ASX ANNOUNCEMENT

27 AUGUST 2024

2024 ANNUAL REPORT (INCLUDING APPENDIX 4E)

In accordance with the requirements of the ASX Listing Rules, attached for release to the market is the 2024 Annual Report (including Appendix 4E).

The following will be released in conjunction with today's announcement:

- 2024 Full-year results announcement;
- 2024 Full-year results briefing presentation;
- 2024 Corporate Governance Statement and Appendix 4G

A briefing for investors and analysts will be held at 11:00am AEST today. Participants can register for the briefing session via GYG's website at www.guzmanygomez.com.au.

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Authorised for release by the Company Secretary.

APPENDIX 4E

1. COMPANY DETAILS

Name of Entity:	Guzman y Gomez Limited (formerly Guzman y Gomez (Holdings) Limited)
ABN:	25 125 554 743
Reporting Period:	For the year ended 30 June 2024
Previous Period:	For the year ended 30 June 2023

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

		%		$'000
Loss after income tax for the year	up	506.5%	to	(13,748)
Total comprehensive loss for the year	up	632.2%	to	(13,678)
EBITDA[1]	down	7.9%	to	27,274
Segment Underlying EBITDA[1]	up	41.3%	to	40,992

1. The Group uses non-AASB defined financial measures to monitor and report on the financial performance of the business on an ongoing basis. In particular, the Group reports on Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and Segment Underlying EBITDA as the Board and management believe that these are the best measures of the underlying performance of the business. A reconciliation of these measures to the statutory measures are presented in the Operating and Financial Review section of the Annual Report.

COMMENTS

The loss for the Group after providing for income tax amounted to $13,748,000 (30 June 2023: $2,267,000).

Refer to the Operating and Financial Review section for a more detailed analysis of the operating and financial performance and position for the year.

3. NET TANGIBLE ASSETS

	Reporting Period	Previous Period
	Cents	Cents
Net tangible assets per ordinary security	338.8	85.7

Net tangible assets calculations include right-of-use assets and lease liabilities.

4. CHANGES IN CONTROL OVER ENTITIES

Not applicable.

5. DIVIDENDS AND REINVESTMENT PLANS

There were no dividends paid, recommended or declared during the current or previous financial period. There is no active dividend reinvestment plan.

6. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Not applicable.

7. FOREIGN ENTITIES

The financial information of foreign entities included in the consolidated financial statements is prepared in accordance with the Australian Accounting Standards and Interpretations.

8. AUDIT QUALIFICATION

The financial statements have been audited and an unmodified opinion has been issued.

9. ATTACHMENTS

The Annual Report of Guzman y Gomez Limited for the year ended 30 June 2024 is attached.

2024 ANNUAL REPORT

GUZMAN Y GOMEZ LIMITED
ACN 125 554 743

VISION
WHY DO WE EXIST?

TO REINVENT FAST FOOD AND CHANGE THE WAY THE MASSES EAT.

MISSION
WHERE ARE WE HEADED?

BE THE BEST AND THE BIGGEST RESTAURANT COMPANY IN THE WORLD.

VALUES
HOW WILL WE BE ON THIS JOURNEY?

IT'S ALL ABOUT THE FOOD!

Our food is what separates us from all others. It's our brand, our heart and soul. Execution must be perfect – every order, every day!

MAKE EVERY GUEST LOVE US

We control our guest experience. Make it memorable, every time! And don't forget... Our smiles are contagious!

BE REAL

We say (with respect) what we think, and we don't make excuses.

GOT YOUR BACK

We are in this together. We take care of each other – always!

IT'S UP TO US!

The future is ours to dominate!

ABOUT GYG

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FOUNDED IN 2005, GUZMAN Y GOMEZ ("GYG") IS ONE OF AUSTRALIA'S FASTEST GROWING QUICK SERVICE RESTAURANT ("QSR") BUSINESSES. GYG IS DIFFERENTIATED BY ITS CLEAN, FRESH, MADE-TO-ORDER, MEXICAN-INSPIRED FOOD WHICH IS SERVED TO GUESTS AT HIGH SPEEDS VIA MULTIPLE SALES CHANNELS, RESTAURANT FORMATS AND DAYPARTS.

CHAIRMAN'S LETTER

DEAR SHAREHOLDERS,

IT IS WITH GREAT PLEASURE THAT I PRESENT TO YOU GYG'S FIRST ANNUAL REPORT AS A COMPANY LISTED ON THE AUSTRALIAN SECURITIES EXCHANGE ("ASX").

THIS YEAR HAS BEEN ONE OF EXCEPTIONAL PROGRESS FOR THE COMPANY, AND I AM PROUD OF THE STRIDES WE HAVE MADE UNDER THE LEADERSHIP OF OUR CO-CEOS AND THE DEDICATION OF OUR TALENTED TEAM.

GYG reported a statutory loss after income tax expense of $13.7 million for the 2024 financial year, ahead of prospectus forecasts. On a pro forma basis, GYG reported net profit after tax ("**NPAT**") of $5.7 million, an increase of 94.1% on prior year, reflecting strong trading and operational execution. These results exclude the impact of costs related to the initial public offering ("**IPO**") and other one-offs primarily relating to system investments.

The 2024 financial year has been a landmark year in GYG's history, marked by our listing on the ASX on the 20th of June. We welcome all new shareholders who have joined us since listing and thank all our shareholders for supporting GYG in reaching this milestone. GYG also reached many new operational milestones, such as the opening of our 200th restaurant in Cairns, achieving a highest ever network-wide sales hour at $529,000 and delivering an opening day sales record at our Cannon Hill restaurant of $46,236 (which translates to more than 7,500 burritos and bowls in one day).

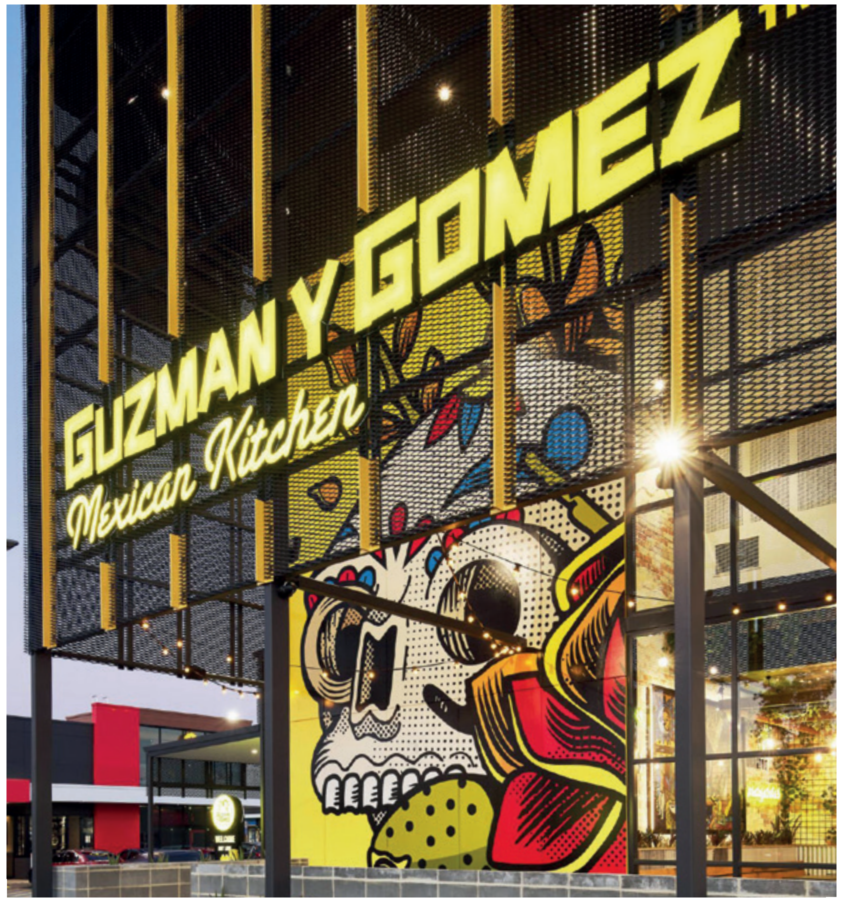
We have long taken pride in managing GYG with the rigour and standards of a listed company. The process of preparing the company for its IPO has demonstrated the benefits of this commitment, as a thorough review of our corporate governance systems and processes highlighted the strong foundation that has been established well before commencing the IPO process. The Board of Directors has maintained its focus on building a solid platform to support the Group's robust and sustainable growth, including strengthening committees to guide GYG into the future.

In the 2024 financial year we enhanced our executive leadership team to encompass a diverse range of expertise and skills. In October 2023, we were pleased to welcome Hilton Brett as Co-CEO. Hilton's outstanding contributions have already made a significant impact, particularly his expertise in building high performing teams and fostering a strong company culture, which aligns with GYG's core value of "got your back". Hilton's extensive listed entity experience has further

demonstrated his value to the company in the short time we have been listed. Additionally, we recently appointed Erik du Plessis as our Chief Financial Officer, bringing a wealth of experience in financial and operational strategy within the retail sector. With these strategic appointments we believe we have the leadership team in place to drive the next phase of growth.

After 18 and 15 years of dedicated service respectively, Robert Hazan and Stephen Jermyn retired from the GYG board. As a founder of GYG alongside Steven Marks, Robert Hazan has been a guiding force since day one, both from within the company and as a board member, helping to create the detail-oriented and food-obsessed company that we see today. Stephen Jermyn, who first invested in GYG in 2009, has been instrumental in driving GYG's commercial thinking and strategic direction from the very beginning. Without these individuals, GYG would not be where it is today and I am incredibly grateful for their invaluable contributions to the company.

In April 2024, we welcomed Ian Rowden to the board as an independent, non-executive director. Additionally, we made a series of committee appointments within our board, which is detailed in the Corporate Governance section of this report. These appointments include Jacqui Coombes as Chair of the Nomination and Remuneration Committee and Marina Joanou as Chair of the Audit and Risk Committee.



As outlined in our prospectus, the Board has determined that no dividend will be declared for the 2024 financial year as GYG focuses on its growth strategy and invests in areas that drive long-term value for our shareholders.

The Board remains optimistic about GYG's prospects. We are confident that our strategic priorities, laid out in the Operating and Financial Review, will continue to drive sustainable growth and value creation. Looking forward, we will continue to focus on our existing growth strategy and delivering on the forecasts laid out in our prospectus. Over the long term, GYG remains steadfast in its mission to become the best and biggest restaurant company in the world.

In closing, I would like to extend my heartfelt gratitude to our Hola Central employees, our crew, franchisees, suppliers and shareholders for their support, hard work and dedication and our guests for their loyalty and love for our food and brand. Together, we have built a strong foundation for continued success and I am confident that GYG will achieve even greater heights in the years to come.

Sincerely,

Guy Russo
Chairman of the Board
GYG

CO-CEOs' LETTER

DEAR SHAREHOLDERS,

As Co-CEOs, we're proud to present our first annual report for the 2024 financial year as an ASX-listed company. This year has been a highlight in a remarkable journey and we're excited to share our progress as we work toward our vision "to reinvent fast food and change the way the masses eat."

FINANCIAL AND OPERATING PERFORMANCE

We are pleased to report that in the 2024 financial year GYG recorded network sales of $959.7 million, an increase of 26.4% on prior year and ahead of prospectus forecasts, driven by the rollout of 26 new restaurants globally and strong Comparable Restaurant Sales ("**Comp Sales Growth**"). As at 30 June 2024, our global restaurant network had grown to 220 restaurants. GYG reported statutory EBITDA of $27.3 million and pro forma EBITDA of $44.8 million, 4.1% ahead of prospectus forecasts and an increase of 52.9% on prior year. Similarly, pro forma PBT increased to $16.3 million, 12.7% ahead of prospectus forecasts and an increase of 113.7% on prior year.

The Australian segment performed well in the 2024 financial year with strong Comp Sales Growth of 8.1%, driven by restaurant capacity expansion, strong dayparts growth (particularly in breakfast which experienced 18% Comp Sales Growth), marketing, menu innovation and continued improvement of the digital guest experience. We opened 25 new restaurants in Australia, closing the financial year with 64 corporate restaurants and 130 franchised restaurants.

Network sales reported were $894.6 million in Australia, $46.4 million in Singapore and $7.9 million in Japan. Corporate restaurant margins grew to 17.4% of corporate restaurant sales. Our Australian segment achieved pro forma Segment Underlying EBITDA of $45.6 million, representing an increase of 48.7% on prior year.

Median restaurant average unit volumes ("**AUVs**") were $6.3 million for drive-thrus and $4.5 million for strips. We achieved restaurant margins of 21.2% for drive thru and 19.4% for strip restaurants, an increase of 2.2 and 3.4 percentage points respectively, demonstrating the health of our overall network.

Our franchising philosophy centres on the belief that the success of our franchisees is integral to our own. This philosophy is anchored on transparency, fairness, franchisee wellbeing and alignment on what really matters. As at 30 June 2024 our franchisees achieved a median return on investment ("**ROI**") of 53%.

The US segment performed in line with expectations, with four restaurants operating in Chicago at the end of the year. We remain focused on demonstrating proof of concept in the US.

CAMPAIGN, MENU AND OFFERING INNOVATION

This year, we successfully relaunched our 'Clean is the New Healthy' campaign, highlighting the quality and health benefits of our menu. Our Cali Burrito campaign was also particularly successful, serving over 2.1 million Cali Burritos throughout the campaign period.

We introduced exciting new menu items, such as our *100% Clean* Crispy Chicken Tenders and Nacho Sundae. Our Crispy Chicken Tenders achieved sales of over $1 million per week and we doubled our soft serve sales during our Nacho Sundae launch. We also expanded our Culinary Excellence program, reinforcing our value that "it's all about the food". Additionally, we strengthened our food safety procedures, especially regarding chicken handling.

In an environment where consumers are searching for more value, GYG has performed well with value driven menu items. In particular, our 10 under $10 campaign, $12 Chicken Mini Meal and $3 tacos have gained significant traction.

We also introduced GYG Delivery, a white-label native delivery solution, providing guests with the ability to place a delivery order directly in the GYG app.

INVESTING IN EXCELLENCE

In the 2024 financial year we implemented a new suite of people systems to streamline people administration. This included the rollout of new human resources, payroll and time and attendance platforms. We are pleased to share that we have completed the first phase of our migration to the new people systems, allowing franchisees and corporate restaurants to have access to secure, centralised infrastructure.

We have modernised our core systems, upgrading critical platforms like our point of sale systems and enhanced our information security with multi factor authentication. In the US, we launched an updated version of our award-winning mobile application, driving increased guest interactions and digital transactions.

Highlights of the year also include our Annual Guest Experience Summit in October 2023 and our Restaurant Managers Summit on the Gold Coast in March 2024.

ANNUAL REPORT 2024
GUZMAN Y GOMEZ

OUR UNWAVERING OBSESSION WITH FOOD REMAINS AT THE HEART OF EVERYTHING WE DO.

SUSTAINABILITY

Our commitment to sustainability and supporting our communities underpins our mission to be the world's best and biggest restaurant company. GYG is transforming the way people eat by leveraging the power of food to create a positive impact across our entire value chain, from the way we source food to climate action and waste. We have a role to play in reducing our emissions and have been working to create a clear climate strategy to guide us. This year, we have continued to work towards the Australian Packaging Targets and the transitioning of our most-used food packaging in our restaurants and delivery services to fibre-based packaging made from sugarcane, a renewable resource that is certified compostable and free from harmful chemical additives. We are proud to have been proactive in removing these undesirable additives (PFAS) from our food packaging and making progress towards our waste targets, ahead of state and national bans.

As we continue to grow, we know that we have a responsibility to help communities thrive, in Australia and around the world. In the 2024 financial year we raised over $555,500 at our Misión Possible event in October 2023. This contributed to the funding of food and education programs run by our community partners Misión México Foundation and The Hunger Project. We also proudly sponsored over 40 local sports teams and clubs in communities across Australia. From our *100% Clean* ingredients to community programs in Australia and Mexico, we aim to give more than we take and share our mission globally.

OUTLOOK

Looking ahead, we are optimistic about the future of GYG with progress in the 2025 financial year expected to be in line with the guidance provided in our prospectus. Our strategic priorities for the coming financial year include:

- Continuing our Australian roll-out, with plans to open 31 new restaurants in Australia and three in the US in FY25;
- Expanding restaurant sales growth through dayparts, marketing, menu innovation and enhancing the guest experience;
- Improving margins through corporate restaurant margin expansion, franchise royalty rate uplift and building operating leverage on investment made into the company;
- Growing digital via our mobile app and website, loyalty program, GYG Delivery and systems; and
- Driving growth in Singapore and Japan and validating our model in the US.

Our number 1 value, "it's all about the food", remains at the heart of everything we do.

We remain committed to creating shared value for our stakeholders and would like to thank our Hola Central employees, crew, franchisees, guests, suppliers and shareholders for their unwavering support. Together we have achieved great things and we are confident that we will continue to build on this momentum in the years ahead.

Love Ya!

Steven Marks
Founder & Co-CEO

Hilton Brett
Co-CEO

FY24 HIGHLIGHTS

NETWORK SALES UP

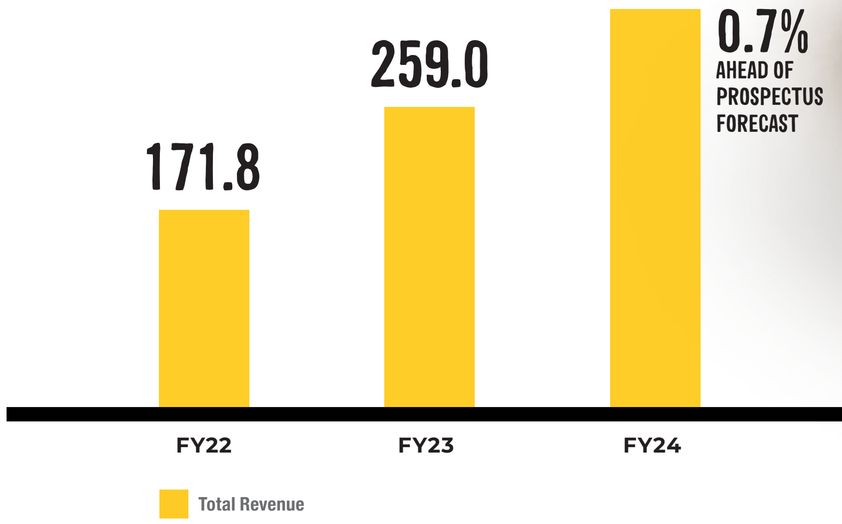
+26.4%

$959.7m

REVENUE UP

+32.1%

342.2m



STATUTORY:
$27.3M
EBITDA

PRO FORMA:
$44.8M
UP 52.9%

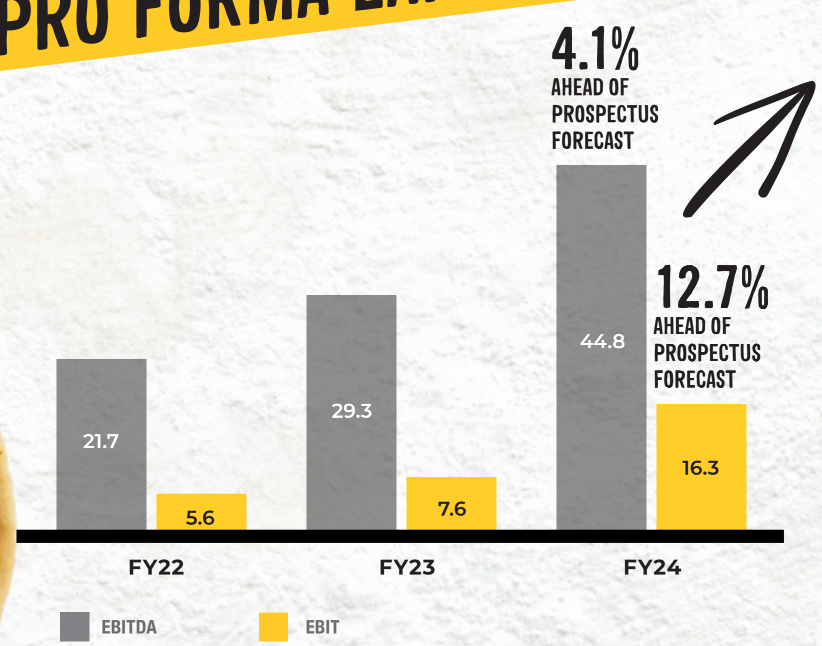
STATUTORY:
($11.6M)
PBT

PRO FORMA:
$16.3M
UP 113.7%

STATUTORY:
($13.7M)
NPAT

PRO FORMA:
$5.7M
UP 94.1%

PRO FORMA EARNINGS



OPERATING AND FINANCIAL REVIEW

HEADQUARTERED IN SURRY HILLS, SYDNEY, GYG IS ONE OF AUSTRALIA'S FASTEST GROWING QUICK SERVICE RESTAURANT ("QSR") BUSINESSES. GYG HAS DIFFERENTIATED ITS BUSINESS BY DELIVERING CLEAN, FRESH, FULLY CUSTOMISABLE, MADE-TO-ORDER, MEXICAN-INSPIRED FOOD TO GUESTS AT HIGH SPEED VIA MULTIPLE SALES CHANNELS.

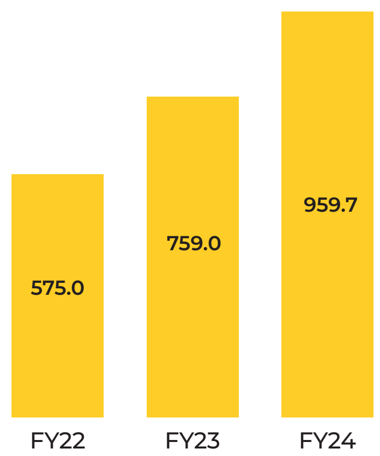
OVERVIEW

GYG reported a statutory loss after income tax expense of $13.7 million for the year ended 30 June 2024. On a pro forma[1] basis, GYG reported net profit after tax ("**NPAT**") of $5.7 million, 71.2% ahead of prospectus forecast and an increase of 94.1% on prior year.

The company reported Statutory EBITDA of $27.3 million for the year. Pro forma EBITDA was $44.8 million, 4.1% ahead of prospectus and a 52.9% increase on prior year.

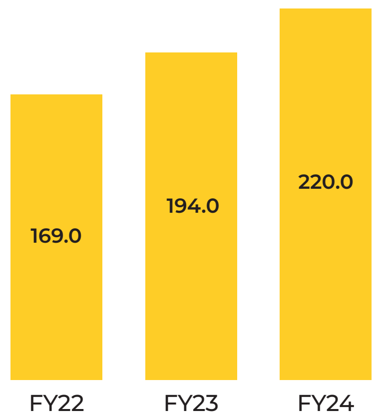
Global network sales[2] increased 26.4% on prior year to $959.7 million, reflecting strong Comp Sales Growth and the roll out of 26 net new restaurants across the network.

FIGURE 1: GLOBAL NETWORK SALES



As at 30 June 2024, GYG operated 220 restaurants globally, with the majority of new restaurants opened in Australia.

FIGURE 2: GLOBAL RESTAURANT NETWORK



The strong network sales and revenue result demonstrated guest demand for clean, fresh food delivered at high speed.

1. Pro Forma adjustments include IPO costs (inclusive of costs associated with GYG's Pre-IPO Capital Raise), incremental public company costs, system implementation costs, costs associated with government compensation for compulsory acquisition of land and senior executive restructure costs. The reconciliation of underlying and pro forma measures to statutory results is set out in 'Reconciliation from statutory to pro forma results'.
2. Network Sales refers to the total sales generated by all corporate and franchise restaurants in the GYG network. Network Sales is a non-IFRS measure.

Table 1: 2024 full year financial results

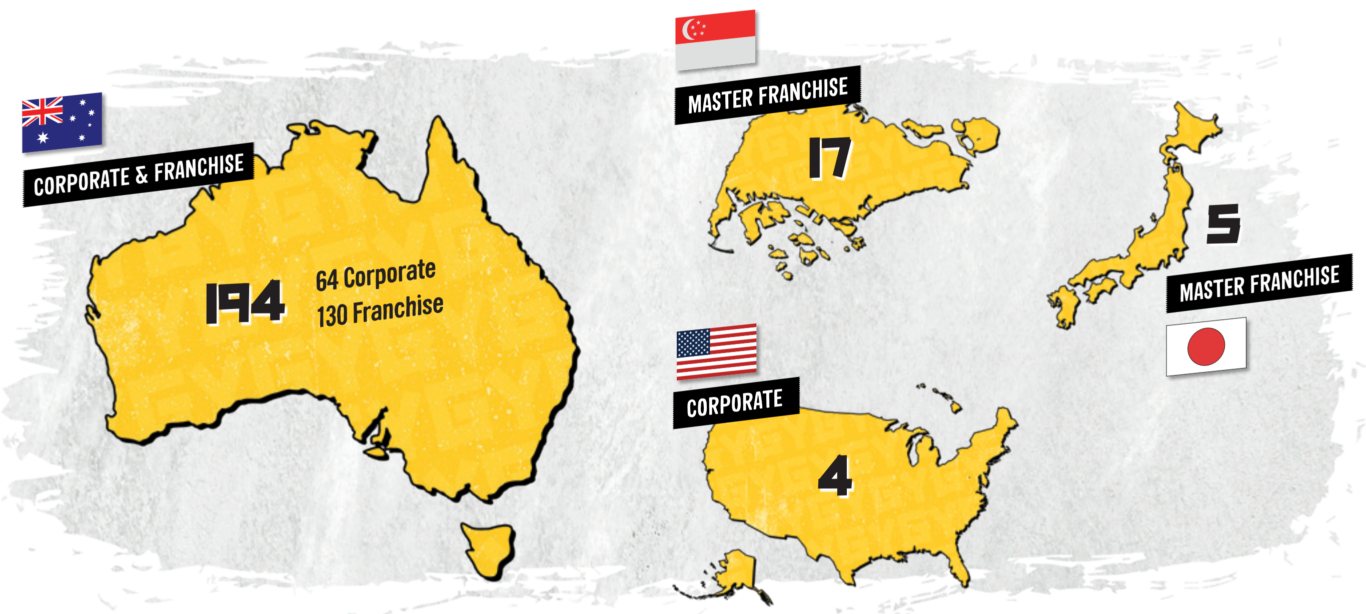
$ million	FY24	FY23	Performance vs prospectus	Change vs prior year
Network sales	959.7	759.0	0.6%	26.4%
Revenue	342.2	259.0	0.7%	32.1%
Statutory				
EBITDA	27.3	29.6	7.2%	(7.9%)
PBT	(11.6)	0.2	14.3%	n.m.
NPAT	(13.7)	(2.3)	15.1%	506.5%
Pro forma[3]				
EBITDA	44.8	29.3	4.1%	52.9%
PBT	16.3	7.6	12.7%	113.7%
NPAT	5.7	3.0	71.2%	94.1%

3. The reconciliation of underlying and pro forma measures to statutory results is set out in 'Reconciliation from statutory to pro forma results'.

KEY OPERATING INDICATORS

As at 30 June 2024, GYG operated 220 restaurants globally, with 194 in Australia, 17 in Singapore, five in Japan and four in the US.

