Retail Food Group Limited
2017 AGM

Managing Director's Address
30 November 2017

[Slide 1 – Managing Director's Address]

Thank you Mr Chairman, and good afternoon ladies and gentlemen.

Today we will revisit the Company's performance during FY17, and also discuss key initiatives under way as we continue the Company's evolution and build a sustainable platform for medium to long term growth.

[Slide 2 - Dynamic Growth Pillars]

RFG possesses five robust and complementary growth pillars.

It is Australia's largest multi-brand franchise operator, with the Franchise Division representing the original driver of our business.

Over time we have diversified our model to capitalise on new growth opportunities, including RFG's international operations which are focused on increasing our global footprint and supporting our Master Franchise Partners to grow their networks.

As well, the Coffee & Allied Beverage Division meets demand for coffee products amongst our domestic and international franchise networks, and has evolved to include operations within the specialty wholesale, in-home and broader commercial segments.

Our newest growth pillar is the Commercial Division, established in FY17 to extract the opportunities afforded by the Hudson Pacific acquisition, supported by the Associated Foodservice transaction in May. Offering warehouse, procurement, distribution, dairy processing and bakery manufacturing capabilities, these acquisitions also provide a foundation for vertical integration.

Our final growth pillar, M&A, has been an important driver of RFG's transformation since Listing, and is tuned to opportunities able to complement our organic growth platforms.

[Slide 3 – Growing Diversification]

Together, these growth pillars contributed to a successful FY17 performance.

Revenues rose 27% to circa $350m during FY17, bolstered by the acquisition of Hudson Pacific.

Underlying EBITDA of $123.4m reflected an increase of 12.1%, setting a platform for a 14% increase in underlying Net Profit After Tax to $75.7m.

At an operational level, earnings growth was experienced across all Divisions during FY17, with overall results highlighting the growing diversification of our business model.

In the FY17 year, the Group wrote down advances to Brand System marketing funds, and conducted a detailed review of accounting policies, also having regard to new guidance being released during the year on application of certain accounting standards.

This review led to restatement of accounts for each of the financial years ended prior to and ending 30 June 2015 and 2016.

These matters are more particularly detailed in RFG's FY17 financial statements for further reference.

I'd now like to discuss our Divisional performance and various initiatives underway, commencing with an examination of the Franchise Division.

FY17 Franchise Division EBITDA was broadly in line with PCP, growing 1.5% to $78.9m, with strong performances amongst Coffee Retail, Donut King and Crust offsetting subdued performance amongst Michel's and Pizza Capers.

Coffee Retail was the clear stand out performer, growing FY17 EBITDA by 9.0% to $40.8m. The majority of our international network falls under Coffee Retail, and this performance demonstrated the growing importance of RFG's international operations to Group results.

Positive weighted SSS and ATV growth of 0.9% and 1.8% was achieved, underpinned by disciplined pricing policies to support Franchise Partner margins.

Impacted by 2H17 performance, network population contracted by 14 outlets, resulting in a closing outlet population of 2,516.

This performance was both credible and indicative of the resilient nature of our Brand Systems, given our domestic business operates within an increasingly challenging retail marketplace, particularly within the shopping centre environment.

[Slide 4 - Franchise Division: Trading Update]

These factors have persisted into the YTD.

In terms of 1H18 performance, YTD weighted SSS and ATV following the first 18 weeks' trade represent +0.7% and +1.9% respectively.

Divisionally, Bakery Café SSS and ATV are tracking at +1.1% and +2.0%, aided by digital initiatives and menu innovation.

Coffee Retail YTD domestic SSS and ATV currently sits at -1.6% and +1.1%, but will benefit from initiatives I will speak to shortly.

Pleasingly, YTD SSS and ATV amongst the Group's QSR Division are gaining momentum, tracking positively at +2.7% and +2.9% within a highly competitive market no longer limited to pizza, but including a much broader offering facilitated by online delivery service providers.

