ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

RESTAURANTBRANDS.CO.NZ

Restaurant BRANDS

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ABOUT RESTAURANT BRANDS

Restaurant Brands New Zealand Limited (RBNZ) and its subsidiaries (together the Group), also referred to as Restaurant Brands (RBD), operates the KFC, Pizza Hut, Taco Bell and Carl's Jr. brands in New Zealand, the KFC and Taco Bell brands in Australia, the KFC and Taco Bell brands in California, and the Taco Bell and Pizza Hut brands in Hawaii, Saipan and Guam. These brands – four of the world's most famous – are distinguished for their product, look, style, ambience and service and for the total experience they deliver to their customers around the world.

Year in review

Key results

TOTAL STORE SALES

Total Group store sales hit a record high of $1,393.6 million, an increase of $71.4 million (5.4%) on FY23, with all four operating divisions showing growth in terms of $NZ.

NET PROFIT AFTER TAX (NPAT)

The reported NPAT of $26.5 million for the year was up $10.2 million (62.6%) on FY23.

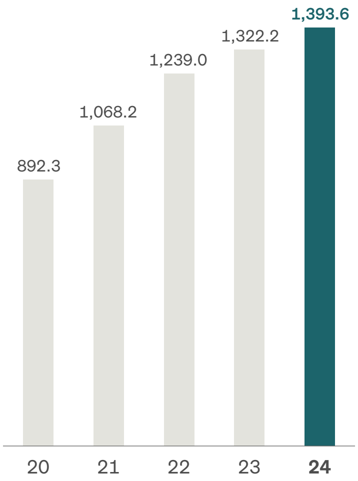
TOTAL STORE EBITDA[1]

Total Store EBITDA for the period was $194.3 million. This was up 8.9% on the previous year.

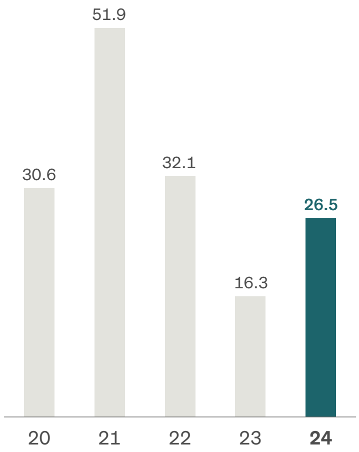
TOTAL ASSETS

Total assets of the Group were $1,491.5 million, up $65.7 million on 31 December 2023.

TOTAL STORE SALES ($NZM)

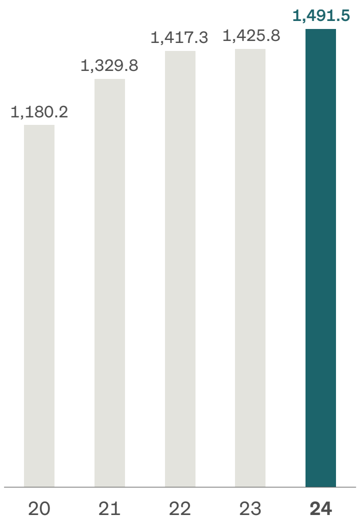


NPAT ($NZM)



TOTAL STORE EBITDA ($NZM)

TOTAL ASSETS ($NZM)



[1] Store EBITDA is earnings before interest, tax, depreciation and amortisation. The Store EBITDA amounts referred to throughout this report are before General and Administration(G&A) expenses, NZ IFRS 16 and Other Items. Store EBITDA is a non-GAAP financial measure and is not in accordance with NZ IFRS.

Financial highlights

HISTORICAL SUMMARY

All figures in $NZm unless stated	31 Dec 2020	31 Dec 2021	31 Dec 2022	31 Dec 2023	31 Dec 2024
Financial performance					
Store sales[1]					
New Zealand	410.4	461.1	529.2	571.8	625.9
Australia	214.9	244.1	283.4	310.0	309.9
Hawaii	215.1	206.5	247.5	259.7	280.3
California	51.9	156.5	179.0	180.7	177.4
Total store sales	**892.3**	**1,068.2**	**1,239.0**	**1,322.2**	**1,393.6**
Store EBITDA before G&A[1]					
New Zealand	75.9	83.3	89.3	80.5	104.0
Australia	29.5	31.6	31.2	37.8	35.2
Hawaii	33.5	33.8	42.3	45.0	47.4
California	8.5	23.8	17.1	15.1	7.7
Total Store EBITDA	**147.4**	**172.6**	**180.0**	**178.4**	**194.3**
Operating profit	74.8	102.1	86.7	78.6	93.9
NPAT (reported)	30.6	51.9	32.1	16.3	26.5
Financial position/cash flow					
Share capital	154.6	154.6	154.6	154.6	154.6
Total equity	230.5	289.7	293.2	290.4	314.4
Total assets	1,180.2	1,329.8	1,417.3	1,425.8	1,491.5
Operating cash flows	111.9	126.4	121.6	127.8	132.6
Shares					
Shares on issue	124,758,523	124,758,523	124,758,523	124,758,523	124,758,523
Number of shareholders	5,428	5,180	5,225	5,158	4,913
Basic earnings per share	24.6c	41.6c	25.8c	13.0c	21.3c
Ordinary dividend per share	0c	32.0c	16.0c	0c	18.0c
Number of stores (year end)					
New Zealand	137	137	143	147	155
Australia	70	79	83	84	85
Hawaii	72	73	75	70	70
California	69	70	75	75	71
Total Stores	**348**	**359**	**376**	**376**	**381**
Number of employees					
New Zealand	4,582	3,748	4,041	4,422	4,669
Australia	4,055	4,526	4,719	4,698	4,512
Hawaii	2,055	1,764	1,687	1,697	1,955
California	1,381	1,402	1,542	1,536	1,414
Total employees	**12,073**	**11,440**	**11,989**	**12,353**	**12,550**

1 Store sales and Store EBITDA for each of the regions may not aggregate to the total due to rounding.

Year at a glance

61.2m

HAPPY CUSTOMERS SERVED IN FY24

521 STORES

381 OWNED

140 FRANCHISED

12,550 EMPLOYEES

FINANCIAL RESULTS

$1.4b STORE SALES

$26.5m NPAT

$194.3m EBITDA

$1.5b ASSETS


Carl's Jr.
Carl's Jr.
Carl's Jr.

Chairman and CEO's report

Welcome to the Restaurant Brands' Annual Report for the year ended 31 December 2024 (FY24)

JOSÉ PARÉS
CHAIRMAN

ARIF KHAN
CEO

OVERVIEW

We are pleased to report that the Group achieved record sales of $1,393.6 million in the 2024 financial year, representing a 5.4% increase on the prior year, despite operating in a challenging economic environment across our markets. This, together with our continued cost management and operational efficiency initiatives, resulted in a 62.6% year-on-year increase in our Group NPAT to $26.5 million.

Same store sales were positive in the New Zealand and Hawaii divisions, with the California and Australia divisions adversely affected by cost of living pressures reducing consumer spending. We continue to monitor the latter two markets and introduce renewed actions to mitigate the impact of the current trading conditions.

During 2024, we continued to invest in digital sales channels, innovative products, and roll-out unique marketing campaigns. As a result, FY24 margins increased to 13.9% of sales, from 13.5% in FY23, demonstrating we are on the right track to restore the EBITDA margin levels achieved in FY22.

LOOKING FORWARD

We expect that cost of living pressures will remain in all regions over the next 12 months, although we anticipate a gradual economic recovery towards the second half of FY25, with projected interest rates easing in New Zealand and Australia. On the other hand, we acknowledge the geopolitical uncertainty in the United States with the rapidly changing federal policies, and their impact on the global trade markets.

We remain cautiously optimistic as we continue to closely monitor trading conditions across all divisions. We believe that ongoing revenue management and cost optimisation initiatives will enable us to achieve gradual margin recovery in the near future. In this Annual Report, we have outlined our renewed organisational strategy including key focus areas and corporate objectives for the next three to five years. This strategy underpins our commitments to continued innovation in customer-centric products and technologies, and unified processes across all markets to improve efficiency for our staff. We are confident that the Group is in a strong position for the next phase of growth to deliver long-term sustainable shareholder value.

The Group achieved record sales, reaching a high of $1,393.6 million, with sales growth delivered in New Zealand and Hawaii.

$NZm	31 Dec 2024	31 Dec 2023	Change ($)	Change (%)
Group store sales	1,393.6	1,322.2	+71.4	+5.4
Group NPAT	26.5	16.3	+10.2	+62.6
Group Store EBITDA	194.3	178.4	+15.9	+8.9

GROUP OPERATING RESULTS

Total Group store sales reached a record $1,393.6 million for the year ended 31 December 2024. Supported by the implementation of strategic initiatives including effective revenue management programmes, cost control measures, and operational efficiencies, the Group NPAT of $26.5 million represents a considerable improvement from last year.

These initiatives, combined with the consistent delivery of value through price and customer experience, have supported customer loyalty, brand health, and our competitive position, while also partially offsetting rising labour costs and consumer pressures.

Group Store EBITDA increased 8.9% on the prior year, or $15.9 million, reaching $194.3 million, with the implemented measures continuing to deliver gradual margin recovery for the Group.

New Zealand and Hawaii are noteworthy, with improved performance and solid growth delivered in 2024. This continues to offset a slower recovery in Australia and California. We remain on the right track to reach Group Store EBITDA margin levels obtained in FY22, previously established as the baseline for future growth.

Market conditions in Australia and California - including the imposed 29% increase in the minimum wage in California in April 2024 - are still placing significant pressure on consumer spending and labour costs. We are monitoring these trading conditions closely in order to implement and adapt any necessary plans to mitigate their impact.

Despite these challenging market conditions, we have significantly advanced our growth strategy in parallel to our focus on margin and profit recovery. In all markets we are investing in digital channels and increasing digital sales, delivering enhanced marketing programmes, launching innovative new products, and adapting our menus.

Our unique, modern brands continue to grow and provide winning experiences to our customers, driven forward by the highly motivated Restaurant Brands team and our franchisee network. The considerable investments we have made in technology in recent years are delivering cost efficiencies that support our margins and, at the same time, improve customer access and the staff experience across all divisions.

During FY24, we opened nine new stores, including new, innovative formats, furthered our store refurbishment programme, and optimised the store portfolio, focusing on key growth areas. New store openings were offset by four closures in California.

STORE NUMBERS

As at 31 December 2024, Restaurant Brands has 521 stores (381 owned and 140 franchised) distributed as follows: 155 owned stores in New Zealand, 85 stores in Australia, 70 in Hawaii and 71 in California. The Restaurant Brands portfolio includes 141 Pizza Hut stores in New Zealand, of which 135 are owned and operated by independent franchisees.

$26.5M
GROUP NPAT

↑ 62.6%
GROUP NPAT vs FY23

NEW ZEALAND OPERATIONS

	31 Dec 2024	31 Dec 2023	Change ($)	Change (%)
Store sales ($m)	**625.9**	571.8	+54.1	+9.5
Store EBITDA ($m)	**104.0**	80.5	+23.5	+29.2
Store EBITDA as a % of sales	**16.6**	14.1		
Store numbers (owned and franchised)	**295**	269		

Store sales for the New Zealand business were up $54.1 million to $625.9 million, representing a strong 9.5% growth on FY23, primarily driven by KFC and the opening of new stores.

Despite a slowdown in the economy, most markedly towards the second half of the year, same store sales were up 4.6%, with strong transaction growth year-on-year as a result of effective marketing strategies and new product launches.

In 2024, the New Zealand KFC business delivered record sales driven by innovative new products and viral marketing initiatives that contributed to weekly sales records. Pizza Hut marked its 50th anniversary in New Zealand with special celebrations, including the limited return of vintage company favourites such as the all-you-can-eat buffet and special menu items aimed at bringing back core memories for both the Pizza Hut team and our longstanding customers. Taco Bell continued to grow in terms of same store sales, transactions, and new store openings as a result of a consistent brand message and strong menu innovation.

Digital sales continued to grow across all brands, with investments in digital channels enhancing customer experience at store level and through delivery. While KFC remains the leading contributor to New Zealand operations, Taco Bell has solidified its presence in the QSR sector and Carl's Jr. continues to perform in line with expectations.

Store EBITDA was $104.0 million, a $23.5 million or 29.2% increase on FY23, reflecting improved sales performance, cost saving initiatives and a more stable roster, that enabled the stores to resume full trading hours. Store EBITDA margin was 16.6%, an increase on the 14.1% in FY23, again indicating robust sales growth and strong margin improvements.

The New Zealand division opened eight new stores in FY24, bringing the total number of RBD-owned stores to 155. The division focused on developing innovative store formats designed to boost customer experience, including a premier flagship side-by-side opening of KFC, Taco Bell, and Carl's Jr. stores in a new town centre.

The Pizza Hut store network maintained its strong growth momentum this year, opening 17 new stores in FY24, for a total 141 stores, of which 135 are operated by independent franchisees under a master franchise agreement with Restaurant Brands.

We are continuing to deliver proactive, value-led marketing strategies in the first half of 2025, to address pressure on consumer spending, with an expected improvement in the New Zealand retail environment in the second half.

$625.9M

NEW ZEALAND TOTAL STORE SALES ($NZm)

AUSTRALIAN OPERATIONS

	31 Dec 2024	31 Dec 2023	Change ($)	Change (%)
Store sales ($Am)	**284.2**	286.6	-2.4	-0.8
Store EBITDA ($Am)	**32.3**	34.9	-2.6	-7.4
Store EBITDA as a % of sales	**11.4**	12.2		
Store numbers (owned)	**85**	84		

Store sales for the Australia business were $A284.2 million, down 0.8% on FY23.

Same store sales were down 3.3%, driven by a year-on-year reduction in transaction levels largely due to continued cost of living pressures impacting consumers in the market. Small pricing adjustments were made throughout the year while enhancing value-driven offerings to meet the needs of cost-conscious customers.

Australia continues to face challenging market conditions, with high interest rates, elevated inflation, and occupancy costs driving cost of living pressures. Despite applying pricing uplifts factoring customer demand for value offerings, customers have continued to shift to supermarket options. Additionally, while input costs have remained stable, electricity costs increased markedly. To partially offset this increase, the Group has invested in energy efficiency initiatives such as the expansion of rooftop solar and LED lighting.

Store EBITDA was down $A2.6 million, to $A32.3 million, and Store EBITDA margins declined from 12.2% to 11.4%, which is reflective of the ongoing inflationary cost pressures impacting consumer spending. Although KFC delivered a lower Store EBITDA versus the prior year, it is important to note that the strong 2023 results make for a high comparison base. While Taco Bell performed below expectations, we remain confident that the strategy currently in place will bring the brand to the levels and momentum we are experiencing in the New Zealand market.

In $NZ terms, the Australian business contributed $NZ309.9 million in sales, and Store EBITDA of $NZ35.2 million was down 6.8% on the previous year.

RBD operates 85 stores in Australia. The business opened one new store during the year, and successfully converted a Taco Bell store closed in 2023 into a KFC store. We continue to invest in the store refurbishment program in this market, with a focus on elevating brand standards, employee safety, and customer experiences with new restaurant equipment and digital kiosks.

We are optimistic about the outlook for Australia, with cost of living pressures expected to ease during the second half of 2025. We will continue to invest in the growth of digital channels and develop new store assets while building increased brand resilience in a highly competitive market.

$284.2M

AUSTRALIA TOTAL STORE SALES ($Am)

HAWAIIAN OPERATIONS

	31 Dec 2024	31 Dec 2023	Change ($)	Change (%)
Store sales ($USm)	169.5	159.5	+10.0	+6.3
Store EBITDA ($USm)	28.7	27.6	+1.1	+4.0
Store EBITDA as a % of sales	16.9	17.3		
Store numbers (owned)	70	70		

Store sales for the Hawaii business were $US169.5 million, up $US10.0 million and 6.3% on the prior year, with solid performance in Taco Bell once again and moderate growth in Pizza Hut. Same store sales increased 4.2% on the prior year.

While Taco Bell continued to deliver strong sales, supported by successful marketing campaigns and product innovations, Pizza Hut sales were below expectations. However, sales at Pizza Hut did improve over FY23 with the implementation of strategies to support employee attraction and retention, which have been successful in improving staffing conditions. Pizza Hut's new offerings, introduced mid-way through 2024, constituted an effective step forward for the brand, and the new products will continue to be part of the Pizza Hut line-up.

Store EBITDA was $US28.7 million, equivalent to 16.9% of sales, an increase of $US1.1m on last year. However, the margin decreased slightly, resulting from a year-on-year inflation increase and high energy prices that limited consumer spending, despite the Group's focus on value offerings. Store EBITDA growth is mainly driven by Taco Bell, with Pizza Hut having similar performance versus the prior year.

In $NZ terms, the Hawaii business contributed $NZ280.3 million in sales, up $NZ20.6 million, or 7.9%, on the prior year. Store EBITDA increased $NZ2.4 million to $NZ47.4 million, partly supported by a favourable NZD/USD exchange rate.

RBD operates 70 stores in Hawaii (with no openings or closures during FY24).

We continue to implement unique marketing campaigns as well as new offerings and sites to strengthen brand awareness, while also bringing back long-time consumers with favourites from the past.

$169.5M

HAWAII TOTAL STORE SALES ($USm)

CALIFORNIAN OPERATIONS

	31 Dec 2024	31 Dec 2023	Change ($)	Change (%)
Store sales ($USm)	107.3	110.9	-3.6	-3.2
Store EBITDA ($USm)	4.6	9.3	-4.7	-50.5
Store EBITDA as a % of sales	4.3	8.4		
Store numbers (owned)	71	75		

Store sales for the California business were $US107.3 million, a decrease of $US3.6 million, or 3.2%, on the prior year.

Same store sales declined 3.9% on the prior year.

The elevated cost of living is still impacting consumer spending in this market, where dining at home continues to make more economic sense than eating out. The average spend per customer has declined as customers gravitate to value-oriented menus and promotional items in an environment of very strong competition. However, same store sales improved during the course of the fourth quarter, driven in part by new marketing campaigns for KFC in the U.S. Changes to in-store kiosks, as well as local restaurant marketing efforts - particularly catering offers – have supported an increase in uptake and value-oriented promotional efforts and innovation introduced this year have delivered strong sales compared to other operators in our market.

Store EBITDA was down 50.5%, to $US4.6 million, mainly impacted by the 29% increase in the minimum wage that came into effect on 1 April 2024, despite the implementation of strategies to mitigate this impact while maintaining a strong customer base. However, there were improvements in key labour indicators regarding retention and staffing levels and investments were made into initiatives to reduce operating costs, improve operational efficiency, maintain brand health and support growth.

In $NZ terms, the California business contributed $NZ177.4 million in sales, down 1.8% on FY23, and $NZ7.7 million in Store EBITDA, a decrease of 49.0%, which was partially offset by a favourable NZD/USD exchange rate.

RBD operates 71 stores in California. As part of the ongoing optimisation of the portfolio to focus on key growth areas, four stores were closed over the course of the year.

Key pillars of our strategy for California include enhanced operational efficiencies (including kiosk rollouts), initiatives to boost our energy efficiency, and the optimisation of our store portfolio. While these and other initiatives have helped to improve performance and partially offset increased labour costs, we anticipate that it will take 12-18 months to see better trading conditions in this market.

$107.3M

CALIFORNIA TOTAL STORE SALES ($USm)

CORPORATE & OTHER

Group General and Administration (G&A) expenses were $66.6 million, a decrease of $0.6 million on FY23. G&A as a percentage of total revenue was 4.5%, down on FY23 at 4.8%, supported by continuing initiatives aimed at reducing non-essential G&A expenses across the Group. Depreciation charges of $50.1 million for FY24 were $3.4 million higher than FY23, due to the continued new store builds and store refurbishments, although at a slower rate than the prior year. Depreciation of right of use assets is up $1.0 million, to $43.7 million, with new stores and lease renewals increasing the associated right of use asset depreciation. Financing costs of $57.0 million were up $0.8 million on FY23, primarily driven by a $0.9 million increase in lease interest to $36.2 million due to both new leases and existing leases being extended. This was partially offset by bank debt servicing costs with lower debt levels as a result of the improved cash flows achieved in 2024. Tax expense was $10.3 million, up $4.1 million on the back of higher earnings for the year. The effective tax rate is 28.0% (FY23 27.5%).

OTHER ITEMS

Other items comprise other income and expenses and they totalled $8.0 million (FY23 $6.1 million). The FY24 amount includes a net impairment charge of $7.8 million, and $0.7 million related to the asset write-downs for store closures in California and other expenses of $0.5 million. These charges were partially offset by $0.9 million of insurance recovery proceeds following the wildfire in Lahaina in 2023.

