management

The Group's capital includes share capital, reserves and retained earnings as shown in the Statements of Financial Position. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the required capital structure the Group may issue new shares, sell assets to reduce debt and/or adjust amounts paid to investors.

The Group is not subject to any externally imposed capital requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

20) Financial instruments and risk management (Continued)

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds at short notice to meet commitments associated with financial instruments. The Group maintains sufficient funds to meet the commitments based on historical and forecasted cash flow requirements. The exposure is being reviewed on an ongoing basis from daily procedures to monthly reporting.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. Liquidity risk is managed by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. All payables are due within 6 months of balance date (2024: 6 months).

The Group expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

21) Commitments

Capital Commitments

At 31 March 2025, the Group has no contractual commitments (2024: Nil).

Indemnity / Guarantees

BurgerFuel has deposits in place to cover certain commitments the banks have provided:

	2025	2024
	Total future minimum payments	Total future minimum payments
	$	$
NZX Bond	20,000	20,000
Lease guarantee bond	38,012	38,012
	58,012	**58,012**

22) Contingencies

The Group has no contingencies at balance date (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

23) Related party transactions

Transactions with Related Parties

During the year the following related party transactions took place:

Group	Relationship	Nature of transaction	2025 $	2024 $
SIAM Ventures Limited	KMP	Consultancy Expenses Paid	770,399	770,399
Peter Brook (retired 17 July 2024)	Director	Director Fees	25,667	77,000
Alan Gourdie	Director	Director Fees	71,333	30,000
Tyrone Foley	Director	Director Fees	43,750	35,000
Tristram van der Meijden	Director	Director Fees	60,000	-
Neo Corporate Trustees Limited	KMP	Head Office Rental	559,225	534,968

The BurgerFuel Group Chief Executive Officer is the sole director of SIAM Ventures Limited and a director of Neo Corporate Trustees Limited. The Chief Executive Officer receives consultancy fees relating to his remuneration which are paid to SIAM Ventures Limited. The above remuneration excludes reimbursement of costs incurred on behalf of the group.

The head office rental is for the BurgerFuel Head Quarters located at 66 Surrey Crescent, Grey Lynn, Auckland. The annual rental is paid to Neo Corporate Trustees Limited on behalf of the Neo Trust as the building owners. The head office rental and leases are periodically reviewed and assessed by an independent registered valuer and approved by the Board.

All BFG shareholdings were reduced by 30% due to the Return of Capital transaction on 12 June 2024. The shareholders overall percentage holding in BFG did not change after the transaction. There were no other share transactions with the Directors and Officers during the year.

Key Management Compensation

Key management personnel (KMP) compensation costs include remuneration of the Group Chief Executive, Directors and the members of the executive team. The compensation paid or payable to key management for employee services is shown above.

	2025	2024
	$	$
Salaries and other short-term employee benefits	2,004,675	1,957,203
KiwiSaver Employer Contribution	30,570	35,604
	2,035,245	**1,992,807**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

24) Earnings per share

The basic earnings per share are calculated by dividing the profit attributed to owners of the Group by the weighted average number of ordinary shares in issue during the year.

	2025	2024
	$	$
Surplus attributable to the owners of the Group	1,026,779	1,327,077
Weighted average number of ordinary shares on issue	38,256,002	50,336,863
Basic earnings per share (cents)	2.68	2.64
Diluted earnings per share (cents)	2.68	2.64

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There is no difference between the basic and diluted number of shares on issue

25) Reconciliation of net surplus after taxation to net cash flows provided from operating activities

	2025	2024
	$	$
Net profit after tax	1,026,779	1,327,077
Add: Non-cash items		
Amortisation	289,153	229,793
Depreciation	431,590	361,020
Depreciation on ROU asset	865,847	982,435
Deferred tax asset	72,562	52,040
Loss on disposal of property, plant and equipment	10,390	268,068
Unrealised exchange loss / (gain)	(1,999)	(11,208)
Contract Asset and Liability Franchise Fees	-	(3,163)
	1,667,543	**1,878,985**
Add: Items classified as investing or financing activities		
Gain on sale of assets	(60,081)	(21,791)
Add: Working capital movements		
(Increase) / decrease in trade and other receivables	35,759	(238,536)
(Increase) / decrease in inventories	36,123	(78,218)
(Decrease) / increase in taxation payable	(341,252)	53,032
Increase/ (decrease) in accounts payable and accruals, provisions \ and contract liability	(704,912)	1,999
	(974,282)	(261,723)
Net cash flows provided from operating activities	**1,659,959**	**2,922,548**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

26) Segment reporting

Operating Segments

The Group operates in two operating segments; these operating segments have been divided into the following geographical regions, New Zealand and International markets. All the segment's operations are made up of franchising fees, royalties and sales to franchisees. The segments are in the business of Franchise Systems - Gourmet Burger Restaurants.

