

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

Form 10-Q

(Mark One)



**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934**

For the quarterly period ended June 30, 2024



**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934**

For the transition period from _____ to _____

Commission file number: 001-36786

RESTAURANT BRANDS INTERNATIONAL INC.

(Exact Name of Registrant as Specified in its Charter)

Canada
(State or Other Jurisdiction of
Incorporation or Organization)

98-1202754
(I.R.S. Employer
Identification No.)

130 King Street West, Suite 300
Toronto, Ontario
(Address of Principal Executive Offices)

M5X 1E1
(Zip Code)

(905) 339-6011
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbols</u>	<u>Name of each exchange on which registered</u>
Common Shares, without par value	QSR	New York Stock Exchange Toronto Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

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Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 1, 2024, there were 317,025,113 common shares of the Registrant outstanding. In addition, as of August 1, 2024, there were 133,576,590 Class B exchangeable limited partnership units of Restaurant Brands International Limited Partnership which are exchangeable, on a one for one basis, into common shares of the Registrant.

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES

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PART I — Financial Information

Item 1. Financial Statements

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets
(In millions of U.S. dollars, except share data)
(Unaudited)

	As of	
	June 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 942	\$ 1,139
Accounts and notes receivable, net of allowance of \$37 and \$37, respectively	737	749
Inventories, net	160	166
Prepays and other current assets	191	119
Total current assets	2,030	2,173
Property and equipment, net of accumulated depreciation and amortization of \$1,230 and \$1,187, respectively	2,213	1,952
Operating lease assets, net	1,874	1,122
Intangible assets, net	11,266	11,107
Goodwill	6,140	5,775
Other assets, net	1,326	1,262
Total assets	\$ 24,849	\$ 23,391
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts and drafts payable	\$ 720	\$ 790
Other accrued liabilities	1,099	1,005
Gift card liability	181	248
Current portion of long-term debt and finance leases	617	101
Total current liabilities	2,617	2,144
Long-term debt, net of current portion	13,092	12,854
Finance leases, net of current portion	302	312
Operating lease liabilities, net of current portion	1,768	1,059
Other liabilities, net	823	996
Deferred income taxes, net	1,296	1,296
Total liabilities	19,898	18,661
Shareholders' equity:		
Common shares, no par value; Unlimited shares authorized at June 30, 2024 and December 31, 2023; 316,897,975 shares issued and outstanding at June 30, 2024; 312,454,851 shares issued and outstanding at December 31, 2023	2,138	1,973
Retained earnings	1,734	1,599
Accumulated other comprehensive income (loss)	(804)	(706)
Total Restaurant Brands International Inc. shareholders' equity	3,068	2,866
Noncontrolling interests	1,883	1,864
Total shareholders' equity	4,951	4,730
Total liabilities and shareholders' equity	\$ 24,849	\$ 23,391

See accompanying notes to condensed consolidated financial statements.

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(In millions of U.S. dollars, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues:				
Supply chain sales	\$ 682	\$ 676	\$ 1,309	\$ 1,283
Company restaurant sales	347	68	449	129
Franchise and property revenues	747	742	1,459	1,410
Advertising revenues and other services	304	289	602	543
Total revenues	2,080	1,775	3,819	3,365
Operating costs and expenses:				
Supply chain cost of sales	540	551	1,057	1,048
Company restaurant expenses	286	61	375	114
Franchise and property expenses	134	130	260	253
Advertising expenses and other services	334	312	645	583
General and administrative expenses	185	163	358	338
(Income) loss from equity method investments	(69)	11	(72)	18
Other operating expenses (income), net	7	(7)	(11)	10
Total operating costs and expenses	1,417	1,221	2,612	2,364
Income from operations	663	554	1,207	1,001
Interest expense, net	147	145	295	287
Loss on early extinguishment of debt	32	—	32	—
Income before income taxes	484	409	880	714
Income tax expense	85	58	153	86
Net income	399	351	727	628
Net income attributable to noncontrolling interests (Note 13)	119	110	217	198
Net income attributable to common shareholders	\$ 280	\$ 241	\$ 510	\$ 430
Earnings per common share				
Basic	\$ 0.89	\$ 0.77	\$ 1.62	\$ 1.39
Diluted	\$ 0.88	\$ 0.77	\$ 1.60	\$ 1.37
Weighted average shares outstanding (in millions):				
Basic	317	312	316	310
Diluted	453	458	453	457

See accompanying notes to condensed consolidated financial statements.

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Income (Loss)
(In millions of U.S. dollars)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 399	\$ 351	\$ 727	\$ 628
Foreign currency translation adjustment	(107)	194	(347)	234
Net change in fair value of net investment hedges, net of tax of \$3, \$4, \$6 and \$8	26	(84)	160	(115)
Net change in fair value of cash flow hedges, net of tax of \$(10), \$(31), \$(36) and \$(16)	27	86	96	43
Amounts reclassified to earnings of cash flow hedges, net of tax of \$10, \$6, \$18 and \$11	(27)	(17)	(49)	(30)
Gain (loss) recognized on other, net of tax of \$0, \$0, \$0 and \$0	—	2	—	2
Other comprehensive income (loss)	(81)	181	(140)	134
Comprehensive income (loss)	318	532	587	762
Comprehensive income (loss) attributable to noncontrolling interests	95	166	175	239
Comprehensive income (loss) attributable to common shareholders	<u>\$ 223</u>	<u>\$ 366</u>	<u>\$ 412</u>	<u>\$ 523</u>

See accompanying notes to condensed consolidated financial statements.

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES
Condensed Consolidated Statement of Shareholders' Equity
(In millions of U.S. dollars, except shares and per share data)
(Unaudited)

	Issued Common Shares		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total
	Shares	Amount				
Balances at December 31, 2023	312,454,851	\$ 1,973	\$ 1,599	\$ (706)	\$ 1,864	\$ 4,730
Stock option exercises	721,052	39	—	—	—	39
Share-based compensation	—	42	—	—	—	42
Issuance of shares	3,204,316	17	—	—	—	17
Dividends declared (\$0.58 per share)	—	—	(184)	—	—	(184)
Dividend equivalents declared on restricted stock units	—	5	(5)	—	—	—
Distributions declared by Partnership on Partnership exchangeable units (\$0.58 per unit)	—	—	—	—	(77)	(77)
Exchange of Partnership exchangeable units for RBI common shares	2,220	—	—	—	—	—
Restaurant VIE contributions (distributions)	—	—	—	—	(1)	(1)
Net income	—	—	230	—	98	328
Other comprehensive income (loss)	—	—	—	(41)	(18)	(59)
Balances at March 31, 2024	316,382,439	2,076	1,640	(747)	1,866	4,835
Stock option exercises	464,725	21	—	—	—	21
Share-based compensation	—	38	—	—	—	38
Issuance of shares	36,411	1	—	—	—	1
Dividends declared (\$0.58 per share)	—	—	(184)	—	—	(184)
Dividend equivalents declared on restricted stock units	—	2	(2)	—	—	—
Distributions declared by Partnership on Partnership exchangeable units (\$0.58 per unit)	—	—	—	—	(78)	(78)
Exchange of Partnership exchangeable units for RBI common shares	14,400	—	—	—	—	—
Net income	—	—	280	—	119	399
Other comprehensive income (loss)	—	—	—	(57)	(24)	(81)
Balances at June 30, 2024	<u>316,897,975</u>	<u>\$ 2,138</u>	<u>\$ 1,734</u>	<u>\$ (804)</u>	<u>\$ 1,883</u>	<u>\$ 4,951</u>

See accompanying notes to condensed consolidated financial statements.

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES

Condensed Consolidated Statement of Shareholders' Equity
(In millions of U.S. dollars, except shares and per share data)

(Unaudited)

	Issued Common Shares		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total
	Shares	Amount				
Balances at December 31, 2022	307,142,436	\$ 2,057	\$ 1,121	\$ (679)	\$ 1,769	\$ 4,268
Stock option exercises	124,275	6	—	—	—	6
Share-based compensation	—	41	—	—	—	41
Issuance of shares	1,690,762	15	—	—	—	15
Dividends declared (\$0.55 per share)	—	—	(171)	—	—	(171)
Dividend equivalents declared on restricted stock units	—	5	(5)	—	—	—
Distributions declared by Partnership on Partnership exchangeable units (\$0.55 per unit)	—	—	—	—	(77)	(77)
Exchange of Partnership exchangeable units for RBI common shares	2,214,072	33	—	(5)	(28)	—
Restaurant VIE contributions (distributions)	—	—	—	—	(1)	(1)
Net income	—	—	189	—	88	277
Other comprehensive income (loss)	—	—	—	(32)	(15)	(47)
Balances at March 31, 2023	311,171,545	\$ 2,157	\$ 1,134	\$ (716)	\$ 1,736	\$ 4,311
Stock option exercises	920,438	43	—	—	—	43
Share-based compensation	—	42	—	—	—	42
Issuance of shares	87,695	—	—	—	—	—
Dividends declared (\$0.55 per share)	—	—	(172)	—	—	(172)
Dividend equivalents declared on restricted stock units	—	5	(5)	—	—	—
Distributions declared by Partnership on Partnership exchangeable units (\$0.55 per unit)	—	—	—	—	(77)	(77)
Exchange of Partnership exchangeable units for RBI common shares	23,787	—	—	—	—	—
Restaurant VIE contributions (distributions)	—	—	—	—	(1)	(1)
Net income	—	—	241	—	110	351
Other comprehensive income (loss)	—	—	—	125	56	181
Balances at June 30, 2023	312,203,465	\$ 2,247	\$ 1,198	\$ (591)	\$ 1,824	\$ 4,678

See accompanying notes to condensed consolidated financial statements.

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(In millions of U.S. dollars)
(Unaudited)

	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 727	\$ 628
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	108	95
Non-cash loss on early extinguishment of debt	22	—
Amortization of deferred financing costs and debt issuance discount	12	14
(Income) loss from equity method investments	(72)	18
(Gain) loss on remeasurement of foreign denominated transactions	(29)	7
Net (gains) losses on derivatives	(91)	(72)
Share-based compensation and non-cash incentive compensation expense	87	92
Deferred income taxes	10	(40)
Other	5	(6)
Changes in current assets and liabilities, excluding acquisitions and dispositions:		
Accounts and notes receivable	9	(29)
Inventories and prepaids and other current assets	14	(45)
Accounts and drafts payable	(70)	(31)
Other accrued liabilities and gift card liability	(210)	(135)
Tenant inducements paid to franchisees	(11)	(9)
Other long-term assets and liabilities	(29)	—
Net cash provided by operating activities	482	487
Cash flows from investing activities:		
Payments for property and equipment	(69)	(48)
Net proceeds from disposal of assets, restaurant closures, and refranchisings	7	13
Payment for purchase of Carrols Restaurant Group, net of cash acquired	(508)	—
Net payments for acquisition of franchised restaurants	(23)	—
Settlement/sale of derivatives, net	35	28
Other investing activities, net	(1)	(1)
Net cash (used for) provided by investing activities	(559)	(8)
Cash flows from financing activities:		
Proceeds from long-term debt	1,950	2
Repayments of long-term debt and finance leases	(1,639)	(68)
Payment of financing costs	(32)	—
Payment of common share dividends and Partnership exchangeable unit distributions	(506)	(492)
Proceeds from stock option exercises	60	49
Proceeds from derivatives	57	63
Other financing activities, net	(2)	(2)
Net cash used for financing activities	(112)	(448)
Effect of exchange rates on cash and cash equivalents	(8)	4
(Decrease) increase in cash and cash equivalents	(197)	35
Cash and cash equivalents at beginning of period	1,139	1,178
Cash and cash equivalents at end of period	\$ 942	\$ 1,213
Supplemental cash flow disclosures:		
Interest paid	\$ 390	\$ 380
Income taxes paid	\$ 186	\$ 146

See accompanying notes to condensed consolidated financial statements.

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1. Description of Business and Organization

Restaurant Brands International Inc. (the “Company”, “RBI”, “we”, “us” or “our”) is a Canadian corporation that serves as the sole general partner of Restaurant Brands International Limited Partnership (“Partnership”). We franchise and operate quick service restaurants serving premium coffee and other beverage and food products under the *Tim Hortons*® brand (“Tim Hortons”), fast food hamburgers principally under the *Burger King*® brand (“Burger King”), chicken principally under the *Popeyes*® brand (“Popeyes”) and sandwiches under the *Firehouse Subs*® brand (“Firehouse”). We are one of the world’s largest quick service restaurant, or QSR, companies as measured by total number of restaurants. As of June 30, 2024, we franchised or owned 5,836 Tim Hortons restaurants, 19,446 Burger King restaurants, 4,735 Popeyes restaurants and 1,307 Firehouse Subs restaurants, for a total of 31,324 restaurants, and operate in more than 120 countries and territories. As of June 30, 2024, approximately 95% of current system-wide restaurants are franchised.

All references to “\$” or “dollars” are to the currency of the United States unless otherwise indicated. All references to “Canadian dollars” or “C\$” are to the currency of Canada unless otherwise indicated.

Note 2. Basis of Presentation and Consolidation

We have prepared the accompanying unaudited condensed consolidated financial statements (the “Financial Statements”) in accordance with the rules and regulations of the Securities and Exchange Commission (the “SEC”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America (“U.S. GAAP”) for complete financial statements. Therefore, the Financial Statements should be read in conjunction with the audited consolidated financial statements contained in our Annual Report on Form 10-K filed with the SEC and Canadian securities regulatory authorities on February 22, 2024.

The Financial Statements include our accounts and the accounts of entities in which we have a controlling financial interest, the usual condition of which is ownership of a majority voting interest. Investments in other affiliates that are owned 50% or less where we have significant influence are accounted for by the equity method. All material intercompany balances and transactions have been eliminated in consolidation.

We are the sole general partner of Partnership and, as such we have the exclusive right, power and authority to manage, control, administer and operate the business and affairs and to make decisions regarding the undertaking and business of Partnership, subject to the terms of the amended and restated limited partnership agreement of Partnership (the “partnership agreement”) and applicable laws. As a result, we consolidate the results of Partnership and record a noncontrolling interest in our condensed consolidated balance sheets and statements of operations with respect to the remaining economic interest in Partnership we do not hold.

In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation have been included in the Financial Statements. The results for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the full year.

The preparation of consolidated financial statements in conformity with U.S. GAAP and related rules and regulations of the SEC requires our management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

The carrying amounts for cash and cash equivalents, accounts and notes receivable and accounts and drafts payable approximate fair value based on the short-term nature of these accounts.

Supplier Finance Programs

Our TH business includes individually negotiated contracts with suppliers, which include payment terms that range up to 120 days. A global financial institution offers a voluntary supply chain finance (“SCF”) program to certain TH vendors, which provides suppliers that elect to participate with the ability to elect early payment, which is discounted based on the payment terms and a rate based on RBI’s credit rating, which may be beneficial to the vendor. Participation in the SCF program is at the sole discretion of the suppliers and financial institution and we are not a party to the arrangements between the suppliers and the financial institution. Our obligations to suppliers are not affected by the suppliers’ decisions to participate in the SCF program and our payment terms remain the same based on the original supplier invoicing terms and conditions. No guarantees are provided by us or any of our subsidiaries in connection with the SCF Program.

Our confirmed outstanding obligations under the SCF program at June 30, 2024 and December 31, 2023 totaled \$29 million and \$36 million, respectively, and are classified as Accounts and drafts payable in our condensed consolidated balance sheets. All activity related to the obligations is classified as Supply chain cost of sales in our condensed consolidated statements of operations and presented within cash flows from operating activities in our condensed consolidated statements of cash flows.

Note 3. New Accounting Pronouncements

Segment Reporting – In November 2023, the Financial Accounting Standards Board (“FASB”) issued guidance that expands segment disclosures for public entities, including requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker (“CODM”), the title and position of the CODM and an explanation of how the CODM uses reported measures of segment profit or loss in assessing segment performance and allocating resources. The new guidance also expands disclosures about a reportable segment’s profit or loss and assets in interim periods and clarifies that a public entity may report additional measures of segment profit if the CODM uses more than one measure of a segment’s profit or loss. The new guidance does not remove existing segment disclosure requirements or change how a public entity identifies its operating segments, aggregates those operating segments, or determines its reportable segments. The guidance is effective for annual disclosures for fiscal years beginning after December 15, 2023, and subsequent interim periods with early adoption permitted, and requires retrospective application to all prior periods presented in the financial statements. We are currently evaluating the impact this new guidance will have on our disclosures upon adoption.

Improvements to Income Tax Disclosures – In December 2023, the FASB issued guidance that expands income tax disclosures for public entities, including requiring enhanced disclosures related to the rate reconciliation and income taxes paid information. The guidance is effective for annual disclosures for fiscal years beginning after December 15, 2024, with early adoption permitted. The guidance should be applied on a prospective basis, with retrospective application to all prior periods presented in the financial statements permitted. We are currently evaluating the impact this new guidance will have on our disclosures upon adoption and expect to provide additional detail and disclosures under this new guidance.

Note 4. Carrols Acquisition

Prior to May 16, 2024, we owned a 15% equity interest in Carrols Restaurant Group, Inc. (“Carrols”), which was accounted for as an equity method investment. On May 16, 2024, we acquired the remaining 85% of Carrols issued and outstanding shares that were not already held by us or our affiliates for \$9.55 per share in an all cash transaction (the “Carrols Acquisition”) in order to accelerate the reimagining of more than 600 Carrols restaurants before refranchising the majority of the acquired portfolio to new or existing smaller franchise operations. The Carrols Acquisition was accounted for as a business combination by applying the acquisition method of accounting and Carrols became our wholly owned consolidated subsidiary.

The acquisition of the 85% equity interest of Carrols was accounted for as a step acquisition, which required remeasurement of our existing 15% ownership interest in Carrols to fair value. We utilized the \$9.55 per share acquisition price to determine the fair value of the existing equity interest. This resulted in an increase in the value of our existing 15% equity interest and the recognition of a gain of \$79 million (the “Step Acquisition Gain”), which is included in (Income) loss from equity method investments in our condensed consolidated statements of operations for the three and six months ended June 30, 2024.

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Total cash paid in connection with the Carrols Acquisition was \$543 million. Additionally, in connection with the Carrols Acquisition, we assumed approximately \$431 million of outstanding debt, all of which was fully extinguished as of June 30, 2024. The cash purchase price and extinguishment of debt assumed in the Carrols Acquisition was funded with a combination of cash on hand and \$750 million of incremental borrowings under our senior secured term loan facility.

The following table summarizes the purchase price consideration in connection with the Carrols Acquisition (in millions):

Total cash paid	\$	543
Effective settlement of pre-existing balance sheet accounts (a)		15
Fair value of existing 15% equity interest		90
Total consideration	\$	648

(a) Effective settlement of pre-existing balances with Carrols related to franchise and lease agreements prior to the date of acquisition.

Fees and expenses related to the Carrols Acquisition and related financings totaled approximately \$11 million during the six months ended June 30, 2024, consisting of professional fees and compensation related expenses which are classified as general and administrative expenses in the accompanying condensed consolidated statements of operations (the “Carrols Acquisition Costs”).

The preliminary allocation of consideration to the net tangible and intangible assets acquired is presented in the table below (in millions):

	May 16, 2024
Total current assets	\$ 81
Property and equipment	293
Reacquired franchise rights	371
Operating lease assets	725
Other assets	14
Accounts and drafts payable	(12)
Other accrued liabilities	(151)
Current portion of long-term debt and finance leases	(434)
Finance leases, net of current portion	(6)
Operating lease liabilities, net of current portion	(689)
Other liabilities	(9)
Total identifiable net assets	183
Goodwill	465
Total consideration	\$ 648

The purchase price allocation reflects preliminary fair value estimates based on management's analysis, including preliminary work performed by third-party valuation specialists. We will continue to obtain information to assist in determining the fair value of net assets acquired during the measurement period.

Reacquired franchise rights, which represent the fair value of reacquired franchise agreements determined using the excess earnings method, are amortized over the remaining term of the reacquired franchise agreement and have an estimated weighted average remaining term of 13 years.

Goodwill is considered to represent the value associated with the workforce and synergies anticipated to be realized as a combined company. Goodwill will be allocated to reporting units when the purchase price allocation is finalized during the measurement period.

Total revenues of Carrols from the acquisition date of May 16, 2024 through June 30, 2024, which have been included within Company restaurant sales in our condensed consolidated financial statements, totaled \$230 million.

Supplemental Pro Forma Information

The following table presents unaudited supplemental pro forma consolidated revenue for the three and six months ended June 30, 2024 and 2023, as if the Carrols Acquisition had occurred on January 1, 2023 (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Total revenues	\$ 2,291	\$ 2,210	\$ 4,435	\$ 4,200

The unaudited supplemental pro forma consolidated revenue gives effect to actual revenues prior to the Carrols Acquisition, adjusted to exclude the elimination of intercompany transactions. Other than the impact of the Step Acquisition Gain and Carrols Acquisition Costs (as discussed above), supplemental pro forma net earnings, assuming the Carrols Acquisition had occurred on January 1, 2023, would not be materially different from the results reported during the three and six months ended June 30, 2024 and 2023.

The unaudited pro forma information has been prepared for comparative purposes only, in accordance with the acquisition method of accounting, and is not necessarily indicative of the results of operations that would have occurred if the Carrols Acquisition had been completed on the date indicated, nor is it indicative of our future operating results.

Note 5. Leases

Property revenues consist primarily of lease income from operating leases and earned income on direct financing leases and sales-type leases with franchisees as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Lease income - operating leases				
Minimum lease payments	\$ 92	\$ 97	\$ 186	\$ 195
Variable lease payments	119	119	230	215
Amortization of favorable and unfavorable income lease contracts, net	1	1	1	1
Subtotal - lease income from operating leases	212	217	417	411
Earned income on direct financing and sales-type leases	1	3	2	5
Total property revenues	\$ 213	\$ 220	\$ 419	\$ 416

Note 6. Revenue Recognition

Contract Liabilities

Contract liabilities consist of deferred revenue resulting from initial and renewal franchise fees paid by franchisees, as well as upfront fees paid by master franchisees, which are generally recognized on a straight-line basis over the term of the underlying agreement. We may recognize unamortized franchise fees and upfront fees when a contract with a franchisee or master franchisee is modified and is accounted for as a termination of the existing contract. We classify these contract liabilities as Other liabilities, net in our condensed consolidated balance sheets. The following table reflects the change in contract liabilities on a consolidated basis between December 31, 2023 and June 30, 2024 (in millions):

Contract Liabilities

Balance at December 31, 2023	\$	555
Recognized during period and included in the contract liability balance at the beginning of the year		(34)
Increase, excluding amounts recognized as revenue during the period		25
Effective settlement of pre-existing contract liabilities in connection with Carrols Acquisition		(21)
Impact of foreign currency translation		(6)
Balance at June 30, 2024	\$	519

The following table illustrates estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) on a consolidated basis as of June 30, 2024 (in millions):

Contract liabilities expected to be recognized in

Remainder of 2024	\$	27
2025		53
2026		49
2027		46
2028		43
Thereafter		301
Total	\$	519

Disaggregation of Total Revenues

As described in Note 17, *Segment Reporting*, during the fourth quarter of 2023, we revised our internal reporting structure, which resulted in a change to our operating and reportable segments. Additionally, following the Carrols Acquisition and PLK China Acquisition (as defined below), we are reporting the operations of Burger King restaurants acquired as part of the Carrols Acquisition and commencing in the third quarter of 2024 the operations of PLK China restaurants into a new operating and reportable segment called Restaurant Holdings (“RH”).

The following tables disaggregate revenue by segment (in millions):

	Three Months Ended June 30, 2024							
	TH	BK	PLK	FHS	INTL	RH	ELIM (a)	Total
Supply chain sales	\$ 682	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 682
Company restaurant sales	11	63	33	10	—	230	—	347
Royalties	86	122	76	19	200	—	(10)	493
Property revenues	160	52	4	—	1	—	(4)	213
Franchise fees and other revenue	13	3	5	8	12	—	—	41
Advertising revenues and other services	78	124	76	16	20	—	(10)	304
Total revenues	\$ 1,030	\$ 364	\$ 194	\$ 53	\$ 233	\$ 230	\$ (24)	\$ 2,080

(a) Represents elimination of intersegment revenues that consists of royalties, property and advertising and other services revenue recognized by BK from intersegment transactions with RH.

Six Months Ended June 30, 2024

	TH	BK	PLK	FHS	INTL	RH	ELIM (a)	Total
Supply chain sales	\$ 1,309	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,309
Company restaurant sales	22	121	56	20	—	230	—	449
Royalties	163	238	151	36	388	—	(10)	966
Property revenues	307	108	7	—	1	—	(4)	419
Franchise fees and other revenue	20	6	7	16	25	—	—	74
Advertising revenues and other services	148	241	151	31	41	—	(10)	602
Total revenues	<u>\$ 1,969</u>	<u>\$ 714</u>	<u>\$ 372</u>	<u>\$ 103</u>	<u>\$ 455</u>	<u>\$ 230</u>	<u>\$ (24)</u>	<u>\$ 3,819</u>

Three Months Ended June 30, 2023

	TH	BK	PLK	FHS	INTL	Total
Supply chain sales	\$ 676	\$ —	\$ —	\$ —	\$ —	\$ 676
Company restaurant sales	12	24	22	10	—	68
Royalties	83	125	73	18	192	491
Property revenues	158	58	4	—	—	220
Franchise fees and other revenue	6	3	5	6	11	31
Advertising revenues and other services	73	117	69	14	16	289
Total revenues	<u>\$ 1,008</u>	<u>\$ 327</u>	<u>\$ 173</u>	<u>\$ 48</u>	<u>\$ 219</u>	<u>\$ 1,775</u>

Six Months Ended June 30, 2023

	TH	BK	PLK	FHS	INTL	Total
Supply chain sales	\$ 1,283	\$ —	\$ —	\$ —	\$ —	\$ 1,283
Company restaurant sales	23	43	43	20	—	129
Royalties	154	238	141	35	365	933
Property revenues	295	113	7	—	1	416
Franchise fees and other revenue	11	7	7	12	24	61
Advertising revenues and other services	135	223	135	18	32	543
Total revenues	<u>\$ 1,901</u>	<u>\$ 624</u>	<u>\$ 333</u>	<u>\$ 85</u>	<u>\$ 422</u>	<u>\$ 3,365</u>

Note 7. Earnings per Share

An economic interest in Partnership common equity is held by the holders of Class B exchangeable limited partnership units (the “Partnership exchangeable units”), which is reflected as a noncontrolling interest in our equity. See Note 13, *Shareholders’ Equity*.

Basic and diluted earnings per share is computed using the weighted average number of shares outstanding for the period. We apply the treasury stock method to determine the dilutive weighted average common shares represented by outstanding equity awards, unless the effect of their inclusion is anti-dilutive. The diluted earnings per share calculation assumes conversion of 100% of the Partnership exchangeable units under the “if converted” method. Accordingly, the numerator is also adjusted to include the earnings allocated to the holders of noncontrolling interests.

