

Restaurant Brands New Zealand Limited
Consolidated financial statements
For the six months ended 30 June 2022

Consolidated statement of comprehensive income

for the six months ended 30 June 2022

\$NZ000's	Note	30 June 2022 unaudited	30 June 2021 unaudited	31 December 2021 audited
Store sales revenue		584,890	540,641	1,068,246
Other revenue		27,009	23,012	46,195
Total operating revenue		611,899	563,653	1,114,441
Cost of goods sold		(506,797)	(454,800)	(912,359)
Gross profit		105,102	108,853	202,082
Distribution expenses		(3,748)	(4,191)	(8,555)
Marketing expenses		(30,951)	(29,297)	(55,841)
General and administration expenses		(27,452)	(24,312)	(49,974)
Government grants		-	-	7,165
Loan forgiveness	3	-	11,407	11,419
Other income	3	850	945	945
Other expenses	3	(3,500)	(1,858)	(5,164)
Operating profit		40,301	61,547	102,077
Finance expenses		(19,762)	(17,601)	(36,284)
Profit before taxation		20,539	43,946	65,793
Taxation expense		(5,258)	(9,440)	(13,912)
Profit after taxation attributable to shareholders		15,281	34,506	51,881
Other comprehensive income:				
Exchange differences on translating foreign operations		15,845	4,944	6,558
Derivative hedging reserve		971	898	1,820
Income tax relating to components of other comprehensive income		(272)	(186)	(370)
Other comprehensive income net of tax		16,544	5,656	8,008
Total comprehensive income attributable to shareholders		31,825	40,162	59,889
Basic and diluted earnings per share (cents)	4	12.25	27.66	41.58

For and on behalf of the Board:



José Parés
Chairman
29 August 2022



Emilio Fullaondo
Director
29 August 2022

Consolidated statement of changes in equity

for the six months ended 30 June 2022

\$NZ000's	Share capital	Foreign currency translation reserve	Derivative hedging reserve	Retained earnings	Total
For the period ended 31 December 2021					
Balance at the beginning of the period	154,565	(8,038)	(2,322)	85,643	229,848
Comprehensive income					
Profit after taxation attributable to shareholders	-	-	-	34,506	34,506
Other comprehensive income					
Movement in foreign currency translation reserve	-	4,944	-	-	4,944
Movement in derivative hedging reserve	-	-	712	-	712
Total other comprehensive income	-	4,944	712	-	5,656
Total comprehensive income	-	4,944	712	34,506	40,162
Unaudited balance as at 30 June 2021	154,565	(3,094)	(1,610)	120,149	270,010
Comprehensive income					
Profit after taxation attributable to shareholders	-	-	-	17,375	17,375
Other comprehensive income					
Movement in foreign currency translation reserve	-	1,614	-	-	1,614
Movement in derivative hedging reserve	-	-	738	-	738
Total other comprehensive income	-	1,614	738	-	2,352
Total comprehensive income	-	1,614	738	17,375	19,727
Audited balance as at 31 December 2021	154,565	(1,480)	(872)	137,524	289,737
For the six month period ended 30 June 2022					
Comprehensive income					
Profit after taxation attributable to shareholders	-	-	-	15,281	15,281
Other comprehensive income					
Movement in foreign currency translation reserve	-	15,845	-	-	15,845
Movement in derivative hedging reserve	-	-	699	-	699
Total other comprehensive income	-	15,845	699	-	16,544
Total comprehensive income	-	15,845	699	15,281	31,825
Transactions with owners					
Net dividends distributed	-	-	-	(39,923)	(39,923)
Total transactions with owners	-	-	-	(39,923)	(39,923)
Unaudited balance as at 30 June 2022	154,565	14,365	(173)	112,882	281,639