$1,491.5M

TOTAL ASSETS

↑ $65.7M

TOTAL ASSETS UP ON FY23

BALANCE SHEET & CASH FLOW

Total assets of the Group were $1,491.5 million, up $65.7 million on 31 December 2023, primarily due to new store builds and refurbishments which increased the value of both property, plant, and equipment as well as intangibles and right of use assets.

Bank debt at the end of FY24 was $284.5 million compared with $289.4 million as of 31 December 2023, due to a combination of net repayments of $27.4 million offset by $22.5 million of exchange rate effects. As of 31 December 2024, the Group had bank debt facilities totalling $405.1 million ($120.7 million undrawn).

In December 2024 the Group paid a special dividend of $22.5 million, as a result of the current and projected financial position supported by the Group's cash flows and capital expenditure requirements.

Cash and cash equivalents decreased by $0.8 million since 31 December 2023 with the higher earnings offset by the dividend payment and the repayment of bank loans. The Group remains comfortably within all banking covenants with a Net Debt to EBITDA ratio of 1.8:1 (2.2:1 in FY23).

Net operating cash inflows were $132.6 million, up $4.8 million on FY23. This increase is mainly driven by higher sales and is partially offset by increased payments to suppliers generating a net cash inflow. The increase in the interest payments on bank debt amounted to $1.4 million, partially offset by lower income tax payments. Net investing cash outflows were $53.5 million, a $31.3 million decrease on FY23, primarily driven by reductions in overall capital expenditure.

DIVIDEND

Following the assessment of the current and projected financial position and considering the recent special dividend payment in December, no additional dividend was declared for FY24. Directors believe it is in the best interests of the Group to retain cash at this time in order to support growth and maintain funding flexibility.

ANNUAL SHAREHOLDERS' MEETING

The Annual Shareholders' Meeting of the Company will be held in Auckland on Friday 23 May 2025.

ACKNOWLEDGEMENTS

We would not have achieved our results without our amazing team of over 12,500 employees. These include store staff who have been working tirelessly to ensure we continue to serve top-quality products to our customers every day, and our office staff who provide excellent support to our frontline to ensure they have innovative systems and processes to deliver winning stores. We thank our board members for their guidance in the uncertain economic environment, and our shareholders for their support and trust during the year. We deeply appreciate our customers and the entire team, recognising the passion and dedication of our staff and leaders, which is the key to Restaurant Brands' success.

José Parés
Chairman of the Board

Arif Khan
CEO

Our strategy

Vision

To become the leader who inspires the global restaurant industry

Values

- Trust
  Our Strength
- Fairness
  Our Foundation
- Loyalty
  Our Commitment
- Responsibility
  Our Promise
- Prudence
  On Our Minds

Focus Areas

- High Performing Team
- Profitable & Sustainable Growth
- Customer Centricity
- Operational Innovation & Excellence

Corporate Objectives

- Revenue Boost
- Margin Improvement
- Network Expansion
- Operational Excellence
- Grow Brand Equity
- Talent Development Framework
- Emissions Reduction

Advancing our strategy for growth

Every day, we're building something bigger.

A portfolio of leading, digital-first QSR brands, powered by a team that's always looking ahead. Our goal isn't just expansion -we're setting new standards and proving what's possible when bold brand marketing, operational excellence and winning customer experiences come together.

Winning experiences drive everything we do. From game-changing brand activations to frictionless digital interactions and new store formats that meet evolving demand, we're creating deeper connections and unlocking new opportunities for growth.

In FY24, we delivered margin improvement, expanded our network, and advanced digital and operational capabilities. With this momentum, we're building a smarter, more sustainable system and positioning for the next phase of growth.

Our four focus areas

HIGH-PERFORMING TEAM

When our team wins, our customers win. People are at the heart of everything we do. We're investing in training, tools, and team connections to create a culture where our people can succeed. From leadership development to operational support, we are building a team that is ready to perform.

PROFITABLE & SUSTAINABLE GROWTH

Growth that delivers – $2 billion and beyond. We are on a path to $2 billion in Group sales, powered by smart expansion, stronger margins, and increased brand access. Growth isn't just about scale—it's about delivering value for customers, franchisees, and investors in a sustainable, high-performance way.

CUSTOMER CENTRICITY

Winning customers, earning loyalty, and creating standout experiences. Customers are at the heart of everything we do. Winning in our sector and in our markets isn't just about price - it's about creating experiences that keep customers coming back.

We are continuously evolving our menus, modernising store formats, and expanding digital capabilities to deliver seamless, high-quality interactions that strengthen brand loyalty and engagement.

OPERATIONAL INNOVATION & EXCELLENCE

Building a smarter, faster, and more sustainable system. Behind every great customer experience is a high-performance system. We are evolving our technology, sustainability efforts, and operational processes to drive stronger results at every level.

"We're excited to share our refreshed strategy – one that sharpens focus, strengthens execution, and ensures we continue delivering stronger performance, better experiences, and sustained value for our customers, our team, our franchisees, and our shareholders."

Arif Khan - CEO

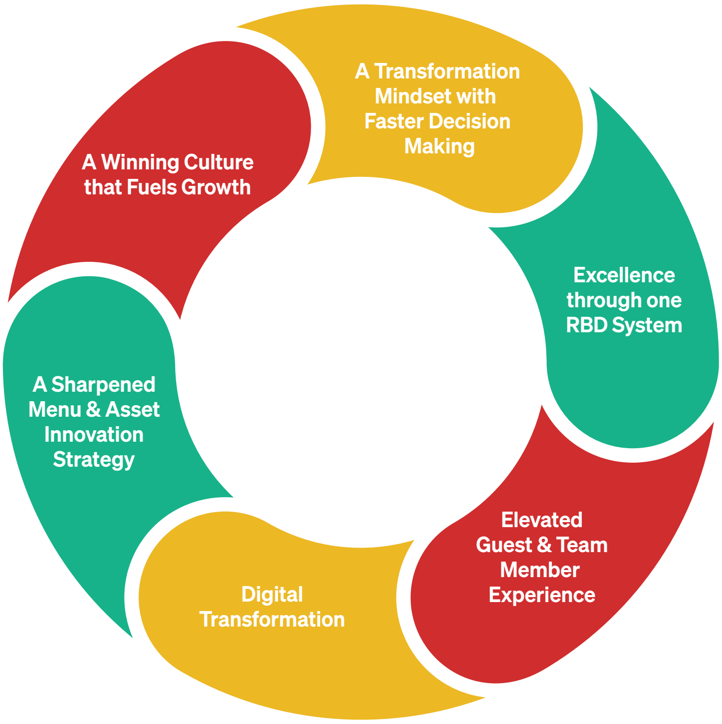
Focus Areas	We are focused on:	FY24 Highlights:	Key Priorities for FY25:
High Performing Team	• **An engaged workforce** – continuously gathering employee feedback and fostering a safe and inclusive environment • **People enablement** – dialling up internal and external employee engagement and career development • **Talent management and development** – attracting and retaining top talent across all markets	• New Group operating model to centralise strategic decision making • Improved health and safety platform • Enhanced culture and team connection	• A new talent framework to attract, train, and retain great people • Enhanced recognition programs • Expanded leadership pathways to build the next generation of RBD leaders
Profitable & Sustainable Growth	• **Revenue and margin growth** – pricing optimisation, cost efficiencies, and operational refinements • **Network expansion –** new stores, digital-first formats, enhanced convenience, optimised locations, and an expanded franchisee network • **Brand equity and reach** – marketing that pushes boundaries, digital platforms and e-commerce channels to drive sales and increase brand visibility	• New store formats designed for speed and convenience • Strengthened franchise recruitment and expansion • Increased digital sales • Margin improvements through smarter pricing and cost efficiencies	• Expansion of store network in high-growth locations • Revenue and margin gains • Strategic revenue programmes.
Customer Centricity	• **Menu innovation** – consistently evolving offerings across brands to stay ahead of changing customer preferences • **Value beyond price** – enhancing experiences through service, quality, and brand connection • **Seamless digital interactions** – improving ordering, reducing friction, and increasing access • **Store enhancements** – upgrading locations to meet demand and elevate the in-store experience	• Consistent menu and product innovations • Enhanced engagement programs • The launch of new digital first compact store formats	• Continued optimisation of digital channels • Value-led promotions to meet customer needs in the high cost-of-living environment • Enhanced brand loyalty and customer service programmes
Operational Innovation & Excellence	• **Scaling automation and digital capabilities** – making operations faster, smarter, and more efficient • **Advancing our sustainability roadmap** – reducing environmental impact while improving cost efficiencies • **Optimizing systems and processes** – ensuring stores run at peak performance in a fast-changing market	• Upgraded point-of-sales system • Energy-saving initiatives across multiple divisions • Strengthened supply chain and inventory systems	• Further integrate automation to streamline kitchen and service operations • Investment in emissions reduction initiatives • Greater cross-market operational alignment for smarter, more scalable execution

Our key enablers

No one has more insight into our business than our people.

Across our stores, customer service, and restaurant support centres, their dedication drives winning experiences for our customers.

Their passion powers our business forward, and together with these key enablers brings our strategy to life:



Viral Marketing & Brand Activations

Innovation, brand engagement, and customer experience are fuelling our growth and shaping the future.

Restaurant Brands' marketing strategy goes beyond promotions – it's about cultural moments, viral engagement, and unforgettable brand experiences. Key F24 highlights include:

Pizza Hut's 50th Anniversary Pop-Up Hut – a sell-out event bringing back the all-you-can-eat buffet for a nostalgic Kiwi experience

KFC Gravy Train – a world-first activation where a wrapped locomotive delivered hot KFC chicken to fans en route to the Blues vs Force game at Eden Park

Sustainability in action

Environmental, social and governance principles aren't a separate strategy - they're embedded in how we work daily to drive better outcomes and sustainable profitability.

Our company values of Trust, Fairness, Loyalty, Responsibility and Prudence are important elements supporting us on our sustainability journey.

Our approach to ESG is grounded in action - reducing emissions, improving energy efficiency, supporting our people, strengthening governance and investing in our communities – in support of sustainable profitability.

Our ESG framework guides this work and is structured around four pillars: Planet, Governance, Product and People. Each has been a focus for meaningful progress in 2024.

PLANET

Lower impact, smarter systems

We continued to take practical, measurable steps to reduce our environmental footprint in 2024, with a focus on energy use, emissions and store design. We remain committed to reducing our purchased electricity consumption and direct greenhouse gas emissions.

- Rolled out GridPoint energy optimisation to 24 California stores, building on a three-store trial. Rollout to the rest of the California network is planned for 2025. A number of stores using GridPoint have recorded energy savings of more than 10 percent.
- The California GridPoint results have prompted a group-wide project for 2025 to assess the case for early replacement of inefficient HVAC systems.
- Trialled small-format store designs with lower raw material requirements and a smaller carbon footprint.
- Achieved 100 percent LED lighting across all New Zealand stores in 2023, with progress continuing in other regions.
- Continued to transition our vehicle fleet to lower-emission models, including the rollout of EROAD fleet management software in Australia to improve tracking and visibility.
- Improved our ability to measure and manage greenhouse gas emissions, supported by better supplier data and more integrated systems.

Our 2024 Climate-Related Disclosure Report will be published at:

www.restaurantbrands.co.nz/community-and-sustainability

GOVERNANCE

Stronger structure, clearer accountability

In 2024, we implemented a new group-wide operating model to improve governance, simplify decision-making and support future growth.

- Moved to a group-led structure, consolidating core corporate functions including finance, people, marketing and property under single functional leaders.
- Appointed local Presidents to lead store operations in each region, allowing clearer focus on operational delivery.
- Updated our delegated authority policy to clarify responsibilities and strengthen financial controls across the Group.
- Established a Procurement Council to oversee major procurement activity, promote best practice and support supply chain integrity.

These changes have created clearer lines of responsibility and enabled more consistent performance across our operating divisions.

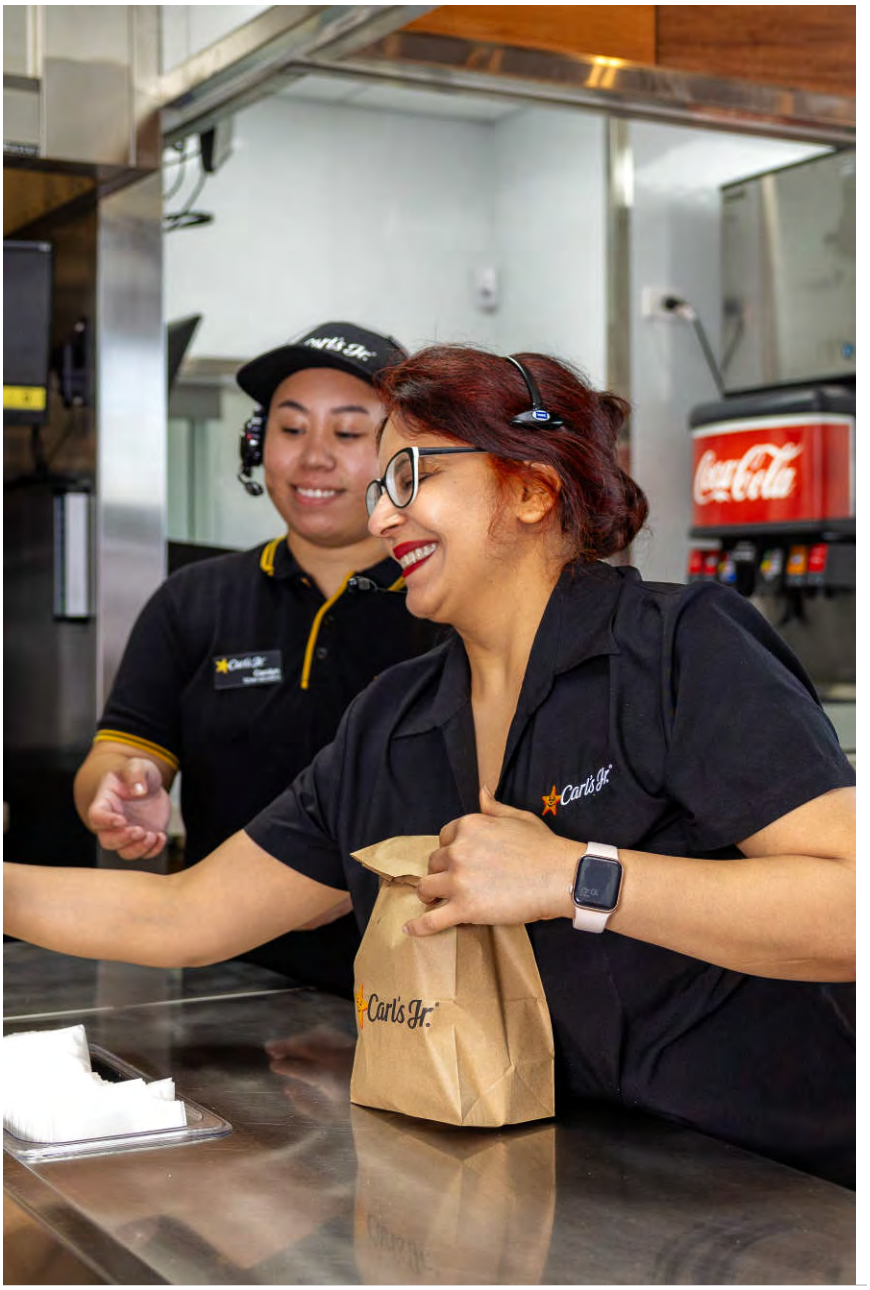
Food safety is fundamental to our business.

PRODUCT

Quality, safety, ethics

We maintain strict controls to ensure food safety, ethical sourcing and supplier accountability across all our regions.

- In New Zealand, all suppliers are subject to due diligence and annual audits by Restaurant Brands, based on the Yum! Supplier Code of Conduct and industry best practice.
- In Australia, Hawaii and California, suppliers operate under the Yum! global supply chain and must adhere to the Yum! Supplier Code of Conduct, with regular audits in place.
- All New Zealand meat suppliers must comply with the Animal Welfare Act and are audited by SPCA and AsureQuality.



- Key poultry suppliers Tegel and Inghams follow recognised welfare codes and guidelines for humane treatment.
- All restaurants operate under a local food control plan and are regularly inspected by local authorities.
- Restaurants also undergo frequent third-party brand audits, covering food safety and compliance with brand standards.
- Nutritional information for core menu items is available on all brand websites (excluding Taco Bell in Australia), with additional information for promotional items available by request in New Zealand.

In Australia, Hawaii and California, kilojoule information is provided on restaurant menus.

PEOPLE

Safe, fair, inclusive

With more than 12,500 team members across the Group, our people are central to our success. A strong commitment to social responsibility continues to be a key driver in attracting and retaining talent across the organisation.

- We operate a zero-tolerance policy for forced or underage labour across our business and supply chain. There were no known breaches of this policy in 2024.

We are currently transitioning our sustainability data to a new dedicated section of our website. We expect this to be launched when our FY24 climate-related disclosures report is released and can be found here:

www.restaurantbrands.co.nz/community-and-sustainability

Our people are central to our success.

SPONSORSHIPS AND PARTNERSHIPS

Local support, lasting impact

Restaurant Brands is committed to supporting our communities beyond our restaurants. Across all our markets, we contribute through charitable donations, sponsorships and partnerships that make a difference.

New Zealand

2024 marked the 12th year of partnership between KFC and Surf Life Saving NZ, an organisation that relies heavily on volunteers and community funding to deliver water safety education and keep beaches safe over the busy summer period. 2024 fundraising initiatives included:

- Donations from every bucket sold over summer.
- Support through Black Clash and Super Smash cricket events.
- Proceeds from the Mr Sanders pop-up restaurant.

Pizza Hut continued to strengthen its partnership with Hato Hone St John, which began in 2020 to support health services, volunteer training and mental health first aid programmes.

- $1 was donated from every Limo pizza delivered in collaboration with our franchisees.
- Contributions were doubled during the June annual appeal.
- All ticket sales from the return of the Pizza Hut buffet were donated.

California

- We support the KFC Foundation through a per-case levy on Secret Recipe fries and guest donations, including Round Up at checkout. The KFC Foundation supports charitable organisations, provides hardship grants, tuition-free college access, counselling, savings incentives and GED testing.
- In 2024, 27 KFC team members received scholarships ranging from USD $2,500 to $20,000, many as the first in their families to attend university or trade school.
- Our California restaurants also participate in the KFC Harvest Programme, donating surplus food to charities supporting people experiencing homelessness and hardship.

Australia

- We continue to support the KFC Youth Foundation, which delivers programmes that help young people thrive in their communities. As a major employer of under-25s, we are proud of this long-standing commitment to youth development in Australia.

Hawaii

- Through the Taco Bell Foundation's Round Up programme, we help fund youth organisations focused on career readiness.
  - In 2024, grants were awarded to the Boys and Girls Club of Hawaii and Junior Achievement of Hawaii.
  - One of our Hawaiian team members received a Live Más scholarship.

The Hawaii Pizza Hut Literacy Fund, administered by the Hawaii Community Foundation, awarded grants to support reading and literacy programmes across the state.

We are proud to support local communities and organisations.

Board of Directors

José Parés
Chairman and Non-Executive Director

TERM OF OFFICE

Appointed Director 1 April 2019 and appointed Chairman 10 July 2019. Last re-elected 2022 Annual Meeting.

BOARD COMMITTEES

Member of the Audit and Risk Committee.

José is the Chief Executive Officer of Finaccess Capital, S.A. de C.V. He is also the Chairman of the Board and an Executive Chairman of AmRest Holdings SE. During his professional career he has been director of the Board of Crown Imports, Chicago, Il, the Vice Chairman of the Board of MMI, Toronto, Canada, director of the Board of DIFA, Mexico and former member of the Beer Chamber of Mexico.

Previously, José worked for 19 years at Grupo Modelo (Mexico), in various positions, including as the Vice President of Marketing and Sales International where he oversaw growth of Grupo Modelo's annual revenues from USD 1 billion to USD 3 billion.

José graduated from Universidad Panamericana, Mexico (Business and Finance) and completed his MBA at ITAM, Mexico as well as the Business D-1 Program at IPADE, Mexico and Executive Programme at Wharton, San Francisco.

Emilio Fullaondo
Independent Non-Executive Director

TERM OF OFFICE

Appointed Director 1 April 2019. Last re-elected 2022 Annual Meeting.

BOARD COMMITTEES

Chairman of the Audit and Risk Committee, Member of the Remuneration and Nominations Committee and the Health, Safety & Sustainability Committee.