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The following table summarizes the basic and diluted earnings per share calculations (in millions, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Numerator:				
Net income attributable to common shareholders - basic	\$ 280	\$ 241	\$ 510	\$ 430
Add: Net income attributable to noncontrolling interests	119	109	216	196
Net income available to common shareholders and noncontrolling interests - diluted	<u>\$ 399</u>	<u>\$ 350</u>	<u>\$ 726</u>	<u>\$ 626</u>
Denominator:				
Weighted average common shares - basic	317	312	316	310
Exchange of noncontrolling interests for common shares (Note 13)	134	141	134	142
Effect of other dilutive securities	2	5	3	5
Weighted average common shares - diluted	<u>453</u>	<u>458</u>	<u>453</u>	<u>457</u>
Basic earnings per share (a)	\$ 0.89	\$ 0.77	\$ 1.62	\$ 1.39
Diluted earnings per share (a)	\$ 0.88	\$ 0.77	\$ 1.60	\$ 1.37
Anti-dilutive securities outstanding	5	5	5	5

(a) Earnings per share may not recalculate exactly as it is calculated based on unrounded numbers.

Note 8. Intangible Assets, net and Goodwill

Intangible assets, net and goodwill consist of the following (in millions):

	As of					
	June 30, 2024			December 31, 2023		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Identifiable assets subject to amortization:						
Franchise agreements	\$ 718	\$ (359)	\$ 359	\$ 727	\$ (348)	\$ 379
Reacquired franchise rights	386	(4)	382	—	—	—
Favorable leases	80	(55)	25	81	(54)	27
Subtotal	1,184	(418)	766	808	(402)	406
Indefinite-lived intangible assets:						
<i>Tim Hortons</i> brand	\$ 6,241	\$ —	\$ 6,241	\$ 6,423	\$ —	\$ 6,423
<i>Burger King</i> brand	2,088	—	2,088	2,107	—	2,107
<i>Popeyes</i> brand	1,355	—	1,355	1,355	—	1,355
<i>Firehouse Subs</i> brand	816	—	816	816	—	816
Subtotal	10,500	—	10,500	10,701	—	10,701
Intangible assets, net			\$ 11,266			\$ 11,107
Goodwill:						
TH segment	\$ 4,006			\$ 4,118		
BK segment	239			232		
PLK segment	844			844		
FHS segment	193			193		
INTL segment	393			388		
RH segment	465			—		
Total	\$ 6,140			\$ 5,775		

Amortization expense on intangible assets totaled \$13 million and \$10 million for the three months ended June 30, 2024 and 2023, respectively. Amortization expense on intangible assets totaled \$22 million and \$19 million for the six months ended June 30, 2024 and 2023, respectively. The changes in reacquired franchise rights and goodwill balances during the six months ended June 30, 2024 was primarily due to the Carrols Acquisition. Refer to Note 4, *Carrols Acquisition*, for a description of goodwill and intangible assets recognized in connection with the Carrols Acquisition. Additionally, the changes in intangible assets and goodwill balances also reflect the impact of foreign currency translation during the six months ended June 30, 2024.

Note 9. Equity Method Investments

As discussed in Note 4, *Carrols Acquisition*, prior to May 16, 2024, we owned a 15% equity interest in Carrols, which was accounted for as an equity method investment. In connection with the Carrols Acquisition, we acquired the remaining 85% equity interest in Carrols, resulting in the Step Acquisition Gain. As a result of the Carrols Acquisition, Carrols became a wholly owned consolidated subsidiary beginning on May 16, 2024.

The aggregate carrying amounts of our equity method investments were \$132 million and \$163 million as of June 30, 2024 and December 31, 2023, respectively, and are included as a component of Other assets, net in our accompanying condensed consolidated balance sheets.

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Except for the following equity method investments, no quoted market prices are available for our other equity method investments. The aggregate market value of our 9.4% equity interest in BK Brasil Operação e Assessoria a Restaurantes S.A. based on the quoted market price on June 30, 2024 was approximately \$17 million. The aggregate market value of our 4.2% equity interest in TH International Limited (“Tims China”) based on the quoted market price on June 30, 2024 was approximately \$5 million.

We have equity interests in entities that own or franchise Tim Hortons, Burger King and Popeyes restaurants. Revenues recognized from franchisees that are owned or franchised by entities in which we have an equity interest, including Carrols through May 15, 2024, consist of the following (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues from affiliates:				
Royalties	\$ 95	\$ 103	\$ 196	\$ 195
Advertising revenues and other services	11	20	31	38
Property revenues	5	9	13	18
Franchise fees and other revenue	5	4	11	9
Sales	5	6	9	10
Total	<u>\$ 121</u>	<u>\$ 142</u>	<u>\$ 260</u>	<u>\$ 270</u>

At June 30, 2024 and December 31, 2023, we had \$61 million of accounts receivable, net from our equity method investments which were recorded in Accounts and notes receivable, net in our condensed consolidated balance sheets.

With respect to our TH business, the most significant equity method investment is our 50% joint venture interest with The Wendy’s Company (the “TIMWEN Partnership”), which jointly holds real estate underlying Canadian combination restaurants. Distributions received from this joint venture were \$4 million and \$3 million during the three months ended June 30, 2024 and 2023, respectively. Distributions received from this joint venture were \$7 million and \$6 million during the six months ended June 30, 2024 and 2023, respectively.

Associated with the TIMWEN Partnership, we recognized \$5 million and \$6 million of rent expense during the three months ended June 30, 2024 and 2023, respectively, and we recognized \$10 million of rent expense during each of the six months ended June 30, 2024 and 2023.

(Income) loss from equity method investments reflects our share of investee net income or loss as well as gains or losses from changes in our ownership interests in equity investees.

During June 2024, we acquired the Popeyes China (“PLK China”) business from Tims China (“the PLK China Acquisition”). In addition, Tims China issued us a \$20 million three-year convertible note due June 28, 2027. As a result, a total of \$30 million from these two transactions is included within other accrued liabilities in the condensed consolidated balance sheets as of June 30, 2024.

Note 10. Other Accrued Liabilities and Other Liabilities, net

Other accrued liabilities (current) and Other liabilities, net (noncurrent) consist of the following (in millions):

	As of	
	June 30, 2024	December 31, 2023
Current:		
Dividend payable	\$ 261	\$ 245
Interest payable	69	67
Accrued compensation and benefits	129	147
Taxes payable	158	129
Deferred income	74	77
Accrued advertising expenses	51	58
Restructuring and other provisions	13	18
Current portion of operating lease liabilities	187	147
Other	157	117
Other accrued liabilities	<u>\$ 1,099</u>	<u>\$ 1,005</u>
Noncurrent:		
Taxes payable	\$ 58	\$ 57
Contract liabilities	519	555
Derivatives liabilities	87	227
Unfavorable leases	37	42
Accrued pension	34	34
Deferred income	60	57
Other	28	24
Other liabilities, net	<u>\$ 823</u>	<u>\$ 996</u>

Note 11. Long-Term Debt

Long-term debt consists of the following (in millions):

	As of	
	June 30, 2024	December 31, 2023
Term Loan B	\$ 4,750	\$ 5,175
Term Loan A	1,275	1,275
5.75% First Lien Senior Notes due 2025	500	500
3.875% First Lien Senior Notes due 2028	1,550	1,550
3.50% First Lien Senior Notes due 2029	750	750
6.125% First Lien Senior Notes due 2029	1,200	—
4.375% Second Lien Senior Notes due 2028	750	750
4.00% Second Lien Senior Notes due 2030	2,900	2,900
TH Facility and other	123	143
Less: unamortized deferred financing costs and deferred issue discount	(126)	(122)
Total debt, net	<u>13,672</u>	<u>12,921</u>
Less: current maturities of debt	(580)	(67)
Total long-term debt	<u>\$ 13,092</u>	<u>\$ 12,854</u>

Credit Facilities

On May 16, 2024, two of our subsidiaries (the “Borrowers”) entered into a sixth incremental facility amendment and a ninth amendment (the “First 2024 Amendment”) to the credit agreement governing our senior secured term loan A facility (the “Term Loan A”), our senior secured term loan B facility (the “Term Loan B” and together with the Term Loan A the “Term Loan Facilities”) and our \$1,250 million senior secured revolving credit facility (including revolving loans, swingline loans and letters of credit) (the “Revolving Credit Facility” and together with the Term Loan Facilities, the “Credit Facilities”). The First 2024 Amendment increased the existing Term Loan B by \$750 million to \$5,912 million on the same terms as the existing Term Loan B. The First 2024 Amendment also amended the interest rate applicable to the Canadian dollar loans under the credit agreement to be based on Term Canadian Overnight Repo Rate Average (“CORRA”). The security and guarantees under the amended Credit Agreement are the same as those under the existing facilities. The First 2024 Amendment made no other material changes to the terms of the Credit Agreement. The proceeds from the increase in the Term Loan B were used, along with cash on hand, to complete the Carrols Acquisition, the repayment of amounts outstanding under the Carrols' credit agreement and the redemption and discharge of Carrols' outstanding senior notes.

On June 17, 2024, the Borrowers entered into a tenth amendment to the credit agreement governing our Credit Facilities (the “Second 2024 Amendment”). The Second 2024 Amendment repriced our Term Loan B from an interest rate equal to the Adjusted Term SOFR plus 2.25% to an interest rate equal to the Adjusted Term SOFR Rate plus 1.75% and reduced the outstanding principal amount of the Term Loan B facility from \$5,912 million to \$4,750 million using a portion of the net proceeds from the issuance of the 6.125% First Lien Senior Notes due 2029 (defined below). There were no changes to the maturity of the Term Loan B following this repricing and all other terms are substantially unchanged. In connection with the First 2024 Amendment and the Second 2024 Amendment, we capitalized approximately \$24 million in debt issuance costs and recorded a \$32 million loss on early extinguishment of debt that primarily reflects expensing of fees and the write-off of unamortized debt issuance costs.

Revolving Credit Facility

As of June 30, 2024, we had no amounts outstanding under our Revolving Credit Facility, had \$3 million of letters of credit issued against the Revolving Credit Facility, and our borrowing availability under our Revolving Credit Facility was \$1,247 million. Funds available under the Revolving Credit Facility may be used to repay other debt, finance debt or equity repurchases, fund acquisitions or capital expenditures and for other general corporate purposes. We have a \$125 million letter of credit sublimit as part of the Revolving Credit Facility, which reduces our borrowing availability thereunder by the cumulative amount of outstanding letters of credit.

6.125% First Lien Senior Notes due 2029

On June 17, 2024, the Borrowers entered into an indenture (the “6.125% First Lien Senior Notes Indenture”) in connection with the issuance of \$1,200 million of 6.125% first lien senior notes due June 15, 2029 (the “6.125% First Lien Senior Notes due 2029”). No principal payments are due until maturity and interest is paid semi-annually. The net proceeds from the offering of the 6.125% First Lien Senior Notes due 2029 were used to refinance a portion of the Term Loan B, pay related fees and expenses and for general corporate purposes. In connection with the issuance of the 6.125% First Lien Senior Notes due 2029, we capitalized approximately \$13 million in debt issuance costs.

Obligations under the 6.125% First Lien Senior Notes due 2029 are guaranteed on a senior secured basis, jointly and severally, by Partnership and substantially all of its Canadian and U.S. subsidiaries, including The TDL Group Corp., Burger King Company LLC, Popeyes Louisiana Kitchen, Inc., FRG, LLC and substantially all of their respective Canadian and U.S. subsidiaries (the “Note Guarantors”). The 6.125% First Lien Senior Notes due 2029 are first lien senior secured obligations and rank equal in right of payment with all of the existing and future first lien senior debt of the Borrowers and Note Guarantors, including borrowings and guarantees under our Credit Facilities.

Our 6.125% First Lien Senior Notes due 2029 may be redeemed in whole or in part, on or after June 15, 2026 at the redemption prices set forth in the 6.125% First Lien Senior Notes Indenture, plus accrued and unpaid interest, if any, at the date of redemption. The 6.125% First Lien Senior Notes Indenture also contains optional redemption provisions related to tender offers, change of control and equity offerings, among others.

TH Facility

One of our subsidiaries entered into a non-revolving delayed drawdown term credit facility in a total aggregate principal amount of C\$225 million with a maturity date of October 4, 2025 (the "TH Facility"). Prior to June 30, 2024, the interest rate applicable to the TH Facility was the Canadian Bankers' Acceptance rate plus an applicable margin equal to 1.40% or the Prime Rate plus an applicable margin equal to 0.40%, at our option. Beginning July 1, 2024, the interest rate applicable to the TH Facility is the Adjusted Term CORRA rate plus an applicable margin equal to 1.40% or the Prime Rate plus an applicable margin equal to 0.40%, at our option. Obligations under the TH Facility are guaranteed by three of our subsidiaries, and amounts borrowed under the TH Facility are secured by certain parcels of real estate. As of June 30, 2024, we had approximately C\$166 million outstanding under the TH Facility with a weighted average interest rate of 6.39%.

Restrictions and Covenants

As of June 30, 2024, we were in compliance with all applicable financial debt covenants under our senior secured term loan facilities and Revolving Credit Facility (together the "Credit Facilities"), the TH Facility, and the indentures governing our Senior Notes.

Fair Value Measurement

The following table presents the fair value of our variable rate term debt and senior notes, estimated using inputs based on bid and offer prices that are Level 2 inputs, and principal carrying amount (in millions):

	As of	
	June 30, 2024	December 31, 2023
Fair value of our variable term debt and senior notes	\$ 13,084	\$ 12,401
Principal carrying amount of our variable term debt and senior notes	13,675	12,900

Interest Expense, net

Interest expense, net consists of the following (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Debt (a)	\$ 145	\$ 142	\$ 293	\$ 280
Finance lease obligations	5	5	10	9
Amortization of deferred financing costs and debt issuance discount	6	7	12	14
Interest income	(9)	(9)	(20)	(16)
Interest expense, net	\$ 147	\$ 145	\$ 295	\$ 287

- (a) Amount includes \$12 million and \$16 million benefit during the three months ended June 30, 2024 and 2023, respectively, and \$23 million and \$31 million benefit during the six months ended June 30, 2024 and 2023, respectively, related to the quarterly net settlements of our cross-currency rate swaps and amortization of the Excluded Component as defined in Note 14, *Derivative Instruments*.

Note 12. Income Taxes

Our effective tax rate was 17.6% and 17.4% for the three and six months ended June 30, 2024, respectively. The effective tax rate during these periods was primarily the result of the mix of income from multiple tax jurisdictions, the impact of internal financing arrangements, the impact of the Carrolls Acquisition, and equity-based compensation.

Our effective tax rate was 14.3% and 12.1% for the three and six months ended June 30, 2023, respectively. The effective tax rate during these periods reflects the mix of income from multiple tax jurisdictions, the impact of internal financing arrangements, a favorable structural change that benefited 2023, and equity-based compensation.

On June 20, 2024, Canada enacted significant tax legislation including the introduction of the excessive interest and financing expenses limitation (“EIFEL”) as well as a 2% tax on certain share buy backs. The EIFEL rules are applicable for the current fiscal year, while the tax on share buy backs applies to certain share repurchases on or after January 1, 2024. As a result, we expect to have restricted interest and financing expenses, which can be carried forward indefinitely.

Note 13. Shareholders’ Equity

Noncontrolling Interests

The holders of Partnership exchangeable units held an economic interest of approximately 29.7% and 29.9% in Partnership common equity through the ownership of 133,581,144 and 133,597,764 Partnership exchangeable units as of June 30, 2024 and December 31, 2023, respectively.

During the six months ended June 30, 2024, Partnership exchanged 16,620 Partnership exchangeable units, pursuant to exchange notices received. In accordance with the terms of the partnership agreement, Partnership satisfied the exchange notices by exchanging these Partnership exchangeable units for the same number of newly issued RBI common shares. In connection with an amendment to the partnership agreement, Partnership exchangeable units exchanged for RBI common shares subsequent to December 31, 2023 also result in the issuance of additional Partnership Class A common units to RBI in an amount equal to the number of RBI common shares exchanged. The exchanges represented increases in our ownership interest in Partnership and were accounted for as equity transactions, with no gain or loss recorded in the accompanying condensed consolidated statements of operations. Pursuant to the terms of the partnership agreement, upon the exchange of Partnership exchangeable units, each such Partnership exchangeable unit is automatically deemed cancelled concurrently with the exchange.

Share Repurchases

On August 31, 2023, our Board of Directors approved a share repurchase program that allows us to purchase up to \$1,000 million of our common shares until September 30, 2025. For the three and six months ended June 30, 2024, we did not repurchase any of our common shares and as of June 30, 2024 had \$500 million remaining under the authorization.

Accumulated Other Comprehensive Income (Loss)

The following table displays the changes in the components of accumulated other comprehensive income (loss) (“AOCI”) (in millions):

	Derivatives	Pensions	Foreign Currency Translation	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2023	\$ 480	\$ (13)	\$ (1,173)	\$ (706)
Foreign currency translation adjustment	—	—	(347)	(347)
Net change in fair value of derivatives, net of tax	256	—	—	256
Amounts reclassified to earnings of cash flow hedges, net of tax	(49)	—	—	(49)
Amounts attributable to noncontrolling interests	(62)	—	104	42
Balance at June 30, 2024	<u>\$ 625</u>	<u>\$ (13)</u>	<u>\$ (1,416)</u>	<u>\$ (804)</u>

Note 14. Derivative Instruments

Disclosures about Derivative Instruments and Hedging Activities

We enter into derivative instruments for risk management purposes, including derivatives designated as cash flow hedges and derivatives designated as net investment hedges. We use derivatives to manage our exposure to fluctuations in interest rates and currency exchange rates.

Interest Rate Swaps

At June 30, 2024, we had outstanding receive-variable, pay-fixed interest rate swaps with a total notional value of \$3,500 million to hedge the variability in the interest payments on a portion of our Term Loan Facilities, including any subsequent refinancing or replacement of the Term Loan Facilities, beginning August 31, 2021 through the termination date of October 31, 2028. Additionally, at June 30, 2024, we also had outstanding receive-variable, pay-fixed interest rate swaps with a total notional value of \$500 million to hedge the variability in the interest payments on a portion of our Term Loan Facilities effective September 30, 2019 through the termination date of September 30, 2026. Following the discontinuance of the U.S. dollar LIBOR after June 30, 2023, the interest rate on all these interest rate swaps transitioned from LIBOR to SOFR, with no impact to hedge effectiveness and no change in accounting treatment as a result of applicable accounting relief guidance for the transition away from LIBOR. At inception, all of these interest rate swaps were designated as cash flow hedges for hedge accounting. The unrealized changes in market value are recorded in AOCI, net of tax, and reclassified into interest expense during the period in which the hedged forecasted transaction affects earnings.

In connection with the Carrols Acquisition, we assumed a receive-variable, pay-fixed interest rate swap utilizing SOFR as the benchmark interest rate with a total notional value of \$120 million to hedge the variability in the interest payments on a portion of our Term Loan Facilities, including any subsequent refinancing or replacement of the Term Loan Facilities, through the termination date of February 28, 2025. This interest rate swap is designated as a cash flow hedge for hedge accounting and the unrealized changes in market value are recorded in AOCI, net of tax, and reclassified into interest expense during the period in which the hedged forecasted transaction affects earnings.

At June 30, 2024, the net amount of pre-tax gains that we expect to be reclassified from AOCI into interest expense within the next 12 months is \$130 million.

Cross-Currency Rate Swaps

To protect the value of our investments in our foreign operations against adverse changes in foreign currency exchange rates, we hedge a portion of our net investment in one or more of our foreign subsidiaries by using cross-currency rate swaps. At June 30, 2024, we had outstanding cross-currency rate swap contracts between the Canadian dollar and U.S. dollar and the euro and U.S. dollar that have been designated as net investment hedges of a portion of our equity in foreign operations in those currencies. The component of the gains and losses on our net investment in these designated foreign operations driven by changes in foreign exchange rates are economically partly offset by movements in the fair value of our cross-currency swap contracts. The fair value of the swaps is calculated each period with changes in fair value reported in AOCI, net of tax. Such amounts will remain in AOCI until the complete or substantially complete liquidation of our investment in the underlying foreign operations.

At June 30, 2024, we had outstanding cross-currency rate swaps that we entered into during 2022 to partially hedge the net investment in our Canadian subsidiaries. At inception, these cross-currency rate swaps were designated as a hedge and are accounted for as net investment hedges. These swaps are contracts in which we receive quarterly fixed-rate interest payments on the U.S. dollar notional amount of \$5,000 million through the maturity date of September 30, 2028.

At June 30, 2024, we had outstanding cross-currency rate swap contracts between the euro and U.S. dollar in which we receive quarterly fixed-rate interest payments on the U.S. dollar aggregate amount of \$2,750 million, of which \$1,400 million have a maturity date of October 31, 2026, \$1,200 million have a maturity date of November 30, 2028, and \$150 million have a maturity date of October 31, 2028. At inception, these cross-currency rate swaps were designated and continue to be hedges and are accounted for as a net investment hedge.

During 2023, we settled our previously existing cross-currency rate swaps in which we paid quarterly fixed-rate interest payments on the euro notional value of €1,108 million and receive quarterly fixed-rate interest payments on the U.S. dollar notional value of \$1,200 million and an original maturity date of February 17, 2024. During 2023, we also settled our previously existing cross-currency rate swap contracts between the euro and U.S. dollar with a notional value of \$900 million and an original maturity date of February 17, 2024.

In connection with the cross-currency rate swaps hedging Canadian dollar and euro net investments, we utilize the spot method to exclude the interest component (the “Excluded Component”) from the accounting hedge without affecting net investment hedge accounting and amortize the Excluded Component over the life of the derivative instrument. The amortization of the Excluded Component is recognized in Interest expense, net in the condensed consolidated statements of operations. The change in fair value that is not related to the Excluded Component is recorded in AOCI and will be reclassified to earnings when the foreign subsidiaries are sold or substantially liquidated.

Foreign Currency Exchange Contracts

We use foreign exchange derivative instruments to manage the impact of foreign exchange fluctuations on U.S. dollar purchases and payments, such as coffee purchases made by our Canadian Tim Hortons operations. At June 30, 2024, we had outstanding forward currency contracts to manage this risk in which we sell Canadian dollars and buy U.S. dollars with a notional value of \$163 million with maturities to July 15, 2025. We have designated these instruments as cash flow hedges, and as such, the unrealized changes in market value of effective hedges are recorded in AOCI and are reclassified into earnings during the period in which the hedged forecasted transaction affects earnings.

Credit Risk

By entering into derivative contracts, we are exposed to counterparty credit risk. Counterparty credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is in an asset position, the counterparty has a liability to us, which creates credit risk for us. We attempt to minimize this risk by selecting counterparties with investment grade credit ratings and regularly monitoring our market position with each counterparty.

Credit-Risk Related Contingent Features

Our derivative instruments do not contain any credit-risk related contingent features.

Quantitative Disclosures about Derivative Instruments and Fair Value Measurements

The following tables present the required quantitative disclosures for our derivative instruments, including their estimated fair values (all estimated using Level 2 inputs) and their location on our condensed consolidated balance sheets (in millions):

	Gain or (Loss) Recognized in Other Comprehensive Income (Loss)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Derivatives designated as cash flow hedges⁽¹⁾				
Interest rate swaps	\$ 35	\$ 120	\$ 127	\$ 63
Forward-currency contracts	\$ 2	\$ (3)	\$ 5	\$ (4)
Derivatives designated as net investment hedges				
Cross-currency rate swaps	\$ 23	\$ (88)	\$ 154	\$ (123)

(1) We did not exclude any components from the cash flow hedge relationships presented in this table.

	Location of Gain or (Loss) Reclassified from AOCI into Earnings	Gain or (Loss) Reclassified from AOCI into Earnings			
		Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023	2024	2023
Derivatives designated as cash flow hedges					
Interest rate swaps	Interest expense, net	\$ 36	\$ 20	\$ 66	\$ 35
Forward-currency contracts	Supply chain cost of sales	\$ 1	\$ 3	\$ 1	\$ 6

	Location of Gain or (Loss) Recognized in Earnings	Gain or (Loss) Recognized in Earnings (Amount Excluded from Effectiveness Testing)			
		Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023	2024	2023
Derivatives designated as net investment hedges					
Cross-currency rate swaps	Interest expense, net	\$ 12	\$ 16	\$ 23	\$ 31

	Fair Value as of		Balance Sheet Location
	June 30, 2024	December 31, 2023	
Assets:			
Derivatives designated as cash flow hedges			
Interest rate	\$ 250	\$ 190	Other assets, net
Interest rate	3	—	Prepays and other current assets
Foreign currency	2	—	Prepays and other current assets
Derivatives designated as net investment hedges			
Foreign currency	21	7	Other assets, net
Total assets at fair value	<u>\$ 276</u>	<u>\$ 197</u>	
Liabilities:			
Derivatives designated as cash flow hedges			
Foreign currency	\$ —	\$ 2	Other accrued liabilities
Derivatives designated as net investment hedges			
Foreign currency	87	227	Other liabilities, net
Total liabilities at fair value	<u>\$ 87</u>	<u>\$ 229</u>	

Note 15. Other Operating Expenses (Income), net

Other operating expenses (income), net consists of the following (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net losses (gains) on disposal of assets, restaurant closures, and refranchisings	\$ 8	\$ (9)	\$ 10	\$ (11)
Litigation settlements (gains) and reserves, net	1	(3)	1	(2)
Net losses (gains) on foreign exchange	(6)	(1)	(29)	7
Other, net	4	6	7	16
Other operating expenses (income), net	<u>\$ 7</u>	<u>\$ (7)</u>	<u>\$ (11)</u>	<u>\$ 10</u>

Net losses (gains) on disposal of assets, restaurant closures, and refranchisings represent sales of properties and other costs related to restaurant closures and refranchisings. Gains and losses recognized in the current period may reflect certain costs related to closures and refranchisings that occurred in previous periods.

Net losses (gains) on foreign exchange is primarily related to revaluation of foreign denominated assets and liabilities, primarily those denominated in euros and Canadian dollars.

Other, net for 2023 is primarily related to payments in connection with FHS area representative buyouts.

Note 16. Commitments and Contingencies

Litigation

From time to time, we are involved in legal proceedings arising in the ordinary course of business relating to matters including, but not limited to, disputes with franchisees, suppliers, employees and customers, as well as disputes over our intellectual property.

On October 5, 2018, a class action complaint was filed against Burger King Worldwide, Inc. (“BKW”) and Burger King Company, successor in interest, (“BKC”) in the U.S. District Court for the Southern District of Florida by Jarvis Arrington, individually and on behalf of all others similarly situated. On October 18, 2018, a second class action complaint was filed against RBI, BKW and BKC in the U.S. District Court for the Southern District of Florida by Monique Michel, individually and on behalf of all others similarly situated. On October 31, 2018, a third class action complaint was filed against BKC and BKW in the U.S. District Court for the Southern District of Florida by Geneva Blanchard and Tiffany Miller, individually and on behalf of all others similarly situated. On November 2, 2018, a fourth class action complaint was filed against RBI, BKW and BKC in the U.S. District Court for the Southern District of Florida by Sandra Munster, individually and on behalf of all others similarly situated. These complaints have been consolidated and allege that the defendants violated Section 1 of the Sherman Act by incorporating an employee no-solicitation and no-hiring clause in the standard form franchise agreement all Burger King franchisees are required to sign. Each plaintiff seeks injunctive relief and damages for himself or herself and other members of the class. On March 24, 2020, the Court granted BKC’s motion to dismiss for failure to state a claim and on April 20, 2020 the plaintiffs filed a motion for leave to amend their complaint. On April 27, 2020, BKC filed a motion opposing the motion for leave to amend. The court denied the plaintiffs motion for leave to amend their complaint in August 2020 and the plaintiffs appealed this ruling. In August 2022, the federal appellate court reversed the lower court’s decision to dismiss the case and remanded the case to the lower court for further proceedings. While we intend to vigorously defend these claims, we are unable to predict the ultimate outcome of this case or estimate the range of possible loss, if any.