FIGURE 4: GLOBAL RESTAURANT NETWORK AS AT 30 JUNE 2024



GYG has grown to just over 4,100 employees working at corporate restaurants and Hola Central in Australia and the US.

OPERATING AND FINANCIAL REVIEW

CONTINUED

AUSTRALIA

GYG'S AUSTRALIA SEGMENT COMPRISES OF ALL RESTAURANTS OPERATING IN AUSTRALIA, SINGAPORE AND JAPAN.

This includes 64 corporate and 130 franchised restaurants within Australia, 17 restaurants in Singapore and 5 restaurants in Japan, which are operated under a master franchise arrangement.

The company reported strong Comp Sales Growth of 8.1% for the 2024 financial year. This result was driven by restaurant capacity expansion, strong dayparts growth (particularly in breakfast which reported 18% Comp Sales Growth), marketing, menu innovation and continued improvement of the digital guest experience. In particular, the 'Clean is the New Healthy' campaign, improvements in the digital guest experience and menu items such as the $12 Chicken Mini Meal were strong contributors to Comp Sales Growth.

In Australia, GYG opened 25 new restaurants during the year and closed 2 restaurants, resulting in a net increase of 23 restaurants. 1 restaurant forecast to open was delayed by three weeks, opening after the close of the 2024 financial year.

As at 30 June 2024, GYG and its franchisees operated 95 drive thrus, 59 strips and 40 other format restaurants.

As a result, Australia segment network sales increased 26.0% versus prior year to $948.9 million.

GYG reported corporate restaurant sales of $278.9 million reflecting an increase of 31.6% on prior year. Corporate restaurant margins improved from 14.4% to 17.4%, driven by Comp Sales Growth, improvements in the cost of food and packaging and a shift in restaurant mix towards drive thrus.

Franchise revenues increased to $60.7 million, driven by new franchised restaurants, network sales growth and an increased number of franchisees shifting to the tiered royalty rate. The implied franchise royalty rate for FY24 was 7.8%, increasing from 7.6% in the prior year.

GYG has invested in its supporting infrastructure to establish a platform for future growth. As a result, pro forma general and administrative (**"G&A"**) spend increased to $63.7 million, representing an increase of 36.8% on prior year.

GYG is pleased to report that pro forma Segment Underlying EBITDA[4] was $45.6 million for the year, reflecting an increase of 48.7% on prior year.

Table 2: Pro forma Australia segment performance

$ million	FY24	FY23	Change vs prior year
Network sales			
Australia	894.6	702.9	27.3%
Singapore	46.4	43.1	7.5%
Japan	7.9	7.0	12.3%
Network sales	**948.9**	**753.0**	**26.0%**
Comp Sales Growth	*8.1%*	*15.0%*	*(6.9pp)*
Number of corporate restaurants at period end	64	55	9
Number of franchised restaurants at period end – Australia[5]	130	116	14
Number of franchised restaurants at period end – Singapore	17	16	1
Number of franchised restaurants at period end – Japan	5	4	1
Corporate restaurant sales	278.9	212.0	31.6%
Corporate Restaurant Margin	48.6	30.4	59.5%
Corporate Restaurant Margin (%)	*17.4%*	*14.4%*	*3.0pp*
Pro Forma franchise revenue	60.7	46.8	29.8%
Pro Forma G&A[6]	(63.7)	(46.6)	36.8%
Pro Forma Segment Underlying EBITDA[7]	**45.6**	**30.7**	**48.7%**

4. Segment Underlying EBITDA reflects GYG's underlying earnings before interest, tax, depreciation and amortisation. This does not include the impacts of AASB 2 *Share-Based Payments* and AASB 16 *Leases* but includes rent and outgoings associated with leases. GYG uses Segment Underlying EBITDA to make business decisions as it represents a more useful reflection of GYG's underlying financial performance from its network of corporate and franchise restaurants. GYG believes this is a critical piece of information to allow investors to assess the relative financial performance of the underlying business and enables direct comparison to GYG's publicly listed US QSR peers. Segment Underlying EBITDA also allows investors to distinguish between the more developed Australia operations and the nascent US operations.
5. Includes franchise restaurants in Australia only and excludes franchise restaurants in Singapore and Japan. The number of restaurants at period end is presented net of any restaurant closures or ownership transfers.
6. Refers to general and administrative expenses.
7. The reconciliation of underlying and pro forma measures to statutory results is set out in 'Reconciliation from statutory to pro forma results'.

OPERATING AND FINANCIAL REVIEW

CONTINUED

AUSTRALIA GEOGRAPHY

GYG has made strong progress across all sales drivers in Australia[8] throughout the year.

Restaurant capacity has allowed continued growth in core dayparts, with 103 restaurants achieving weekly sales records across lunch and dinner throughout the year. Weekly sales records were also achieved in drive thru ($258k) and strip restaurants ($248k), illustrating the latent capacity of the network.

GYG experienced strong growth across all dayparts throughout the 2024 financial year. In particular, breakfast grew significantly (reporting 18% Comp Sales Growth), driven by increased trading hours and strong marketing execution. The Lunch and Dinner dayparts also grew markedly throughout the financial year.

Table 3: 2024 Network Sales Mix by Daypart

Daypart	% of Network Sales in FY24	% of Network Sales in FY23
Breakfast	6.0%	5.3%
Lunch	34.3%	35.2%
Afternoon	18.9%	19.1%
Dinner	32.4%	32.7%
After 9pm	8.3%	7.7%

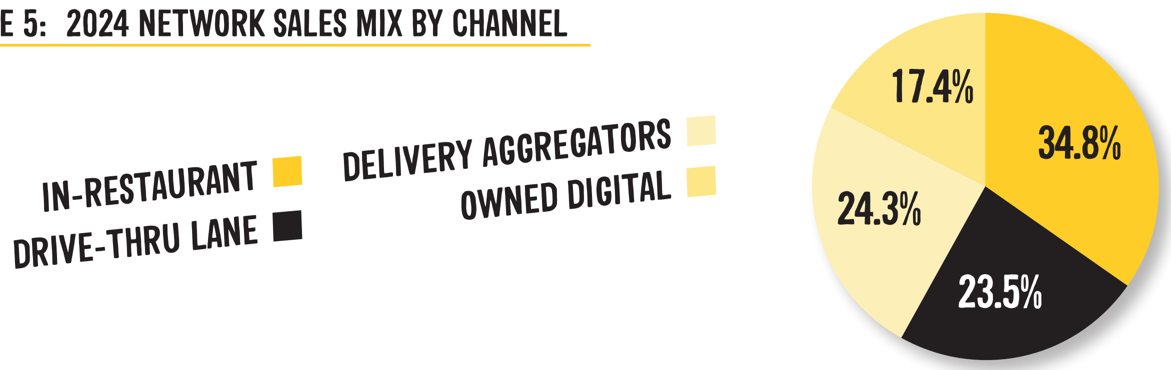
Marketing was another strong lever in generating sales momentum for the year. The re-launch of the 'Clean is the New Healthy' campaign underpinned improvement in sales momentum, as well as other successful new menu item campaigns.

Menu innovation contributed significantly to strong Comp Sales Growth in 2024, with the introduction of Crispy Chicken Tenders, the $12 Chicken Mini Meal and the Nacho Sundae.

The company also continued to drive sales through digital enhancements. The 2024 financial year was characterised by strong improvements in the digital guest experience, the launch of GYG Delivery (enabling orders directly through the GYG app) and the successful rollout of GOMEX Mondays.

Overall, channel mix was broadly consistent with prior year, with the owned digital channel growing to 17.4% increasing from 15.8%.

FIGURE 5: 2024 NETWORK SALES MIX BY CHANNEL



GYG's Australian restaurant pipeline as at 30 June 2024 contains 91 sites and 46 sites were approved by the Board during the 2024 financial year.

GYG's business model is underpinned by strong restaurant economics across the franchise and corporate network. Median restaurant AUVs increased to $6.3 million for drive thru restaurants and $4.5 million for strip restaurants. Similarly, median Network Restaurant Margins have increased significantly.

8. Refers to Australia geography and excludes Singapore and Japan.

FIGURE 6: GYG'S AUSTRALIA NETWORK AS AT 30 JUNE 2024

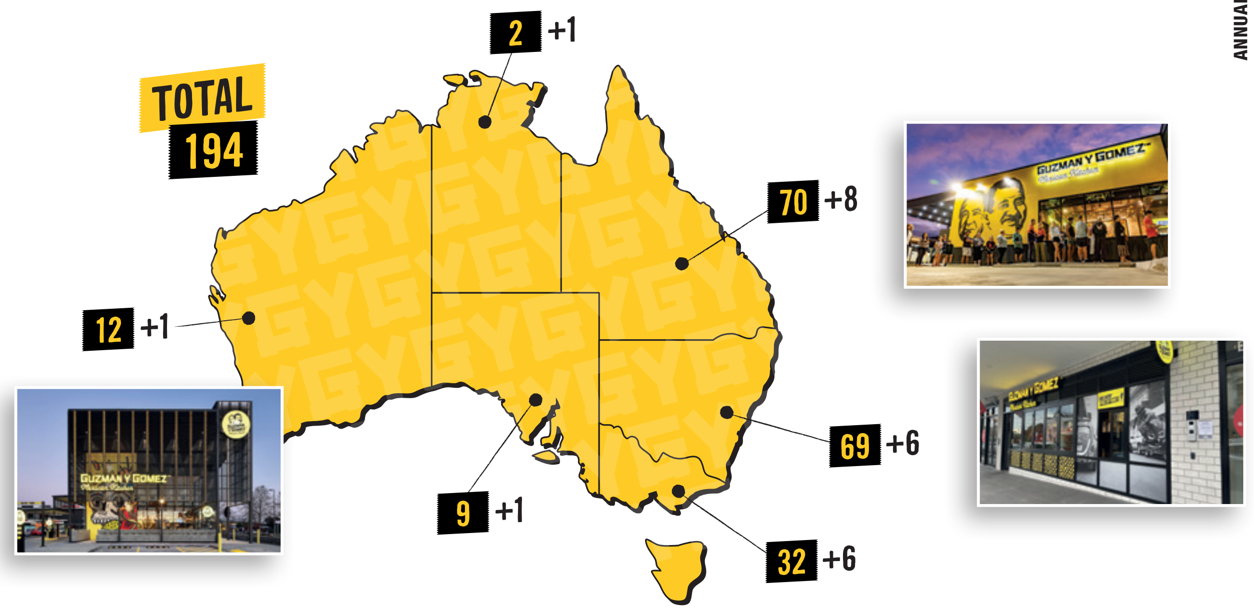


Table 4: Median restaurant economics[9]

	FY24			Change on prior year		
Output	Drive thru	Strip	Other	Drive thru	Strip	Other
AUV ($m)	6.3	4.5	3.9	14.6%	9.5%	14.9%
Network Restaurant Margin ($m)	1.3	0.9	0.6	23.1%	27.1%	37.4%
Network Restaurant Margin (%)	21.2%	19.4%	16.5%	2.2pp	3.4pp	3.1pp

Franchisee health and ROI[10] is of paramount importance to GYG. Median franchisee ROI for the year was 53%, an increase of 6 percentage points on prior year. Median franchise AUV for the 2024 financial year was $5.1 million, an increase of 12.7% on prior year and Franchise Restaurant Margin[11] increased to 21.4%, up 3.4 percentage points on prior year. As at 30 June 2024, 4 franchisees were on royalty relief, an increase of 1 compared to prior year.

MEDIAN FRANCHISEE PERFORMANCE VS PRIOR YEAR

+6PP
53%
FRANCHISE ROI[3]

+12.7%
5.1M
FRANCHISE AUV

+3.4PP
21.4%
FRANCHISE RESTAURANT MARGIN

+1
4
FRANCHISE ON ROYALTY RELIEF

9. Based on performance for FY24 for Australian corporate and franchise restaurants. AUV and Network Restaurant Margin are calculated individually using the median across the group of restaurants. Excludes restaurants that were opened in the period as their performance is not representative of the broader restaurant network as they are yet to achieve steady-state margins. Excludes restaurants owned by the South Australia master franchisee as they are not representative of the broader restaurant network.
10. Franchisee ROI represents the ROI achieved by an Australian franchisee across all restaurants that they own. It is calculated on an individual franchisee basis based on their aggregate Franchise Restaurant Margin (net of royalties) divided by their aggregate restaurant capex (including any refurbishments or subsequent investment).
11. Franchise Restaurant Margin is based on actuals for FY24 for 44 relevant franchisees who own an aggregate of 88 restaurants. Excludes restaurants owned by the South Australia master franchisee.

OPERATING AND FINANCIAL REVIEW

CONTINUED

US

GYG'S US RESULT REFLECTS THE SIZE AND NASCENCY OF THE SEGMENT AND ONGOING INVESTMENT ABOVE RESTAURANT.

In the 2024 financial year, GYG opened 1 new restaurant in the US and network sales increased 81.8% to $10.8 million.

Corporate Restaurant Margins improved 3.6 percentage points as network sales increased and operating expenditure efficiencies were realised.

G&A for the year increased to $5.5 million, reflecting investment to drive performance for the US segment.

Pro forma Segment Underlying EBITDA for the year was a loss of $6.5 million.

Table 5: Pro forma US segment performance

$ million	FY24	FY23	Change vs prior year
Corporate restaurant sales	10.8	6.0	81.8%
Corporate Restaurant Margin	(1.0)	(0.8)	30.8%
Corporate Restaurant Margin (%)	(9.2%)	(12.8%)	3.6pp
Pro Forma franchise revenue	–	–	n.a.
Pro Forma G&A	(5.5)	(3.5)	56.9%
Pro Forma Segment Underlying EBITDA[12]	**(6.5)**	**(4.3)**	**52.3%**

FIGURE 4: US NETWORK AS AT 30 JUNE 2024

12. The reconciliation of underlying and pro forma measures to statutory results is set out in 'Reconciliation from statutory to pro forma results'.

OPERATING AND FINANCIAL REVIEW

CONTINUED

CASH FLOWS AND BALANCE SHEET HIGHLIGHTS

Operating cash flows

GYG delivered strong cash conversion[13] from earnings during the 2024 financial year. Operating cash flows increased to $56.3 million, driven by strong operating performance throughout the year. Lease payments (principal and interest) increased throughout the year in line with network expansion.

Table 6: Pro forma cash flow statement

$ million	FY24	FY23
Pro forma NPAT	5.7	3.0
D&A	31.1	25.6
Change in operating assets and liabilities	(1.2)	3.8
Other[14]	20.6	7.9
Pro forma operating cash flows[15]	**56.3**	**40.2**
Funds invested in Term Deposits	(278.1)	–
Net PP&E	(33.5)	(39.7)
Net payments for intangibles	(0.1)	(2.9)
Net payments/receipts for purchases and disposals of business	(0.2)	(5.7)
Pro forma investing cash flows	**(311.8)**	**(48.4)**
Net proceeds from issue and buyback of shares	259.8	4.9
Option fees received	7.5	0.2
Lease payments (principal and interest)	(16.2)	(11.3)
Lease incentives received	6.1	1.4
Other finance income/(costs)	0.8	0.7
Repayment of borrowings	(3.0)	(0.4)
Pro forma financing cash flows	**254.9**	**(4.5)**
Total pro forma cash flows for the year	**(0.6)**	**(12.7)**
Pro forma cash conversion[16]	**102%**	**109%**

Capital expenditure

Capital expenditure was driven by new restaurant openings, refurbishments and Hola Central expansion, totalling to $33.5 million in gross capital expenditure and $27.4 million on a net basis, adjusting for landlord contributions. This included the opening of 12 new corporate restaurants in Australia, one of which was converted to a franchise throughout the year. US capital expenditure included one new corporate restaurant opened in the 2024 financial year.

13. Calculated as operating cash flows less lease payments (principal and interest) divided by Pro Forma Segment Underlying EBITDA.
14. Other includes share-based payments, finance costs, finance income and other non-cash items in operating profit.
15. Difference between pro forma and statutory operating cash flows is due to NPAT. The reconciliation of underlying and pro forma measures to statutory results is set out in 'Reconciliation from statutory to pro forma results'.
16. Calculated as operating cash flows less lease payments (principal and interest) divided by Pro Forma Segment Underlying EBITDA.

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Table 7: Capital expenditure overview

$ million	FY24	FY23
Restaurant Capital Expenditure – Australia	(30.0)	(26.0)
Other capital expenditure	(1.2)	(0.3)
Gross capital expenditure – Australia	**(31.2)**	**(26.3)**
Restaurant Capital Expenditure – US	(2.3)	(13.4)
Gross capital expenditure	**(33.5)**	**(39.7)**
Landlord contributions – Australia	2.2	0.7
Landlord contributions – US	3.9	–
Net capital expenditure after landlord contributions	**(27.4)**	**(39.1)**

Balance sheet

GYG ended the year with a robust balance sheet that provides flexibility for network expansion, with a net cash and term deposits position of $294.5 million. As at 30 June 2024, GYG has no debt.

Lease liabilities for the year increased to $239.5 million, driven from network expansion.

Equity for the year ending 30 June 2024 also increased significantly to $354.0 million, primarily driven by an increase in issued capital as a result of the IPO and Pre-IPO Capital Raise.

Table 8: Balance sheet overview

$ million	FY24	FY23
Cash and term deposits	294.5	36.5
Property, plant and equipment	87.6	69.5
Lease liabilities	239.5	181.7
Borrowings	–	3.0
Equity	354.0	88.0

RECONCILIATION FROM STATUTORY TO PRO FORMA RESULTS

The following table summarises key reconciling items between GYG's statutory results, pro forma results and segment underlying result.

Table 9: Reconciliation of EBITDA

$ million	FY24	FY23
Statutory EBITDA	**27.3**	**29.6**
IPO and Pre-IPO related Offer Costs	13.4	3.8
System implementation costs	5.1	2.8
Other non-recurring income and expenses	1.1	(1.9)
Pro forma adjustments and other	(2.2)	(5.0)
Pro Forma EBITDA	**44.8**	**29.3**
One-off reversal	0.3	1.7
Rent and outgoings	(17.1)	(11.2)
AASB 2 *Share-Based Payments*	11.1	6.6
Pro Forma Segment Underlying EBITDA	**39.1**	**26.4**
Pro forma reversal[17]	1.9	2.6
Segment Underlying EBITDA	**41.0**	**29.0**

17. All pro forma adjustments relate to GYG's Australia segment.

OPERATING AND FINANCIAL REVIEW

CONTINUED

Table 10: Reconciliation of NPAT

$ million	FY24	FY23
Statutory NPAT	**(13.7)**	**(2.3)**
IPO and Pre-IPO related Offer Costs	9.4	2.7
System implementation costs	3.6	1.9
Other non-recurring income and expenses	0.8	(1.3)
Pro forma adjustments and other	5.7	2.0
Pro Forma NPAT	**5.7**	**3.0**

BUSINESS MODEL AND NON-IFRS MEASURES

Business model

GYG is a QSR business with 220 restaurants globally as of 30 June 2024. It operates a hybrid restaurant ownership model, with a mix of corporate and franchise restaurants. In Australia, the company had 194 restaurants as of 30 June 2024, including 64 corporate owned and operated restaurants and 130 franchise owned and operated restaurants, of which 10 restaurants are owned and operated by a South Australian master franchisee. GYG also had 17 restaurants in Singapore and 5 restaurants in Japan which are owned and operated by separate master franchisees. GYG also had 4 corporate owned and operated restaurants in the US.

GYG's revenue consists of sales generated by corporate restaurants in Australia and the US, and franchise royalty revenue from franchise restaurants in Australia, Singapore and Japan. GYG derives franchise royalty revenue from franchise restaurants at a rate governed by the individual franchise agreements. Franchise royalty revenue is based on a fixed or variable percentage of net sales. Restaurants in South Australia, Singapore and Japan are operated under master franchise agreements. One restaurant in Mildura, Victoria is owned by the master franchisee in South Australia.

In the normal course of business, corporate restaurants can become franchised and similarly, franchise restaurants can become corporate through acquisition by or sale to GYG where this is mutually agreed between the parties.

Non-IFRS measures

*This Operating and Financial Review ("**OFR**") includes financial information based on GYG's audited financial statements prepared in accordance with the Australian Accounting Standards ("**AAS**").*

GYG also uses certain financial and operating measures to manage and report on its business that are not recognised under AAS. These measures are collectively referred to in this OFR, and under Regulatory Guide 230 Disclosing Non-IFRS Financial Information published by ASIC, as "non-IFRS financial measures".

Management believes that such non-IFRS financial measures, together with the IFRS measures, permit a more complete and comprehensive analysis of GYG's underlying operating performance, and that these measures provide useful information to users in measuring GYG's financial and operating performance and condition and in making comparisons with GYG's publicly listed peers in overseas markets. Non-IFRS financial measures are therefore intended to supplement the measures calculated in accordance with Australian Accounting Standards and not as a substitute for those measures. These non-IFRS financial measures do not have a prescribed definition under IFRS and the method that GYG uses to calculate them may be different to methods adopted by other companies to calculate similarly titled measures.

- *Network Sales is calculated as the aggregate sales of all or a specified group of GYG restaurants over a specified time period, including restaurants owned and operated by franchisees and master franchisees unless otherwise specified. Network sales is an important metric in assessing the overall performance of the restaurant network, including sales generated by franchise restaurants;*
- *Comparable Restaurant Sales Growth (or "**Comp Sales Growth**" or "**Comp Sales**") represents the percentage change of the total sales generated by a restaurant or group of restaurants in a relevant period, compared to the total sales from the same restaurant or group of restaurants in the prior corresponding period. Restaurants that have not been open for a minimum of 56 weeks are excluded from the calculation of Comp Sales. A 56-week measurement excludes the impact of elevated sales immediately following restaurant opening dates. The calculation also adjusts for the impact of restaurant refurbishments, closures and other significant non-recurring factors that could impact restaurant sales in a period;*
- *Corporate Restaurant Margin refers to corporate restaurant sales less cost of food and packaging, labour, delivery commissions, rent and outgoings paid and accrued, marketing expenditure and other costs attributable to a set of restaurants that are owned and operated by the company. It excludes any impact from AASB 16 Leases;*
- *Segment Underlying EBITDA reflects GYG's underlying earnings before interest, tax, depreciation and amortisation. This does not include the impacts of AASB 16 Leases or AASB 2 Share-Based Payments. This represents GYG's current operating metric and reflects Corporate Restaurant Margin (which is calculated on a rent and outgoings and accrued basis excluding the impacts of AASB 16 Leases), franchise revenue earned from franchise restaurants and general and administrative expenses allocated to the respective segment.*

  GYG considers Segment Underlying EBITDA to be a critical piece of information to understand the underlying performance of the business and allows GYG to benchmark performance against companies who have similar corporate and franchise owned restaurants. Given the nature of the GYG network, it is expected that these peers are US-based publicly listed companies who account for impacts of leases within occupancy expense. Segment Underlying EBITDA also allows investors to distinguish between the more developed Australia operations and the nascent US operations;
- *EBIT is calculated as profit or loss before interest income, interest expense and interest on the lease liability recognised under AASB 16 Leases and income tax expense;*
- *EBITDA is calculated as profit or loss before interest income, interest expense, interest on the lease liability recognised under AASB 16 Leases, income tax expense, depreciation, amortisation and amortisation of reacquired rights;*
- *Average Unit Volume ("**AUV**") refers to aggregate sales for a restaurant or group of restaurants over a specified time period expressed on a per restaurant basis;*
- *Operating cash flow is NPAT after the removal of non-cash items in NPAT (e.g. timing differences between cash receipts and expenses and accrued revenue and costs, share-based payment expenses and movements in provisions and changes in working capital). Operating cash flow assists management's understanding of the cash flow generation of the business prior to capital expenditure and financing cash flows including lease payments under AASB 16 Leases;*
- *Restaurant Capital Expenditure includes capital expenditure to maintain or refurbish existing restaurants and initial expenditure to establish new restaurants (before landlord contributions) and excludes acquisitions from and disposals to franchisees;*
- *Restaurant Capital Expenditure (net of landlord contributions) includes capital expenditure to maintain or refurbish existing restaurants and initial expenditure to establish new restaurants (after landlord contributions) and excludes acquisitions from and disposals to franchisees. In making investment decisions, GYG considers landlord contributions to be an important input into the overall commercial viability and return on investment of prospective restaurant sites; and*
- *Other Capital Expenditure reflects capital expenditure to maintain Hola Central fixed assets and excludes acquisitions from and disposals to franchisees.*

18. The partnership will be structured as a restaurant management agreement under which GYG's partner will be responsible for the day-to-day operations of the company's Naperville restaurant, in accordance with GYG's operating standards. The partner will retain the profits of the restaurant subject to the payment of a royalty to GYG, who will share some of the restaurant's operating expenses. GYG will retain ownership of the restaurant and its assets.

COMPANY OUTLOOK

GYG REMAINS FOCUSED ON ITS VISION TO REINVENT FAST FOOD AND CHANGE THE WAY THE MASSES EAT.

As stated in its prospectus, GYG's growth strategy is centred around new restaurant openings, existing restaurant sales growth, margin improvement, digital initiatives and international expansion.

GYG's strategic priorities for the coming financial year include:

- Continuing its Australian roll-out, with plans to open 31 new restaurants in Australia and 3 in the US;
- Expanding restaurant sales growth through dayparts, marketing, menu innovation and enhancing the guest experience;
- Improving margins through corporate restaurant margin expansion, franchise royalty rate uplift and building operating leverage on investment made into the company;
- Growing digital via its mobile app and website, loyalty program, GYG Delivery and systems; and
- Driving growth in Singapore and Japan and validating its model in the US.

GYG expects to meet its prospectus forecasts for new restaurant openings and its pipeline has continued to strengthen. 1 restaurant forecast to open in the 2024 financial year was delayed by three weeks, opening after the end of the period. As a result, GYG expects to open 31 restaurants in the 2025 financial year (as compared to the forecasted 30 new restaurants in the prospectus).

GYG is expected to commence a local partnership with a Chicago-based operator to support the ongoing growth of its Naperville restaurant.[18] The partnership is not expected to have a significant impact on GYG's earnings in the 2025 financial year.

Overall, GYG expects to achieve its prospectus forecasts for the 2025 financial year.

SUSTAINABILITY

SUSTAINABILITY IS A KEY COMPONENT OF GYG'S VISION "TO REINVENT FAST FOOD AND CHANGE THE WAY THE MASSES EAT". THIS PURPOSE-DRIVEN COMMITMENT TO FOOD AS A FORCE FOR GOOD IS THE FOUNDATION OF GYG'S SUSTAINABILITY APPROACH.

GYG considers its impact not just in its restaurants but across its entire value chain, from the suppliers responsible for growing *100% Clean* fresh food, to community programs across Australia and Mexico.

In the 2024 financial year, GYG continued to refine its strategy and programs to make a positive environmental and social impact, creating value for guests, franchisees, employees and the communities around its operations.
A Head of Sustainability was appointed, reporting to the Chief Financial Officer.

In alignment with Australian and global standards and current climate science, GYG is committed to monitoring and reporting on progress and identifying its most critical risks and opportunities in an authentic and practical way.

WE ARE TRANSFORMING THE WAY PEOPLE EAT BY LEVERAGING THE POWER OF FOOD TO CREATE A POSITIVE IMPACT.

SOURCING OF FOOD AND INGREDIENTS

GYG's *100% Clean* food philosophy is a commitment to optimising nutrition and ensuring ingredients are sourced with the wellbeing of people, animals and planet in mind. The Clean platform is defined by food with no added preservatives, no artificial flavours, no added colours and no unacceptable additives.