Emilio is a senior executive with over 23 years of experience in the beer industry. Emilio worked in a number of finance roles for Grupo Modelo, including four years as Chief Financial Officer. Following the acquisition of Grupo Modelo by AB InBev in 2013, Emilio oversaw significant cultural and organisational changes at AB InBev (Mexico) as Vice President, Human Resources (to 2017) and Vice President, Projects until his resignation in January 2019.

Emilio is currently a member of the Audit and Risk Committee of AmRest Holdings SE.

Emilio graduated from ITAM, Mexico (Public Accountant) and completed his MBA at the same institution as well as the Executive Management (AD) Program at IPADE, Mexico.

Carlos Fernández
Non-Executive Director

TERM OF OFFICE

Appointed Director 10 July 2019. Last re-elected 2022 Annual Meeting.

Over the last 30 years, Carlos Fernandez has held positions in various business sectors. He was the CEO (1997-2013) and Chairman of the Board of Directors (2005-2013) of Grupo Modelo. From the time he was named CEO, up to 2013, this group consolidated its position as the leading brewing company in Mexico, the seventh biggest worldwide and the world's biggest beer exporter.

He has also served on the boards of national and international companies, including Banco Santander, SA (Spain), Anheuser Bucsh (US), Emerson Electric Co. (US), Seeger Industrial (Spain), Grupo Televisa (Mexico), Crown Imports Ltd. (US), Inbursa (Mexico) and Mexican Stock Exchange (Bolsa Mexicana de Valores). He has served on the advisory board of Grupo Modelo and has also been a member of the international advisory board at Banco Santander, S.A. and a director of Grupo Financiero Santander Mexico S.A.B de C.V.

Carlos is currently Chairman of the Board of Directors of Grupo Finaccess S.A.P.I. de C.V. – a company of which he was founder and which controls 75% of Restaurant Brands ordinary shares and is also active in Mexico, Europe, Asia and the US. He is Honorary Charmain of the Board of Directors of AmRest Holdings SE. He is also a Proprietary Director of Inmobiliaria Colonial, S.A. and a member of their Executive Committee.

Carlos is an industrial engineer and has also studied on senior management programmes at the IPADE Business School (Instituto Panamericano de Alta Direccion de Empresa).

Luis Miguel Álvarez
Non-Executive Director

TERM OF OFFICE

Appointed Director 10 July 2019. Last re-elected 2022 Annual Meeting

BOARD COMMITTEES

Member of the Remuneration and Nominations Committee.

Luis Miguel is a Board Member, Audit Committee Member and Investment Committee Member of Grupo Finaccess, S.A.P.I. de C.V. (since 2013). He is also the Founder & CEO of Compitalia, S.A. de C.V., a family investment company business which primarily invests directly in target companies through equity holdings and real estate investments, primarily in sectors such as: consumer goods, restaurants, real estate projects and financial funds.

For over 25 years Luis Miguel occupied different positions within several Grupo Modelo entities (including the Vertical Companies director of Grupo Modelo, S.A.B. de C.V., President & General Manager of Gmodelo Agriculture, LLC., Idaho Falls, Idaho, Vice President & General Manager of Gmodelo Agriculture, Inc.). During his time at Grupo Modelo, Luis Miguel held various board positions within the Group, including: Alternate Board Member and Executive Committee Member of Grupo Modelo, S.A.B. de C.V., Board Member and Executive Committee Member of InteGrow Malt, LLC., as well as Board Member of Impulsora Agricola, S.A. and International CO2 Extraction LLC.

Luis Miguel is currently a Proprietary director of AmRest Holdings SE and a member of the Appointments & Remuneration Committee. He also serves as a board member of other private and not for profit organisations.

He is an industrial engineer with studies on senior management programmes at the IPADE Business School (Instituto Panamericano de Alta Dirección de Empresa).

Huei Min (Lyn) Lim, MNZM
Independent Non-Executive Director

TERM OF OFFICE

Appointed Director 10 July 2019. Last re-elected 2022 Annual Meeting.

BOARD COMMITTEES

Chairman of the Health, Safety & Sustainability Committee, Member of the Audit and Risk Committee and the Remuneration and Nominations Committee.

Lyn Lim has diverse board and committee Chair experience. She is experienced in investment structures, risk management, HR, HSW, AML, dispute management and resolution.

She was on the Boards of General Capital Limited and Auckland Regional Amenities Funding Board. She was also a trustee of the Asia New Zealand Foundation.

Lyn had previously served on the Boards of SP Corporation Pte.Ltd (Singapore), AUT, New Zealand Shareholders' Association, Public Trust (and chaired the Human Resources and Remuneration Committee), the New Zealand China Trade Association, the Hong Kong and New Zealand Business Association, New Zealand Chinese Youth Trust (Chair), Foundation North (the biggest and leading philanthropic entity in New Zealand – Chair) and Middlemore Foundation (Chair). She was a member of ANZ Private Bank External Advisory Board and has served as a council member of the Auckland District Law Society Inc.

Lyn holds an LLB (Hons) from the University of Canterbury and has 30 years of legal practice specialising in commercial, corporate and governance issues and dispute resolution.

In 2017, Lyn was appointed as a Member of the New Zealand Order of Merit for her services to New Zealand-Asia relations and governance. Lyn is a Chartered Member of the New Zealand Institute of Directors, and a member of the New Zealand Law Society.

Stephen Ward
Independent Non-Executive Director

TERM OF OFFICE

Appointed Director 10 July 2019. Last re-elected 2022 Annual Meeting.

BOARD COMMITTEES

Chairman of the Remuneration and Nominations Committee, Member of the Audit and Risk Committee and the Health, Safety & Sustainability Committee.

Stephen Ward is a professional director with diverse corporate governance experience in New Zealand and Australia together with extensive expertise as a corporate and commercial lawyer in New Zealand.

Stephen is the non-executive Chair of SecureFuture Wiri Limited. He is also a non-executive director of Huntington Commercial Finance New Zealand Limited and Renaissance Holdings (NZ) Limited. Stephen is the Independent Chair of the Advisory Council for the Financial Dispute Resolution Service and a consultant of Simpson Grierson.

Stephen holds an LLB from the University of Canterbury, is a member of the New Zealand Law Society and is a Chartered Member of the New Zealand Institute of Directors.

Maria Elena (Malena) Pato-Castel
Independent Non-Executive Director

TERM OF OFFICE

Appointed Director 1 April 2021. Last re-elected 2024 Annual Meeting.

Malena has over 33 year of experience in the Fast Moving Consumer Goods and Retail Hospitality industries in the US and Europe, including senior regional roles at Unilever and Yum! Brands. Prior to her retirement from the company in 2020, Malena spent nine years in various roles at AmRest Holdings SE (six of which as a member of the AmRest Exec Committee). Her appointments included President for AmRest Spain and, most recently Chief Proprietary Brands Officer with responsibilities extending across markets in Spain, China, France, Portugal and Germany.

Malena served on the board of various Yum! Brands subsidiaries that operated Pizza Hut and KFC stores in Spain and has extensive experience as an owner/operator of KFC branded restaurants in Europe as a co-founder and managing director of a restaurant operating company that grew from 14 to more than 130 restaurants prior to being acquired by AmRest.

Malena is fluent in English, French and Spanish and holds a Business Administration and Management (ADE) degree from the ICADE School of Business and Economics.

PRO FORMA PROFIT STATEMENT

for the year ended 31 December 2024

$NZ000's	31 Dec 2024		vs Prior %	31 Dec 2023	
Store sales					
New Zealand	625,904		*9.5*	571,771	
Australia	309,930		*(0.0)*	310,050	
Hawaii	280,317		*7.9*	259,677	
California	177,447		*(1.8)*	180,689	
Total sales	**1,393,598**		***5.4***	**1,322,187**	
Other revenue	81,145		*11.1*	73,064	
Total operating revenue	**1,474,743**		***5.7***	**1,395,251**	
Cost of goods sold[1]	(1,224,463)		*(5.1)*	(1,165,352)	
Gross profit	**250,280**		***8.9***	**229,899**	
Distribution expenses[2]	(9,897)		*(4.1)*	(9,509)	
Marketing expenses[3]	(71,899)		*(5.0)*	(68,461)	
General and administration expenses[4]	(66,587)		*0.9*	(67,186)	
Other items	(8,022)		*(30.8)*	(6,131)	
Operating profit	**93,875**		***19.4***	**78,612**	
Financing expenses	(57,042)		*(1.5)*	(56,193)	
Net profit before taxation	**36,833**		***64.3***	**22,419**	
Taxation expense	(10,305)		*(67.4)*	(6,156)	
NPAT	**26,528**		***63.1***	**16,263**	
		% sales			% sales
Store EBITDA before G&A, NZ IFRS 16 and other items					
New Zealand	104,033	*16.6*	*29.3*	80,482	*14.1*
Australia	35,218	*11.4*	*(6.8)*	37,796	*12.2*
Hawaii	47,388	*16.9*	*5.2*	45,040	*17.3*
California	7,673	*4.3*	*(49.0)*	15,059	*8.3*
Total Store EBITDA before G&A, NZ IFRS 16 and other items	**194,312**	***13.9***	***8.9***	**178,377**	***13.5***
Ratios					
Net tangible assets per security (net tangible assets divided by number of shares) in cents	36.4			24.2	

1 Cost of goods sold are direct costs of operating stores: food, paper, freight, labour and store overheads.
2 Distribution expenses are costs of distributing product from store.
3 Marketing expenses are order centre, advertising and local store marketing expenses.
4 General and administration expenses (G&A) are non-store related overheads.

NON-GAAP FINANCIAL MEASURES

for the year ended 31 December 2024

The Group results are prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and comply with International Financial Reporting Standards Accounting Standards ("IFRS Accounting Standards") and New Zealand International Financial Reporting Standards ("NZ IFRS"). These financial statements include a non-NZ GAAP financial measure that is not prepared in accordance with NZ IFRS. The non-NZ GAAP financial measure used in this presentation is as follows:

Store EBITDA before General and Administration (G&A) expenses, NZ IFRS 16 and other items. The Group calculates Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") before G&A, NZ IFRS 16 and other items by taking net profit before taxation and adding back (or deducting) financing expenses, other items, depreciation, amortisation, NZ IFRS 16 and G&A. The Group also refers to this measure as Store EBITDA before G&A and other items. This measure provides the results of the Group's core operating business and excludes those costs not directly attributable to stores.

The term **Store** refers to the Group's 10 operating divisions comprising the four New Zealand brands (KFC, Pizza Hut, Taco Bell and Carl's Jr.), the two Australia brands (KFC and Taco Bell), the two Hawaii brands (Taco Bell and Pizza Hut) and the two California brands (KFC and Taco Bell). The term **G&A** represents non-store related overheads.

The Group believes that this non-NZ GAAP measure provides useful information to readers to assist in the understanding of the financial performance and position of the Group, but it should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with IFRS and NZ IFRS. This non-NZ GAAP measure as reported by the Group may not be comparable to similarly titled amounts reported by other companies.

The following is a reconciliation between this non-GAAP measure and net profit after taxation:

$NZ000's	31 Dec 2024	31 Dec 2023
Store EBITDA before G&A, NZ IFRS 16 and other items	**194,312**	**178,377**
Depreciation	(50,118)	(46,717)
Net loss on sale of property, plant and equipment (included in depreciation)	(1,364)	(909)
Lease depreciation	(43,669)	(42,615)
Lease costs	68,177	65,558
Amortisation (included in cost of sales)	(9,701)	(10,071)
G&A expenses	(56,625)	(58,880)
Gain on lease termination	885	-
Net impairment	(7,845)	(8,985)
Other items	(177)	2,854
Operating profit	**93,875**	**78,612**
Financing expenses	(57,042)	(56,193)
Net profit before taxation	**36,833**	**22,419**
Taxation expense	(10,305)	(6,156)
NPAT	**26,528**	**16,263**

Financial statements

for the year ended 31 December 2024

Contents

Restaurant Brands New Zealand Limited is pleased to present its financial statements.
The results are for the year ended 31 December 2024 as compared to the year ended 31 December 2023.
Note disclosures are grouped into five sections which the Directors consider most relevant when evaluating the financial performance and position of the Group.

Section	Note Reference
Performance	1 to 4
Funding and equity	5 to 8
Working capital	9 to 13
Long term assets	14 to 16
Other notes	17 to 26

Material accounting policies which are relevant to an understanding of the financial statements and which summarise the measurement basis used are provided throughout the notes and are denoted by the highlight surrounding the text.

Directors' statement

for the year ended 31 December 2024

The Directors of Restaurant Brands New Zealand Limited (the Company) are pleased to present the consolidated financial statements for Restaurant Brands and its subsidiaries (together the Group) for the year ended 31 December 2024 contained on pages 37- 74.

Consolidated financial statements for each financial period fairly present the consolidated financial position of the Group and its consolidated financial performance and cash flows for that period and have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and all relevant consolidated financial reporting and accounting standards have been followed.

Proper accounting records have been kept that enable, with reasonable accuracy, the determination of the consolidated financial performance and position of the Group and facilitate compliance of the consolidated financial statements with the Financial Markets Conduct Act 2013.

Adequate steps have been taken to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

The Directors hereby approve and authorise for issue the consolidated financial statements for the year ended 31 December 2024.

For and on behalf of the Board:

José Parés
Chairman
27 February 2025

Emilio Fullaondo
Director
27 February 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2024

$NZ000's	Note	31 Dec 2024	31 Dec 2023
Store sales revenue	1,2	1,393,598	1,322,187
Other revenue	1,2	81,145	73,064
Total operating revenue		**1,474,743**	**1,395,251**
Cost of goods sold		(1,224,463)	(1,165,352)
Gross profit		**250,280**	**229,899**
Distribution expenses		(9,897)	(9,509)
Marketing expenses		(71,899)	(68,461)
General and administration expenses		(66,587)	(67,186)
Other income	2	1,021	4,700
Other expenses	2	(9,043)	(10,831)
Operating profit		**93,875**	**78,612**
Financing expenses		(57,042)	(56,193)
Profit before taxation		**36,833**	**22,419**
Taxation expense	17	(10,305)	(6,156)
Profit after taxation attributable to shareholders		**26,528**	**16,263**
Other comprehensive income:			
Exchange differences on translating foreign operations		19,899	955
Other comprehensive income		**19,899**	**955**
Total comprehensive income attributable to shareholders		**46,427**	**17,218**
Basic and diluted earnings per share (cents)	3	21.26	13.04

The accompanying material accounting policy information and notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

$NZ000's	Note	Share capital	Foreign currency translation reserve	Retained earnings	Total
For the year ended 31 December 2023					
Balance at 1 January 2023		**154,565**	**8,935**	**129,684**	**293,184**
Profit					
Profit after taxation attributable to shareholders		-	-	16,263	16,263
Other comprehensive income					
Movement in foreign currency translation reserve		-	955	-	955
Total other comprehensive income		-	**955**	-	**955**
Total comprehensive income		-	**955**	**16,263**	**17,218**
Transactions with owners					
Net dividends distributed		-	-	(19,961)	(19,961)
Total transactions with owners		-	-	**(19,961)**	**(19,961)**
Balance as at 31 December 2023	8	**154,565**	**9,890**	**125,986**	**290,441**
For the year ended 31 December 2024					
Balance at 1 January 2024		**154,565**	**9,890**	**125,986**	**290,441**
Profit					
Profit after taxation attributable to shareholders		-	-	26,528	26,528
Other comprehensive income					
Movement in foreign currency translation reserve		-	19,899	-	19,899
Total other comprehensive income		-	**19,899**	-	**19,899**
Total comprehensive income		-	**19,899**	**26,528**	**46,427**
Transactions with owners					
Net dividends distributed		-	-	(22,457)	(22,457)
Total transactions with owners		-	-	**(22,457)**	**(22,457)**
Balance as at 31 December 2024	8	**154,565**	**29,789**	**130,057**	**314,411**

The accompanying material accounting policy information and notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

$NZ000's	Note	31 Dec 2024	31 Dec 2023
Non-current assets			
Property, plant and equipment	14	358,286	341,773
Land held for development	12	8,461	12,431
Right of use assets	15	608,015	587,649
Sub-lease receivable		2,971	878
Intangible assets	16	368,883	349,216
Deferred tax assets	17	63,377	54,187
Total non-current assets		**1,409,993**	**1,346,134**
Current assets			
Inventories	9	19,022	19,761
Trade and other receivables	10	26,404	23,739
Income tax receivable		5,246	4,600
Cash and cash equivalents	11	30,834	31,584
Total current assets		**81,506**	**79,684**
Total assets		**1,491,499**	**1,425,818**
Equity attributable to shareholders			
Share capital	8	154,565	154,565
Reserves	8	29,789	9,890
Retained earnings		130,057	125,986
Total equity attributable to shareholders		**314,411**	**290,441**
Non-current liabilities			
Provisions	18	6,027	5,354
Deferred income	19	188	477
Loans	5	284,120	288,962
Lease liabilities	15	708,646	674,304
Total non-current liabilities		**998,981**	**969,097**
Current liabilities			
Income tax payable		5,895	-
Trade and other payables	13	134,938	131,339
Provisions	18	1,871	1,689
Lease liabilities	15	34,509	31,984
Deferred income	19	894	1,268
Total current liabilities		**178,107**	**166,280**
Total liabilities		**1,177,088**	**1,135,377**
Total equity and liabilities		**1,491,499**	**1,425,818**

The accompanying material accounting policy information and notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2024

$NZ000's	Note	31 Dec 2024	31 Dec 2023
Cash flow from operating activities			
Cash was provided by / (applied to):			
Receipts from customers		1,471,507	1,394,168
Payments to suppliers and employees		(1,269,222)	(1,197,705)
Interest paid		(21,483)	(20,071)
Interest paid on leases	15	(36,227)	(35,303)
Payment of income tax		(11,942)	(13,252)
Net cash from operating activities		**132,633**	**127,837**
Cash flow from investing activities			
Cash was provided by / (applied to):			
Payment for intangible assets		(588)	(1,562)
Purchase of property, plant and equipment		(56,914)	(79,359)
Purchase of land held for development		-	(5,347)
Proceeds from disposal of property, plant and equipment		4,049	1,545
Net cash used in investing activities		**(53,453)**	**(84,723)**
Cash flow from financing activities			
Cash was provided by / (applied to):			
Proceeds from loans		181,702	444,535
Repayment of loans		(209,127)	(436,876)
Dividends paid to shareholders	4	(22,457)	(19,961)
Payments for lease principal		(31,950)	(29,462)
Net cash used in financing activities		**(81,832)**	**(41,764)**
Net (decrease)/increase in cash and cash equivalents		**(2,652)**	**1,350**
Foreign exchange movements		1,902	365
Cash and cash equivalents at beginning of the year		31,584	29,869
Cash and cash equivalents at the end of the year		**30,834**	**31,584**
Cash and cash equivalents comprise:			
Cash on hand	11	728	691
Cash at bank	11	30,106	30,893
		30,834	**31,584**

The accompanying material accounting policy information and notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

for the year ended 31 December 2024

$NZ000's	Note	31 Dec 2024	31 Dec 2023
Reconciliation of profit after taxation with net cash from operating activities:			
Total profit after taxation attributable to shareholders		**26,528**	**16,263**
Add items classified as investing activities:			
Loss on disposal of property, plant and equipment	14	621	1,948
Loss on disposal of intangibles		468	-
		1,089	**1,948**
Add / (less) non-cash items:			
Depreciation	14, 15	93,787	89,332
Lease termination		(885)	(792)
Increase in provisions		856	667
Amortisation of intangible assets	16	9,701	10,071
Impairment on property, plant and equipment	14	7,385	6,861
Impairment on intangible assets	16	460	2,124
Net increase in deferred tax assets	17	(7,295)	(10,520)
		104,009	**97,743**
Add / (less) movement in working capital:			
Decrease in inventories		1,038	5,388
Increase in trade and other receivables		(1,424)	(7,167)
(Decrease)/increase in trade and other payables		(4,265)	10,239
Increase in income tax payable		5,658	3,423
		1,007	**11,883**
Net cash from operating activities		**132,633**	**127,837**
Reconciliation of movement in loans			
Opening balance		288,962	280,281
Net (repayments)/proceeds from loans		(27,425)	7,659
Decrease in prepaid facility costs		121	143
Foreign exchange movement		22,462	879
Closing balance	5	**284,120**	**288,962**

The accompanying material accounting policy information and notes form an integral part of the consolidated financial statements.

Notes to and forming part of the consolidated financial statements

for the year ended 31 December 2024

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 Limited 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, California, and Hawaii (including Saipan and Guam).