On April 23, 2024, a purported shareholder of Carrols Restaurant Group, Inc. (“CRG”), filed a complaint against CRG, its directors, RBI and BK Cheshire Corp. (our wholly-owned merger subsidiary) in the Supreme Court of the State of New York County of Westchester. The complaint alleged various breaches under Delaware law of fiduciary duties by the CRG directors and disclosure obligations by CRG with respect to the Agreement and Plan of Merger, dated as of January 16, 2024 among RBI, BK Cheshire Corp. and CRG (the “Merger Agreement”). In addition, the complaint alleged that RBI aided and abetted these breaches through its actions in negotiating the transaction and assistance in the dissemination of proxy statement related to the stockholder approval of the Merger Agreement. The complaint sought, among other things, to enjoin the stockholder vote to approve the Merger Agreement and/or the consummation of the sale pending resolution of the complaint as well as compensatory and/or rescissory damages and fees and expenses. The parties have settled this case and we paid an amount which was not material.

Note 17. Segment Reporting

As stated in Note 1, *Description of Business and Organization*, we manage four brands: *Tim Hortons*, *Burger King*, *Popeyes* and *Firehouse Subs*. During the second quarter of 2024, we completed the Carrols Acquisition and PLK China Acquisition. As a result, our consolidated statements of operations for the three and six months ended June 30, 2024 include Carrols revenues and expenses from the acquisition date of May 16, 2024 through June 30, 2024. Due to the timing of the acquisition, PLK China results will be included in our consolidated statements of operations commencing in the third quarter of 2024.

During the fourth quarter of 2023, we revised our internal reporting structure, which resulted in a change to our operating and reportable segments. Additionally, following the Carrols Acquisition and the PLK China Acquisition, we established a new operating and reportable segment to reflect the manner in which our chief operating decision maker (“CODM”) manages and assesses performance of our segments. As a result, beginning in the second quarter of 2024, we are reporting results under six operating and reportable segments consisting of the following:

1. Tim Hortons – operations of our Tim Hortons brand in Canada and the U.S. (“TH”);
2. Burger King – operations of our Burger King brand in the U.S. and Canada, excluding Company restaurant results of Burger King restaurants acquired as part of the Carrols Acquisition, included in our RH segment (defined below) (“BK”);
3. Popeyes Louisiana Kitchen – operations of our Popeyes brand in the U.S. and Canada (“PLK”);

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4. Firehouse Subs – operations of our Firehouse Subs brand in the U.S. and Canada (“FHS”);
5. International – operations of each of our brands outside the U.S. and Canada, excluding Company restaurant results of PLK China restaurants commencing in the third quarter of 2024, included in our RH segment (“INTL”); and
6. Restaurant Holdings – operations of Burger King restaurants acquired as part of the Carrols Acquisition and commencing in the third quarter of 2024, the operations of PLK China restaurants (“RH”).

Prior year amounts presented have been reclassified to conform to this new segment presentation with no effect on previously reported consolidated results.

The following tables present revenues, by segment and by country (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues by operating segment:				
TH	\$ 1,030	\$ 1,008	\$ 1,969	\$ 1,901
BK	364	327	714	624
PLK	194	173	372	333
FHS	53	48	103	85
INTL	233	219	455	422
RH	230	—	230	—
Elimination of intersegment revenues (a)	(24)	—	(24)	—
Total revenues	\$ 2,080	\$ 1,775	\$ 3,819	\$ 3,365

(a) Consists of BK royalties, property revenues, advertising contribution revenues and tech fees from intersegment transactions with RH.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues by country (b):				
Canada	\$ 945	\$ 925	\$ 1,801	\$ 1,739
United States	902	631	1,563	1,204
Other	233	219	455	422
Total revenues	\$ 2,080	\$ 1,775	\$ 3,819	\$ 3,365

(b) Only Canada and the United States represented 10% or more of our total revenues in each period presented.

Our measure of segment income is Adjusted Operating Income which represents income from operations adjusted to exclude (i) franchise agreement and reacquired franchise right intangible asset amortization as a result of acquisition accounting, (ii) (income) loss from equity method investments, net of cash distributions received from equity method investments, (iii) other operating expenses (income), net and, (iv) income/expenses from non-recurring projects and non-operating activities. For the periods referenced, income/expenses from non-recurring projects and non-operating activities included (i) non-recurring fees and expenses incurred in connection with the Carrols Acquisition, and commencing in the third quarter of 2024 the PLK China Acquisition, consisting primarily of professional fees, compensation related expenses and integration costs (“RH Transaction costs”); (ii) non-recurring fees and expense incurred in connection with the acquisition of Firehouse consisting primarily of professional fees, compensation-related expenses and integration costs (“FHS Transaction costs”); and (iii) non-operating costs from professional advisory and consulting services associated with certain transformational corporate restructuring initiatives that rationalize our structure and optimize cash movements as well as services related to significant tax reform legislation and regulations (“Corporate restructuring and advisory fees”).

Adjusted Operating Income is used by management to measure operating performance of the business, excluding these non-cash and other specifically identified items that management believes are not relevant to management’s assessment of our operating performance. A reconciliation of segment income to net income consists of the following (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Segment income:				
TH	\$ 269	\$ 246	\$ 493	\$ 458
BK	114	110	220	206
PLK	62	56	120	107
FHS	13	11	23	20
INTL	160	154	302	291
RH	14	—	14	—
Adjusted Operating Income	632	577	1,172	1,082
Franchise agreement and reacquired franchise rights amortization	11	8	19	16
RH Transaction costs	9	—	13	—
FHS Transaction costs	—	—	—	19
Corporate restructuring and advisory fees	6	7	8	12
Impact of equity method investments (a)	(64)	15	(64)	24
Other operating expenses (income), net	7	(7)	(11)	10
Income from operations	663	554	1,207	1,001
Interest expense, net	147	145	295	287
Loss on early extinguishment of debt	32	—	32	—
Income tax expense	85	58	153	86
Net income	\$ 399	\$ 351	\$ 727	\$ 628

(a) Represents (i) (income) loss from equity method investments and (ii) cash distributions received from our equity method investments. Cash distributions received from our equity method investments are included in segment income.

Note 18. Subsequent Events

Dividends

On July 5, 2024, we paid a cash dividend of \$0.58 per common share to common shareholders of record on June 21, 2024. On such date, Partnership also made a distribution in respect of each Partnership exchangeable unit in the amount of \$0.58 per exchangeable unit to holders of record on June 21, 2024.

Subsequent to June 30, 2024, our board of directors declared a cash dividend of \$0.58 per common share, which will be paid on October 4, 2024 to common shareholders of record on September 20, 2024. Partnership will also make a distribution in respect of each Partnership exchangeable unit in the amount of \$0.58 per Partnership exchangeable unit, and the record date and payment date for distributions on Partnership exchangeable units are the same as the record date and payment date set forth above.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion together with our unaudited condensed consolidated financial statements and the related notes thereto included in Part I, Item 1 "Financial Statements" of this report.

The following discussion includes information regarding future financial performance and plans, targets, aspirations, expectations, and objectives of management, which constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of Canadian securities laws as described in further detail under "Special Note Regarding Forward-Looking Statements" set forth below. Actual results may differ materially from the results discussed in the forward-looking statements. Please refer to the risks and further discussion in the "Special Note Regarding Forward-Looking Statements" below.

We prepare our financial statements in accordance with accounting principles generally accepted in the United States ("U.S. GAAP" or "GAAP"). However, this Management's Discussion and Analysis of Financial Condition and Results of Operations also contains certain non-GAAP financial measures to assist readers in understanding our performance. Non-GAAP financial measures either exclude or include amounts that are not reflected in the most directly comparable measure calculated and presented in accordance with GAAP. Where non-GAAP financial measures are used, we have provided the most directly comparable measures calculated and presented in accordance with U.S. GAAP, a reconciliation to GAAP measures and a discussion of the reasons why management believes this information is useful to it and may be useful to investors.

Operating results for any one quarter are not necessarily indicative of results to be expected for any other quarter or for the fiscal year and our operating metrics, as discussed below, may decrease for any future period. Unless the context otherwise requires, all references in this section to "RBI", the "Company", "we", "us" or "our" are to Restaurant Brands International Inc. and its subsidiaries, collectively and all references in this section to "Partnership" are to Restaurant Brands International Limited Partnership and its subsidiaries, collectively.

Overview

We are a Canadian corporation that serves as the indirect holding company for the entities that own and franchise the *Tim Hortons*®, *Burger King*®, *Popeyes*® and *Firehouse Subs*® brands. We are one of the world's largest quick service restaurant ("QSR") companies with over \$40 billion in annual system-wide sales and over 30,000 restaurants in more than 120 countries and territories as of June 30, 2024. Our *Tim Hortons*®, *Burger King*®, *Popeyes*®, and *Firehouse Subs*® brands have similar franchised business models with complementary daypart mixes and product platforms. Our four iconic brands are managed independently while benefiting from global scale and sharing of best practices.

Tim Hortons restaurants are quick service restaurants with a menu that includes premium blend coffee, tea, espresso-based hot and cold specialty drinks, fresh baked goods, including donuts, *Timbits*®, bagels, muffins, cookies and pastries, sandwiches, wraps, soups and more. Burger King restaurants are quick service restaurants that feature flame-grilled hamburgers, chicken and other specialty sandwiches, french fries, soft drinks and other food items. Popeyes restaurants are quick service restaurants that distinguish themselves with a unique "Louisiana" style menu featuring fried chicken, chicken sandwiches, chicken tenders, wings, fried shrimp and other seafood, red beans and rice and other regional items. Firehouse Subs restaurants are quick service restaurants featuring hot and hearty subs piled high with quality meats and cheese as well as chopped salads, chili and soups, signature and other sides, soft drinks and local specialties.

On May 16, 2024, we completed the acquisition of Carrols Restaurant Group Inc. ("Carrols") ("the Carrols Acquisition"). Our consolidated statements of operations for the three and six months ended June 30, 2024 include Carrols revenues, expenses and segment income from the acquisition date of May 16, 2024 through June 30, 2024. On June 28, 2024, we also completed the acquisition of Popeyes China ("PLK China") ("the PLK China Acquisition"), which will be included in our consolidated statements of operations commencing in the third quarter of 2024.

Following the Carrols Acquisition and PLK China Acquisition, we established a new operating and reportable segment, Restaurant Holdings, which includes results from the Carrols Burger King restaurants and the PLK China restaurants and reflects how our chief operating decision maker manages and assesses performance of our segments. This management approach is consistent with our long-term plans to rebrand the vast majority of the Carrols Burger King restaurants and to find a new partner for PLK China restaurants. As a result, beginning in the second quarter of 2024, we are reporting results under six operating and reportable segments consisting of the following:

1. Tim Hortons – operations of our Tim Hortons brand in Canada and the U.S. (“TH”);
2. Burger King – operations of our Burger King brand in the U.S. and Canada, excluding Company restaurant results of Burger King restaurants acquired as part of the Carrols Acquisition, included in our RH segment (defined below) (“BK”);
3. Popeyes Louisiana Kitchen – operations of our Popeyes brand in the U.S. and Canada (“PLK”);
4. Firehouse Subs – operations of our Firehouse Subs brand in the U.S. and Canada (“FHS”);
5. International – operations of each of our brands outside the U.S. and Canada, excluding Company restaurant results of PLK China restaurants commencing in the third quarter of 2024, included in our RH segment (“INTL”); and
6. Restaurant Holdings – operations of Burger King restaurants acquired as part of the Carrols Acquisition and commencing in the third quarter of 2024, the operations of PLK China restaurants (“RH”).

We generate revenues from the following sources: (i) supply chain sales, consisting primarily of Tim Hortons supply chain sales, which represent sales of products, supplies and restaurant equipment to franchisees, as well as sales of consumer packaged goods (“CPG”); (ii) sales at Company restaurants; (iii) franchise revenues, consisting primarily of royalties based on a percentage of sales reported by franchised restaurants and franchise fees paid by franchisees; (iv) property revenues from properties we lease or sublease to franchisees; and (v) advertising revenues and other services, consisting primarily of (1) advertising fund contributions based on a percentage of sales reported by franchised restaurants to fund advertising expenses and (2) tech fees and revenues that vary by market and partially offset expenses related to technology initiatives. All Tim Hortons global supply chain sales, including coffee to International franchisees, are included in the TH segment.

Operating costs and expenses for our segments include:

- supply chain cost of sales comprised of costs associated with the management of our Tim Hortons supply chain, including cost of goods, direct labor, depreciation, and cost of CPG products sold to retailers;
- Company restaurant expenses comprised of costs associated with food, paper, labor and occupancy costs of Company restaurants;
- franchise and property expenses comprised primarily of depreciation of properties leased to franchisees, rental expense associated with properties subleased to franchisees, amortization of franchise agreements and reacquired franchise rights, and bad debt expense (recoveries);
- advertising expenses and other services comprised primarily of expenses relating to marketing, advertising and promotion, including market research, production, advertising costs, sales promotions, social media campaigns, technology initiatives, depreciation and amortization and other related support functions for the respective brands. We generally manage advertising expenses to equal advertising revenues in the long term, however in some periods there may be a mismatch in the timing of revenues and expenses or higher expenses due to our support initiatives behind marketing programs; and
- segment general and administrative expenses (“Segment G&A”) comprised primarily of salary and employee-related costs for non-restaurant employees, professional fees, information technology systems, general overhead for our corporate offices, share-based compensation and non-cash incentive compensation expense, and depreciation and amortization.

Intersegment Transactions

BK and RH results include revenues and expenses, respectively, from an intersegment franchisor-franchisee relationship. From the acquisition date of May 16, 2024 through June 30, 2024, BK results include royalty, property, advertising contribution and tech fees revenues recognized for intersegment transactions with Burger King restaurants acquired from Carrols, with corresponding expenses recognized by RH. These intersegment revenues and expenses are eliminated in consolidation but are presented within segment results in a manner consistent with internal reporting used to assess performance and allocate resources.

RH Results

The changes in our results of operations for the three and six months ended June 30, 2024 as compared to the three and six months ended June 30, 2023 are partially driven by the inclusion of the results of operations of RH. The statement of operations data for the RH segment consists of the results from the Carrols acquisition date of May 16, 2024 through June 30, 2024, which is summarized as follows:

Revenues:	
Company restaurant sales	\$ 230
Total revenues	230
Food, beverage and packaging costs	64
Restaurant wages and related expenses	72
Restaurant occupancy and other expenses (a)	59
Company restaurant expenses	194
Advertising expenses and other services (b)	10
Reacquired franchise rights amortization (c)	4
Segment G&A	12
Adjustments:	
Reacquired franchise rights amortization	4
Segment income	14

- (a) Restaurant occupancy and other expenses includes intersegment royalties expense of \$10 million and intersegment property expenses of \$4 million, which are eliminated in consolidation.
- (b) Advertising expenses and other services are eliminated in consolidation.
- (c) Reacquired franchise rights amortization is included in franchise and property expenses in our condensed consolidated statements of operations.

Key Operating Metrics

Key performance indicators are shown for RBI's five franchisor operating segments — TH, BK, PLK, FHS and INTL. RH results for the Carrols BK restaurants and PLK China restaurants are included in the BK segment and INTL segment, respectively.

We evaluate our restaurants and assess our business based on the following operating metrics:

- System-wide sales growth refers to the percentage change in sales at all franchised restaurants and Company restaurants (referred to as system-wide sales) in one period from the same period in the prior year.
- Comparable sales refers to the percentage change in restaurant sales in one period from the same prior year period for restaurants that have been open for 13 months or longer for Tim Hortons, Burger King and Firehouse Subs and 17 months or longer for Popeyes. Additionally, if a restaurant is closed for a significant portion of a month, the restaurant is excluded from the monthly comparable sales calculation.
- System-wide sales growth and comparable sales are measured on a constant currency basis, which means the results exclude the effect of foreign currency translation ("FX Impact"). For system-wide sales growth and comparable sales, we calculate the FX Impact by translating prior year results at current year monthly average exchange rates.
- Unless otherwise stated, system-wide sales growth, system-wide sales and comparable sales are presented on a system-wide basis, which means they include franchised restaurants and Company restaurants. System-wide results are driven by our franchised restaurants, as approximately 95% of system-wide restaurants are franchised. Franchise sales represent sales at all franchised restaurants and are revenues to our franchisees. We do not record franchise sales as revenues; however, our royalty revenues and advertising fund contributions are calculated based on a percentage of franchise sales.
- Net restaurant growth refers to the net change in restaurant count (openings, net of permanent closures) over a trailing twelve month period, divided by the restaurant count at the beginning of the trailing twelve month period. In determining whether a restaurant meets our definition of a restaurant that will be included in our net restaurant growth, we consider factors such as scope of operations, format and image, separate franchise agreement, and minimum sales thresholds. We refer to restaurants that do not meet our definition as "alternative formats." These alternative formats are helpful to build brand awareness, test new concepts and provide convenience in certain markets.

These metrics are important indicators of the overall direction of our business, including trends in sales and the effectiveness of each brand's marketing, operations and growth initiatives.

Key Operating Metrics	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
System-wide sales growth				
TH	5.4 %	12.1 %	6.5 %	13.9 %
BK	(0.7)%	8.1 %	0.8 %	8.3 %
PLK	4.6 %	9.9 %	7.3 %	9.7 %
FHS (a)	3.3 %	6.4 %	3.5 %	7.8 %
INTL	9.2 %	21.5 %	10.4 %	21.6 %
Consolidated (a)	5.0 %	14.0 %	6.5 %	14.4 %
System-wide sales (in US\$ millions)				
TH	\$ 1,939	\$ 1,872	\$ 3,664	\$ 3,468
BK	\$ 2,925	\$ 2,949	\$ 5,678	\$ 5,633
PLK	\$ 1,555	\$ 1,488	\$ 3,072	\$ 2,862
FHS (a)	\$ 316	\$ 306	\$ 617	\$ 597
INTL	\$ 4,517	\$ 4,334	\$ 8,733	\$ 8,223
Consolidated (a)	\$ 11,252	\$ 10,949	\$ 21,764	\$ 20,783
Comparable sales				
TH	4.6 %	11.8 %	5.7 %	13.2 %
BK	(0.1)%	8.3 %	1.8 %	8.5 %
PLK	0.5 %	4.4 %	3.0 %	4.0 %
FHS (a)	(0.1)%	3.4 %	0.1 %	4.8 %
INTL	2.6 %	12.0 %	3.4 %	12.3 %
Consolidated (a)	1.9 %	9.6 %	3.2 %	10.0 %
			As of June 30,	
			2024	2023
Net restaurant growth				
TH			0.1 %	(0.8)%
BK			(1.7)%	(1.8)%
PLK			4.3 %	5.6 %
FHS			3.5 %	2.0 %
INTL			8.2 %	9.2 %
Consolidated			4.0 %	4.1 %
Restaurant count				
TH			4,507	4,501
BK			7,133	7,258
PLK			3,437	3,294
FHS			1,288	1,244
INTL			14,959	13,828
Consolidated			31,324	30,125

(a) 2023 comparable sales and system wide sales amounts for FHS have been revised to make immaterial corrections and provide comparability with the current calculation methodology. These revisions have no impact on previously reported revenue and adjusted operating income for the FHS segment. These revisions had an immaterial impact to RBI consolidated system-wide sales, and no impact to consolidated system-wide sales growth nor comparable sales.

Results of Operations for the Three and Six Months Ended June 30, 2024 and 2023

Tabular amounts in millions of U.S. dollars unless noted otherwise. Total revenues and segment income for each segment may not calculate exactly due to rounding.

Consolidated	Three Months Ended June 30,		Variance	FX Impact (a)	Variance Excluding FX Impact	Six Months Ended June 30,		Variance	FX Impact (a)	Variance Excluding FX Impact
	2024	2023				Favorable / (Unfavorable)				
Revenues:										
Supply chain sales	\$ 682	\$ 676	\$ 6	\$ (12)	\$ 18	\$ 1,309	\$ 1,283	\$ 26	\$ (10)	\$ 36
Company restaurant sales	347	68	279	—	279	449	129	320	—	320
Franchise and property revenues	747	742	5	(12)	17	1,459	1,410	49	(15)	64
Advertising revenues and other services	304	289	15	(1)	16	602	543	59	(1)	60
Total revenues	2,080	1,775	305	(25)	330	3,819	3,365	454	(26)	480
Operating costs and expenses:										
Supply chain cost of sales	540	551	11	9	2	1,057	1,048	(9)	8	(17)
Company restaurant expenses	286	61	(225)	—	(225)	375	114	(261)	—	(261)
Franchise and property expenses	134	130	(4)	1	(5)	260	253	(7)	1	(8)
Advertising expenses and other services	334	312	(22)	2	(24)	645	583	(62)	1	(63)
General and administrative expenses	185	163	(22)	1	(23)	358	338	(20)	—	(20)
(Income) loss from equity method investments	(69)	11	80	—	80	(72)	18	90	—	90
Other operating expenses (income), net	7	(7)	(14)	1	(15)	(11)	10	21	—	21
Total operating costs and expenses	1,417	1,221	(196)	14	(210)	2,612	2,364	(248)	10	(258)
Income from operations	663	554	109	(11)	120	1,207	1,001	206	(16)	222
Interest expense, net	147	145	(2)	—	(2)	295	287	(8)	—	(8)
Loss on early extinguishment of debt	32	—	(32)	—	(32)	32	—	(32)	—	(32)
Income before income taxes	484	409	75	(11)	86	880	714	166	(16)	182
Income tax expense	85	58	(27)	(1)	(26)	153	86	(67)	(1)	(66)
Net income	\$ 399	\$ 351	\$ 48	\$ (12)	\$ 60	\$ 727	\$ 628	\$ 99	\$ (17)	\$ 116

- (a) We calculate the FX Impact by translating prior year results at current year monthly average exchange rates. We analyze these results on a constant currency basis as this helps identify underlying business trends, without distortion from the effects of currency movements.

Our operating results are impacted by a number of external factors, including softer consumer spending levels and general economic conditions.

Supply Chain Sales and Cost of Sales

During the three and six months ended June 30, 2024, the changes in supply chain sales and supply chain cost of sales were driven by our TH segment.

Company Restaurant Sales and Expenses

During the three and six months ended June 30, 2024, the increases in Company restaurant sales and Company restaurant expenses were primarily driven by an increase in Company restaurants due to restaurant acquisitions from franchisees in 2023 and 2024, including the Carrols Acquisition.

Franchise and Property

During the three and six months ended June 30, 2024, the increases in franchise and property revenues were primarily driven by increases in royalties as a result of increases in system-wide sales growth, as well as the recognition of TH convention revenue in the current year period. These factors were partially offset by unfavorable FX Impact and the elimination of franchise and property revenues from restaurants acquired from franchisees.

During the three and six months ended June 30, 2024, the increases in franchise and property expenses were primarily driven by TH convention expenses in the current year period and the inclusion of reacquired franchise rights amortization related to the Carrols Acquisition, partially offset by the reclassification of occupancy costs from franchise and property expenses to Company restaurant expenses related to restaurant acquisitions from franchisees in 2023 and 2024, restaurant closures and a favorable FX Impact.

Advertising and Other Services

During the three and six months ended June 30, 2024, the increases in advertising revenues and other services were primarily driven by increases in advertising fund contributions from vendors, as well as an increase in advertising fund contributions by franchisees, as a result of an increase in system-wide sales. These factors were partially offset by the elimination of advertising revenues and other services from restaurants acquired from franchisees and an unfavorable FX Impact.

During the three and six months ended June 30, 2024, the increases in advertising expenses and other services were primarily driven by increases in advertising revenues and other services, partially offset by favorable FX Impact.

General and Administrative Expenses

Our general and administrative expenses consisted of the following:

	Three Months Ended June 30,		Variance		Six Months Ended June 30,		Variance	
			\$	%			\$	%
	2024	2023	Favorable / (Unfavorable)		2024	2023	Favorable / (Unfavorable)	
Segment G&A:								
TH	\$ 38	\$ 41	\$ 3	7 %	\$ 80	\$ 78	\$ (2)	(3)%
BK	36	35	(1)	(3)%	72	69	(3)	(4)%
PLK	21	22	1	5 %	43	43	—	— %
FHS	14	13	(1)	(8)%	28	26	(2)	(8)%
INTL	49	45	(4)	(9)%	102	91	(11)	(12)%
RH	12	—	(12)	NM	12	—	(12)	NM
RH Transaction costs	9	—	(9)	NM	13	—	(13)	NM
FHS Transaction costs	—	—	—	NM	—	19	19	NM
Corporate restructuring and advisory fees	6	7	1	14 %	8	12	4	33 %
General and administrative expenses	<u>\$ 185</u>	<u>\$ 163</u>	<u>\$ (22)</u>	<u>(13)%</u>	<u>\$ 358</u>	<u>\$ 338</u>	<u>\$ (20)</u>	<u>(6)%</u>

NM - Not meaningful

In connection with the Carrols Acquisition, and commencing in the third quarter of 2024 the PLK China Acquisition, we incurred or will incur certain non-recurring fees and expenses (“RH Transaction costs”) consisting primarily of professional fees, compensation related expenses and integration costs, all of which are classified as general and administrative expenses in the condensed consolidated statements of operations. We expect to incur additional RH Transaction costs through 2024.

In connection with the acquisition and integration of Firehouse Subs, we incurred certain non-recurring fees and expenses (“FHS Transaction costs”) consisting of professional fees, compensation related expenses and integration costs. We did not incur any additional FHS Transaction costs subsequent to March 31, 2023.

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In connection with certain transformational corporate restructuring initiatives that rationalize our structure and optimize cash movement within our structure as well as services related to significant tax reform legislation and regulations, we incurred non-operating expenses primarily from professional advisory and consulting services (“Corporate restructuring and advisory fees”).

During the three and six months ended June 30, 2024, the increases in general and administrative expenses were primarily driven by an increase in INTL Segment G&A, the inclusion of RH Segment G&A and RH Transaction costs during 2024, partially offset by the non-recurrence of FHS Transaction costs for the six months ended June 30, 2024.

(Income) Loss from Equity Method Investments

(Income) loss from equity method investments reflects our share of investee net income or loss as well as gains or losses from changes in our ownership interests in equity investees.

The change in (income) loss from equity method investments during the three and six months ended June 30, 2024 reflects a \$79 million gain recognized during the three and six months ended June 30, 2024 in connection with the Carrols Acquisition that resulted in an increase in the value of our existing 15% equity interest in Carrols, as well as changes in earnings of our equity method investments during the three and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023.

Other Operating Expenses (Income), net

Our other operating expenses (income), net consisted of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net losses (gains) on disposal of assets, restaurant closures, and refranchisings	\$ 8	\$ (9)	\$ 10	\$ (11)
Litigation settlements (gains) and reserves, net	1	(3)	1	(2)
Net losses (gains) on foreign exchange	(6)	(1)	(29)	7
Other, net	4	6	7	16
Other operating expenses (income), net	<u>\$ 7</u>	<u>\$ (7)</u>	<u>\$ (11)</u>	<u>\$ 10</u>

Net losses (gains) on disposal of assets, restaurant closures, and refranchisings represent sales of properties and other costs related to restaurant closures and refranchisings. Gains and losses recognized in the current period may reflect certain costs related to closures and refranchisings that occurred in previous periods.