Regarding the network, 1H18 new outlet commissionings are anticipated to be c.70, consistent with 2H17 and broadly offsetting closures during the period. Of these, closures domestically are now forecast to be in excess of budget, impacted by the retail challenges previously mentioned.

As a consequence, 1H18 domestic Franchise Division performance is now expected to be lower than PCP, and we maintain a cautious view in respect to full year performance.

These things said, we have a number of initiatives to drive Divisional performance and deliver positive outcomes for our Franchise Partners which are gaining traction. Key amongst those include digital and product innovations which I'd now like to explore.

[Slide 5 - Digital Success]

In FY17 RFG's Digital Centre of Excellence broke new ground in the digital space with a range of projects delivering successful outcomes.

For instance, the Michel's image printer was awarded Best Digital Initiative at the 2017 QSR Media Awards, and Brumby's loyalty solution has grown to over 32,000 members and is facilitating a strong ATV premium versus non-members.

However the highlight for FY17 was launch of Donut King's gamification app, "Donut Rush".

An immediate success, the App facilitated Donut King's interaction with a new breed of millennial consumers in an addictive and fun medium. And the proof is in the numbers:

- Donut Rush reached number one on the Google Play and Apple App Store platforms within a week of launch;
- It enjoyed over 400,000 downloads;
- It generated over 30 million minutes of gameplay; and
- It received industry recognition at the prestigious ADMA awards.

These achievements aside, the game itself was overwhelmingly successful in its primary objective – to get more millennial consumers to buy into the Donut King experience.

Through gameplay, players were rewarded with prize vouchers for in-store redemption, driving customer count and contributing to Donut King's strong FY17 SSS and ATV performance.

Feedback has been overwhelmingly positive, and our Digital Team are currently developing a second version of the game for launch in 2H18.

Donut Rush illustrates the successful outcomes which can be achieved by the application of innovative, engaging and targeted digital activity.

[Slide 6 - Product Innovation]

Ultimately though, our Brand Systems are product led and innovation in this space is a core part of our DNA.

In FY17, Crust set a new bar in the gourmet segment, with its Upper Crust menu driving an 8.6% sales increase in that category.

Menu refinement and new product introduction is a continuing theme within the QSR Division, demonstrated by the successful launch of Crust's vegan 'Smokey BBQ Pulled Jackfruit' pizza, so popular that the network consumed its 3 month Jackfruit supply within 2 weeks of launch.

Pizza Capers' more recent vegan offering, the 'Tabasco Spiced Smashed Avocado' pizza, has also proven an on-trend hit with consumers, stimulating strong social media engagement.

Donut King disrupted the market with Donut Fries, selling over 40,000 units in a two month promotional period. In September, the brand followed this up with launch of its “Ungrown Up Range”, driving yeast donut category sales.

Brumby’s is continuing development of its leading Artisan range with Ancient Grain Sourdough extensions, including ‘tumeric & lentil’ and ‘choc-chilli’ sourdoughs, complementing a new gourmet sandwich range that provides consumers appetizing breakfast and lunchtime offers.

As well, Brumby’s this month launched an Australian first, quinoa and linseed, certified low FODMAP range to meet growing demand for functional, healthy bread alternatives.

In FY17 Michel’s launched a range of patisseries including petite cakes, drip cakes and a new mud cake range. More recently, the brand has rolled out a light meals range incorporating eight new lines to extend visit occasions, and is further differentiating it’s celebration cake offer with the 3Q18 launch of ‘red velvet’, ‘hummingbird’ and ‘dolce caramel’ cakes. These will be accompanied by French inspired sweets, pastries and savouries set to enter the market later in the financial year.

Some of these products are on display today and I encourage you to trial them after the meeting if you have not already done so.

In FY17 Gloria Jean’s unveiled fresh and wholesome food alternatives through the launch of the ‘fresh is best’ product range, as a precursor to wider Brand System evolution which I will now discuss.