Restaurant Brands New Zealand Limited is registered under the Companies Act 1993 and is an FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The address of its registered office is Level 3, Building 7, Central Park, 666 Great South Road, Penrose, Auckland. The Company is listed on the New Zealand Stock Exchange ("NZX") and the Australian Securities Exchange ("ASX"). The Group is designated as a for-profit entity for financial reporting purposes.

Subsidiaries of the Company are as follows:

Name	Nature
Restaurant Brands Limited	Restaurant operating
Restaurant Brands Australia Pty Limited	Restaurant operating
QSR Pty Limited	Restaurant operating
Taco Aloha Inc.	Restaurant operating
Hawaii Pizza Hut Inc.	Restaurant operating
Pizza Hut of Guam, Inc.	Restaurant operating
Pizza Hut of Saipan, Inc.	Restaurant operating
TB Guam Inc.	Restaurant operating
RBD California Restaurants Limited	Restaurant operating
RBD US Holdings Limited	Investment holding
Pacific Island Restaurants Inc.	Investment holding
TD Food Group Inc.	Investment holding
RB Holdings Limited	Investment holding
RBP Holdings Limited	Investment holding
RBDNZ Holdings Limited	Investment holding
RBN Holdings Limited	Investment holding
Restaurant Brands Australia Holdings Pty Limited	Investment holding
Restaurant Brands Properties Limited	Property holding
Restaurant Brands Nominees Limited	Non-trading
Restaurant Brands Pizza Limited	Non-trading

BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with:
- New Zealand Generally Accepted Accounting Practice ("NZ GAAP")
- Part 7 of the Financial Markets Conduct Act 2013
- NZX Main Board Listing Rules

They comply with New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS"), NZ IFRIC interpretations, and other applicable Financial Reporting Standards, as appropriate for a for-profit entity. The consolidated financial statements comply with International Financial Reporting Standards Accounting Standards ("IFRS Accounting Standards") as issued by the IASB.

The measurement basis adopted in the preparation of these consolidated financial statements is historical cost, and when applicable modified by the revaluation of certain financial instruments as identified in the accompanying notes. The consolidated financial statements are presented in New Zealand dollars, rounded where necessary to the nearest thousand dollars. The material accounting policies applied in the preparation of these consolidated financial statements are set out in the accompanying notes including where an accounting policy choice is provided by NZ IFRS, is new or has changed, is specific to the Group's operations or is material. These policies have been consistently applied to all the periods presented, unless otherwise stated.

These audited consolidated financial statements were authorised for issue on 27 February 2025 by the Board of Directors who do not have the power to amend afterwards.

New disclosure requirements and changes in accounting policies

There are various standards, amendments and interpretations which are published but not yet effective and were assessed as having an immaterial impact on the Group. There are no NZ IFRS, NZ IFRIC interpretations or other applicable IFRS Accounting Standards that are effective for the first time for the financial year beginning on or after 1 January 2024 that had a material impact on these consolidated financial statements.

In May 2024, the External Reporting Board introduced NZ IFRS 18 Presentation and Disclosure in Financial Statements (NZ IFRS 18) (effective for annual reporting periods beginning on or after 1 January 2027). This standard replaces NZ IAS 1 and primarily introduces a defined structure for the statement of comprehensive income, disclosure of management-defined performance measures (a subset of non-GAAP measures) in a single note, together with reconciliation requirements. The Group has not early adopted this standard and is yet to assess its impacts.

On 14 December 2022 the External Reporting Board (XRB) published its climate-related disclosure standards. The mandatory reporting regime for disclosing risk in the annual report is for reporting periods beginning after 1 January 2023. Climate-related disclosures will be reported on or before 30 April 2025 as per the blanket exemption issued during the reporting period.

Expected changes to income tax legislation

On 8 October 2021, 136 countries, which are part of the OECD/G20 Inclusive Framework (IF), reached an agreement for a two-pillar approach to international tax reform ("OECD agreement"). In May 2023 the New Zealand Government has announced that New Zealand will adopt the OECD-led global tax initiative aimed at ensuring large multinationals pay a minimum tax rate of 15.0% in participating countries. The OECD agreement is likely to see changes in corporate tax rates in a number of countries in the next few years.

Applying the OECD Pillar Two model rules and determining their impact on the NZ IFRS financial statements is complex and poses a number of practical challenges. It is not immediately apparent how entities would apply the principles and requirements in NZ IAS 12 Income Taxes in accounting for top-up tax arising from the Pillar Two model rules – specifically, whether the recognition and measurement of deferred tax assets and liabilities would be impacted. If deferred tax assets and liabilities would be impacted by the rules, this would be from the date when the relevant national legislation is enacted or substantively enacted.

As at 31 December 2024, the Pillar Two requirements have been enacted in Australia and New Zealand. However in New Zealand the rules are effective from 1 January 2025. The Group is closely monitoring the enaction process in jurisdictions where it operates and its potential impact on the Group operations and the consolidated financial statements. Further details are disclosed in note 17.

Use of non-GAAP measures within the consolidated financial statements

The consolidated financial statements include non-GAAP financial measures that are not prepared in accordance with NZ IFRS. The non-GAAP financial measures used in the consolidated financial statements are referenced below along with an explanation as to why these measures provide relevant and reliable information for investors and how the Group uses the information internally:

- Store EBITDA before General and Administration expenses (G&A), NZ IFRS 16 and other items. The Group calculates Earnings Before Interest, Tax, Depreciation, Amortisation ("EBITDA") before G&A, NZ IFRS 16 and other items by taking net profit before taxation and adding back (or deducting) financing expenses, other items, depreciation, amortisation, NZ IFRS 16 and G&A. The Group also refers to this measure as Store EBITDA before G&A and other items. This measure provides the results of the Group’s core operating business and excludes those costs not directly attributable to stores.
- Capital expenditure including intangible assets – This represents additions to property, plant and equipment and intangible assets. This measure represents the amount of investment in the business and is therefore a useful measure to assist the understanding of the Group’s financial position.
- Other items – These relate to non-core business items disclosed as other income and other expenses as set out in note 2.

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, however, 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. These non-GAAP measures are used by management in making the business decisions for the Group as shown in note 1.

Judgements and estimates

Material accounting policy information and critical estimates and assumptions are disclosed in the relevant notes to the consolidated financial statements and identified using coloured boxes. By definition these will seldom equal the actual results. Estimates and judgements are continually assessed, and are based on professional experience and various factors, including expectations of future events, that are deemed to be justified in given circumstances. Revisions to estimates are recognised prospectively.

Climate change

All companies face risks and opportunities derived from the climate and are having to make strategic decisions in this area. The Group continues to monitor its exposure to climate related risk and related regulatory requirements. The Group's Environmental, Social and Governance (ESG) Management Committee assesses the relevant climate risks that impact the business in conjunction with climate-related disclosure requirements that became effective in 2023. The impacts of climate risks on the consolidated financial statements are broad and potentially complex and will depend on the specific risks of the sector. When the future is analysed, probability scenarios are presented where not only the physical consequences of climate change are assessed, but also the changes in environmental regulations to face it. Both physical risks such as susceptibility of stores and other key locations to rising sea levels and flooding, and transitional risks pose a number of threats and opportunities to overall financial stability, potentially influencing financial markets in the future. The Group has performed an initial assessment of potential climate-related risks and the location of the restaurants and other key operations in each region that it operates in. This included considering whether there are any short to medium term impact on the recognised assets of the Group arising from climate-related risks. The Group concluded that there is no material impact on the consolidated financial statements.

PERFORMANCE

1. SEGMENTAL REPORTING

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

The Group evaluates performance and allocates resources to its operating segments on the basis of segment assets, segment revenues, Store EBITDA before G&A, NZ IFRS 16, other items, and operating profit. Operating profit refers to earnings before financing expenses and taxation expense. Revenue is from external customers.

Segment assets include items directly attributable to the segment. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill. The Group has not disclosed segment liabilities as the chief operating decision makers evaluate performance and allocate resources purely on the basis of aggregated Group liabilities.

31 December 2024 $NZ000's	New Zealand	Australia	Hawaii	California	Corporate support function	Total
Business segment						
Store sales revenue	625,904	309,930	280,317	177,447	-	1,393,598
Other revenue	78,449	-	2,690	6	-	81,145
Total operating revenue	**704,353**	**309,930**	**283,007**	**177,453**	**-**	**1,474,743**
Store EBITDA before G&A expenses, NZ IFRS 16 and other items	**104,033**	**35,218**	**47,388**	**7,673**	**-**	**194,312**
G&A expenses	(14,858)	(14,275)	(12,579)	(11,411)	(3,502)	(56,625)
	89,175	**20,943**	**34,809**	**(3,738)**	**(3,502)**	**137,687**
Other income	-	-	903	118	-	1,021
Other expenses	-	(453)	-	(745)	-	(1,198)
Impairment charges	(306)	(6,011)	(346)	(1,182)	-	(7,845)
Depreciation	(23,644)	(14,046)	(9,045)	(4,732)	(15)	(51,482)
Amortisation	(1,024)	(1,194)	(1,539)	(5,790)	(154)	(9,701)
Adjustments for NZ IFRS 16	10,806	6,916	3,074	4,597	-	25,393
Operating profit/(loss)	**75,007**	**6,155**	**27,856**	**(11,472)**	**(3,671)**	**93,875**
Financing expenses	(15,249)	(16,490)	(6,300)	(19,002)	(1)	(57,042)
Taxation expense	(18,005)	3,337	(2,470)	5,805	1,028	(10,305)
Net profit/(loss) after taxation (NPAT)	**41,753**	**(6,998)**	**19,086**	**(24,669)**	**(2,644)**	**26,528**
Current assets	38,608	12,280	14,339	16,279	-	81,506
Non-current assets excluding deferred tax	369,202	360,110	314,036	303,268	-	1,346,616
Total assets excluding deferred tax	**407,810**	**372,390**	**328,375**	**319,547**	**-**	**1,428,122**
Capital expenditure including intangible assets	**35,946**	**12,800**	**6,093**	**1,930**	**-**	**56,769**

31 December 2023 $NZ000's	New Zealand	Australia	Hawaii	California	Corporate support function	Total
Business segment						
Store sales revenue	571,771	310,050	259,677	180,689	-	1,322,187
Other revenue	71,039	423	1,493	109	-	73,064
Total operating revenue	**642,810**	**310,473**	**261,170**	**180,798**	**-**	**1,395,251**
Store EBITDA before G&A expenses, NZ IFRS 16 and other items	**80,482**	**37,796**	**45,040**	**15,059**	**-**	**178,377**
G&A expenses	(15,389)	(15,298)	(11,922)	(10,934)	(5,337)	(58,880)
	65,093	**22,498**	**33,118**	**4,125**	**(5,337)**	**119,497**
Other income	-	1,529	3,171	-	-	4,700
Other expenses	-	(595)	-	(1,251)	-	(1,846)
Impairment charges	13	(2,596)	(559)	(5,843)	-	(8,985)
Depreciation	(20,677)	(13,570)	(8,947)	(4,414)	(18)	(47,626)
Amortisation	(1,095)	(1,165)	(1,405)	(6,252)	(154)	(10,071)
Adjustments for NZ IFRS 16	9,960	6,325	2,821	3,837	-	22,943
Operating profit/(loss)	**53,294**	**12,426**	**28,199**	**(9,798)**	**(5,509)**	**78,612**
Financing expenses	(15,143)	(16,187)	(7,024)	(17,803)	(36)	(56,193)
Taxation expense	(11,379)	530	(5,486)	8,626	1,553	(6,156)
NPAT	**26,772**	**(3,231)**	**15,689**	**(18,975)**	**(3,992)**	**16,263**
Current assets	34,805	17,402	17,370	10,107	-	79,684
Non-current assets excluding deferred tax	351,564	367,547	287,112	285,724	-	1,291,947
Total assets excluding deferred tax	**386,369**	**384,949**	**304,482**	**295,831**	**-**	**1,371,631**
Capital expenditure including intangible assets	**42,813**	**20,623**	**10,174**	**12,170**	**-**	**85,780**

The G&A expenses in the segmental reporting note include EBITDA related to transactions with Independent Franchisees of $9.5 million (Dec 2023: $7.7 million) and exclude depreciation and amortisation expense of $0.8 million (Dec 2023: $0.9 million) and NZ IFRS 16 adjustments of $0.3 million (Dec 2023: $0.3 million).

2. REVENUE AND EXPENSES

Revenue

Store sales revenue

Store sales revenue from the sale of goods is recognised at point of sale, measured at the fair value of the consideration received, net of returns, discounts, and excluding Goods and Services Tax (GST), and Sales Tax in California and Hawaii.

Other revenue

Other revenue includes sale of goods and services to independent franchisees. Sale of goods, including cost of freight, are recognised similar to store sales revenue. Sale of services is recognised over time as the independent franchisee simultaneously receives and consumes the benefit provided by the Group. Royalties received are based on the revenue generated by the independent franchisees, recognised over time.

Also included in other revenue is revenue related to the sale of new stores developed and constructed under contract to franchisees. Under the terms of the contracts, the Group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue from construction of stores is therefore recognised over time using a cost-to-cost method (i.e. based on the portion of the contracted costs incurred for work performed to date relative to the estimated total cost).

Operating expenses

Royalties paid

$NZ000's	31 Dec 2024	31 Dec 2023
Royalties paid	82,250	78,126

Royalties are recognised as an expense as revenue is earned.

Wages and salaries

$NZ000's	31 Dec 2024	31 Dec 2023
Wages and salaries	400,715	373,860
(Decrease) / increase in liability for long service leave	(224)	58
	400,491	**373,918**

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Lease expenses

$NZ000's	31 Dec 2024	31 Dec 2023
Lease expenses	9,548	10,954

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

Other income

$NZ000's	31 Dec 2024	31 Dec 2023
Net insurance recovery	903	4,700
Other	118	-
Total other income	**1,021**	**4,700**

Insurance Recovery

The current year amount relates to additional insurance proceeds received in 2024 regarding the Maui wildfires in Hawaii.

Other expenses

$NZ000's	31 Dec 2024	31 Dec 2023
Net impairment of property, plant and equipment, and intangible assets	7,845	8,985
Store closures	746	596
Other	452	1,250
Total other expenses	**9,043**	**10,831**

Store closures and net impairment of property, plant, and equipment and intangible assets

The Group continued to face challenges in the California and Australia divisions as a result of reduced household spending impacting sales and margins, and the 29% increase in the minimum wage in California. As part of the portfolio optimisation plan, four stores were closed in California which resulted in net assets write down of $0.7 million (Dec 2023: $0.6 million relating to one store closure in Australia). A detailed review of property, plant and equipment, intangible assets, and right of use assets of stores at the year end identified impairment indicators in several stores. Based on further analysis a net impairment charge of $7.8 million was recognised during the year (Dec 2023: $9.0 million).

3. EARNINGS PER SHARE

	31 Dec 2024	31 Dec 2023
Basic and diluted earnings per share		
Profit after taxation attributable to the shareholders ($NZ000's)	26,528	16,263
Weighted average number of shares on issue (000's)	124,759	124,759
Basic earnings per share (cents)	21.26	13.04

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS reflects any commitments the Company has to issue shares in the future that would decrease EPS. There are no commitments of this nature currently in place.

4. DIVIDEND DISTRIBUTIONS

$NZ000's	31 Dec 2024	31 Dec 2023
Final dividend paid April 2023 (16 cents per share)	-	19,961
Special dividend paid December 2024 (18 cents per share)	22,457	-
	22,457	**19,961**

FUNDING AND EQUITY

5. LOANS

$NZ000's	31 Dec 2024	31 Dec 2023
Secured bank loans denominated in:		
NZD	22,000	34,000
AUD	94,414	95,730
USD	168,037	159,684
Secured bank loans	**284,451**	**289,414**

A loan is classified as current if it is due for repayment within 12 months of the Group's year end.
As at 31 December 2024 the Group's loans are non-current.

Non-current	284,451	289,414
Secured bank loans	**284,451**	**289,414**

$NZ000's		
Secured bank loans	284,451	289,414
Less prepaid facility fees	(331)	(452)
Loan balance	**284,120**	**288,962**

Included in the loans balance in the consolidated statement of financial position is $0.3 million (Dec 2023: $0.5 million) relating to prepaid facility fees that are being amortised over the term of the loan facilities.

Facilities

On 15 December 2022 the Group renewed its bank facilities.

The facilities are split between NZD, USD and AUD tranches, most of the tranches are four-year terms with the remainder expiring in five years.

The Group has loan facilities in place totalling $405.1 million with the following financial institutions:

- Westpac Banking Corporation - $NZ20.0 million and $A70.0 million facility with $NZ12.0 million and $A42.0 million expiring on 14 December 2026 with the remaining $NZ8.0 million and $A28.0 million expiring on 14 December 2027,
- Bank of China - $NZ20.0 million and $A40.0 million facility with $NZ12.0 million and $A24.0 million expiring on 14 December 2026 with the remaining $NZ8.0 million and $A16.0 million expiring on 14 December 2027,
- J. P. Morgan - $US75.0 million facility with $US45.0 million expiring on 14 December 2026 with the remaining $US30.0 million expiring on 14 December 2027, and
- Rabobank - $NZ20.0 million and $US50.0 million facility with $NZ12.0 million and $US30.0 million expiring on 14 December 2026 with the remaining $NZ8.0 million and $US20.0 million expiring on 14 December 2027.

Security

The Group's AUD, USD and NZD loan facilities are supported by a Common Terms Deed entered into by Restaurant Brands New Zealand Limited and its subsidiary companies. The Common Terms Deed includes a negative pledge and cross guarantees between the guaranteeing subsidiaries in favour of qualifying lenders.

The Group also has indemnity guarantees of $4.0 million across various properties leased in Australia and an obligation to provide standby letters of credit totalling $4.5 million in California. The California letters of credit expired in April 2024 and have not yet been renewed.

The Group is subject to a number of externally imposed bank covenants as part of the terms of its secured bank loan facilities.

The most significant covenants relating directly to capital management are the ratio of total debt to earnings before interest, tax, depreciation and amortisation (EBITDA) and restrictions relating to acquiring its own shares.

The specific covenants relating to financial ratios the Group is required to meet under the facility agreements are:

- debt coverage ratio (i.e. net debt to EBITDA),
- fixed charge coverage ratio (EBITDAL[1] to fixed charges), with EBITDAL being EBITDA before lease costs, fixed charges comprising interest and lease costs,
- guaranteeing Group assets ratio (i.e. total guaranteeing Group tangible assets to total consolidated Group tangible assets), and
- guaranteeing Group earnings ratio (i.e. non-guaranteeing Group EBITDA to the consolidated Group EBITDA).

These ratios exclude the impact of NZ IFRS 16 – Leases but include lease payments treated as operating expenses (as was the treatment prior to the adoption of NZ IFRS 16).

The covenants are reported to the bank on a six monthly basis, whilst the Board reviews covenant compliance on a monthly basis.

There have been no breaches of the covenants during the current financial year (Dec 2023: no breaches). There are also no forecast breaches of covenants.

For more information about the Group's exposure to interest rate and foreign currency risk see note 7.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value, if any, is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Financing expenses

$NZ000's	31 Dec 2024	31 Dec 2023
Financing expenses - leases (NZ IFRS 16)	36,227	35,302
Financing expenses - bank	20,815	20,891
Financing expenses	**57,042**	**56,193**

Financing expenses comprise: interest payable on borrowings calculated using the effective interest rate method; interest received on funds invested calculated using the effective interest rate method; lease interest (note 15); foreign exchange gains and losses; gains and losses on certain financial instruments that are recognised in profit or loss in the consolidated statement of comprehensive income; unwinding of the discount on provisions and impairment losses on financial assets.

[1] Earnings Before Interest, Tax, Depreciation, Amortisation and Lease costs. EBITDAL measure is used by the banks, with the Group's total fixed charge coverage ratio based on this figure.

6. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets

The Group classifies its financial assets as those to be measured at amortised cost (loans, receivables, and cash), and those to be measured subsequently at fair value either through OCI or through profit or loss.

Financial assets held at amortised cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the consolidated statement of financial position date. These are classified as non-current assets. The Group's loans and receivables comprise trade receivables, other receivables and cash and cash equivalents in the consolidated statement of financial position.

Financial assets that are stated at cost or amortised cost are reviewed individually once a year date to determine whether there is objective evidence of impairment. Any impairment losses are recognised in profit or loss in the consolidated statement of comprehensive income.

Financial liabilities

Loans and borrowings are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost, and trade and other payables which are initially recognised at fair value and subsequently measured at amortised cost.

Financial instruments

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Group's contractual rights to the cash flows from the financial assets expire or when the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised when the Group's obligations specified in the contract expire or are discharged or cancelled.

