

[SLIDE 1 – CEO’S ADDRESS]

Retail Food Group Limited

2023 Annual General Meeting

Chief Executive Officer’s Address

30 November 2023

[SLIDE 2 – CEO’S ADDRESS (AGENDA)]

Thank you Peter, and good morning ladies and gentlemen.

As Peter has mentioned, FY23 marked an important turning point for RFG.

We are now firmly focused on delivering solutions to unlock growth and drive enhanced profitability for both our franchise partners and shareholders.

Today I’ll touch upon the Company’s FY23 performance and provide a business update as we continue the Company’s evolution and build a sustainable platform for growth.

I’m also excited to share with you details regarding RFG’s acquisition of Beefy’s Pies, announced earlier today, and an extension of our senior debt facility.

[SLIDE 3 – FY23 FINANCIAL RESULTS]

A strong 1H23 start to the year, as our coffee-based brand systems reported impressive outcomes against a heavily COVID-19 impacted prior comparative period, or PCP, set the tone for positive full year results in a challenging retail environment.

FY23 domestic network sales grew 7.2% to \$502m, supported by strong improvements across all key metrics:

- All brand systems enjoyed positive Same Store Sales (SSS) versus PCP, contributing to network SSS growth of +12.1%;
- Customer Count (CC) grew 10.5% amongst same stores, driven by strong performances amongst coffee and bakery brands; and
- Average Transaction Value (ATV) grew 2.4% across all outlets.

Despite the growth in this last metric, which was aided by careful price management to combat inflationary pressures, ATV remains affordable, continues to represent value for the consumer, and contributes to the underlying resilience of our network.

There are various positive stories intermixed with these results, two of which I’d like to give particular mention to:

- The first is the performance of our Donut King network, which continues to build brand relevance via strategic brand collaborations and clear positioning as the 'home of the hot cinnamon donut'.
- The other is the 2H23 launch of Rack 'em Bones BBQ Ribs, the first brand added to RFG's portfolio in almost 10 years, and the first to be wholly designed and developed 'in-house'. As a 'virtual' brand, Rack 'em Bones leverages existing QSR Division outlet fixed costs and assets to maximise franchise partner profitability, and rapidly grew to 42 outlets 'in market' by 30 June 2023, helping to offset challenging trading conditions for our QSR Division. I will speak more about Rack 'em Bones shortly.

Our Master Franchise Partners also reported 51 new outlets for the year, bringing our total international network population to 599 outlets across 32 countries on close of the financial year.

Each of these outcomes contributed to FY23 underlying revenues of \$98.0m, which in turn, translated to FY23 underlying EBITDA of \$26.0m, up 21.0% on the PCP.

On a statutory basis, FY23 EBITDA of \$3.6m led to a net loss after tax for the year of \$8.9m, reflecting the impact of legacy legal matters, including resolution of the ACCC proceedings, restructuring costs and non-cash impairments.

During FY23 we also reset and strengthened our balance sheet, securing a three-year non-amortising senior debt facility that provides flexibility to pursue capital-light growth opportunities, investment in technology, product innovation and customer experience.

[SLIDE 4: FY24 BUSINESS UPDATE]

Underpinning our business is a resilient domestic network that affords a stable earnings base for the Company.

This is evident in FY24YTD domestic Average Weekly Sales (AWS) of \$9.62m, up 1.4% on FY23Q4 performance despite challenging macro-economic conditions.

Moving forward, we have aligned our business around two segments to simplify reporting:

- Our QSR Segment, which incorporates our pizza brands and Rack 'em Bones; and
- Our new Café, Coffee & Bakery, or CCB, segment, which incorporates the remainder of our portfolio.

Domestic network expansion remains a key priority for us.

Our outlet growth ambitions are not however limited to traditional franchised outlets.

We have invested considerable resources in both establishing and growing a corporate store portfolio that not only demonstrates brand system benchmarks and fosters retail mindsets, but also affords scope to assume operation of new and existing outlet locations.

During FY23 we grew our corporate store portfolio to 31 outlets. During the YTD we have deployed further capital to launch or transition an additional 13 corporate outlets, with a further 3 due for commissioning by 31 December 2023.

We have also:

- Continued to drive the rollout of our virtual concept, Rack 'em Bones, which has grown by a further 33 outlets during the YTD FY24; and
- Sought out and executed the acquisition of Beefy's Pies, to complement our organic growth with an inorganic opportunity.

Leveraging technology to improve outcomes for our network is also a focus. By way of example, we have recently commenced trial of kiosk technology in our Gloria Jean's Melton outlet, and alongside that, are rolling out QR Codes for table ordering within the Donut King and Gloria Jean's networks.

To ensure we remain on track, we've also added capability across our management team which boasts broad experience across multiple industries and disciplines. This includes new leadership within our finance, IT and marketing teams, including the October 2023 appointment of a highly credentialed Chief Marketing Officer.

[SLIDE 5: REFRESHED MARKETING FOCUS]

Our refreshed marketing approach is focused on building equity in our brands via product quality, innovation, and enhanced customer experiences.

