BURGER FUEL GROUP LIMITED
Annual Shareholders Meeting of BURGER FUEL GROUP LIMITED.
Held at the Rakiura Room, Parkside Hotel & Apartments, 100 Greys Avenue, Auckland, 1010 and via Zoom webinars
Thursday 24 September 2026 at 11.00 am

Chairman's Address,

I will now review the main events of the past financial year for the BurgerFuel Group of companies.

The year in numbers

FY26 was the best year in the Group's history. Net profit after tax for the year was $1.97 million, an increase of 91.8% on the prior year – close to double the FY25 result.

Total system sales across all three brands and all regions grew 2.93% to $111.4 million. In New Zealand, system sales across our three brands and 66 restaurants lifted 4.12% to $108 million. Group revenue rose 2.23% to $25.5 million.

Our performance was achieved by growing sales in a market where a great many operators went backwards or even out of business. The result was also assisted by two things; we were not required to spend the substantial legal costs that weighed on FY24 and FY25. And we took a one-off gain of $288,000 on the sale of our company-owned BurgerFuel Ponsonby store in December 2025.

Cash on hand closed the year at $6.1 million, up from $4.8 million, despite the Group deploying $1.34 million of its own cash resources into property, plant, equipment and technology during the year. The Group continues to carry no debt.

Given the environment that Josef will describe in more detail shortly, the Board regards this as a very strong outcome, and one that really stands out in a very difficult market, but especially in the hospitality sector that we operate in.

The store network

As at 31 March 2026, 62 BurgerFuel restaurants were trading in New Zealand and 3 in the Middle East. Alongside those we had three Shake Out restaurants and one Winner Winner restaurant operating in New Zealand, plus 26 Shake Out virtual kitchens running out of BurgerFuel locations around the country.

During the year we opened BurgerFuel Royal Oak in Auckland in June 2025 and BurgerFuel Te Rapa in Hamilton in October 2025, which replaced our store at The Base Hamilton. Both are franchised, and both have been well received. BurgerFuel Whanganui also traded for its first full year in FY26. There are three new stores opening in this current year and Josef will tell you more about those.

In December 2025 we sold our company-owned Ponsonby store to a franchisee who has been involved with the brand before and who hit the ground running. That transaction is a good illustration that generally, BurgerFuel is at its best when stores are owner operated.

Those are the results, and the shape of the network behind them. BFG has managed to grow sales and profit in a market that was going backwards, and we did so while adding to cash and carrying no debt.

Outlook

FY26 was our strongest year to date, but the recovery we could see building in the second half of last year, has been seriously interrupted by global events and the cost pressures flowing from them. For us, FY27 is holding up reasonably well, but it is being shaped by the geopolitical issues the whole country, and the world is dealing with. As well, being an election year always creates uncertainty for businesses and consumers, and we are seeing that.

New Zealand sales for the first half of this year were tracking ahead of this time last year; however, we are comparing against a softer period last year. Our next half year will be compared to a stronger second half of FY26. Full year sales are genuinely difficult to predict. I note that retail spending for August was down 1% from July and one of our key suppliers has confirmed that our sector was down in August. We to are feeling a slight softening of sales right now.

Sales for the full year are very much subject to local economic conditions, consumer confidence, cost pressures and the wider effects the ongoing Iran conflict has on our economy and as of now, oil and therefore petrol prices at the pump, are once again rising.

Against any possible growth in New Zealand we may achieve, sales in the Middle East have drastically fallen, due to the Iran conflicts.

Dividend Policy

This year's profit and the cash we hold, will be retained in the business, and so, as is our standing policy, no dividend will be paid in FY27. In a world of uncertainty, we are prioritising business resilience as well as strategic investment to continue to grow new revenue streams. It is the strength of our balance sheet that helps guide both our business operations, as well as new investment decisions.

Our dividend policy has been consistent since listing. Our decision not to pay a dividend is not simply about caution. Cash funds the operation without our having to take on debt, giving us room to move if conditions turn against us. It lets us back growth when the right opportunities arise, like currently, with our ongoing strategic investment in revenue generating IT systems. Our cash also supports further investment in BurgerFuel' s infrastructure, our franchisees, as well as new store construction and openings, which these days take considerably more capital, financing and time to come to fruition. Josef will talk more about where our investment is going.