The amounts provided to the Board with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

2025	New Zealand	International	Consolidated
	$	$	$
Revenue			
Sales	10,350,969	-	**10,350,969**
Royalties	6,147,087	126,856	**6,273,943**
Franchising fees	370,109	24,991	**395,100**
Training fees	37,500	-	**37,500**
Property management fees	60,000	-	**60,000**
Advertising fees	4,198,525	-	**4,198,525**
Foreign exchange gain	-	1,999	**1,999**
Sundry income	2,045,396	-	**2,045,396**
Online Ordering	497,324	-	**497,324**
Interest received	195,077	41	**195,118**
Interest Leases	918,461	-	**918,461**
Total Revenue	**24,820,448**	**153,887**	**24,974,335**
Interest Expense	-	-	-
Interest Expense Leases Occupied	395,786	-	**395,786**
Interest Expense Leases non occupied	918,461	-	**918,461**
Depreciation	431,590	-	**431,590**
Depreciation Leases	865,847	-	**865,847**
Amortisation & impairment	289,153	-	**289,153**
Segment Result before Income Tax	1,590,787	(55,322)	**1,535,465**
Income Tax Expense	508,686	-	**508,686**
Segment Assets	31,682,258	588,292	**32,270,550**
Segment Liabilities	22,395,960	12,253	**22,408,213**
Acquisition of Property, Plant & Equipment & Intangible Assets			
Other	1,333,628	-	**1,333,628**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

26) Segment reporting (Continued)

2024	New Zealand	International	Consolidated
	$	$	$
Revenue			
Sales	11,151,620	-	**11,151,620**
Royalties	6,781,499	-	**6,781,499**
Franchising fees	228,717	24,991	**253,708**
Training fees	-	-	**-**
Property management fees	62,000	-	**62,000**
Advertising fees	4,863,227	-	**4,863,227**
Foreign exchange gain	-	11,208	**11,208**
Sundry income	2,616,060	-	**2,616,060**
Online Ordering	210,658	-	**210,658**
Interest received	297,625	129	**297,754**
Interest Leases	1,030,566	-	**1,030,566**
Total Revenue	**27,241,972**	**36,328**	**27,278,300**
Interest Expense	-	-	-
Interest Expense Leases Occupied	432,457	-	**432,457**
Interest Expense Leases non occupied	1,030,566	-	**1,030,566**
Depreciation	361,020	-	**361,020**
Depreciation Leases	982,435	-	**982,435**
Amortisation & impairment	229,793	-	**229,793**
Segment Result before Income Tax	2,170,588	(284,902)	**1,885,686**
Income Tax Expense	558,609	-	**558,609**
Segment Assets	39,075,015	399,236	**39,474,251**
Segment Liabilities	26,289,478	24,138	**26,313,616**
Acquisition of Property, Plant & Equipment & Intangible Assets			
Other	758,464	-	**758,464**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

27) Net tangible asset per share (Non-GAAP Measure)

The net tangible asset per share is calculated by dividing the net tangible assets of the Group by the total number of ordinary shares in issue during the year. This is a non-GAAP measure, but the disclosure is required under the NZX listing rules.