Derivative financial instruments

The Group might use derivative financial instruments to manage the exposures that arise due to movements in foreign currency exchange rates and interest rates arising from operational, financing and investment activities. The Group does not hold derivative financial instruments for trading purposes. Derivatives that do not qualify for hedge accounting are accounted for at fair value through profit or loss. The Group did not have any derivative financial instruments as at 31 December 2024 (Dec 2023: nil).

Financial assets and financial liabilities at amortised cost by category

$NZ000's	31 Dec 2024	31 Dec 2023
Loans and receivables at amortised cost		
Trade receivables	11,608	12,135
Other receivables	4,500	3,372
Cash and cash equivalents	30,834	31,584
	46,942	**47,091**
Financial liabilities at amortised cost		
Loans (excluding prepaid facility fees)	284,451	289,414
Trade and other payables (excluding indirect and other taxes and employee benefits)	91,724	89,583
	376,175	**378,997**

7. FINANCIAL RISK MANAGEMENT

Exposure to market risk (credit, interest rate and foreign currency risk) as well as liquidity and capital risk, 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.

(a) Foreign currency risk

The Group is exposed to foreign currency risk on purchases that are denominated in a currency other than the New Zealand dollar. The currencies giving rise to this risk are primarily Australian dollars and United States dollars.

The direct exposure to foreign currency risk is small and is primarily confined to raw material purchases, some items of property, plant and equipment and some franchise fee payments. Where any one item is significant, and considering specific circumstances, the Group may assess hedging its currency risk exposure.

The Group has an indirect exposure to foreign currency risk on some of its locally sourced ingredients, where those ingredients in turn have a high imported component. Where this is significant the Group contracts to a known purchase price with its domestic supplier based on a forward cover position taken by that supplier on its imported components.

The Group has a foreign currency risk on its assets and liabilities that are denominated in Australian and US dollars as part of its Australia and US investments.

There is currently no hedging cover in place.

(b) Interest rate risk

The Group's main interest rate risk arises from bank loans. The Group's loans are at fixed interest rates with terms up to 90 days. The interest rates are reset at the end of each term. As such, at balance date, the Group's loans of $284.5 million (Dec 2023: $289.4 million) are exposed to repricing within the next 12 months. Based on a number of scenarios, the Group calculates the impact on profit or loss of a defined interest rate shift. Based on these scenarios the maximum loss potential is assessed by management as to whether it is within acceptable limits.

Where necessary the Group may hedge its exposure to changes in interest rates primarily through the use of interest rate swaps. There are guidelines as to the minimum prescribed level of hedging (zero to 100 percent), set out by the Board, however the Board reviews all swaps before they are entered into. The Group did not have any derivative financial instruments as at 31 December 2024 (Dec 2023: nil).

(c) Liquidity risk

In respect of the Group's cash balances and non-derivative financial liabilities, the following table analyses the amounts into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date, along with their effective interest rates at balance date. The amounts disclosed in the table are the contractual undiscounted cash flows.

$NZ000's	Effective interest rates	Total	Less than 1 year	Between 1 and 5 years
31 Dec 2024				
Cash on hand	-	728	728	-
Cash at bank	3.75%	30,106	30,106	-
Bank term loan - principal (NZD)	7.63%	(22,000)	-	(22,000)
Bank term loan - principal (AUD)	6.47%	(94,414)	-	(94,414)
Bank term loan - principal (USD)	6.37%	(168,037)	-	(168,037)
Bank term loan - expected interest	6.50%	(52,119)	(18,141)	(33,978)
Trade and other payables (excluding indirect and other taxes and employee benefits)	-	(91,724)	(91,724)	-
		(397,460)	**(79,031)**	**(318,429)**

$NZ000's	Effective interest rates	Total	Less than 1 year	Between 1 and 5 years
31 Dec 2023				
Cash on hand	-	691	691	-
Cash at bank	5.00%	30,893	30,893	-
Bank term loan - principal (NZD)	8.28%	(34,000)	-	(34,000)
Bank term loan - principal (AUD)	6.50%	(95,730)	-	(95,730)
Bank term loan - principal (USD)	7.34%	(159,684)	-	(159,684)
Bank term loan - expected interest	7.17%	(79,396)	(20,522)	(58,874)
Trade and other payables (excluding indirect and other taxes and employee benefits)	-	(89,583)	(89,583)	-
		(426,809)	**(78,521)**	**(348,288)**

Prudent liquidity risk management implies the availability of funding through adequate amounts of committed credit facilities. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

The Group has a negative working capital balance as the nature of the business results in most sales conducted on a cash basis. The Group has bank funding facilities, excluding overdraft facilities, of $405.1 million (Dec 2023: $376.1 million) available at variable rates. The amount undrawn at 31 December 2024 was $120.7 million (Dec 2023: $86.7 million) and therefore the Group has the ability to fully pay debts as they fall due.

The Group has lease liabilities with future cash payments as disclosed in the table below:

$NZ000's	31 Dec 2024	31 Dec 2023
Within one year	71,083	65,827
One to five years	290,985	252,695
Beyond five years	872,128	838,967
	1,234,196	**1,157,489**

This includes future lease options that the Group currently expects to exercise and is not discounted for the future nature of payments, therefore, the amounts in the table do not reflect the Group's future contractual minimum payments.

(d) Credit risk

Credit risk arises from cash deposits with banks and financial institutions and outstanding trade and other receivables.

No collateral is required in respect of financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The nature of the business results in most sales being conducted on a cash basis that significantly reduces the risk that the Group is exposed to. The Group's bankers are used for investing and cash handling purposes.

There were no financial assets past due nor impaired at the balance date (Dec 2023: nil).

At 31 December 2024 there were no significant concentrations of credit risk and the maximum exposure to credit risk is represented by the carrying value of each financial asset in the consolidated statement of financial position (Dec 2023: nil).

(e) Fair values and set-off

The carrying values of bank loans are the fair value of these liabilities. A Group set-off arrangement is in place between certain bank accounts operated by the Group.

Sensitivity analysis

In managing interest rate and currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, however, permanent changes in foreign exchange and interest rates on a weighted average balance will have an impact on profit.

At 31 December 2024 it is estimated that a general increase of one percentage point in interest rates would decrease the Group profit before income tax by approximately $2.8 million (Dec 2023: $2.9 million), however equity would decrease by $2.1 million (Dec 2023: $2.2 million). A one percentage point decrease in interest rates would increase the Group profit before income tax by approximately $2.8 million (Dec 2023: $2.9 million), however equity would increase by $2.1 million (Dec 2023: $2.2 million).

A general increase of one percentage point in the value of the New Zealand dollar against other foreign currencies would have minimal impact on the cost of the Group's directly imported ingredients denominated in foreign currencies.

(f) Capital risk management

The Group's capital comprises share capital, reserves and retained earnings.

The Group's objectives when managing capital are to safeguard the Group's ability to continue to operate as a going concern, and to maintain an optimal capital structure commensurate with risk and return and reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares.

8. EQUITY AND RESERVES

Share capital

	31 Dec 2024 Number	31 Dec 2024 $NZ000's	31 Dec 2023 Number	31 Dec 2023 $NZ000's
Share capital	124,758,523	154,565	124,758,523	154,565

The issued and authorised capital of the Company represents ordinary fully paid up shares. The par value is nil (Dec 2023: nil).

All issued shares carry equal rights in respect of voting and the receipt of dividends, and upon winding up rank equally with regards to the Company's residual assets.

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

Foreign currency translation reserve

$NZ000's	31 Dec 2024	31 Dec 2023
Foreign currency translation reserve	29,789	9,890

The foreign currency translation reserve comprises all exchange rate differences arising from translating the financial statements of the foreign currency operations.

WORKING CAPITAL

9. INVENTORIES

$NZ000's	31 Dec 2024	31 Dec 2023
Raw materials and consumables	**19,022**	**19,761**

Inventories recognised as an expense during the period ended 31 December 2024 amounted to $405.8 million (Dec 2023: $403.5 million). This is included in cost of goods sold.

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price less the estimated costs of marketing, selling and distribution. The cost of inventories is based on the first-in first-out method and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location. The cost of inventories consumed is recognised as an expense and included in cost of goods sold in the consolidated statement of comprehensive income.

10. TRADE AND OTHER RECEIVABLES

$NZ000's	31 Dec 2024	31 Dec 2023
Trade receivables	11,608	12,135
Prepayments	10,296	8,232
Other receivables	4,500	3,372
	26,404	**23,739**
The carrying amount of the Group's trade and other receivables are denominated in the following currencies:		
NZD	13,686	10,205
AUD	4,587	6,960
USD	8,131	6,574
	26,404	**23,739**

The carrying value of trade and other receivables approximates fair value.

Trade and other receivables are initially recognised at fair value. They are subsequently adjusted for impairment losses when required. Discounting is not applied to receivables where collection is expected to occur within the next twelve months. The Group currently does not have trade receivables where collection is expected to occur beyond the next twelve months, therefore all are classified as current.

11. CASH AND CASH EQUIVALENTS

$NZ000's	31 Dec 2024	31 Dec 2023
Cash on hand	728	691
Cash at bank	30,106	30,893
	30,834	**31,584**
The carrying amount of the Group's cash and cash equivalents are denominated in the following currencies:		
NZD	9,820	8,494
AUD	6,153	8,147
USD	14,861	14,943
	30,834	**31,584**

Included in cash and cash equivalents are credit card receipts and delivery receipts that are in transit at balance date. The cash and cash equivalents disclosed above also include $2.0 million held by the Accident Fund Insurance Company of America. These funds are subject to regulatory restrictions and are therefore not available for general use by the Group entities.

12. LAND HELD FOR DEVELOPMENT

$NZ000's	31 Dec 2024	31 Dec 2023
Land held for development	**8,461**	**12,431**

As at 31 December 2024 there was $8.5 million relating to land in New Zealand that has been purchased for use in developing new stores in the future (Dec 2023: $12.4 million).

13. TRADE AND OTHER PAYABLES

$NZ000's	31 Dec 2024	31 Dec 2023
Trade payables	**59,081**	55,236
Other payables and accruals	**32,643**	34,347
Employee benefits	**30,531**	31,438
Indirect and other taxes	**12,683**	10,318
	134,938	**131,339**
The carrying amount of the Group's trade and other payables are denominated in the following currencies:		
NZD	**74,668**	74,859
AUD	**22,204**	23,507
USD	**38,066**	32,973
	134,938	**131,339**

The carrying value of trade payables and other payables approximates fair value.

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

LONG TERM ASSETS

14. PROPERTY, PLANT AND EQUIPMENT

$NZ000's	Land	Leasehold improvements	Plant, equipment and fittings	Motor vehicles	Capital work in progress	Total
Cost						
Balance as at 31 December 2022	**4,494**	**385,450**	**153,327**	**2,297**	**21,931**	**567,499**
Additions	-	-	-	-	78,871	78,871
Transfers from work in progress	-	51,049	26,005	330	(77,384)	-
Disposals	-	(7,107)	(4,192)	(316)	(212)	(11,827)
Movement in exchange rates	13	391	50	1	5	460
Balance as at 31 December 2023	**4,507**	**429,783**	**175,190**	**2,312**	**23,211**	**635,003**
Additions	-	-	-	-	58,851	58,851
Transfers from work in progress	2,670	23,459	29,634	315	(56,078)	-
Disposals	-	(25,739)	(17,814)	(213)	(129)	(43,895)
Movement in exchange rates	105	18,427	7,268	81	675	26,556
Balance as at 31 December 2024	**7,282**	**445,930**	**194,278**	**2,495**	**26,530**	**676,515**
Accumulated depreciation						
Balance as at 31 December 2022	**-**	**(161,905)**	**(81,383)**	**(1,564)**	**-**	**(244,852)**
Charge	-	(28,551)	(17,786)	(380)	-	(46,717)
Disposals	-	4,511	2,258	281	-	7,050
Movement in exchange rates	-	15	32	(1)	-	46
Balance as at 31 December 2023	**-**	**(185,930)**	**(96,879)**	**(1,664)**	**-**	**(284,473)**
Charge	-	(31,578)	(18,255)	(285)	-	(50,118)
Disposals	-	21,505	16,760	211	-	38,476
Movement in exchange rates	-	(5,424)	(3,837)	(58)	-	(9,319)
Balance as at 31 December 2024	**-**	**(201,427)**	**(102,211)**	**(1,796)**	**-**	**(305,434)**
Impairment						
Balance as at 31 December 2022	**-**	**(3,174)**	**(171)**	**-**	**-**	**(3,345)**
Utilised/disposed	-	1,368	6	-	(56)	1,318
Impairment created	-	(5,701)	(1,085)	-	(75)	(6,861)
Movement in exchange rates	-	96	31	-	4	131
Balance as at 31 December 2023	**-**	**(7,411)**	**(1,219)**	**-**	**(127)**	**(8,757)**
Utilised/disposed	-	2,511	1,348	-	131	3,990
Impairment created	-	(7,209)	(176)	-	-	(7,385)
Movement in exchange rates	-	(590)	(49)	-	(4)	(643)
Balance as at 31 December 2024	**-**	**(12,699)**	**(96)**	**-**	**-**	**(12,795)**
Carrying amounts						
Balance as at 31 December 2022	4,494	220,371	71,773	733	21,931	319,302
Balance as at 31 December 2023	4,507	236,442	77,092	648	23,084	341,773
Balance as at 31 December 2024	**7,282**	**231,804**	**91,971**	**699**	**26,530**	**358,286**

Depreciation expense

$NZ000's	31 Dec 2024	31 Dec 2023
Depreciation expense	50,118	46,717
Disposal of property, plant and equipment		
Net loss on disposal of property, plant and equipment (included in depreciation expense)	(1,364)	(909)
Net gain/(loss) on disposal of property, plant and equipment (included in other expenses)	743	(1,039)

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on a straight line basis to allocate the cost of an asset, less any residual value, over its estimated useful life.

The estimated useful lives of property, plant and equipment are as follows:

Leasehold improvements 5 – 25 years

Plant and equipment 3 – 12.5 years

Motor vehicles 4 – 5 years

Furniture and fittings 3 – 10 years

Computer equipment 3 – 10 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Depreciation expense is included in the consolidated statement of comprehensive income within cost of goods sold, and general and administration expenses.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss in the consolidated statement comprehensive income.

Significant judgements and estimates – store impairment testing

Impairment testing involves significant estimates and judgements. The outcome of impairment tests may result in a material adjustment to the carrying amounts of the Group's assets.

Impairment charge is recognised in other expenses in the consolidated statement of the comprehensive income.

Store assets include property, plant and equipment, right of use assets and intangible assets. The Group reviews store assets for impairment indicators at each reporting period. Impairment is assessed at the assets' cash-generating unit (CGU) level, which is the smallest group of assets that generates independent cash inflows. Management has determined that individual stores are cash generating units for the purpose of assessing impairment for store assets. An impairment loss is recognised in the consolidated statement of comprehensive income when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is based on the CGU's fair value less costs of disposal or value in use.

The stores showing an impairment using the value in use method are retested using fair value less cost of disposal and the higher result of the two is applied. The value in use calculation evaluates recoverability based on the store's forecasted cash flows, which incorporate estimated sales growth and expected margin based upon the latest plans for the store. Fair value less costs of disposal was determined by discounting the future net cash flows generated from the continuing use of the CGUs, less disposal cost of 1% of the recoverable amount. If, in a subsequent period, the amount of the impairment decreases due to an increase in the service potential of an asset after the impairment was recognised, the reversal of the previously recognised impairment is recognised in the consolidated statement of comprehensive income.

Key assumptions in the determination of recoverable amount are:
- the estimate of future cash flows of the store incorporating estimated sales growth and expected margin.
- the discount rate based on the weighted average cost of capital reflecting the current market assessment of the time value of money and the business risk of the cash generating unit.
- the terminal growth rate assumption reflects the long-term projected inflation relevant to the specific region/market.

Estimates of future cash flows are highly subjective being based on management's judgement and can be significantly impacted by changes in the business or economic conditions.

Following a review of store performance and consideration of other impairment indicators, the Group determined that there were stores across all four segments that required a calculation of the recoverable amount as there were impairment indicators that mainly arose due to inflationary pressures on the financial performance.

The key assumptions used for the value in use and fair value less cost of disposal calculation are as follows:

	31 Dec 2024				31 Dec 2023			
Key assumptions	Percentage used %	Percentage used %	Percentage used %	Percentage used %	Percentage used %	Percentage used %	Percentage used %	Percentage used %
	NZ	Australia	Hawaii	California	NZ	Australia	Hawaii	California
Store sales growth	2.1 – 5.7	0.1 – 6.0	1.2 – 4.5	1.0 – 25.0	2.7 – 20.4	-4.0 – 14.8	-24.0 – 10.5	3.0 – 15.0
Store EBITDA margin	-4.6 – 8.6	-38.2 – 10.0	-5.4 – 7.2	-23.9 – 6.4	-18.6 – 9.6	-38.4 – 10.0	-12.0 – 8.8	-62.2 – 8.8
Store EBITDA margin terminal year	1.0 – 8.6	-1.0 – 10.0	0.9 – 7.2	-14.4 – 6.4	-14.1 – 13.2	-15.1 – 12.1	0.9 – 9.3	-12.8 – 9.5
Terminal growth rate	2.1	2.5	2.1	2.1	2.1	2.5	2.3	2.3
Discount rate	7.2 – 10.6	7.0 - 7.2	8.2	6.6	8.5 – 9.4	7.3	9.1	7.5
Number of stores impaired	2	5	1	3	-	2	1	9
Impairment value $NZ millions*	$0.30	$6.00	$0.30	$1.20	-	$2.60	$0.60	$5.80

*Included in the net impairment value of $7.8 million in 2024 is $1.5 million relating to the impairment of intangible assets (Dec 2023: $2.1 million).

Based on the calculations, an impairment of $7.8 million was recognised during the financial year (Dec 2023: $9.0 million) against property, plant and equipment and intangible assets in the consolidated statement of comprehensive income as part of other expenses. This comprised eleven stores with recoverable amounts lower than their respective carrying value of assets.

The Group also evaluated stores' assets which have been previously impaired to determine whether the conditions that gave rise to the initial impairments still existed at the balance date. A recalculation is performed to reassess the recoverable amount and determine if the headroom exists. For the stores that have demonstrated positive sustainable trading results, management may conclude there is sufficient evidence to support an impairment reversal. There was no impairment reversal recognised due to the improved performance for the year ended 31 December 2024 (Dec 2023: nil).

15. LEASES

Key estimates and judgements

There are several judgements and estimates in calculating the future lease liabilities and right of use asset value.

These include:

- incremental borrowing rate. The Group engages an independent valuation expert to establish the incremental borrowing rates applied during the period.
- lease terms, including any rights of renewal expected to be exercised. The Group has assumed that all rights of renewal are expected to be exercised which is consistent with the Group's strategy and previous leases. This judgement has been applied unless a store closure or a decision to relocate a store is known when valuing the lease.

Right of use assets (ROU assets)

$NZ000's	31 Dec 2024	31 Dec 2023
Opening balance	587,649	607,765
Depreciation	(43,669)	(42,615)
Modifications to existing right of use assets	8,016	4,215
Additions	20,385	16,388
Foreign exchange movement	35,634	1,896
Closing balance	**608,015**	**587,649**

Additions relate to new leases entered into by the Group.

The Group's leases relate to land and buildings. Rental contracts are typically made for fixed periods of 1 to 50 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Under NZ IFRS 16, leases are recognised as a right of use asset with a corresponding lease liability. Each lease payment is allocated between the lease liability and the finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments and known fixed lease increases, less any lease incentives receivable. Right of use assets are measured at cost comprising the amount of the initial measurement of lease liability and any restoration costs. These assets are subsequently depreciated using the straight line method from the commencement date to the end of the lease term.

The Group is exposed to potential future increases in variable lease payments based on an index, rate or market rent review, which are not included in the lease liability or right of use asset until they take effect.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The Group has applied the recognition exemption allowed by the standard in respect of short-term and low value leases.

Payments associated with short term leases and leases of low value assets are recognised on a straight line basis as an expense in the statement of comprehensive income. Short term leases are leases with a lease term of 12 months or less. Low value assets comprise IT equipment and small items of office furniture.

Lease liabilities

$NZ000's	31 Dec 2024	31 Dec 2023
Opening balance	706,288	714,931
Cash flow payments	(68,165)	(65,381)
Interest	36,227	35,117
Modifications to existing lease liabilities	8,657	3,493
Additions	19,839	16,340
Foreign exchange movement	40,309	1,788
Closing balance	**743,155**	**706,288**
Current lease liabilities	34,509	31,984
Non-current lease liabilities	708,646	674,304
	743,155	**706,288**

The weighted average incremental borrowing rate applied to lease additions during the year was 7.1% (Dec 2023: 7.4%).