To ensure continued attention to nutrition and ingredients, GYG utilises an independent Accredited Practicing Dietitian ("**ADP**") to monitor and support menu development.

Animal welfare is an important consideration in GYG's sourcing policy. GYG sources free-range chicken and eggs, sow stall free pork, nitrate free bacon and beef that is free from hormonal growth promotants.

The coffee sourced and served by GYG is Rainforest Alliance certified according to the Sustainable Agriculture Standard, a program that supports farmers with agricultural standards and training to increase productivity, adapt to climate change and reduce production costs.

FOOD SAFETY AND QUALITY

GYG offers guests a wide selection of quality, fresh ingredients and a made-to-order service, which is supported by processes and systems designed to mitigate the risks associated with handling fresh produce. GYG uses a systematic approach for the identification, evaluation and control of food safety hazards, via a Food Safety Management System that is certified to Codex Hazard Analysis Critical Control Points ("**HACCP**") 2020 Standard and GYG's '10 Golden Rules of Food Safety'.

In the 2024 financial year a detailed review was undertaken to further develop and enhance GYG's food safety management system and process. This process guided the identification of food related risks and the development of mitigation strategies, controls and continuous improvement actions to manage hazards, ensuring the safety of restaurant guests and crew.

CLIMATE ACTION AND EMISSIONS

GYG is aware of the impacts of climate change on the environment across all sectors and recognises the role it can play in taking positive climate action by reducing and mitigating emissions across its operations.

A greenhouse gas ("**GHG**") Assessment was conducted for financial year 2024, to calculate GYG's carbon inventory in alignment with the GHG Protocol Corporate Accounting Standard. Emissions generated from Australian and US restaurants and other sites under operational control were measured using a market-based approach.
The direct emissions (Scope 1) totalled 4,528 tonnes of carbon dioxide equivalent ("**tCO_2-e**") and indirect electricity emissions (Scope 2) made up 9,293 tCO_2-e.

In the year ahead, GYG will commence a review of indirect upstream and downstream (Scope 3) emissions across the company's value chain to inform a decarbonisation roadmap and reduction targets.

PACKAGING AND WASTE

The way food is served is important to GYG and its guests, presenting an opportunity to embrace a more sustainable and circular approach to packaging and waste management.

As a signatory to the Australian Packaging Covenant ("**APCO**") and committed to the 2025 Australian Packaging Targets, GYG is actively implementing alternative packaging solutions that increase recyclability and compostability, reduce or remove single-use plastics and incorporate recycled materials, where possible.
These include:

- **Adoption of plant fibre-based packaging**: an innovative, plastic-free and reclaimed material made from sugarcane pulp, an agricultural by-product. GYG was an early adopter of this certified compostable packaging that is used for GYG containers to serve food in restaurants
- **Transitioning to per – and polyfluoroalkyl substances ("PFAS") free packaging**: GYG has removed this man-made chemical additive from packaging ahead of state and national bans
- **Sourcing of Forest Stewardship Council ("FSC") materials**: FSC materials used in certified Birchwood cutlery and paper in food contact bags and take away bags, which has been sourced from sustainably managed forests. The FSC certification provides assurance that the material comes from verified and responsible sources that meet strict environmental and social requirements.

FIGURE 7: GREENHOUSE GAS EMISSIONS SOURCES (TCO_2-E)

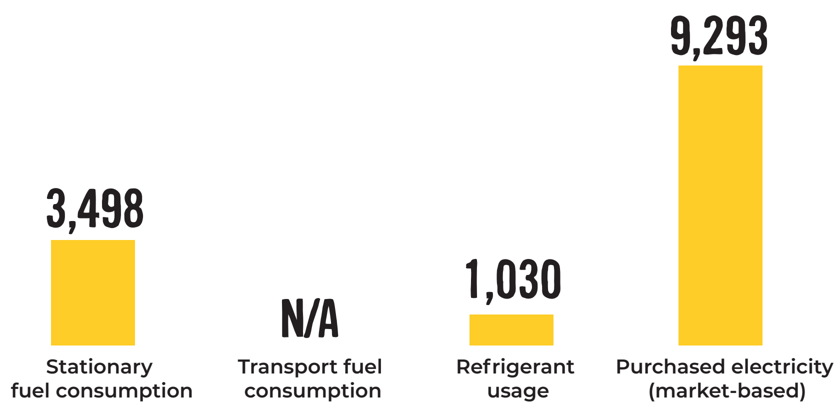


Table 11: Greenhouse Gas Emissions by Scope

Scope	Emissions (tCO_2-e)	Percentage %
Scope 1	4,528	33%
Scope 2	9,293	67%
Total (tCO_2-e)	**13,821**	

SUSTAINABILITY

CONTINUED

SAFETY AND WELLBEING

GYG is committed to continuous improvement of its health and safety management systems to reduce occupational injuries and diseases, including promoting and protecting physical and mental health.

The health and safety management system applies to personnel across all restaurants and work areas, including Hola Central employees, crew, contractors and others involved in GYG operations. In the 2024 financial year a gap analysis of GYG's system was conducted that identified areas for improvement including incident and hazard reporting, risk management and training.

To enhance the safety reporting process, GYG has improved the way crew report and respond to incidents and hazards in the workplace. A digital application tool is now used for safety reporting, which has optimised functionality and ease of use for crew, including the ability to:

- Manage multiple issue types (such as regulatory compliance);
- Access the system on mobile devices and via QR code;
- Classify issues with greater clarity; and
- Establish dynamic inspections and checklists.

This development allows real-time reporting and enables GYG to respond to unsafe environments quickly, reducing the risk of harm to crew.

To continue to support employees in a practical way, GYG will provide membership to a guided self-care app to provide first aid, mental health support and wellbeing resources for corporate restaurant crew and Hola Central teams.

PEOPLE EXPERIENCE

Employee engagement is a key people measure that is embedded in GYG's value "got your back". GYG deploys an engagement survey and lighter pulse check each year, for both corporate restaurant and head office employees. Participation in the survey was over 90%, achieving a favourable engagement score of 65% in the 2024 financial year. Following each survey, GYG develops and implements national, department and local level action plans to drive improvement in the employee experience.

In April 2024, a new intranet and digital communication channel was rolled out company-wide, to further connect employees and ensure that information disseminated in a consistent and clear way across GYG. Participation to date has been strong, with the platform providing a new and effective channel for communication across the business.

LEARNING AND DEVELOPMENT

GYG has continued to evolve learning and development opportunities for its people in the 2024 financial year.

A new Leadership Essentials program was designed and delivered for the leadership group in corporate restaurants, which includes state managers, area managers, restaurant managers, assistant restaurant managers and high potential shift leaders. The program comprised six modules, delivered to 200 leaders each month. A survey of participants revealed 91% believed the program helped them become better leaders in their role.

Crew onboarding and training has been redesigned, with a new program intended to drive engagement and improve productivity in restaurants. Launching in the 2025 financial year, the new streamlined process for training will require crew to undertake three eLearning modules and shoulder-to-shoulder training with a dedicated buddy within their first month at GYG.

GYG CONSIDERS ITS IMPACT NOT JUST IN ITS RESTAURANTS BUT ACROSS ITS ENTIRE VALUE CHAIN, FROM THE SUPPLIERS RESPONSIBLE FOR GROWING *100% CLEAN* FRESH FOOD, TO COMMUNITY PROGRAMS ACROSS AUSTRALIA AND MEXICO.

COMMUNITY PARTNERSHIPS

DIVERSITY AND INCLUSION

Diversity of people and perspectives is integral to GYG and represents an area of opportunity for the company. In terms of gender, females in leadership roles have increased by 5% (to 46%) in GYG corporate restaurants and by 3% to 39% in Hola Central based on the 2023-24 WGEA results. Female representation across the corporate restaurant network is 55%.

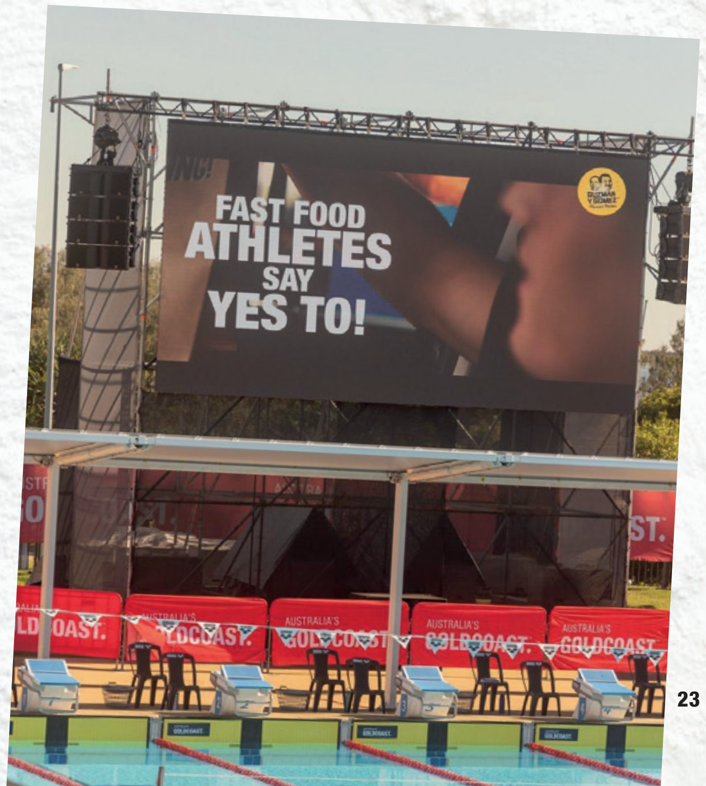
GYG's Parental Leave Policy has been updated to improve entitlements for parents and a new Women in Leadership program for aspiring female leaders within the company has been established.

HUMAN RIGHTS

The annual Modern Slavery Statement was completed in accordance with the Modern Slavery Act, outlining efforts to prevent occurrences of modern slavery in the GYG supply chain. The company actively reviews and manages direct and indirect risks across the construction, marketing, IT and restaurant operations in Australia and internationally.

GYG recognises that it has a responsibility to support and contribute to the communities surrounding its restaurants. GYG supports its local community sporting teams and athletes by providing clean and fresh meals to fuel their training and competitions.

In the 2024 financial year, GYG provided meals and vouchers to pro, semi-pro, representative and local teams spanning across Australian basketball, cycling, rugby, netball, cross-fit, swimming and soccer.



SUSTAINABILITY

CONTINUED

MISIÓN POSIBLE

IN OCTOBER 2023 GYG HOSTED THE ANNUAL MISIÓN POSIBLE FUNDRAISING EVENT, BRINGING TOGETHER THE TEAMS AND COMMUNITIES AROUND GYG TO RAISE AWARENESS AND DRIVE CONTRIBUTIONS FOR ITS COMMUNITY PARTNERS, MISIÓN MÉXICO FOUNDATION AND THE HUNGER PROJECT.

Since 2008, GYG has supported the Misión México Foundation, an organisation focused on breaking the cycles of poverty and inequality for young people in Mexico through education, health, housing economic empowerment and community development. In the 2024 financial year, over $440,000 was contributed to the Foundation, providing food, shelter and development programs for children and young adults in Tapachula, Mexico.

GYG has also forged a partnership with The Hunger Project Australia to support food-based education and empowerment programs with communities in Chiapas, Mexico. GYG's commitment of over $155,000 in financial year 2024 funds the Eat Well Program, providing leadership, nutrition and agriculture training to female leaders in community.

CASE STUDY

MISIÓN MÉXICO FOUNDATION: YOUNG MOTHERS COMMUNITY PROGRAM

The Young Mothers community program was launched in July 2023 at Misión México's community centre, Faro, and is entirely funded by GYG. This program was established to address the needs of teenage mothers in Tapachula, Mexico, aiming to reduce the risk of more children being placed into the care system and separated from their mothers.

Many young and single mothers in Tapachula face a range of challenges, including being trapped in abusive and violent relationships, limited opportunities for continuing their education, restricted access to secure employment, mental and physical health issues, and a lack of positive parenting skills.

The Young Mothers program was initiated with the goal to provide support to fifteen young mothers ranging from 15 to 24 years of age. In its first-year cohort, eleven of the young mothers are locals from Tapachula while four are migrants and refugees originally from Honduras and Guatemala. All participants are from low-economic backgrounds, and at the time of joining the program had no financial security or financial independence. The program also caters to the children of the young mothers, who are between the ages of 0 and 3 years old.

Images provided by Misión México Foundation

Image supplied by The Hunger Project

CASE STUDY

THE HUNGER PROJECT: EAT WELL PROGRAM, MEXICO

GYG funding of The Hunger Project's The Eat Well program provides communities in Chiapas, Mexico, access to healthy, nutritious food, with leadership training for women to develop skills and drive advocacy for nutrition and healthy lifestyle practices. These practices include food production, gardening and composting techniques to foster self-reliance and food security. Local Indigenous women are addressing hunger and malnutrition through this inspiring program which promotes locally grown, traditional, seasonal food from the Tzotzil territory and educating the wider community about nutrition. GYG's commitment to the program is over three years, with a targeted reach of 600 people impacted.

Progress to date:

- 125 women and 14 men are receiving Eat Well leadership training;
- 53 community members received technical assistance in family agriculture for the construction of six community gardens; and
- 35 women and six men were involved in tilapia (fish) aquaculture production across 11 different tilapia ponds in Chiapas.

In the 2025 financial year the Eat Well program will expand to include financial and entrepreneurship training across eight communities. The nutrition and agriculture trainings will continue, reaching more women via workshops, demonstrations and community gardens participation.

> **"HUNGER AND MALNUTRITION IN MEXICO IS A CHALLENGE THAT CAN ONLY BE SOLVED THROUGH STRONG PARTNERSHIPS – WE LOOK FORWARD TO WORKING WITH GYG OVER THE LONG-TERM TO DECREASE HUNGER FOR THE WOMEN AND CHILDREN OF MEXICO, AND AROUND THE WORLD."**
>
> **– Philippe Magid, CEO, The Hunger Project**

STRATEGY

STRATEGIC PILLARS

WITH A VISION "TO REINVENT FAST FOOD AND CHANGE THE WAY THE MASSES EAT", GYG IS GUIDED BY A SET OF STRATEGIC PRIORITIES ON ITS MISSION "TO BE THE BEST AND BIGGEST RESTAURANT COMPANY IN THE WORLD".

HIGHEST QUALITY FOOD AND SAFETY	BEST GUEST EXPERIENCE	BEST WORKPLACE	BEST REAL ESTATE	BEST PERFORMANCE
FY24 Progress				
• Expansion of the Culinary Excellence program • Food safety procedures enhanced such as more frequent and accurate food temperature monitoring • Maintaining HACCP food safety certification	• Upgrade of point of sale and other restaurant systems • Data and privacy infrastructure development to further protect guests • Launch of a new guest app in the US • Refresh of GYG's digital roadmap	• Integration of people experience systems • Implementation of refreshed health and safety training for franchisees, culinary and ops coaches and restaurant managers • Reinvigoration of a company-wide safety program and appointment of a specialised Work Health and Safety Manager • Improved internal communications platform • Optimisation of People and Culture strategic plan • Improvement in oversight of payroll across network	• Improvement of new restaurant opening processes • Review of equipment improvement and replacement opportunities throughout the network • Evaluation and implementation of US real estate strategy	• Implementation of operational excellence program to drive efficiencies • Successful launch of various marketing campaigns, driving sales and guest loyalty • Implementation of best-in-class franchisee performance measurement systems • Refinement of the US operating model
Focus areas for FY25 and beyond				
• Expansion and evolution of *100% Clean* philosophy • Continued expansion of Culinary Excellence Program • Menu innovation • Further strengthening of food quality and safety procedures	• Refinement of GYG's loyalty program • Optimisation of kitchen layout and processes for improved order accuracy and efficiency of restaurant service • Digital enhancements to improve the guest experience	• Continued enhancement of people safety and risk management systems • Establishment of sustainability targets across material impact areas • Ongoing monitoring and awareness of human rights and anti-modern slavery issues • Continued refinement of workplace compliance strategy • Ongoing enhancement of employee onboarding, training, retention and value proposition	• Ongoing field support training to drive new restaurant opening process improvements • Implementation of equipment improvement plan • Decarbonisation strategy to reduce emissions from value chain	• Continued strong execution in marketing • Monitoring and identification of areas for improvement in franchisee performance systems • Preparation for Australian Sustainability Reporting Standards • Demonstrating proof of concept in the US

STRATEGY CONTINUED

GROWTH STRATEGY

OVER THE MEDIUM TERM, GYG REMAINS FOCUSED ON DELIVERING THE GROWTH STRATEGIES BELOW:

	Growth strategy	FY24 progress
1	Increasing net restaurant openings in Australia, opening 30 new restaurants per annum over the near-term, increasing to 40 restaurants per annum within 5 years	• Substantial build of the team and internal infrastructure • Development of a robust restaurant pipeline
2	Driving Comp Sales Growth through daypart expansion, marketing, menu innovation and improved guest experience	• 151 restaurants offering breakfast • 5 restaurants operating 24/7 • Average spend per transaction increasing to $21.17 from $19.70 in the prior year • Successful marketing campaigns such as 'Clean is the New Healthy' • Strong menu innovation with 3 new items launched in the year • Introduction of GYG Delivery, providing guests with the ability to place a delivery order directly in the GYG app • Improvement in Kitchen Display System ("**KDS**") speeds of less than 4 minutes, from 64% in 2023 to 69%
3	Realising margin improvement through corporate restaurant margin expansion, franchise royalty rate uplift and leveraging the investment made in GYG's supporting infrastructure	• Operating leverage of fixed costs and certain components of labour from strong Comp Sales Growth • Improvements in the cost of food and packaging as a percentage of corporate restaurant sales • Shift in format mix towards drive thrus • 64 franchise restaurants on the new royalty scheme • Disciplined G&A investment to drive improvement in the network
4	Expanding the digital channel through investment in the digital experience	• Launch of the new guest app in the US • Strong improvement in guest loyalty through the GOMEX program • Successful launch of GYG in app delivery offering
5	Driving performance in Singapore, Japan and the US	• Robust support and monitoring of international master franchisees • Review of US opportunity and attainment of strong strategic insights to drive future performance
6	Continued focus on sustainability through environmental and social impact strategies	• Appointment of a Head of Sustainability • Assessment of emissions to understand environmental impact and reduction strategies • Active signatory to Australian Packaging Covenant Organisation ("**APCO**") and the Australian Packaging Targets

RISK MANAGEMENT

GYG acknowledges that appropriate risk assessment and management is a crucial element of operating a successful and sustainable company. As a result of this, effective risk management practices are crucial to inform decision-making and manage operations to drive commercial outcomes.

GYG actively manages the impacts of its key risk areas through the implementation of appropriate mitigation measures outlined below.

KEY RISK	DESCRIPTION	MITIGATION
Strategy risks	• Challenges in increasing the rate of new restaurant openings, particularly at target economics • Increases in capital expenditure for new restaurants • Macroeconomic pressures, competitor actions, cannibalisation of sales from new nearby restaurants and changes in consumer preferences impacting Comp Sales Growth • Rising input costs that GYG may not be able to pass on to guests • Digital initiatives not delivering expected results • Unforeseen difficulties operating in international markets like Singapore, Japan, or the US • Fluctuations in foreign exchange rates	• Employment of rigorous monitoring and support for new restaurant openings and performance • Strategic pricing adjustments and negotiations to manage rising costs • Targeted marketing to boost existing restaurant sales • Careful selection and training of key personnel to ensure effective execution of growth initiatives • Leveraging digital tools to enhance customer engagement and operational efficiency • Exploration of strategic partnerships and continued international market research • Regular monitoring and strategic management of currency exposure
Food safety and sanitation	• Handling of high-risk foods by crew, such as uncooked meats and fresh vegetables which may result in exposure to food safety risks • Guests may be exposed to biological, physical or chemical hazards, undeclared allergens or ingredients that they are unwilling or unable to consume	• Comprehensive food safety processes are designed to comply with federal and state regulations regarding food safety • Training for all crew and monitoring of restaurant practices
Employment practices and workplace health and safety	• Workplace accidents by GYG employees • Employees being exposed to workplace harassment, bullying or assault from other employees or customers • Failing to comply with a modern award, an enterprise agreement or any other workplace standard or law • Human rights risks, including modern slavery, in restaurant operations and supply chains	• Targeted training and engagement initiatives • Incident monitoring and reporting systems • Clear policies and risk registers pertaining to work health and safety, harassment and legal compliance • Ongoing monitoring of workplace compliance with employment laws • Dedicated support to franchise restaurants to ensure compliance with employment practices and alignment with GYG standards
Consumer environment and general economic conditions	• Weakened consumer spending levels, consumer confidence, inflation, interest rates, unemployment rates, population movements and government fiscal, monetary and regulatory policies	• Employing strategic levers to drive performance, such as marketing, operating across various channels and day parts, among others • Tailoring the menu to accommodate for shifting customer preferences, such as the value menu
Competition for guests	• Growth of existing competitors • Impact of new entrants aggressively growing market share or mimicking GYG's business model	• Continued innovation and focus on execution, enabling high standards of food quality and guest experience to stay relevant to guest

KEY RISK	DESCRIPTION	MITIGATION
Exposure to conduct of franchisees	• Lease compliance of franchisees • Confidential information misuse by franchisees • Employment practices undertaken in franchise restaurants • Varying capacities of franchisees to manage their restaurants	• Enforcing stringent franchisee selection and training processes • Implementing robust compliance and monitoring systems to ensure adherence amongst franchisees • Strong oversight of employment practices in franchise restaurants • Provision of regular communication and support with franchisees
Brand and reputation damage	• Brand and reputational damage can arise due to poorly managed public relations, damaging or negative media, poor customer service, food safety incidents, poor food quality or compliance breaches	• Employing a thorough and curated communications strategy • Proactive communication to stakeholders around operational incidents and issues
Ability to attract and retain key staff	• Unexpected departure of key team members, whether voluntary or involuntary	• Attracting talent through a strong culture and effective recruitment practices • Reward and recognition programs such as short and long term incentive schemes • Establishing robust succession plans
Security of supply chain	• Disruptions caused by contract cancellations or an inability to fulfil contract obligations • Supplier system failures • Product quality issues, shortages, delays or interruptions • Severe weather events, transportation issues, or widespread disease amongst a particular source agreement	• Establishing dual supplier arrangements • Strong supplier oversight and tight importation management • Strategic stock level ordering and management
Delivery disruptions	• Inability to fulfil contract obligations • Operational challenges occurring at delivery partners, such as driver shortages or technical outages • Failure of a delivery partner's system	• Cloud-based management of key app and web integrations • Utilising real-time monitoring tools to manage downtimes • Investing in robust infrastructure
Compliance with laws and regulations, litigation and contract risk	• Failure to identify and address material legal and regulatory changes • Potential requirement for litigation • Contract termination or renegotiation on less favourable terms	• Monitoring of legal and regulatory changes and their impact on GYG • Obtaining external advice where required
Protection and use of IP	• Unauthorised use or copying of GYG's trademarks and copyright	• Use of technology such as data encryption and access controls • Registered trademarks and copyrights
Informational technology, privacy and cyber security	• IT systems or networks may become compromised or disrupted, which may have a material adverse impact on the business • GYG's privately held information and guest data may be compromised because of hacking or other criminal activity • Potential for cyber attacks, ransomware attacks, computer viruses or data breaches	• Continued investment in IT systems to enhance operations and to further automate and improve key processes • Continued improvement of the documentation of its disaster recovery and service continuity technologies and processes • Investment in privacy and cyber resilience capabilities, including the appointment of third-party providers
Lease renewals	• Inability to renew site leases on satisfactory terms or at all	• Active monitoring of feasible restaurant locations • Establishment of a robust pipeline
Climate-related risk	• Physical risk and effects of climate change such as extreme weather events, global warming and rising sea levels which can disrupt supply chain, increase operational costs, cause damage to restaurants and lead to temporary or permanent closures • Transitional risk of costs to transition to lower emissions technologies, sustainable materials and increased operating costs due to instability in the energy market. Consumer preferences may shift towards more sustainable offerings and new regulatory requirements may impact GYG's reputation and increase compliance costs	• Exploring opportunities to diversify GYG's supply chain, invest in resilient infrastructure and implement robust disaster recovery plans • Regular monitoring of GYG's emissions and environmental impacts • Continuous monitoring of consumer trends, adoption of sustainable practices and ensuring compliance with evolving environmental regulations

BOARD OF DIRECTORS

GAETANO (GUY) RUSSO

Non-Executive Chairman

Guy has been a Non-Executive Director of the company since 2009 and was appointed as Chairman in December 2018.

Guy has 42 years of corporate experience, 34 of which were spent across the global operations of McDonald's Corporation, including CEO of McDonald's Australia and President of McDonald's Greater China. Guy also served as CEO of Wesfarmers' Department Store Division (Kmart & Target) and Managing Director of Kmart Australia & New Zealand.

Guy is currently a Non-Executive Director of ASX-listed Scentre Group and the Chairman of ASX-listed SomnoMed, as well as Chairman of global non-profit organisation OneSky. He was previously Chair of Ronald McDonald House Children's Charities.

Guy attended Macquarie University Graduate School of Management in Sydney.

STEVEN MARKS

Founder
Co-Chief Executive Officer and Executive Director

Steven co-founded GYG in 2005 and has led the company since inception. Steven was also Honorary Consul of Mexico in NSW from 2019 to April 2024.

Prior to founding GYG, Steven launched and subsequently sold several companies, across industries including hospitality, fashion and music.

Prior to this, Steven spent eight years working in finance roles at SAC Capital and Cheyne Capital across the US and UK.

Steven holds a Bachelor of Arts (International Relations and Economics) from the University of Pennsylvania.

HILTON BRETT

Co-Chief Executive Officer and Executive Director

Hilton was appointed as a Non-Executive Director of GYG in August 2018 and became Co-CEO in October 2023.

Prior to taking on the Co-CEO position, Hilton worked as an Operating Partner at TDM Growth Partners ("**TDM**") – GYG's largest shareholder – for just over five years. Prior to this, Hilton held positions including Executive Director, CEO and Co-CEO at ASX-listed Accent Group (formerly RCG Corporation), a regional leader in the retailing and distribution of performance and lifestyle footwear, for over 11 years.

Hilton has held Non-Executive Director positions at companies including ASX-listed Pacific Smiles Group.

Hilton holds a Bachelor of Commerce and Post Graduate Diploma in Accounting from the University of Cape Town, South Africa.

BRUCE BUCHANAN[20]

Independent, Non-Executive Director

Bruce was appointed as a Non-Executive Director of the company in August 2016.

Bruce is the co-founder, CEO and Chairperson of Rokt, an ecommerce platform and network based in New York. Prior to Rokt, Bruce was Group CEO at Jetstar.

Bruce holds a Bachelor of Engineering (Civil Engineering) from the University of New South Wales and a Master of Business Administration from the Australian Graduate School of Management and the Anderson School at UCLA.

20. Bruce Buchanan intends to step down from the Board at the company's 2024 AGM to focus on Rokt, where he is Co-Founder, Chairman and CEO.

THOMAS (TOM) COWAN

Non-Executive Director

Tom was appointed as a Non-Executive Director of the company in August 2018.