Net losses (gains) on foreign exchange are primarily related to revaluation of foreign denominated assets and liabilities, primarily those denominated in euros and Canadian dollars.

Other, net for 2023 is primarily related to payments in connection with FHS area representative buyouts.

Interest Expense, net

Our interest expense, net and the weighted average interest rate on our long-term debt were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Interest expense, net	\$ 147	\$ 145	\$ 295	\$ 287
Weighted average interest rate on long-term debt	4.8 %	4.9 %	4.9 %	4.9 %

During the three and six months ended June 30, 2024, interest expense, net remained relatively consistent with the prior year.

Loss on Early Extinguishment of Debt

During the three and six months ended June 30, 2024, we recorded a \$32 million loss on early extinguishment of debt that primarily reflects expensing of fees and the write-off of unamortized debt issuance costs in connection with various amendments to our credit agreement. See Note 11, “*Long-Term Debt*,” to the notes to the condensed consolidated financial statements for additional details.

Income Tax Expense

Our effective tax rate was 17.6% and 14.3% for the three months ended June 30, 2024 and 2023, respectively, and 17.4% and 12.1% for the six months ended June 30, 2024 and 2023, respectively. The increase in our effective tax rate was primarily due to a favorable structural change that benefited 2023, the impact of the Carrols Acquisition in 2024 as well as such impact on our mix of income from multiple jurisdictions.

Net Income

We reported net income of \$399 million for the three months ended June 30, 2024, compared to net income of \$351 million for the three months ended June 30, 2023. The increase in net income is primarily due to a \$79 million favorable change from the impact of equity method investments primarily due to a gain in connection with the Carrols Acquisition, a \$23 million increase in TH segment income, the inclusion of \$14 million of RH segment income, a \$6 million increase in PLK segment income, and a \$6 million increase in INTL segment income. These factors were partially offset by a \$32 million loss on early extinguishment of debt in 2024, a \$27 million increase in income tax expense, a \$14 million unfavorable change in the results from other operating expenses (income), net, and \$9 million of RH Transaction costs. Amounts above include a total unfavorable FX Impact to net income of \$12 million.

We reported net income of \$727 million for the six months ended June 30, 2024, compared to net income of \$628 million for the six months ended June 30, 2023. The increase in net income is primarily due to an \$88 million favorable change from the impact of equity method investments primarily due to a gain in connection with the Carrols Acquisition, a \$35 million increase in TH segment income, a \$21 million favorable change in the results from other operating expenses (income), net, the non-recurrence of \$19 million of FHS Transaction costs, a \$14 million increase in BK segment income, the inclusion of \$14 million of RH segment income, a \$13 million increase in PLK segment income, and an \$11 million increase in INTL segment income. These factors were partially offset by a \$67 million increase in income tax expense, a \$32 million loss on early extinguishment of debt in 2024, \$13 million of RH Transaction costs, an \$8 million increase in interest expense, net. Amounts above include a total unfavorable FX Impact to net income of \$17 million.

Segment Results of Operations for the Three and Six Months Ended June 30, 2024 and 2023

TH Segment	Three Months Ended June 30,		Variance	FX Impact (a)	Variance Excluding FX Impact	Six Months Ended June 30,		Variance	FX Impact (a)	Variance Excluding FX Impact
	2024	2023				Favorable / (Unfavorable)				
Revenues:										
Supply chain sales	\$ 682	\$ 676	\$ 6	\$ (11)	\$ 18	\$ 1,309	\$ 1,283	\$ 26	\$ (10)	\$ 36
Company restaurant sales	12	13	(1)	—	(1)	22	23	(1)	—	(1)
Franchise and property revenues	259	247	12	(4)	16	490	461	29	(4)	33
Advertising revenues and other services	77	73	5	(1)	6	148	135	13	(1)	14
Total revenues	1,031	1,008	22	(17)	39	1,969	1,902	68	(15)	82
Supply chain cost of sales	540	552	12	9	3	1,057	1,048	(8)	8	(16)
Company restaurant expenses	10	10	—	—	—	19	19	—	—	—
Franchise and property expenses	93	85	(7)	2	(9)	174	164	(10)	1	(12)
Advertising expenses and other services	87	78	(8)	1	(10)	157	144	(13)	1	(14)
Segment G&A	38	41	3	1	2	80	78	(2)	1	(3)
Adjustments:										
Franchise agreement amortization (a)	2	2	—	—	—	3	3	—	—	—
Cash distributions received from equity method investments	4	3	1	—	1	7	6	1	—	1
Segment income	269	246	23	(4)	27	493	458	35	(4)	39

(a) Franchise agreement amortization is included in franchise and property expenses.

System-wide Sales

During the three months ended June 30, 2024, TH system-wide sales growth of 5.4% was primarily driven by comparable sales of 4.6%. During the six months ended June 30, 2024, TH system-wide sales growth of 6.5% was primarily driven by comparable sales of 5.7%.

Supply Chain Sales and Cost of Sales

During the three months ended June 30, 2024, the increase in supply chain sales was primarily driven by an increase in system-wide sales, partially offset by an unfavorable FX Impact.

During the six months ended June 30, 2024, the increase in supply chain sales was primarily driven by an increase in system-wide sales and an increase in equipment sales, partially offset by an unfavorable FX Impact and a decrease in CPG sales as a result of increases in promotional activity and trade investments.

During the three months ended June 30, 2024, the decrease in supply chain cost of sales was primarily driven by a favorable FX impact, lower average cost of inventory and bad debt recoveries in the current year compared to bad debt expense in the prior year, partially offset by increases in supply chain sales.

During the six months ended June 30, 2024, the increase in supply chain cost of sales was primarily driven by increases in supply chain sales and increases in equipment sales, partially offset by a favorable FX Impact and lower average cost of inventory.

Company Restaurant Sales and Expenses

During the three and six months ended June 30, 2024, Company restaurant sales and expenses remained relatively consistent with the prior year.

Franchise and Property

During the three and six months ended June 30, 2024, the increases in franchise and property revenues were primarily driven by increases in royalties and rent, as a result of increases in system-wide sales, and convention revenue, partially offset by an unfavorable FX Impact. There was no convention revenue recognized during 2023.

During the three and six months ended June 30, 2024, the increases in franchise and property expenses were primarily driven by increases in rent expense and convention expenses, which are mostly offset by convention revenues. There was no convention expense recognized during 2023.

Advertising and Other Services

During the three and six months ended June 30, 2024, the increases in advertising revenues and other services were primarily driven by an increase in advertising fund contributions by franchisees, as a result of increases in system-wide sales, and an increase in other services revenue.

During the three and six months ended June 30, 2024, the increases in advertising expenses and other services were primarily driven by an increase in advertising revenues and other services.

Segment G&A

During the three and six months ended June 30, 2024, Segment G&A remained relatively consistent with the prior year.

BK Segment	Three Months Ended June 30,		Variance	FX Impact (a)	Variance Excluding FX Impact	Six Months Ended June 30,		Variance	FX Impact (a)	Variance Excluding FX Impact
	2024	2023				2024	2023			
	Favorable / (Unfavorable)					Favorable / (Unfavorable)				
Revenues:										
Company restaurant sales	\$ 62	\$ 24	\$ 38	\$ —	\$ 38	\$ 120	\$ 43	\$ 78	\$ —	\$ 78
Franchise and property revenues (b)	178	186	(8)	—	(8)	353	358	(5)	—	(5)
Advertising revenues and other services (c)	124	117	7	—	7	241	223	18	—	18
Total revenues	364	327	37	—	37	714	624	91	—	91
Company restaurant expenses	57	22	(35)	—	(35)	110	39	(70)	—	(70)
Franchise and property expenses	28	32	4	—	4	61	68	7	—	7
Advertising expenses and other services	131	131	—	—	—	256	247	(9)	—	(9)
Segment G&A	36	35	(1)	—	(1)	72	69	(3)	—	(3)
Adjustments:										
Franchise agreement amortization (a)	2	3	—	—	—	4	6	(1)	—	(1)
Segment income	114	110	4	—	4	220	206	14	—	14

(b) For three and six months ended June 30, 2024, franchise and property revenues include intersegment revenues with RH consisting of royalties of \$10 million and rent of \$4 million.

(c) For three and six months ended June 30, 2024, advertising revenues and other services include intersegment revenues with RH consisting of advertising contributions and tech fees of \$10 million.

System-wide Sales

During the three months ended June 30, 2024, BK system-wide sales growth of (0.7)% was primarily driven by relatively flat comparable sales and net restaurant growth of (1.7)%. During the six months ended June 30, 2024, BK system-wide sales growth of 0.8% was primarily driven by comparable sales of 1.8%, partially offset by net restaurant growth of (1.7)%.

Company Restaurant Sales and Expenses

During the three and six months ended June 30, 2024, the increases in Company restaurant sales and expenses were primarily driven by increases in Company restaurants due to non-Carrols restaurant acquisitions from franchisees during 2024 and 2023.

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Franchise and Property

During the three and six months ended June 30, 2024, the decreases in franchise and property revenues were primarily driven by decreases in property revenues due to non-Carrols restaurant acquisitions from franchisees and restaurant closures during 2024 and 2023 that had related lease and sublease rental income.

During the three months ended June 30, 2024, the decrease in franchise and property expenses was primarily driven by a decrease in property expenses due to the reclassification of occupancy costs from franchise and property expenses to Company restaurant expenses related to non-Carrols restaurant acquisitions from franchisees and restaurant closures during 2024 and 2023 that had related leases with BK.

During the six months ended June 30, 2024, the decrease in franchise and property expenses was primarily driven by a decrease in property expenses due to the reclassification of occupancy costs from franchise and property expenses to Company restaurant expenses related to non-Carrols restaurant acquisitions from franchisees and restaurant closures during 2024 and 2023 that had related leases with BK and bad debt recoveries in 2024 compared to bad debt expenses in 2023.

Advertising and Other Services

During the three and six months ended June 30, 2024, the increases in advertising revenues and other services were primarily driven by an increase in advertising fund contributions from vendors.

During the three months ended June 30, 2024, advertising expenses and other services remained consistent with the prior year.

During the six months ended June 30, 2024, the increase in advertising expenses and other services was driven by the increase in advertising revenues and other services.

Segment G&A

During the three and six months ended June 30, 2024, Segment G&A remained relatively consistent with the prior year.

PLK Segment	Three Months Ended June 30,		Variance	FX Impact (a)	Variance Excluding FX Impact	Six Months Ended June 30,		Variance	FX Impact (a)	Variance Excluding FX Impact
	2024	2023				Favorable / (Unfavorable)				
Revenues:										
Company restaurant sales	\$ 33	\$ 22	\$ 11	\$ —	\$ 11	\$ 56	\$ 43	\$ 13	\$ —	\$ 13
Franchise and property revenues	85	82	3	—	3	165	155	11	—	11
Advertising revenues and other services	76	69	7	—	7	151	135	16	—	16
Total revenues	194	173	21	—	21	372	333	39	—	39
Company restaurant expenses	29	20	(9)	—	(9)	48	39	(9)	—	(9)
Franchise and property expenses	5	6	1	—	1	7	8	—	—	—
Advertising expenses and other services	78	70	(7)	—	(7)	154	137	(17)	—	(17)
Segment G&A	21	22	1	—	1	43	43	—	—	—
Adjustments:										
Franchise agreement amortization (a)	1	1	—	—	—	1	1	—	—	—
Segment income	62	56	6	—	6	120	107	13	—	13

System-wide Sales

During the three months ended June 30, 2024, PLK system-wide sales growth of 4.6% was primarily driven by net restaurant growth of 4.3% and comparable sales of 0.5%. During the six months ended June 30, 2024, PLK system-wide sales growth of 7.3% was primarily driven by net restaurant growth of 4.3% and comparable sales of 3.0%.

Company Restaurant Sales and Expenses

During the three and six months ended June 30, 2024, the increases in Company restaurant sales and expenses were driven by PLK Company restaurants acquired in connection with the Carrols Acquisition.

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Franchise and Property

During the three and six months ended June 30, 2024, the increases in franchise and property revenues were primarily driven by increases in royalties, as a result of increases in system-wide sales.

During the three months ended June 30, 2024, franchise and property expenses remained relatively consistent with the prior year.

Advertising and Other Services

During the three and six months ended June 30, 2024, the increases in advertising revenues and other services were primarily driven by increases in advertising fund contributions by franchisees, as a result of increases in system-wide sales, an increase in digital fees, and increases in advertising fund contributions from vendors.

During the three and six months ended June 30, 2024, the increases in advertising expenses and other services were primarily driven by increases in advertising revenues and other services.

Segment G&A

During the three and six months ended June 30, 2024, Segment G&A remained relatively consistent with the prior year.

FHS Segment	Three Months Ended June 30,		Variance	FX Impact (a)	Variance Excluding FX Impact	Six Months Ended June 30,		Variance	FX Impact (a)	Variance Excluding FX Impact	
	2024	2023				2024	2023				
	Favorable / (Unfavorable)					Favorable / (Unfavorable)					
Revenues:											
Company restaurant sales	\$ 10	\$ 10	\$ —	\$ —	\$ —	\$ 20	\$ 20	\$ —	\$ —	\$ —	
Franchise and property revenues	27	24	3	—	3	51	47	5	—	5	
Advertising revenues and other services	16	14	2	—	2	31	19	12	—	12	
Total revenues	53	48	5	—	5	103	85	18	—	18	
Company restaurant expenses	9	9	—	—	—	18	17	(1)	—	(1)	
Franchise and property expenses	2	2	—	—	—	3	4	1	—	1	
Advertising expenses and other services	17	14	(2)	—	(2)	32	19	(13)	—	(13)	
Segment G&A	14	13	(1)	—	(1)	28	26	(2)	—	(2)	
Adjustments:											
Franchise agreement amortization (a)	—	—	—	—	—	1	1	—	—	—	
Segment income	13	11	2	—	2	23	20	3	—	3	

System-wide Sales

During the three months ended June 30, 2024, FHS system-wide sales growth of 3.3% was primarily driven by net restaurant growth of 3.5% and relatively flat comparable sales. During the six months ended June 30, 2024, FHS system-wide sales growth of 3.5% was primarily driven by net restaurant growth of 3.5% and relatively flat comparable sales.

Company Restaurant Sales and Expenses

During the three and six months ended June 30, 2024, Company restaurant sales and expenses remained relatively consistent with the prior year.

Franchise and Property

During the three and six months ended June 30, 2024, the increases in franchise and property revenues were primarily driven by increases in franchise fees and other revenue.

During the three and six months ended June 30, 2024, franchise and property expenses remained relatively consistent with the prior year.

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Advertising and Other Services

During the three months ended June 30, 2024, advertising revenues and other services and advertising expenses and other services remained relatively consistent with the prior year.

During the six months ended June 30, 2024, the increases in advertising revenues and other services and advertising expenses and other services primarily reflect modification of the advertising fund arrangements to be more consistent with those of our other brands.

Segment G&A

During the three and six months ended June 30, 2024, Segment G&A remained relatively consistent with the prior year.

INTL Segment	Three Months Ended June 30,		Variance	FX Impact (a)	Variance Excluding FX Impact	Six Months Ended June 30,		Variance	FX Impact (a)	Variance Excluding FX Impact	
	2024	2023				2024	2023				
				Favorable / (Unfavorable)					Favorable / (Unfavorable)		
Revenues:											
Franchise and property revenues	\$ 213	\$ 203	\$ 10	\$ (7)	\$ 17	\$ 414	\$ 390	\$ 24	\$ (11)	\$ 36	
Advertising revenues and other services	20	16	4	—	4	41	32	9	1	8	
Total revenues	232	219	13	(7)	21	455	422	33	(11)	44	
Franchise and property expenses	4	5	1	—	1	12	9	(3)	—	(3)	
Advertising expenses and other services	22	18	(4)	—	(4)	45	35	(10)	(1)	(9)	
Segment G&A	49	45	(4)	—	(4)	102	91	(11)	(1)	(10)	
Adjustments:											
Franchise agreement amortization (a)	3	3	1	—	1	7	5	1	—	1	
Segment income	160	154	6	(7)	13	302	291	11	(12)	23	

System-wide Sales

During the three months ended June 30, 2024, INTL system-wide sales growth of 9.2% was primarily driven by net restaurant growth of 8.2% and comparable sales of 2.6%. During the six months ended June 30, 2024, INTL system-wide sales growth of 10.4% was primarily driven by net restaurant growth of 8.2% and comparable sales of 3.4%.

Franchise and Property

During the three and six months ended June 30, 2024, the increases in franchise and property revenues were primarily driven by increases in royalties, primarily at Burger King, as a result of increases in system-wide sales, partially offset by an unfavorable FX Impact.

During the three months ended June 30, 2024, franchise and property expenses remained relatively consistent with the prior year.

During the six months ended June 30, 2024, the increase in franchise and property expenses was primarily related to an increase in bad debt expenses.

Advertising and Other Services

During the three and six months ended June 30, 2024, the increases in advertising revenues and other services were primarily driven by increases in advertising fund contributions from franchisees and vendors in the limited number of markets where we manage the advertising funds.

During the three and six months ended June 30, 2024, the increases in advertising expenses and other services were primarily driven by increases in advertising revenues.

Segment G&A

During the three and six months ended June 30, 2024, the increases in Segment G&A were primarily driven by higher salary and employee-related costs for non-restaurant employees.

Non-GAAP Reconciliations

The table below contains information regarding Adjusted Operating Income, which is a non-GAAP measure. This non-GAAP measure does not have a standardized meaning under U.S. GAAP and may differ from a similar captioned measure of other companies in our industry. We believe this non-GAAP measure is useful to investors in assessing our operating performance, as it provides them with the same tools that management uses to evaluate our performance and is responsive to questions we receive from both investors and analysts. By disclosing this non-GAAP measure, we intend to provide investors with a consistent comparison of our operating results and trends for the periods presented. Adjusted Operating Income is defined as income from operations excluding (i) franchise agreement and reacquired franchise rights intangible asset amortization as a result of acquisition accounting, (ii) (income) loss from equity method investments, net of cash distributions received from equity method investments, (iii) other operating expenses (income), net and, (iv) income/expenses from non-recurring projects and non-operating activities. For the periods referenced, income/expenses from non-recurring projects and non-operating activities included (i) non-recurring fees and expenses incurred in connection with the Carrols Acquisition, and commencing in the third quarter of 2024 the PLK China Acquisition, consisting primarily of professional fees, compensation related expenses and integration costs; (ii) non-recurring fees and expense incurred in connection with the acquisition of Firehouse consisting of professional fees, compensation related expenses and integration costs; and (iii) non-operating costs from professional advisory and consulting services associated with certain transformational corporate restructuring initiatives that rationalize our structure and optimize cash movements as well as services related to significant tax reform legislation and regulations. Management believes that these types of expenses are either not related to our underlying profitability drivers or not likely to re-occur in the foreseeable future and the varied timing, size and nature of these projects may cause volatility in our results unrelated to the performance of our core business that does not reflect trends of our core operations.

Adjusted Operating Income is used by management to measure operating performance of the business, excluding these non-cash and other specifically identified items that management believes are not relevant to management's assessment of our operating performance. Adjusted Operating Income, as defined above, also represents our measure of segment income for each of our operating segments.

	Three Months Ended June 30,		Variance \$	Six Months Ended June 30,		Variance \$
	2024	2023	Favorable / (Unfavorable)	2024	2023	Favorable / (Unfavorable)
Income from operations	\$ 663	\$ 554	\$ 109	\$ 1,207	\$ 1,001	\$ 206
Franchise agreement and reacquired franchise rights amortization	11	8	(3)	19	16	(3)
RH Transaction costs	9	—	(9)	13	—	(13)
FHS Transaction costs	—	—	—	—	19	19
Corporate restructuring and advisory fees	6	7	1	8	12	4
Impact of equity method investments (a)	(64)	15	79	(64)	24	88
Other operating expenses (income), net	7	(7)	(14)	(11)	10	21
Adjusted Operating Income	<u>\$ 632</u>	<u>\$ 577</u>	<u>\$ 55</u>	<u>\$ 1,172</u>	<u>\$ 1,082</u>	<u>\$ 90</u>
Segment income:						
TH	\$ 269	\$ 246	\$ 23	\$ 493	\$ 458	\$ 35
BK	114	110	4	220	206	14
PLK	62	56	6	120	107	13
FHS	13	11	2	23	20	3
INTL	160	154	6	302	291	11
RH	14	—	14	14	—	14
Adjusted Operating Income	<u>632</u>	<u>577</u>	<u>55</u>	<u>\$ 1,172</u>	<u>\$ 1,082</u>	<u>\$ 90</u>

- (a) Represents (i) (income) loss from equity method investments and (ii) cash distributions received from our equity method investments. Cash distributions received from our equity method investments are included in segment income.

The increase in Adjusted Operating Income for the three and six months ended June 30, 2024 reflects an increase in segment income in all of our segments and the inclusion of RH segment income, partially offset by an unfavorable FX Impact of \$12 million and \$16 million, respectively.

Liquidity and Capital Resources

Our primary sources of liquidity are cash on hand, cash generated by operations and borrowings available under our Revolving Credit Facility (as defined below). We have used, and may in the future use, our liquidity to make required interest and/or principal payments, to repurchase our common shares, to repurchase Class B exchangeable limited partnership units of Partnership ("Partnership exchangeable units"), to voluntarily prepay and repurchase our or one of our affiliates' outstanding debt, to fund acquisitions and other investing activities, such as capital expenditures and joint ventures, and to pay dividends on our common shares and make distributions on the Partnership exchangeable units. Our liquidity requirements are significant, primarily due to debt service requirements.

As of June 30, 2024, we had cash and cash equivalents of \$942 million and borrowing availability of \$1,247 million under our senior secured revolving credit facility (the "Revolving Credit Facility"). Based on our current level of operations and available cash, we believe our cash flow from operations, combined with our availability under our Revolving Credit Facility, will provide sufficient liquidity to fund our current obligations, debt service requirements and capital spending over the next twelve months.

On May 16, 2024, we completed the acquisition of Carrols for a total cash purchase price of \$543 million. In connection with the Carrols Acquisition, we assumed approximately \$431 million of outstanding debt, all of which was fully extinguished as of June 30, 2024. The cash purchase price and extinguishment of debt assumed in the Carrols Acquisition was funded with a combination of cash on hand and \$750 million of incremental borrowings under our senior secured term loan facility.

In September 2022, Burger King shared the details of its "Reclaim the Flame" plan to accelerate sales growth and drive franchisee profitability. We are investing \$400 million over the life of the plan, comprised of \$150 million in advertising and digital investments ("Fuel the Flame") and \$250 million in high-quality remodels and relocations, restaurant technology, kitchen equipment, and building enhancements ("Royal Reset"). During the six months ended June 30, 2024, we funded \$12 million toward the Fuel the Flame investment and \$29 million toward our Royal Reset investment and as of June 30, 2024, we have funded a total of \$85 million toward the Fuel the Flame investment and \$90 million toward our Royal Reset investment.

In April 2024, Burger King announced plans to extend its Long-Term Royal Reset program with plans to invest an additional \$300 million in remodels from 2025 through 2028. Additionally, as previously announced, we will invest an additional \$500 million to remodel more than 600 Burger King restaurants acquired as part of the Carrols Acquisition.

On May 16, 2024, two of our subsidiaries (the "Borrowers") entered into a sixth incremental facility amendment and a ninth amendment (the "First 2024 Amendment") to the credit agreement governing our senior secured term loan A facility (the "Term Loan A"), our senior secured term loan B facility (the "Term Loan B" and together with the Term Loan A the "Term Loan Facilities") and our \$1,250 million senior secured revolving credit facility (including revolving loans, swingline loans and letters of credit) (the "Revolving Credit Facility" and together with the Term Loan Facilities, the "Credit Facilities"). The First 2024 Amendment increased the existing Term Loan B by \$750 million to \$5,912 million on the same terms as the existing Term Loan B. The 2024 Amendment also amended the interest rate applicable to the Canadian dollar loans under the Credit Agreement to be based on Term CORRA. The security and guarantees under the amended Credit Agreement are the same as those under the existing facilities. The First 2024 Amendment made no other material changes to the terms of the Credit Agreement. The proceeds from the increase in the Term Loan B were used, along with cash on hand, to complete the Carrols Acquisition, the repayment of amounts outstanding under the Carrols' credit agreement and the redemption and discharge of Carrols' outstanding senior notes.

On June 17, 2024, the Borrowers entered into a tenth amendment to the credit agreement governing our Credit Facilities (the "Second 2024 Amendment"). The Second 2024 Amendment repriced our Term Loan B from an interest rate equal to the Adjusted Term SOFR plus 2.25% to an interest rate equal to the Adjusted Term SOFR Rate plus 1.75% and reduced the outstanding principal amount of the Term Loan B facility from \$5,912 million to \$4,750 million using a portion of the net proceeds from the issuance of the 6.125% First Lien Senior Notes due 2029 (defined below). There were no changes to the maturity of the Term Loan B following this repricing and all other terms are substantially unchanged.

On June 17, 2024, the Borrowers entered into an indenture in connection with the issuance of \$1,200 million of 6.125% first lien senior notes due June 15, 2029 (the “6.125% First Lien Senior Notes due 2029”). No principal payments are due until maturity and interest is paid semi-annually. The net proceeds from the offering of the 6.125% First Lien Senior Notes due 2029 were used to refinance a portion of the Term Loan B, pay related fees and expenses and for general corporate purposes.

On August 31, 2023, our board of directors approved a share repurchase authorization of up to \$1,000 million of our common shares until September 30, 2025. This approval follows the expiration of RBI's prior two-year authorization to repurchase up to the same \$1,000 million of our common shares. On September 13, 2023, we announced that the Toronto Stock Exchange (the “TSX”) had accepted and approved the notice of our intention to renew the normal course issuer bid, permitting the repurchase up to 30,895,637 common shares for the 12-month period ending on September 14, 2024. We plan to submit a new normal course issuer bid, subject to TSX approval, to be effective following the expiration of the current one in September 2024. Share repurchases under the normal course issuer bid will be made through the facilities of the TSX, the New York Stock Exchange (the “NYSE”) and/or other exchanges and alternative Canadian or foreign trading systems, if eligible, or by such other means as may be permitted by the TSX and/or the NYSE under applicable law. Shareholders may obtain a copy of the prior notice, free of charge, by contacting us. During the six months ended June 30, 2024, we did not repurchase any RBI common shares on the open market and as of June 30, 2024, had \$500 million remaining under the authorization. Repurchases under the Company's authorization will be made in the open market or through privately negotiated transactions.

We generally provide applicable deferred taxes based on the tax liability or withholding taxes that would be due upon repatriation of cash associated with unremitted earnings. We will continue to monitor our plans for such cash and related foreign earnings but our expectation is to continue to provide taxes on unremitted earnings that we expect to distribute.