A further consideration in maintaining appropriate cash reserves is that BFG holds head leases across a number of sites and therefore has significant ongoing lease obligations. As outlined in our Annual Report, these lease commitments currently total approximately $4.5 million.

The Board reviews the dividend policy every year and will continue to do so. During these reviews we assess the working capital requirements of the business, including any capital commitments that we are aware of over the next three years, as well as considering economic circumstances, and that impact on the business. We then consider what should happen with any meaningful cash surplus. Nothing is ruled in or out. We will maintain this position and will continue to report any change in our dividend policy to shareholders, if appropriate.

I want to be clear this is not to say that the company will not pay a dividend at some point in the future, but this should not be expected. Our focus remains on the constant improvement of the BurgerFuel system and brand, reviewing and where possible, entering new opportunities, like our IT investment, and ultimately on growing the financial metrics, such as profit, which is clearly what we are achieving.

Food businesses like ours are operating on historically low margins. It is for this reason that we are integrating areas such as technology that move us towards other forms of generating income and widening the reliance on just the bricks and mortar revenue that BurgerFuel has traditionally generated. Josef will talk more about this in his address.

That concludes my review of the year. There is a lot of activity going on within the group and the board remains cautiously optimistic about the rest of the year ahead, given both the geopolitical situation and the current economic environment we are operating in.

My thanks to the BurgerFuel team at head office and to our franchisees and their crews in store. A result like this one is not only produced by the board and executive decisions made, but also by the several thousand shifts worked with excellence, and we are grateful for every one of those.

Josef will now take you through the business operations; the conditions we are trading in, the franchise system, the Middle East, and where we are investing. I will return to address you later in the meeting, but for now I would like to hand you over to Josef Roberts, our Group Chief Executive.

Chief Executive's Address,

Good morning, everyone and welcome.

Overview

The FY26 result was delivered in a year when a great many operators in our sector did not survive at all. Our performance didn't come from the market getting easier. It came from a business that has been relentlessly and carefully developed and maintained, but especially, over the past six years which have been extremely challenging in our sector. A key reason for our resilience has been because of both the management decisions and the financial investment that we make every year, to ensure the brand remains loved and top of mind. Without that constant investment, like many others in our sector, we simply wouldn't be here today.

BurgerFuel New Zealand – the market we operate in

The state of the economy is the single biggest determinant of how many customers visit our restaurants, and how our franchisees are doing week to week. At this meeting last year, I described trading as among the toughest on record for our industry. The second half of FY26 finally brought some relief. Interest rates had come down materially from their peak, food price inflation had eased back to the mid-2% range, and we could see confidence beginning to return.

Finally, I thought we would be heading into FY27 with a clear run and stronger economic growth signals. Unfortunately, that was not to be. Much of the momentum gained at the end of FY26 has since been lost, due to the geopolitical situation, being the Iran (and Ukrainian) wars where we are bearing the costs every day.

Consumer confidence remains fragile and volatile. Discretionary spending is the first thing households cut and the last thing they restore. The hospitality sector remains under real stress. Hospitality liquidations in New Zealand rose 49% year on year, the second highest of any sector behind construction. Every week seems to bring news of another long-standing restaurant, café or bar closing its doors. That's the backdrop against which you should consider our FY26 performance.

Next, and perhaps most acutely, input costs – particularly beef. A global cattle shortage, combined with very strong demand out of the United States, has pushed New Zealand farmgate beef pricing to record levels. This is great news for New Zealand farmers and for the country's export earnings, however, it is not good for us, as it creates significant margin pressure. We do not see this subsiding in the medium term; in fact, this feels like the new normal to me. The Iran conflict and the disruption to shipping through the Strait of Hormuz pushed crude oil above US$100 a barrel earlier this year, with diesel and freight rates rising further still. Prices have been up and down ever since and are now on the up again. With global oil supplies and reserves tightening, my guess is that we are in for further declines in the global and local economy, beyond where we are at today.

Here at home, suppliers have been adding these additional freight and input costs on to their invoices and it's clear that many retailers, especially those in food and hospitality, are struggling to pass these costs on, for fear of losing customers. It is of course, the financial inability for many businesses to keep absorbing these costs, that ultimately leads to their failure.