[Slide 7 - Gloria Jean’s for a New Generation]

RFG acquired Gloria Jeans in late 2014.

Immediately recognised, the brand has earned a reputation for great service and coffee.

However, consumer tastes and trends evolve, elevating coffee as a specialty product with a devout following focused on bean provenance, roasting processes and the skills necessary to achieve a perfect cup of coffee.

These trends represent a unique opportunity to evolve Gloria Jean’s and focus consumers on the brand’s underlying coffee credentials via the introduction of new brewing techniques, roasting blends and single origins.

Complementing this activity is the brand’s entry into fast casual dining, with an all-day breakfast menu and café offering including ‘made in store – fresh is best’ grab and go options, and new ‘hero’ products.

Each of these initiatives have been developed following significant R&D, Franchise Partner, consumer and landlord engagement, and the response has been overwhelmingly positive to date.

The first pilot outlets will be launched domestically in 3Q18, with broader network adoption to follow thereafter. This initiative provides the fresh platform and opportunity for reinvigoration of the Brand System.

[Slide 8 - Expanding International Footprint]

This platform is not merely domestic in scope, noting that our international network has become a key ingredient of RFG's success.

During FY17, we grew total licensed territories by 15 to 81, a 17% increase.

Of particular interest:

- Donut King's entry into the European market was facilitated by the grant of Master Franchise rights for Sweden, with the first outlet to open prior to Christmas; and

- Pizza Capers granted Master Franchise rights for the Indian market, partnering with an experienced QSR operator.

Gloria Jean's however represented the lion's share of new international licensing activity, with Master Rights granted for multiple regions, including the United Kingdom market.

Our International Division is making steady progress building a strong pipeline of new international opportunity via targeted recruitment activity, having established a sophisticated broker network and attending various international master franchising expos.

A number of potential partners have been qualified for new international territories, and we are working with these candidates closely to finalise terms.

Whilst we anticipate concluding some of these licences in 1H18, consistent with past experience, it is inherently difficult to provide certainty as to when they will be concluded. We will provide further updates in that regard as the year progresses.

Before moving on, it is important to note that we have increased international territories by more than 80% since acquiring Gloria Jean's in December 2014.

Numerous international territories therefore remain in early stages of development, and in time, will provide significant recurrent revenue streams in the form of royalties, other fees, and enhanced product supply as they build out their networks.

[Slide 9 - International Hub Strategy]

In addition to new master licence activity, during 1H18 we achieved an important breakthrough in our strategy to establish an international hub in the Middle East through a joint venture with leading UAE based partners.

The Middle East Hub complements traditional growth initiatives and provides scope to:

- Establish coffee roasting operations focused on realising significant untapped greenfield opportunity arising from an emerging coffee culture in the MENA region;

- Accelerate Brand System licensing activity in the Gulf;

- Access local expertise and relationships;

- Reduce global expansion risk; and

- More efficiently service existing international networks, whilst supporting our strategy to grow and diversify earnings globally.

Roasting infrastructure necessary to establish the Middle East Hub has been shipped, and we expect it will be operational in 2H18.

[Slide 10 - Global Coffee Ambitions]

Reflecting on FY17 performance, Coffee & Allied Beverage Division EBITDA grew modestly, with growth amongst commercial coffee contracts offsetting reduction in lower margin supermarket capsule business.

Looking forward, our strategy contemplates establishment of roasting infrastructure to underpin hub platforms in Asia and Europe, where we already enjoy a strong regional Master Franchise Partner network.

These will complete the hub strategy, complementing roasting operations in Australia, the USA, New Zealand and the soon to commence, Middle East.

Coupled with the hub program has been restructure of our Coffee & Allied Beverage Division under an umbrella 'Di Bella Coffee Co' brand, leveraging the market reputation and brand strength it enjoys.

The repositioning provides impetus for reinvigoration of the segment domestically, together with a strong platform for international growth.