Debt Instruments and Debt Service Requirements

As of June 30, 2024, our total debt consists primarily of borrowings under our Credit Facilities, amounts outstanding under our 5.75% First Lien Senior Notes due 2025, 3.875% First Lien Senior Notes due 2028, 3.50% First Lien Senior Notes due 2029, 6.125% First Lien Senior Notes due 2029, 4.375% Second Lien Senior Notes due 2028, 4.00% Second Lien Senior Notes due 2030 (together, the “Senior Notes”), TH Facility, and obligations under finance leases. For further information about our total debt, see Note 11 to the accompanying unaudited condensed consolidated financial statements included in this report.

As of June 30, 2024, there was \$6,025 million outstanding principal amount under our Term Loan Facilities with a weighted average interest rate of 6.94%. The interest rate applicable to borrowings under our Term Loan A and Revolving Credit Facility is, at our option, either (i) a base rate, subject to a floor of 1.00%, plus an applicable margin varying from 0.00% to 0.50%, or (ii) Term SOFR (Secured Overnight Financing Rate), subject to a floor of 0.00%, plus an applicable margin varying between 0.75% to 1.50%, in each case, determined by reference to a net first lien leverage based pricing grid. The interest rate applicable to borrowings under our Term Loan B is, at our option, either (i) a base rate, subject to a floor of 1.00%, plus an applicable margin of 0.75%, or (ii) Term SOFR, subject to a floor of 0.00%, plus an applicable margin of 1.75%.

Based on the amounts outstanding under the Term Loan Facilities and SOFR as of June 30, 2024, subject to a floor of 0.00%, required debt service for the next twelve months is estimated to be approximately \$428 million in interest payments and \$63 million in principal payments. In addition, based on SOFR as of June 30, 2024, net cash settlements that we expect to receive on our \$4,120 million interest rate swaps are estimated to be approximately \$130 million for the next twelve months. Based on the amounts outstanding at June 30, 2024, required debt service for the next twelve months on all of the Senior Notes outstanding is approximately \$331 million in interest payments and \$500 million in principal payments. Based on the amounts outstanding under the TH Facility as of June 30, 2024, required debt service for the next twelve months is estimated to be approximately \$7 million in interest payments and \$16 million in principal payments. We expect to be opportunistic refinancing our upcoming debt maturities.

Restrictions and Covenants

As of June 30, 2024, we were in compliance with all applicable financial debt covenants under the Credit Facilities, the TH Facility, and the indentures governing our Senior Notes.

Cash Dividends

On July 5, 2024, we paid a dividend of \$0.58 per common share and Partnership made a distribution in respect of each Partnership exchangeable unit in the amount of \$0.58 per Partnership exchangeable unit.

Our board of directors has declared a cash dividend of \$0.58 per common share, which will be paid on October 4, 2024 to common shareholders of record on September 20, 2024. Partnership will also make a distribution in respect of each Partnership

exchangeable unit in the amount of \$0.58 per Partnership exchangeable unit, and the record date and payment date for distributions on Partnership exchangeable units are the same as the record date and payment date set forth above.

In addition, because we are a holding company, our ability to pay cash dividends on our common shares may be limited by restrictions under our debt agreements. Although we do not have a formal dividend policy, our board of directors may, subject to compliance with the covenants contained in our debt agreements and other considerations, determine to pay dividends in the future. We expect to pay all dividends from cash generated from our operations.

Outstanding Security Data

As of August 1, 2024, we had outstanding 317,025,113 common shares and one special voting share. The special voting share is held by a trustee, entitling the trustee to that number of votes on matters on which holders of common shares are entitled to vote equal to the number of Partnership exchangeable units outstanding. The trustee is required to cast such votes in accordance with voting instructions provided by holders of Partnership exchangeable units. At any shareholder meeting of the Company, holders of our common shares vote together as a single class with the special voting share except as otherwise provided by law. For information on our share-based compensation and our outstanding equity awards, see Note 13 to the audited consolidated financial statements in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the U.S. Securities and Exchange Commission (the “SEC”) and Canadian securities regulatory authorities on February 22, 2024.

There were 133,576,590 Partnership exchangeable units outstanding as of August 1, 2024. During the six months ended June 30, 2024, Partnership exchanged 16,620 Partnership exchangeable units pursuant to exchange notices received. The holders of Partnership exchangeable units have the right to require Partnership to exchange all or any portion of such holder’s Partnership exchangeable units for our common shares at a ratio of one share for each Partnership exchangeable unit, subject to our right as the general partner of Partnership to determine to settle any such exchange for a cash payment in lieu of our common shares.

Comparative Cash Flows

Operating Activities

Cash provided by operating activities was \$482 million for the six months ended June 30, 2024, compared to \$487 million during the same period in the prior year. The decrease in cash provided by operating activities was primarily driven by an increase in cash used for working capital, an increase in income tax payments and an increase in interest payments, partially offset by an increase in segment income in TH, BK, PLK, INTL and FHS and the inclusion of RH segment income.

Investing Activities

Cash used for investing activities was \$559 million for the six months ended June 30, 2024, compared to \$8 million during the same period in the prior year. This change was primarily driven by the Carrols Acquisition, payments for the acquisition of Non-Carrols restaurants from franchisees and an increase in capital expenditures.

Financing Activities

Cash used for financing activities was \$112 million for the six months ended June 30, 2024, compared to \$448 million during the same period in the prior year. The change in cash used for financing activities was driven primarily by an increase in proceeds from long-term debt, partially offset by an increase in repayments of long-term debt, including debt assumed in the Carrols Acquisition, and the current year payment of financing costs.

Contractual Obligations

There have been no significant changes to our contractual obligations as disclosed in our 2023 Annual Report filed on Form 10-K except as described herein and in Note 4 – *Carrols Acquisition* in the notes to the accompanying unaudited condensed consolidated financial statements.

Critical Accounting Policies and Estimates

For information regarding our Critical Accounting Policies and Estimates, see the “Critical Accounting Policies and Estimates” section of “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K, filed with the SEC on February 22, 2024.

New Accounting Pronouncements

See Note 3 – *New Accounting Pronouncements* in the notes to the accompanying unaudited condensed consolidated financial statements.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

There were no material changes during the six months ended June 30, 2024 to the disclosures made in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC and Canadian securities regulatory authorities on February 22, 2024.

Item 4. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

An evaluation was conducted under the supervision and with the participation of management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and Exchange Act Rules 15d-15(e)) as of June 30, 2024. Based on that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were effective as of such date.

Changes in Internal Controls

We are in the process of integrating Carrols into our overall internal control over financial reporting processes.

Internal Control Over Financial Reporting

The Company's management, including the CEO and CFO, confirm there were no changes in the Company's internal control over financial reporting during the three months ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting, other than the integration of Carrols as described above.

Special Note Regarding Forward-Looking Statements

Certain information contained in this report, including information regarding future financial performance and plans, targets, aspirations, expectations, and objectives of management, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of Canadian securities laws. We refer to all of these as forward-looking statements. Forward-looking statements are forward-looking in nature and, accordingly, are subject to risks and uncertainties. These forward-looking statements can generally be identified by the use of words such as "believe", "anticipate", "expect", "intend", "estimate", "plan", "continue", "will", "may", "could", "would", "target", "potential" and other similar expressions and include, without limitation, statements regarding our expectations or beliefs regarding (i) the effects and continued impact of the conflict in the Middle East and related macro-economic pressures, such as inflation, rising interest rates and currency fluctuations on our results of operations, business, liquidity, prospects and restaurant operations and those of our franchisees; (ii) our expectation regarding additional investments in Burger King restaurants acquired as part of the Carrols Acquisition; (iii) our future financial obligations, including annual debt service requirements, capital expenditures and dividend payments, our ability to meet such obligations and the source of funds used to satisfy such obligations; (iv) our exposure to changes in interest rates, foreign currency exchange rates and the consumer environment and the impact of changes in interest rates, foreign currency exchange rates and the consumer environment on the amount of our interest payments, future results of operations and future cash flows; (v) certain tax matters, including our estimates with respect to tax matters and their impact on future periods; (vi) the amount of net cash settlements we expect to pay or receive on our derivative instruments and (vii) certain accounting matters.

Our forward-looking statements, included in this report and elsewhere, represent management's expectations as of the date that they are made. Our forward-looking statements are based on assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. However, these forward-looking statements are subject to a number of risks and uncertainties and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results, level of activity, performance or achievements to differ materially from those expressed or implied by these forward-looking statements include, among other things, risks related to: (1) our substantial indebtedness, which could adversely affect our financial condition and prevent us from fulfilling our obligations; (2) global economic or other business conditions that may affect the desire or ability of our customers to purchase our products, such as inflationary pressures, high unemployment levels, declines in median income growth, consumer confidence and consumer discretionary spending and changes in consumer perceptions of dietary health and food safety; (3) our relationship with, and the success of, our franchisees and risks related to our nearly fully franchised business model; (4) our franchisees' financial stability and their ability to access and maintain the liquidity necessary to operate their businesses; (5) our supply chain operations; (6) our ownership and leasing of real estate; (7) the effectiveness of our marketing, advertising and digital programs and franchisee support of these programs; (8) significant and rapid fluctuations in interest rates and in the currency exchange markets and the effectiveness of our hedging activity; (9) our ability to successfully implement our domestic and international growth strategy for each of our brands and risks related to our international operations; (10) our reliance on franchisees, including subfranchisees to accelerate restaurant growth; (11) unforeseen events such as pandemics; (12) the ability of the counterparties to our credit facilities' and derivatives' to fulfill their commitments and/or obligations; (13) changes in applicable tax laws or interpretations thereof, and our ability to accurately interpret and predict the impact of such changes or interpretations on our financial condition and results; (14) evolving legislation and regulations in the area of franchise and labor and employment law; (15) our ability to address environmental and social sustainability issues; (16) the conflict between Russia and Ukraine, and the conflict in the Middle East and (17) softening in the consumer environment.

We operate in a very competitive and rapidly changing environment and our inability to successfully manage any of the above risks may permit our competitors to increase their market share and may decrease our profitability. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Finally, our future results will depend upon various other risks and uncertainties, including, but not limited to, those detailed in Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC and Canadian securities regulatory authorities on February 22, 2024, as well as other materials that we from time to time file with, or furnish to, the SEC or file with Canadian securities regulatory authorities. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements in this section and elsewhere in this report. Other than as required under securities laws, we do not assume a duty to update these forward-looking statements, whether as a result of new information, subsequent events or circumstances, changes in expectations or otherwise.

Part II – Other Information

Item 1. Legal Proceedings

See Part I, Notes to Condensed Consolidated Financial Statements, Note 16, *Commitments and Contingencies*.

Item 5. Other Information

During the three months ended June 30, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

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Item 6. Exhibits

Exhibit Number	Description
10.90	Purchase Agreement, dated as of June 6, 2024, among Morgan Stanley & Co. LLC as representative of the several Initial Purchasers (as defined therein), the Issuers (as defined therein) and the Guarantors (as defined therein).
31.1	Certification of Chief Executive Officer of Restaurant Brands International Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer of Restaurant Brands International Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer of Restaurant Brands International Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer of Restaurant Brands International Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive File (formatted as Inline XBRL and contained in Exhibit 101)

* Management contract or compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RESTAURANT BRANDS INTERNATIONAL INC.
(Registrant)

Date: August 8, 2024

By:	<u>/s/ Sami Siddiqui</u>	
	Name:	Sami Siddiqui
	Title:	Chief Financial Officer (principal financial officer) (duly authorized officer)

1011778 B.C. UNLIMITED LIABILITY COMPANY
NEW RED FINANCE, INC.

\$1,200,000,000

6.125% First Lien Senior Secured Notes due 2029

Purchase Agreement

June 6, 2024

Morgan Stanley & Co. LLC
as Representative of the
several Initial Purchasers listed
in Schedule 1 hereto

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

Ladies and Gentlemen:

1011778 B.C. Unlimited Liability Company, an unlimited liability company organized under the laws of British Columbia (the “Company”), and New Red Finance, Inc., a Delaware corporation and a direct wholly owned subsidiary of the Company (the “Co-Issuer” and, together with the Company, the “Issuers” and each, individually, an “Issuer”), propose, subject to the terms and conditions stated herein, to issue and sell to the several initial purchasers listed in Schedule 1 hereto (the “Initial Purchasers”), for whom you are acting as representative (the “Representative”), \$1,200,000,000 aggregate principal amount of their 6.125% First Lien Senior Secured Notes due 2029 (the “Securities”). The Securities will be issued pursuant to an Indenture to be dated as of the Closing Date (as defined in Section 2 hereof) (the “Indenture”) among the Issuers, certain subsidiaries of Restaurant Brands International Limited Partnership (the “Partnership”) listed on Schedule 2 hereto (the “Guarantors”) and Wilmington Trust, National Association, as trustee (in such capacity, the “Trustee”) and as collateral agent (in such capacity, the “Collateral Agent”), and will be guaranteed on a senior secured first priority basis by each of the Guarantors (the “Guarantees”).

The Securities and the Guarantees will be secured by a first-priority lien (which will be *pari passu* in right of payment and security with the liens securing obligations in respect of the Credit Agreement (as defined below) and the Existing First Lien Notes (as defined below)), subject to certain Permitted Liens (as defined below), on substantially all of the tangible and intangible assets of the Issuers and the Guarantors, now owned or hereafter acquired by either of the Issuers or any Guarantor, that secure borrowings under the Credit Agreement on a *pari passu* first-priority basis, subject to certain exceptions described in the Time of Sale Information and

the Offering Memorandum (each as defined below) (the “Collateral”). The Collateral shall be described in (a) with respect to fee-owned real property that constitutes Collateral, the mortgages, debentures, hypothecs, deeds of trust or deeds to secure debt (collectively, the “Mortgages”) pursuant to the terms of Schedule 3 hereto, (b) with respect to personal property that constitutes Collateral, that certain U.S. security agreement, dated as of the Closing Date (as defined below) (as amended, supplemented or otherwise modified from time to time, the “U.S. Security Agreement”), by and among the Co-Issuer, the Guarantors party thereto and the Collateral Agent, that certain Canadian security agreement, dated as of the Closing Date (as amended, supplemented or otherwise modified from time to time, the “Canadian Security Agreement”), by and among the Company, the Guarantors party thereto and the Collateral Agent, and that certain deed of hypothec (Quebec), dated, subject to Schedule 3, as of or prior to the Closing Date (as amended, supplemented or otherwise modified from time to time, the “Deed of Hypothec” and, together with the Canadian Security Agreement and the U.S. Security Agreement, the “Security Agreements”) by and among the Guarantors party thereto and the Collateral Agent, and (c) with respect to the grants of security interest in registrations and/or applications for trademarks, patents and copyrights (and exclusive licenses in any of the foregoing) in the Intellectual Property Security Agreements (as defined below), granting a first-priority security interest in the Collateral, subject to Permitted Liens, for the benefit of the Collateral Agent, the Trustee and each holder of the Securities and the successors and assigns of the foregoing (collectively, the “Secured Parties”). The term “Collateral Documents” as used herein shall mean the Mortgages, the Security Agreements, the Intellectual Property Security Agreements and the Intercreditor Agreements (as defined below).

The rights of the holders of the Securities with respect to the Collateral shall be further governed by:

(i) that certain Intercreditor Agreement, dated as of December 12, 2014, between Wilmington Trust, National Association, as collateral agent for the holders of the Issuers’ (redeemed) \$2,250,000,000 6.00% Second Lien Senior Secured Notes due 2022, and the Credit Facilities Agent (as defined below), as supplemented by (q) that certain Joinder No. 1, dated as of May 22, 2015, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as trustee and collateral agent (the “2022 First Lien Notes Collateral Agent”) for the holders of the Issuers’ (redeemed) \$1,250,000,000 4.625% First Lien Senior Secured Notes due 2022, (r) that certain Joinder No. 2, dated as of May 17, 2017, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent (the “2024 First Lien Notes Collateral Agent”) for the holders of the Issuers’ (redeemed) \$1,500,000,000 aggregate principal amount of 4.250% First Lien Senior Secured Notes due 2024, (s) that certain Joinder No. 3, dated as of August 28, 2017, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent for the holders of the Issuers’ (redeemed) \$1,300,000,000 aggregate principal amount of 5.000% Second Lien Senior Secured Notes due 2025, (t) that certain Joinder No. 4, dated as of October 4, 2017, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust,

National Association, as collateral agent for the holders of the Issuers' (redeemed) \$1,500,000,000 aggregate principal amount of 5.000% Second Lien Senior Secured Notes due 2025, (u) that certain Joinder No. 5, dated as of September 24, 2019, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent (the "2028 First Lien Notes Collateral Agent") for the holders of the Issuers' \$750,000,000 aggregate principal amount of 3.875% First Lien Senior Secured Notes due 2028 (the "2028 First Lien Notes"), (v) that certain Joinder No. 6, dated as of November 19, 2019, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent for the holders of the Issuers' \$750,000,000 aggregate principal amount of 4.375% Second Lien Senior Secured Notes due 2028 (the "2028 Second Lien Notes"), (w) that certain Joinder No. 7, dated as of April 7, 2020, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent (the "2025 First Lien Notes Collateral Agent") for the holders of the Issuers' \$500,000,000 aggregate principal amount of 5.750% First Lien Senior Secured Notes due 2025 (the "2025 First Lien Notes"), (x) that certain Joinder No. 8, dated as of October 5, 2020, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent for the holders of the Issuers' \$1,400,000,000 aggregate principal amount of 4.000% Second Lien Senior Secured Notes due 2030 (the "2030 Second Lien Notes"), (y) that certain Joinder No. 9, dated as of November 2, 2020, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent for the holders of the Issuers' \$1,500,000,000 aggregate principal amount of 4.000% Second Lien Senior Secured Notes due 2030 (the "Additional 2030 Second Lien Notes" and, together with the 2028 Second Lien Notes and the 2030 Second Lien Notes, the "Existing Second Lien Notes"), (z) that certain Joinder No. 10, dated as of November 9, 2020, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent (the "2029 First Lien Notes Collateral Agent") for the holders of the Issuers' \$750,000,000 aggregate principal amount of 3.50% First Lien Senior Secured Notes due 2029 (the "2029 First Lien Notes"), (aa) that certain Joinder No. 11, dated as of July 6, 2021, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent for the holders of the Issuers' \$800,000,000 aggregate principal amount of 3.875% First Lien Senior Secured Notes due 2028 (the "Additional 2028 First Lien Notes", and together with the 2025 First Lien Notes, the 2028 First Lien Notes and the 2029 First Lien Notes, the "Existing First Lien Notes"), and (bb) that certain Joinder No. 12 (the "First Lien-Second Lien Intercreditor Agreement Joinder No. 12"), to be dated as of the Closing Date, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and the Collateral Agent (collectively, the "First Lien-Second Lien Intercreditor Agreement"); and

(ii) that certain Intercreditor Agreement, dated as of May 22, 2015, between the 2022 First Lien Notes Collateral Agent and the Credit Facilities Agent, as Applicable

Authorized Representative (as defined therein), and acknowledged by the Issuers and the Guarantors (the “Existing First Lien Intercreditor Agreement”), as supplemented by (w) that certain Joinder No. 1, dated as of May 17, 2017, by the 2024 First Lien Notes Collateral Agent and acknowledged by the Credit Facilities Agent, as Applicable Authorized Representative (as defined therein), the Issuers and the Guarantors (the “First Lien Intercreditor Agreement Joinder No. 1”), (x) that certain Joinder No. 2, dated as of September 24, 2019, by the 2028 First Lien Notes Collateral Agent and acknowledged by the Credit Facilities Agent, as Applicable Authorized Representative (as defined therein), the Issuers and the Guarantors (the “First Lien Intercreditor Agreement Joinder No. 2”), (y) that certain Joinder No. 3, dated as of April 7, 2020, by the 2025 First Lien Notes Collateral Agent and acknowledged by the Credit Facilities Agent, as Applicable Authorized Representative (as defined therein), the Issuers and the Guarantors (the “First Lien Intercreditor Agreement Joinder No. 3”), (z) that certain Joinder No. 4, dated as of November 9, 2020 by the 2029 First Lien Notes Collateral Agent and acknowledged by the Credit Facilities Agent, as Applicable Authorized Representative (as defined therein), the Issuers and the Guarantors (the “First Lien Intercreditor Agreement Joinder No. 4”) and (aa) that certain Joinder No. 5 to be dated as of the Closing Date by the Collateral Agent and acknowledged by the Credit Facilities Agent, as Applicable Authorized Representative (as defined therein), the Issuers and the Guarantors (the “First Lien Intercreditor Agreement Joinder No. 5” and, together with the Existing First Lien Intercreditor Agreement, the First Lien Intercreditor Agreement Joinder No. 1, the First Lien Intercreditor Agreement Joinder No. 2, the First Lien Intercreditor Agreement Joinder No. 3, and Intercreditor Agreement Joinder No. 4, the “First Lien Intercreditor Agreement” and together, with the First Lien-Second Lien Intercreditor Agreement, the “Intercreditor Agreements”).

As described in the Time of Sale Information and the Offering Memorandum under the caption “Use of proceeds,” the Issuers expect to use the net proceeds of the offering of the Securities to refinance a portion of the the Issuers’ senior secured first lien term loan B facility (the “Term Loan B Facility”) and pay related fees and expenses, with the remainder, if any, to be used for general corporate purposes. The issuance and sale of the Securities and the use of proceeds therefrom as described above and the execution and delivery of this Agreement, the Indenture (including each Guarantee set forth therein), the Securities and the Collateral Documents (such documents, collectively, the “Transaction Documents”), in each case including the transactions contemplated thereby, are herein collectively referred to as the “Transactions.”

The Securities will be sold to the Initial Purchasers who may resell all or a portion of the Securities to purchasers (“Subsequent Purchasers”) without being registered under the Securities Act of 1933, as amended (the “Securities Act”), in reliance upon an exemption therefrom and without the filing of a prospectus with any securities commission or other securities regulatory authority in any province or territory of Canada under the applicable securities laws of each of the provinces and territories of Canada and the respective regulations and rules made thereunder together with all applicable published policy statements, notices, blanket orders and rulings of each such jurisdiction’s securities regulatory authorities (collectively, the “Canadian Securities Laws”). A portion of the Securities may be offered and sold in the provinces of British

Columbia, Alberta, Ontario and Quebec (collectively, the “Offering Provinces”) on a private placement basis to “accredited investors”, as defined in National Instrument 45-106 – *Prospectus Exemptions* (“NI 45-106”) or, in Ontario, as defined in Section 73.3(1) of the Securities Act (Ontario) (except, in each case, for the criteria set out in paragraph (j), (k) or (l) of such definition in NI 45-106) that are also “permitted clients”, as defined in Section 1.1 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“NI 31-103”), in reliance upon the “accredited investor” exemption from the prospectus requirements of the applicable Canadian Securities Laws provided for in section 2.3 of NI 45-106 or, in Ontario, subsection 73.3(2) of the Securities Act (Ontario) (such offer and sale, the “Canadian Private Placement”).

The Issuers and the Guarantors have prepared a preliminary offering memorandum dated June 6, 2024 (the “Preliminary Offering Memorandum”) and will prepare an offering memorandum dated the date hereof (the “Offering Memorandum”) setting forth information concerning the Issuers, the Guarantors (including each of their respective subsidiaries), the Securities and the Guarantees. Copies of the Preliminary Offering Memorandum have been, and copies of the Offering Memorandum will be, delivered by the Issuers to the Initial Purchasers pursuant to the terms of this Purchase Agreement (this “Agreement”). The Issuers hereby jointly and severally represent that they have authorized the use of the Preliminary Offering Memorandum, the other Time of Sale Information (as defined below) and the Offering Memorandum in connection with the offering and resale of the Securities by the Initial Purchasers in the manner contemplated by this Agreement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Time of Sale Information. References herein to the Preliminary Offering Memorandum, the Time of Sale Information and the Offering Memorandum shall be deemed to refer to and include any document incorporated by reference therein and any reference to “amend,” “amendment” or “supplement” with respect to the Preliminary Offering Memorandum or the Offering Memorandum shall be deemed to refer to and include any documents filed after such date and incorporated by reference therein.

At or prior to the time when sales of the Securities were first made (the “Time of Sale”), the Issuers shall have prepared the following information (collectively, the “Time of Sale Information”): the Preliminary Offering Memorandum, as supplemented and amended by the written communications listed on Annex A hereto.

Each of the Issuers and the Guarantors hereby jointly and severally agrees with the several Initial Purchasers concerning the purchase and resale of the Securities, as follows:

1. Purchase and Resale of the Securities. (a) On the basis of the representations, warranties and agreements set forth herein, the Issuers jointly agree to issue and sell the Securities to the several Initial Purchasers as provided in this Agreement, and each Initial Purchaser, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, agrees, severally and not jointly, to purchase from the Issuers the respective principal amount of the Securities set forth opposite such Initial Purchaser’s name in Schedule 1 hereto at a price equal to 99.370% of the principal amount thereof plus accrued interest, if any, from June 17, 2024 to the Closing Date. The Issuers will not

be obligated to deliver any of the Securities except upon payment for all the Securities to be purchased as provided herein.

(b) The Issuers understand that the Initial Purchasers intend to offer the Securities for resale on the terms set forth in the Time of Sale Information. Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) it is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act (a “QIB”) and an accredited investor within the meaning of Rule 501(a) of Regulation D under the Securities Act (“Regulation D”);

(ii) neither it nor any person engaged by it has solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act; and

(iii) neither it nor any person engaged by it has solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities as part of their initial offering except:

(A) to persons whom it reasonably believes to be QIBs in transactions pursuant to Rule 144A under the Securities Act (“Rule 144A”) and in connection with each such sale, it has taken or will take reasonable steps to ensure that the purchaser of the Securities is aware that such sale is being made in reliance on Rule 144A; or

(B) in accordance with the restrictions set forth in Annex C hereto.

(c) Each Initial Purchaser acknowledges and agrees that the Issuers and, for purposes of the “no registration” opinions (and equivalent exempt distribution opinions in respect of the Canadian Private Placement) to be delivered to the Initial Purchasers pursuant to Section 6(f)(i) and Section 6(f)(ii) and Section 6(g), counsel for the Issuers and counsel for the Initial Purchasers, respectively, may rely upon the accuracy of the representations and warranties of the Initial Purchasers, and compliance by the Initial Purchasers with their agreements, contained in paragraph (b) above (including Annex C hereto) and Section 5, and each Initial Purchaser hereby consents to such reliance.

(d) Each Issuer and each of the Guarantors acknowledge and agree that the Initial Purchasers may offer and sell Securities to or through any affiliate of an Initial Purchaser and that any such affiliate may offer and sell Securities purchased by it to or through any Initial Purchaser; provided that such offers and sales shall be made in accordance with the provisions of this Agreement (including Annex C hereto).

(e) The Issuers and the Guarantors acknowledge and agree that each Initial Purchaser is acting solely in the capacity of an arm’s-length contractual counterparty to the Issuers and the

Guarantors with respect to the offering of Securities contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or fiduciary to, or agent of, the Issuers, the Guarantors or any other person. Additionally, neither the Representative nor any other Initial Purchaser is advising the Issuers, the Guarantors or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Issuers and the Guarantors shall consult with their own advisors concerning such matters and shall be responsible for making their own independent investigation and appraisal of the transactions contemplated hereby, and neither the Representative nor any other Initial Purchaser shall have any responsibility or liability to the Issuers or the Guarantors with respect thereto. Any review by the Representative or any Initial Purchaser of the Issuers, the Guarantors, any other person and the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Representative or such Initial Purchaser, as the case may be, and shall not be on behalf of the Issuers, the Guarantors or any other person. The Issuers and the Guarantors agree that they will not claim that the Initial Purchasers, or any of them, have rendered services of any nature, or owe a fiduciary or similar duty to the Issuers or the Guarantors, in connection with the purchase and sale of the Securities pursuant to this Agreement or the process leading thereto.