16. INTANGIBLE ASSETS

$NZ000's	Goodwill	Franchise fees	Concept development costs	Acquired software costs	Total
Cost					
Balance as at 31 December 2022	**286,411**	**101,785**	**801**	**12,372**	**401,369**
Additions	-	813	-	749	1,562
Disposals	-	(372)	-	(1,427)	(1,799)
Movement in exchange rates	1,029	416	-	7	1,452
Balance as at 31 December 2023	**287,440**	**102,642**	**801**	**11,701**	**402,584**
Additions	-	583	-	5	588
Disposals	-	(3,904)	-	(6,532)	(10,436)
Movement in exchange rates	23,785	10,767	-	10	34,562
Balance as at 31 December 2024	**311,225**	**110,088**	**801**	**5,184**	**427,298**
Accumulated amortisation and impairment					
Balance as at 31 December 2022	**(831)**	**(30,148)**	**(746)**	**(11,308)**	**(43,033)**
Charge	-	(9,497)	-	(574)	(10,071)
Disposals	-	409	-	1,357	1,766
Impairment	-	(2,124)	-	-	(2,124)
Movement in exchange rates	-	95	-	(1)	94
Balance as at 31 December 2023	**(831)**	**(41,265)**	**(746)**	**(10,526)**	**(53,368)**
Charge	-	(9,223)	-	(478)	(9,701)
Disposals	-	3,198	-	6,532	9,730
Impairment	-	(460)	-	-	(460)
Movement in exchange rates	-	(4,610)	-	(6)	(4,616)
Balance as at 31 December 2024	**(831)**	**(52,360)**	**(746)**	**(4,478)**	**(58,415)**
Carrying amounts					
Balance as at 31 December 2022	285,580	71,637	55	1,064	358,336
Balance as at 31 December 2023	286,609	61,377	55	1,175	349,216
Balance as at 31 December 2024	**310,394**	**57,728**	**55**	**706**	**368,883**

Goodwill

Goodwill arises on the acquisition of subsidiaries and business combinations. Goodwill is measured at cost less accumulated impairment losses and has an indefinite useful life. Goodwill is allocated to cash generating units and is tested annually for impairment. Where the Group disposes of an operation within a CGU, the goodwill associated with the operation disposed of is part of the gain or loss on disposal. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Franchise fees

Franchise fees are costs incurred in obtaining franchise rights or licences to operate quick service and takeaway restaurant concepts. They include for example, the initial fee paid to a system franchisor when a new store is opened.

These are measured at cost less accumulated amortisation and accumulated impairment costs. Amortisation is on a straight line basis over the life of the applicable franchise or licence agreement.

Concept development costs

Concept development costs include certain costs, other than the direct cost of obtaining the franchise, associated with the establishment of quick service and takeaway restaurant concepts. These include, for example, professional fees and consulting costs associated with the establishment of a new brand or business acquisition. These costs are capitalised where the concept is proven to be commercially feasible and the related future economic benefits are expected to exceed those costs with reasonable certainty. These are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over the period which future economic benefits are reasonably expected to be derived.

Acquired software costs

Software costs have a finite useful life. Software costs are capitalised and amortised on a straight line basis over the estimated economic life of 3-8 years.

Amortisation

Amortisation charge is recognised in cost of goods sold in the consolidated statement of comprehensive income.

Impairment

Impairment charge is recognised in other expenses in the consolidated statement of comprehensive income.

$NZ000's	31 Dec 2024	31 Dec 2023
Amortisation of intangible assets	9,701	10,071

Significant judgements and estimates – impairment testing

Impairment testing involves significant estimates and judgements. The outcome of impairment tests can result in a material adjustment to the carrying amount of the Group's goodwill balances.

For the purpose of impairment testing, goodwill is allocated to the Group's operating brands which represent the CGU within the Group at which the goodwill is monitored for internal management purposes.

Allocation of goodwill by CGU:

$NZ000's	31 Dec 2024	31 Dec 2023
KFC Australia	117,554	114,434
KFC New Zealand	6,599	6,599
Pizza Hut New Zealand	7,434	7,434
Pizza Hut and Taco Bell Hawaii	144,836	128,097
KFC and Taco Bell California	33,971	30,045
Total goodwill	**310,394**	**286,609**

In 2024 the recoverable amount of each CGU was based on fair value less costs of disposal approach. Fair value less costs of disposal was determined by discounting the future net cash flows generated from the continuing use of the CGU, less disposal cost of 2% of the recoverable amount. The cash flow inputs are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. Cash flows were projected based on the 2025–2028 financial plan as approved by the Board of Directors.

The key assumptions used in the impairment testing are as follows:

Brand	31 Dec 2024 Store sales growth 2025-2028 %	31 Dec 2024 Store EBITDA margin 2025-2028 %	31 Dec 2024 Discount rate %	31 Dec 2023 Store sales growth 2024-2026 %	31 Dec 2023 Store EBITDA margin 2024-2027 %	31 Dec 2023 Discount rate %
KFC Australia	6.8 - 11.7	14.8 - 15.4	7.1	8.6 - 9.4	14.8 - 15.9	7.3
KFC New Zealand	3.8 - 6.5	17.8 - 20.1	7.7	6.2 - 7.1	17.5 - 20.7	9.0
Pizza Hut New Zealand	4.0 - 8.5	5.4	10.6	3.8 - 6.9	5.1	11.3
Pizza Hut and Taco Bell Hawaii	4.1 - 6.1	17.8 - 19.0	8.2	3.7 - 6.0	16.9 - 17.7	9.1
KFC and Taco Bell California	1.7 - 8.3	6.7 - 10.3	6.6	1.8 - 10.1	6.0 - 11.0	7.5

The terminal growth rate is calculated on a CGU basis, based on the 2028 year and assumes a continuous sales growth equal to the minimum of projected inflation estimates of 2.1% to 2.5% (Dec 2023: 2.1% to 2.5%).

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources including Board approved forecasts (historical data). The key assumptions are detailed below:

- Store Sales growth – Average annual growth rate over the four-year forecast period based on past performance, management's expectations of market development, current industry trends and including long-term inflation forecasts for each territory.
- Store EBITDA margin 2025–2028. Based on past performance and management's expectations for the future. Store EBITDA growth has been disclosed as a key assumption as a number of costs are variable and link directly to revenue levels, such as the cost of labour, and food costs. Other fixed costs of the CGUs, which do not vary significantly with revenue changes, are forecast based on the current structure of the business, adjusting for inflationary increases.
- Terminal growth rate – This is the growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with expected long-term inflation for each territory in which the CGU operates.
- Discount rate – The rate used to reflect specific risks relating to the relevant segments and the countries in which they operate.

In respect of the following CGUs any reasonably possible change in the key assumptions used in the calculations would not cause the carrying amount to exceed its recoverable amount:

- New Zealand KFC
- New Zealand Pizza Hut

- Hawaii Taco Bell and Pizza Hut
- Australia KFC

No impairment was recognised in this financial year for the California CGU goodwill, however, a decrease to 3.7%-7.3% for the Store EBITDA margin percentage assumption would result in the carrying amount being equal to the recoverable amount (breakeven point).

OTHER NOTES

17. TAXATION

Current and deferred taxes are calculated on the basis of tax rates enacted or substantially enacted at reporting date and are recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled. Deferred income tax assets are only recognised to the extent that it is probable that future taxable amounts will be available against which to utilise those temporary differences.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax returns for the Group and the detailed calculations that are required for filing tax returns are not prepared until after the consolidated financial statements are prepared. Estimates of these calculations are made for the purpose of calculating income tax expense, current tax and deferred tax balances. Any difference between the final tax outcomes and the estimations made in previous years will affect current year balances.

The consolidated statement of comprehensive income and statements of cash flows have been prepared exclusive of GST. All items in the consolidated statement of financial position are stated net of GST, with the exception of receivables and payables, which are inclusive of GST.

Taxation – consolidated statement of comprehensive income

The taxation expense is analysed as follows:

$NZ000's	Note	31 Dec 2024		31 Dec 2023
Total profit before taxation for the period	1	36,833		22,419
Taxation expense	1	(10,305)		(6,156)
Net profit after income tax		**26,528**		**16,263**
Taxation expense using the Company's domestic tax rate	(28.0%)	(10,313)	(28.0%)	(6,277)
Other	3.0%	1,103	(2.6%)	(585)
Adjustments due to different jurisdictions	(3.0%)	(1,095)	3.1%	706
Taxation expense	(28.0%)	**(10,305)**	**(27.5%)**	**(6,156)**
Taxation expense comprises:				
Current tax expense		(17,600)		(16,676)
Deferred tax expense		7,295		10,520
		(10,305)		**(6,156)**

OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules, also referred to as GloBE (Global anti-Base Erosion). As of 31 December 2024 the Pillar Two legislation was enacted in New Zealand, the jurisdiction in which Restaurant Brands New Zealand Limited is incorporated. The rules will come into effect in New Zealand from 1 January 2025. The Group applies the NZ IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Under the legislation, the Group is liable to pay a top-up tax for the difference between the GloBE effective tax rate for each jurisdiction and the 15% minimum rate. Pillar Two is effective in Australia from 1 January 2024 and although the legislation has not yet been enacted in the USA, the Group has effective tax rates that exceed 15% in all jurisdictions in which it operates. Based on the status of the implementation process and the effective tax rate above 15% the rules are not expected to have a material impact.

Imputation credits

The below amounts represent the balance of the imputation account as at the end of the reporting period, adjusted for:

- Imputation credits that will arise from the payment of the amount of the provision for income tax;
- Imputation credits that will be utilised from the payment of dividends recognised as a liability at the reporting date; and
- Imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The current and deferred tax rates for the period were calculated using rates of 28% for New Zealand, 30% for Australia, 28% for California, and 26% for Hawaii (Dec 2023: 28% New Zealand, 30% Australia, 28% for California and 26% for Hawaii).

$NZ000's	31 Dec 2024	31 Dec 2023
Imputation credits available for subsequent reporting periods	42,791	35,801

Taxation – consolidated statement of financial position

The following are the major deferred tax assets and deferred tax liabilities recognised by the Group and movements thereon during the current and prior year:

	Assets		Liabilities		Net	
$NZ000's	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Property, plant and equipment	17,529	15,646	(4,037)	(4,456)	13,492	11,190
Inventory	75	51	-	-	75	51
Trade and other receivables	-	-	(391)	(394)	(391)	(394)
Provisions	6,883	6,365	348	109	7,231	6,474
Intangible assets	76	-	(2,347)	(3,244)	(2,271)	(3,244)
ROU assets and lease liabilities	209,367	203,693	(171,833)	(170,275)	37,534	33,418
Other	7,707	6,692	-	-	7,707	6,692
	241,637	**232,447**	**(178,260)**	**(178,260)**	**63,377**	**54,187**

$NZ000's	Balance 31 Dec 2022	Recognised in consolidated statement of comprehensive income	Foreign currency translation	Balance 31 Dec 2023
Property, plant and equipment	7,079	4,124	(13)	11,190
Inventory	59	(8)	-	51
Trade and other receivables	(288)	(106)	-	(394)
Provisions	4,901	1,561	12	6,474
Intangible assets	(2,264)	(967)	(13)	(3,244)
Other	3,666	3,054	(28)	6,692
Lease liabilities	202,856	343	494	203,693
ROU assets	(172,382)	2,519	(412)	(170,275)
	43,627	**10,520**	**40**	**54,187**

$NZ000's	Balance 31 Dec 2023	Recognised in consolidated statement of comprehensive income	Foreign currency translation	Balance 31 Dec 2024
Property, plant and equipment	11,190	2,588	(286)	13,492
Inventory	51	24	-	75
Trade and other receivables	(394)	14	(11)	(391)
Provisions	6,474	587	170	7,231
Intangible assets	(3,244)	1,175	(202)	(2,271)
Other	6,692	132	883	7,707
Lease liabilities	203,693	(5,408)	11,082	209,367
ROU assets	(170,275)	8,183	(9,741)	(171,833)
	54,187	**7,295**	**1,895**	**63,377**

18. PROVISIONS

$NZ000's	Employee entitlements	Make good provisions	Total
Balance at 31 December 2023	**2,380**	**4,663**	**7,043**
Created during the period	256	600	856
Used during the period	(80)	(45)	(125)
Foreign exchange movements	48	76	124
Balance at 31 December 2024	**2,604**	**5,294**	**7,898**
31 December 2024			
Current	1,871	-	1,871
Non-current	733	5,294	6,027
Total	**2,604**	**5,294**	**7,898**

The provision for employee entitlements relates to long service leave obligations. The provision is affected by a number of estimates, including the expected length of service of employees and the timing of benefits being taken. Once an employee attains the required length of service, the employee has a period of five years in which to take this leave.

The make good provision represents the contractual obligations for the estimated future store restoration costs at the completion of the property lease term. The make good provision is classified as non-current.

19. DEFERRED INCOME

$NZ000's	
Balance at 31 December 2023	**1,745**
Created during the period	2,987
Realised during the period	(3,738)
Foreign exchange movement	88
Balance at 31 December 2024	**1,082**

31 December 2024	
Current	894
Non-current	188
Total	**1,082**

Deferred income relates to rebates from suppliers and is recognised in profit or loss in the consolidated statement of comprehensive income on a systematic basis over the life of the associated contracts.

20. RELATED PARTY TRANSACTIONS

Parent and ultimate controlling party

The immediate parent of the Group is Finaccess Restauración, S.L. and the ultimate parent company is Grupo Finaccess S.A.P.I de C.V.

Transactions with key management or entities related to them

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 (Dec 2023: $0.04 million).

Key management and director compensation

Key management personnel comprises the Chief Executive Officer and his direct reports, including the Chief Financial Officer, the four divisional Presidents, Chief Human Resources Officer, Chief Legal & Compliance Officer, and Chief Development Officer.

$NZ000's	31 Dec 2024	31 Dec 2023
Key management - total benefits	5,746	6,074
Key management - short term incentive benefit	658	-
Directors' fees	510	510

Key management – total benefits of $5.7 million (Dec 2023: $6.1 million) relate to salaries and short-term employee benefits recognised during the year.

The short term incentive disclosed above of $0.7 million (Dec 2023: nil) was unpaid as at year end 31 December 2024 and is included in other payables.

Total CEO remuneration

$NZ000's	Salary	Short term incentive	Long term incentive	Total remuneration
31 December 2024	838	253	-	1,091
31 December 2023	843	636	-	1,479

In addition to the amounts disclosed above for 2023, there was a one-time compensation benefit awarded to the former CEO, Russel Creedy, due to his retirement in March 2023. The total amount of the one-time award was $1.3 million and was paid upon his retirement on 31 March 2023. The amount recognised in 2023 was $0.6 million.

Incentive schemes

A short-term incentive scheme is in place for all support office employees. The incentive is based on achieving in excess of planned results for the specific financial year. Incentive payment to employees is at the discretion of the Remuneration and Nominations Committee. The maximum that can be received by the CEO is 50% of base salary.

In 2024, no long term incentive scheme has been agreed (Dec 2023: nil).

21. COMMITMENTS

Capital commitments

The Group has capital commitments which are not provided for in these consolidated financial statements, as follows:

$NZ000's	31 Dec 2024	31 Dec 2023
Store development	10,137	22,447
Point of sale system	818	5,569
	10,955	**28,016**

22. CONTINGENT LIABILITIES

In December 2023, Gordon Legal and Shine Lawyers filed two class actions in the Federal Court of Australia on behalf of certain KFC employees naming the franchisor, QSR Pty Limited (the Group's Australian operating subsidiary) and 88 other franchisees as respondents. The two class actions were subsequently combined into a single proceeding. It is expected that mediation proceedings will commence in relation to the claim in 2025 with an initial trial process to follow in the event that the parties fail to reach an agreement to resolve the matter during mediation. As at balance date, there was no material impact to the consolidated financial statements, however the Group will continue to assess the claim and will update the market in the event that the claim is expected to have a material impact on the Group.

23. SUBSEQUENT EVENTS

There were no subsequent events that would have a material effect on these consolidated financial statements.

24. FEES PAID TO AUDITOR

$NZ000's	31 Dec 2024	31 Dec 2023
Audit and review of consolidated financial statements		
Audit and review of consolidated financial statements - PwC	1,201	1,180
Other assurance services and other agreed-upon procedures engagements - performed by PwC		
Agreed specified procedures on landlord certificates	7	6
Yum! Advertising co-operative report assurance services	14	12
Greenhouse gas emissions assurance services	93	89
Greenhouse gas emissions assurance readiness assessment	-	16
Total other assurance services and other agreed-upon procedures engagements	114	123
Other services - performed by PwC		
Whistleblower services	12	-
Total other services	12	-
Total fees paid to auditor	**1,327**	**1,303**

Included in the 2024 audit fee costs are out of pocket expenses of $0.03 million (Dec 2023: $0.03 million) relating to visits to overseas divisions.

25. DONATIONS

$NZ000's	31 Dec 2024	31 Dec 2023
Donations	99	116

The Group did not make any donations to political parties.

26. 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 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.

Set out below is the consolidated information for the year ended 31 December 2024 of the closed group consisting of Restaurant Brands New Zealand Limited, QSR, Restaurant Brands Australia Holdings Pty Limited and Restaurant Brands Australia Pty Limited.

$NZ000's	31 Dec 2024	31 Dec 2023
Financial information in relation to:		
(i) Statement of comprehensive income		
Revenue	309,930	310,050
Earnings before interest and taxation	2,484	6,917
Finance expense	(16,491)	(16,223)
Loss before taxation	(14,007)	(9,306)
Taxation expense	4,365	2,083
Loss after taxation	**(9,642)**	**(7,223)**
Items that may be reclassified subsequently to the statement of comprehensive income:		
Exchange differences on translating foreign operations	2,537	366
Other comprehensive income	2,537	366
Total comprehensive loss	**(7,105)**	**(6,857)**
(ii) Summary of movements in retained earnings		
Retained earnings at the beginning of the year	102,619	109,476
Total comprehensive loss	(7,105)	(6,857)
Retained earnings at the end of the year	**95,514**	**102,619**

$NZ000's	31 Dec 2024	31 Dec 2023
(iii) Statement of financial position		
Non-current assets		
Property, plant and equipment	89,845	94,703
Right of use assets	147,332	152,064
Intangible assets	122,933	120,780
Deferred tax assets	19,590	14,234
Investment in subsidiaries	239,353	239,353
Total non-current assets	**619,053**	**621,134**
Current assets		
Inventories	2,051	1,877
Trade and other receivables	5,453	7,610
Income tax receivable	908	2,223
Cash and cash equivalents	4,790	6,626
Total current assets	**13,202**	**18,336**

$NZ000's	31 Dec 2024	31 Dec 2023
Total assets	**632,255**	**639,470**
Equity attributable to shareholders		
Share capital	154,565	154,565
Reserves	81	(2,456)
Retained earnings	(59,132)	(49,490)
Total equity attributable to shareholders	**95,514**	**102,619**
Non-current liabilities		
Provisions	3,240	3,054
Lease liabilities	167,925	168,679
Loans	94,280	95,546
Total non-current liabilities	**265,445**	**267,279**
Current liabilities		
Trade and other payables	23,901	25,265
Provisions	1,541	1,377
Lease liabilities	11,065	10,835
Amounts payable to subsidiaries	234,789	232,095
Total current liabilities	**271,296**	**269,572**
Total liabilities	**536,741**	**536,851**
Total equity and liabilities	**632,255**	**639,470**

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OUR OPINION

In our opinion, the accompanying consolidated financial statements (the financial statements) of Restaurant Brands New Zealand Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 31 December 2024, its financial performance, and its 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 Accounting Standards (IFRS Accounting Standards).

What we have audited

The Group's financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our capacity as auditor and assurance practitioner, our firm provides other assurance services and agreed-upon procedures. Our firm also provides another service relating to the provision of a whistleblower line. The firm has no other relationship with, or interests in, the Group.

Key audit matters

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

Description of the key audit matter

Goodwill impairment assessment - KFC and Taco Bell California

Goodwill recognised in relation to the KFC and Taco Bell California cash-generating unit (CGU) amounted to $34.0 million as at 31 December 2024 (2023: $30.0 million). During the year, this CGU incurred a net loss after tax of $24.7 million (refer to note 1 of the consolidated financial statements).

Our audit focused on this CGU as its financial performance has continued to be adversely impacted by cost pressures combined with the inherent judgement involved in estimating future business performance.