Consolidated statement of financial position

as at 30 June 2022

\$NZ000's	Note	As at 30 June 2022 unaudited	As at 30 June 2021 unaudited	As at 31 December 2021 audited
Non-current assets				
Property, plant and equipment	5	301,463	242,931	276,748
Right of use assets	6	623,834	548,052	576,527
Sub-leases receivable		927	1,062	993
Other receivables		-	763	765
Intangible assets		370,457	345,785	348,216
Deferred tax asset		43,070	37,746	38,711
Land held for development	8	7,084	-	-
Total non-current assets		1,346,835	1,176,339	1,241,960
Current assets				
Inventories		20,253	16,811	22,261
Trade and other receivables		17,720	9,170	11,012
Income tax receivable		9,142	6,422	9,452
Cash and cash equivalents		33,151	27,155	45,155
Held for sale – assets for store developed for sale	9	-	1,096	-
Total current assets		80,266	60,654	87,880
Total assets		1,427,101	1,236,993	1,329,840
Equity attributable to shareholders				
Share capital		154,565	154,565	154,565
Reserves		14,192	(4,704)	(2,352)
Retained earnings		112,882	120,149	137,524
Total equity attributable to shareholders		281,639	270,010	289,737
Non-current liabilities				
Provisions		4,688	4,086	4,479
Deferred income		21	212	173
Loans		94,378	222,252	246,887
Lease liabilities		696,338	609,011	643,072
Deferred tax liabilities		586	-	1,136
Derivative financial instruments		-	1,839	-
Total non-current liabilities		796,011	837,400	895,747
Current liabilities				
Loans		196,239	-	-
Income tax payable		1,168	3,854	5,280
Trade and other payables		119,927	96,997	110,476
Provisions		1,306	1,416	1,304
Lease liabilities		28,889	24,982	25,609
Deferred income		1,822	1,641	770
Derivative financial instruments		100	-	-
Held for sale – liabilities		-	-	917
Held for sale – liabilities for stores developed for sale	9	-	693	-
Total current liabilities		349,451	129,583	144,356
Total liabilities		1,145,462	967,011	1,040,103
Total equity and liabilities		1,427,101	1,236,993	1,329,840

Consolidated statement of cash flows

for the six months ended 30 June 2022

\$NZ000's	Note	30 June 2022 unaudited	30 June 2021 unaudited	31 December 2021 audited
Cash flow from operating activities				
Cash was provided by/(applied to):				
Receipts from customers		609,201	564,221	1,114,474
Receipts from Government grants	3	-	-	7,165
Payments to suppliers and employees		(528,054)	(471,847)	(940,494)
Interest paid		(3,665)	(3,414)	(6,701)
Interest paid on leases		(16,018)	(14,241)	(29,450)
Payment of income tax		(13,087)	(12,353)	(18,619)
Net cash from operating activities		48,377	62,366	126,375
Cash flow from investing activities				
Cash was (applied to)/provided by:				
Acquisition of business		(1,021)	(25,277)	(27,992)
Payment for intangibles		(1,198)	(1,613)	(2,889)
Purchase of property, plant and equipment		(31,984)	(28,966)	(82,564)
Proceeds from the disposal of property, plant and equipment		166	2,649	2,620
Landlord contributions received		-	-	1,257
Net cash used in investing activities		(34,037)	(53,207)	(109,568)
Cash flow from financing activities				
Cash was provided by/(applied to):				
Proceeds from loans		49,986	178,081	370,529
Repayment of loans		(24,663)	(185,720)	(356,046)
Dividend paid to shareholders		(39,923)	-	-
Payment for lease principal		(13,275)	(12,024)	(24,543)
Net cash used in financing activities		(27,875)	(19,663)	(10,060)
Net (decrease) / increase in cash and cash equivalents		(13,535)	(10,504)	6,747
Cash and cash equivalents at beginning of the period		45,155	35,666	35,666
Opening cash balances acquired on acquisition		-	1,264	1,264
Foreign exchange movements		1,531	729	1,478
Cash and cash equivalents at the end of the period		33,151	27,155	45,155
Cash and cash equivalents comprise:				
Cash on hand		679	632	640
Cash at bank		32,472	26,523	44,515
		33,151	27,155	45,155

Consolidated statement of cash flows (continued)

For the six months ended 30 June 2022

Reconciliation of profit after taxation with net cash from operating activities:

\$NZ000's	Note	30 June 2022 unaudited	30 June 2021 unaudited	31 December 2021 audited
Total profit after taxation attributable to shareholders		15,281	34,506	51,881
Add/(less) items classified as investing activities:				
Gain on acquisition		(850)	-	-
Loss on disposal of property, plant and equipment		526	371	2,673
		(324)	371	2,673
Add/(less) non-cash items:				
Depreciation		40,965	36,313	75,931
Loan forgiveness	3	-	(11,407)	(11,419)
Lease termination		-	(61)	(233)
(Decrease)/increase in provisions		211	(240)	(145)
Amortization of intangible assets		5,051	4,461	9,231
Net decrease/(increase) in deferred tax asset		(4,785)	1,062	536
		41,442	30,128	73,901
Add/(less) movement in working capital:				
(Increase)/decrease in inventory		2,264	(101)	(5,526)
Decrease/(increase) in trade and other receivables		(3,465)	3,303	1,094
(Decrease)/increase in trade creditors and other payables		(3,777)	(2,055)	7,597
(Decrease)/increase in income tax payable		(3,044)	(3,786)	(5,245)
		(8,022)	(2,639)	(2,080)
Net cash from operating activities		48,377	62,366	126,375
Reconciliation of movement in term loans				
Opening balance		246,887	235,639	235,639
Net cash flow movement		25,323	(7,639)	14,483
Decrease/(increase) in prepaid facility costs		114	122	256
Loan forgiveness		-	(11,407)	(11,419)
Foreign exchange movement		18,293	5,537	7,928
Closing balance		290,617	222,252	246,887

Notes to and forming part of the consolidated financial statements for the six months ended 30 June 2022

1. General information

The reporting entity is the consolidated group (the "Group") comprising the parent entity Restaurant Brands New Zealand Limited (the "Company") and its subsidiaries. Restaurant Brands New Zealand is a limited liability company incorporated and domiciled in New Zealand. The principal activity of the Group is the operation of quick service and takeaway restaurant concepts in New Zealand, Australia, USA, Saipan and Guam.

The Company is listed on the New Zealand Stock Exchange ("NZX") and the Australian Securities Exchange ("ASX") and is an FMC reporting entity and subject to the Financial Markets Conduct Act 2013 legislative provisions. The Group is designated as a for-profit entity for financial reporting purposes.

Statutory base

The Company is registered under the Companies Act 1993 and is an FMC reporting entity under Part 7 of the Financial Markets conduct Act 2013.

Reporting framework

These financial statements for the six months ended 30 June 2022 have been prepared in accordance with NZ IAS 34, Interim Financial Reporting and should be read in conjunction with the financial statements published in the Annual Report year ended 31 December 2021. The accounting policies have been applied on a basis consistent with those used and described in the audited consolidated financial statements for the year ended 31 December 2021.

The unaudited interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP").

The Group has a negative working capital balance of \$269.2 million due to loans that are maturing within the next 12 months being classified as current. Other than the debt becoming current, it is normal for the Group to be in a negative working capital position, as the nature of the business results in most sales being conducted on a cash basis. At 30 June 2022 the Group has bank facilities totalling \$381.8 million including \$90.8 million undrawn at balance date and therefore the Company has the ability to fully pay debts as they fall due. Of the \$381.8 million facilities \$257.5 million expires on 1 May 2023. The Group has begun the process of negotiating with the banks new facility agreements which are expected to be in place by 31 December 2022. There are no expected breaches of bank covenants.

Restatement of prior period balances

To ensure consistency and comparability with the current period and the last annual financial statements, comparative figures have been reclassified where appropriate. These changes are detailed below:

- The consolidated statement of financial position at 30 June 2021 included \$0.8 million of prepaid facility fees in current trade and other receivables rather than non-current trade and other receivables. This has been corrected in the June 2021 comparative figures.
- The consolidated statement of financial position at 30 June 2021 excluded lease modifications of \$7.0 million and lease additions of \$3.2 million in error from both lease liabilities and right of use assets.

New standards and amendments

There are various standards, amendments and interpretations which were assessed as having an immaterial impact on the Group. There are no NZ IFRS, NZ IFRIC interpretations or other applicable IFRS that are effective for the first time for the financial year beginning on or after 1 January 2022 that had a material impact on the financial statements.

Notes to and forming part of the consolidated financial statements (continued)

for the six months ended 30 June 2022

2. Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The Group is split into four geographically distinct operating divisions; New Zealand, Australia, Hawaii and California. The chief operating decision makers, responsible for allocating resources and assessing performance of the operating segments, have been identified as the Group Chief Executive Officer (Group CEO) and Group Chief Financial Officer (Group CFO). The chief operating decision makers consider the performance of the business from a geographic perspective, being New Zealand, Australia, Hawaii (including Guam and Saipan) and California while the performance of the corporate support function is assessed separately.

