



BURGER FUEL GROUP LIMITED
Special Shareholders Meeting of BURGER FUEL GROUP LIMITED.

**To be held online and in person at Rakiura Room, Parkside Hotel & Apartments,
100 Greys Avenue, Auckland, 1010**

Thursday 14 December 2023 at 11.30 am.

Chair's Address

Introduction

Good morning, Ladies and Gentlemen. My name is Peter Brook and I'm the Chair of the Burger Fuel Group.

On behalf of the board, I would like to welcome you all to this Special Shareholders Meeting of BurgerFuel to discuss and vote on the proposed Return of Capital.

We have decided to run a hybrid meeting for this special meeting via the Computershare Online Meetings platform. This allows Shareholders, Proxies and Guests who were not able to travel and attend the meeting in person the ability to attend the meeting virtually. All online attendees can watch a live webcast of the meeting. In addition, shareholders and proxies have the ability to ask questions and submit votes, so I also welcome the shareholders that chose to attend online.

For those of you attending the meeting virtually, if you have a question to submit during the live meeting, please select the Q&A tab on the right half of your screen anytime. Type your question into the field and press send. Your question will be immediately submitted. Should you require any assistance, you can type your query and one of the Computershare team will assist with the chat function and reply to your query. Alternatively, you can call Computershare on 0800-650-034.

Please note that while you can submit questions from now on, these will not be addressed until the relevant time in the meeting. Please also note that your questions may be moderated or if we receive multiple questions on one topic, amalgamated together.



Before I explain the voting procedures for the meeting, I would like to inform shareholders that yesterday afternoon we received a letter from lawyers acting for Christopher Mason in his capacity as trustee of the Mason Family Trust which is an approximately 4.8% shareholder. His lawyers have asked us to note Mr Mason's opposition to the capital return arrangement at today's meeting. His lawyers have also informed us that they have instructions from their client to file a notice of opposition to the application for final orders in the court proceedings. If a notice of opposition is filed by Mr Mason or any other shareholders, the Company will continue to seek final orders to have the capital return implemented as set out in the notice of meeting because the Board continues to believe the capital return is in the best interests of the Company and its shareholders and fair to all shareholders.

Voting today will be conducted by way of a poll. In order to provide all online attendees with enough time to vote, we will now open the online voting for the special resolution.

If you are eligible to vote at this meeting and are attending online, you will be able to cast your vote online under the Vote tab. The resolution will allow votes to be submitted. To vote, simply select your voting direction from the options shown on screen. Your vote has been cast when the tick appears. To change your vote, simply select 'Change Your Vote'. You have the ability to change your vote, up until the time I declare voting closed. If you need to leave the meeting early, please ensure your vote is cast before you exit and leave the meeting.

For those of you here in person, voting on voting papers will be done a little later in the meeting.

The notice convening the meeting was circulated to shareholders on the 15th of November 2023.

As a quorum is present, I have pleasure in formally declaring the meeting open.



Introduction of Board

I would now like to take this opportunity to introduce your Directors and Chief Financial Officer who are Present at this meeting.

Josef Roberts – Director & CEO

Tyrone Foley – Director

Alan Gourdie, an independent Director like myself.

Mark Piet - CFO/Company Secretary

I would also like to welcome other BurgerFuel executives together with our Auditors and Share Registrar.

The agenda for today's meeting will be as follows.

Firstly, I will deliver an address. We will then conclude the address with any Q&A.

From there we will move to the formal part of the meeting. In terms of formal business, we have one special resolution to put to the meeting. We will invite any questions specific to this resolution.

Please note, this meeting is to specifically discuss the special resolution regarding the return of capital as detailed in the notice of meeting, this is not an open forum to discuss general business.

For those present in the meeting room today we have a couple of housekeeping matters.

Please note the toilets are across the hall at the back of the room, and the fire exit stairs are on the right just before the elevators where you came in. In the event of a fire please make your way to the fire exit and assemble in front of the building.