In the current macro-economic environment consumers are seeking value, but not solely in terms of price. Value includes quality products together with new and positive retail experiences that drive customer engagement.

The way that customers are seeking out this value is also evolving.

For instance, digital marketing and influencer involvement are now almost standard elements of any significant market activity. Implementation of strategic brand partnerships are also a growing means to engage new audiences.

Each of these things are a focus for our marketing team. Amongst other initiatives:

- Crust remains committed to maintaining its premium market positioning via its ‘Crust-worthy’ proposition, whilst also communicating quality and value via a new ‘classics with a twist’ range. Our focus is to engage and satisfy our customers whilst preserving franchise partner margin, rather than seeking out unsustainable price driven volume to the detriment of franchise partner profitability.
- Our QSR segment is being further supported by new product development within Rack ‘em Bones, with ‘on trend’ burnt-ends having recently been launched to complement the brand’s signature gourmet ribs offer that has resonated with customers to date.
- Flavour has always been the driving principle for Gloria Jean’s, and in FY24, we’ve launched the brand’s new ‘All About Flavour’ positioning which boldly promises a no compromises approach to flavour in all its forms. This new positioning reframes ‘flavour’ as something more than you can taste – it represents a new vision, mission and set of values. It is more than specialty beans and syrups. It represents a celebration of diversity and personal choice, free from judgement, and establishes Gloria Jean’s as a safe place where all can connect and belong.
- As we approach the holiday season, Donut King is also maintaining customer relevance with a new Christmas range of donuts and compelling ‘6+6’ free cinnamon donut value proposition.

[SLIDE 6: CONTINUED PROGRESS ON TECHNOLOGY DEPLOYMENT]

Coupled with this activity is continued progress in terms of technology deployment.

As I mentioned earlier, we’ve established our first digital kiosk for Gloria Jean’s in anticipation of a further rollout in the 2H, and have unveiled QR code technology to facilitate ‘at table’ ordering within pilot stores, with a view to franchise partner adoption in the New Year.

During early 2024 we will transition our pizza brands to the Task point-of-sale system, aligning them with our other brand systems and enabling implementation of new e-Commerce capabilities and digital order tracking. Implementation of a dedicated e-Comm website for the Rack ‘em Bones network will then follow, extending that brand’s reach beyond the UberEats platform.

[SLIDE 7: NETWORK CONTINUES TO GROW AND RENEW]

Combined with this activity has been the 1H24 relaunch of our approach to franchise partner recruitment with a new message – “Success. Made. Simple”.

Immersed throughout our new recruitment collateral, this simple catchphrase encapsulates RFG's franchise value proposition: a relatively low barrier to entry, iconic brands, a comprehensive support structure, and a 'franchisee first' commitment.

This value proposition is increasingly resonating with both existing and potential franchise partners.

We are steadily growing our potential franchise partner pipeline, with 51 applications for franchise having been approved during the year to date up from 34 at 30 June 2023.

Over 60 existing franchise partners have renewed their franchise during the 1H24, adding to the 119 franchise renewals achieved during FY23. These particular metrics speak volumes and evidence the confidence amongst our existing network in the future that we are creating.

[SLIDE 8: MOMENTUM OF NEW OUTLET BUILDS IS ACCELERATING]

The traction I've just mentioned has translated into relatively strong new outlet growth in the first 17 weeks of FY24.

We've opened 45 new outlets YTD and anticipate reaching over 70 new outlets by 31 December as growth accelerates.

The new outlets we've established include:

- Our first multi-brand concept store at Brendale in Queensland, incorporating a Crust, Rack 'em Bones and Gloria Jean's offer with capability to service customers during all day-parts;
- A further migration of our Gloria Jean's network away from high-end shopping centre locations into rent appropriate sites, including a growing number of outlets amongst European Garages sites; and
- The pilot conversion of a former Michel's Patisserie outlet to Gloria Jean's, which has resonated well with consumers.

[SLIDE 9: CONTINUED PROGRESS ON RIBS]

Rack 'em Bones is now also available in 81 locations as at 10 November 2023, almost doubling the 42 outlets established in FY23. We expect this number to grow to more than 90 outlets by the end of December, six months ahead of schedule.

Annualised sales run-rate for the brand is \$6.6m, up 73% on the run-rate applicable at 30 June.

New product development and a dedicated 2H24 eComm site are anticipated to further drive this brand in the future.

[SLIDE 10: NETWORK RETURNS TO NET GROWTH IN H1]

Importantly, while there remain challenging network sales comparatives for the 1H24 given the timing of past closures and new outlet openings:

- The metrics I've just mentioned are anticipated to deliver net outlet growth for the 1H24; and, importantly
- The new outlets we have established are demonstrating strong sales performances which exceed relevant brand averages.