Tom is a Director of TDM Growth Partners, which he co-founded in 2005, and a member of the Investment Team. Prior to founding TDM, Tom worked in Mergers and Acquisitions at Investec and in Corporate Finance at KPMG.

Tom is a current Non-Executive Director of TDM portfolio companies Rokt and League. He was previously Non-Executive Director of ASX-listed Baby Bunting.

Tom holds a Bachelor of Commerce (Finance and Accounting) from the University of Sydney, where he graduated with First-Class Honours.

JACQUELINE (JACQUI) COOMBES

Independent, Non-Executive Director

Jacqui was appointed as a Non-Executive Director of the company in June 2020.

Jacqui has over 25 years' experience in the retail industry, including at Bunnings Group, a subsidiary of ASX-listed Wesfarmers, in an Executive Director board position as well as a number of senior executive roles including General Manager of New Zealand. Jacqui also held the role of Director of Human Resources for the Bunnings Group, before transitioning to an Executive Coach role.

Prior to her career at Bunnings, Jacqui held various managerial positions at Spotlight Retail Group, including General Manager of Operations Australia and General Manager of New Zealand.

MARINA JOANOU

Independent, Non-Executive Director

Marina was appointed as a Non-Executive Director of the company in February 2023.

Marina has over 20 years' experience in the retail industry with the majority of her corporate career at Wesfarmers, where she held positions including Managing Director of Target Australia, CFO of Wesfarmers Department Stores, CFO of Kmart and Chair of Kmart Tyre and Auto. Prior to joining Wesfarmers, Marina held a number of financial management and advisory roles at Coles Group, Mayne Group and KPMG.

Marina holds a Bachelor of Commerce (Accounting and Finance) from the University of New South Wales, is a member of Chartered Accountants ANZ and a Graduate of the Australian Institute of Company Directors.

IAN ROWDEN

Independent, Non-Executive Director

Ian was appointed as a Non-Executive Director of the company in April 2024.

Ian is a current Partner & Investment Advisory Board Member at Innovate Partners in Newport Beach, California, and a Senior Advisor at Bowery Capital. Prior to this, he was a Partner at The Virgin Group, where he held board positions at Virgin Galactic and Virgin Produced.

Ian previously served as Chief Marketing Officer for The Callaway Golf company and Wendy's International, as well as Chairman and CEO, Asia Pacific for advertising network Saatchi & Saatchi. Prior to this, Ian held various senior positions at The Coca-Cola company.

Ian is currently a Non-Executive Director of ASX-listed companies Reliance Worldwide Corporation and Enero Group.

LEADERSHIP TEAM

STEVEN MARKS

Founder
Co-Chief Executive Officer and Executive Director

See Board of Directors section.

HILTON BRETT

Co-Chief Executive Officer and Executive Director

See Board of Directors section.

ERIK DU PLESSIS

Chief Financial Officer

Erik was appointed as GYG's Chief Financial Officer in April 2024.

Erik has extensive experience across financial and operational strategy within the retail sector, having spent eight years at ASX-listed Wesfarmers in roles such as General Manager of Commercial & Strategy for Kmart and Target, General Manager of Finance for Target and Investor Relations Manager for Wesfarmers.

Prior to joining Wesfarmers, Erik held a number of corporate finance and advisory roles at Deutsche Bank and Deloitte.

Erik holds a Bachelor of Commerce (Accounting) and a Bachelor of Laws from the University of Melbourne.

JOHN MORRISON

Chief Operating Officer

John was appointed as GYG's Head of Supply Chain in September 2021 and was appointed as Chief Operating Officer of the company in May 2023.

John has 30 years' experience in supply chain and manufacturing leadership, across multiple disciplines, countries and industries including food, homecare, pharmaceuticals and supply chain solutions.

John has held global and regional senior leadership roles at SunRice and Brambles. John started his career in operational and supply chain management roles within Unilever, Rank Hovis McDougall, Arnott's and Dairy Farmers.

John holds a Bachelor of Chemical Engineering from RMIT University and an Executive Leadership Certification from CEDEP (INSEAD France).

LARA THOM

Global Chief Marketing Officer

Lara joined GYG in January 2017 as Chief Marketing Officer and was appointed as Global Chief Marketing Officer of the company in June 2019.

Lara has over 20 years' experience in media, marketing, FMCG, digital and start-ups. Lara joined GYG from Vittoria Food and Beverage, where she was General Manager of Digital and Marketing. Prior to this, Lara was the Managing Director of digital agency Be.Interactive and Managing Director of retail creation hub Be.Retail.

Lara began her career as a journalist at News Corp and later worked on the launch of Foxtel start-up, Super League, as well as the launch of realestate.com.au.

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CANDICE HEGGELUND

General Counsel

Candice was appointed as GYG's General Counsel in June 2023.

Candice was previously General Counsel at TDM Growth Partners before joining GYG. Prior to this, Candice spent 13 years working in private practice in the M&A, Private Equity and Venture Capital teams at law firms Baker & McKenzie, Freshfields Bruckhaus Deringer and Herbert Smith Freehills in Sydney, Hong Kong and London.

Candice holds a Bachelor of Laws (Honours) from the University of New South Wales, as well as a Bachelor of Economics and a Master of Laws from the University of Sydney.

JAY KATTEL

Chief People Officer

Jay was appointed as GYG's Chief People Officer in January 2024.

Jay has over 18 years' experience in human resources. Jay joined GYG from Coates, where he was a General Manager in the People and Safety team. Prior to this, Jay was a Director at Transport for NSW, Head of Organisational Development at Sydney Trains, in addition to other roles at Roads and Maritime Services and Businesslink.

Jay holds a Bachelor of Business (Management) from the University of Western Sydney and Diploma in Project Management.

GEORGE MANDILIS

Chief Development Officer

George was appointed as GYG's Chief Development Officer in June 2020.

George was previously at ASX-listed Wesfarmers in the Wesfarmers' Department Store Division (Kmart, Target and Kmart Tyre & Auto) for 11 years, in roles such as General Manager of Property. Prior to this, George was a Leasing Executive at Woolworths and GPT Group.

George holds a Bachelor of Property Economics (Honours) from the University of Technology, Sydney.

BRYCE MAYBURY

Chief Technology Officer

Bryce was appointed as GYG's Chief Technology Officer in June 2023.

Bryce has over 20 years of experience in technology, holding various positions at Nine Entertainment Co. and the previously ASX-listed Salmat. Prior to joining GYG, Bryce held a senior leadership role at ASX-listed Southern Cross Austereo leading the Information Technology function.

Bryce holds an MBA from the University of Sydney.

CORPORATE GOVERNANCE

GUZMAN Y GOMEZ IS COMMITTED TO ACHIEVING AND MAINTAINING THE HIGHEST STANDARDS OF ACCOUNTABILITY AND TRANSPARENCY IN THE MANAGEMENT AND CONDUCT OF ITS BUSINESS.

Our Corporate Governance Statement, which is current during the reporting period and approved by the Board, outlines the key aspects of GYG's corporate governance framework and is available on the GYG website at www.guzmanygomez.com.au/charters. It has been prepared in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th Edition ("**ASX Recommendations**").

GYG has established a corporate governance framework to ensure that directors, officers, senior leadership and employees responsibly fulfil their functions to protect and enhance the interests of GYG shareholders.

CORPORATE GOVERNANCE FRAMEWORK

THE GYG BOARD

GYG's Board of Directors plays a crucial role in overseeing the strategic direction and overall governance and operations of the company. During the reporting period, the Board consisted of 10 members. 50% of the Board are independent directors as at the date of this report. Accordingly, during the reporting period, the Board did not have a majority of independent Directors as outlined in recommendation 2.4 of the ASX Recommendations. The Board considers that the composition of the Board is appropriate in light of the following factors:

(a) the adoption of a Co-CEO model for GYG (which means that having each Co-CEO on the Board is appropriate);

(b) the considerable experience and contributions of director Tom Cowan to GYG and its strategic goals (who the Board believes thinks and acts independently in performing his role as a non-executive Director and acts independently of management); and

(c) the significant shareholding that TDM Growth Partners Pty Ltd had in the company during the reporting period (which makes it appropriate for it to have a nominee on the Board). All the Directors believe that they are able to, individually and collectively, analyse the issues before them objectively and in the best interests of shareholders and in accordance with their duties as Directors. In addition, the Board's intention is to appoint an additional independent non-executive Director to replace Bruce Buchanan with a view to ensuring that the number of independent non-executive Directors does not decline overall.

All issues of substance affecting the company are considered by the Board, with advice from external advisors as required. The Board meets regularly to discuss and approve corporate strategy, financial performance, risk management, oversight of management and other significant matters impacting the company and its shareholders. The role and responsibilities of the Board are set out in the Board Charter, available on the company's website at www.guzmanygomez.com.au/charters.

The Board delegates certain functions to its two Board committees – the Audit and Risk Committee and the Nomination and Remuneration Committee.

BOARD COMMITTEES

To enhance governance effectiveness, the Board has established two committees:

AUDIT AND RISK COMMITTEE

The role of the Audit and Risk Committee is to assist the Board in fulfilling its responsibilities for corporate governance and overseeing the company's financial reporting, internal control structure, risk management systems and internal and external audit functions. This includes confirming the quality and reliability of the financial information prepared by the company, working with the external auditor on behalf of the Board and reviewing non-audit services provided by the external auditor to confirm they are consistent with maintaining external audit independence.

The Audit and Risk Committee provides advice to the Board and reports on the status and management of the risks to the company. The purpose of the committee's risk management process is to assist the Board in relation to risk management policies, procedures and systems and ensure that risks are identified, assessed and appropriately managed.

As at 30 June 2024, the committee was comprised of Marina Joanou (Chair), Tom Cowan and Ian Rowden.

NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee is to assist the Board in fulfilling its responsibilities for corporate governance and overseeing the company's nomination and remuneration policies and practices. This includes reviewing and making recommendations to the Board on remuneration packages and policies related to the Directors and senior executives. The Nomination and Remuneration Committee is also responsible for administering short-term and long-term incentive plans (including any equity plans).

In addition, the committee is responsible for reviewing and making recommendations in relation to the composition and performance of the Board and its committees. The committee also ensures that adequate succession plans are in place (including for the recruitment and appointment of Directors and senior management). Independent advice will be sought where appropriate.

As at 30 June 2024, the committee comprised of Jacqui Coombes (Chair), Guy Russo and Tom Cowan. As the committee does not consist of a majority of independent directors, the company will not be fully compliant with the recommendations set by the Listing Rules and ASX Corporate Governance Council in relation to the composition and operation of the committee. Nonetheless, the Board considers that the current composition of the committee is appropriate and that the Board considers that Mr Russo and Mr Cowan each think and act independently in performing their role as a committee member and acts independently of management.

COPIES OF THE COMMITTEE CHARTERS ARE AVAILABLE AT WWW.GUZMANYGOMEZ.COM.AU/CHARTERS.

CORPORATE GOVERNANCE
CONTINUED

BOARD SKILLS

GYG's Board and Board committees are comprised of current and former senior executives from the QSR, retail, technology and investment industries. These Directors have relevant skills and experience in franchising, real estate, drive thru operations and technology systems, alongside general business knowledge, financial management and corporate governance.

The Board has delegated responsibility for the day-to-day management of operations to our Co-Chief Executive Officers, Steven Marks and Hilton Brett ("**Co-CEOs**"). The Co-CEOs may, in turn, delegate authority to members of the executive leadership team, or executive-level management committees as appropriate. A summary of the key skills and experience of the current directors against those identified in the skills matrix is set out below:

Figure 12: Board Skills Matrix

	Steven Marks	Tom Cowan	Hilton Brett	Guy Russo	Bruce Buchanan	Ian Rowden	Marina Joanou	Jacqui Coombes
Experience: Industry skills/experience relating to GYG long term 'aspirations':								
Marketing	Extensive	Extensive	Extensive	Extensive	Extensive	Extensive	Moderate	Moderate
Real Estate	Extensive	Moderate	Extensive	Extensive	Not applicable	Extensive	Extensive	Moderate
Multi location rollout	Extensive	Extensive	Extensive	Extensive	Not applicable	Extensive	Extensive	Extensive
Restaurant operations	Extensive	Not applicable	Moderate	Extensive	Not applicable	Extensive	Not applicable	Not applicable
Franchising	Extensive	Extensive	Extensive	Extensive	Moderate	Extensive	Moderate	Moderate
Food safety and quality	Extensive	Not applicable	Moderate	Extensive	Moderate	Moderate	Moderate	Moderate
Business to consumer ('B2C')	Extensive	Extensive	Extensive	Moderate	Extensive	Extensive	Extensive	Extensive
Business to business ('B2B')	Extensive	Extensive	Extensive	Moderate	Extensive	Extensive	Extensive	Extensive
Technology & digital transformation	Extensive	Extensive	Moderate	Moderate	Extensive	Extensive	Moderate	Moderate
Workplace health and safety (including regulatory compliance)	Extensive	Moderate	Moderate	Extensive	Extensive	Moderate	Extensive	Extensive
Building high performing teams and strong culture	Extensive	Extensive	Extensive	Extensive	Extensive	Extensive	Extensive	Extensive
Experience: Non industry specific skills/experience:								
High growth business experience	Extensive	Extensive	Extensive	Extensive	Extensive	Extensive	Extensive	Extensive
International growth experience	Extensive	Extensive	Moderate	Extensive	Extensive	Extensive	Moderate	Moderate
Multiple boards experience	Not applicable	Extensive	Extensive	Extensive	Extensive	Extensive	Extensive	Extensive
Other experience for Board Committees:								
C Suite experience	Extensive	Extensive	Extensive	Extensive	Extensive	Extensive	Extensive	Extensive
Listed entity experience	Not applicable	Extensive	Extensive	Moderate	Extensive	Extensive	Extensive	Extensive
Accounting	Moderate	Extensive	Extensive	Moderate	Moderate	Moderate	Extensive	Moderate
Auditing	Moderate	Moderate	Extensive	Moderate	Moderate	Extensive	Extensive	Moderate
Risk Management	Moderate	Moderate	Extensive	Moderate	Extensive	Extensive	Extensive	Extensive
Legal/Regulatory	Moderate	Extensive	Extensive	Moderate	Extensive	Moderate	Extensive	Moderate
Corporate Governance	Moderate	Extensive	Extensive	Moderate	Extensive	Moderate	Extensive	Moderate
Technology	Moderate	Extensive	Moderate	Moderate	Extensive	Moderate	Moderate	Moderate
Investor relations	Moderate	Extensive	Extensive	Moderate	Moderate	Moderate	Moderate	Moderate

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Director attendance at Board and Committee meetings during the reporting period is set out below:

Figure 13: Board and Committee Meeting Attendance

Director name	Board meetings		Audit and Risk Committee meetings		Nomination and Remuneration Committee meetings	
	Held	Attended	Held	Attended	Held	Attended
Guy Russo	6	6	–	–	1	1
Tom Cowan	6	6	–	–	–	–
Ian Rowden	3	3	–	–	–	–
Marina Joanou	6	6	2	2	–	–
Jacqui Coombes	6	6	–	–	1	1
Bruce Buchanan	6	5	–	–	1	1
Hilton Brett	6	6[1]	2	2	1	1
Steven Marks	6	6	–	–	1	1
Stephen Jermyn[2]	3	3	–	–	–	–
Robert Hazan[3]	3	3	–	–	–	–

1. Hilton Brett attended one of these Board meetings by invitation.
2. Stephen Jermyn resigned from his position as Director on 10 April 2024. Stephen attended all Board meetings held during the reporting period whilst he was a director.
3. Robert Hazan resigned from his position as Director on 10 April 2024. Robert attended all Board meetings held during the reporting period whilst he was a director.

EXECUTIVE LEADERSHIP TEAM

The executive leadership team is responsible for the day-to-day operations of the company and the execution of strategic initiatives approved by the Board. The team has been assembled to incorporate a wide range of expertise and skills to foster GYG's development and is committed to upholding GYG's values in all aspects of our business.

CORPORATE GOVERNANCE POLICIES

The Board has adopted corporate governance policies and practices that are consistent with the ASX Recommendations, and that it believes are consistent with the continued growth and success of the company and the ongoing enhancement of value for GYG shareholders.

The following policies, each of which has been prepared having regard to the ASX Recommendations, are available on the company's website at www.guzmanygomez.com.au/policies.

- Anti-Bribery and Corruption Policy
- Disclosure Policy
- Diversity Policy
- Privacy Policy
- Securities Trading Policy
- Shareholder Communication Policy
- Whistleblower Policy

The Board is committed to upholding the integrity of the company's corporate governance framework. To this end, the Board regularly reviews the performance and effectiveness of the company's corporate governance policies and procedures and, if appropriate, amends those policies and procedures or adopts new policies or procedures.

The GYG Code of Conduct is available on the company's website at www.guzmanygomez.com.au/constitution-codes.

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DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the consolidated entity (the 'Group') consisting of Guzman y Gomez Limited (the 'company' or 'GYG') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

INFORMATION ON DIRECTORS AND COMPANY SECRETARIES

The skills, experience, expertise and special responsibilities of the current Board of Directors of the company are provided in the Board of Directors and Corporate Governance sections of this report.

Details of the other Directors that served during the year and the joint Company Secretaries are as follows:

ROBERT HAZAN – (EXECUTIVE DIRECTOR, RESIGNED 10 APRIL 2024)

Robert co-founded GYG with Steven in 2005. Prior to co-founding GYG, Robert launched an apparel export business in Australia. Prior to this, Robert worked at the Hazan Group, an apparel manufacturer located in the United States. Robert holds a Bachelor of Science (Finance and Management) from the University of Vermont.

STEPHEN JERMYN (NON-EXECUTIVE DIRECTOR, RESIGNED 10 APRIL 2024)

Stephen joined GYG's Board in 2014. He previously served as Chief Financial Officer and Director for McDonald's Australia and has significant experience in the development of QSR businesses and franchising. He retired from McDonald's Australia in 2005. He has also held Board positions for various private and ASX listed companies.

CLAUDINE TARABAY (JOINT COMPANY SECRETARY)

Claudine has been Company Secretary and Director of Finance with Guzman y Gomez since June 2021 and is a Chartered Accountant and Member of the Australian Institute of Company Directors.

BELINDA CLEMINSON OF AUTOMIC PTY LTD (JOINT COMPANY SECRETARY, APPOINTED 24 MAY 2024)

Belinda has extensive experience as a Company Secretary of Australian listed and unlisted companies including providing support to ASX 200 clients. Belinda is Company Secretary of various public and private companies, including ASX, NZX and OTC listed companies across a range of industries, Belinda is a member of a Governance Institute of Australia and a Member of the Australian Institute of Directors.

MEETINGS OF DIRECTORS

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2024 and the number of meetings attended by each Director is provided in the Corporate Governance section.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were the sale of Mexican-inspired food through a chain of quick service restaurants and the management of a franchise operation engaged in the same business. The Group operates corporate restaurants in Australia and the US and manages franchisee restaurants in Australia, Singapore and Japan. There were no significant changes in the nature of the activities of the Group during the year.

DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

REVIEW OF OPERATIONS

The loss for the Group after providing for income tax amounted to $13,748,000 (30 June 2023: $2,267,000).

Global Network Sales including Franchisees for the Group during the financial year were $959,700,000 (2023: $758,900,000). Global restaurant network as 30 June 2024 was 220 restaurants (2023: 194 restaurants).

Refer to the Operating and Financial Review section for a more detailed analysis of the operating and financial performance and financial position of the Group.

BUSINESS RISKS

A detailed overview of the Group's material business risks is presented in the Risk Management section.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 21 May 2024, the company issued 4,683,250 new ordinary shares in an equity raise realising $84,299,000.

On 31 May 2024, the company changed its name from Guzman y Gomez (Holdings) Limited to Guzman y Gomez Limited.

On 20 June 2024, Guzman y Gomez Limited completed its IPO and listed on the ASX with the code GYG. As part of the IPO, the company raised $200,000,000 pursuant to the offer dated 14 June 2024 by the issue of 9,141,414 new ordinary shares.

The two equity raises have significantly strengthened the Group's balance sheet and liquidity, providing the company with capital to pursue its growth objectives.

There were no other significant changes in the state of affairs of the Group during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group intends to pursue its organic growth initiatives, growing sales in existing restaurants and expanding both its corporate and franchisee restaurant networks. For further information on these matters refer to the Outlook subsection within the Operating and Financial Review section and in the Strategy section of this report.

ENVIRONMENTAL REGULATION

The Group is currently not subject to any significant environmental regulation under Australian Commonwealth or State law. The Group will be adopting new climate related disclosure standards on a phased approach, noting that the company is expecting to fall into Group 2 threshold with reporting obligations becoming mandatory for the year ended 30 June 2027.

Refer to the Sustainability section for discussion on the Group's impact on the environment, intent and some of the initiatives taken and planned for the future.

REMUNERATION REPORT

The Directors present the Remuneration Report for the year ended 30 June 2024. The information provided in this report has been audited as required by section 300A of the *Corporations Act 2001*.

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1. WHO IS COVERED IN THIS REPORT

The Remuneration Report details the Key Management Personnel ('KMP') remuneration arrangements for the Group, in accordance with the requirements of the *Corporations Act 2001* and its its *Corporations Regulations 2001 – Reg 2M.3.03*.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all Directors.

The Board consider the following are or were KMP during the year or since the year end:

KMP	Position Held	
Gaetano (Guy) Russo	Non-Executive Chairman	
Steven Marks	Co-Chief Executive Officer and Executive Director	
Hilton Brett	Co-Chief Executive Officer and Executive Director	
Bruce Buchanan	Non-Executive Director	
Thomas (Tom) Cowan	Non-Executive Director	
Jacqueline (Jacqui) Coombes	Non-Executive Director	
Marina Joanou	Non-Executive Director	
Ian Rowden	Non-Executive Director	Appointed 10 April 2024
Stephen Jermyn	Non-Executive Director	Resigned 10 April 2024
Robert Hazan	Non-Executive Director	Resigned 10 April 2024
Erik du Plessis	Chief Financial Officer	Appointed 1 April 2024

2. REMUNERATION GOVERNANCE

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and it is considered to be aligned to good practice. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation; and
- transparency.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by rewarding capability and experience, reflecting competitive reward for contribution to the growth in shareholder wealth and providing clear structure for earning rewards.

This section of the Remuneration Report describes the role of the Board and the Nomination and Remuneration Committee and the use of remuneration consultants when making remuneration decisions affecting KMP.

2.1 ROLE OF THE BOARD AND THE NOMINATION AND REMUNERATION COMMITTEE

BOARD COMMITTEES

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established a Nomination and Remuneration Committee and an Audit and Risk Committee.

Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of the company, relevant legislative and other requirements and the skills and experience of individual Directors.

NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee is to assist the Board in fulfilling its responsibilities for corporate governance and overseeing the company's nomination and remuneration policies and practices.

This includes reviewing and making recommendations to the Board on remuneration packages and policies related to the Directors and senior executives. The Nomination and Remuneration Committee is also responsible for administering short-term and long-term incentive plans (including any equity plans). In addition, the committee is responsible for reviewing and making recommendations in relation to the composition and performance of the Board and its committees and ensuring that adequate succession plans are in place (including for the recruitment and appointment of Directors and senior management). Independent advice will be sought where appropriate.

2.2 USE OF REMUNERATION CONSULTANTS

The Group did not engage any remuneration consultants during the 2024 financial year.

3. OVERVIEW OF REMUNERATION FRAMEWORK

The Group has chosen to reward executives using a level and mix of remuneration which has both fixed and variable components. The executive remuneration and reward framework has four components:

Fixed Remuneration	• Base pay and non-monetary benefits; and • Other remuneration such as superannuation and long service leave.
Variable Remuneration	• Cash-based Short-Term Incentive ("**STI**") performance payments; and • Equity based Long-Term Incentive ("**LTI**") payments.

The combination of these comprises the executives' total remuneration.

3.1 FIXED REMUNERATION

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Group and comparable market remuneration.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the Group and provides additional value to the executive.

3.2 SHORT-TERM INCENTIVES

The STI program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved.

2023 STI PLAN

An STI plan was in place for the year ended 30 June 2023. The maximum opportunity under the plan was 100% of the individual's contracted Total Fixed Remuneration ("**TFR**"). The STI payable for 100% achievement of the EBITDA budget was 55%. At 115% achievement of the EBITDA budget, the full 100% STI opportunity would have been payable.

2024 STI PLAN

An STI plan was in place for the year ended 30 June 2024. The maximum opportunity under the plan was 30% of the individual's contracted TFR. A prerequisite for entitlement to a payment under the plan was achievement of the FY24 budgeted performance measures.

The Group did not achieve its FY24 budgeted performance hurdles and as such no STI was payable under that plan.

	TFR	Opportunity	Maximum Payable	Actual Payable	Forfeited
	$	%	$	$	%
Steven Marks	1,060,900	30%	318,270	–	100.00%
Hilton Brett	1,060,900	30%	318,270	–	100.00%
Erik du Plessis	600,000	30%	180,000	–	100.00%

LISTING COMPONENT OF 2025 STI PLAN

An STI plan has been implemented for the year ended 30 June 2025. The maximum opportunity under the plan is 30% of the individual's contracted TFR. The STI plan has two components, with 15% payable on successful completion of an IPO, with the remaining 15% payable on achievement of the FY25 performance measures.

Following the decision to accelerate the IPO, resulting in the IPO occurring on 20 June 2024, the 15% component of the 2025 STI plan became payable and has therefore been included in the remuneration of the Executive KMP. The Nomination and Remuneration Committee also approved a one-off 3% payment in lieu of an increase to the TFRs and the significant work undertaken as part of the IPO, resulting in an effective 18% of TFR payout to the Executive KMP as presented below:

	TFR	Opportunity	Maximum Payable	Actually Payable	Forfeited
	$	%	$	$	%
Steven Marks	1,060,900	18%	190,962	190,962	–
Hilton Brett	1,060,900	18%	190,962	190,962	–
Erik du Plessis	600,000	18%	108,000	108,000	–

As a result of the listing component being achieved, the remaining opportunity under the 2025 STI plan is the 15% of TFR element payable on achievement of the 2025 financial year performance measures.

3.3 LONG-TERM INCENTIVES

The LTIs are share-based payments subject to certain conditions. The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2024. Non-executive Directors also participate in the long-term incentive plan by virtue of agreeing to receive options in lieu of cash payments.

On 31 May 2024, the shareholders approved the subdivision of each ordinary share of the company to be split into 250 new shares. As a result of this share split the number of options over shares, was multiplied by 250 and the respective exercise prices divided by 250 such that the fair value of the grants remained unchanged.

The company has in place several equity-based, long-term incentive plans ("**LTI Plans**") under which eligible participants have been granted Options that are subject to time-based vesting and continued service conditions. The LTI Plans, as per below, were established by the company with the purpose of aligning the interests of eligible participants more closely with the interests of shareholders by providing an opportunity for eligible participants to receive an equity interest in the company. There are no performance conditions.