Chairman Address - Capital Return

On 27 October 2023, Burger Fuel Group Limited announced its intention to return approximately NZ\$4.077 million of capital to shareholders on a pro rata basis by a way of a Court approved scheme of arrangement.

The Company currently has excess cash, that is, over and above the cash needed for its working capital requirements for the foreseeable future.

The origins of the Company's excess cash and unrestricted capital assets is a result of the issue of shares to, and subsequent buy-back of shares at a lower cost from, Franchise Brands LLC, a company affiliated to the Subway® Corporation of USA, in connection with expansion plans which were not fully implemented. As such, most of the cash was surplus capital that is not being used for a particular investment opportunity.

The Company has been through an extensive exercise to determine the best use of its excess cash. The directors of the Company do not believe that any suitable investment opportunities exist at present or are likely in the short to medium term for the full amount of the cash currently held within the Company. It is not efficient for the Company to retain its current level of unrestricted capital and in these circumstances it is most appropriate to return surplus capital to shareholders.

In determining the preferred form of capital return, the Company sought advice from its external legal advisers, its auditors, and tax advisers. After careful consideration by the Board, it was decided that the Scheme was the preferred option available as firstly the accumulated cash originated from **capital** obtained from the Franchise Brands transaction and secondly it was the most tax efficient means of returning excess cash to shareholders.

30% of your shares will be cancelled (together with all rights attaching to those shares) and in return you will receive NZ\$0.27 for each cancelled share.

Shareholders registered on the Company's share register as the holder of shares in the Company at 5:00pm on the proposed Record Date which is expected to be Tuesday 13 February 2024, will have shares cancelled and be paid the NZ\$0.27 for each share cancelled.



If multiplying the number of shares you own by 30% does not result in a whole number, then the resulting number will be rounded up or down to the nearest whole number of shares (with 0.5 rounded up).

On the Record Date there are expected to be 50,336,863 shares on issue. Based on this number, cancellation of 30% of the total shares on issue will result in approximately 15,101,059 ordinary shares being cancelled (subject to rounding). This will leave the total number of ordinary shares on issue at approximately 35,235,804 (subject to rounding).

The return of capital will not alter your proportionate shareholding in the Company, or your proportionate voting and distribution rights, and will be by way of a Court and shareholder-approved process. It is important to note that following the cancellation of shares, you will have the same proportionate shareholding and voting interest as before that cancellation. To confirm, shareholders will **not** be diluted by the return of capital.

Payment to shareholders will be made by direct credit in the case of those shareholders who have provided bank account details to Computershare. Direct credits will be made within ten business days after the Record Date. Shareholders will be issued with a new shareholding statement showing the new number of shares held following the cancellation of shares. Both the payment to shareholders and the provision of a new shareholding statement will be undertaken by Computershare.

It is important to ensure Computershare have your correct bank account details to receive the payment so please contact Computershare if you haven't already.

It is expected that the payment to shareholders will occur by Tuesday 27 February 2024.

This Scheme meets the requirements under the Income Tax Act 2007 (NZ) to be treated as a return of capital and not a dividend, this means the payment will generally not be taxable for New Zealand shareholders subject to certain exceptions which were set out in the notice of meeting. We encourage you to seek professional tax advice on the effect of the capital return based on your personal circumstances if you aren't sure.



Voting

This brings us to the formal part of the meeting and the special resolutions set out in the notice of meeting that has been previously circulated.

The items of business comprise one special resolution required to be passed by at least 75% of votes of shareholders who are entitled to vote and exercise their right to vote on the resolution **and** a simple majority of the votes of those shareholders entitled to vote.

When the board was deciding whether the scheme of arrangement relating to the return of capital to shareholders should proceed, although Josef Roberts was entitled to vote he opted not to be counted in the quorum or vote at the board level due to being a majority shareholder. He is entitled to vote today as a shareholder and has done so.