2. Payment and Delivery. (a) Payment for and delivery of the Securities will be made at the offices of Latham & Watkins LLP at 10:00 a.m., New York City time, on June 17, 2024, or at such other time or place on the same or such other date as the Representative and the Issuers may agree upon in writing not later than the fifth business day thereafter. The time and date of such payment and delivery is referred to herein as the “Closing Date.”

(b) Payment for the Securities shall be made by wire transfer in immediately available funds to the account(s) specified by the Issuers to the Representative against delivery to the nominee of The Depository Trust Company (“DTC”), for the account of the Initial Purchasers, of one or more global notes representing the Securities (collectively, the “Global Note”), with any transfer and other stamp, excise or similar taxes payable in connection with the sale of the Securities duly paid by the Issuers. The Global Note will be made available for inspection by the Representative not later than 1:00 p.m., New York City time, on the business day prior to the Closing Date.

3. Representations and Warranties of the Issuers and the Guarantors. Each of the Issuers and the Guarantors hereby jointly and severally represents and warrants to each Initial Purchaser that:

(a) *Preliminary Offering Memorandum, Time of Sale Information and Offering Memorandum.* The Preliminary Offering Memorandum, as of its date, did not, the Time of Sale Information, at the Time of Sale, did not, and at the Closing Date, will not, and the Offering Memorandum, at the time first used by the Initial Purchasers to confirm sales of the Securities and as of the Closing Date, will not, contain any Misrepresentation; provided that the Issuers and the Guarantors make no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Initial Purchaser furnished to the Issuers or the Guarantors in writing by or on behalf of such Initial Purchaser

through the Representative expressly for use in the Preliminary Offering Memorandum, the Time of Sale Information or the Offering Memorandum. For the purposes of this Agreement, “Misrepresentation” means an untrue statement of a material fact or an omission to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) *Additional Written Communications.* Neither the Issuers nor the Guarantors (including their respective agents and representatives, other than the Initial Purchasers in their capacity as such) have prepared, used, authorized or approved, nor will they prepare, use, authorize or approve, any written communication that constitutes an offer to sell or solicitation of an offer to buy the Securities (each such communication by an Issuer, the Guarantors or their respective agents and representatives (other than a communication referred to in clauses (i), (ii) and (iii) below), an “Issuer Written Communication”) other than (i) the Preliminary Offering Memorandum, (ii) the Offering Memorandum, (iii) the documents listed on Annex A hereto, including a term sheet substantially in the form of Annex B hereto, which constitute part of the Time of Sale Information, and (iv) any electronic road show or other written communications, in each case used in accordance with Section 4(c) hereof. Each such Issuer Written Communication, when taken together with the Time of Sale Information at the Time of Sale, did not, and at the Closing Date will not, contain any Misrepresentation; provided that the Issuers and the Guarantors make no representation and warranty with respect to any statements or omissions made in each such Issuer Written Communication in reliance upon and in conformity with information relating to any Initial Purchaser furnished to the Issuers or the Guarantors in writing by or on behalf of such Initial Purchaser through the Representative expressly for use in any Issuer Written Communication.

(c) *Incorporated Documents.* The documents incorporated by reference in each of the Time of Sale Information and the Offering Memorandum, when filed with the Securities and Exchange Commission (the “Commission”), conformed or will conform, as the case may be, in all material respects to the requirements of the Exchange Act, and the rules and regulations of the Commission thereunder, and did not and will not contain any Misrepresentation.

(d) *Financial Statements.* The consolidated financial statements and the related notes thereto of Restaurant Brands International Inc. (“Parent”) and the Partnership and its subsidiaries included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum present fairly in all material respects the consolidated financial position of Parent and its subsidiaries and the Partnership and its subsidiaries, respectively, as of the dates indicated and the results of their operations and the changes in their cash flows for the periods specified; and such financial statements have been prepared in conformity with U.S. generally accepted accounting principles, applied on a consistent basis throughout the periods covered thereby (except with respect to FASB Accounting Standards Codification (“ASC”) Topic 606, Revenue from Contracts with Customers and ASC Topic 842, Leases); the other financial information included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum has been derived from the accounting records of Parent and its subsidiaries and the Partnership and its subsidiaries, as applicable, and present fairly in all material respects the information shown thereby. The interactive data in eXtensible Business Reporting Language

incorporated by reference in each of the Time of Sale Information and the Offering Memorandum fairly presents the information called for in all material respects and is prepared in accordance with the Commission's rules and guidelines applicable thereto.

(e) *No Material Adverse Change.* Since the date of the most recent financial statements of Parent and its subsidiaries included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum except as disclosed in such financial statements, (i) other than as described in the Time of Sale Information and the Offering Memorandum, there has not been any change in the capital stock or long-term debt of the Company, the Co-Issuer or any of their respective subsidiaries, or any dividend or distribution of any kind, other than internal cash distributions, declared, set aside for payment, paid or made by either Issuer, Parent or the Partnership on any class of capital stock, or any material adverse change, or any development involving a prospective material adverse change, in or affecting the business, assets, management, financial position or results of operations of the Issuers and their respective subsidiaries taken as a whole; (ii) none of the Company, the Co-Issuer nor any of their respective subsidiaries has entered into any transaction or agreement that is material to the Issuers and their respective subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Issuers and their respective subsidiaries taken as a whole; and (iii) none of the Company, the Co-Issuer nor any of their respective subsidiaries has sustained any loss or interference with its business that is material to the Company, the Co-Issuer or any of their respective subsidiaries taken as a whole and that is either from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in respect of clauses (i), (ii) and (iii) above as otherwise disclosed in each of the Time of Sale Information and the Offering Memorandum.

(f) *Organization and Good Standing.* The Issuers and each of their respective subsidiaries have been duly organized or formed and are validly existing and in good standing (if such designation exists in the jurisdiction of organization or formation for such entity) under the laws of their respective jurisdictions of organization, are duly qualified to do business and are in good standing (if such designation exists in the jurisdiction of organization or formation for such entity) in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to be so qualified, in good standing (if such designation exists in the jurisdiction of organization or formation for such entity) or have such power or authority would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the business, assets, properties, financial position or results of operations of the Issuers and their respective subsidiaries, taken as a whole, or on the performance by the Issuers and the Guarantors of their respective obligations under this Agreement, the Securities and the Guarantees (a "Material Adverse Effect").

(g) *Capitalization.* At March 31, 2024, on a consolidated basis, after adjusting for (a) the acquisition of Carrols Restaurant Group, Inc. by the Parent on May 16, 2024, (b) Incremental Facility Amendment No. 6 and Amendment No. 9 to the Credit Agreement on May 16, 2024, (c)

Amendment No. 10 to the Credit Agreement expected to be entered into on the Closing Date and (d) the offering of the Securities as well as the application of net proceeds therefrom (in each case, without reflecting fees, discounts and expenses), Parent would have had the capitalization as set forth in each of the Time of Sale Information and the Offering Memorandum under the heading “Capitalization” and all the outstanding shares of capital stock or other equity interests of Parent and each subsidiary of Parent, have been duly and validly authorized and issued, are fully paid and non assessable (except, in the case of any foreign subsidiary, for directors’ qualifying shares) and, with respect to the subsidiaries, are owned directly or indirectly by Parent free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party, except in each case pursuant to (i) the Credit Agreement, dated as of October 27, 2014, as amended on May 22, 2015, February 17, 2017, March 27, 2017, May 17, 2017, October 13, 2017, October 2, 2018, September 6, 2019, November 19, 2019, April 2, 2020, December 13, 2021, September 21, 2023, December 28, 2023, and May 16, 2024, by and among the Partnership, the Issuers, as the borrowers thereunder, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent (the “Credit Facilities Agent”), and each other party from time to time party thereto (the “Credit Agreement” and, together with any other documents, agreements or instruments delivered in connection therewith, collectively, the “Credit Facilities Documentation”), (ii) the documentation governing the Existing First Lien Notes, (iii) the documentation governing the Existing Second Lien Notes, (iv) the documentation governing the Amended and Restated Credit Agreement, dated as of May 24, 2019 as amended August 24, 2020 and August 31, 2022 (the “TH Facility”), among The TDL Group Corp./Groupe TDL Corporation, Bank of Montreal, as Administrative Agent, the lenders referred to therein and guarantors party thereto, as amended, modified, supplemented or replaced from time to time, or (v) as disclosed in the Time of Sale Information and the Offering Memorandum.

(h) *Due Authorization.* Each of the Issuers and the Guarantors has, had or will have (as of the date on which it executed and delivered such document or will execute and deliver such document) full right, power and authority to execute and deliver, in each case, to the extent a party thereto, this Agreement and each of the other Transaction Documents, and to perform their respective obligations hereunder and thereunder; and all action required to be taken for the due and proper authorization, execution and delivery of each of the Transaction Documents and the consummation of the transactions contemplated thereby has been or will be duly and validly taken on or prior to the Closing Date.

(i) *The Indenture.* The Indenture has been or prior to the Closing Date will be duly authorized by the Issuers and each of the Guarantors and, when duly executed and delivered in accordance with its terms by each of the parties thereto, will constitute a valid and legally binding agreement of the Issuers and each of the Guarantors enforceable against the Issuers and each of the Guarantors in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, fraudulent conveyance, reorganization, moratorium, insolvency or similar laws affecting the enforcement of creditors’ rights generally or by equitable principles (whether considered in a proceeding in equity or law) relating to enforceability (collectively, the “Enforceability Exceptions”).

(j) *The Securities and the Guarantees.* The Securities have been or prior to the Closing Date will be duly authorized by each Issuer and, when duly executed, authenticated, issued and delivered as provided in the Indenture and paid for as provided herein, the Securities will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of each Issuer enforceable against each Issuer in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture. The Guarantees have been duly authorized by each of the Guarantors and, when the Securities have been duly executed, authenticated, issued and delivered by the Issuers as provided in the Indenture and paid for as provided herein, the Guarantees will be valid and legally binding obligations of each of the Guarantors, enforceable against each of the Guarantors in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture.

(k) *Purchase Agreement.* This Agreement has been duly authorized, executed and delivered by the Issuers and each of the Guarantors.

(l) *Collateral Documents.* Each of the Collateral Documents has been or prior to the Closing Date will be duly authorized by each Issuer and each of the Guarantors, to the extent a party thereto, and, subject to Schedule 3, on the Closing Date, each of the Collateral Documents will be duly executed and delivered in accordance with its terms by each Issuer and each of the Guarantors, to the extent a party thereto, and, when duly executed and delivered in accordance with its terms by each of the parties thereto, each of the Collateral Documents will constitute a valid and legally binding agreement of each Issuer and each of the Guarantors, to the extent a party thereto, enforceable against each Issuer and each of the Guarantors, to the extent a party thereto, in accordance with its terms, subject to the Enforceability Exceptions.

(m) *Collateral Documents, Financing Statements and Collateral.*

(i) Upon execution and delivery, the Mortgages will be effective to grant a legal, valid and enforceable mortgage lien, charge and security interest on all of the mortgagor's right, title and interest in the real property (including fixtures) that constitutes Collateral (each, a "Mortgaged Property" and, collectively, the "Mortgaged Properties"). When the Mortgages are duly recorded or registered in the proper recording or Land Registry offices or appropriate public records and the mortgage recording fees and taxes in respect thereof are paid and compliance is otherwise had with the formal requirements of state, provincial or local law, applicable to the recording or registration of real estate mortgages generally, each such Mortgage shall constitute a validly perfected and enforceable first-priority lien, charge and security interest in the related Mortgaged Property constituting Collateral for the benefit of the Collateral Agent, the Trustee and the holders of the Securities, subject only to Permitted Liens (as defined below) or liens and encumbrances expressly set forth as an exception to the policies of title insurance, if any, obtained to insure the lien of each Mortgage with respect to each of the Mortgaged Properties (such encumbrances and exceptions, the "Permitted Exceptions"), and to the Enforceability Exceptions;

(ii) Upon execution and delivery, the Security Agreements will be effective to grant a legal, valid and enforceable lien and security interest in all of the grantor's right, title and interest in the Collateral (other than the Mortgaged Properties) (the "Personal Property Collateral") to the Collateral Agent for the benefit of the Secured Parties to secure the obligations under the Indenture and the Securities;

(iii) Upon due and timely filing and/or recording of the financing statements and the short form intellectual property security agreements (the "Intellectual Property Security Agreements"), as applicable, with respect to the Personal Property Collateral, the security interests granted by the Security Agreements will constitute valid, perfected first-priority liens and security interests in the Personal Property Collateral, to the extent such liens and security interests can be perfected by the filing and/or recording, as applicable, of financing statements and the Intellectual Property Security Agreements in favor of the Collateral Agent for the benefit of the Secured Parties, and such security interests will be enforceable in accordance with the terms contained therein against all creditors of any grantor and subject only to liens expressly permitted to be incurred or exist on the Collateral under the Indenture (which, for the avoidance of doubt, includes, without limitation, liens granted under the TH Facility) or Permitted Exceptions, and to the Enforceability Exceptions ("Permitted Liens"); and

(iv) The Issuers and their respective subsidiaries collectively own, have rights in or have the power and authority to collaterally assign rights in the Collateral, free and clear of any liens other than the Permitted Exceptions and the Permitted Liens.

(n) *Descriptions of the Transaction Documents.* Each of the Transaction Documents conforms in all material respects to the description thereof contained in each of the Time of Sale Information and the Offering Memorandum (to the extent described therein).

(o) *No Violation or Default.* None of the Issuers nor any of their respective subsidiaries is (i) in violation of its articles, charter or by-laws or similar organizational documents; (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Issuers or any of their respective subsidiaries is a party or by which the Issuers or any of their respective subsidiaries is bound or to which any of the property or assets of the Issuers or any of their respective subsidiaries is subject; or (iii) in violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (ii) and (iii) above, for any such default or violation that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(p) *No Conflicts.* The execution, delivery and performance by each Issuer and each of the Guarantors of each of the Transaction Documents to which each is a party (including but not limited to, the issuance and sale of the Securities (including the Guarantees)), and compliance by each Issuer and each of the Guarantors with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents will not (i) conflict with or result in a

breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Issuers or any of their respective subsidiaries pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Issuers or any of their respective subsidiaries is a party or by which the Issuers or any of their respective subsidiaries is bound or to which any of the property or assets of the Issuers or any of their respective subsidiaries is subject (other than any lien, charge or encumbrance created or imposed pursuant to the Transaction Documents), (ii) result in any violation of the provisions of the articles, charter or by-laws or similar organizational documents of the Issuers or any of their respective subsidiaries or (iii) result in the violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation, default, lien, charge or encumbrance that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(q) *No Consents Required.* No consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or governmental or regulatory authority is required for the execution, delivery and performance by each Issuer and each of the Guarantors of each of the Transaction Documents to which each is a party, the issuance and sale of the Securities (including the Guarantees) and compliance by each Issuer and each of the Guarantors with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents, except for such consents, approvals, authorizations, orders and registrations or qualifications (A) as may be required (i) under applicable state securities laws and Canadian Securities Laws in connection with the purchase and resale of the Securities by the Initial Purchasers, (ii) with respect to perfection of security interests on the Collateral as required under the Transaction Documents and (iii) that if not obtained or made would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or (B) as have been obtained or made prior to the Closing Date.

(r) *Legal Proceedings.* Except as described in each of the Time of Sale Information and the Offering Memorandum, there are no legal, governmental or regulatory investigations, actions, suits or proceedings pending to which the Issuers or any of their respective subsidiaries is or may be a party or to which any property of the Issuers or any of their respective subsidiaries is or may be the subject that, individually or in the aggregate, if determined adversely to the Issuers or any of their respective subsidiaries, could reasonably be expected to have a Material Adverse Effect, and no order, ruling or determination having the effect of suspending the sale or ceasing the trading of any securities of either Issuer or any of the Guarantors has been issued or made by any court, securities regulatory authority or stock exchange or any other regulatory authority and is continuing in effect; and no such investigations, actions, suits or proceedings are, to the knowledge of each Issuer and each of the Guarantors, threatened or contemplated by any governmental or regulatory authority or by others.

(s) *Independent Auditors.* KPMG LLP (“KPMG”), who has certified certain financial statements of Parent and its subsidiaries and the Partnership and its subsidiaries, is an independent registered public accounting firm with respect to Parent and its subsidiaries and the

Partnership and its subsidiaries within the applicable rules and regulations adopted by the Commission and the Public Company Accounting Oversight Board (United States) and as required by the Securities Act.

(t) *Title to Real and Personal Property.* The Issuers and their respective subsidiaries have good and marketable title (in the case of real property, in fee simple) to, or have valid rights to lease or otherwise use, all items of real and personal property that are material to the respective businesses of the Issuers and their respective subsidiaries, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except for those that (i) would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, (ii) are created pursuant to the Transaction Documents or the Credit Facilities Documentation or (iii) are created pursuant to the documentation governing the Existing First Lien Notes, the Existing Second Lien Notes and the TH Facility.

(u) *Intellectual Property.* Except as otherwise disclosed in the Time of Sale Information and the Offering Memorandum, the Issuers and their respective subsidiaries own or possess adequate rights to use all material patents, trademarks, service marks, trade names, trademark registrations, service mark registrations and other indicia of origin, copyrights, works of authorship, all applications and registrations for the foregoing, domain names and know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) necessary for the conduct of their respective businesses as currently conducted, free of liens (other than liens created pursuant to the Transaction Documents, the Credit Facilities Documentation and the documentation governing the Existing First Lien Notes, the Existing Second Lien Notes or the TH Facility); to the knowledge of the Issuers and the Guarantors, the conduct of their respective businesses does not infringe or otherwise violate any such rights of others (except for such infringements or other violations as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect); to the knowledge of each Issuer and each of the Guarantors, no third party violates or infringes the intellectual property owned by the Issuers or any of their respective subsidiaries except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and none of the Issuers or their respective subsidiaries have received any written notice of any claim of infringement or other violation of any such rights of others that, if determined in a manner adverse to the Issuers or their respective subsidiaries, would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(v) *No Undisclosed Relationships.* No relationship, direct or indirect, exists between or among the Issuers and any of their respective subsidiaries, on the one hand, and the directors, officers, stockholders or other affiliates of the Issuers or any of their respective subsidiaries, on the other, that is required by the Securities Act to be described in a registration statement to be filed with the Commission and that is not so described in each of the Time of Sale Information and the Offering Memorandum.

(w) *Investment Company Act.* None of the Issuers nor any of the Guarantors is, and after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in each of the Time of Sale Information and the Offering Memorandum,

none of them will be required to be registered as an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

(i) *Taxes.*

(A) The Issuers and each of their respective subsidiaries have paid all federal, provincial, state, local and foreign taxes (including any related interest, penalties and additions to tax) due and payable by them (including in their capacity as withholding agent) and have filed all tax returns required to be filed (taking into account any validly-obtained extension of the time within which to file) except for (i) items being contested in good faith and by appropriate proceedings for which adequate reserves for taxes have been established in accordance with generally accepted accounting principles or (ii) where failure to pay or file, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; and except as otherwise disclosed in each of the Time of Sale Information and the Offering Memorandum, there is no tax audit, assessment, deficiency or other claim that has been, or could reasonably be expected to be, asserted against either Issuer or any of their respective subsidiaries or any of their respective properties or assets, except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(B) Except to the extent that any such payments are made in respect of services physically performed in Canada, no withholding tax imposed under the *Income Tax Act* (Canada) (the “Canadian Tax Act”) will be payable in respect of any payments under this Agreement to an Initial Purchaser other than withholding tax imposed as a result of the Initial Purchaser (i) carrying on business in Canada for the purposes of the Canadian Tax Act; (ii) not dealing at arm’s-length with each of the Issuers for the purposes of the Canadian Tax Act and (iii) being a “specified shareholder” of the Company or not dealing at arm’s length with a “specified shareholder” of the Company (as defined in the Canadian Tax Act).

(x) *Licenses and Permits.* The Issuers and their respective subsidiaries possess all licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, provincial, state, local or foreign governmental or regulatory authorities that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in each of the Time of Sale Information and the Offering Memorandum, except where the failure to possess or make the same would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and none of the Issuers nor any of their respective subsidiaries has received notice of any revocation or modification of any such license, certificate, permit or authorization or has any reason to believe that any such license, certificate, permit or authorization will not be renewed in the ordinary course, except where such modification or failure to renew, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(y) *No Labor Disputes.* No labor disturbance by or dispute with employees of either Issuer or any of their respective subsidiaries exists or, to the knowledge of the Issuers and each

of the Guarantors, is contemplated or threatened, and none of the Issuers nor any Guarantor is aware of any existing or imminent labor disturbance by, or dispute with, the employees of any of the Issuers' or any of their respective subsidiaries' principal suppliers, contractors or customers, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(z) *Compliance with Environmental Laws.* (i) The Issuers and their respective subsidiaries (x) are, and were during the applicable statute of limitations, in compliance with any and all applicable federal, provincial, state, local and foreign laws, rules, regulations, requirements, decisions and orders relating to the protection of human health or safety, the environment, natural resources, hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "Environmental Laws"), (y) have received and are in compliance with all permits, licenses, certificates or other authorizations or approvals required of them under applicable Environmental Laws to conduct their respective businesses as currently conducted, and (z) have not received written notice of any actual or potential liability under or relating to any Environmental Laws, including for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, and have no knowledge of any event or condition that would reasonably be expected to result in any such notice, that would with respect to subclause (x), (y) or (z) of this clause (i), individually or in the aggregate, be reasonably expected to have a Material Adverse Effect, and (ii) there are no costs or liabilities associated with Environmental Laws of or relating to the Issuers or their respective subsidiaries, except in the case of each of (i) and (ii) above, for any such failure to comply, or failure to receive required permits, licenses or approvals, written notice, or cost or liability, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and (iii) (x) there are no proceedings that are pending, or that are to the Issuers' or the Guarantors' knowledge contemplated, against the Issuers or any of their respective subsidiaries under any Environmental Laws in which a governmental entity is also a party, other than such proceedings regarding which it is reasonably believed no monetary sanctions of \$100,000 or more will be imposed, (y) none of the Issuers nor any of the Guarantors has knowledge of any issues regarding compliance with Environmental Laws, or liabilities or other obligations under Environmental Laws or concerning hazardous or toxic substances or wastes, pollutants or contaminants, that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and (z) none of the Issuers and their respective subsidiaries anticipates material capital expenditures relating to any Environmental Laws that would, individually or in the aggregate reasonably be expected to have a Material Adverse Effect.

(aa) *Compliance with ERISA.* (i) Each employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), for which the Issuers or any member of their respective “Controlled Group” (defined as any organization which is a member of a controlled group of corporations within the meaning of Section 414 of the Internal Revenue Code of 1986, as amended (the “Code”)) would have any liability (each, a “Plan”) has been maintained in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to ERISA and the Code; (ii) no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan excluding transactions effected pursuant to a statutory or administrative exemption; (iii) for each Plan that is subject to the funding rules of Section 412 of the Code or Section 302 of ERISA, no failure to satisfy the minimum funding standard under Section 412 of the Code or Section 302 of ERISA, whether or not waived, has occurred or is reasonably expected to occur; (iv) except as otherwise disclosed in the Time of Sale Information and the Offering Memorandum, the fair market value of the assets of each Plan exceeds the present value of all benefits accrued under such Plan (determined based on those assumptions used to fund such Plan); (v) except as otherwise disclosed in the Time of Sale Information and the Offering Memorandum, each pension plan within the meaning of Section 3(2) of ERISA that is maintained outside the jurisdiction of the United States satisfies the minimum funding requirements to the extent required by applicable law; (vi) no “reportable event” (within the meaning of Section 4043(c) of ERISA) has occurred or is reasonably expected to occur; and (vii) none of the Issuers nor any member of their respective Controlled Group has incurred, nor reasonably expects to incur, any liability under Title IV of ERISA (other than contributions to the Plan or premiums to the PBGC, in the ordinary course and without default) in respect of a Plan (including a “multiemployer plan,” within the meaning of Section 4001(a)(3) of ERISA), and except for where failure to comply with any of the clauses (i) through (vii) of this paragraph would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(bb) *Disclosure Controls.* Each of Parent and its subsidiaries and the Partnership and its subsidiaries maintains a system of “disclosure controls and procedures” (as defined in Rule 13a-15(e) of the Exchange Act) that is designed to ensure that information required to be disclosed by Parent or the Partnership, as the case may be, in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission’s rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to Parent’s or the Partnership’s, as the case may be, management as appropriate to allow timely decisions regarding required disclosure. Each of Parent and its subsidiaries and the Partnership and its subsidiaries has carried out evaluations of the effectiveness of their disclosure controls and procedures as required by Rule 13a-15 of the Exchange Act.

(cc) *Accounting Controls.* Each of Parent and its subsidiaries and the Partnership and its subsidiaries maintains systems of “internal control over financial reporting” (as defined in Rule 13a-15(f) of the Exchange Act and in National Instrument 52-109 – Certification of Disclosure in Issuers’ Annual and Interim Filings) that comply with the requirements of the Exchange Act and Canadian Securities Laws and have been designed by, or under the

supervision of, their respective principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Each of Parent and its subsidiaries and the Partnership and its subsidiaries maintains internal accounting controls sufficient to provide reasonable assurance that

- (i) transactions are executed in accordance with management's general or specific authorizations;
- (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability;
- (iii) access to assets is permitted only in accordance with management's general or specific authorization;
- (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and
- (v) interactive data in eXtensible Business Reporting Language incorporated by reference in each of the Preliminary Offering Memorandum, the Time of Sale Information and the Offering Memorandum is prepared in accordance with the Commission's rules and guidelines applicable thereto. There are no material weaknesses in each of Parent's and its subsidiaries' and the Partnership's and its subsidiaries' internal controls.

(dd) *Insurance.* The Issuers and their respective subsidiaries have insurance covering their respective properties, operations, personnel and businesses, including business interruption insurance, which insurance is in amounts and insures against such losses and risks as the Issuers and their respective subsidiaries believe are adequate to protect their respective businesses; and none of the Issuers or any of their respective subsidiaries has (i) received notice from any insurer or agent of such insurer that capital improvements or other expenditures are required or necessary to be made in order to continue such insurance or (ii) any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage at reasonable cost from similar insurers, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(ee) *No Unlawful Payments.* None of either Issuer or any of their respective subsidiaries, nor any director, officer or employee of either Issuer or any of their respective subsidiaries nor, to the knowledge of either Issuer or any of the Guarantors, any agent, affiliate or other person associated with or acting on behalf of either Issuer or any of their respective subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made or taken an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government official or employee, including of any government-owned or controlled entity or of a public international organization, or any person acting in an official

capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, the *Corruption of Foreign Public Officials Act* (Canada) or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or committed an offence under the Bribery Act 2010 of the United Kingdom, or any other applicable anti-bribery or anti-corruption law of any other relevant jurisdiction; or (iv) made, offered, agreed, requested or taken an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit. The Issuers and their respective subsidiaries have instituted, maintain and enforce policies and procedures designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws.