OVERVIEW OF LTI PLAN OPTIONS FOR KMP

LTI Plan	Participants	Number of Options	Exercise Price	Expiry Date
2019 LTI plan	Employees and Non-Executive Directors	13,000 (vested)	\$1.98 – \$10	30 June 2026 – 30 June 2028
2022 Key Executives LTI Plan	Key Executives	2,061,000 (unvested)	\$14.56 – \$15.99	30 March 2025 – 30 March 2026
2023 Senior Leadership LTI Plan	Senior Leadership Team	1,523,750 (unvested) 300,000 (vested)	\$16 – \$19.64	7 years from the grant date (27 March 2030 – 28 February 2031)
2023 Non-Executive Directors LTI Plan	Non-Executive Directors	84,000 (vested) 280,750 (unvested)	\$16 – \$18	7 years from grant date (5 June 2030 – 17 May 2031)

The grants under the plan typically comprise a number of tranches, with vesting periods normally between two and five years.

Each LTI Plan permits eligible participants to be granted Options, whereby an Option represents a right to acquire a Share for an exercise price once that Option has vested. Options are forfeited when an employee resigns, unless the Board approves otherwise.

SUMMARY OF SENIOR LEADERSHIP TEAM LTI PLAN

As set out above, the Group senior leadership team (including Steven Marks, Hilton Brett and Erik du Plessis) are eligible to participate in the Group LTI Plan. In advance of the listing of the company on the Australian Stock Exchange, the Nomination and Remuneration Committee approved the 2023 Senior Leadership LTI Plan which was designed to:

- Align the interest of the Senior Leadership team with shareholders during the listing process; and
- Retain key members of the leadership team as the company executes on its growth strategy following listing.

LTIs issued under the 2023 Senior Leadership Plan vest progressively over the next five years (typically in year three, four and five) until the 2029 financial year. The Remuneration and Nomination Committee considered this to best serve the interest of the shareholders as it aligns incentives with the interests of shareholders of this high-growth company, especially in the lead up to its listing on the ASX. As such the Nomination and Remuneration Committee does not anticipate issuing further LTIs to the Senior Leadership Team, over and above those already in issue which vest in tranches over the next five years, other than the case of a new addition to the Senior Leadership Team.

This structure delivers strong alignment with shareholders and a high level of retention incentive. In addition, it also delivers shareholders with a clear understanding of potential cost and dilution over the next five years.

Following listing, the Nomination and Remuneration Committee is considering the design of future LTI plans (likely to vest from the 2030 financial year onwards).

OPTION LOANS

Under the LTI Plans, the Board determines the issue price and exercise price for each grant of Options and may offer the participant a loan from the company to fund the acquisition and/or exercise of Options (subject to compliance with applicable laws and the ASX Listing Rules).

In respect of loans to KMP, the key terms are:

- Interest is accrued on a daily basis at the 'benchmark interest rate';
- Loan term of seven years from the loan date;
- For a 'Division 7A' loan, annual repayment by the borrower (principal and interest) in accordance with the formula set out in the loan agreement (subject to accelerated repayment on occurrence of certain events);
- For a 'FBT' loan, repayment by the borrower at any time with final repayment at the end of the seven year term of the loan (subject to accelerated repayment on occurrence of certain events). However, interest on the loan must be paid every six months in arrears; and
- Limited recourse to the Options to which the loan relates.

Division 7A (of the *Income Tax Assessment Act 1936*) refers to an employee loan deemed to be on an arm's length basis for tax purposes, such that it is not deemed to constitute a benefit to the employee. An FBT loan is similar in nature except that it is interest only until the end of the term.

The employee may also elect to incur an option fee, which is payable over and above the exercise price. The purpose of the fee is to effectively pay the company for the taxable value of the option, thereby not incurring a taxable gain on receipt, or exercise of the options.

As these loans are limited recourse in nature, they do not give rise to a receivable balance, but instead reflect an incremental charge recognised over the vesting period through the profit or loss with a corresponding movement in the share based payment reserve.

To the extent permitted by law, participants may exercise their Options by way of a cashless exercise at the discretion of the company. This is subject to escrow restrictions and can only occur in approved trading windows following the release of the company's results to the market.

In a cashless exercise the holder of the options to provide vested options in consideration for the exercise price for remaining options. The options are cancelled after being acquired by the company.

An option that has vested may be exercised at any time until the expiry date of that option subject to the applicable plan rules.

3.4 GROUP PERFORMANCE AND LINK TO REMUNERATION

Remuneration for certain individuals is directly linked to the performance of the Group. Generally, cash bonus and incentive payments are dependent on the achievement of the financial performance targets for the year. In the 2025 STI Plan the Nomination and Remuneration Committee also approved a cash payment that was linked to the listing of the company on the Australian Stock Exchange. Refer below for details of the earnings and total shareholders return for the last five years.

The Nomination and Remuneration Committee is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

The performance of the company in the last five financial years is summarised below:

	2024	2023	2022	2021	2020
	$'000	$'000	$'000	$'000	$'000
Network sales (Sales by corporate and franchise restaurants)	959,700	758,899	575,050	448,002	305,690
Sales revenue	342,214	259,044	171,792	119,531	77,473
EBITDA	27,274	29,618	23,906	18,653	9,127
Segment Underlying EBITDA[1, 2]	40,992	29,010	nr	nr	nr
EBIT	(3,849)	4,066	9,446	8,545	(5,474)
(Loss)/profit after income tax	(13,748)	(2,267)	3,911	988	(7,115)

1. Segment Underlying EBITDA was not previously reported for years ended 30 June 2020, 2021 and 2022.
2. Segment Underlying EBITDA is defined in Note 4 of the Consolidated Financial Statements. The numbers presented above are for the consolidated Group.

nr Not previously reported.

3.5 NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-Executive Directors do not currently receive any cash remuneration for their services as Directors. Instead, they are compensated in the form of Options. Details of the Options held by the Non-Executive Directors are set out in Sections 6.1 and 6.2. The Options held by the Non-Executive Directors are intended to remunerate them for their services as a Non-Executive Director until 30 June 2028 and no further grant of Options is intended to be made to the existing Non-Executive Directors after this date.

The decision to grant Options as remuneration has been made in order to align the interests of Non-Executive Directors with the interests of shareholders. The number of Options that have been granted to Non-Executive Directors has been determined by reference to share price assumptions such that at the time of grant, they were assumed to deliver economic returns to the Directors that are on par with typical levels of cash fees that they would otherwise receive were they not being paid in Options.

Although the company does not intend to pay any cash fees to Non-Executive Directors prior to 30 June 2028 (being the final vesting date of the Options), in order to preserve flexibility, the maximum aggregate Non-Executive Directors' remuneration for the purposes of the ASX Listing Rules and the Constitution is initially and until a different amount is determined, $1,500,000 per annum ("**NED Fee Cap**"). Under the Constitution, the company in a general meeting may determine the maximum aggregate remuneration to be provided to or for the benefit of the Non-Executive Directors as remuneration for their services as Directors. Further, under the ASX Listing Rules, the total amount of Directors' fees paid to the Directors (subject to certain exceptions) must not exceed in aggregate in any financial year the amount fixed by the company's members in general meeting.

The Options are not counted towards the NED Fee Cap. In addition, the NED Fee Cap also excludes, among other things, amounts payable to any Executive Director under any executive services agreement with the Group or any special remuneration which the Board may grant to the Directors for special exertions or additional services performed by a Director for or at the request of the company.

3.6 KMP

The KMP of the company are the Non-Executive Directors and the following executives: Steven Marks (Co-Chief Executive Officer and Director), Hilton Brett (Co-Chief Executive Officer and Director) and Erik du Plessis (Chief Financial Officer). The employment arrangements for each executive are set out below in Section 4 of the Remuneration Report.

4. REMUNERATION DETAILS FOR 2024 AND 2023

4.1 KEY MANAGEMENT PERSONNEL REMUNERATION TABLE

Details of the remuneration of KMP for the period they served as such for the year ended 30 June 2024 is set out in the table below.

The following persons were KMP for the whole year ended 30 June 2024 and 30 June 2023, unless noted otherwise.

	Short–Term Benefits		Post–Employment Benefits	Long–Term Benefits	Share–Based Payments[e]	
30 June 2024	Cash salary and fees $	Cash bonus $	Superannuation $	Long service leave $	Equity–settled $	Total $
Non-Executive Directors:						
Gaetano (Guy) Russo	–	–	–	–	264,202	264,202
Bruce Buchanan	–	–	–	–	203,538	203,538
Thomas Cowan	–	–	–	–	133,489	133,489
Jacqueline Coombes	–	–	–	–	133,489	133,489
Marina Joanou	–	–	–	–	133,489	133,489
Ian Rowden[c]	–	–	–	–	14,156	14,156
Robert Hazan[d]	–	–	–	–	65,093	65,093
Stephen Jermyn[d]	–	–	–	–	65,093	65,093
Executive Directors:						
Steven Marks	1,120,653	190,962	31,013	8,638	5,515,455	6,866,721
Hilton Brett[a]	1,041,039	190,962	25,185	445	2,002,299	3,259,930
Other KMP:						
Erik du Plessis[b]	153,864	108,000	9,382	48	80,687	351,981
	2,315,556	**489,924**	**65,580**	**9,131**	**8,610,990**	**11,491,181**

(a) Hilton Brett was acting Chief Financial Officer from June 2023 to 2 April 2024, and was appointed as Co-Chief Executive Officer on 9 October 2023.

(b) Reflects his remuneration from date of appointment on 1 April 2024.

(c) Reflects his remuneration from date of appointment on 10 April 2024.

(d) Reflects his remuneration to the date of resignation on 10 April 2024.

(e) The share-based payment charges for Steven Marks, Hilton Brett and Erik du Plessis include a component related to the limited recourse loans offered to participants to cover the funding of an option fee. The offer date value of these loans to Steven, Hilton and Erik are $664,548, $1,680,000 and $477,855 respectively.

30 June 2023	Short–Term Benefits Cash Salary and Fees $	Cash Bonus $	Post–Employment Benefits Superannuation $	Long–Term Benefits Long Service Leave $	Share–Based Payments[a] Equity–Settled $	Total $
Non-Executive Directors:						
Gaetano (Guy) Russo	–	–	–	–	165,458	165,458
Bruce Buchanan	–	–	–	–	–	–
Hilton Brett	–	–	–	–	82,729	82,729
Thomas Cowan	–	–	–	–	82,729	82,729
Jacqueline Coombes	–	–	–	–	82,729	82,729
Marina Joanou[a]	–	–	–	–	35,215	35,215
Robert Hazan	–	–	–	–	82,729	82,729
Stephen Jermyn	–	–	–	–	82,729	82,729
Executive Directors:						
Steven Marks	1,023,180	566,500	26,350	6,935	1,770,493	3,393,458
	1,023,180	**566,500**	**26,350**	**6,935**	**2,384,811**	**4,007,776**

(a) The remuneration presented is from the date of their appointment to the Board on 23 February 2023.

The table above for the year ended 30 June 2023 presents comparatives for those individuals who were KMP during the current financial year.

4.2 SHORT-TERM INCENTIVE OUTCOMES

Refer to section 3.2 Short-term incentives for further details.

4.3 PROPORTION OF FIXED AND AT-RISK REMUNERATION

Based on remuneration accrued during the respective financial years, the proportion of remuneration, linked to achieving targeted performance and the fixed proportion of Executive Directors and other KMP are as follows:

	Fixed Remun-eration	At Risk – STI	At Risk – LTI
Name	2024	2024	2024
Steven Marks	17%	3%	80%
Hilton Brett	33%	6%	61%
Erik du Plessis	46%	31%	23%

	Fixed Remun-eration	At Risk – STI	At Risk – LTI
Name	2023	2023	2023
Steven Marks	31%	17%	52%

The proportions reflected above, are significantly influenced by share based payment elements arising from the pre-IPO retention strategies mentioned previously. Prospectively, other than as a result of the charges arising from the options already offered, the targeted mix of remuneration at target, includes a 30% STI opportunity over and above the TFR. The options already granted will remain a significant part of the remuneration of the Executives through to the financial year ending 30 June 2029.

4.4 LOANS TO KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

In addition to the limited recourse loans available to KMP to cover option fees which are treated as part of the share based payment charge, the company has offered Steven Marks Exercise Price Loan Facilities for Tranche 2 and Tranche 3 of the 2022 Key Executives LTI Plan awards. The value of these facilities is $14,826,834 and $16,306,797 respectively and the amounts are undrawn. These facilities will be on the same terms as the option loans described above. The purpose of these facilities is to enable Steven Marks to fund the exercise price for the Options granted to him under the 2022 Key Executives LTI Plan. To the extent he draws down on those loans to fund the exercise price (as distinct from, for example, utilising cashless exercise), Steven currently intends to repay those loans expeditiously, including by selling shares.

4.5 OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

FRANCHISE ARRANGEMENTS

Gaetano Russo Jr is the son of a Director of the company (Guy Russo) and franchisee of three GYG restaurants (Box Hill, Eastland and Croydon). The franchise agreements for each of these restaurants align with the standard terms offered to other franchisees, with minor exceptions. The Eastland franchise agreement contains a special condition which gave the franchisee a royalty free period of 12 weeks as the restaurant was underperforming when Mr Russo Jr took over, so an agreement was reached to give relief from royalties for a period while the restaurant improved its performance (consistent with the manner in which GYG provides royalty relief at times to other franchisees). These franchise arrangements are on arm's length commercial terms and conditions.

Dylan Brett is the son of a Director and Co-CEO of the company (Hilton Brett) and has entered into a letter of intent ("**LOI**") to franchise a GYG restaurant in Mona Vale, which has a tentative opening date in April 2025. As at the Annual Report Date, no franchise or other agreement in respect of the Mona Vale restaurant is yet on foot. The LOI is on arm's length commercial terms and conditions.

TDM GROWTH PARTNERS PTY LTD (TDM)

TDM agreed to secondments of two of its senior personnel to GYG in the 2024 financial year to support GYG whilst it was recruiting for those positions to be filled. For the period up to and including 30 June 2024, GYG reimbursed TDM a total of $539,821 for the direct employment costs of those individuals during their secondment. Both secondments ceased as at 30 June 2024.

An amount of $72,333 was also paid to TDM in relation to services provided for Hilton's executive services prior to his appointment as acting Chief Financial Officer in June 2023. These fees have been included in his remuneration for the year.

TDM owned 28,611,570 shares and 52,500 options that were previously or still are held on trust for TDM by nominees that it appointed to the Board (i.e. TDM's board nominees, Tom Cowan and previously Hilton Brett do not retain the benefit of any options or other remuneration they receive in their capacities as Directors and hold them instead on trust for TDM).

TDM has the power to control the voting rights and disposal of those shares as discretionary investment manager of the shares, however noting this shareholding is now subject to voluntary escrow conditions until the escrow period ends, being 4:15pm on the day of release of the results for the year ended 30 June 2025. 25% may be released from escrow after release of the half year results, subject to a 10 day volume weighted average price ("**VWAP**") of $26.40 per share being achieved.

4.6 SHARE-BASED COMPENSATION

The table provided at Section 6.1 and 6.2 shows the number of shares and options that were issued to KMP during the year ended 30 June 2024.

5. SERVICE AGREEMENTS

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name	Fixed remuneration[1] $	Incentives[2]	Term of Agreement	Termination Notice Period (Bilateral)
Steven Marks	1,060,900	Cash bonus and LTI	No minimum term	6 months' notice
Hilton Brett	1,060,900	Cash bonus and LTI	No minimum term	6 months' notice
Erik du Plessis	600,000	Cash bonus and LTI	No minimum term	6 months' notice

1. Fixed remuneration includes superannuation.
2. The KMPs are entitled to receive an annual cash bonus of up to 30% of their fixed remuneration subject to the achievement of targets against key performance indicators set by the company each year and are eligible to participate in the company's LTI plans.

In the event of serious misconduct or other circumstances warranting summary dismissal, the company may terminate their employment immediately without payment in lieu of notice.

Any payments made on termination of KMP will be subject to the termination benefits cap under the *Corporations Act 2001* in the absence of shareholder approval. KMP have no entitlement to termination payments in the event of removal for misconduct.

6. KEY MANAGEMENT PERSONNEL EQUITY INTERESTS

OPTIONS

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number Granted	Grant Date	Vesting and Exercisable Date	Expiry Date	Exercise Price	Fair Value per Option at Grant Date
Gaetano (Guy) Russo	21,000	05/06/2023	30/06/2024	05/06/2030	$16.00	$7.04
Gaetano (Guy) Russo	21,000	05/06/2023	30/06/2025	05/06/2030	$16.00	$7.04
Gaetano (Guy) Russo	21,000	05/06/2023	30/06/2026	05/06/2030	$16.00	$7.04
Gaetano (Guy) Russo	14,250	17/05/2024	30/06/2027	17/05/2031	$18.00	$6.07
Gaetano (Guy) Russo	14,500	17/05/2024	30/06/2028	17/05/2031	$18.00	$6.28
Thomas Cowan	10,500	05/06/2023	30/06/2024	05/06/2030	$16.00	$7.04
Thomas Cowan	10,500	05/06/2023	30/06/2025	05/06/2030	$16.00	$7.04
Thomas Cowan	10,500	05/06/2023	30/06/2026	05/06/2030	$16.00	$7.04
Thomas Cowan	10,500	17/05/2024	30/06/2027	17/05/2031	$18.00	$6.07
Thomas Cowan	10,500	17/05/2024	30/06/2028	17/05/2031	$18.00	$6.28
Ian Rowden	10,500	17/05/2024	30/06/2025	17/05/2031	$18.00	$5.56
Ian Rowden	10,500	17/05/2024	30/06/2026	17/05/2031	$18.00	$5.83
Ian Rowden	10,500	17/05/2024	30/06/2027	17/05/2031	$18.00	$6.07
Ian Rowden	10,500	17/05/2024	30/06/2028	17/05/2031	$18.00	$6.28
Bruce Buchanan	10,500	22/11/2023	22/11/2023	22/11/2030	$16.00	$7.27
Bruce Buchanan	10,500	22/11/2023	30/06/2024	22/11/2030	$16.00	$7.27
Bruce Buchanan	10,500	22/11/2023	30/06/2025	22/11/2030	$16.00	$7.27
Bruce Buchanan	10,500	22/11/2023	30/06/2026	22/11/2030	$16.00	$7.27
Bruce Buchanan	10,500	17/05/2024	30/06/2027	17/05/2031	$18.00	$6.07
Bruce Buchanan	10,500	17/05/2024	30/06/2028	17/05/2031	$18.00	$6.28
Jacqueline Coombes	10,500	05/06/2023	30/06/2023	05/06/2030	$16.00	$7.04
Jacqueline Coombes	10,500	05/06/2023	30/06/2024	05/06/2030	$16.00	$7.04
Jacqueline Coombes	10,500	05/06/2023	30/06/2025	05/06/2030	$16.00	$7.04
Jacqueline Coombes	10,500	05/06/2023	30/06/2026	05/06/2030	$16.00	$7.04
Jacqueline Coombes	10,500	17/05/2024	30/06/2027	17/05/2031	$18.00	$6.07
Jacqueline Coombes	10,500	17/05/2024	30/06/2028	17/05/2031	$18.00	$6.28

Name	Number Granted	Grant Date	Vesting and Exercisable Date	Expiry Date	Exercise Price	Fair Value per Option at Grant Date
Marina Joanou	10,500	05/06/2023	30/06/2024	05/06/2030	$16.00	$7.04
Marina Joanou	10,500	05/06/2023	30/06/2025	05/06/2030	$16.00	$7.04
Marina Joanou	10,500	05/06/2023	30/06/2026	05/06/2030	$16.00	$7.04
Marina Joanou	10,500	17/05/2024	30/06/2027	17/05/2031	$18.00	$6.07
Marina Joanou	10,500	17/05/2024	30/06/2028	17/05/2031	$18.00	$6.28
Steven Marks	13,000	14/02/2020	30/06/2023	30/06/2026	$1.98	$0.27
Steven Marks	1,030,250	27/05/2022	01/01/2025	30/03/2025	$14.56	$3.15
Steven Marks	1,030,750	27/05/2022	01/01/2026	30/03/2026	$15.99	$3.23
Hilton Brett	300,000	14/01/2024	30/06/2024	01/08/2028	$17.25	$3.58
Hilton Brett	300,000	14/01/2024	30/06/2025	01/08/2028	$17.25	$3.93
Hilton Brett	300,000	14/01/2024	30/06/2026	01/08/2028	$17.25	$4.24
Hilton Brett	300,000	14/01/2024	30/06/2027	01/08/2028	$17.25	$4.52
Hilton Brett	300,000	14/01/2024	30/06/2028	01/08/2028	$17.25	$4.77
Erik du Plessis	81,000	08/05/2024	30/06/2026	08/05/2031	$19.64	$5.35
Erik du Plessis	81,000	08/05/2024	30/06/2027	08/05/2031	$19.64	$5.61
Erik du Plessis	81,000	08/05/2024	30/06/2028	08/05/2031	$19.64	$5.84
Erik du Plessis	80,750	08/05/2024	30/06/2029	08/05/2031	$19.64	$6.05

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company. The number of options granted was determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Group entity performance and link to remuneration'. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise, or where the option holder elects to pay an option fee which may be funded through a limited recourse loan.

Values of options over ordinary shares granted, exercised and forfeited for Directors and other key management personnel as part of compensation during the year ended 30 June 2024 are set out below:

Name	Value of Options Granted During the Year	Value of Options Exercised During the Year	Value of Options Forfeited During the Year	Remun-eration Consisting of Options for the Year
	$	$	$	%
Non-Executive Directors:				
Gaetano (Guy) Russo	177,587	236,105	–	100%
Bruce Buchanan	434,960	–	–	100%
Thomas Cowan	129,696	73,911	–	100%
Jacqueline Coombes	129,696	21,702	–	100%
Marina Joanou	129,696	26,397	–	100%
Ian Rowden	249,335	–	–	100%
Robert Hazan	–	147,822	147,822	100%
Stephen Jermyn	–	147,822	147,822	100%
Executive Directors:				
Steven Marks	–	1,424,559	2,266,417	80%
Hilton Brett	6,313,231	117,315	221,733	61%
Other KMP:				
Erik du Plessis	1,850,012	–	–	23%

ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

6.1 SHAREHOLDING

The number of fully paid shares in the company that each key management personnel has a relevant interest in, is set out below. These shares are subject to voluntary escrow conditions which set out that 25% are restricted until the release of the 31 December 2024 results and subject to VWAP conditions, with the remaining shareholding being escrowed until release of the 30 June 2025 results.

The interest in the ordinary shares presented in the table below presents movements while the individuals were KMP of the Group only.

Ordinary Shares	Balance at the Start of the Year	Additions	Disposals	Balance at the End of the Year
Non-executive Directors:				
Gaetano (Guy) Russo	6,790,000	386,000	(1,099,500)	6,076,500
Bruce Buchanan	418,250	–	(125,000)	293,250
Thomas Cowan	32,804,250	248,000	(4,440,680)	28,611,570
Jacqueline Coombes	–	50,000	–	50,000
Marina Joanou	10,000	3,750	–	13,750
Ian Rowden	–	13,000	–	13,000
Robert Hazan	4,964,500	21,000	–	– (b)
Stephen Jermyn	4,945,250	21,000	–	– (b)
Executive Directors:				
Steven Marks	7,602,000	2,386,500	(1,174,500)	8,814,000
Hilton Brett(a)	367,000	110,500	(157,501)	319,999
Other KMP:				
Erik du Plessis	–	–	–	–
	57,901,250	**3,239,750**	**(6,997,181)**	**44,192,069**

(a) This includes all shares in which Hilton has a 'relevant interest' for the purposes of the *Corporations Act 2001*. All of these shares are under the control of TDM. They are effectively a subset of the relevant interests of Thomas who has a relevant interest in all of TDMs shareholding. To avoid double counting Hilton's interest are adjusted back out of the total presented above.

(b) The year end balance is not applicable as they ceased to be KMP before the year end.

6.2 OPTION HOLDING

The number of options over ordinary shares in the company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Options over Ordinary Shares	Balance at the Start of the Year	Granted	Exercised	Expired/ Forfeited/ Other	Balance at the End of the Year
Executive Directors					
Steven Marks	5,225,250	–	(2,386,500)	(764,750)	2,074,000
Hilton Brett	142,000	1,500,000	(110,500)	(31,500)	1,500,000
Non-executive Directors					
Gaetano (Guy) Russo	409,000	28,750	(346,000)	–	91,750
Bruce Buchanan	–	63,000	–	–	63,000
Thomas Cowan	42,000	21,000	(10,500)	–	52,500
Jacqueline Coombes	92,000	21,000	(50,000)	–	63,000
Marina Joanou	35,250	21,000	(3,750)	–	52,500
Ian Rowden	–	42,000	–	–	42,000
Robert Hazan	42,000	–	(21,000)	(21,000)	–
Stephen Jermyn	42,000	–	(21,000)	(21,000)	–
Other KMP					
Erik du Plessis	–	323,750	–	–	323,750
	6,029,500	**2,020,500**	**(2,949,250)**	**(838,250)**	**4,262,500**

THIS CONCLUDES THE REMUNERATION REPORT, WHICH HAS BEEN AUDITED.

SHARES UNDER OPTION

The company had 8,240,250 shares under option at the year end, with exercise prices between $1.98 and $19.64. For details of the Shares under option, refer to note 40 of the financial statements.

On 31 May 2024, the shareholders approved the subdivision of each ordinary share of the company to be split into 250 new shares. As a result of this share split the number of options over shares as at that date, was multiplied by 250 and the respective exercise prices divided by 250 such that the fair value of the grants remained unchanged.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

INDEMNITY AND INSURANCE OF OFFICERS

The company has indemnified the Directors and executives of the company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the Directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001*. The policy prohibits the disclosure of the nature of liabilities covered and the premiums paid.

INDEMNITY AND INSURANCE OF AUDITOR

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 29 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in Note 29 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF DELOITTE TOUCHE TOHMATSU

There are no officers of the company who are former partners of Deloitte Touche Tohmatsu.

ROUNDING OF AMOUNTS

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Steven Marks
Founder, Co-Chief Executive Officer
and Executive Director

Hilton Brett
Co-Chief Executive Officer and
Executive Director

27 August 2024
Sydney

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

Deloitte Touche Tohmatsu
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Quay Quarter Tower
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Sydney NSW 2000
Australia
Phone: +61 2 9322 7000
www.deloitte.com.au

The Directors
Guzman y Gomez Limited
Level 2, 64-76 Kippax Street
Surry Hills NSW 2010

27 August 2024

Dear Board Members,

Auditor's Independence Declaration to Guzman y Gomez Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Guzman y Gomez Limited.