	2025	2024
	$	$
Assets	13,921,940	17,895,769
Current lease receivable non-occupied – IFRS16	1,122,746	1,499,901
Right of use assets – Leases	5,475,671	5,746,179
Right of use assets – vehicles	198,436	117,989
Non-current lease receivable non-occupied – IFRS16	11,551,757	14,214,413
Total Assets	32,270,550	39,474,251
Liabilities	(2,993,265)	(3,786,526)
Lease Liabilities	(6,535,998)	(6,688,307)
Lease Liabilities – vehicles	(204,447)	(124,469)
Lease Liabilities – non-occupied	(12,674,503)	(15,714,314)
Total Liabilities	(22,408,213)	(26,313,616)
Net Assets	9,862,337	13,160,635
Less Intangible Assets and deferred tax asset	(3,300,483)	(2,614,722)
Net Tangible Assets	**6,561,854**	**10,545,913**
Total ordinary shares on issue	35,235,787	50,336,863
Net Tangible Assets per share ($ per Share)	0.19	0.21

28) Subsequent events

There has been no matter or circumstance, which has arisen since 31 March 2025 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 31 March 2025, of the Group, or

(b) the results of those operations, or

(c) the state of affairs, in financial years subsequent to 31 March 2025, of the Group.

SHAREHOLDER INFORMATION

FOR THE YEAR ENDED 31 MARCH 2025

Remuneration of Directors

	2025 12 Months	2024 12 Months
	$	$
Peter Brook**	25,667	77,000
Josef Roberts*	770,399	770,399
Tyrone Foley	43,750	35,000
Alan Gourdie	71,333	30,000
Tristram van der Meijden	60,000	-

* Josef Roberts' remuneration is independently assessed by one of New Zealand's leading CEO salary and remuneration specialists and following their recommendations, set by the Board.

**Peter Brook retired on 17 July 2024 and received a part year of Director fees.

Remuneration of Employees (Excluding Executive Directors)

	2025 12 Months Number of Employees	2024 12 Months Number of Employees
$100,000-$110,000	2	1
$110,001-$120,000	2	3
$120,001-$130,000	-	2
$130,001-$140,000	2	2
$140,001-$150,000	1	3
$150,001-$160,000	1	-
$180,001-$190,000	-	1
$190,001-$200,000	1	-
$200,001-$210,000	-	1
$210,001-$220,000	1	-
$230,001-$240,000	-	1
$240,001-$250,000	1	-
$260,001-$270,000	-	1
$270,001-$280,000	1	-
$290,001-$300,000	-	1
$300,001-$310,000	1	-

SHAREHOLDER INFORMATION

FOR THE YEAR ENDED 31 MARCH 2025

Statement of Directors and Officers Interests

Directors and Officers held the following equity securities in the Company:

	Beneficially held at 31/03/25	Non-beneficially held at 31/03/25	Beneficially held at 31/03/24	Non-beneficially held at 31/03/24
Peter Brook (Retired 17 July 2024)	235,617	-	336,596	-
Josef Roberts	23,363,434	-	33,376,335	-
Tyrone Foley	10,412	-	14,874	-
Alan Gourdie	258,507	-	369,296	-
Mark Piet (Officer)	15,167	-	21,667	-

All BFG shareholdings were reduced by 30% due to the Return of Capital transaction in June 2024. There were no other share transactions with the Directors and Officers during the year. Directors are not required to own BFG shares, but all directors are shareholders except for Tristram van der Meijden.

Substantial Product Holders

The following information is given pursuant to section 293 of the Financial Markets Conduct Act 2013. As at 31 March 2025, details of the Substantial Product Holders in the company and their relevant interests in the company's shares are as follows:

Substantial Product Holder	Number of Voting Securities	%
JCR Capital Limited and 730 Trustee Company Limited as co-trustees of the JCR Investment Trust *	19,802,575	56.20%
SIAM Trust*	1,855,000	5.26%
E & P Foundation Trustee Limited	1,800,497	5.10%
Christopher Simon Mason and Christopher John Mills as trustees for the Mason Family Trust	1,761,791	5.00%

*Mason Roberts Holdings Limited is the legal holder (as bare trustee) of these shares.

Mason Roberts Holdings Limited is also the legal holder (as bare trustee) of shares beneficially owned by CMJR Trustee Ltd and GL JCR CMJR Guardian Ltd as co-trustees of the CMJR Trust.

The total number of shares legally held by Mason Roberts Holdings Limited (as bare trustee) as at 31 March 2025 was 23,363,434 (66.3%).

The total number of voting securities of the Company on issue at 31 March 2025 was 35,235,787 fully paid ordinary shares.