The Group is therefore organised into four operating segments, depicting the four geographic regions the Group operates in and the corporate support function located in New Zealand. All segments operate quick service and takeaway restaurant concepts. All operating revenue is from external customers.

The Group evaluates performance and allocates resources to its operating segments on the basis of segment assets, segment revenues, EBITDA before general and administration expenses and operating profit before NZ IFRS 16. EBITDA refers to earnings before interest, taxation, depreciation and amortisation. Operating profit refers to earnings before interest and taxation.

The Group believes that these non-GAAP measures provide useful information to readers to assist in the understanding of the financial performance and position of the Group but that they should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS. The non-GAAP measures presented do not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities.

30 June 2022 \$NZ000's	New Zealand	Australia	Hawaii	California	Corporate support function	Consolidated half year unaudited
Business segment						
Store sales revenue	251,816	133,473	115,139	84,462	-	584,890
Other revenue	25,798	331	880	-	-	27,009
Total operating revenue	277,614	133,804	116,019	84,462	-	611,899
EBITDA before general and administration expenses, NZ IFRS 16 and other items	43,198	13,653	20,246	8,304	-	85,401
General and administrative expenses	(9,747)	(5,643)	(4,627)	(3,924)	(1,260)	(25,201)
	33,451	8,010	15,619	4,380	(1,260)	60,200
Other expenses	-	-	-	850	(3,500)	(2,650)
Depreciation	(9,766)	(5,943)	(3,797)	(2,030)	(12)	(21,548)
Amortisation	(980)	(649)	(662)	(2,760)	-	(5,051)
Operating profit before NZ IFRS 16	22,705	1,418	11,160	440	(4,772)	30,951
Adjustment for NZ IFRS 16	4,677	2,570	1,129	974	-	9,350
Operating profit	27,382	3,988	12,289	1,414	(4,772)	40,301
Current assets	31,947	15,326	17,905	15,087	-	80,265
Non-current assets	164,722	226,839	201,013	129,500	-	722,074
Non-current lease assets (excluding deferred tax)	188,061	157,725	93,685	185,291	-	624,762
Total assets	384,730	399,890	312,603	329,878	-	1,427,101

Notes to and forming part of the consolidated financial statements (continued)
for the six months ended 30 June 2022

30 June 2021 \$NZ000's	New Zealand	Australia	Hawaii	California	Corporate support function	Consolidated half year unaudited
Business segment						
Store sales revenue	239,274	123,027	101,024	77,316	-	540,641
Other revenue	23,012	-	-	-	-	23,012
Total operating revenue	262,286	123,027	101,024	77,316	-	563,653
EBITDA before general and administration expenses, NZ IFRS 16 and other items	44,926	16,322	15,950	12,746	-	89,944
General and administrative expenses	(7,024)	(4,995)	(3,915)	(3,585)	(2,760)	(22,279)
	37,902	11,327	12,035	9,161	(2,760)	67,665
Loan forgiveness	-	-	11,407	-	-	11,407
Other expenses	(10)	(358)	-	(686)	(804)	(1,858)
Depreciation	(8,309)	(4,922)	(3,484)	(2,055)	(8)	(18,778)
Amortisation	(900)	(489)	(620)	(2,450)	-	(4,459)
Operating profit before NZ IFRS 16	28,683	5,558	19,338	3,970	(3,572)	53,977
Adjustment for NZ IFRS 16	3,977	2,039	819	735	-	7,570
Operating profit	32,660	7,597	20,157	4,705	(3,572)	61,547
Current assets	28,582	11,639	12,779	7,654	-	60,654
Non-current assets	323,177	110,198	83,750	110,100	-	627,225
Non-current lease assets (excluding deferred tax)	178,499	144,617	69,905	156,093	-	549,114
Total assets	530,258	266,454	166,434	273,847	-	1,236,993