[Slide 11 - The Contribution of Commercial]

In terms of the Commercial Division, it performed strongly in FY17, contributing $11.8m to underlying Group EBITDA. This outcome was assisted by the strong performances of Dairy Country and Bakery Fresh under RFG stewardship.

Since acquisition, we have invested in appropriate levels of sales and management capability, and additional manufacturing capacity, in order to leverage the medium to long term opportunity profile afforded by the business.

During 1H18, this investment in capability has secured a number of key commercial contracts commencing in the 2H18, whilst also facilitating new channels to market for coffee, dairy and bakery on a national basis.

The Commercial Division will also capitalise on significant vertical integration opportunity in alignment with expiry of existing contractual relationships over the medium term.

[Slide 12 - Looking Forward]

Complementing Global 2020 Strategy:

In order to take full advantage of the complementary nature of RFG's growth pillars and better execute on the Company's Global 2020 strategy, the Group has commenced a whole of business review focused on:

- Examining our cost base, effecting supply chain consolidation, and expediting synergies;
- Initiating strategic review of our domestic franchise operations;

- Better aligning resources with our strategic plan for an increasingly agile organisation; and

- Realising our global potential, enhancing our growth prospects, and importantly, better assuring a sustainable long term future for our business.

This comprehensive initiative will involve an investment of circa $9.0m over the 24 month project lifecycle, to ultimately deliver anticipated annualized cost savings of circa $6.0m. A further update regarding this investment will be provided with RFG's 1H18 results.

As previously disclosed, RFG has commenced the sale of properties ahead of moving to a new corporate headquarters in 2018. One-off costs relating to the sale of these properties of c.$3m will be included in FY18 results, subject to timing of sale completion.

The investment and costs associated with the cost optimization programs and sale of properties will be disclosed as non-trading items.

Outlook:

In summary, there exist many positives in RFG's business, and the Company is comforted by the medium to longer term growth opportunities being executed upon.

Regarding FY18, RFG retains an optimistic outlook despite the challenging domestic retail market, with domestic Franchise Division performance anticipated to be weaker than originally forecast, offset by new business gained across our other Divisions, largely commencing 2H18.

RFG therefore maintains FY18 guidance of c.6% underlying NPAT growth, albeit with a more pronounced weighting to the 2H18.

I would like to thank RFG's team for their efforts during FY17 and in the current year. Your innovative mindset, passion and commitment provides comfort that our business remains in good hands.

To our Master Franchise and Franchise Partners I would also extend thanks and appreciation for your continued efforts and commitment to the Brand Systems under which you operate. I would also extend the same note of thanks to our many customers who have entrusted us with their business.

In closing, but by no means least, I also thank you, our valued shareholders, many of whom are long-term advocates of RFG, for your continued support of the Company.

Thank you.

MANAGING DIRECTOR'S

ADDRESS

ANDRÉ NELL | MANAGING DIRECTOR, RETAIL FOOD GROUP LIMITED

Dynamic Growth Pillars

VISION: CREATING COMPELLING OPPORTUNITIES FOR GLOBAL SUCCESS

FRANCHISE

A diverse portfolio of market leading Brand Systems across bakery, café, retail coffee & QSR segments, supported by an engaged complement of Franchise & Master Franchise Partners

INTERNATIONAL

A “world of opportunity” – expanding RFG’s global footprint & providing a platform for sustainable long-term growth

COFFEE & ALLIED BEVERAGE

State-of-the-art infrastructure, significant expertise & growing global demand, allied with a diverse market platform, offers significant opportunity to enhance earnings