SHAREHOLDER INFORMATION

FOR THE YEAR ENDED 31 MARCH 2025

Twenty Largest Security Holders as at 31 March 2025

Shareholder	Number of Shares	%
MASON ROBERTS HOLDINGS LIMITED	23,363,434	66.31%
E & P FOUNDATION TRUSTEE LIMITED	1,800,497	5.11%
MASON TRUSTEE LIMITED & CHRISTOPHER SIMON MASON & CHRISTOPHER RONALD JOHN MILLS	1,761,791	5.00%
BRENDON JON LINDSAY & JEFFREY JOHN PARSONSON & WAYNE DEREK ANDERSON & SIMON MIDDLETON PALMER	886,662	2.52%
NEW ZEALAND DEPOSITORY NOMINEE LIMITED	691,040	1.96%
CUSTODIAL SERVICES LIMITED	349,508	0.99%
FRANCO BELGIORNO-NETTIS	332,500	0.94%
LAPHROAIG TRUSTEE COMPANY (NZ) LIMITED	259,674	0.74%
JBWERE (NZ) NOMINEES LIMITED	258,507	0.73%
PETER CLYNTON BROOK	235,617	0.67%
TRUMPETER TRUSTEES (2007) LIMITED	227,259	0.64%
ALASTAIR ROSS ARMSTRONG	181,475	0.52%
BRIAN KELLY LIMITED	175,000	0.50%
JIMMY JINHUA DENG & SOPHIE SHUFEN LI	113,848	0.32%
JI ZOU	109,375	0.31%
STERLING NOMINEES LIMITED	105,204	0.30%
FORSYTH BARR CUSTODIANS LIMITED	93,764	0.27%
ANAND MANOHAR MODAK	90,411	0.26%
JOSEPH DANIEL BOTHA	85,440	0.24%
ROBERT WALLACE MONTGOMERY DOWLER & ROSEMARY ELIZABETH DOWLER	70,000	0.20%
	31,191,006	**88.52%**

BFG ANNUAL REPORT 2025

SHAREHOLDER INFORMATION

FOR THE YEAR ENDED 31 MARCH 2025

Domicile of Security Holdings

Location	Holders	Units	Units %
NEW ZEALAND	2,115	35,008,562	99.36%
AUSTRALIA	90	133,722	0.38%
UNITED ARAB EMIRATES	3	33,612	0.10%
U.S.A.	15	21,210	0.06%
UNITED KINGDOM	13	18,725	0.05%
CANADA	5	4,941	0.01%
HONG KONG	1	3,500	0.01%
AUSTRIA	1	1,400	0.00%
CHINA	1	1,400	0.00%
CZECH REPUBLIC	1	1,400	0.00%
FRANCE	1	1,400	0.00%
GERMANY	1	1,400	0.00%
IRELAND	1	1,120	0.00%
NORWAY	1	700	0.00%
REUNION	1	700	0.00%
SOUTH AFRICA	1	700	0.00%
TAIWAN	1	700	0.00%
HUNGARY	1	385	0.00%
SWITZERLAND	1	210	0.00%
Total	**2,254**	**35,235,787**	**100.0%**

Spread of Security Holders

Range	Holders	Units	Units %
1 - 499	305	85,746	0.24%
500 - 999	1,084	775,225	2.20%
1,000 - 1,999	462	619,114	1.76%
2,000 - 4,999	247	738,537	2.10%
5,000 - 9,999	75	548,234	1.56%
10,000 - 49,999	59	1,158,980	3.29%
50,000 - 99,999	6	458,560	1.30%
100,000 - 499,999	11	2,347,967	6.66%
500,000 - 999,999	2	1,577,702	4.48%
1,000,000 Over	3	26,925,722	76.42%
Total	**2,254**	**35,235,787**	**100.0%**

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31 MARCH 2025

The Board of Directors is responsible for the corporate governance of the Group. “Corporate Governance” involves the direction and control of the business by the Directors and the accountability of Directors to shareholders and other stakeholders for the performance of the Group and compliance with applicable laws and standards.

The group has followed the recommendations in the NZX Corporate Governance Code during the relevant financial year, full details can be found on our website;

www.burgerfuel.com/nz/investor-relations#company-documents

Role of the Board

The Board is elected by the Shareholders of the Company. A Director must not hold office (without re-election) past the third annual meeting following the Directors appointment or 3 years, whichever is longer. The Directors to retire are those who wish to retire, or those who have been longest in office since last being elected, subject to voting.