Management performed an annual impairment assessment to determine the recoverable amount using a discounted cash flow model under a Fair Value Less Cost of Disposal (FVLCOD) approach. This was based on the 4-year financial plan approved by the Board of Directors. The output was compared to the carrying amount of the associated net assets, including goodwill held by the KFC and Taco Bell California CGU.

The recoverable amount (based on the FVLCOD model) was higher than the carrying value and as a result, no impairment expense was recognised. However, management identified a certain scenario where a reasonably possible change in the store EBITDA margin would result in the carrying amount being equal to its recoverable amount.

Refer to note 16 of the consolidated financial statements.

How our audit addressed the key audit matter

Our procedures in relation to management's assessment of goodwill impairment for the KFC and Taco Bell California CGU, included the following:

- updating our understanding of the business process applied by management in performing the impairment test;
- reviewing prior year actual store sales and profitability against the original budgeted performance to assess management's ability to accurately forecast;
- agreeing forecast future performance included in the FVLCOD impairment assessment to the 4-year financial plan approved by the Board of Directors;
- challenging key estimates and assumptions used in the FVLCOD model in relation to: store sales growth, store EBITDA margin, terminal growth rate and discount rate and assessing whether these are reasonable with reference to management initiatives and strategies, recent monthly financial performance and the risks for the CGU;
- evaluating whether corporate costs had been allocated appropriately and included in the cash flows for the CGU;
- engaging our auditor's valuation expert to assess the reasonableness of the terminal growth rate and discount rate;
- reviewing industry trends and external market forecasts for the industry to determine the reasonableness of management's forecast;
- testing the calculations and mathematical accuracy of the FVLCOD model, including the inputs and compared the recoverable amount to the carrying value of the CGU's assets;
- evaluating management's sensitivity analysis to ascertain the impact of reasonably possible changes in key assumptions;
- performing sensitivity analysis and stress testing based on changes in certain assumptions to evaluate whether there was an impairment; and
- assessing the adequacy of disclosures in the consolidated financial statements.

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Description of the key audit matter	How our audit addressed the key audit matter
Impairment assessment of store property, plant and equipment, intangible assets and right of use assets For the year ended 31 December 2024, the Group recognised impairment of $7.8 million (2023: $9.0 million) in relation to CGUs in the New Zealand, Australia, Hawaii and California regions (refer to note 2 of the consolidated financial statements). For the purposes of store property, plant, and equipment, intangible assets and right of use asset impairment testing, each individual store is considered to be a separate CGU. An assessment was performed by management to identify stores with impairment indicators. This included those that have experienced continued losses. For these stores, management performed Value In Use (VIU) and/or FVLCOD calculations to assess whether the associated carrying amounts of property, plant and equipment, intangible assets and right of use assets were recoverable. Key assumptions used in management's discounted cash flow model are store sales growth, store EBITDA margin, store EBITDA margin terminal year, terminal growth rate and discount rate. This is a key focus of our audit due to the value of property, plant and equipment, intangible assets and right of use assets held by the Group. Refer to notes 14 and 16 of the consolidated financial statements.	Our audit procedures included: • considering whether the group of assets identified by management as a CGU is appropriate and recalculating the carrying value of each CGU; • updating our understanding of the process applied by management in identifying stores with potential for impairment and the resulting impairment assessments; • in addition to stores identified by management, we developed independent risk assessment criteria to identify stores with a greater risk of impairment such as larger asset carrying value stores experiencing sustained losses and compared to those identified by management for impairment testing; • for a sample of stores identified above, we tested the mathematical accuracy of the VIU and/or FVLCOD impairment models prepared by management and challenged key assumptions used: store sales growth, store EBITDA margin and store EBITDA margin terminal year, by assessing whether management's assumptions were reasonable against historical performance and whether they take account of ongoing uncertainty from economic challenges. This includes considering the potential for future store closures and the impact of closures on remaining lease terms in respect of right of use assets recognised; • engaging our own auditor's valuation expert to assess the reasonableness of the terminal growth rates and discount rates; • evaluating the feasibility of management's plans to improve store profitability; • evaluating management's sensitivity analysis to ascertain the impact of reasonably possible changes in key assumptions on the recoverable amount; and • assessing the adequacy of disclosures in the consolidated financial statements.

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Description of the key audit matter

Revenue recognition

The Group's revenue totalled $1.5 billion (2023: $1.4 billion) for the year ended 31 December 2024. The Group primarily earns revenue from store sales, which accounts for approximately 95% of total revenue, while other revenue includes sale of goods and services to independent franchisees.

Refer to notes 1 and 2 of the consolidated financial statements.

Given the volume of transactions and significance of revenue recognised across four regions, this required significant auditor attention and was considered to be a key audit matter.

How our audit addressed the key audit matter

Our audit approach to test revenue is a combination of controls and substantive testing and included the following procedures:

- updating our understanding of the systems, processes and controls in place underpinning the accounting and recognition of revenue in each region;
- testing, on a sample basis, management's controls over the reconciliations of the point-of-sale-systems, general ledger and bank statements;
- verifying the completeness of revenue recognised, on a sample basis, by agreeing daily cash received to the general ledger;
- for store sales revenue, evaluating the flow of revenue journals to validate that revenue transactions are settled in cash. For those not settled in cash, agreeing accounting entries to supporting documents, on a sample basis;
- for a sample of other revenue transactions, examining invoices issued to independent franchisees and cash remittances, where paid;
- performing analytics on franchise fees and royalties to verify completeness of other revenue transactions;
- testing bank and bank clearing account reconciliations at year end by agreeing material reconciling items to supporting documents; and
- assessing the adequacy of disclosures in the consolidated financial statements.

OUR AUDIT APPROACH

Overview

Overall group materiality: $7.4 million, which represents approximately 0.5% of total revenue.

We chose total revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark.
Following our assessment of the risk of material misstatement, we:

- performed full scope audits for all the Group's principal business units which correspond to its market segments in New Zealand, Australia, Hawaii and California based on their financial significance; and
- performed specified audit procedures and analytical procedures over the remaining entities and on consolidation entries.

As reported above, we have three key audit matters, being:

- Goodwill impairment assessment - KFC and Taco Bell California
- Impairment assessment of store property, plant and equipment, intangible assets and right of use assets
- Revenue recognition

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They 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 the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures, and to evaluate the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

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How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We performed full scope audits for all of the Group's principal business units in New Zealand, Australia, Hawaii and California.

The materiality levels applied in the full scope audits of the principal business units were calculated by reference to a portion of Group materiality appropriate to the relative scale of the business concerned.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The other information we obtained prior to the date of this auditor's report comprised the Historical Summary, Group Pro Forma Profit Statement, Non-GAAP Financial Measures and the Directors' Report. The remaining other information comprising the Annual Report is expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and use our professional judgement to determine the appropriate action to take.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, the Directors are responsible 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 FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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) and ISAs 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 financial statements.

A further description of our responsibilities for the audit of the 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/

This description forms part of our auditor's report.

WHO WE REPORT TO

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which 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 Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Karen Shires.

For and on behalf of:

PricewaterhouseCoopers
27 February 2025

Auckland

Other information

Contents

SHAREHOLDER INFORMATION
as at 28 February 2025

1. STOCK EXCHANGE LISTINGS

The Company's ordinary shares are dual listed on the main board equity securities markets operated by the NZX and ASX.

2. DISTRIBUTION OF SECURITY HOLDERS AND SECURITY HOLDINGS

Size of holding	Number of security holders		Number of securities	
1 to 499	2,244	45.68%	444,762	0.36%
500 to 999	756	15.39%	515,063	0.41%
1,000 to1,999	896	18.24%	1,173,990	0.94%
2,000 to 4,999	618	12.58%	1,840,626	1.48%
5,000 to 9,999	207	4.21%	1,341,645	1.08%
10,000 to 49,999	163	3.32%	3,069,217	2.46%
50,000 to 99,999	13	0.26%	757,120	0.61%
100,000 to 499,999	6	0.12%	1,235,501	0.99%
500,000 to 999,999	3	0.06%	2,337,498	1.87%
1,000,000 and over	7	0.14%	112,043,101	89.80%
	4,913	**100.00%**	**124,758,523**	**100.00%**

Geographic distribution				
New Zealand	4,634	94.32%	118,500,497	94.99%
Australia	204	4.15%	6,105,397	4.89%
Rest of world	75	1.53%	152,629	0.12%
	4,913	**100.00%**	**124,758,523**	**100.00%**

3. 20 LARGEST REGISTERED HOLDERS OF QUOTED EQUITY SECURITIES

	Number of ordinary shares	Percentage of ordinary shares
HSBC Nominees (New Zealand) Limited - NZCSD <HKBN90>[1]	100,360,295	80.45%
JPMorgan Chase Bank NA NZ Branch-Segregated Clients Acct - NZCSD <CHAM24>	3,273,069	2.62%
Citibank Nominees (New Zealand) Limited - NZCSD <CNOM90>	3,079,257	2.47%
Custodial Services Limited <A/C 4>	2,140,322	1.72%
New Zealand Depository Nominee Limited <A/C 1 cash account>	1,072,853	0.86%
Forsyth Barr Custodians Limited <1-CUSTODY>	1,066,121	0.85%
HSBC Custody Nominees (Australia) Limited	1,051,184	0.84%
JP Morgan Nominees Australia Limited	873,081	0.70%
Accident Compensation Corporation - NZCSD <ACCI40>	871,060	0.70%
BNP Paribas Nominees (NZ) Limited - NZCSD <BPSS40>	593,357	0.48%
BNP Paribas Nominees (NZ) Limited - NZCSD	426,282	0.34%
FNZ Custodians Limited	280,089	0.22%
JA Hong Koo & Pyung Keum Koo	160,000	0.13%
Guobang Liiu	145,224	0.12%
BNP Paribas Nominees (NZ) Limited - NZCSD	119,183	0.10%
NZX WT Nominees Limited <NRWT cash account DTA>	104,723	0.08%
Adminis Custodial Nominees Limited	78,434	0.06%
Forsyth Barr Custodians Limited <account 1E>	68,609	0.05%
Te Iwi Carving Limited	63,000	0.05%
Stephen Mark Merlicek & Karen Joy Merlicek <Marle super fund A/C>	62,002	0.05%
	115,888,145	**92.89%**

1 Included in HSBC Nominees (New Zealand) Limited is 93,591,419 shares owned by Finaccess Restauración, S.L.

4. SUBSTANTIAL PRODUCT HOLDERS

The following person had given notices as at 31 December 2024, in accordance with subpart 5 of part 5 of the New Zealand Financial Markets Conduct Act 2013 that they were substantial product holders in the Company and held a relevant interest in the number of ordinary shares shown below.

Size of holding	Date of notice	Number of ordinary shares	Percentage of voting securities
Finaccess Restauracion, S.L.	27 March 2019	93,591,419	75.02%

5. SHARES ON ISSUE

As at 31 December 2024, the total number of ordinary shares of the Company was 124,758,523.

6. DIRECTORS' SECURITY HOLDINGS

As at 31 December 2024, Stephen Ward has an interest in 30,000 fully paid ordinary shares in RBD.

As at 31 December 2024, Huei Min Lim has an interest in 10,000 fully paid ordinary shares in RBD.

7. NZX WAIVERS

No waivers have been granted by the NZX during the financial year ended 31 December 2024.

1. DIRECTORSHIPS

The names of the Directors of the Company as at 31 December 2024 are set out on pages 30-32 of this Annual Report.

Arif Khan is a Director of all subsidiary companies.

Julio Valdés is a Director of Restaurant Brands Limited, RBN Holdings Limited, Restaurant Brands Nominees Limited, RBDNZ Holdings Limited, Restaurant Brands Properties Limited, RB Holdings Limited, RBP Holdings Limited, Restaurant Brands Pizza Limited, Restaurant Brands Australia Pty Limited, Restaurant Brands Australia Holdings Pty Limited, QSR Pty Limited, RBD US Holdings Limited, Pacific Islands Restaurants Inc., TD Food Group Inc., and RBD California Restaurants Limited.

Ashley Jones is a Director of Restaurant Brands Australia Pty Limited, Restaurant Brands Australia Holdings Pty Limited and QSR Pty Limited.

Kevin Kurihara is a Director of RBD US Holdings Limited, Pacific Islands Restaurants Inc. and TD Food Group Inc.

2. DIRECTORS AND REMUNERATION

$NZ000's	31 Dec 2024
J Parés	75
E Fullaondo	90
C Fernández	-
LM Álvarez	75
H M Lim	90
S Ward	90
M Pato–Castel	90
	510

3. ENTRIES RECORDED IN THE INTEREST REGISTER

The following entries were recorded in the interest register of the Company and its subsidiaries during the year ended 31 December 2024:

(a) Share dealings of Directors

There were no share dealings by Directors during the year ended 31 December 2024.

(b) Loans to Directors

There were no loans to Directors during the year ended 31 December 2024.

(c) General disclosure of interest

In accordance with section 140 (2) of the Companies Act 1993, directors of the Company have made general disclosures of interest in writing to the board of positions held in other named companies or parties as follows:

Name	Position	Party
J Parés	Executive chairman	AmRest Holdings SE
	Director	Grupo Finaccess, S.A.P.I. de C.V.
	President	Finaccess Capital USA
E Fullaondo	Director	AmRest Holdings SE
C Fernández	Chairman	Grupo Finaccess, S.A.P.I. de C.V.
	Honorary Chairman	AmRest Holdings SE
	Director	Levadura Azteca SA de C.V.
	Director	Inmobiliaria Colonial, S.A.
	Chairman	Solidaridad y Trabajo Virgen del Camino SL
	Chairman	Cinia de Mexico SA de C.V.
LM Álvarez	Chairman	Compitalia, S.A. de C.V.
	Director	Grupo Finaccess, S.A.P.I. de C.V.
	Director	Global Beverage Team - ceased 1 March 2024
	Director	AmRest Holdings SE
H M Lim	Honorary Adviser	Asia New Zealand Foundation
S Ward	Chairman	SecureFuture Wiri Limited
	Director	Huntington Commercial Finance
	Chairman	Advisory Council to the Financial Dispute Resolution Service
	Director	Windoma Holdings Limited
	Trustee	Wellington Free Ambulance Trust
	Director	Renaissance Holdings (NZ) Limited
	Consultant	Simpson Grierson
	Chairman	Xoria Limited
M Pato–Castel	External Advisor	KR Project SL
	External Advisor	Rosendo Mila SL

(d) Directors’ indemnity and insurance

The Company has insured all its directors and the directors of its subsidiaries against liabilities to other parties (except the Company or a related party of the Company) that may arise from their position as directors. The insurance does not cover liabilities arising from criminal actions.

The Company has executed a deed of indemnity indemnifying all directors to the extent permitted by section 162 of the Companies Act 1993.

4. EMPLOYEES' REMUNERATION

During the period the following number of employees or former employees received remuneration of at least $100,000.

			Number of employees	
			Dec 2024	Dec 2023
$100,000	-	$109,999	60	40
$110,000	-	$119,999	27	29
$120,000	-	$129,999	24	24
$130,000	-	$139,999	22	11
$140,000	-	$149,999	9	9
$150,000	-	$159,999	11	10
$160,000	-	$169,999	6	12
$170,000	-	$179,999	8	6
$180,000	-	$189,999	9	3
$190,000	-	$199,999	4	5
$200,000	-	$209,999	3	3
$210,000	-	$219,999	3	1
$220,000	-	$229,999	-	4
$230,000	-	$239,999	6	3
$240,000	-	$249,999	3	5
$250,000	-	$259,999	6	4
$260,000	-	$269,999	3	1
$270,000	-	$279,999	2	-
$280,000	-	$289,999	-	2
$290,000	-	$299,999	1	1
$300,000	-	$309,999	1	-
$310,000	-	$319,999	1	1
$320,000	-	$329,999	1	-
$330,000	-	$339,999	2	-
$340,000	-	$349,999	-	1
$360,000	-	$369,999	1	-
$380,000	-	$389,999	-	1
$390,000	-	$399,999	-	1
$400,000	-	$409,999	1	-
$410,000	-	$419,999	1	-
$420,000	-	$429,999	1	1
$530,000	-	$539,999	-	1
$550,000	-	$559,999	1	-
$620,000	-	$629,999	1	-
$670,000	-	$679,999	-	1
$770,000	-	$779,999	1	-
$790,000	-	$799,999	-	1
$820,000	-	$829,999	1	-
$860,000	-	$869,999	-	1
$1,600,000	-	$1,609,999	-	1
			220	**183**

5. SUBSIDIARY COMPANY DIRECTORS

No employee of the Company appointed as a director of the Company or its subsidiaries receives, or retains any remuneration or benefit, as a director. The remuneration and other benefits of such employees, received as employees, are included in the relevant bandings for remuneration disclosure under note 4 above.

OVERVIEW

Restaurant Brands New Zealand Limited (the Company) is listed on the NZX Main Board and as a Foreign Exempt Listing on the ASX (both under the ticker code "RBD").

The board is committed to having best-practice governance structures and principles and to following the guiding values of the Company: Trust, Fairness, Loyalty, Responsibility, and Prudence. In this part of the Annual Report, we provide an overview of the Company's corporate governance framework. It is structured to follow the recommendations set out in the 31 January 2025 version of the NZX Corporate Governance Code (the NZX Code) and discloses how the Company is applying these recommendations.

The board considers that as at 31 December 2024, the corporate governance practices it has adopted are in compliance with the NZX Code other than Recommendation 2.9 (stating that an issuer should have an independent chair of the board).

An explanation as to why this Recommendation has not been adopted is provided under Principle 2 on page 89.

PRINCIPLE 1 – ETHICAL STANDARDS

"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."

RBD Ethical Conduct Policy

The RBD Ethical Conduct Policy sets out the ethical standards the board expects all directors, officers, employees, contractors and agents to adhere to when they represent the Company and its subsidiaries. The policy covers a wide range of areas including: standards of professional behaviour, compliance with laws and policies, conflicts of interest, gifts and entertainment and proper use of Company assets and information. The policy requires the reporting of breaches (or suspected breaches) of the policy.

In addition, each geographic business unit of the Company (i.e. New Zealand, Australia, Hawaii and California) (referred to as a operating division) is empowered to adopt specific policies and/or procedures that complement, enhance or supplement the general standards set out in the RBD Ethical Conduct Policy if appropriate for that operating division.

The RBD Ethical Conduct Policy is available on the Company's website and is subject to biennial reviews.

Interests register

The board maintains an interests register. In considering matters affecting the Company, directors are required to disclose any actual or potential conflicts. Where a conflict or potential conflict has been disclosed, the director takes no further part in receipt of information or participation in discussions on that matter.

RBD Securities (Insider Trading) Policy

The RBD Securities (Insider Trading) Policy details the Company's securities trading policy and includes restrictions on and procedures for directors and employees trading in the Company's financial products. In particular, the policy:

- prohibits trading by an individual holding non-public material information about the Company;
- requires all directors, officers, employees and contractors of the Company to obtain permission before trading can occur; and
- prohibits directors, the CEO, CFO and direct reports to the CEO and CFO from trading outside of set 8 week trading windows that follow:
  - the release of half and full year results; or
  - the issuance of a "cleansing statement" under the Financial Markets Conduct Act 2013.

PRINCIPLE 2 – BOARD COMPOSITION AND PERFORMANCE

"To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives."

Responsibilities of the board

The board is responsible for the proper direction and control of the Company's activities and is the ultimate decision-making body of the Company. The board has adopted a formal Board Charter detailing its authority, responsibilities, membership and operation. The Board Charter is available for viewing on the Company's website.

The key responsibilities of the board under the Board Charter include setting strategic direction, approval of significant expenditures, policy determination, stewardship of the Company's assets, identification of significant business risks, legal compliance and monitoring management performance.

Delegation

The board has delegated responsibility for the day-to-day leadership and management of the Company to the Chief Executive Officer (CEO) who is required to do so in accordance with board direction. The CEO's performance is reviewed each year by the board. The review includes a formal performance appraisal against measured objectives together with a qualitative review.

The board has approved a schedule of delegated authorities affecting all aspects of the Company's operation. This is reviewed from time to time as to appropriateness and levels of delegation.

Composition and focus

The Company's constitution prescribes a minimum of three directors and, as at 31 December 2024, the board comprised seven non-executive directors (including the Chairman).

Profiles of the current directors, together with a summary of skill sets are included in the "Board of Directors" section of this Annual Report and on the Company's website.