COMMERCIAL

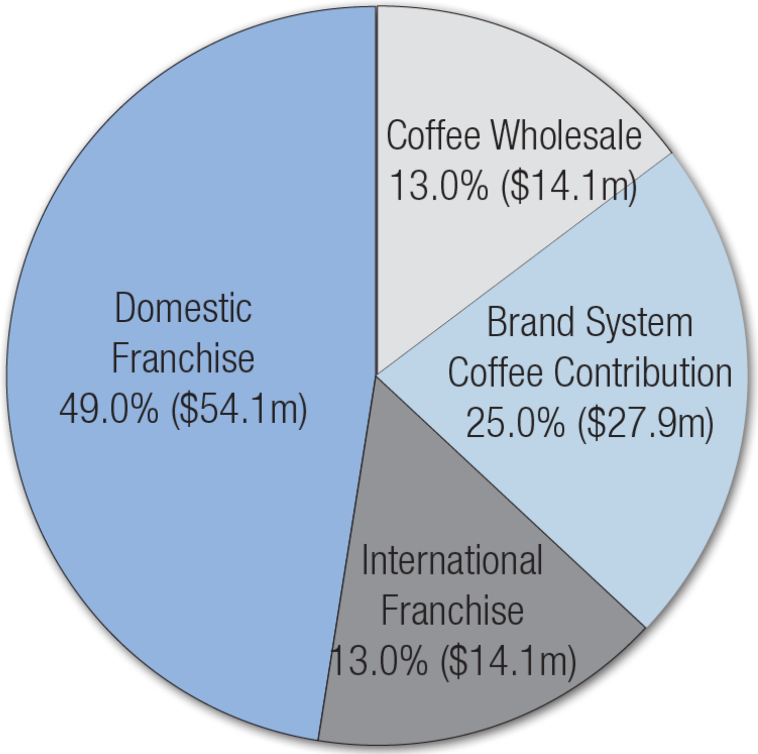
Provides access to multiple opportunities whilst laying the foundation for an enhanced vertically integrated foodservice & manufacturing base that supports further diversification

M&A

15+ strategic acquisitions since Listing have driven RFG’s evolution into a global food & beverage company – prudent & measured M&A approach driving additional growth opportunity

Growing Diversification[1]

FY16 EBITDA ($110.2m)

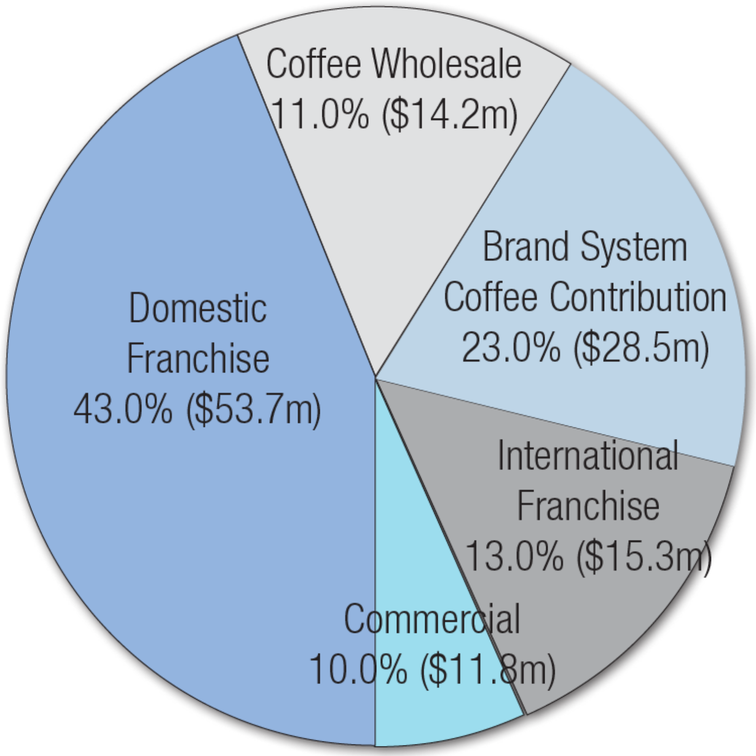


+$13.3m

+12.1%

→

FY17 EBITDA ($123.5m)