As lead audit partner for the audit of the financial report of Guzman y Gomez Limited for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely,

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Damien Cork
Partner
Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Revenue	5	342,214	259,044
Other revenue and income	6	22,774	17,725
Expenses			
Cost of food and packaging		(87,580)	(70,428)
Employee benefits expense	7	(153,733)	(113,725)
Administrative expenses		(60,595)	(35,282)
Marketing expenses		(17,938)	(13,718)
Other expenses		(17,868)	(13,995)
Depreciation and amortisation expense	7	(31,123)	(25,555)
Operating (loss)/profit		**(3,849)**	**4,066**
Finance income	8	6,012	4,593
Finance costs	9	(13,724)	(8,503)
Operating (loss)/profit before income tax expense		**(11,561)**	**156**
Income tax expense	10	(2,187)	(2,423)
Loss after income tax expense for the year		**(13,748)**	**(2,267)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		70	399
Other comprehensive income for the year, net of tax		70	399
Total comprehensive loss for the year		**(13,678)**	**(1,868)**

		Cents	Cents
Basic earnings per share	39	(16.1)	(2.7)
Diluted earnings per share	39	(16.1)	(2.7)

The above consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	2024 $'000	2023 $'000
Assets			
Current assets			
Cash and cash equivalents	11	16,385	36,504
Funds in term deposits	12	278,095	–
Trade and other receivables	13	26,020	23,947
Inventories	14	2,825	2,153
Finance lease receivable	15	11,999	10,772
Prepayments and security deposits		3,302	3,560
Total current assets		**338,626**	**76,936**
Non-current assets			
Trade and other receivables	13	479	1,140
Property, plant and equipment	16	87,630	69,486
Right-of-use assets	17	93,796	98,939
Finance lease receivable	15	114,404	58,561
Intangible assets	18	10,586	15,202
Deferred tax	10	16,276	4,243
Total non-current assets		**323,171**	**247,571**
Total assets		**661,797**	**324,507**
Liabilities			
Current liabilities			
Trade and other payables	19	39,387	32,635
Contract liabilities	20	2,054	1,681
Lease liabilities	21	22,201	20,165
Income tax	10	10,138	3,636
Provisions	22	10,507	8,349
Total current liabilities		**84,287**	**66,466**
Non-current liabilities			
Contract liabilities	20	2,429	2,177
Borrowings		–	3,000
Lease liabilities	21	217,297	161,552
Provisions	22	3,805	3,347
Total non-current liabilities		**223,531**	**170,076**
Total liabilities		**307,818**	**236,542**
Net assets		**353,979**	**87,965**
Equity			
Issued capital	23	372,708	104,046
Reserves	24	17,418	10,776
Accumulated losses		(36,147)	(26,857)
Total shareholders' equity		**353,979**	**87,965**

The above consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Issued Capital	Reserves	Accumu-lated Losses	Total Share-holders' Equity
	$'000	$'000	$'000	$'000
Balance at 1 July 2022	99,163	6,526	(24,590)	81,099
Loss after income tax expense for the year	–	–	(2,267)	(2,267)
Other comprehensive income for the year, net of tax	–	399	–	399
Total comprehensive income/(loss) for the year	–	399	(2,267)	(1,868)
Transactions with shareholders:				
Contributions of equity, net of transaction costs (Note 23)	4,883	–	–	4,883
Share-based payments (Note 24)	–	3,675	–	3,675
Option fees received and receivable (Note 24)	–	176	–	176
Balance at 30 June 2023	**104,046**	**10,776**	**(26,857)**	**87,965**

	Issued Capital	Reserves	Accumu-lated Losses	Total Share-holders' Equity
	$'000	$'000	$'000	$'000
Balance at 1 July 2023	104,046	10,776	(26,857)	87,965
Loss after income tax expense for the year	–	–	(13,748)	(13,748)
Other comprehensive income for the year, net of tax	–	70	–	70
Total comprehensive income/(loss) for the year	–	70	(13,748)	(13,678)
Transactions with shareholders:				
Contributions of equity, net of transaction costs (Note 23)	284,556	–	–	284,556
Share buyback	(15,894)	–	–	(15,894)
Share-based payments (Note 24)	–	11,142	–	11,142
Option fees received and receivable (Note 24)	–	(112)	–	(112)
Transfer reserve for exercised and forfeited options (Note 24)	–	(4,458)	4,458	–
Balance at 30 June 2024	**372,708**	**17,418**	**(36,147)**	**353,979**

The above consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		400,578	295,589
Payments to suppliers and employees (inclusive of GST)		(359,324)	(260,344)
		41,254	35,245
Income tax paid		(4,489)	(298)
Net cash from operating activities	**38**	**36,765**	**34,947**
Cash flows from investing activities			
Funds deposited in term deposits	12	(278,095)	–
Payment for purchase of subsidiary, net of cash acquired	34	(3,128)	(6,440)
Payments for property, plant and equipment	16	(33,496)	(39,713)
Payments for intangibles	18	(63)	(2,944)
Proceeds from disposal of business	34	2,964	694
Net cash used in investing activities		**(311,818)**	**(48,403)**
Cash flows from financing activities			
Proceeds from issue of shares from capital raise and IPO	23	284,299	4,883
Proceeds from exercise of options over shares		7,791	245
Share issue costs incurred on capital raise		(8,973)	–
Payments made for share buy-back		(15,894)	–
Repayment of borrowings		(3,000)	(358)
Repayment of lease liabilities (principal)		(9,912)	(6,720)
Repayment of lease liabilities (interest)		(6,320)	(4,606)
Other finance income		1,172	964
Other finance costs		(329)	(304)
Lease incentives received		6,100	1,429
Net cash from/(used in) financing activities		**254,934**	**(4,467)**
Net decrease in cash and cash equivalents		(20,119)	(17,923)
Cash and cash equivalents at the beginning of the financial year		36,504	54,427
Cash and cash equivalents at the end of the financial year	**11**	**16,385**	**36,504**

The above consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. GENERAL INFORMATION

The financial statements cover Guzman y Gomez Limited as a Group consisting of Guzman y Gomez Limited (the 'company' or 'GYG') and the entities it controlled (the 'Group') at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Guzman y Gomez Limited's functional and presentation currency.

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

On 31 May 2024, the company changed its name from Guzman y Gomez (Holdings) Limited to Guzman y Gomez Limited.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 August 2024. The Directors have the power to amend and reissue the financial statements.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION

ADOPTION OF NEW ACCOUNTING STANDARDS

The Group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and mandatory for accounting periods that begins on or after 1 July 2023. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for going concern for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

HISTORICAL COST CONVENTION

The financial statements have been prepared under the historical cost convention.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

RECLASSIFICATIONS AND RESTATEMENTS OF COMPARATIVES

Where applicable, the comparative information has been reclassed or restated to be consistent with the current financial year's presentation.

The consolidated statement of profit or loss and other comprehensive income has been presented to show expenses of the Group by nature to improve transparency.

The Group has also made a voluntary accounting policy change in relation to the presentation of finance costs and finance income as a component of the financing activity cash flow, rather than operating cash flows.

PARENT ENTITY INFORMATION

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 33.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Guzman y Gomez Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Guzman y Gomez Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

FOREIGN CURRENCY TRANSLATION

The financial statements are presented in Australian dollars, which is Guzman y Gomez Limited's functional and presentation currency.

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into the company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

FOREIGN OPERATIONS

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

ROUNDING OF AMOUNTS

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. Those that may potentially impact financial reporting in future years include:

Standard/Amendment	Nature of the Change	Effective for Annual Reporting Periods Beginning on or After
AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*	Amends AASB 16 for Sale and Leaseback transactions where the sale transaction meets the requirements of AASB 15 to be recognised as a sale.	1 January 2024
AASB 2022-6, AASB 2023-3 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*	Amend AASB 1060 to clarify when a liability may be classified as non-current and AASB 101 with improvements to the information an entity is required to provide in relation to rights to defer settlement of borrowings beyond 12 months where such deferral is subject to conditions specified in the loan agreement.	1 January 2024
AASB 2023-1 *Amendments to Australian Accounting Standards – Supplier Finance Arrangements*	Amends AASB 107 and AASB 7 in relation to the information required to be disclosed in relation to Supplier Finance Arrangements.	1 January 2024
AASB 18 *Presentation and Disclosure in Financial Statements*	AASB 18 will replace AASB 101 with the intention of improving overall disclosure of the financial performance of the entity.	1 January 2027

The Group has assessed the impact of these new or amended Accounting Standards and Interpretations. It is not expected that adoption of these changes will significantly impact the financial performance or position of the Group in the year of adoption. The changes are however expected to result in significant improvements to the disclosures required.

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The key areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are outlined below.

SHARE-BASED PAYMENT TRANSACTIONS

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

AASB 16 EXTENSION OPTIONS

Extension options are included in a many of the property lease agreements. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. These include relevant factors such as the restaurant performance, the remaining useful life of the restaurant plant & equipment and remaining term of the licence to franchisees where relevant. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The lease term is reassessed if and when an option becomes reasonably certain.

AASB 16 INCREMENTAL BORROWING RATES

The Group recognises lease liabilities based on the minimum lease payments, discounted by the incremental borrowing rate ('IBR'). The IBR is calculated on a lease-by-lease basis at the commencement date of the lease and is based on assumptions which include the Group's expected long-term borrowing rate for a lending facility with similar terms to the lease and based on inputs including the risk-free borrowing rate, the expected margin and the term of the lease.

NOTE 4. OPERATING SEGMENTS

IDENTIFICATION OF REPORTABLE OPERATING SEGMENTS

The Group is organised into two operating segments, namely Australia and US.

Australia includes the Australian corporate restaurants and the royalty and other revenue from all franchise restaurants, including those in Japan and Singapore. This is because GYG manages its franchise restaurants in these jurisdictions from Australia and incurs all costs to do so in Australia. It has no subsidiaries, infrastructure, assets, employees or other overhead in either Singapore or Japan.

US includes the US corporate restaurants and associated administrative costs incurred in the US, including that of non-restaurant personnel based in the US.

These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The Group uses Segment Underlying EBITDA to make business decisions as it represents a more useful reflection of the Group's underlying financial performance from its network of corporate and franchise restaurants.

Segment Underlying EBITDA reflects the Group's underlying earnings before interest, tax, depreciation and amortisation. This does not include the impacts of AASB 2 *Share Based Payments*, administrative expenses not directly associated with underlying segment operations and AASB 16 *Leases* but includes cash rent and outgoings associated with leases. This represents the Group's current operating metric and reflects Corporate Restaurant Margin (including cash rent and outgoings paid), franchise revenue earned from franchise allocated to restaurants and general and administrative expenses the respective segment.

INTERSEGMENT TRANSACTIONS

There are no material transactions between the segments reflected in the results of the segments.

INTERSEGMENT RECEIVABLES AND PAYABLES

There are no material inter segment balances recorded in the segment assets or liabilities.

MAJOR CUSTOMERS

During the year ended 30 June 2024 and 30 June 2023 there were no major customers that represent greater than 10% of the Group's external revenue.

OPERATING SEGMENT INFORMATION

	Australia 2024	Australia 2023	US 2024	US 2023	Group 2024	Group 2023
	$'000	$'000	$'000	$'000	$'000	$'000
Corporate restaurant sales	278,877	211,975	10,834	5,959	289,711	217,934
Corporate restaurant margin	48,551	30,434	(995)	(760)	47,556	29,673
Franchising revenue	60,745	44,746	–	–	60,745	44,746
Segment expenses and cash rentals	(61,760)	(41,874)	(5,549)	(3,536)	(67,309)	(45,409)
Segment Underlying EBITDA	**47,536**	**33,306**	**(6,544)**	**(4,296)**	**40,992**	**29,010**
Share based payments (Note 7)					(11,142)	(4,240)
Other costs[1]					(19,661)	(6,362)
Rent and outgoings					17,084	11,213
EBITDA					**27,273**	**29,621**
Depreciation and amortisation (Note 7)					(31,123)	(25,555)
EBIT					**(3,850)**	**4,066**
Net interest (paid)/received					(7,711)	(3,910)
Net (loss)/profit before tax					**(11,561)**	**156**
Income tax expense					(2,187)	(2,423)
Net (loss)/profit after tax					**(13,748)**	**(2,267)**
Segment assets	**637,557**	**298,905**	**24,240**	**25,602**	**661,797**	**324,507**
Segment liabilities	**(294,293)**	**(224,801)**	**(13,525)**	**(11,741)**	**(307,818)**	**(236,542)**

1. Included in the Other costs amount are costs not deemed to relate to the underlying performance of the segment. These include the costs associated with the IPO of $13,427,000, the major people systems project costs of $5,121,000, costs related to the NALT settlement. For the year ended 30 June 2023, the major non-underlying one-off costs were $3,807,000 for the major new people system implementation, $2,759,000 for a major restructuring program for the executive, compensation of $1,921,000 received from the Queensland Government for compulsory acquisition of property and other lessor costs that were not deemed to be recurring or underlying in nature.

The impact of including rent and outgoings in the key segment measure, rather than the AASB 16 defined depreciation and and lease interest is presented below:

	2024	2023
	$'000	$'000
Rent and outgoings payments	17,084	11,213
Depreciation of Right-of-use assets per AASB 16 (Note 7)	(11,247)	(10,332)
Net lease interest payable per AASB 16 (refer Note 8 and 9)	(8,553)	(4,569)
	(2,716)	(3,688)

ACCOUNTING POLICY FOR OPERATING SEGMENTS

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

NOTE 5. REVENUE

	2024	2023
	$'000	$'000
Corporate restaurant sales	289,711	217,934
Franchise royalty revenue	51,858	40,510
Franchise fee revenue	645	600
	342,214	**259,044**

DISAGGREGATION OF REVENUE

The disaggregation of revenue from contracts with customers by geographical regions is as follows:

	2024	2023
	$'000	$'000
Australia:		
Corporate restaurant sales	278,877	211,975
Franchise royalty revenue	51,858	40,510
Franchise fee revenue	645	600
USA:		
Corporate restaurant sales	10,834	5,959
	342,214	**259,044**

Refer to Note 20 for further details regarding deferred franchise fees and other deferred items recognised as contract liabilities.

ACCOUNTING POLICY FOR REVENUE RECOGNITION

The Group recognises revenue as follows:

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

CORPORATE RESTAURANT SALES

The Group sells Mexican-inspired food through a network of quick service restaurants in Australia and the US. Revenue is recognised when control of the inventory transfers to the customer, which is generally at the time of delivery. Invoices are generated at a point in time upon receipt of goods, which is typically when our restaurant guests or those placing delivery orders have received their orders.

FRANCHISING REVENUE

The Group manages a franchise business engaged in providing the same Mexican-inspired food through a franchise network of quick service restaurants in Australia, Japan and Singapore. It enters into franchise agreements with franchisees (including certain master franchise agreements) to operate Guzman y Gomez branded restaurants.

The Group confers the right to operate the franchised restaurants to the franchisees and the granting of this right represents a single performance obligation. The Group has determined that the services provided in exchange for franchising fees and sales-based royalties are highly interrelated with the franchise right and are not individually distinct from the ongoing services provided to the franchisees. Revenue associated with continuing sales-based royalties are recognised when the related franchisee sale occurs.

Initial franchising fees are recognised as revenue on a straight-line basis over the term of the respective franchise agreement.

NOTE 6. OTHER REVENUE AND INCOME

	2024	2023
	$'000	$'000
Franchising marketing levy revenue	16,382	13,252
Other franchise revenue and recovered costs**	6,164	1,813
Other income*	228	2,660
Total other revenue and income	**22,774**	**17,725**

* Included in other income for the year ended 30 June 2023 was a compensation claim agreed with the Queensland government for the compulsory acquisition of one of the Group's restaurants. A total of $2,475,000 was received of which $1,930,000 was recognised in that year and $546,000 in the prior year.

** Included in the "Other franchise revenue and recovered costs" is $3,075,000 of IT cost recovery income. The Group recharges certain information technology costs to franchisees, with a corresponding expense in Administrative expenses. In the prior year, recharges of $1,945,000 were recognised on a net basis

ACCOUNTING POLICY FOR OTHER REVENUE AND INCOME

The Group earns marketing fund contributions from franchisees which are collected for specific use within the Guzman y Gomez Marketing Fund which is operated on behalf of the franchise network. Marketing fund contributions are recognised when the related franchisee sale occurs.

Other franchise services and cost recoveries – the Group provides services to franchisees which are carried out in accordance with the contract. These include recharges of costs where the Group acts as the principal in the provision of the service to the franchisee. Service revenue is recognised as the performance obligation is satisfied which is when the services are rendered. Where these royalty revenue services are not distinct from the granting of the franchise right, they are recognised in accordance with the initial franchising fees and/or sales-based royalties above.

Other revenue is recognised when it is received or when the right to receive payment is established and as the performance conditions related to the income are met.

NOTE 7. EXPENSES

	2024	2023
	$'000	$'000
Operating (loss)/profit before income tax includes the following specific expenses:		
Depreciation and amortisation		
Property, plant and equipment (Note 16)	12,960	8,390
Right-of-use assets (Note 17)	11,247	10,332
Total depreciation	**24,207**	**18,722**
Amortisation		
Software (Note 18)	3,981	4,086
Reacquired rights (Note 18)	2,935	2,747
Total amortisation of intangible assets	**6,916**	**6,833**
Total depreciation and amortisation	**31,123**	**25,555**
Employee benefit expense		
Salaries and wages (marketing)	4,599	3,862
Share-based payment expense	11,142	4,240
Superannuation expense	10,261	7,757
Employee benefit expenses not included in above	127,731	97,866
Total employee benefits expense	**153,733**	**113,725**
Costs associated with the IPO[(i)]		
– included in Administrative expenses	9,506	–
– included in Employee benefits	3,921	–
	13,427	**–**
Variable, low value and short term lease expense	2,245	1,495

(i) In addition to the $13,427,000 expensed, $10,667,000 ($7,535,000 after tax) of costs that were directly attributable to the issue of share capital have been capitalised into the Issued Capital balance.

NOTE 8. FINANCE INCOME

	2024	2023
	$'000	$'000
Lease interest income	4,841	3,630
Other finance income	1,171	963
	6,012	**4,593**

NOTE 9. FINANCE COSTS

	2024	2023
	$'000	$'000
Interest on lease liabilities	13,394	8,199
Other finance costs	330	304
	13,724	**8,503**

NOTE 10. INCOME TAX

	2024	2023
	$'000	$'000
Elements of income tax expense		
Current tax expense	11,726	4,317
Deferred tax expense	(9,561)	(1,678)
(Over)/under provision for tax in prior periods – current tax	(638)	149
Over provision for tax in prior periods – deferred tax	660	(365)
Aggregate income tax expense	**2,187**	**2,423**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Operating (loss)/profit before income tax expense	(11,561)	156
Tax at the statutory tax rate of 30%	(3,468)	47
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses:		
– Share-based payments	3,139	1,102
– Other	134	(90)
Tax losses not recognised in US	2,428	1,580
Prior year adjustments	(22)	(149)
Other	(24)	(67)
Income tax expense	**2,187**	**2,423**

	2024	2023
	$'000	$'000
Tax losses not recognised – US operations		
Unused tax losses for which no deferred tax asset has been recognised	13,360	5,268

The US tax losses could represent a potential tax benefit at the relevant US state and federal tax rates. This is estimated at $3.0 million at the year-end exchange rate.

	2024	2023
	$'000	$'000
Deferred tax		
Deferred tax asset/(liability) comprises temporary differences attributed to:		
Amounts recognised through the profit or loss:		
Trade and other receivables	40	34
Property, plant and equipment	(1,595)	(4,435)
Intangible assets	317	44
Right-of-use assets	(64,006)	(47,991)
Trade and other payables	3,718	1,509
Lease liabilities	67,269	51,933
Contract liabilities	1,205	960
Provisions	3,559	2,158
Share capital – utilisation of black hole cost	(627)	–
Off balance sheet costs – IPO and listing costs expensed through profit or loss	3,264	31
	13,144	4,243
Amounts recognised through shareholders' equity:		
Share capital – IPO and listing costs capitalised into share capital	3,132	–
Deferred tax assets	81,877	56,669
Deferred tax liabilities	(65,601)	(52,426)
Net deferred tax asset	**16,276**	**4,243**
Movements:		
Opening balance	4,243	2,732
Credited to profit or loss	9,561	1,678
Credited to shareholders' equity	3,132	–
Prior year adjustments	(660)	(167)
Closing balance	**16,276**	**4,243**

	2024	2023
	$'000	$'000
Provision for income tax	10,138	3,636

ACCOUNTING POLICY FOR INCOME TAX AND DEFERRED TAX

INCOME TAX

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

An income tax benefit will arise for the financial year where an income tax loss is incurred and, where permitted to do so, is carried-back against a qualifying prior period's tax payable to generate a refundable tax offset.

DEFERRED TAX

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

TAX CONSOLIDATION

Guzman y Gomez Limited (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits arising from this allocation process are then accounted for as immediately assumed by the head entity, as under Australian taxation law the head entity has the legal obligation (or right) to these amounts.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated group. In addition to its own current and deferred tax amounts, the company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly owned entities in the tax consolidated group fully compensate the company for any current tax payable assumed and are compensated by the company for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the company under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

NOTE 11. CASH AND CASH EQUIVALENTS

	2024	2023
	$'000	$'000
Cash on hand	165	144
Cash at bank	16,220	36,360
	16,385	**36,504**

ACCOUNTING POLICY FOR CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTE 12. FUNDS IN TERM DEPOSITS

	2024	2023
	$'000	$'000
Term deposits	278,095	–

The Term deposits have a maturity of between seven and 365 days and a fixed weighted interest rate of 4.75%.

ACCOUNTING POLICY FOR FUNDS IN TERM DEPOSITS

Cash that has been invested in term deposits with the expectation they will remain there until maturity and for the purpose of earning interest are excluded from cash and cash equivalents and presented as term deposits.

NOTE 13. TRADE AND OTHER RECEIVABLES

	2024	2023
	$'000	$'000
Current assets		
Trade receivables	10,499	11,131
Less: Allowance for expected credit losses	(311)	(200)
	10,188	10,931
Other receivables	15,656	12,747
Employee loans – full recourse option fee loans	176	269
	26,020	**23,947**
Non-current assets		
Trade receivables	206	773
Employee loans – full recourse option fee loans	273	367
	479	**1,140**

ALLOWANCE FOR EXPECTED CREDIT LOSSES

The Group has recognised a loss of $111,000 (2023: $nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2024.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected Credit Loss Rate		Carrying Amount		Allowance for Expected Credit Losses	
	2024 %	2023 %	2024 $'000	2023 $'000	2024 $'000	2023 $'000
0 to 3 months overdue	0.0%	0.0%	9,714	10,112	–	–
3 to 6 months overdue	0.0%	0.8%	242	826	–	7
Over 6 months overdue	41.5%	100.0%	749	193	311	193
			10,705	**11,131**	**311**	**200**

Customers with balances past due but without provision for impairment of receivables amount to $438,000 as at 30 June 2024 ($nil as at 30 June 2023). A significant portion of these balances relate to amounts receivable from franchisees in relation to their acquisition of the Restaurants. Given the nature of the franchising relationship there is generally a very low risk of credit risk.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

ACCOUNTING POLICY FOR TRADE AND OTHER RECEIVABLES

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

ACCOUNTING POLICY FOR OTHER FINANCIAL ASSETS

Other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

FINANCIAL ASSETS AT AMORTISED COST

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

The loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

NOTE 14. INVENTORIES

	2024	2023
	$'000	$'000
Corporate restaurant stock	1,955	1,218
Construction inventory	870	935
	2,825	**2,153**

ACCOUNTING POLICY FOR INVENTORIES

Inventories are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTE 15. FINANCE LEASE RECEIVABLE

	2024	2023
	$'000	$'000
Current assets		
Lease receivable	11,999	10,772
Non-current assets		
Lease receivable	114,404	58,561
Set out below are the carrying amounts of investment in lease assets and the movements during the year:		
Opening balance	69,333	68,438
Additions	24,346	16,587
Modifications	7,976	–
Transfer from right-of-use assets	36,077	(4,746)
Accretion of interest (Note 8)	4,841	3,630
Franchisee lease receipts[(a)]	(16,170)	(14,576)
Closing balance	**126,403**	**69,333**

(a) Payments under the property licence deed are paid directly by the franchisee and so are excluded from the consolidated statement of cash flows.

LESSOR COMMITMENTS

Future minimum rentals receivable under non-cancellable finance leases as at end of the year are as follows:

	2024	2023
	$'000	$'000
Committed at the reporting date and recognised as assets, receivable		
1 year or less	19,811	14,133
Between 1 and 2 years	17,840	12,709
Between 2 and 3 years	16,786	10,693
Between 3 and 4 years	15,704	9,679
Between 4 and 5 years	14,395	8,638
Over 5 years	101,827	30,142
Total commitment	**186,363**	**85,994**
Less: Future finance charges	(59,960)	(16,661)
Net commitment recognised as assets	**126,403**	**69,333**

ACCOUNTING POLICY FOR FINANCE LEASE RECEIVABLE

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

NOTE 16. PROPERTY, PLANT AND EQUIPMENT

	2024	2023
	$'000	$'000
Leasehold improvements – at cost	70,635	48,366
Less: Accumulated depreciation	(13,857)	(9,359)
Less: Accumulated impairment	(4,901)	(4,898)
	51,877	34,109
Plant and equipment – at cost	38,876	26,696
Less: Accumulated depreciation	(14,175)	(8,788)
Less: Accumulated impairment	(1,997)	(1,997)
	22,704	15,911
Computer and office equipment – at cost	13,163	10,909
Less: Accumulated depreciation	(6,910)	(5,164)
Less: Accumulated impairment	(632)	(631)
	5,621	5,114
Site construction assets – at cost	7,428	14,352
	87,630	**69,486**

RECONCILIATIONS

Reconciliations of the written down values of property, plant and equipment at the beginning and end of the current and previous financial year are set out below:

	Leasehold Improve-ments	Plant and Equipment	Computer and Office Equipment	Site Construction Assets	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2022	16,838	10,566	4,665	4,494	36,563
Additions	18,598	9,002	2,261	9,858	39,719
Additions through business combinations (Note 34)	1,848	145	14	–	2,007
Disposals	(186)	(121)	(116)	–	(423)
Exchange differences	1	(2)	11	–	10
Depreciation expense	(2,990)	(3,679)	(1,721)	–	(8,390)
Balance at 30 June 2023	**34,109**	**15,911**	**5,114**	**14,352**	**69,486**
Additions	1,378	3,032	543	28,543	33,496
Additions through business combinations (Note 34)	177	8	5	–	190
Disposals of business (Note 34)	(1,131)	(1,060)	(231)	–	(2,422)
Transfer	22,161	10,954	2,352	(35,467)	–
Exchange differences	11	8	1	–	20
Write off of assets	(39)	(118)	(23)	–	(180)
Depreciation expense	(4,789)	(6,031)	(2,140)	–	(12,960)
Balance at 30 June 2024	**51,877**	**22,704**	**5,621**	**7,428**	**87,630**

IMPAIRMENT OF ASSETS

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

For impairment testing purposes, the Group has determined that each store is a separate CGU. Each CGU is tested for impairment at the end of the reporting period if there are indicators of impairment. The value in use of each CGU is calculated based on the board-approved forecast for the next 12 months after the reporting date. Cash flows beyond the first year are projected based on long term growth rates to the end of the lease term. No impairment of non-current assets was recognised during the year.

ACCOUNTING POLICY FOR PROPERTY, PLANT AND EQUIPMENT

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	Life of the lease (3-15 years)
Plant and equipment	1-20 years
Computer and office equipment	1-20 years
Site construction assets	Not depreciated until ready for use

The residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

NOTE 17. RIGHT-OF-USE ASSETS

	2024	2023
	$'000	$'000
Land and buildings – right-of-use	134,860	128,751
Less: Accumulated depreciation	(41,064)	(29,812)
	93,796	**98,939**

The Group has lease contracts for offices and restaurants ('principal leases') under agreements of typically five to 20 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Where the Group does not operate a corporate restaurant from the premises, it licences the premises to franchisees by way of a property licence deed under which the franchisees assume the lease liabilities for the term of the property licence deed ('franchisee leases'). In most cases, the Group retains ultimate liability for the lease obligations. On adoption of AASB 16, the Group recognised lease liabilities related to principal and franchisee leases, with right-of-use assets recognised for principal leases and finance lease receivables relating to franchisee leases where the property licence meets the definition of a finance lease.