That same conflict has had a direct effect (but far more dramatic) on our Middle East operations, which I will come back to.

There is a further negative trend that I want to remind you of. New Zealand recorded a net loss of another 36,500 of its own citizens in the year to March 2026. That's an improvement on the 42,900 lost the year before, but it remains a very large number, and around 40% of those departing were aged between 18 and 30, squarely our BurgerFuel customer base. Overall, migration was positive, so the population still grew, but the portion of that population that have grown up with BurgerFuel, who were our regular customers, are the ones that have left.

Another emerging threat to our industry is the growth of GLP-1 weight loss drugs such as Ozempic and Wegovy. In the US around 18% of adults have now used a GLP-1 with approximately 12% currently remaining on one permanently. And as patents begin expiring in markets such as India and China, lower cost alternatives are likely to make these drugs increasingly more accessible.

For the food industry the implications are significant. Research from Cornell found that households using GLP-1's, reduced grocery spending by around 5% and spending at fast food and other limited-service restaurants by around 8%.

On a New Zealand level, just last week Foodstuffs stated that "increasingly we are seeing clear signals of GLP-1 medications influencing consumption patterns, particularly appetite, portion sizes and category mix". So, this threat is real and already here.

As the adoption of weight loss drugs continue to grow and prices for those drugs fall, the challenge for our industry is quite simple: a growing proportion of our customers will simply want to eat less.

I have talked before about our three P's – People, Product and Place, what I would say is that this is not a slogan. Standards slip quickly if our organisation is not intently focused on all three, store by store, day by day. Holding up the three P's through the downturn is a big part of the reason our FY26 result looks the way it does.

The fourth P we introduced last year, Protect, is now doing real work, and I will talk shortly about how we continue to use our Shake Out brand against competitors who discount aggressively.

A franchise business first

Following the sale of BurgerFuel Ponsonby we operate two company-owned BurgerFuel stores, and two Shake Outs. All our other restaurants are franchised. So, while the system turns over $111 million, we do not bank those sales. Our revenue last year was $25.5 million. We are a franchisor: we build, maintain and nurture the system, so that we can continue to collect royalties from it.

Our franchisees have needed us more than ever through the last six hard years, and that has at times meant providing them with additional support. We remain discerning about that support, but the arithmetic is simple: the cost of losing a store far outweighs the cost of carrying a good operator through a difficult period, particularly now that replacing that store would cost much more to build than it did a few years ago.

Despite a weak economy, reduced consumer confidence, rising build costs and increasing competition, we are still growing and we will be opening 3 new BurgerFuel stores this year.

That's Huapai West Auckland, Richmond, in Nelson, and Auckland International Airport, which is on the departure side and opened last week. This store is operated under a licence agreement with a company that runs part of the food precinct in Auckland Airport. These 3 restaurants will take the brand into catchments that we have not served before.

The strength of the organisation

I have spoken at previous meetings about brand power, about marketing being the job of building layers that last, and about operational consistency at scale, so that a burger served in Invercargill is the same quality as one served in Auckland. None of that has changed. But this requires constant attention. For that, our head office remains appropriately resourced for a system of 66 physical restaurants and 26 virtual ones, and still growing. On top, we have the resource, costs and obligations needed to run a publicly listed company.

Our HQ Masterclass programme continues to move our strongest in-store people towards becoming our future franchisees. Our people remain the backbone of the business, and we are always nurturing and developing new talent, for future years.

Competition - Shake Out – and how we are using it

Competition is a reality in our industry where barriers to entry are generally low. It's not that hard to open a burger bar so we regularly see independent operators opening those close to a BurgerFuel. They come and they go as we have seen in recent times, but sometimes they stick around for years and sometimes they grow.

We keep a close eye on competitors especially new ones. We look at what they are offering and what we can learn and do better ourselves. In most cases there isn't much, other than to keep building on our values of consistency and quality and to make sure we continue to stand for something. For BurgerFuel, that's clean food and good value. Sure, it costs more to provide better quality beef, free range chicken, fresh vegetables and proprietary sauces, all wrapped in a freshly toasted bun with no added sugar, but that's why our customers keep coming back. BurgerFuel' s quality and consistency, at scale, is hard to beat.