(ff) *Compliance with Money Laundering Laws.* The operations of the Issuers and their respective subsidiaries are and have been conducted at all times in compliance in all material respects with applicable financial recordkeeping and reporting requirements including those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the money laundering statutes of all jurisdictions where each Issuer or any of their respective subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the “Money Laundering Laws”), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving either Issuer or any of their respective subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of either Issuer or any of the Guarantors, threatened.

(gg) *Compliance with Sanctions Laws.* None of the Issuers nor any of their respective subsidiaries, directors, officers or employees, nor, to the knowledge of the Issuers or any of the Guarantors, any agent, affiliate or other person associated with or acting on behalf of the Issuers or any of their respective subsidiaries is currently the subject or the target of any comprehensive sanctions administered or enforced by the U.S. government (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State and including, without limitation, the designation as a “specially designated national” or “blocked person”), the Government of Canada, the United Nations Security Council, the European Union, His Majesty’s Treasury or other relevant sanctions authority (collectively, “Sanctions”), nor is any Issuer or any of their respective subsidiaries located, organized or resident in a country or territory that is the subject or target of comprehensive Sanctions, including, without limitation, the Crimea Region of Ukraine, the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, the non-government controlled areas of the Zaporizhzhia and Kherson Regions of Ukraine, Cuba, Iran, North Korea and Syria (each, a “Sanctioned Country”); and the Issuers will not, to the extent required to comply with the Sanctions, directly or knowingly, indirectly use the proceeds of the offering of the Securities hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person or entity that, at the time of such funding or facilitation, is the subject or target of

comprehensive Sanctions, (ii) to fund or facilitate any activities of or business in any Sanctioned Country unless otherwise authorized by law or (iii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, initial purchaser, advisor, investor or otherwise) of comprehensive Sanctions.

(hh) *Solvency.* On and immediately after the consummation of the Transactions, the Issuers and the Guarantors on a consolidated basis (after giving effect to the issuance of the Securities, the Transactions and the other transactions related thereto as described in each of the Time of Sale Information and the Offering Memorandum) will be Solvent. As used in this paragraph, the term “Solvent” means, with respect to a particular date, that on such date (i) the present fair market value (or present fair saleable value) of the assets of the Issuers and the Guarantors is not less than the total amount required to pay the liabilities of the Issuers and the Guarantors on their combined total existing debts and liabilities (including contingent liabilities) as they become absolute and matured; (ii) the Issuers and the Guarantors are able to realize upon their assets and pay their debts and other liabilities, contingent obligations and commitments as they mature and become due in the normal course of business; (iii) assuming consummation of the issuance of the Securities as contemplated by this Agreement and the use of proceeds therefrom as described in the Time of Sale Information and the Offering Memorandum, the Issuers and the Guarantors are not incurring debts or liabilities beyond their ability to pay as such debts and liabilities mature; (iv) the Issuers and the Guarantors are not engaged in any business or transaction, and do not propose to engage in any business or transaction, for which their property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which the Issuers and their respective subsidiaries are engaged; and (v) the Issuers and the Guarantors are not defendants in any civil action that would result in a judgment that the Issuers and the Guarantors are or would become unable to satisfy.

(ii) *No Restrictions on Subsidiaries.* On the Closing Date and assuming consummation of the Transactions, no subsidiary of the Issuers will be prohibited, directly or indirectly, under any agreement or other instrument to which it is as of the Closing Date (assuming consummation of the Transactions) a party or will be subject, from paying any dividends to the Issuers, from making any other distribution on such subsidiary’s capital stock or similar ownership interests, from repaying to the Issuers any loans or advances to such subsidiary from the Issuers or such other subsidiary or from transferring any of such subsidiary’s properties or assets to the Issuers or any other subsidiary of the Issuers, except (i) to the extent such restriction or prohibition would constitute a Permitted Lien under and as defined in the Indenture, the other Transaction Documents, the Credit Facilities Documentation or the documentation governing the Existing First Lien Notes, the Existing Second Lien Notes or the TH Facility or (ii) as disclosed in the Time of Sale Information and the Offering Memorandum or as created under the Transaction Documents, the Credit Facilities Documentation or the documentation governing the Existing First Lien Notes, the Existing Second Lien Notes or the TH Facility.

(jj) *No Broker’s Fees.* None of either Issuer nor any of their respective subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against any of them or any Initial Purchaser for a brokerage

commission, finder's fee or like payment in connection with the offering and sale of the Securities.

(kk) *Rule 144A Eligibility.* On the Closing Date, the Securities will not be of the same class as securities listed on a national securities exchange registered under Section 6 of the Exchange Act or quoted in an automated inter-dealer quotation system; and each of the Preliminary Offering Memorandum and the Offering Memorandum, as of its respective date, contains or will contain all the information that, if requested by a prospective purchaser of the Securities, would be required to be provided to such prospective purchaser pursuant to Rule 144A(d)(4) under the Securities Act.

(ll) *No Integration.* None of the Issuers, the Guarantors nor any of their respective affiliates (as defined in Rule 501(b) of Regulation D) has, directly or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Securities in a manner that would require registration of the Securities under the Securities Act.

(mm) *No General Solicitation or Directed Selling Efforts.* None of the Issuers, the Guarantors nor any of their respective affiliates or any other person acting on its or their behalf (other than the Initial Purchasers, as to which no representation is made) has (i) solicited offers for, or offered or sold, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act or (ii) engaged in any directed selling efforts within the meaning of Regulation S under the Securities Act ("Regulation S"), and all such persons have complied with the offering restrictions requirement of Regulation S.

(nn) *Securities Law Exemptions.* Assuming the accuracy of the representations and warranties of the Initial Purchasers contained in Section 1(b) (including Annex C hereto) and Section 5 and their compliance with their agreements set forth therein, it is not necessary, in connection with the issuance and sale of the Securities to the Initial Purchasers and the offer, resale and delivery of the Securities by the Initial Purchasers to Subsequent Purchasers in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum, to register the Securities under the Securities Act nor to file a prospectus under Canadian Securities Laws to qualify the distribution of the Securities or to qualify the Indenture under the Trust Indenture Act of 1939, as amended.

(oo) *No Stabilization.* None of the Issuers nor any of the Guarantors has taken, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Securities.

(pp) *Margin Rules.* Neither the issuance, sale and delivery of the Securities, nor the consummation of the Transactions or the application of the proceeds thereof by the Issuers as described in each of the Time of Sale Information and the Offering Memorandum will violate Regulation T, U or X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors.

(qq) *Forward-Looking Statements.* No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained or incorporated by reference in any of the Time of Sale Information or the Offering Memorandum has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(rr) *Statistical and Market Data.* Nothing has come to the attention of either Issuer or any Guarantor that has caused such entity to believe that the statistical and market-related data included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum is not based on or derived from sources that are reliable and accurate in all material respects.

(ss) *Sarbanes-Oxley Act.* To the extent applicable, there is and has been no failure on the part of Parent or any of its subsidiaries or the Partnership or any of its subsidiaries or any of their respective directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith (the “Sarbanes-Oxley Act”), including Section 402 related to loans and Sections 302 and 906 related to certifications.

(tt) *Cybersecurity.* Except as disclosed in the Time of Sale Information and the Offering Memorandum, to the knowledge of the Issuers, the Guarantors and their respective subsidiaries’ information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, “IT Systems”) are reasonably believed by the Issuers to be adequate for, and operate and perform in all material respects as required in connection with the operation of the business of the Issuers and their respective subsidiaries as currently conducted, and, to the Issuers’ or any of the Guarantors’ knowledge, are free and clear of all material bugs, errors, defects, Trojan horses, time bombs, malware and other corruptants. Except as disclosed in the Time of Sale Information and the Offering Memorandum, to the knowledge of the Issuers, the Guarantors and their respective subsidiaries have used reasonable efforts to establish, implement and maintain commercially reasonable controls, policies, procedures, and safeguards to maintain and protect their material confidential information and the integrity, continuous operation, redundancy and security of all material IT Systems and data (including all personal, personally identifiable, sensitive, confidential or regulated data (“Personal Data”)) used in connection with their businesses, and except as disclosed in the Time of Sale Information and the Offering Memorandum, to the knowledge of the Issuers or any of the Guarantors, there have been no breaches, violations, outages or unauthorized uses of or accesses to same, except as would not, singly or in the aggregate, reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole. Except as disclosed in the Time of Sale Information and the Offering Memorandum, to the knowledge of the Issuers, the Guarantors and their respective subsidiaries are presently in compliance in all material respects with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of IT Systems and Personal Data and to the protection of such IT Systems and Personal Data from unauthorized use, access, misappropriation or modification.

4. Further Agreements of the Issuers and the Guarantors. Each of the Issuers and each Guarantor hereby jointly and severally, covenants and agrees with each Initial Purchaser that:

(a) *Delivery of Copies.* The Issuers will deliver, without charge, to the Initial Purchasers as many copies of the Preliminary Offering Memorandum, any other Time of Sale Information, any Issuer Written Communication and the Offering Memorandum (including all amendments and supplements thereto) as the Representative may reasonably request.

(b) *Offering Memorandum, Amendments or Supplements.* Before finalizing the Offering Memorandum or making or distributing any amendment or supplement to any of the Time of Sale Information or the Offering Memorandum or filing with the Commission any document that will be incorporated by reference therein, the Issuers will furnish to the Representative and counsel for the Initial Purchasers a copy of the proposed Offering Memorandum or such amendment or supplement or document to be incorporated by reference therein for review, and will not distribute any such proposed Offering Memorandum, amendment or supplement or file any such document with the Commission to which the Representative reasonably objects.

(c) *Additional Written Communications.* Before using, authorizing, approving or referring to any Issuer Written Communication (other than those listed on Annex A), the Issuers will furnish to the Representative and counsel for the Initial Purchasers a copy of such written communication for review and will not use, authorize, approve or refer to any such written communication to which the Representative reasonably objects.

(d) *Notice to the Representative.* The Issuers will advise the Representative promptly, and confirm such advice in writing, (i) of the issuance by any governmental or regulatory authority of any order preventing or suspending the use of any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum or the initiation or threatening of any proceeding for that purpose; (ii) of the occurrence of any event at any time prior to the completion of the initial offering of the Securities by the Initial Purchasers as a result of which any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum as then amended or supplemented would include any Misrepresentation when such Time of Sale Information, Issuer Written Communication or the Offering Memorandum is delivered to a purchaser; and (iii) of the receipt by any Issuer of any notice with respect to any suspension of the qualification of the Securities for offer and sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and each of the Issuers will use its reasonable best efforts to prevent the issuance of any such order preventing or suspending the use of any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum or suspending any such qualification of the Securities and, if any such order is issued, will use reasonable best efforts to obtain as soon as possible the withdrawal thereof.

(e) *Time of Sale Information.* If at any time prior to the Closing Date (i) any event shall occur or condition shall exist as a result of which any of the Time of Sale Information as then amended or supplemented would include any Misrepresentation or (ii) it is necessary to amend or supplement any of the Time of Sale Information to comply with law, the Issuers will

promptly notify the Initial Purchasers thereof and forthwith prepare and, subject to paragraph (b) above, furnish to the Initial Purchasers such amendments or supplements to any of the Time of Sale Information (or any document to be filed with the Commission and incorporated by reference therein) as may be necessary so that the statements in any of the Time of Sale Information as so amended or supplemented (including such documents to be incorporated by reference therein) will not contain any Misrepresentation or so that any of the Time of Sale Information will comply with law.

(f) *Ongoing Compliance of the Offering Memorandum.* If at any time prior to the completion of the initial offering of the Securities (i) any event shall occur or condition shall exist as a result of which the Offering Memorandum as then amended or supplemented would include any Misrepresentation when the Offering Memorandum is delivered to a purchaser or (ii) it is necessary to amend or supplement the Offering Memorandum to comply with law, the Issuers will promptly notify the Initial Purchasers thereof and forthwith prepare and, subject to paragraph (b) above, furnish to the Initial Purchasers such amendments or supplements to the Offering Memorandum as may be necessary so that the statements in the Offering Memorandum (or any document to be filed with the Commission and incorporated by reference therein) as so amended or supplemented (including such document to be incorporated by reference therein) will not contain any Misrepresentation when the Offering Memorandum is delivered to a purchaser or so that the Offering Memorandum will comply with law.

(g) *Blue Sky Compliance.* The Issuers will qualify the Securities for offer and sale under the securities or “blue sky” laws of such jurisdictions as the Representative shall reasonably request (or, in the case of any offer and sale of the Securities in the Offering Provinces, rely on applicable exemptions from the prospectus requirements of applicable Canadian Securities Laws for purposes of the Canadian Private Placement) and will continue such qualifications in effect so long as required for the offering and resale to Subsequent Purchasers of the Securities; provided that none of the Issuers or any of the Guarantors shall be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (ii) file any general consent to service of process in any such jurisdiction, (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject or (iv) file, or obtain a receipt for, a prospectus with and from any Canadian securities regulator to qualify such offer, sale or delivery of the Securities under any Canadian Securities Laws.

(h) *Clear Market.* During the period from the date hereof through and including the date that is 45 days after the Closing Date, each Issuer and each of the Guarantors will not, without the prior written consent of the Representative, offer, sell, contract to sell, pledge or otherwise dispose of any debt securities issued or guaranteed by either Issuer or any of the Guarantors and having a term of more than one year (other than the Securities).

(i) *Use of Proceeds.* The Issuers will apply the net proceeds from the sale of the Securities in the manner described in each of the Time of Sale Information and the Offering Memorandum under the heading “Use of proceeds.”

(j) *Supplying Information.* While the Securities remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, each Issuer and each of the Guarantors will, during any period in which the Issuers are not subject to and in compliance with Section 13 or 15(d) of the Exchange Act, furnish to holders of the Securities and prospective purchasers of the Securities designated by such holders, upon the request of such holders or such prospective purchasers, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(k) *DTC.* The Issuers will assist the Initial Purchasers in arranging for the Securities to be eligible for clearance and settlement through DTC.

(l) *No Resales by the Issuers, Parent and the Partnership.* Until the first anniversary of the Closing Date, each of the Issuers will not, and will not permit Parent, the Partnership or any of the Issuers’ respective controlled affiliates (as defined in Rule 144 under the Securities Act) to, resell any of the Securities that have been acquired by any of them, except for Securities purchased by an Issuer or any of their respective affiliates and (i) resold in a transaction registered under the Securities Act or (ii) resold in a transaction exempt from registration under the Securities Act, provided that any Securities transferred under this clause (ii) must bear the restrictive legend set forth in the Offering Memorandum for at least one year following such resale.

(m) *No Integration.* None of the Issuers nor any of their respective affiliates (as defined in Rule 501(b) of Regulation D) will, directly or through any agent, sell, offer for sale, solicit offers to buy or otherwise negotiate in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Securities in a manner that would require registration of the Securities under the Securities Act.

(n) *No General Solicitation or Directed Selling Efforts.* None of the Issuers nor any of their respective affiliates or any other person acting on its or their behalf (other than the Initial Purchasers, as to which no covenant is given) will (i) solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act or (ii) engage in any directed selling efforts within the meaning of Regulation S, and all such persons will comply with the offering restrictions requirement of Regulation S.

(o) *No Stabilization.* None of the Issuers nor any of the Guarantors will take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Securities.

(p) *Perfection of Security Interests.* The Issuers and each Guarantor (i) shall complete on or prior to the Closing Date all filings and other similar actions required in connection with the perfection of first-priority security interests in the Collateral as and to the extent contemplated by the Indenture and the Collateral Documents and (ii) shall take all actions necessary to maintain such security interests and to perfect security interests in any Collateral acquired after the Closing Date, in each case as and to the extent contemplated by the Indenture

and the Collateral Documents; provided that the Issuers and the Guarantors may deliver, furnish and/or cause to be furnished all of the obligations set forth on Schedule 3 hereto within the time periods set forth therein.

5. Certain Agreements of the Initial Purchasers. Each Initial Purchaser hereby severally and not jointly represents and agrees that it has not and will not use, authorize use of, refer to, or participate in the planning for use of, any written communication that constitutes an offer to sell or the solicitation of an offer to buy the Securities other than (i) the Preliminary Offering Memorandum and the Offering Memorandum, (ii) a written communication that contains either (a) no “issuer information” (as defined in Rule 433(h)(2) under the Securities Act) or (b) “issuer information” that was included (including through incorporation by reference) in the Time of Sale Information or the Offering Memorandum, (iii) any written communication listed on Annex A or prepared by the Issuers pursuant to Section 4(c) above (including any electronic road show), (iv) any written communication prepared by such Initial Purchaser and approved by the Issuers in advance in writing or (v) any written communication that only contains the preliminary or final terms of the Securities or their offering and/or other information that was included (including through incorporation by reference) or will be included in the Time of Sale Information or the Offering Memorandum.

6. Conditions of Initial Purchasers’ Obligations. The obligation of each Initial Purchaser to purchase Securities on the Closing Date as provided herein is subject to the performance by each Issuer and each of the Guarantors of their respective covenants and other obligations hereunder and to the following additional conditions:

(a) *Representations and Warranties.* The representations and warranties of the Issuers and the Guarantors contained herein shall be true and correct on the date hereof and on and as of the Closing Date; and the statements of the Issuers, the Guarantors and their respective officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date.

(b) *No Downgrade.* Subsequent to the earlier of (A) the Time of Sale and (B) the execution and delivery of this Agreement, (i) no downgrading shall have occurred in the rating accorded the Securities or any other debt securities or preferred stock issued or guaranteed by any Issuer, Parent, the Partnership or any of their respective subsidiaries by any “nationally recognized statistical rating organization,” as such term is defined by the Commission for purposes of Section 3(a)(62) of the Exchange Act; and (ii) no such organization shall have publicly announced that it has under surveillance or review, or has changed its outlook with respect to, its rating of the Securities or of any other debt securities or preferred stock issued or guaranteed by any Issuer, Parent, the Partnership or any of their respective subsidiaries (other than an announcement with positive implications of a possible upgrading).

(c) *No Material Adverse Change.* No event or condition described in Section 3(e) hereof shall have occurred or shall exist, which event or condition is not described in each of the Time of Sale Information (excluding any amendment or supplement thereto) and the Offering Memorandum (excluding any amendment or supplement thereto) and the effect of which in the judgment of the Representative makes it impracticable or inadvisable to proceed with the

offering, sale or delivery of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum.

(d) *Officer's Certificate.* The Representative shall have received on and as of the Closing Date a certificate of an executive officer of the Company and of each Guarantor who has specific knowledge of the Company's or such Guarantor's financial matters and is satisfactory to the Representative (i) confirming that such officer has carefully reviewed the Time of Sale Information and the Offering Memorandum and, to the knowledge of such officer, the representations set forth in Sections 3(a), 3(b) and 3(d) hereof are true and correct, (ii) confirming that the other representations and warranties of the Issuers and the Guarantors in this Agreement are true and correct and that the Issuers and the Guarantors have complied in all material respects with all agreements and satisfied all conditions on their part to be performed or satisfied hereunder at or prior to the Closing Date and (iii) to the effect set forth in paragraphs (b) and (c) above.

(e) *Comfort Letters.* On the date of this Agreement and on the Closing Date, KPMG shall have furnished to the Representative, at the request of Parent and the Partnership, letters, dated the respective dates of delivery thereof and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Representative, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum; provided that the letter delivered on the Closing Date shall use a "cut-off" date no more than three business days prior to the Closing Date.

(f) *Opinion and 10b-5 Statement of Counsel for the Issuers and the Guarantors.* (i) Kirkland & Ellis LLP, U.S. counsel for the Issuers and the Guarantors, shall have furnished to the Representative, at the request of the Issuers, its written opinions and 10b-5 statement, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Initial Purchasers, (ii) Stikeman Elliott LLP, Canadian counsel for the Issuers and the Guarantors, shall have furnished to the Representative, at the request of the Issuers, its written opinions, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Initial Purchasers, (iii) Sidley Austin LLP, U.S. counsel for the Issuers and the Guarantors and (iv) Greenberg Traurig, P.A., Florida and Minnesota counsel for the Guarantors, shall have furnished to the Representative, at the request of the Issuers, its written opinion, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Initial Purchasers.

(g) *Opinion and 10b-5 Statement of Counsel for the Initial Purchasers.* The Representative shall have received on and as of the Closing Date (x) an opinion and 10b-5 statement of Latham & Watkins LLP, counsel for the Initial Purchasers, and (y) an opinion of Blake, Cassels & Graydon LLP, Canadian counsel for the Initial Purchasers, in each case dated the Closing Date and with respect to such matters as the Representative may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(h) *No Legal Impediment to Issuance.* No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, provincial, state or foreign governmental or regulatory authority that would, as of the Closing Date, prevent the issuance or sale of the Securities or the issuance of the Guarantees; and no injunction or order of any federal, provincial, state or foreign court shall have been issued that would, as of the Closing Date, prevent the issuance or sale of the Securities or the issuance of the Guarantees.

(i) *Good Standing.* The Representative shall have received on and as of the Closing Date satisfactory evidence of the existence or good standing of each Issuer and each of the Guarantors in their respective jurisdictions of organization and their good standing in such other jurisdictions as the Representative may reasonably request, in each case in writing or any standard form of telecommunication, from the appropriate governmental authorities of such jurisdictions.

(j) *Indenture and Securities.* The Indenture shall have been duly executed and delivered by a duly authorized officer of each of the Issuers, each of the Guarantors, the Trustee and the Collateral Agent, and the Securities shall have been duly executed and delivered by a duly authorized officer of each Issuer and duly authenticated by the Trustee.

(k) *DTC.* The Securities shall be eligible for clearance and settlement through DTC.

(l) *Collateral Documents.* On the Closing Date (or as otherwise permitted by Schedule 3 hereto), the Initial Purchasers shall have received a counterpart of each Collateral Document (other than the Mortgages and the First Lien Intercreditor Agreement), including the First Lien-Second Lien Intercreditor Agreement Joinder No. 12 and the First Lien Intercreditor Agreement Joinder No. 5, that shall have been executed and delivered by the applicable parties thereto and each of such documents shall be in full force and effect in accordance with their terms.

(m) *Security Filings.* On the Closing Date, except as otherwise contemplated by the Collateral Documents (other than the Mortgages and as otherwise permitted by Schedule 3 hereto), each document (including any Uniform Commercial Code financing statement or equivalent filing in the provinces of British Columbia, Ontario and Quebec) required by the Collateral Documents (other than the Mortgages), or under law or reasonably requested by the Representative, in each case, to be filed, registered or recorded, or delivered for filing on or prior to the Closing Date, including filings in the U.S. Patent and Trademark Office and the U.S. Copyright Office in order to create in favor of the Collateral Agent, for the benefit of the Secured Parties, a perfected first-priority lien and security interest (subject to Permitted Liens) in the Collateral that can be perfected by the making of such filings, registrations or recordations, prior and superior to the right of any other person (other than Permitted Liens), shall be executed and in proper form for filing, registration or recordation. All Canadian intellectual property security agreements required to be filed pursuant to the Canadian Security Agreement shall be executed and in proper form for filing, registration or recordation and the Initial Purchasers shall have received counterparts thereof on the Closing Date.

(n) *[Reserved.]*

(o) *Chief Financial Officer's Certificate.* On the date hereof and the Closing Date, the Initial Purchasers shall have received a certificate of Parent's Chief Financial Officer or similar officer in form and substance satisfactory to the Initial Purchasers relating to certain financial information included in the Time of Sale Information and the Offering Memorandum.

(p) *Additional Documents.* On or prior to the Closing Date, the Issuers and the Guarantors shall have furnished to the Representative such further certificates and documents as the Representative may reasonably request.

All opinions, letters, certificates and evidence mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Initial Purchasers.

7. Indemnification and Contribution. (a) *Indemnification of the Initial Purchasers.* Each of the Issuers and each of the Guarantors jointly and severally agrees to indemnify and hold harmless each Initial Purchaser, its affiliates, directors and officers and each person, if any, who controls such Initial Purchaser within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, reasonable legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, any Misrepresentation or alleged Misrepresentation contained in the Preliminary Offering Memorandum, any of the other Time of Sale Information, any Issuer Written Communication or the Offering Memorandum (or any amendment or supplement thereto) or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, a Misrepresentation or alleged Misrepresentation made in reliance upon and in conformity with any information relating to any Initial Purchaser furnished to the Issuers in writing by such Initial Purchaser through the Representative expressly for use therein.

(b) *Indemnification of the Issuers and the Guarantors.* Each Initial Purchaser agrees, severally and not jointly, to indemnify and hold harmless each Issuer, each of the Guarantors, their respective directors and officers and each person who controls each Issuer or any of the Guarantors within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Initial Purchaser furnished to the Issuers in writing by such Initial Purchaser through the Representative expressly for use in the Preliminary Offering Memorandum, any of the other Time of Sale Information, any Issuer Written Communication or the Offering Memorandum (or any amendment or supplement thereto), it being understood and agreed that the only such information consists of the following: the first sentence of the fourth paragraph, the first sentence of the eighth paragraph and the third sentence of the ninth paragraph, in each case, found under the heading "Plan of distribution."

(c) *Notice and Procedures.* If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to either paragraph (a) or (b) above, such person (the “Indemnified Person”) shall promptly notify the person against whom such indemnification may be sought (the “Indemnifying Person”) in writing; provided that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under paragraph (a) or (b) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under paragraph (a) or (b) above. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who shall not, without the consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 7 that the Indemnifying Person may designate in such proceeding and shall pay the reasonable fees and expenses of such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and the Indemnified Person shall have reasonably concluded that representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm for any Initial Purchaser, its affiliates, directors and officers and any control persons of such Initial Purchaser shall be designated in writing by the Representative and any such separate firm for the Issuers, the Guarantors, their respective directors and officers and any control persons of the Issuers and the Guarantors shall be designated in writing by the Issuers. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested an Indemnifying Person to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have

reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) *Contribution.* If the indemnification provided for in paragraphs (a) and (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuers and the Guarantors on the one hand and the Initial Purchasers on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Issuers and the Guarantors on the one hand and the Initial Purchasers on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Issuers and the Guarantors on the one hand and the Initial Purchasers on the other shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Issuers from the sale of the Securities and the total discounts and commissions received by the Initial Purchasers in connection therewith, as provided in this Agreement, bear to the aggregate offering price of the Securities. The relative fault of the Issuers and the Guarantors on the one hand and the Initial Purchasers on the other shall be determined by reference to, among other things, whether the Misrepresentation or alleged Misrepresentation relates to information supplied by any Issuer or any Guarantor or by the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) *Limitation on Liability.* The Issuers, the Guarantors and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of this Section 7, in no event shall an Initial Purchaser be required to contribute any amount in excess of the amount by which the total discounts and commissions received by such Initial Purchaser with respect to the offering of the Securities exceeds the amount of any damages that such Initial Purchaser has otherwise been required to

pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Initial Purchasers' obligations to contribute pursuant to this Section 7 are several in proportion to their respective purchase obligations hereunder and not joint.

(f) *Non-Exclusive Remedies.* The remedies provided for in this Section 7 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any Indemnified Person at law or in equity.