As at 31 December 2024, Emilio Fullaondo, Huei Min (Lyn) Lim, Maria Elena (Malena) Pato-Castel and Stephen Ward were considered by the board to be independent under the NZX Listing Rules as they are not executives of the Company and do not have any direct or indirect interests, positions, associations or relationships that could reasonably influence, or could reasonably be perceived to influence, in a material way, their capacity to bring an independent view to decisions in relation to, act in the best interests of or represent the interests of shareholders of the Company. While Emilio Fullaondo is also an independent director of AmRest Holdings SE (an entity that is indirectly majority owned by Grupo Finaccess S.A.P.I de C.V.), the board does not consider this appointment to constitute an "association" between Emilio and a substantial product holder of the Company for the purposes of the Corporate Governance Code and is satisfied that holding this position does not influence Emilio's capacity to bring an independent view, act in the best interests of the Company or represent the interests of the Company's shareholders generally. José Parés, Carlos Fernández and Luis Miguel Álvarez were considered to not be independent as they represent a significant shareholding. Per the Company's Constitution, in the case of an equality of votes when a resolution of the board is tabled, the chair of the board has a casting vote.

The board does not have a policy on a minimum number of independent directors.

The board elected to not adopt Recommendation 2.9 (stating that an issuer should have an independent chair of the board) of the NZX Corporate Governance Code during 2024 on the basis that, with the board consisting of a majority of independent directors, it is appropriate for a shareholder holding 75% of the Company's shares (i.e. Finaccess) to be represented by the chair of the board. The chairs of all sub-committees of the board (being the Audit and Risk, Health, Safety and Sustainability, and Remuneration and Nominations Committees) are independent directors.

The roles of Chairman and CEO are exercised by separate persons. In addition to committee responsibilities (below), individual board members work directly with management in major initiatives such as acquisitions and asset rationalisations.

Shareholding

There is no prescribed minimum shareholding for directors but some directors do (directly or indirectly) have interests in RBD shares - refer to the "Shareholder Information" section of this Annual Report for more detail.

Directors may purchase shares upon providing proper notice of their intention to do so and in compliance with the operation of the RBD Securities (Insider Trading) Policy (see above).

Nomination and appointment

The board has adopted a Director Nomination and Appointment Procedure. This procedure is administered by the Remuneration and Nominations Committee and includes guidelines relating to board composition, considerations for new director appointments and the process by which potential directors are nominated and assessed.

Written agreement

The Director Nomination and Appointment Procedure requires the terms of appointment for all new directors to be set out in a formal letter of appointment and also stipulates that new directors are to receive induction training regarding the Company's values and culture, governance framework, the RBD Ethical Conduct Policy, Board and Committee policies, processes and key issues, financial management and business operations.

Diversity

The Company and the board are committed to promoting a diverse and inclusive workplace. This is outlined in the RBD Diversity Policy which is available on the Company's website. The Company endeavours to ensure diversity at all levels of the organisation to ensure a balance of skills and perspectives are available in the service of its shareholders and customers.

As at 31 December 2024, the gender balance of the Company's directors, officers and all employees is as follows:

	Directors				Officers[1]				Employees			
	Dec 2024		Dec 2023		Dec 2024		Dec 2023		Dec 2024		Dec 2023	
Female	2	29%	2	29%	2	22%	3	33%	6,144	49%	5,884	48%
Male	5	71%	5	71%	7	78%	6	67%	6,229	50%	6,348	51%
Not specified									177	1%	121	1%
Total	**7**	**100%**	**7**	**100%**	**9**	**100%**	**9**	**100%**	**12,550**	**100%**	**12,353**	**100%**

1 "Officers" is defined in the NZX Listing Rules as only including those members of management who report directly to the board or report directly to a person who reports to the board.

During 2024 the Group completed a restructure which resulted in changes to some reporting lines. As of 31 December 2024 Officers comprises the CEO, who reports directly to the board, and the CEO's direct reports - Chief Financial Officer, Chief Human Resources Officer, Chief Legal & Compliance Officer, Chief Development Officer and four Operating Division Presidents.

The RBD Diversity Policy requires the Remuneration and Nominations Committee to develop and recommend to the board a set of measurable goals for the Company to drive achievement of the objectives of the policy. During 2024, the board implemented a set of measurable goals for the 2025 reporting period and progress against these goals will be reported at the end of that reporting period. The board considers that the performance of the Company during the period ended 31 December 2024 in relation to most of the systemic elements of the RBD Diversity Policy was satisfactory.

Board appraisal and training

The board has adopted a performance appraisal programme by which it biennially monitors and assesses individual and board performance. The board utilised an external facilitator to carry out a performance review of its directors, the board and its Committees during 2024.

The Company does not impose any specific training requirements on its directors but does expect all directors to carry out appropriate training to enable them to effectively perform their duties. New directors complete an induction programme with company senior management.

Access to resources and advice

Directors may seek their own independent professional advice to assist with their responsibilities. During the 2024 financial year, no director sought their own independent professional advice.

Re-election

Pursuant to the requirements of the NZX Listing Rules, directors of the Company must not hold office (without re-election) past the third Annual Shareholders' Meeting following their appointment or three years (whichever is later) but may seek re-election at that meeting.

Meetings

The board normally meets eight to ten times a year and, in addition to reviewing normal operations of the Company, approves a strategic plan and annual budget each year.

Board meetings are usually scheduled annually in advance, although additional meetings may be called at shorter notice.

Directors receive formal proposals, management reports and accounts in advance of all meetings.

The CEO and CFO are regularly invited to attend board meetings and participate in board discussions. Directors also meet with other senior executives on items of particular interest.

Board and committee meeting attendance for the period ended 31 December 2024 was as follows:

Name	Board meetings held	Board meetings attended	Audit & Risk Committee meetings held	Audit & Risk Committee meetings attended	Health, Safety & Sustainability Committee meetings held	Health, Safety & Sustainability Committee meetings attended	Remuneration & Nominations Committee meetings held	Remuneration & Nominations Committee meetings attended
José Parés	9	9	4	4	n/a	n/a	n/a	n/a
Carlos Fernández	9	9	n/a	n/a	n/a	n/a	n/a	n/a
Emilio Fullaondo	9	9	4	4	4	4	4	4
Luis Miguel Álvarez	9	9	n/a	n/a	n/a	n/a	4	4
Stephen Ward	9	9	4	4	4	4	4	4
Huei Min (Lyn) Lim	9	9	4	4	4	4	4	4
Malena Pato-Castel	9	9	n/a	n/a	n/a	n/a	n/a	n/a

PRINCIPLE 3 – BOARD COMMITTEES

"The Board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility."

From amongst its own members, the board has appointed the following permanent committees:

Audit and Risk Committee

As at 31 December 2024, the members of the Audit and Risk Committee were Emilio Fullaondo (Chair), José Parés, Stephen Ward and Huei Min (Lyn) Lim. This committee is constituted to monitor the veracity of the financial data produced by the Company, ensure controls are in place to minimise the opportunities for fraud or for material error in the accounts and to oversee the operation of the Company's Risk Management Framework (discussed in more detail in the "Risk Management Framework" section under Principle 6). A majority of the committee's members must be independent directors and executive directors may not be members of the committee.

The Audit and Risk Committee meets two to four times a year. External auditors of the Company, senior management and executives performing internal audit management from within the Company attend by invitation. The external auditors also meet separately with the Audit and Risk Committee with no members of management present.

The Audit and Risk Committee has adopted a charter setting out the parameters of its relationship with internal and external audit functions. The charter (which is available on the Company's website) requires, among other things, five yearly reviews of the external audit relationship and audit partner rotation.

Remuneration and Nominations Committee

As at 31 December 2024, the members of the Remuneration and Nominations Committee were Stephen Ward (Chair), Huei Min (Lyn) Lim, Emilio Fullaondo and Luis Miguel Álvarez. This committee is constituted to administer the Director Nomination and Appointment Procedure, approve appointments of senior executives of the Company (principally the CEO and those reporting directly to the CEO) and make recommendations to the board in relation to terms of remuneration for non-executive directors and senior executives. It also reviews any company-wide incentive schemes as required and recommends remuneration packages for directors to the shareholders.

The Remuneration and Nominations Committee has adopted a written charter which is available on the Company's website.

Health, Safety and Sustainability Committee

As at 31 December 2024, the members of the Health, Safety and Sustainability Committee were Huei Min (Lyn) Lim (Chair), Stephen Ward and Emilio Fullaondo. This committee is constituted to assist the board to provide leadership and policy in discharging its health, safety and wellbeing governance duties. In particular, the Health, Safety and Sustainability Committee is responsible for administering the Company's Health, Safety and Wellbeing Framework, monitoring and assessing the Company's Health, Safety and Wellbeing performance and developing Health, Safety and Wellbeing targets/objectives for the business.

In addition, the board has appointed the Health, Safety and Sustainability Committee to assist the board in fulfilling Restaurant Brands' environmental, social and governance responsibilities and objectives by providing leadership and oversight for environmental, social and governance policies and disclosure matters. The Health, Safety and Sustainability Committee also assists the Audit and Risk Committee with collecting, reviewing and verifying the data that goes into the Company's climate-related disclosures and Environmental, Social and Governance Report, and has oversight of the Company's associated performance and annual targets.

The Health, Safety and Sustainability Committee has adopted a revised written charter which is available on the Company's website.

Other sub-committees may be constituted and meet for specific ad hoc purposes as required.

Takeover protocols

The board has adopted a set of procedures and protocols to be followed if there is a 'control transaction offer' for the Company. These procedures and protocols provide for the formation of a committee of independent directors to consider and manage a control transaction offer.

PRINCIPLE 4 – REPORTING AND DISCLOSURE

"The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures."

Continuous Disclosure Policy

The board and Company are committed to promoting shareholder and market confidence through open, timely and accurate communication in compliance with the Company's continuous disclosure obligations under the NZX and ASX Listing Rules and the Financial Markets Conduct Act 2013. The RBD Continuous Disclosure Policy contains processes and procedures for ensuring that there is full and timely disclosure of market sensitive information to all shareholders and other market participants and also outlines the responsibilities in relation to the identification, reporting, review and disclosure of material information. The board has appointed a Disclosure Officer to administer this policy.

Charters and policies

Copies of the Company's key governance documents (including the Board Charter, Committee Charters, Group Diversity Policy, Group Continuous Disclosure Policy, Group Director and Senior Executive Remuneration Policy, Group Code of Ethical Conduct and Group Securities (Insider Trading Policy) are available in the "Governance" section of the Company's website.

Financial reporting

The board is committed to ensuring integrity and timeliness in its financial reporting and providing information to shareholders and the wider market which reflects a considered view on the present and future prospects of the Company.

The Audit and Risk Committee oversees the quality and integrity of the Company's external financial reporting including the accuracy, completeness, balance and timeliness of financial statements. It reviews the Company's full and half year financial statements and makes recommendations to the board concerning the application of accounting policies and practice, areas of judgement, compliance with accounting standards, stock exchange and legal requirements as well as the results of the external audit.

While the Audit and Risk Committee ultimately oversees the quality of the Company's external financial reporting, the Company's management also provides confirmation in writing to the board that the Company's external financial reports represent a true and fair representation of the financial performance of the Company.

Non-financial reporting

The Company's Environmental, Social and Governance Report for 2024 is set out earlier in this Annual Report. The Company has elected to set out its climate-related disclosures separately to this annual report and these will be made available on the Company's website when published.

PRINCIPLE 5 – REMUNERATION

"The remuneration of directors and executives should be transparent, fair and reasonable."

Board remuneration

The Company's approach to the remuneration of directors and senior executives is set out in the Company's Director and Senior Executives Remuneration Policy. The board's Remuneration and Nominations Committee reviews director and senior executive remuneration and makes recommendations to the board after taking into account the requirements of the policy. The Remuneration and Nominations Committee's membership and role are set out in more detail under Principle 3 above.

The total pool of director fees authorised at the Annual Shareholders' Meeting on 21 June 2018 was $475,000 per annum. At the time the total pool was authorised, the Company had five directors. On 24 June 2021, the board resolved to increase the directors' fees pool in accordance with NZX Listing Rule 2.11.3 by $172,500 to $647,500 per annum to allow for directors' fees to be paid to the two additional directors that joined the board since the pool was last increased on 21 June 2018.

No directors currently take a portion of their remuneration under a performance-based equity compensation plan, although a number of directors do hold shares in the Company. Directors do not receive additional remuneration or benefits in connection with any directorship they may hold of subsidiaries of the Company.

The terms of any retirement payments to directors are prescribed in the Company's constitution and require prior approval of shareholders at a general meeting. No retirement payments have been made to any director.

The Company has insured all of its directors and the directors of its subsidiaries against liabilities to other parties (except the Company or a related party of the Company) that may arise from their position as directors. The insurance does not cover liabilities arising from criminal actions.

The Company has executed a Deed of Indemnity, indemnifying all directors to the extent permitted by section 162 of the Companies Act 1993.

Executive remuneration

During the reporting period, the CEO and other senior executive remuneration comprised of a fixed base salary and a discretionary annual variable short term cash incentive (STI). The STI is an at-risk cash payment made at the discretion of the board and is designed to motivate and reward for financial and safety performance during the financial year. The target value of an individual's STI payment is based on a specified percentage of that participant's annual base salary (ranging from 10% to 40% depending on role), with the ultimate payout being scaled from 0% to 125% of the target value based on the degree of achievement of key performance indicators (KPIs). The board (with assistance from the Remuneration and Nominations Committee) approves the KPIs for senior executives and the STI payments to be made to senior executives at the end of the financial year. The KPIs for all employees who participate in the STI scheme are based on a combination of Company or operating division financial performance (i.e. NPAT or EBITDA target achievement) and non-financial performance (i.e. people and health & safety target achievement). The weightings applied to the financial and non-financial KPIs were consistent throughout the Company for roles participating in the STI scheme.

Details of the CEO remuneration arrangements (including the amounts paid in the 2023 financial period) are set out in Note 20 to the 31 December 2024 financial statements in this Annual Report. In addition, in September 2022 the previous CEO was awarded a one-time compensation benefit due to his retirement in March 2023 and the amount recognised in 2023 was $0.6 million.

PRINCIPLE 6 – RISK MANAGEMENT

"Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks."

Risk management framework

The Company has a Risk Management Framework for identifying, monitoring, managing and controlling the material risks faced by the business. While the board is ultimately responsible for the effectiveness of the Company's Risk Management Framework, the Audit and Risk Committee administers the Risk Management Framework and:

- receives and reviews regular risk reporting from management;
- provides recommendations to the board in relation to:
  - key/material risk identification and appetite levels;
  - whether the Company's processes for managing risks are sufficient; and
  - incidents involving serious fraud or other material break-down/failing of the Company's internal controls;
- periodically reviews:
  - key/material risks that have been identified and the controls in place to manage them; and
  - the Company's business activities to identify likely sources of new risks; and
- confirms the robustness of the Risk Management Framework to the board.

The Committee is required to review the Risk Management Framework at least biennially and conduct regular deep dive assessments of each key/material risk to the Company's business and the associated business controls management have put in place to manage/mitigate these risks.

In managing the Company's business risks, the board approves and monitors additional policies and processes in such areas as:

- Internal Audit – regular checks are conducted by operations and financial staff on all aspects of store operations.

- Treasury Management – exposure to interest rate and foreign exchange risks is managed in accordance with the Company's treasury policy.
- Financial Performance – full sets of management accounts are presented to the board at every meeting. Performance is measured against an annual budget with periodic forecast updates.
- Capital Expenditure – all capital expenditure is subject to relevant approval levels with significant items approved by the board. The board also monitors expenditure against approved projects and approves the capital plan.

Insurance

The Company has insurance policies in place covering most areas of risk to its assets and business. These include material damage and business interruption cover at all of its sites where such cover is offered by reputable insurers. Policies are reviewed and renewed annually with reputable insurers.

Health, safety and wellbeing

The Company's Health, Safety and Sustainability Committee is responsible for reviewing and making recommendations to the board in respect of the Company's health, safety and wellbeing policies, procedures and performance. The Committee's primary responsibility is to ensure that the systems used to identify and manage health, safety and wellbeing risks are fit for purpose and are being effectively implemented, reviewed and continuously improved. The Committee is also responsible for developing health and safety targets/objectives for the business.

Management and the Committee receive detailed reporting on lead and lag indicators of health, safety and wellbeing performance including health and safety incidents, injury rates by severity and mechanism, identified hazards and outputs from local, area and regional employee health and safety forum meetings. The Company has dedicated health and safety experts who investigate incidents, analyse hazard/incident trends to identify and mitigate potential health, safety and wellbeing risks and review, develop and monitor compliance with health, safety and wellbeing processes and procedures.

At an individual store level, comprehensive policies and procedures for carrying out tasks in a safe manner are in place and regularly reviewed to ensure they remain fit-for-purpose. Staff are trained in these policies and procedures as part of their induction. Registers are kept of potential hazards at each store and regular reviews/audits of compliance with health, safety and wellbeing processes and procedures are carried out by internal staff and external providers.

PRINCIPLE 7 – AUDITORS

"The board should ensure the quality and independence of the external audit process."

External auditor

Oversight of the Company's external audit arrangements is the responsibility of the Audit and Risk Committee. The Committee operates under the Audit and Risk Committee Charter which (among other things) requires the Committee to:

- recommend the appointment of the external auditor;
- set the remuneration and review the performance of the external auditor;
- ensure the relationship with the external auditor is reviewed every five years and that the audit partner is rotated after five years;
- set the scope and work plan of the annual audit and half year review (along with the external auditor and management);
- ensure that no unreasonable restrictions are placed on the external auditor by the board or management;
- ensure that open lines of communication are maintained between the board, internal audit, management and the external auditor; and
- ensure the independence of the external auditor by:
  - reviewing the nature and scope of professional services outside of the external statutory audit role proposed to be provided by the external auditor and approving or declining their use in light of the requirement for external auditor independence;

- monitoring any approved services outside of the external statutory audit role provided by the external auditors to ensure that the nature and scope of such professional services does not change in a manner that could be perceived as impacting on the external auditor's independence;
- reviewing the nature and scope of professional audit services proposed to be provided by firms other than the external auditor and approving or declining their use in light of the requirement for external auditor independence; and
- reviewing and approving or declining any proposed employment by the Company or its subsidiaries of any former audit partner or audit manager.

The Audit and Risk Committee receives an annual confirmation from the external auditor as to their independence from the Company. The external auditor regularly meets with the Committee (including meetings without management present) and attends the Company's Annual Shareholders' Meeting where the lead audit partner is available to answer questions from shareholders.

PwC have been the Company's external auditor since 2008.

Internal audit

The Audit and Risk Committee is responsible for overseeing the integrity and effectiveness of the Company's internal audit function. The Company has an internal audit and risk team that conducts assurance and compliance reviews across its operations, as part of an annual work program agreed upon with the Audit and Risk Committee.

PRINCIPLE 8 – SHAREHOLDER RIGHTS AND RELATIONS

"The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."

Shareholder communication

The board places importance on effective shareholder communication. Half year and annual reports are published each year and posted on the Company's website, together with profiles of directors and key members of management and key governance documents. From time to time the board may communicate with shareholders outside this regular reporting regime.

Shareholders are provided with the option of receiving communications from the Company electronically.

Consistent with best practice and of the Company's continuous disclosure obligations under the NZX Listing Rules, external communications that may contain market sensitive data are released through NZX and ASX in the first instance. Further communication is encouraged with press releases through mainstream media. The board formally reviews its proceedings at the conclusion of each meeting to determine whether there may be a requirement for a disclosure announcement.

Shareholder Meetings

Shareholder attendance at annual meetings is encouraged and the board allows extensive shareholder debate on all matters affecting the Company. The Company complies with its obligations under the Companies Act 1993 and the NZX Listing Rules in relation to obtaining shareholder approval for major decisions/actions that may change the nature of the company shareholders have invested in.

Notice of the Company's Annual Shareholders' Meeting will be available at least 20 working days prior to the date of the meeting.

In accordance with the requirements of Rule 6.1.1 of the NZX Listing Rules, voting at the Annual Shareholders' Meeting will be carried out by way of a poll on the basis of one share, one vote.

CORPORATE DIRECTORY

Directors

José Parés (Chairman)
Emilio Fullaondo
Carlos Fernández
Luis Miguel Álvarez
Stephen Ward
Huei Min (Lyn) Lim
Maria Elena (Malena) Pato-Castel

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Auditors

PricewaterhouseCoopers

Solicitors

Bell Gully
Harmos Horton Lusk
Meredith Connell

Bankers

Westpac Banking Corporation
J.P. Morgan
Rabobank
Bank of China

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FINANCIAL CALENDAR

Annual meeting

23 May 2025

Financial year end

31 December 2025

Annual profit announcement

February 2026

Restaurant BRANDS