[1] Underlying results

Franchise Division – Trading Update

FY18 YTD [1.]	SSS	ATV
Group Weighted	0.7%	1.9%
Bakery/Café	1.1%	2.0%
Coffee Retail	(1.6)%	1.1%
QSR	2.7%	2.9%

1. Domestic outlets only. First 18 weeks trade

Digital Success

Product Innovation

Gloria Jean's for a new generation

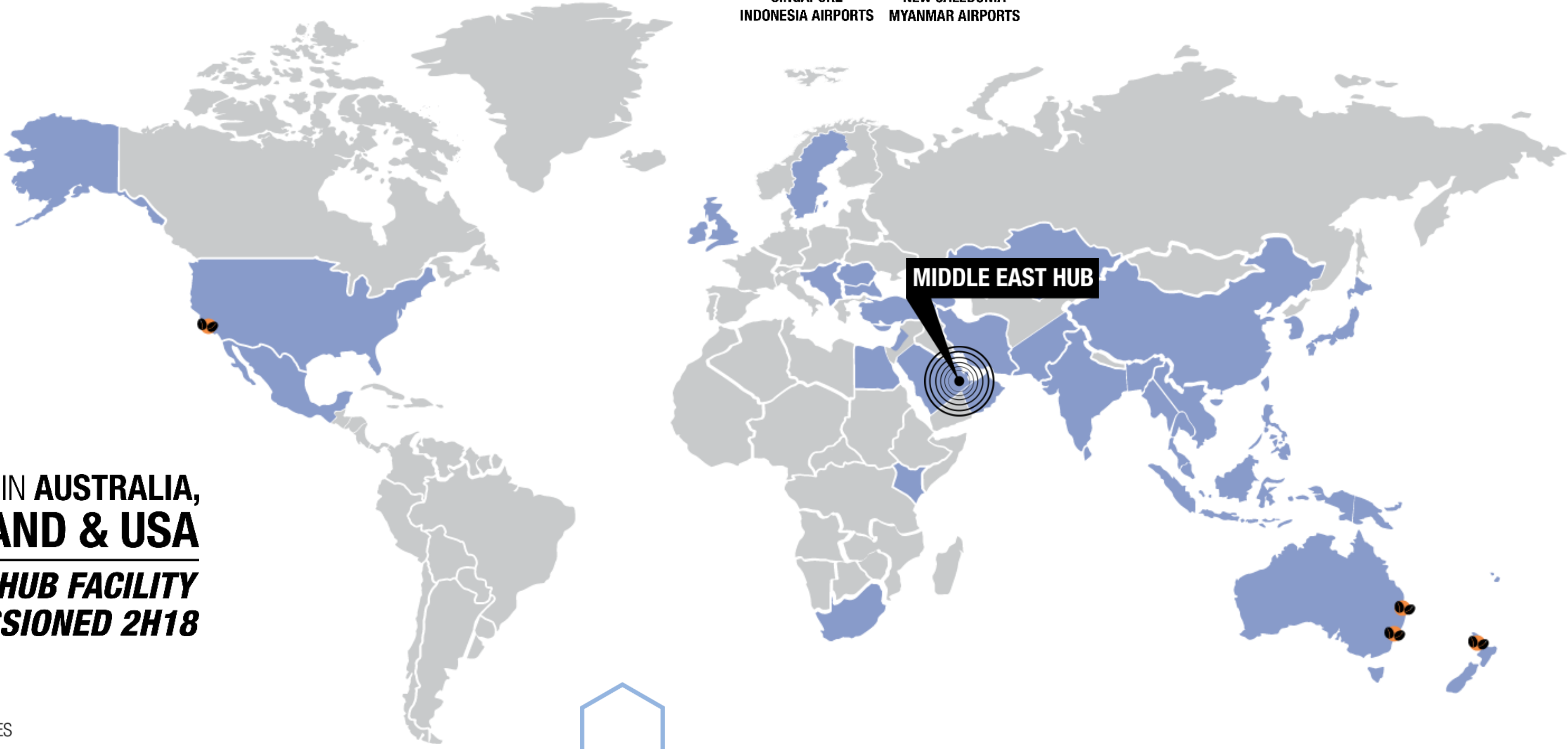
A people and product led innovation initiative