Shake Out sales continue to grow. During the year we enabled 20 additional Shake Out virtual kitchens, taking the total to 26 and giving us coverage across most of New Zealand, so that customers almost anywhere can now try Shake Out through the various delivery channels.

These virtual outlets still contribute a relatively small share of system sales, but they deliver franchisees additional profit for little to no additional labour cost, they build brand awareness, and – importantly – they give us a weapon. Delivery platforms are a difficult and often fatal economic model for vendors: generally, customers win and vendors lose and carry the cost. Rather than compete on BurgerFuel' s margins, we tend to compete in that channel more with Shake Out. For every Shake Out burger we sell, a competitor sells one less. We'll continue to utilise Shake Out as our predominant attack brand to compete in the world of slippery slope discounting and delivery platforms.

On Winner Winner, our position is unchanged. The Courtenay Place store in Wellington is the only remaining Winner Winner outlet. That franchisee is continuing with the brand and also runs a Shake Out virtual kitchen from the same premises. Currently, we are not investing further in Winner Winner.

BurgerFuel Middle East

Operation of BurgerFuel in the UAE and Saudi Arabia remains under the Development Agent agreement. The region contributed modest royalties and profit in FY26. Middle East system sales were down 26% for the year, largely reflecting the closure of the Riyadh Nakhlah store in Saudi Arabia part-way through FY25 and the closure of various dark kitchens in the UAE. As at the end of FY26 the region represented 2.95% of total BurgerFuel sales.

Since balance date, the region has been significantly affected by the Iran conflict, with a considerable decline in sales and facing a far more uncertain operating environment.

In May 2026 our Saudi licence holder elected to close the Jubail store, leaving Amwaj as the sole remaining BurgerFuel location in Saudi Arabia. In Dubai the business continues to trade from the World Trade Centre site, supported by a purpose built, BurgerFuel food trailer, with delivery now fulfilled directly from those outlets rather than through third-party kitchens. This enables us to better maintain brand quality.

We continue to assess the Iran impact on trading, costs, supply chains and consumer demand. The duration and extent of the disruption remain uncertain, and we will keep the region under close review. In short, we are not relying on any revenue from the Middle East in FY27. That said, hopefully things will eventually recover there, as I believe the region does still hold future opportunities for us.

Supply chain

I'd like to spend a moment on the cost of goods side of the business, because it is one of the biggest operational issues we are facing.

Managing our supply chain is a constant focus. As I noted earlier, global demand for New Zealand beef, particularly from the United States, has driven farmgate pricing to record levels, and a worldwide cattle shortage means we do not expect relief in the medium or even long term. We have historically been good at managing supply chain costs, and we have mitigated a great deal, but some increases are simply inescapable. Fuel and freight increases arising from the disruption in the Middle East have compounded costs and look set to continue.

With cost of goods rising and margins tightening across the system, we have begun investigating supply chain opportunities that would give us more involvement in ingredient production. Any such decision comes back to a simple test: can we do it better, with more certainty of quality, pricing and efficiency, than if we purchase products? If the answer is yes, we will look at it seriously. If it is no, we will not. We are currently assessing several areas that could offer us investment opportunities within the supply chain, and we will see if anything meaningful comes out of those.

Investment in technology

I have set out at previous meetings why we chose to build our own technology systems rather than keep renting somebody else's, and this came down to a couple of things: controlling the ever-increasing SaaS costs and getting better customised reporting and utilisation of our own data. That decision is paying off.

In January we launched version 2 of the BurgerFuel online ordering platform, website and app. It's more stable, has better features, and its architecture lets us release new features far faster than before. Online ordering is now a solid revenue stream; it generated $520,000 of revenue for the Group in FY26.

The second piece is our white label platform, which is complete and now being operated by several smaller, third-party users. I'm pleased to report that we have just started banking our first third party monthly subscriptions, which I have to say are minuscule at this point, but they are a start. The logic here is straightforward: in the first instance we solved a problem for ourselves and as a by-product we have created something we can license outside of our own system, on a royalty basis. There is still much work to do, but early indications demonstrate that there is a market for our system, so we are hopeful that this can become a new and meaningful outside revenue stream over time.

Strategic investment in our IT platforms continues into FY27, with further features in development that have the potential to generate more revenue. Ultimately this is about both maintaining ownership of our customers and building potential revenue streams, outside of the BF system.