The Board recommends that shareholders vote in favour of the Scheme.

The special resolution is;

THAT the scheme of arrangement relating to the return of capital to shareholders, as set out in the Arrangement Document incorporated in the Explanatory Notes in the Notice of Special Meeting, be approved.

If anyone has any questions on this special resolution, please ask online now or for those shareholders present here at the meeting, by raising your hand, we will repeat the question back for the benefit of those online.

Once again, I remind you that this meeting is to specifically discuss the special resolution regarding the return of capital, this is not an open forum to discuss general business.

Before we open the floor for questions, I will address and clarify some frequently asked questions.



1. Why a Return of Capital?

The origins of the Company's excess cash and unrestricted capital assets is a result of the issue of shares to, and subsequent buy-back of shares at a lower cost from, Franchise Brands LLC in connection with expansion plans which were not fully implemented. As such, most of the cash was surplus capital that is not being used for a particular investment opportunity.

A capital return is not uncommon and other companies have done this, including Sky Television, Tilt Renewables, Fonterra and Tower.

2. Why not a dividend?

After careful consideration by the Board, it was decided that the Scheme was the preferred option available as firstly the accumulated cash originated from capital obtained from the Franchise Brands transaction and secondly it was the most tax efficient means of returning excess cash to shareholders.

Furthermore, the company doesn't have sufficient retained earnings on its balance sheet to justify paying a dividend. As at 30 September 2023 BFG has retained earnings of approximately \$790K so any dividend payments would be based off future potential earnings, and in this uncertain economic environment, it would be unwise.

3. Who benefits from the return of capital?

All shareholders benefit from the return of capital. All shareholders are treated equally, and shares are cancelled on a pro-rata basis. Everyone's percentage shareholding remains the same as before the return of capital. To confirm, shareholders will not be diluted by the return of capital.

4. How was the \$0.27 payment derived?

\$0.27 cents was the market value when the announcement of the capital return was made, which is in line with the volume-weighted average share price over the last 30,60,90 days & 12 months before 16 October 2023.

5. What was the \$0.08 mentioned in the announcement.

This was to simply demonstrate the amount that each shareholder would receive (from the return of capital) per share based on their current shareholding. This was calculated by dividing the \$4.077M distribution over the total existing shares of 50,336,863.



Obviously, 30 percent of the shares will be cancelled, thus another way to look at this, is that each shareholder is receiving \$0.27 per cancelled share.

Q&A - We will now take any questions.

Thank you I will now conclude the resolution questions.

Voting

Can I please ask you to now mark your voting papers. You will need to mark the voting form that was sent with the Notice of Meeting or provided to you at the beginning of this meeting.

Shareholders who are entitled to vote and proxies who have discretion as to how they vote will have received a Proxy/Voting Form prior to the meeting or been issued with a form when they registered upon arrival at the meeting here today.

If you submitted a proxy prior to the meeting, you do not need to complete another Proxy/Voting form.

If you do not have a form, please go to the Computershare desk at the back of the room where their representatives will be able to assist you.

For those in the room after voting, you should place your Proxy/Voting Form in one of the ballot boxes which Computershare will bring around the room at the conclusion of the formal part of the meeting. Please ensure you sign the form before placing your form in the ballot box.

For those online a reminder that your vote has been cast when the tick appears. In a minute I will close the voting system. Please ensure you have cast your vote on the resolution. Computershare will now collect votes from within the room and following this voting will be closed.

For those of you online, voting can occur as indicated at the introduction to this meeting.



Announcement of Result

The results of today's meeting will be published via the NZX market announcement platform later today.

Closure

Thank you everyone - as there is no further official business, I now declare the meeting closed.

I wish you all the best for the remainder of the year and have a safe and wonderful Christmas.

Once again thank you for your attendance today.

MEETING DECLARED CLOSED AT 12.02pm.