International

FY17: 81 TERRITORIES ACROSS 10 BRAND SYSTEMS

FY17: 15 NEW LICENSES GRANTED ACROSS 5 BRAND SYSTEMS

Gloria Jean's Coffees		Donut King	It's a Grind Coffee House	Pizza Capers	Brumby's Bakery
UNITED KINGDOM CHICAGO & INDIANA KENYA SINGAPORE INDONESIA AIRPORTS	VANUATU SAMOA FRENCH POLYNESIA NEW CALEDONIA MYANMAR AIRPORTS	SWEDEN MYANMAR	SAUDI ARABIA & KUWAIT	INDIA	FIJI



ROASTING HUBS IN **AUSTRALIA, NEW ZEALAND & USA**

MIDDLE EAST HUB FACILITY *TO BE* ***COMMISSIONED 2H18***

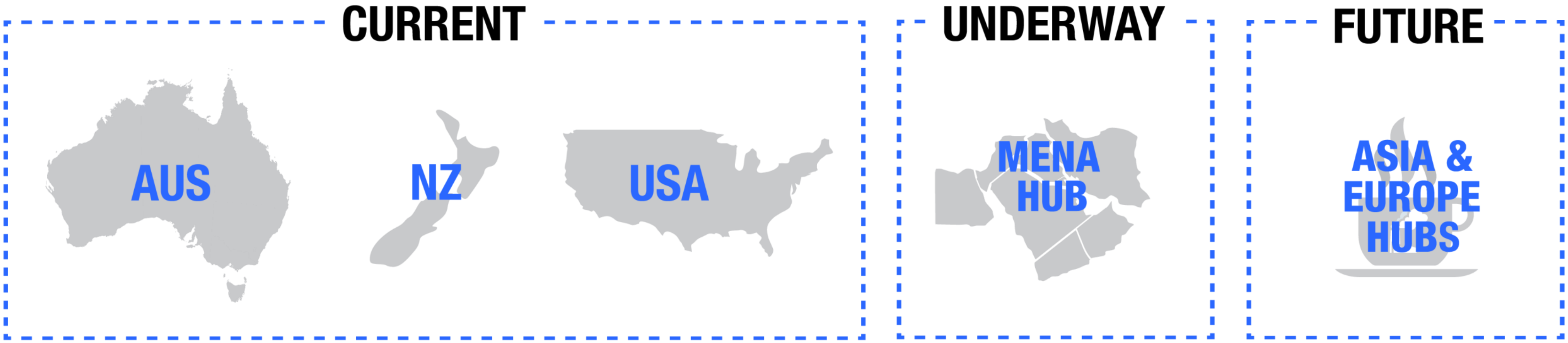
LEGEND

- RFG EXISTING TERRITORIES
- RFG ROASTING FACILITIES

International Hub Strategy

Global coffee ambitions

Di Bella COFFEE CO



REPLICATING SUCCESSFUL AUSTRALIAN MODEL

COFFEE & ALLIED BEVERAGE OPERATIONS **REPOSITIONED UNDER DI BELLA COFFEE CO TO LEVERAGE MARKET REPUTATION & BRAND STRENGTH ACROSS ENTIRE COFFEE BUSINESS**

The Contribution of Commercial

HudsonPacific Corporation · Associated Foodservice

+2,400 CUSTOMERS
+5,500 SKUs
>$300M DISTRIBUTION VALUE WHEN COMBINED WITH RFG

Dairy Country

+6% ON PCP TO c.26.4m kg
VALUE ADDED CHEESE PROCESSING

bakery fresh

+16% ON PCP TO 3.8m kg
BAKERY PRODUCT SUPPLY

Dynamic Growth Pillars