8. Termination. This Agreement may be terminated in the absolute discretion of the Representative, by notice to the Issuers, if after the execution and delivery of this Agreement and on or prior to the Closing Date (i) trading generally shall have been suspended or materially limited on the New York Stock Exchange or the over-the-counter market; (ii) trading of any securities issued or guaranteed by Parent, the Partnership, any Issuer or any of the Guarantors shall have been suspended on any exchange or in any over-the-counter market; (iii) a general moratorium on commercial banking activities shall have been declared by federal or New York State authorities; or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Representative is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery, of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum.

9. Defaulting Initial Purchaser. (a) If, on the Closing Date, any Initial Purchaser defaults on its obligation to purchase the Securities that it has agreed to purchase hereunder, the non-defaulting Initial Purchasers may in their discretion arrange for the purchase of such Securities by other persons satisfactory to the Issuers on the terms contained in this Agreement. If, within 36 hours after any such default by any Initial Purchaser, the non-defaulting Initial Purchasers do not arrange for the purchase of such Securities, then the Issuers shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Initial Purchasers to purchase such Securities on such terms. If other persons become obligated or agree to purchase the Securities of a defaulting Initial Purchaser, either the non-defaulting Initial Purchasers or the Issuers may postpone the Closing Date for up to five full business days in order to effect any changes that in the opinion of counsel for the Issuers or counsel for the Initial Purchasers may be necessary in the Time of Sale Information, the Offering Memorandum or in any other document or arrangement, and the Issuers agree to promptly prepare any amendment or supplement to the Time of Sale Information or the Offering Memorandum that effects any such changes. As used in this Agreement, the term "Initial Purchaser" includes, for all purposes of this Agreement unless the context otherwise requires, any person not listed in Schedule 1 hereto that, pursuant to this Section 9, purchases Securities that a defaulting Initial Purchaser agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Initial Purchaser or Initial Purchasers by the non-defaulting Initial Purchasers and the Issuers as provided in paragraph (a) above, the aggregate principal amount of such Securities that remains unpurchased does not exceed one-eleventh of the aggregate principal amount of all the Securities, then the Issuers shall have the right to require each non-defaulting Initial Purchaser to purchase the principal amount of Securities that such Initial Purchaser agreed to purchase hereunder plus such Initial Purchaser's pro rata share (based on the principal amount of Securities that such Initial Purchaser agreed to purchase hereunder) of the Securities of such defaulting Initial Purchaser or Initial Purchasers for which such arrangements have not been made.

(c) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Initial Purchaser or Initial Purchasers by the non-defaulting Initial Purchasers and the Issuers as provided in paragraph (a) above, the aggregate principal amount of such Securities that remains unpurchased exceeds one-eleventh of the aggregate principal amount of all the Securities, or if the Issuers shall not exercise the right described in paragraph (b) above, then this Agreement shall terminate without liability on the part of the non-defaulting Initial Purchasers. Any termination of this Agreement pursuant to this Section 9 shall be without liability on the part of the Issuers or the Guarantors, except that each Issuer and each of the Guarantors will continue to be jointly and severally liable for the payment of expenses as set forth in Section 10 hereof and except that the provisions of Section 7 hereof shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Initial Purchaser of any liability it may have to the Issuers, the Guarantors or any non-defaulting Initial Purchaser for damages caused by its default.

10. Payment of Expenses. (a) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, each Issuer and each of the Guarantors jointly and severally agrees to pay or cause to be paid all costs and expenses incident to the performance of their respective obligations hereunder (including any goods and services, harmonized sales, sales, transfer, stamp, excise and other similar taxes payable in connection therewith), including without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Securities; (ii) the costs incident to the preparation and printing of the Preliminary Offering Memorandum, any other Time of Sale Information, any Issuer Written Communication and the Offering Memorandum (including any amendment or supplement thereto) and the distribution thereof; (iii) the costs of reproducing and distributing each of the Transaction Documents; (iv) the fees and expenses of the Issuers' and the Guarantors' counsel and independent accountants; (v) the fees and expenses incurred in connection with the registration or qualification and determination of eligibility for investment of the Securities under the laws of such jurisdictions as the Representative may designate and the preparation, printing and distribution of a "blue sky" memorandum (including the related fees and expenses of counsel for the Initial Purchasers); (vi) any fees charged by rating agencies for rating the Securities; (vii) the fees and expenses of the Trustee, the Collateral Agent and any paying agent (including related fees and expenses of any counsel to such parties); (viii) all expenses and fees incurred in connection with the approval of the Securities for book-entry transfer by DTC; (ix) all expenses

incurred by the Issuers in connection with any “road show” presentation to potential investors; and (x) the fees and expenses incurred in connection with creating, documenting and perfecting the security interests in the Collateral as contemplated by the Collateral Documents (including the reasonable related fees and expenses of counsel for the Initial Purchasers for all periods prior to and after the Closing Date).

(b) If (i) this Agreement is terminated pursuant to Section 8, (ii) the Issuers for any reason fail to tender the Securities for delivery to the Initial Purchasers or (iii) the Initial Purchasers decline to purchase the Securities for any reason permitted under this Agreement, each Issuer and each of the Guarantors jointly and severally agrees to reimburse the Initial Purchasers for all out-of-pocket costs and expenses (including the fees and expenses of their counsel) reasonably incurred by the Initial Purchasers in connection with this Agreement and the offering contemplated hereby.

11. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and any controlling persons referred to herein, and the affiliates, officers and directors of each Initial Purchaser referred to in Section 7 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Securities from any Initial Purchaser shall be deemed to be a successor merely by reason of such purchase.

12. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of the Issuers, the Guarantors and the Initial Purchasers contained in this Agreement or made by or on behalf of the Issuers, the Guarantors or the Initial Purchasers pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Securities and shall remain in full force and effect, regardless of any subsequent disposition by the Initial Purchasers of the Securities, any termination of this Agreement or any investigation made by or on behalf of the Issuers, the Guarantors or the Initial Purchasers.

13. Certain Defined Terms. For purposes of this Agreement, (a) except where otherwise expressly provided, the term “affiliate” has the meaning set forth in Rule 405 under the Securities Act; (b) the term “business day” means any day other than a day on which banks are permitted or required to be closed in New York City; (c) the term “subsidiary” has the meaning set forth in Rule 405 under the Securities Act; (d) the term “Exchange Act” means the Securities Exchange Act of 1934, as amended; and (e) the term “written communication” has the meaning set forth in Rule 405 under the Securities Act.

14. Compliance with USA Patriot Act. In accordance with the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Initial Purchasers are required to obtain, verify and record information that identifies their respective clients, including the Issuers and the Guarantors, which information may include the name and address of their respective clients, as well as other information that will allow the Initial Purchasers to properly identify their respective clients.

15. Recognition of the U.S. Special Resolution Regimes. (a) In the event that any Initial Purchaser that is a Covered Entity (as defined below) becomes subject to a proceeding under a U.S. Special Resolution Regime (as defined below), the transfer from such Initial Purchaser of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Initial Purchaser that is a Covered Entity or a BHC Act Affiliate (as defined below) of such Initial Purchaser becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights (as defined below) under this Agreement that may be exercised against such Initial Purchaser are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(c) For purposes of this Section 15, (i) the term “BHC Act Affiliate” has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k); (ii) “Covered Entity” means any of the following: (x) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b), (y) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b), or a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b); (iii) “Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable; and (iv) “U.S. Special Resolution Regime” means each of (x) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (y) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

16. Miscellaneous. (a) *Authority of the Representative.* Any action by the Initial Purchasers hereunder may be taken the Representative on behalf of the Initial Purchasers, and any such action taken by the Representative shall be binding upon the Initial Purchasers.

(b) *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Initial Purchasers shall be given to the Representative c/o Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036 (Attention: High Yield Syndicate Desk, with a copy to the Legal Department). Notices to the Issuers and the Guarantors shall be given to them at 1011778 B.C. Unlimited Liability Company, c/o Restaurant Brands International, 130 King Street West, Suite 300, Toronto, Ontario, Canada M5X 1E1, Attention: Jill Granat. A copy of any notice sent to the Issuers shall also be sent to: Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022, Attn: Joshua N. Korff and Michael Kim.

(c) *Governing Law.* This Agreement and any claim, controversy or dispute arising under or related to this Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(d) *Waiver of Jury Trial.* The Issuers, the Guarantors and each of the Initial Purchasers hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

(e) *Consent to Jurisdiction.* The Issuers and each of the Guarantors hereby submit to the non-exclusive jurisdiction of any U.S. federal or state court located in the Borough of Manhattan, the City and County of New York in any action, suit or proceeding arising out of or relating to or based upon this Agreement or any of the transactions contemplated hereby, and the Issuers and each of the Guarantors irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding in any such court arising out of or relating to this Agreement or the transactions contemplated hereby and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding has been brought in an inconvenient forum. The Company and each Guarantor domiciled in Canada hereby appoints the Restaurant Brands International US Services LLC, 5707 Blue Lagoon Drive, Miami, FL, 33126, as its authorized agent (the “Authorized Agent”) upon whom process may be served in any suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated herein that may be instituted in any state or U.S. federal court in The City of New York and County of New York, by any Initial Purchaser, the directors, officers, employees, affiliates and agents of any Initial Purchaser, or by any person who controls any Initial Purchaser, and expressly accepts the non-exclusive jurisdiction of any such court in respect of any such suit, action or proceeding. The Company and each Guarantor domiciled in Canada hereby represents and warrants that the Authorized Agent has accepted such appointment and has agreed to act as said agent for service of process, and the Company and each Guarantor domiciled in Canada agrees to take any and all action, including the filing of any and all documents that may be necessary to continue such appointment in full force and effect as aforesaid. Service of process upon the Authorized Agent shall be deemed, in every respect, effective service of process upon the Company and each Guarantor domiciled in Canada.

(f) *Waiver of Immunity.* To the extent that the Issuers or any Guarantor has or hereafter may acquire any immunity (sovereign or otherwise) from jurisdiction of any court of (i) Canada, or any political subdivision thereof, (ii) the United States or the State of New York, (iii) any jurisdiction in which it owns or leases property or assets or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution, set-off or otherwise) with respect to themselves or their respective property and assets or this Agreement, the Issuers and each Guarantor hereby irrevocably waive such immunity in respect of its obligations under this Agreement to the fullest extent permitted by applicable law.

(g) *Judgment Currency.* Each of the Issuers and each Guarantor jointly and severally agrees to indemnify each Initial Purchaser, its directors, officers, affiliates and each person, if any, who controls such Initial Purchaser within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, against any loss incurred by such Initial Purchaser as a result of any judgment or order being given or made for any amount due hereunder and such judgment or order being expressed and paid in a currency (the “judgment currency”) other than U.S. dollars and as a result of any variation as between (i) the rate of exchange at which the

U.S. dollar amount is converted into the judgment currency for the purpose of such judgment or order, and (ii) the rate of exchange at which such indemnified person is able to purchase U.S. dollars with the amount of the judgment currency actually received by the indemnified person. The foregoing indemnity shall constitute a separate and independent obligation of each of the Issuers and each Guarantor and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term “rate of exchange” shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, the relevant currency.

(h) *Counterparts.* This Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication, including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g. www.docusign.com), each of which shall be an original and all of which together shall constitute one and the same instrument.

(i) *Amendments or Waivers.* No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

(j) *Headings.* The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

(k) *English Language.* The parties confirm their express wish that this Agreement and all related documents be drawn up exclusively in the English language. *Les parties confirment leur volonté expresse que la présente convention et tous les documents s’y rattachant soient rédigés exclusivement en langue anglaise.*

[Remainder of page intentionally left blank]

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

1011778 B.C. UNLIMITED LIABILITY COMPANY

By: /s/ Jill Granat

Name: Jill Granat

Title: Secretary

NEW RED FINANCE, INC.

By: /s/ Jill Granat

Name: Jill Granat

Title: Assistant Secretary

[Signature Page to Purchase Agreement]

By: /s/ Jill Granat
Name: Jill Granat
Title: Assistant Secretary

**BCp US, LP,
BCP-SUB, LLC,
Blue Finance Holdings 4, LLC,
Blue Holdco aka8, LLC,
LLC-qq, LLC,
LLC-QZ, LLC,
LLCxox, LLC,
North Pole Acquisition, LLC,
NPFH Holdco, LLC,
Orange Group, Inc.,
Orange Intermediate, LLC,
SBFD, LLC,
Tim Hortons (New England), Inc.,
WS Coinvest GP, Inc.,
CAPITAL 94, LLC,
Firehouse of America, LLC,
FRG, LLC,
RB Kitchens, LLC,
Restaurant Brands International US Services LLC,
Tim Donut U.S. Limited, Inc.,
Tim Hortons USA Inc.,
Popeyes Louisiana Kitchen, Inc.**

By: /s/ Jill Granat
Name: Jill Granat
Title: Secretary

[Signature Page to Purchase Agreement]

1011778 SUBCO Holdings ULC,
1013414 B.C. Unlimited Liability company,
1013421 B.C. Unlimited Liability company,
1014369 B.C. Unlimited Liability Company,
1019334 B.C. Unlimited Liability Company,
1028539 B.C. Unlimited Liability Company,
1029261 B.C. Unlimited Liability Company,
1057772 B.C. Unlimited Liability Company,
1112090 B.C. Unlimited Liability Company,
1112097 B.C. Unlimited Liability Company,
1112100 B.C. Unlimited Liability Company,
1112104 B.C. Unlimited Liability Company,
1112106 B.C. Unlimited Liability Company,
12 LP SUBCO Holdings ULC,
12-2019 Holdings ULC,
12KR Holdings ULC,
12KRR Holdings ULC,
12ZZ Holdings ULC,
2097A Holdings ULC,
2097AA Holdings ULC,
2097B Holdings ULC,
BC12SUB-Orange Holdings ULC,
BK Canada Service ULC,
Firehouse Subs of Canada Ltd.,
IPCOA Holdings ULC,
IPCOAA Holdings ULC,
IPCOB Holdings ULC,
KR1 Holdings ULC,
KR19TDL Holdings ULC,
KR3 Holdings ULC,
KR4 Holdings ULC,
KR5 Holdings ULC,
KR6 Holdings ULC,
KR7 Holdings ULC,
KR8 Holdings ULC,
KR9 Holdings ULC,

By: /s/ Jill Granat
Name: Jill Granat
Title: Secretary

By: /s/ Jill Granat
Name: Jill Granat
Title: Secretary

By: /s/ Jill Granat
Name: Jill Granat
Title: Secretary

Accepted on the date first written above:

MORGAN STANLEY & CO. LLC

For itself and on behalf of the several
Initial Purchasers listed in Schedule 1 hereto.

By: /s/ Jake Cohen

Name: Jake Cohen

Title: Authorized Signatory

[Signature Page to Purchase Agreement]

<u>Initial Purchaser</u>		<u>Principal Amount</u>
Morgan Stanley & Co. LLC	\$	133,333,000
J.P. Morgan Securities LLC	\$	95,238,000
Barclays Capital Inc.	\$	95,238,000
BofA Securities, Inc.	\$	95,238,000
RBC Capital Markets, LLC	\$	95,238,000
TD Securities (USA) LLC	\$	95,238,000
Wells Fargo Securities, LLC	\$	95,238,000
Capital One Securities, Inc.	\$	76,191,000
Rabo Securities USA, Inc.	\$	76,191,000
MUFG Securities Americas Inc.	\$	76,191,000
Scotia Capital (USA) Inc.	\$	47,619,000
BNP Paribas Securities Corp.	\$	47,619,000
SMBC Nikko Securities America, Inc.	\$	47,619,000
Mizuho Securities USA LLC	\$	47,619,000
Truist Securities, Inc.	\$	38,095,000
PNC Capital Markets LLC	\$	38,095,000
Total	\$	1,200,000,000

Guarantors

1. 1014369 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
2. 1011778 SUBCO Holdings ULC, a British Columbia unlimited liability company
3. 1019334 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
4. 1028539 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
5. 1029261 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
6. 1057772 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
7. 1112090 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
8. 1112097 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
9. 1112100 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
10. 1112104 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
11. 1112106 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
12. 1013414 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
13. 1013421 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
14. 12 LP SUBCO Holdings ULC, a British Columbia unlimited liability company
15. 12-2019 Holdings ULC, a British Columbia unlimited liability company
16. 12KR Holdings ULC, a British Columbia unlimited liability company
17. 12KRR Holdings ULC, a British Columbia unlimited liability company
18. 12ZZ Holdings ULC, a British Columbia unlimited liability company
19. 2097A Holdings ULC, a British Columbia unlimited liability company
20. 2097AA Holdings ULC, a British Columbia unlimited liability company
21. 2097B Holdings ULC, a British Columbia unlimited liability company
22. BC12SUB-Orange Holdings ULC, a British Columbia unlimited liability company
23. BK Canada Service ULC, a British Columbia unlimited liability company
24. Firehouse Subs of Canada Ltd., a British Columbia limited company
25. IPCOA Holdings ULC, a British Columbia unlimited liability company
26. IPCOAA Holdings ULC, a British Columbia unlimited liability company
27. IPCOB Holdings ULC, a British Columbia unlimited liability company
28. KR1 Holdings ULC, a British Columbia unlimited liability company
29. KR19TDL Holdings ULC, a British Columbia unlimited liability company

30. KR3 Holdings ULC, a British Columbia unlimited liability company
31. KR4 Holdings ULC, a British Columbia unlimited liability company
32. KR5 Holdings ULC, a British Columbia unlimited liability company
33. KR6 Holdings ULC, a British Columbia unlimited liability company
34. KR7 Holdings ULC, a British Columbia unlimited liability company
35. KR8 Holdings ULC, a British Columbia unlimited liability company
36. KR9 Holdings ULC, a British Columbia unlimited liability company
37. LAX Holdings ULC, a British Columbia unlimited liability company
38. LAX SUBCO 2 Holdings Inc., a British Columbia unlimited liability company
39. LDTA Holdings ULC, a British Columbia unlimited liability company
40. LDТАА Holdings ULC, a British Columbia unlimited liability company
41. LDTC Holdings ULC, a British Columbia unlimited liability company
42. PBB Holdings ULC, a British Columbia unlimited liability company
43. PLK Enterprises of Canada, Inc., a British Columbia corporation
44. RB Crispy Chicken Holdings ULC, a British Columbia unlimited liability company
45. RB OCS Holdings ULC, a British Columbia unlimited liability company
46. RB Timbit Holdings ULC, a British Columbia unlimited liability company
47. RBH MIDCO Holdings ULC, a British Columbia unlimited liability company
48. RBH SUB1 Holdings Corporation, a British Columbia corporation
49. RBH SUB2 Holdings Corporation, a British Columbia corporation
50. RBH SUBCO 4 Holdings ULC, a British Columbia unlimited liability company
51. RBHZZ Holdings ULC, a British Columbia unlimited liability company
52. TDLRR SUBCO Holdings ULC, a British Columbia unlimited liability company
53. THE TDL Group Corp./Groupe TDL Corporation, a British Columbia limited company
54. ZN1 Holdings ULC, a British Columbia unlimited liability company
55. ZN19TDL Holdings ULC, a British Columbia unlimited liability company
56. ZN3 Holdings ULC, a British Columbia unlimited liability company
57. ZN4 Holdings ULC, a British Columbia unlimited liability company
58. ZN5 Holdings ULC, a British Columbia unlimited liability company
59. ZN6 Holdings ULC, a British Columbia unlimited liability company
60. ZN7 Holdings ULC, a British Columbia unlimited liability company
61. ZN8 Holdings ULC, a British Columbia unlimited liability company
62. ZN9 Holdings ULC, a British Columbia unlimited liability company
63. Burger King Canada Holdings Inc./ Placements Burger King Canada Inc., an Ontario corporation
64. GP Air Limited, an Ontario corporation
65. Orange Group International, Inc., an Ontario corporation
66. Restaurant Brands Holdings Corporation, an Ontario corporation
67. Restaurant Brands International Limited Partnership, an Ontario limited partnership
68. Tim Hortons Canadian Ip Holdings Corporation, an Ontario corporation
69. Société en commandite 2097P / 2097P Limited Partnership, a Quebec limited partnership
70. Société en commandite BC12/ BC12 Limited Partnership, a Quebec limited partnership
71. Société en commandite BC12P/ BC12P Limited Partnership, a Quebec limited partnership
72. Société en commandite IPCO / IPCO Limited Partnership, a Quebec limited partnership

73. Société en commandite LDTB / LDTB Limited Partnership, a Quebec limited partnership
74. Société en commandite P2019/P2019 Limited Partnership, a Quebec limited partnership
75. Société en commandite Tarte 3/ Pie 3 Limited Partnership, a Quebec limited partnership
76. Société en commandite Tarte 4/ Pie 4 Limited Partnership, a Quebec limited partnership
77. RBH Sub3 Holdings Corporation, a British Columbia corporation
78. LAX SUBCO HOLDINGS ULC, a British Columbia unlimited liability company
79. BCp US, LP, a Delaware limited partnership
80. BCP-SUB, LLC, a Delaware limited liability company
81. BK Acquisition, Inc., a Delaware corporation
82. Blue Finance Holdings 4, LLC, a Delaware limited liability company
83. Blue Holdco aka8, LLC, a Delaware limited liability company
84. Burger King Capital Finance, Inc., a Delaware corporation
85. Burger King International, LLC., a Delaware limited liability company
86. Burger King Investments, Inc., a Delaware corporation
87. LLC-qq, LLC, a Delaware limited liability company
88. LLC-QZ, LLC, a Delaware limited liability company
89. LLCxox, LLC, a Delaware limited liability company
90. North Pole Acquisition, LLC, a Delaware limited liability company
91. NPFH Holdco, LLC, a Delaware limited liability company
92. Orange Group, Inc., a Delaware corporation
93. Orange Intermediate, LLC, a Delaware limited liability company
94. SBFD, LLC, a Delaware limited liability company
95. Tim Hortons (New England), Inc., a Delaware corporation
96. WS Coinvest GP, Inc., a Delaware corporation
97. BK Whopper Bar, LLC, a Florida limited liability company
98. Burger King Company LLC, a Florida limited liability company
99. Burger King Interamerica, LLC, a Florida limited liability company
100. CAPITAL 94, LLC, a Florida limited liability company
101. Firehouse of America, LLC, a Florida limited liability company
102. FRG, LLC, a Florida limited liability company
103. RB Kitchens, LLC, a Florida limited liability company
104. Restaurant Brands International US Services LLC, a Florida limited liability company
105. Tim Donut U.S. Limited, Inc., a Florida corporation
106. Tim Hortons USA Inc., a Florida corporation
107. Popeyes Louisiana Kitchen, Inc., a Minnesota corporation

Post-Closing Collateral Requirements

Schedule 3-1

Additional Time of Sale Information

1. Pricing term sheet containing the terms of the Securities, substantially in the form of Annex B.

Pricing Term Sheet

[See attached]

Annex B-1

Restrictions on Offers and Sales Outside the United States

In connection with offers and sales of Securities outside the United States:

(a) Each Initial Purchaser acknowledges that the Securities have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act. Each Initial Purchaser acknowledges that the distribution of the Securities is being made in the Offering Provinces on a private placement basis, exempt from the prospectus requirements of applicable Canadian Securities Laws, and that the Securities have not been and will not be qualified for distribution (or distribution to the public, as applicable) by prospectus under applicable Canadian Securities Laws.

(b) Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) Such Initial Purchaser has offered and sold the Securities, and will offer and sell the Securities, (A) as part of their distribution at any time and (B) otherwise until 40 days after the later of the commencement of the offering of the Securities and the Closing Date, only in accordance with Regulation S or Rule 144A or any other available exemption from registration under the Securities Act.

(ii) None of such Initial Purchaser or any of its affiliates or any other person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Securities, and all such persons have complied and will comply with the offering restrictions requirement of Regulation S.

(iii) At or prior to the confirmation of sale of any Securities sold in reliance on Regulation S, such Initial Purchaser will have sent to each distributor, dealer or other person receiving a selling concession, fee or other remuneration that purchases Securities from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Securities and the date of original issuance of the Securities, except in accordance with Regulation S or Rule 144A or any other available exemption from registration under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

(iv) Such Initial Purchaser has not and will not enter into any contractual arrangement with any distributor with respect to the distribution of the Securities, except with its affiliates or with the prior written consent of the Issuers.

Terms used in paragraph (a) and this paragraph (b) and not otherwise defined in this Agreement have the meanings given to them by Regulation S.

(c) Each Initial Purchaser acknowledges that no action has been or will be taken by the Issuers that would permit a public offering of the Securities, or possession or distribution of any of the Time of Sale Information, the Offering Memorandum, any Issuer Written Communication or any other offering or publicity material relating to the Securities, in any country or jurisdiction where action for that purpose is required.

(d) Each Initial Purchaser and its respective affiliates severally agrees that it will offer and sell the Securities to Subsequent Purchasers in Canada in compliance with the requirements of applicable Canadian Securities Laws and only make offers and sales of the Securities in Canada in the Offering Provinces and in such a manner that the sale of the Securities will be exempt from the prospectus requirements of applicable Canadian Securities Laws. For greater certainty, each Initial Purchaser severally agrees that it has not made and will not make an offer of the Securities to any person or company in Canada other than a person or company that is both:

(i) an “accredited investor” within the meaning of NI 45-106 or, in Ontario, as defined in Section 73.3(1) of the *Securities Act* (Ontario) (except, in each case, for the criteria set out in paragraph (j), (k) or (l) of such definition in NI 45-106) that is either purchasing the Securities as principal for its own account, or is deemed to be purchasing the Securities as principal for its own account in accordance with Canadian Securities Laws, and that is entitled under Canadian Securities Laws to purchase such Securities without the benefit of a prospectus qualified under such laws; and

(ii) a “permitted client” as defined in section 1.1 of NI 31-103.

(e) Each Initial Purchaser, severally and not jointly, covenants and agrees that it will provide to the Issuers forthwith upon request all such information regarding each purchaser of Securities from it in Canada, including the paragraph number in the definition of “accredited investor” in Section 1.1 of NI 45-106 that applies to each purchaser, as the Issuers may reasonably request in good faith for the purpose of preparing and filing Schedule 1 to a report of exempt distribution on Form 45-106F1 (“Form 45-106F1”) and filed with all applicable Canadian securities regulators in connection with the issuance and sale of the Securities, provided it is acknowledged and agreed that the Initial Purchasers need not provide any information to the Issuers regarding whether any Canadian purchaser is an insider of the Issuers.

(f) Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the United Kingdom Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuers or the Guarantors; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

(g) Each Initial Purchaser severally agrees that it has not offered, sold or otherwise made available to and will not offer, sell or otherwise make available the Securities to any retail investor in the European Economic Area or the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); (ii) a customer within the meaning of EU Directive 2016/97 (as amended or superseded, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended or superseded, the “Prospectus Regulation”).

CERTIFICATION

I, Joshua Kobza, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Restaurant Brands International Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Joshua Kobza

Joshua Kobza

Chief Executive Officer

Dated: August 8, 2024

CERTIFICATION

I, Sami Siddiqui, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Restaurant Brands International Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Sami Siddiqui

Sami Siddiqui
Chief Financial Officer

Dated: August 8, 2024

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Restaurant Brands International Inc. (the “Company”) for the quarter ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Joshua Kobza, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joshua Kobza

Joshua Kobza

Chief Executive Officer

Dated: August 8, 2024

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Restaurant Brands International Inc. (the “Company”) for the quarter ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Sami Siddiqui, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Sami Siddiqui

Sami Siddiqui

Chief Financial Officer

Date: August 8, 2024