2.1 Reconciliation between operating profit and net profit after taxation excluding NZ IFRS 16

\$NZ000's	30 June 2022 unaudited	30 June 2021 unaudited	31 December 2021 audited
Operating profit	40,301	61,547	102,077
Financing expenses	(19,762)	(17,601)	(36,284)
Net profit before taxation	20,539	43,946	65,793
Taxation expense	(5,258)	(9,440)	(13,912)
Net profit after taxation	15,281	34,506	51,881
Add back net financial impact of NZ IFRS 16	6,668	6,184	13,586
Less taxation expense of NZ IFRS 16	(1,840)	(1,724)	(3,985)
Net profit after taxation excluding NZ IFRS 16	20,109	38,966	61,482

Notes to and forming part of the consolidated financial statements (continued)
for the six months ended 30 June 2022

3. Profit before taxation

\$NZ000's	30 June 2022 unaudited	30 June 2021 unaudited	31 December 2021 audited
Profit before taxation			
The profit before taxation is calculated after charging / (crediting) the following items:			
Royalties	34,297	31,683	62,533
Lease expense	3,592	4,460	5,222
New Zealand Government wage subsidy	-	-	(7,165)
Loan forgiveness	-	(11,407)	(11,419)
Rent relief	(165)	-	(500)
Net gain on sale of stores	-	(945)	(945)
Gain on acquisition	(850)	-	-
Other expenses	3,500	1,858	5,164

Lease expenses

This relates to short term and variable lease costs included in the consolidated statement of comprehensive income not included in NZ IFRS 16 costs.

New Zealand Government wage subsidy

During 2021 as part of the New Zealand Government's response to COVID-19 the Group received a Government wage subsidy of \$7.2 million due to Alert Level 4 Lockdown initiated in August 2021. This amount is shown as a separate line item in the consolidated statement of comprehensive income due to its material nature. The amount received was also included in the consolidated statement of cash flows as part of receipts from Government grants.

Loan forgiveness

In June 2021 the Hawaii PPP loan was forgiven by the US Small Business Association. This \$11.4 million is shown as a separate line item in the consolidated statement of comprehensive income due to its material nature. The loan forgiveness has been shown as a non-cash item in the cash flow reconciliation of profit after taxation with net cash from operating activities.

Rent relief

During 2022 the Group received rent relief of \$0.2 million. (June 2021: nil). This has been included as a negative variable rent within the consolidated statement of comprehensive income. Contracts with abatement clauses total \$0.1 million (June 2021: nil) whilst those without abatement clauses total \$0.1 million. (June 2021: nil).

Net gain on sales of stores

During 2021 the Group sold five Pizza Hut stores to independent franchisees resulting in a net gain of \$0.9 million.

Gain on acquisition

This is the result of the net assets included in an acquisition of a store in California being higher than the net consideration paid.

Other expenses

\$NZ000's	30 June 2022 unaudited	30 June 2021 unaudited	31 December 2021 audited
Non-recurring:			
Acquisition costs	65	650	715
ERP implementation	3,435	1,208	4,189
Unused franchise rights	-	-	260
Total other expenses	3,500	1,858	5,164

Notes to and forming part of the consolidated financial statements (continued)
for the six months ended 30 June 2022

4. Earnings per share

	30 June 2022 unaudited	30 June 2021 unaudited	31 December 2021 audited
Basic and diluted earnings per share			
Profit after taxation attributable to the shareholder (\$NZ000's)	15,281	34,506	51,881
Weighted average number of shares on issue (000's)	124,759	124,759	124,759
Basic and diluted earnings per share (cents)	12.25	27.66	41.58

Shares on issue

As at 30 June 2022, the total number of ordinary shares on issue was 124,758,523 (June 2021: 124,758,523).

5. Property, plant and equipment

Additions and disposals

During the six months ended 30 June 2022, the Group acquired assets with a total cost of \$31.3 million (June 2021: \$28.3 million) and disposed of assets with a total cost of \$0.8 million (June 2021: \$3.4 million).

6. Right of use assets

Additions and modifications

During the six months ended 30 June 2022, the Group had lease additions and modifications of \$39.1 million (June 2021: \$37.4 million).

7. Related party transactions

Transactions with key management or entities related to them

During the period the Group received internal audit services from Finaccess Servicios Corporativos SA DE CV a subsidiary of Grupo Finaccess S.A.P.I de C.V the ultimate parent company of the Group. Acquired services totalling \$30,000 have been included in the consolidated statement of comprehensive income of which \$30,000 remains owing at balance date. These transactions were at arm's length and performed on normal commercial terms.