Regarding IT, I will say that it is a growing cost for many businesses and I am staggered at the infrastructure pricing that is having to be paid today, simply to operate. The green fees are rising every year as technology companies increase prices, sometimes by more than 150% in a year, leaving us no option but to pay far more for basic services, that used to be free or low cost.

Technology is an area where we are seeking to make better use of the infrastructure costs, as well as make the business more efficient. Let's take Artificial Intelligence. The arrival of AI is not an evolution, it's a revolution. AI has ramped up to now become a mainstream tool for almost anyone who uses a smart phone. In our business, AI has entered many disciplines and looking into the future, we will adopt AI in as much of the business as possible, providing we achieve savings and efficiencies.

AI guardrails (if there are really such things) are just as important as the beast itself, and we are cautious as we progressively introduce AI into the workplace. In a bricks and mortar business like ours, AI has limitations on a practical level. It can't make a hamburger - but it can control the robotics that potentially could. Behind the front line there is no doubt that AI is already assisting us in the performance of administrative tasks, particularly in information systems and data analytics.

At restaurant management level, there are also exciting developments that we will eventually implement to assist our franchisees in better managing their business. There is a whole new world arriving right now in this area, and you can be sure that we are already embracing it and will continue to do so. But again, it all costs money to sit at the table.

Although our on-going investment in IT is fulfilling a growing need within our own business, it should also be viewed as new, strategic investment, as it has the capability to sit outside of the BF system. We are excited about where our IT platforms are going and where this could lead to.

Acquisitions and further use of our cash

As Alan said, cash is essential to our business, and we are in a period where we need to keep investing both within the business and outside it. We are also living in massively uncertain times; we literally have no idea what is coming next on a global level and how that might impact our business financially or in other ways.

On acquisitions, we look at opportunities and there are quite a few that come across my desk. They range from joint ventures, where an owner or founder wants to stay in their business but is looking for a cashed-up, experienced operational partner to help grow it, through to full acquisitions.

We ask the same questions every time. What is the opportunity? Does it fit our skillset? Should it be a full purchase or a joint venture? And we look hard at the people behind those opportunities, who are they, what is their track record, and do we want to be in business with them?

In the past six months we have looked at some categories that vary from our mainstream business, but they are things that we understand and could fit into our plans to grow revenue. Current economic conditions have dampened some decision-making in the short term, but they also create buying opportunities, and we remain engaged in reviewing opportunities and ready to acquire all or part of another business, if it meets our criteria.

Closer to our existing business, one area has been on my mind for years. We run what we call our satellite kitchen, where we make some of our proprietary products, including our aioli. It operates from leased industrial premises. Buying our own production facility and expanding it to make more of our own products, is something we are actively investigating. It would consume a meaningful amount of cash, but it would give us better scalability, better returns, and security of tenure over a part of the supply chain we greatly depend on.

We are disciplined about our feasibility assessments, and we will proceed only where we believe the prospective returns adequately outweigh the risks. But the purchase of our own industrial facility with the ability to expand beyond current production, does make financial sense and we are currently looking at those options.

Cash is always needed closer to home. Build costs for new stores are much higher than they were a few years ago, and new openings often need our capital assistance if the system is to keep growing. A new store build costs around $800k these days. Depending on the incoming franchisee's financial situation we may have to loan up to 50% of that cost for some years. In some cases, like right now, we are fully funding the build costs of a newly developed store.

Extended global lead times on critical kitchen equipment because of trade tariffs and wars, have also dramatically increased, meaning that we need to hold more inventory of key items so that new store openings and trading is not delayed. A good example of this is where we are constantly needing to update our commercial kitchen equipment to achieve faster operating and delivery times. Upgraded hot grills or enhanced soft serve machines for example.

If we make a system change, we may need to purchase up to 60 units from overseas, some of these range from $20-65,000 each. That alone could be an order in the vicinity of $1.2M to-$4M or more, depending on the timing of orders. And if the NZ dollar keeps weakening against the US dollar, equipment will cost even more. All of this requires cash and the ability to plan and make decisions knowing that we have it in the bank.