In addition, the Group may have leases for which the head lease is longer than the sub-lease to the franchisee. In these circumstances the sub-lease is classified as an operating lease. There was one such lease at 30 June 2024.

RECONCILIATION

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land and Buildings
	$'000
Balance at 1 July 2022	49,127
Additions	55,398
Transfer to lease receivable	4,746
Depreciation expense	(10,332)
Balance at 30 June 2023	**98,939**
Additions	36,888
Modifications	5,293
Transfer to lease receivable	(36,077)
Depreciation expense	(11,247)
Balance at 30 June 2024	**93,796**

For other AASB 16 lease disclosures, refer to the following:

- Note 7 for details of interest on lease liabilities and other expenses;
- Note 21 for lease liabilities at the end of the reporting period;
- Note 26 for the maturity analysis of lease liabilities; and
- Consolidated Statement of Cash Flows for repayment of lease liabilities.

ACCOUNTING POLICY FOR RIGHT-OF-USE ASSETS

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

NOTE 18. INTANGIBLE ASSETS

	2024	2023
	$'000	$'000
Goodwill – at cost	1,456	1,373
Less: Accumulated impairment	(97)	(97)
	1,359	1,276
Software – at cost	14,138	14,138
Less: Accumulated amortisation	(10,904)	(6,923)
	3,234	7,215
Reacquired rights – at cost	14,022	11,195
Less: Accumulated amortisation	(8,596)	(4,988)
	5,426	6,207
Other intangible assets – at cost	567	504
	10,586	**15,202**

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Goodwill	Software	Reacquired Rights	Other Intangible Assets	Intangible Assets in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2022	777	8,389	5,075	472	697	15,410
Additions	–	2,912	–	32	–	2,944
Additions through business combinations (Note 34)	499	–	3,879	–	–	4,378
Write off of assets	–	–	–	–	(697)	(697)
Amortisation expense	–	(4,086)	(2,747)	–	–	(6,833)
Balance at 30 June 2023	**1,276**	**7,215**	**6,207**	**504**	**–**	**15,202**
Additions	–	–	–	63	–	63
Additions through business combinations (Note 34)	83	–	2,827	–	–	2,910
Disposal of business (Note 34)	–	–	(673)	–	–	(673)
Amortisation expense	–	(3,981)	(2,935)	–	–	(6,916)
Balance at 30 June 2024	**1,359**	**3,234**	**5,426**	**567**	**–**	**10,586**

IMPAIRMENT TESTING

Goodwill acquired through business combinations has been allocated to the Guzman y Gomez Australia Group of CGUs.

ACCOUNTING POLICY FOR INTANGIBLE ASSETS

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

GOODWILL

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

SOFTWARE

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of two to five years.

Costs incurred to configure or customise and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

These costs related to the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis over five years. The useful lives of these assets are reviewed at least at the end of each financial year and any change accounted for prospectively as a change in accounting estimate.

REACQUIRED RIGHTS

Significant costs associated with reacquired rights are deferred and amortised on a straight-line basis over a period of two to eight years (based on the period of the franchising contract).

ACCOUNTING POLICY FOR IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non – financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

NOTE 19. TRADE AND OTHER PAYABLES

	2024	2023
	$'000	$'000
Trade payables	12,638	13,996
Other payables	26,749	18,639
	39,387	**32,635**

Trade payables are non-interest bearing and are normally settled on 30-day terms. Other payables are non-interest bearing and have an average term of 30 days.

ACCOUNTING POLICY FOR TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTE 20. CONTRACT LIABILITIES

	2024	2023
	$'000	$'000
Current liabilities		
Contract liabilities	2,054	1,681
Non-current liabilities		
Contract liabilities	2,429	2,177
Reconciliation		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	3,858	3,252
Additional contract liabilities arising	2,306	1,958
Transfer to revenue – performance obligations met or expired	(1,681)	(1,352)
Closing balance	**4,483**	**3,858**

UNSATISFIED PERFORMANCE OBLIGATIONS

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $4,483,000 as of 30 June 2024 ($3,858,000 as at 30 June 2023) and is expected to be recognised as revenue in future periods as follows:

	2024	2023
	$'000	$'000
Within 1 year	2,054	1,681
More than 1 year	2,429	2,177
	4,483	**3,858**

ACCOUNTING POLICY FOR CONTRACT LIABILITIES

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Contract liabilities consist of deferred franchise fees, gift card liabilities and loyalty program liabilities. The Group's franchise agreements typically require certain one off fees. These fees include initial fees paid upon executing a franchise agreement. The initial fees are interrelated with the franchise right and not individually distinct from the ongoing services provided to the franchisees. As a result, initial fees are recognised on a straight line basis over the term of the franchise agreement, typically 10 years.

NOTE 21. LEASE LIABILITIES

	2024	2023
	$'000	$'000
Current liabilities		
Lease liability	22,201	20,165
Non-current liabilities		
Lease liability	217,297	161,552

Refer to Note 26 for maturity analysis of lease liabilities.

ACCOUNTING POLICY FOR LEASE LIABILITIES

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in other expenses in the profit or loss.

As a practical expedient, AASB 16 permits a lessee not to separate non-lease components and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

NOTE 22. PROVISIONS

	2024	2023
	$'000	$'000
Current liabilities		
Annual leave	4,677	3,692
Long service leave	354	354
Other employee benefits*	4,476	4,303
Warranty provision	1,000	–
	10,507	**8,349**
Non-current liabilities		
Long service leave	670	563
Lease make good	3,135	2,784
	3,805	**3,347**

* An amount of $755,000, which included other employee provisions of $592,000 and annual leave provision of $163,000, was provided for severance of former employees of the North American leadership team ("**NALT**") as at 30 June 2023. The matter was resolved in December 2023 when the Group finalised a settlement agreement with the former employees.

LEASE MAKE GOOD

The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

WARRANTIES

The Group has obligations that arise out of the construction of restaurants for sale to franchisees.
These primarily relate to post handover remedial work required where the specification of the build was not appropriate. These issues tend to be identified shortly after hand-over and resolved within the first 12 months.

MOVEMENTS IN PROVISIONS

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Warranties	Lease Make Good
2024	$'000	$'000
Carrying amount at the start of the year	–	2,784
Additional provisions recognised	1,000	351
Amounts used	–	–
Carrying amount at the end of the year	**1,000**	**3,135**

ACCOUNTING POLICY FOR PROVISIONS

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

ACCOUNTING POLICY FOR EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

OTHER LONG-TERM EMPLOYEE BENEFITS

The liability for long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 23. ISSUED CAPITAL

	2024	2023	2024	2023
	Shares	Shares	$'000	$'000
Ordinary shares – fully paid	101,352,914	84,916,250	372,708	104,046

As at 30 June 2024, 54,999,098 shares are subject to voluntary escrow. Of these 13,749,782 will come out of escrow on achievement of a volume weighted average price ("**VWAP**") of $26.40 for 10 consecutive trading days after the release of the 31 December 2024 half-year results. All remaining escrowed shares will be released from escrow after the results of the financial year ending 30 June 2025 are released to the market.

MOVEMENTS IN ORDINARY SHARE CAPITAL

Details	Date	Shares[4]	Issue Price[4]	$'000
Balance	1 July 2022	82,181,000	–	99,163
Exercise of options-2019 plan	1 Aug 2022	118,000	$1.98	234
Exercise of options-2015 plan	18 Oct 2022	760,500	$1.28	973
Exercise of options-2019 plan	18 Oct 2022	1,642,250	$1.98	3,251
Exercise of options-2019 plan	23 Mar 2023	1,250	$1.98	3
Exercise of options-2019 plan	3 May 2023	13,250	$1.98	26
Exercise of options-2019 plan	30 Jun 2023	200,000	$1.98	396
Balance	1 July 2023	84,916,250	–	104,046
Exercise of options	22 August 2023	3,750	$1.98	7
Exercise of options	23 August 2023	10,000	$1.98	20
Exercise of options	26 August 2023	3,750	$1.98	7
Exercise of options	28 August 2023	36,250	$1.98	72
Exercise of options	7 September 2023	3,750	$1.98	7
Exercise of options	27 September 2023	3,750	$1.98	7
Exercise of options	1 October 2023	7,500	$1.98	15
Exercise of options	17 October 2023	3,750	$1.98	7
Buy-back of shares	11 December 2023	(883,000)	$18.00	(15,894)
Exercise of options	15 March 2024	325,000	$1.98	644
Exercise of options	18 March 2024	21,000	$16.00	336
Exercise of options	26 March 2024	15,500	$1.98	31
Exercise of options[1]	28 March 2024	265,500	–	–
Exercise of options	28 March 2024	3,750	$16.00	60
Exercise of options	17 April 2024	21,000	$16.00	336
Exercise of options	17 April 2024	100,000	$1.98	198
Exercise of options	26 April 2024	55,500	$1.98	110
Exercise of options	9 May 2024	10,500	$16.00	168
Exercise of options	21 May 2024	990,750	$1.98	1,962
Exercise of options	21 May 2024	15,000	$10.00	150
Issue of shares – capital raising[2]	21 May 2024	4,683,250	$18.00	84,299
Exercise of options	3 June 2024	946,500	$1.98	1,874
Exercise of options	17 June 2024	44,000	$1.64	72
Exercise of options	21 June 2024	569,250	$1.98	1,127
Exercise of options	21 June 2024	7,750	$10.00	77
Exercise of options	21 June 2024	31,500	$16.00	504
Issue of shares – capital raising[3]	24 June 2024	277,778	$18.00	5,000
Issue of shares – capital raising[3]	24 June 2024	8,863,636	$22.00	195,000
Capital raising cost, net of tax		–	–	(7,534)
		101,352,914	**–**	**372,708**

1. Steven Marks exercised options over 265,500 shares on a cashless basis with 764,750 other vested options being forfeited in consideration. In a cashless exercise the holder of the options to provide vested options in consideration for the exercise price for remaining options. The options are cancelled after being acquired by the company.
2. On 21 May 2024, the company issued 4,683,250 ordinary shares at a value of $84,298,500 as part of a capital raising exercise.
3. On 20 June 2024, the company listed on the Australian Stock Exchange with 9,141,414 ordinary shares being allotted at a value of $200,000,000. The shares were issued 24 June 2024.
4. On 31 May 2024, the shareholders approved the subdivision of each ordinary share of the company to be split into 250 new shares. All disclosed share numbers and movements have been presented on a consistent basis with the current share characteristics, effectively presenting all figures prior to the share split on 31 May 2024 as if the share split had occurred prior to the start of the comparative reporting period.

BUY-BACK OF SHARES AND SETTLEMENT OF NALT MATTER

During the year ended 30 June 2022, the Group appointed several executive employees in the US North American Leadership Team ('NALT'). As part of these employment agreements, the Group established an incentive plan for these employees which provided for, at the discretion of the board of Directors, granting of performance rights which were set out in the financial report for the year ended 30 June 2022. In March 2023, the employment of the NALT employees ceased through resignation or termination by the Group. In June 2023 entities related to the former NALT filed a complaint with the Superior Court of the State of California (USA) making certain allegations against certain Directors and the Group.

In December 2023, the Group entered into a settlement agreement with entities related to the NALT members. This included the following:

- Buy-back of 883,000 shares held by the Fuller 74, LLC equal to an aggregate price of $15,894,000, subject to shareholders' approval);
- Cash settlement of US$1,000,000; and
- The associated claims by entities related to the NALT were released.

Shareholders approved the share buy-back at the Annual General Meeting on 30 November 2023. An amount of $1,520,600, representing the AUD equivalent of the settlement of US$1,000,000, less the amount provided for of $715,967 at 30 June 2023 was recognised in profit or loss in the year. The difference to the amount provided for at 30 June 2023 represents the movement due to the change in foreign exchange rates.

The Directors do not expect any further legal proceedings or exposure with respect to the matter.

ORDINARY SHARES

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

SHARE BUY-BACK

There is no current on-market share buy-back.

CAPITAL RISK MANAGEMENT

The Group's objective when managing capital is to optimise the long-term return to its stakeholders, with consideration to maintaining access to necessary funding to support growth objectives while ensuring the group is able to meet all its financial obligations as the fall due.

Capital is regarded as total equity, cash and term deposits, less interest bearing borrowings, with consideration of leasing and other obligations.

ACCOUNTING POLICY FOR ISSUED CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTE 24. RESERVES

	2024	2023
	$'000	$'000
Foreign currency translation reserve	475	405
Share-based payments reserve	16,943	10,371
	17,418	**10,776**

FOREIGN CURRENCY TRANSLATION RESERVE

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

SHARE-BASED PAYMENTS RESERVE

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration and other parties as part of their compensation for services.

Refer Note 40 for further details.

MOVEMENTS IN RESERVES

Movements in each class of reserve during the current and previous financial year are set out below:

	Foreign Currency Translation	Share-Based Payments	Total
	$'000	$'000	$'000
Balance at 1 July 2022	6	6,520	6,526
Foreign currency translation	399	–	399
Share-based payment expense	–	3,675	3,675
Option fees received and receivable	–	176	176
Balance at 30 June 2023	**405**	**10,371**	**10,776**
Foreign currency translation	70	–	70
Share-based payment expense	–	11,142	11,142
Option fees received and receivable	–	(112)	(112)
Transfer reserve for options exercised and forfeited	–	(4,458)	(4,458)
Balance at 30 June 2024	**475**	**16,943**	**17,418**

NOTE 25. DIVIDENDS

DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

FRANKING CREDITS

As at 30 June 2024 the Group had $5,948,000 available franking credits (2023: $1,450,000). Once the current tax payable is settled, the Group expects to have $16,086,000 available franking credits.

NOTE 26. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk. Finance identifies and evaluates financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

MARKET RISK

FOREIGN CURRENCY RISK

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group's main exposure to exchange rate risk arises from the carrying value of the balances in the US entities and that changes in USD exchange rate impact the net assets, other comprehensive income and the foreign currency reserve. The segment note presents the assets and liabilities of the US segment in AUD at the year end exchange rate.

PRICE RISK

The Group is exposed to price risk in the form of commodities – meats, tomatoes and avocado prices.

INTEREST RATE RISK

The Group holds significant term deposits with maturities between 7 days and 365 days and a weighted average interest rate of 4.75%. As these mature, the rates available may be different. Assuming a 100bps increase or decrease in the interest rate available, the resultant interest could be impacted by $1,947,000.

CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

ALLOWANCE FOR EXPECTED CREDIT LOSSES

Refer to Note 13 for further details of the allowance for expected credit losses.

LIQUIDITY RISK

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (cash and cash equivalents and funds on short-term term deposits) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

FINANCING ARRANGEMENTS

The Group currently does not have any active drawndown financing facilities outside of the leasing arrangements and the facility with Commonwealth Bank of Australia for the issuing of Bank Guarantees.

REMAINING CONTRACTUAL MATURITIES

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted Average Interest Rate	1 Year or Less	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years	Remaining Contractual Maturities
2024	%	$'000	$'000	$'000	$'000	$'000
Non-derivatives						
Non-interest bearing						
Trade payables	–	12,638	–	–	–	12,638
Other payables	–	26,749	–	–	–	26,749
Interest-bearing – variable						
Lease liability	5.89%	36,957	34,091	88,522	195,492	355,062
Total non-derivatives		**76,344**	**34,091**	**88,522**	**195,492**	**394,449**

	Weighted Average Interest Rate	1 Year or Less	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years	Remaining Contractual Maturities
2023	%	$'000	$'000	$'000	$'000	$'000
Non-derivatives						
Non-interest bearing						
Trade payables	–	13,996	–	–	–	13,996
Other payables	–	18,639	–	–	–	18,639
Interest-bearing – variable						
Borrowings	5.97%	–	–	3,000	–	3,000
Lease liability	5.34%	30,132	27,820	68,960	130,183	257,095
Total non-derivatives		**62,767**	**27,820**	**71,960**	**130,183**	**292,730**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

The contractual maturities of lease liabilities set out above include those leases which are sub-let to franchisees.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

NOTE 27. FAIR VALUE MEASUREMENT

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. Term deposits are carried at their nominal value, inclusive of accrued interest.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

NOTE 28. KEY MANAGEMENT PERSONNEL DISCLOSURES

COMPENSATION

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	2024	2023
	$	$
Short-term employee benefits	2,805,480	2,008,869
Post-employment benefits	65,580	917,518
Long-term benefits	9,131	6,935
Share-based payments	8,610,990	1,338,831
	11,491,181	**4,272,153**

LOANS TO KEY MANAGEMENT PERSONNEL

EXECUTIVE LTI PLAN

As set out in Note 40, under the Key Executive LTIP, Key Executives may be offered options to acquire ordinary shares in the company. The Board may offer a limited recourse loan to an eligible participant to fund payment of amounts payable on acquisition of the options, or any amount payable on exercise of the option.

During the year loan agreements were entered into with executives to fund the payment of option fees on options offered under the incentive plan. These loans are limited recourse and will accordingly be treated as part of the equity-settled share based payment expense over the vesting period of the options.

The term of each loan is seven years from issue date and is interest-bearing, with interest payable each year.

	2024	2023
	$'000	$'000
Steven Marks	664,548	664,548
Hilton Brett	1,680,000	–
Erik du Plessis	477,855	–
	2,822,403	**664,548**

NOTE 29. REMUNERATION OF THE AUDITOR

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the company:

	2024	2023
	$	$
Audit services		
Audit or review of the financial statements	505,000	276,507
Other services		
Other regulatory assurance services	984,010	15,787
Other non-audit services	14,000	14,000
	998,010	29,787
	1,503,010	**306,294**

Other regulatory assurance services include the Independent Limited Assurance Report for inclusion in the Prospectus in respect of the Initial Public Offering ("**IPO**").

NOTE 30. CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 30 June 2024 and 30 June 2023.

NOTE 31. COMMITMENTS

	2024	2023
	$'000	$'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	15,406	7,906
Lease commitments – operating		
Future minimum rentals receivable under non-cancellable operating leases as at end of the year are as follows:		
Within one year	273	2,213
One to five years	1,205	10,652
More than five years	6,080	39,812
Total undiscounted lease payments	**7,558**	**52,677**

NOTE 32. RELATED PARTY TRANSACTIONS

PARENT ENTITY

Guzman y Gomez Limited (formerly Guzman y Gomez (Holdings) Limited) is the parent entity.

SUBSIDIARIES

Interests in subsidiaries are set out in Note 35.

KEY MANAGEMENT PERSONNEL

Disclosures relating to key management personnel are set out in Note 28 and the remuneration report included in the Directors' report.

TRANSACTIONS WITH RELATED PARTIES

TDM Growth Partners Pty Ltd (TDM) agreed to secondments of two of its senior personnel to GYG in 2024 financial year to support GYG whilst it was recruiting for those positions to be filled. For the period up to and including 30 June 2024, GYG reimbursed TDM a total of $539,821 for the direct employment costs of those individuals during their secondment. Both secondments ceased as at 30 June 2024.

An amount of $72,333 was also paid to TDM in relation to services provided for Hilton's executive services prior to his appointment as acting Chief Financial Office in October 2023. These fees have been included in his remuneration for the year.

TDM owned 28,611,570 Shares and 52,500 Options that were previously or still are held on trust for TDM by nominees that it appointed to the Board (i.e. TDM's board nominees, Tom Cowan and previously Hilton Brett do not retain the benefit of any Options or other remuneration they receive in their capacities as Directors and hold them instead on trust for TDM).

TDM has the power to control the voting rights and disposal of those Shares as discretionary investment manager of the Shares, however noting this shareholding is now subject to voluntary escrow conditions until the escrow period ends, being 4:15pm on the day of release of the results for the year ended 30 June 2025. 25% may be released from escrow after release of the half year results, subject to a 10 day VWAP of $26.40 per share being achieved.

Gaetano Russo Jr is the son of a Director of the company (Guy Russo) and franchisee of three GYG restaurants (Box Hill, Eastland and Croydon). The franchise agreements for each of these restaurants align with the standard terms offered to other franchisees, with minor exceptions. The Eastland franchise agreement contains a special condition which gave the franchisee a royalty free period of 12 weeks as the restaurant was underperforming when Mr Russo Jr took over, so an agreement was reached to give relief from royalties for a period while the restaurant improved its performance (consistent with the manner in which GYG provides royalty relief at times to other franchisees). These franchise arrangements are on arm's length commercial terms and conditions.

Dylan Brett is the son of a Director and Co-CEO of the company (Hilton Brett) and has entered into a letter of intent ("**LOI**") to franchise a GYG restaurant in Mona Vale, which has a tentative opening date in April 2025. As at the Annual Report Date, no franchise or other agreement in respect of the Mona Vale restaurant is yet on foot. The LOI is on arm's length commercial terms and conditions.

RECEIVABLE FROM AND PAYABLE TO RELATED PARTIES

There were no trade receivables nor trade payables to related parties at the current and previous reporting date.

LOANS TO/FROM RELATED PARTIES

There were no loans to or from related parties at the current and previous reporting date, other than employee loans to key management personnel as disclosed in note 28.

TERMS AND CONDITIONS

All transactions were made on normal commercial terms and conditions and at market rates.

NOTE 33. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

	2024	2023
	$'000	$'000
Statement of profit or loss and other comprehensive income		
Loss after income tax/Total comprehensive loss	(30,464)	(20,943)
Statement of financial position		
Total current assets	281,555	68,237
Total current liabilities	40,432	134
Total assets	351,539	69,471
Total liabilities	40,432	3,134
Net assets	**311,107**	**66,337**
Issued capital	372,708	104,046
Reserves – Share-based payments	16,943	10,371
Accumulated losses	(78,544)	(48,080)
Total shareholders' equity	**311,107**	**66,337**

Included in the result for the year are IPO costs of $13,427,000 and share based payment expense of $11,142,000.

In June 2024, a loan of $28,397,000 to the US entities was converted to an equity investment.

GUARANTEES ENTERED INTO BY THE PARENT ENTITY IN RELATION TO THE DEBTS OF ITS SUBSIDIARIES

The parent entity is party to the deed of cross guarantee discussed in Note 36.

CONTINGENT LIABILITIES

The parent entity does not have any contingent liabilities other than those arising through the deed of cross guarantee discussed in Note 36.

CAPITAL COMMITMENTS – PROPERTY, PLANT AND EQUIPMENT

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

NOTE 34. BUSINESS COMBINATIONS

RESTAURANT ACQUISITIONS

During the current and prior year the Group acquired a number of Guzman y Gomez branded restaurants from franchisees. Details of consideration paid and the fair value of identified net assets acquired is set out below.

	2024	2023
	$'000	$'000
Consideration on acquisition	3,130	6,456
Less: cash acquired	(2)	(16)
Net cash paid on acquisition	3,128	6,440
Assets and liabilities acquired:		
Property, plant and equipment (Note 16)	190	2,007
Reacquired rights (Note 18)	2,827	3,879
Other assets	28	55
Net assets acquired	3,045	5,941
Goodwill on acquisition (Note 18)	**83**	**499**

There are no provisionally accounted acquisitions as at 30 June 2024.

The acquired restaurants contributed $1,184,000 in revenue and $96,000 in profit after tax in the period from acquisition to 30 June 2024. The restaurants would have contributed $4,738,000 in revenue and $385,000 in profit after tax in the year if they had been acquired on 1 July 2023.

RESTAURANT DISPOSALS

During the current and prior year, the Group disposed of a number of Guzman y Gomez branded restaurants to franchisees. Details of consideration received, carrying value of identified net assets disposed and the gain or loss on sale are set out below.

	2024	2023
	$'000	$'000
Consideration on disposal	2,970	696
Less: cash disposed	(6)	(2)
Net cash received on disposal	2,964	694
Assets and liabilities disposed:		
Property, plant and equipment (Note 16)	2,424	415
Reacquired Rights (Note 18)	673	–
Other assets	161	57
Other liabilities	(237)	(49)
Net assets disposed	3,021	423
(Loss)/gain on disposal	**(57)**	**271**

ACCOUNTING POLICY FOR BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

From time to time the Group acquires franchised restaurants. On acquisition, the franchise rights acquired are classified as reacquired rights. These are based on the fair value of the future cash flows earned under the franchise agreement to the conclusion of the agreement.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

NOTE 35. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2:

		Ownership interest	
Name	Incorporated	2024 %	2023 %
Guzman y Gomez Trading Pty Ltd (formerly Guzman y Gomez Pty Ltd)	Australia	100%	100%
Guzman y Gomez Restaurant Group Pty Ltd	Australia	100%	100%
Guzman y Gomez Franchising Pty Ltd	Australia	100%	100%
Guzman y Gomez Leasing Pty Ltd	Australia	100%	100%
Guzman y Gomez Property Pty Ltd	Australia	100%	100%
Guzman y Gomez Corp	United States	100%	100%
Guzman y Gomez Restaurant Group LLC (formerly Guzman y Gomez Naperville LLC)	United States	100%	100%
Guzman y Gomez Buffalo Grove LLC (deregistered)	United States	–	100%
Guzman y Gomez Orlando Park LLC (deregistered)	United States	–	100%
Guzman y Gomez Shaumburg LLC (deregistered)	United States	–	100%

NOTE 36. DEED OF CROSS GUARANTEE

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Guzman y Gomez Franchising Pty Limited
Guzman y Gomez Leasing Pty Ltd
Guzman y Gomez Trading Pty Ltd
Guzman y Gomez Property Pty Ltd
Guzman y Gomez Restaurant Group Pty Limited
Guzman y Gomez Limited (formerly Guzman y Gomez (Holdings) Limited) (Holding Entity)

Pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*, the wholly-owned subsidiaries described above are relieved from the *Corporations Act 2001* requirements for the preparation, audit and lodgement of financial reports.

It is a condition of the class order that the company and each of the subsidiaries enter into a Deed of Cross Guarantee (Deed). Under the Deed the company guarantees the payment of all debts of each of the subsidiaries in full, in the event of a winding up. The subsidiaries in turn guarantee the payment of the debts of the company in full should it be wound up.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument and as there are no other parties to the deed of cross guarantee that are controlled by Guzman y Gomez Limited, they also represent the 'Extended Closed Group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

	2024	2023
Statement of Profit or Loss and Other Comprehensive Income	$'000	$'000
Revenue	331,587	253,207
Other revenue and income	22,759	17,784
Cost of food and packaging	(83,421)	(67,594)
Employee benefit expenses	(146,664)	(109,271)
Administrative expenses	(56,993)	(32,287)
Marketing expenses	(17,449)	(13,661)
Other expenses	(17,603)	(14,225)
Depreciation, amortisation and impairment	(28,727)	(47,669)
Operating loss	**3,489**	**(13,716)**
Finance income	6,012	4,594
Finance costs	(12,967)	(8,227)
Loss before income tax expense	**(3,466)**	**(17,349)**
Income tax expense	(2,187)	(2,423)
Loss after income tax expense	**(5,653)**	**(19,772)**
Other comprehensive income for the year, net of tax	–	–
Total comprehensive loss for the year	**(5,653)**	**(19,772)**

	2024	2023
Statement of Financial Position	$'000	$'000
Current assets		
Cash and cash equivalents	15,543	35,786
Term deposits	278,095	–
Trade and other receivables	27,594	25,264
Inventories	2,660	712
Finance lease receivable	11,999	10,772
Prepayments and security deposits	3,185	3,560
	339,076	**76,094**
Non-current assets		
Trade and other receivables	479	506
Property, plant and equipment	70,571	54,115
Right-of-use assets	86,165	90,697
Finance lease receivable	114,404	58,561
Intangible assets	10,586	14,689
Deferred tax	16,276	4,243
	298,481	**222,811**
Total assets	**637,557**	**298,905**
Current liabilities		
Trade and other payables	38,119	30,297
Contract liabilities	2,042	1,676
Lease liabilities	21,722	19,831
Income tax	10,138	3,636
Provisions	10,413	7,766
	82,434	**63,206**
Non-current liabilities		
Contract liabilities	2,429	2,177
Borrowings	–	3,000
Lease liabilities	205,625	153,280
Provisions	3,805	3,138
	211,859	**161,595**
Total liabilities	**294,293**	**224,801**
Net assets	**343,264**	**74,104**
Equity		
Issued capital	372,708	104,046
Reserves	17,693	10,371
Accumulated losses	(47,137)	(40,313)
Total shareholders' equity	**343,264**	**74,104**

In June 2024, a loan to the US entities of $28,397,000 was converted to an equity investment.