Apart from directors' fees and key management remuneration, there were no other related party transactions with key management or any Directors or entities associated with them.

8. Land held for development

There was \$7.1 million at June 2022 relating to land that has been purchased for use in developing new stores in the future. Included in this balance is \$2.1 million of land acquired prior to 30 June 2022 with final settled and formal title transferred on 1 July 2022. Land held for development is measured at cost.

9. New stores developed for sale

This relates to new Pizza Hut stores developed for sale in New Zealand which are being actively marketed for sale and were expected to be sold within 12 months. Included in June 2021 held for sales – assets for store development for sale of \$1.1 million was \$0.7 million of lease liabilities and \$0.7 million of right of use assets associated with these stores.

10. Capital commitments

The Group has capital commitments totalling \$26.5 million (June 2021: \$19.2 million) which are not provided for in these financial statements.

Notes to and forming part of the consolidated financial statements (continued)

for the six months ended 30 June 2022

11. Contingent liabilities

There are no contingent liabilities that the directors consider will have a significant impact on the financial position of the Group (June 2021: nil).

12. Fair value measurements of financial instruments

Exposure to credit, interest rate and foreign currency risks arises in the normal course of the Group's business. Derivative financial instruments may be used to hedge exposure to fluctuations in foreign currency exchange rates and interest rates. There have been no changes in the risk management policies or nature of the derivative financial instruments since year end. Consistent with the prior year, the derivatives have been determined to be within level 2 (for the purposes of NZ IFRS 13 Fair Value Measurement) of the fair value hierarchy as all significant inputs required to ascertain the fair values are observable. There were also no changes in valuation techniques during the period.

13. Deed of Cross Guarantee

Pursuant to the Australian Securities and Investment Commission (ASIC) Class Order 98/1418, the wholly owned subsidiary, QSR Pty Limited (QSR), is relieved from the Corporations Act 2001 requirement for the preparation, audit and lodgement of financial reports.

It is a condition of that class order that Restaurant Brands New Zealand Limited (RBNZ) and QSR enter into a Deed of Cross Guarantee (Deed). On 9 February 2017 a Deed was executed between RBNZ, QSR, Restaurant Brands Australia Pty Limited and Restaurant Brands Australia Holdings Pty Limited under which each company guarantees the debts of the others.

14. Impairment considerations

The financial performance of the Group for the six months ended 30 June 2022 was lower than the last half year's reported results. The Group continued to face challenges from COVID-19 resulting in staff shortages impacting operations across all divisions and forcing many stores to reduce operating hours during the period. In addition, the Group also faced cost inflation pressures across all markets which was partially mitigated by implementing price increases where possible.

The Group has considered these factors in reviewing its non-financial assets for indicators of impairment at 30 June 2022. In respect of goodwill, an impairment indicator was identified for the California cash-generating unit (CGU). A detailed impairment assessment was performed to determine the recoverable amount of this CGU using a value in use methodology, which resulted in headroom versus the carrying value of the CGU's assets, however this has significantly reduced since the prior year. Management concluded that no impairment is required, however an increase in the weighted average post-tax cost of capital of 8% to 8.1% would cause the carrying amount to equal its recoverable amount.

A detailed review of property, plant and equipment and ROU assets of stores at period end resulted in a small number of stores with impairment indicators, however based on further analysis, no impairment is required.

15. Subsequent events

There are no other subsequent events that would have a material effect on these financial statements.



Independent auditor's review report

To the shareholders of Restaurant Brands New Zealand Limited

Report on the interim financial statements

Our conclusion

We have reviewed the consolidated financial statements of Restaurant Brands New Zealand Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period ended on that date, and significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 June 2022, and its financial performance and cash flows for the six month period then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial statements* section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. Our firm carries out other services for the Group in the areas of specified procedures on landlord certificates and review of the Yum! Advertising co-operative report. In addition, certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the Group. These relationships and provision of other services has not impaired our independence as auditor of the Group.

Auditor's responsibilities for the review of the financial statements

Our responsibility is to express a conclusion on the consolidated financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34.

A review of consolidated financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these consolidated financial statements.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review 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, as a body, for our review procedures, for this report, or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Philippa (Pip) Cameron.

For and on behalf of:

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

Chartered Accountants
29 August 2022

Auckland