That is what our cash is for. It is not sitting idle, it's there to support investment decisions that we make every week and that is the reason the Board's position on dividends has not changed. We have many projects on the drawing board that require cash to implement, enabling us to both keep maintaining and growing the business to increase profits.

Sustainability

Sustainability is a big part of our business and always has been. Sustainability also builds long-term value. Our approach is practical: understand our environmental impact and reduce it wherever we reasonably can.

Our second carbon analysis has given us a clearer emissions baseline and is helping identify reduction opportunities.

We have introduced commercial composting and recycling across all company-owned stores, with plans to extend this across Auckland stores where feasible by the end of FY27. Franchisees are supported by a practical Store Sustainability Guide developed in conjunction with our external environmental consulting group.

We continue to improve our packaging and subject to operational requirements, move away from traditional plastic-lined materials, with a long-term goal of transitioning all proprietary single-use packaging to certified, commercially compostable alternatives.

Royal Oak, our first fully electric site, is testing electric kitchen equipment in a live operating environment, while new developments will incorporate lower-impact features wherever possible. Auckland International Airport has also just opened with a fully electric commercial kitchen. We have always been pretty good at our environmental obligations and that culture is embedded within the system that we operate.

Animal Welfare

We are also proud to continue supporting the Fiordland Wapiti Foundation. Our annual Wild Heart venison campaign has raised more than $120,000 for predator control, native biodiversity protection, local processing capability and regional employment in Te Anau.

Animal welfare sits alongside our environmental work and is built into how we approach the sourcing and specification of our ingredients. BurgerFuel championed the introduction of free-range chicken in 2014, becoming the first major fast casual restaurant chain in New Zealand to move to 100% SPCA approved free-range chicken. More than a decade later, we continue to source chicken from suppliers operating under SPCA Certified standards, representing some of the highest animal welfare standards available in New Zealand, at the scale required to supply our nationwide network.

Yesterday, in another first, we were proud to announce a new partnership between BurgerFuel and SPCA to launch their new Welfare Plus+ programme. This will allow us to continue to work closely with the SPCA, government, our suppliers, and the wider industry on how animal welfare standards, can practically continue to evolve.

Summary

After 6 years of at times, extremely challenging operating conditions in our sector, FY26 delivered a result that reflects the strength of the business that we have built. Despite the momentum of FY26 being dampened down by geopolitical events, the business remains resilient and capable of continuing to expand and achieve growth.

I would repeat last year's statement that protecting what we have is every bit as consuming as growing it, and we intend to keep doing both.

Running a successful franchise system today is harder than it has ever been. Margins across retail food are as tight as I have ever seen them, build costs and compliance costs keep climbing, and a system that stops improving, stops delivering for the franchisee first, and then for the franchisor.

Franchising is a partnership and I have always treated it that way, since I was appointed to the role of CEO. BurgerFuel is successful because we make sure that the correct investment is made within the franchise system.

Whilst I'm very positive about the future of BFG and the many things we are working on, I have to expect that 2027 may bring with it yet another set of operating challenges, on top of the ones we are already dealing with today, but once again, I remain positive and I'm sure we'll overcome them.

In this environment and closer to home, where the successful day to day management of a restaurant business the size of BurgerFuel is relentless, cash is both a necessary and tremendous asset to have. Without the availability of cash to both defend the business and deploy into new opportunities, we cannot grow outside of where we operate today.

We run a system with enormous, fixed costs. You can't just turn them off when sales slowdown or things get tough. We need reserves and especially these days, plenty of them. The complexities of operating a system with at present 66 physical restaurants and 26 virtual ones, and more than 1000 full and part-time staff, are immense. Every outlet comes with its own set of challenges and the more restaurants we add, the more challenges arrive. That is the nature of the business we are in.

That concludes my address.

I would like to thank all our shareholders, including those who have joined us online today, and I would also like to thank our Board of Directors for their efforts during the year. Our Board of Independent Directors brings strong capability across different areas of the business, and the experience to assist management to achieve further growth.

My thanks to the team at HQ, to our franchisees, and to everyone working in our stores each day, keeping the fires blazing. And of course, to our customers, who ultimately make or break us.

Thank you also for your attendance today. I remain proud of the brand and the business that we have built, and of the storms we have weathered alongside our franchisees, no more so than during the past 6 years.

ENDS