NOTE 37. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

NOTE 38. CASH FLOW INFORMATION

RECONCILIATION OF (LOSS)/PROFIT AFTER INCOME TAX TO NET CASH FROM OPERATION ACTIVITIES

	2024	2023
	$'000	$'000
Loss after income tax for the year	(13,748)	(2,267)
Adjusted for non-cash items:		
Depreciation and amortisation	31,123	25,555
Share-based payment costs	11,142	3,675
Finance costs	17,867	8,503
Finance income	(6,012)	(4,593)
Other non-cash items in operating profit	(2,391)	322
Change in operating assets and liabilities:		
– Trade and other receivables	(1,696)	(8,387)
– Inventory	(708)	(166)
– Other assets	259	(760)
– Trade and other payables	3,101	4,747
– Contract liabilities	624	607
– Provisions	2,735	5,585
– Deferred tax asset	(12,033)	(1,510)
– Income tax payable	6,502	3,636
Net cash from operating activities	**36,765**	**34,947**

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Borrowings	Lease Liabilities	Total
	$'000	$'000	$'000
Balance at 1 July 2022	3,358	126,574	129,932
Net cash used in financing activities	(358)	(5,421)	(5,779)
Acquisition of leases (non-cash transactions)	–	71,986	71,986
Franchisee lease payments*	–	(11,422)	(11,422)
Balance at 30 June 2023	**3,000**	**181,717**	**184,717**
Net cash used in financing activities	(3,000)	(9,912)	(12,912)
Acquisition of leases (non-cash transactions)	–	65,479	65,479
Lease modifications (non-cash transactions)	–	13,269	13,269
Franchisee lease payments*	–	(11,055)	(11,055)
Balance at 30 June 2024	**–**	**239,498**	**239,498**

* Sub-lease payments are paid directly by the franchisee and so are excluded from the consolidated statement of cash flows.

NOTE 39. EARNINGS PER SHARE

	2024	2023
	$'000	$'000
Loss after income tax	(13,748)	(2,267)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	85,568,408	83,992,295
Weighted average number of ordinary shares used in calculating diluted earnings per share	85,568,408	83,992,295

	Cents	Cents
Basic earnings per share	(16.1)	(2.7)
Diluted earnings per share	(16.1)	(2.7)

Given the net loss after tax results for both years, the weighted average number of options of 10,183,708 (2023: 9,107,051) have been excluded from the above diluted EPS calculation as the additional potential shares are anti-dilutive.

ACCOUNTING POLICY FOR EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to the owners of Guzman y Gomez Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

DILUTED EARNINGS PER SHARE

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTE 40. SHARE-BASED PAYMENTS

OVERVIEW OF LTI PLANS

LTI Plan	Participants	Number of Options	Exercise Price	Expiry Date
2019 LTI Plan	Employees and Non-Executive Directors	747,500 (vested) 649,500 (unvested)	$1.98 – $10	30 June 2026 – 30 June 2028
2022 Key Executives LTI Plan	Key Executives	2,061,000 (unvested)	$14.39 – $15.99	30 March 2025 – 30 March 2026
2023 Senior Leadership LTI Plan	Senior Leadership Team	3,899,250 (unvested) 25,000 (vested)	$16 – $18	27 March 2030 – 8 May 2031
2023 Non-Executive Directors LTI Plan	Non-Executive Directors	25,500 (vested) 339,250 (unvested)	$16 – $18	5 June 2030 – 17 May 2031
2023 Hola Central and Restaurant Managers LTI Plan	Hola Central employees and Restaurant Managers	493,250 (unvested)	$16 – $18	12 June 2030 – 8 May 2031

Each LTI Plan permits eligible participants to be granted Options, whereby an Option represents a right to acquire a Share for an exercise price once that Option has vested.

To the extent permitted by law, the Board may determine to permit a participant to exercise their Options by way of a cashless exercise whereby the option holder may forfeit a number of options of equivalent value to the exercise price of the shares being exercised.

Under the LTI Plans, the Board determines the issue price and exercise price for each grant of Options and may offer the participant a loan from the company to fund the acquisition and/or exercise of Options (subject to compliance with applicable laws and the ASX Listing Rules).

These loans are generally made on the following key terms:

- interest is accrued on a daily basis at the 'benchmark interest rate';
- loan term of seven years from the loan date;
- for a 'Division 7A' loan, annual repayment by the borrower (principal and interest) in accordance with the formula set out in the loan agreement (subject to accelerated repayment on occurrence of certain events);
- for a 'FBT' loan, repayment by the borrower at any time with final repayment at the end of the seven year term of the loan (subject to accelerated repayment on occurrence of certain events). However, interest on the loan must be paid every six months in arrears; and
- limited recourse to the Options to which the loan relates.

An option that has vested may be exercised at any time until the expiry date of that Option subject to the applicable plan rules.

The fair value of the options issued at grant date was assessed through a combination of binomial and Black-Scholes models of valuation. The significant inputs into the model were the value and volatility of the underlying asset, the exercise price, the risk free rate, dividend yields and the life of the option. As an unlisted public company, the issued shares in the company are not publicly traded and it is not possible to observe any reliable share price volatility. As a result, the valuation has been based upon the assessment of volatility of publicly traded securities whose activities were broadly comparable to that of the company and assessing their standard deviation of continuously compounded share returns over a four year period. This fair value assessment as at grant date has formed the basis of the value of the equity instruments accounted for at financial year end.

On 31 May 2024, the shareholders approved the subdivision of each ordinary share of the company to be split into 250 new shares. As a result of this share split the number of options over shares as at that date, was multiplied by 250 and the respective exercise prices divided by 250 such that the fair value of the grants remained unchanged.

During the year, the following options under each of the company's incentive plans were on issue. The tables also disclose the number granted, exercised or otherwise forfeited during the period:

	Opening	Granted	Exercised	Forfeited	Closing
	Number	Number	Number	Number	Number
2015 LTI Plan	44,000	–	(44,000)	–	–
2019 LTI Plan	4,592,250	–	(3,097,750)	(97,500)	1,397,000
2022 Key Executive LTI Plan	3,091,250	–	(265,500)	(764,750)	2,061,000
2023 Hola Central and Restaurant Managers LTI Plan	224,500	268,750	–	–	493,250
2023 Non-Executive Director LTI Plan	329,250	196,750	(87,750)	(73,500)	364,750
2023 Senior Leadership LTI Plan	481,500	3,512,500	–	(69,750)	3,924,250
Total for all plans	**8,762,750**	**3,978,000**	**(3,495,000)**	**(1,005,500)**	**8,240,250**
Weighted average exercise price	**$8.33**				**$14.64**

The weighted average remaining contractual life of options outstanding at the end of the financial year was 4.2 years (2023: 3.0 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant Date	Vesting Date	Share Price at Grant Date	Exercise Price	Expected Volatility	Dividend Yield	Risk-Free Interest Rate	Fair Value at Grant Date
	$	$	%	%	%	$	
24-Aug-23	30-Jun-26	$16.00	$16.00	35.00%	–	3.93%	7.15
24-Aug-23	30-Jun-27	$16.00	$16.00	35.00%	–	3.93%	7.15
24-Aug-23	30-Jun-28	$16.00	$16.00	35.00%	–	3.93%	7.15
1-Sep-23	30-Jun-24	$16.00	$17.46	35.00%	–	4.25%	4.80
1-Sep-23	30-Jun-25	$16.00	$17.46	35.00%	–	4.25%	5.18
9-Nov-23	1-Jul-26	$16.00	$16.00	35.00%	–	4.25%	7.30
9-Nov-23	1-Jul-27	$16.00	$16.00	35.00%	–	4.25%	7.30
9-Nov-23	1-Jul-28	$16.00	$16.00	35.00%	–	4.25%	7.30
22-Nov-23	22-Nov-23	$16.00	$16.00	35.00%	–	4.25%	7.27
22-Nov-23	30-Jun-24	$16.00	$16.00	35.00%	–	4.25%	7.27
22-Nov-23	30-Jun-25	$16.00	$16.00	35.00%	–	4.25%	7.27
22-Nov-23	30-Jun-26	$16.00	$16.00	35.00%	–	4.25%	7.27
2-Jan-24	30-Jun-27	$16.00	$17.46	40.00%	2.18%	4.25%	5.08
2-Jan-24	30-Jun-28	$16.00	$17.46	40.00%	2.18%	4.25%	5.29
2-Jan-24	30-Jun-29	$16.00	$17.46	40.00%	2.18%	4.25%	5.48
14-Jan-24	30-Jun-24	$16.00	$17.25	40.00%	2.18%	3.86%	3.58
14-Jan-24	30-Jun-25	$16.00	$17.25	40.00%	2.18%	3.86%	3.93
14-Jan-24	30-Jun-26	$16.00	$17.25	40.00%	2.18%	3.86%	4.24
14-Jan-24	30-Jun-27	$16.00	$17.25	40.00%	2.18%	3.86%	4.52

Grant Date	Vesting Date	Share Price at Grant Date	Exercise Price	Expected Volatility	Dividend Yield	Risk-Free Interest Rate	Fair Value at Grant Date
14-Jan-24	30-Jun-28	$16.00	$17.25	40.00%	2.18%	3.86%	4.77
16-Jan-24	30-Jun-26	$16.00	$16.00	40.00%	2.18%	3.93%	5.26
18-Jan-24	30-Jun-24	$16.00	$17.46	40.00%	2.18%	4.05%	4.34
18-Jan-24	30-Jun-25	$16.00	$17.46	40.00%	2.18%	4.05%	4.61
18-Jan-24	30-Jun-26	$16.00	$17.46	40.00%	2.18%	4.05%	4.86
18-Jan-24	30-Jun-27	$16.00	$17.46	40.00%	2.18%	4.05%	4.81
18-Jan-24	30-Jun-28	$16.00	$17.46	40.00%	2.18%	4.05%	4.98
9-Feb-24	9-Feb-27	$16.00	$16.00	40.00%	2.18%	4.25%	5.45
9-Feb-24	9-Feb-28	$16.00	$16.00	40.00%	2.18%	4.25%	5.65
9-Feb-24	9-Feb-29	$16.00	$16.00	40.00%	2.18%	4.25%	5.83
28-Feb-24	1-Jul-26	$16.00	$17.46	40.00%	2.18%	4.25%	4.88
28-Feb-24	1-Jul-27	$16.00	$17.46	40.00%	2.18%	4.25%	5.11
28-Feb-24	1-Jul-28	$16.00	$17.46	40.00%	2.18%	4.25%	5.31
8-May-24	30-Jun-26	$18.00	$19.64	40.00%	2.18%	3.93%	5.35
8-May-24	31-Dec-26	$18.00	$19.64	40.00%	2.18%	3.93%	5.61
8-May-24	30-Jun-27	$18.00	$19.64	40.00%	2.18%	3.93%	5.61
8-May-24	30-Jun-27	$18.00	$18.00	40.00%	2.18%	3.93%	6.07
8-May-24	30-Jun-28	$18.00	$19.64	40.00%	2.18%	3.93%	5.84
8-May-24	30-Jun-28	$18.00	$18.00	40.00%	2.18%	3.93%	6.29
8-May-24	30-Jun-29	$18.00	$19.64	40.00%	2.18%	3.93%	6.05
8-May-24	30-Jun-29	$18.00	$18.00	40.00%	2.18%	3.93%	6.48
17-May-24	30-May-25	$18.00	$18.00	40.00%	2.18%	3.93%	5.54
17-May-24	30-Jun-25	$18.00	$18.00	40.00%	2.18%	3.93%	5.56
17-May-24	30-Jun-26	$18.00	$18.00	40.00%	2.18%	3.93%	5.83
17-May-24	30-Jun-27	$18.00	$18.00	40.00%	2.18%	3.93%	6.07
17-May-24	30-Jun-28	$18.00	$18.00	40.00%	2.18%	3.93%	6.28

ACCOUNTING POLICY FOR SHARE-BASED PAYMENTS

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Details regarding the determination of the fair value of equity-settled share-based transactions are set out as above.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

As at 30 June 2024

Entity Name	Entity Type	Incorporated	Ownership Interest %	Tax Residency
Guzman y Gomez Limited (formerly Guzman y Gomez (Holdings) Limited)	Body corporate	Australia	100%	Australian
Guzman y Gomez Trading Ltd (formerly Guzman y Gomez Pty Ltd)	Body corporate	Australia	100%	Australian
Guzman y Gomez Franchising Pty Limited	Body corporate	Australia	100%	Australia
Guzman y Gomez Restaurant Group Pty Ltd	Body corporate	Australia	100%	Australia
Guzman y Gomez Property Pty Ltd	Body corporate	Australia	100%	Australian
Guzman y Gomez Leasing Pty Ltd	Body corporate	Australia	100%	Australian
Guzman y Gomez Property Pty Ltd	Body corporate	Australia	100%	Australian
Guzman y Gomez Corp	Body corporate	United States	100%	United States
Guzman y Gomez Restaurant Group LLC (formerly Guzman y Gomez Naperville LLC)	Body corporate	United States	100%	United States

BASIS OF PREPARATION

The consolidated entity disclosure statement has been prepared in accordance with subsection 295(3A)(a) of the *Corporations Act 2001*. The entities listed in the statement are Guzman y Gomez Limited and all the entities it controls in accordance with AASB 10 *Consolidated Financial Statements*. The percentage of share capital disclosed for bodies corporate included in the statement represents the economic interest consolidated in the consolidated financial statements and voting interest controlled by Guzman y Gomez Limited either directly or indirectly.

DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 36 to the financial statements; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Steven Marks
Founder, Co-Chief Executive Officer
and Executive Director

Hilton Brett
Co-Chief Executive Officer and
Executive Director

27 August 2024
Sydney

INDEPENDENT AUDITOR'S REPORT

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 60
Level 46
Quay Quarter Tower
50 Bridge Street
Sydney NSW 2000
Australia
Phone: +61 2 9322 7000
www.deloitte.com.au

Independent Auditor's Report to the Members of Guzman y Gomez Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Guzman y Gomez Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the directors' declaration and the consolidated entity disclosure statement.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Deloitte.

Key Audit Matters

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

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

Leases
The Group has a significant lease portfolio which includes leases for restaurant sites as well as office and other leases.
 	
As set out in Notes 15, 17 & 21 to the financial statements, at 30 June 2024 the Group has recognised lease liabilities of \$239.5m, finance lease receivables of \$126.4m and right-of-use assets of \$93.8m. There were additions of \$65.5m to lease liabilities, \$24.3m to finance lease receivables and \$36.9m to right-of-use assets during the year.
 	
Included in the lease portfolio are leases which are entered into for franchise restaurants with the Group as the head lessee, and sub-leases entered into with the franchisees under the same terms as the head lease.
 	
Where the sub-lease transfers substantially all of the risks and rewards of the underlying right-of-use asset, the sub-lease is classified as a finance lease and is recognised as a finance lease receivable. Alternatively, other sub-leases are classified as operating leases and recognised as right-of-use assets.
 	
For lease additions and modifications during the year, the Group applied significant judgement in determining the incremental borrowing rate (IBR), including the calculation method, appropriate data utilised, and the determination of the lease term with extension options.
	Our procedures included, but were not limited to:
	• Evaluating the Group's accounting policies for leases including the classification of sub-leases as finance leases or operating leases in accordance with AASB 16 *Leases*;
	• Understanding and evaluating the design & implementation of relevant controls over leases. Based on our findings, we have amended our nature, timing and extent of procedures set out below;
	• Obtaining and evaluating the leases schedule and agreeing the schedule to amounts disclosed in the financial statements;
	• On a sample basis, testing new lease additions during the year through the following:
	  o Evaluating the inputs into the lease calculation against the terms of the lease agreement and the requirements of AASB 16 *Leases*;
	  o Testing the mathematical accuracy of management's lease calculations;
	  o In conjunction with our treasury and capital markets specialists, challenging the appropriateness of the inputs and assumptions included in management's IBR calculation;
	  o Challenging assumptions used by management in the lease calculation such as the lease term, including the probability of exercising renewal options, and any practical expedients adopted;
	  o Where the lease has a corresponding franchise sub-lease, evaluating the assessment of management's classification of the sub-lease, with reference to the sub-lease and underlying franchise contracts;
	  o Assessing the completeness of the lease schedule by selecting a sample of occupancy expenses and evaluating whether they represent a lease under AASB 16 *Leases*.
	
	We also assessed the adequacy of disclosures in Note 15, Note 17 and Note 21 to the financial statements.

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Other Information

The directors are responsible for the other information. The other information comprises the Chairman's Letter, the Co-CEOs' Letter, the Directors' Report, the Operating and Financial Review and additional information contained in the Group's annual report which we obtained prior to the date of this auditor's report for the year ended 30 June 2024, but does not include the financial report or the Remuneration Report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for:

- the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 43 to 58 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Guzman y Gomez Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Damien Cork
Partner
Chartered Accountants
Sydney, 27 August 2024

SHAREHOLDER INFORMATION

The shareholder information provided below is as at 22 August 2024.

SUBSTANTIAL SHAREHOLDERS

The following shareholders are substantial shareholders for the purposes of Part 6C.1 of the *Corporations Act 2001*:

TABLE 12: SUBSTANTIAL SHAREHOLDERS

Name	Number Held	Ordinary Shares (% of Total Shares Issued)
TDM Growth Partners Pty Ltd	28,622,070	28.2
Pinnacle Investment Management Group Limited[1]	12,696,629	12.5
Barrenjoey Capital Partners Group Holdings Pty Limited	10,515,360	10.4
Steven Marks	8,814,000	9.6
Aware Super Pty Ltd	8,383,700	8.3
Gaetano Alfred Gerrard Russo	6,076,500	6.0

1. This includes the 12.0% held by Hyperion, in which Pinnacle is also deemed to have a relevant interest

VOTING RIGHTS

GYG fully-paid ordinary shares carry voting rights of one vote per share.

DISTRIBUTION OF MEMBERS AND THEIR HOLDINGS

TABLE 13: FULLY PAID ORDINARY SHARES

Size of Holdings	Number of Shareholders	% of Issued Capital
1-1,000	4,427	0.59
1,001 – 5,000	250	0.52
5,001 – 10,000	37	0.26
10,001 – 100,000	50	1.09
100,001 and over	29	97.54

There were 41 shareholders that held less than a marketable parcel of GYG ordinary shares.

There were 0.14 per cent of shareholders with registered addresses outside Australia.

TABLE 14: UNQUOTED OPTIONS

Size of Holdings	Number of Shareholders	% of Total Options
1-1,000	28	0.28
1,001 – 5,000	107	3.50
5,001 – 10,000	23	1.90
10,001 – 100,000	18	10.51
100,001 and over	19	83.81

TWENTY LARGEST SHAREHOLDERS

TABLE 15: TWENTY LARGEST SHAREHOLDERS

Name	Number of Shares	% of Issued Capital
TDM CUSTODIAL SERVICES PTY LIMITED	28,622,070	28.23
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,098,576	13.21
BARRENJOEY TREVALLY NO 1 PTY LIMITED	10,499,750	10.35
CITICORP NOMINEES PTY LIMITED	9,830,825	9.69
EVAN JASON PTY LIMITED	7,507,250	7.40
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	6,422,424	6.33
MR GAETANO ALFRED GERRARD RUSSO	5,671,750	5.59
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,523,114	4.46
RICHARD BELL & KATE BELL	2,870,876	2.83
ZEDRA NOMINEES LIMITED	2,225,000	2.19
STEVEN TODD MARKS	1,212,000	1.20
NATIONAL NOMINEES LIMITED	1,006,405	0.99
BNP PARIBAS NOMINEES PTY LTD	569,655	0.56
MR STEPHEN CRAIG JERMYN	500,00	0.49
CITICORP NOMINEES PTY LIMITED	457,781	0.45
MR GAETANO ALFRED GERRARD RUSSO & MS DEANNE MAREE BEVAN	404,750	0.40
OMNIDAY PTY LTD	369,250	0.36
M & G HAWTHORNE FAMILY PTY LTD	364,000	0.36
PENELOPE MARKS	310,00	0.31
KENSINGTON TRUST SINGAPORE LTD	293,250	0.29

The percentage holding of the 20 largest shareholders of GYG ordinary shares was 95.71%

UNQUOTED EQUITY SECURITIES

OPTIONS OVER ORDINARY SHARES ISSUES

TABLE 16: OPTIONS OVER ORDINARY SHARES ISSUES

	Number on Issue	Number of Holders
Options over ordinary shares issued	8,169,480	225

Steven Marks holds 2,074,000 options.

SECURITIES SUBJECT TO ESCROW

TABLE 17: SECURITIES SUBJECT TO ESCROW

Class	Expiry Date	Number of Shares
Ordinary shares	Following the release of the financial results for HY ending 31 December 2024 and subject to achievement of a VWAP target	13,757,657
Ordinary shares	Following the release of the financial results for FY ending 30 June 2025	41,272,941

INVESTOR INFORMATION

MANAGING YOUR SHAREHOLDING

GYG's share registry is managed by Automic.

The Automic Investor Portal account is the most convenient way to manage your holdings. It enables a shareholder to:

- Access, view and print all available communications, and offer documents and statements;
- Update details in real-time, including contact information, TFN/ABN, banking details and communication preferences;
- View and manage holdings;
- View holding balances, transactions and payment history; and
- Vote online for upcoming meetings.

Login or Create an Investor portal account by visiting www.investor.automic.com.au. If you have already registered, enter your username and password and click "log in". If you have not yet registered, click "register" and follow the prompts.

Your Security holder Reference Number ("**SRN**") or Holder Identification Number ("**HIN**"), is required for trading securities and communicating with us about your Security holding, it is important to keep these details in a safe place to protect your investment.

You can also contact Automic by:

Email: hello@automicgroup.com.au
Post: GPO Box 5193, Sydney NSW 2001
Telephone: Within Australia 1300 441 602
Telephone: Outside Australia (+61 2) 9934 0529
Website: www.investor.automic.com.au

TAX FILE NUMBERS

While it is not an obligation to provide a TFN, if a shareholder has not provided a TFN and GYG pays an unfranked or partly-franked dividend, the company will be required to deduct tax from the unfranked portion of the dividend at the top marginal rate plus the Medicare Levy. Shareholders can go online to update their TFN by visiting www.investor.automic.com.au.

If you have already registered, simply enter your username and password and click "log in". If you have not yet registered, simply click "register" and follow the prompts. Once you have logged in, click on "profile". You can then select "edit" in the TFN/ABN Details section. Once you have added your details, click "save".

CHANGE OF NAME OR CONSOLIDATION OF HOLDINGS

A change of name or consolidation of holdings must be made in writing by using the required forms, which can be downloaded from www.investor.automic.com.au and navigating to FAQ's & Investor Forms.

Please note Automic can only perform name changes or consolidations for holdings that are issuer sponsored or have a SRN. If you have a CHESS holding/HIN, please contact your broker/trading platform to enquire what you can do with your CHESS holding.

If you have an issuer sponsored holding, you can change your registered name by completing the Name Correction Request & Indemnity form or consolidate multiple holdings into one single holding by completing the Consolidation of Holdings form.

- Please ensure you provide your Securityholder Reference Number, all signatures are witnessed and supporting documentation is provided as specified on the form.
- Please note if you want to change the name on the holding to a completely different name, a Standard Transfer Form will need to be completed instead of a Name Correction Request & Indemnity form.

Once the form has been completed and signed, please return the form to Automic's office via either:

- Email to hello@automicgroup.com.au
- Post to GPO Box 5193, Sydney NSW 2001

INFORMATION ON GYG

GYG WEBSITE

Up-to-date information on the company can be obtained from the company's website www.guzmanygomez.com.au

SECURITIES EXCHANGE LISTING

GYG shares are listed on the Australian Securities Exchange under the code GYG.

Share prices can be accessed from the GYG website or on www.asx.com.au

PRIVACY

A copy of the GYG Privacy Policy is available on the GYG website.

FURTHER INFORMATION

Further information and publications about the company's operations are available from Investor Relations on Tel: +61 2 9191 0900 or from the GYG website.

CORPORATE DIRECTORY

REGISTERED OFFICE

Level 5, 126-130 Phillip Street
Sydney NSW 2000

Telephone: +61 2 9191 0900

Website: www.guzmanygomez.com.au

EXECUTIVE DIRECTORS

Steven Marks
Founder & Co-Chief Executive Officer

Hilton Brett
Co-Chief Executive Officer

NON-EXECUTIVE DIRECTORS

Gaetano (Guy) Russo

Bruce Buchanan[1]

Thomas (Tom) Cowan

Jacqueline (Jacqui) Coombes

Marina Joanou

Ian Rowden

CHIEF FINANCIAL OFFICER

Erik du Plessis

COMPANY SECRETARIES

Claudine Tarabay and Belinda Cleminson

SHARE REGISTRY

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FINANCIAL CALENDAR

ANNUAL GENERAL MEETING

14 November 2024

HALF-YEAR END

31 December 2024

HALF-YEAR RESULTS ANNOUNCEMENT

February 2025

YEAR-END

30 June 2025

ANNUAL GENERAL MEETING

The 1st Annual General Meeting of Guzman y Gomez Limited will be held on 14 November 2024 at 2:00pm (Sydney time) at the Automic office located on Level 5, 126-130 Phillip Street, Sydney, New South Wales. Shareholders will also be able to participate in the meeting through an online platform.

As disclosed in the company's second replacement IPO prospectus dated 14 June 2024, Bruce Buchanan intends to step down as a director with effect from the Annual General Meeting to focus on Rokt, where he is the co-founder, Chairman and CEO.

Tom Cowan, Guy Russo, Jacqui Coombes, Hilton Brett, Ian Rowden and Marina Joanou will stand for re-election at the Annual General Meeting. Please refer to GYG's Corporate Governance Statement, which is available on the GYG website at www.guzmanygomez.com.au/charters and in particular, how the company reports against the ASX Corporate Governance Principles and Recommendations (4th edition) with respect to the composition of the Board of Directors.

Further details will be provided in the 2024 Notice of Meeting.

1. Bruce Buchanan intends to step down from the Board at the company's 2024 AGM to focus on Rokt, where he is Co-Founder, Chairman and CEO.

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GUZMAN Y GOMEZ™

Mexican Kitchen