The Board of Directors is responsible for the overall direction of Burger Fuel Group Limited’s business and affairs on behalf of all shareholders. The Board’s key role is to ensure that corporate management is continuously and effectively striving for above-average performance, taking account of risk.

The Board:

·Establishes the objectives of Burger Fuel Group Limited;

·Approves major strategies for achieving these objectives;

·Oversees risk management and compliance;

·Sets in place the policy framework within which BurgerFuel operates; and

·Monitors management performance against this background.

The Board has delegated the day-to-day leadership and management of the Group to the Group Chief Executive Officer, Chief Operating Officer and the Chief Financial Officer.

The Board monitors financial results and compares them to annual plans and forecasts / budgets on a regular basis, and on a quarterly basis reviews the Group’s performance against its strategic planning objectives.

Board Size and Composition

The size and composition of the Board is determined by the Company’s constitution. As at 31 March 2025, there were four Directors and a Chief Financial Officer / Company Secretary. The Chairman of the Board and the Chairman of the Audit Committee are non-executive and independent of the role of the Chief Executive Officer and Chief Financial Officer.

Directors and Officers diversity

NZX listed issuers are required to report quantitative data on the gender breakdown of Directors and Officers at the financial year end. The policy behind the rule is to provide information to allow investors to maintain an informed view of diversity as a factor relevant to an Issuer’s expected performance.

	2025		2024	
	Male	Female	Male	Female
Directors	4	-	4	-
Executive / Leadership Team	5	1	5	1
Total Head Office Staff	18	20	22	20

Audit Committee

(i) Risk Management

The Audit Committee is required to establish a framework of internal control mechanisms to ensure proper management of the Group’s affairs and that key business and financial risks are identified and controls and procedures are in place to effectively manage those risks. The Audit Committee is accountable to the Board for the recommendation of the external auditors, directing and monitoring the audit function and reviewing the adequacy and quality of the annual audit process.

(ii) Additional Assurance

The Committee provides the Board with additional assurance regarding the accuracy of financial information for inclusion in the Group’s annual report, including the financial statements. The Committee is also responsible for ensuring that Burger Fuel Group Limited has an effective internal control framework. These controls include the safeguarding of assets, maintaining proper accounting records, complying with legislation, including resource management and health and safety issues, ensuring the reliability of financial information and assessing and overviewing business risk. The Committee also deals with governmental and New Zealand Stock Exchange requirements.

(iii) Share Trading Policy

The Company has adopted a formal Securities Trading Policy (“Policy”) to address insider trading requirements.

The Policy is modelled on the Listed Companies Association Securities Trading Policy and Guidelines and is administered by the Audit Committee and restricts share trading in a number of ways.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31 MARCH 2025

(iv) Insurance and Indemnification

Burger Fuel Group Limited provides indemnity insurance cover to directors, officers and employees of the Group except where there is conduct involving a wilful breach of duty, improper use of inside information or criminality.

Directors & Officers Board & Audit Committee Attendance Record

Directors	Board Meetings	Audit Committee Meetings
Alan Gourdie (Chair & Independent Director)	6	3
Josef Roberts (CEO Executive Director)	6	3
Tyrone Foley (Independent Director)	6	3
Tristram van der Meijden (Audit Committee Chair & Independent Director)	6	3
Peter Brook (Retired 17 July 2024)	2	1
Officer		
Mark Piet (Chief Financial Officer / Company Secretary) *	6	3

*Mark Piet is not part of the Audit Committee he is an observer and are not involved in any of the decision making.

The composition of the Audit committee is Tristram van der Meijden (Chair), Alan Gourdie, Josef Roberts and Tyrone Foley.

Alan Gourdie, Tristram van der Meijden and Tyrone Foley are considered by the Board to be independent directors, as defined under the NZX Listing Rules, as at 31 March 2025. This determination has been made on the basis that neither Alan Gourdie, Tristram van der Meijden or Tyrone Foley are employees of the Group, nor do they have any ‘Disqualifying Relationship’ as that term is defined in the Listing Rules.

Tyrone was declared an independent Director at the 2024 BFG Annual Shareholders Meeting as he had not been involved with the management of the company for over 3 years.

Peter Brook retired as a Director on 17 July 2024 and Tristram van der Meijden was appointed as a director on 11 April 2024. Tristram van der Meijden became the Chair of the Audit Committee.

Constitution

A full copy of the Company’s constitution is available on the Company’s website (www.burgerfuel.com).

Board Remuneration

Directors are entitled to Directors’ fees, reasonable travelling, accommodation and other expenses incurred in the course of performing duties or exercising powers as Directors. Aggregate Director fees payable to the Board will not exceed $220,000 per annum, excluding the Group Chief Executive and Chief Financial Officer/Company Secretary. The aggregated Director fees increased to $220,000 (from $180,000) as per the shareholder vote at the 29 August 2024 BFG Annual Shareholders Meeting.

The Company Secretary attends to all company secretarial and corporate governance matters. There are currently no, short or long term incentives, share options, or retirement benefits for the directors & CEO.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31 MARCH 2025

Conflict of Interest

The Board has guidelines dealing with the disclosure of interests by Directors and the participation and voting at Board meetings where any such interests are discussed. The Group maintains an interests register in which particulars of certain transactions and matters involving Directors must be recorded.

There have been no political donations by the company.

Sustainability

Burger Fuel Group is committed to developing long term value creation. As part of this commitment, Burger Fuel Group's Board is focused on building a sustainable future for its business, people, customers, and communities by doing what is right.

We recognise the importance of playing our part in the transition to a decarbonised and circular economy and have been continuing to chip away at initiatives to help us understand and reduce our impact with the support of our sustainability consultants at Go Well Consulting.

The Group is nearing completion of its carbon analysis through EKOS, and from these findings the Group will work towards reducing its carbon footprint where it can. The nature of our business makes it difficult to be carbon neutral (without buying offsetting carbon credits), but we are constantly assessing this, as new equipment and processes come to market.

We continue to review the supply chain, sourcing mostly local ingredients and we work with suppliers to ensure our packing is circular and sustainable, with a long-term view to have 100% of our single use packaging items certified as commercially compostable. Our BurgerFuel shake cup is both commercially and home compostable and most of our high-volume packaging is made from aqueous-coated kraft board and is PFAS-free.

Circular waste management in our stores continues to be a focus, as we trial compost collections in our Head Office and company owned stores in Ponsonby and Takapuna, with the intention of rolling this out across all stores (where possible). Our efforts so far have yielded a total emissions saving of 0.013 TC02e, and 26.44T of food and packaging waste being diverted from landfill from these stores and Head Office since the project commenced in 2022.

Some other sustainability initiatives to note is our new Royal Oak store will be the first fully electric store in the system, giving us the opportunity to trial electric versions of our core kitchen equipment. Our billboard upcycling programme, where we save all advertising billboard canvases and repurpose them into staff gifts, such as duffle bags, for our staff reward and recognition anniversary programme. And this year we will again be releasing the limited-edition special burger, Wild Heart, which features local rescued carrots, wild Wapiti venison and rescued cherries. This campaign includes a fundraising element and gives back to the Fiordland Wapiti Foundation, with the intention of challenging perception around food waste in NZ.

COMPANY DIRECTORY

AS AT 31 MARCH 2025

NZ Companies Office - Registered Office

Burger Fuel Group Limited
66 Surrey Crescent
Grey Lynn
Auckland 1021

Company Number

1947191

Date of Incorporation

14-Jun-07

Directors

Alan Gourdie - Chair (Independent)
Tristram van der Meijden - Chair of Audit Committee (Independent)
Tyrone Foley (Independent)
Josef Roberts (Executive)

Board Executive

Mark Piet (Chief Financial Officer / Company Secretary)

Business Headquarters

66 Surrey Crescent
Grey Lynn
Auckland 1021

Bankers

ASB Bank Limited
CBA Bank Limited (Australia)

Solicitors

Dentons Kensington Swan, 18 Viaduct Harbour Avenue, Auckland 1011.

Buddle Findlay, HSBC Tower, 188 Quay Street, PO Box 1433, Auckland 1140.

Wynn Williams PO Box 2401, Shortland Street, Auckland 1140.

Corporate Counsel Limited Solicitors, P.O Box 37-322, Parnell, Auckland 1151

Accountants

Bridgepoint Group Accounting Pty Ltd
Suite 301, 8 West Street,
North Sydney
NSW 2060
Australia

Auditors

Baker Tilly Staples Rodway Auckland
Level 9, Tower Centre
45 Queen Street
Auckland 1010

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