[SLIDE 11: CAFÉ, COFFEE, BAKERY ('CCB')]

Delving deeper into segment performance, our CCB segment has demonstrated resilient trading during the year to date:

- SSS have grown 3.3% vs PCP, aided by a 5.3% increase in ATV;
- Whilst total Network Sales are immaterially down by \$1.4m for the first 17 weeks of FY24, tougher 1H24 comparatives will be offset by quality new outlet growth that will contribute meaningfully for the balance of the financial year.

The segment currently enjoys 491 trading outlets, with growth amongst the Donut King and Gloria Jean's networks more than offsetting the relatively minimal impact on network sales of closures amongst Michel's Patisserie and the group's mobile brands.

[SLIDE 12: QUICK SERVICE RESTAURANTS ('QSR')]

Our QSR segment has however experienced more challenging trading conditions during the 1H24. YTD total Network Sales are slightly down, by \$2.6m vs PCP.

SSS amongst pizza brands are down \$2.2m for the YTD, but have been offset by \$1.7m in sales generated by Rack 'em Bones, which is protecting franchise partner profitability.

We continue to differentiate our QSR brands, with significant growth in Rack 'em Bones a key factor in allowing our network to avoid heavy and unsustainable price discounting which leads to long term profitability challenges.

[SLIDE 13: GROUP TRADING SUMMARY]

The results I've just mentioned translate into positive momentum heading into 2H24:

- The network has returned to net outlet growth, with new store openings delivering stronger weekly sales than closures that will drive FY24 Network Sales growth in the 2H24.
- Our QSR segment has maintained ATV and seen minimal Network Sales decline, focusing on product quality, customer experience and our virtual Rack 'em Bones offer to maintain franchise partner profitability; and
- The Group has delivered a 1.8% increase in YTD Network Same Store Sales vs PCP and continues to demonstrate the resilience of our brands despite macro-economic pressures and as we outgrow tougher FY23 comparatives.

[SLIDE 14: BEEFY'S]

I'd now like to focus on our inorganic growth activity in H1.

This morning RFG announced its acquisition of Beefy's Pies.

Beefy's was established in 1997 and has since evolved to be a leading manufacturer and retailer of pies and bakery goods in South-East Queensland where it is a well-established brand with strong consumer awareness in its core market.

Serviced by a vertically integrated manufacturing plant on the Sunshine Coast, Beefy's boasts a network of nine (9) corporately operated high performing retail outlets.

RFG's first acquisition in seven years, Beefy's will expedite our growth trajectory and satisfies each of our M&A requirements:

- It is immediately earnings per share accretive with a reliable earnings profile;
- It generates increased supply-side scale, vertical integration and synergistic opportunity;
- It complements our existing brand portfolio and will increase coffee through-put;
- It expands our company store footprint with the potential for immediate organic outlet growth opportunities; and
- It is a concept that lends itself to further expansion via a franchise offer in the future.

[SLIDE 15: WE WELCOME BEEFY'S TO THE GROUP]

I'd now like to share a short video that provides further insight into Beefy's.

[SLIDE 16: ACQUISITION OF BEEFY'S PIES]

The transaction is priced at an implied forward acquisition multiple of approximately 4.0x enterprise value, on FY24 forecast pro forma EBITDA noting that we only expect to consolidate Beefy's for approximately 6 months.

[SLIDE 17: ACQUISITION OF BEEFY'S PIES]

Total consideration is \$10m, with an upfront cash payment of \$5.5 million.

I'll come back to transaction pricing and the manner in which we will fund it shortly.

[SLIDE 18: BEEFY'S AT A GLANCE]

The Beefy's manufacturing facility is situated at Kunda Park on the Sunshine Coast.

Having an in house vertically integrated manufacturing facility ensures Beefy's product range delivers on the brand's promise of "Bigger, Better, Beefier Meat Pies – Guaranteed". Indeed, the signature steak pie won Gold in a National competition for 8 years in a row.

In FY23 Beefy's generated revenues of \$16.4m, up 14.5% on FY22, which translated to normalised FY23 pro forma EBITDA of \$2.2m.

Same Store Sales have grown 12% during the YTD.

[SLIDE 19: KEY INVESTMENT HIGHLIGHTS]

These metrics demonstrate a reliable earnings profile and underpin forecast growth amongst the existing store network. Beefy's is anticipated to generate revenue of \$18m and EBITDA of \$2.5m in FY24 on a pro forma basis, again noting that we only expect to consolidate Beefy's for approximately 6 months of FY24.

All existing stores have established teams in place.

We believe the brand is suitable for franchising in the future, which unlocks growth opportunities which are in addition to those expected from application of our existing systems to Beefy's.

[SLIDE 20: CUSTOMER RESEARCH]

Beefy's enjoys prompted brand awareness of 90% in its Sunshine Coast heartland.

It does however also enjoy a strong reputation amongst the broader South East Queensland region, with research indicating an immediate growth opportunity within Brisbane.

[SLIDE 21: FINANCIAL SUMMARY]

As I've noted earlier, Beefy's enjoys a reliable earnings profile that has maintained an upwards trajectory in recent years. FY24 normalised EBITDA margin is forecast to be c.13.4%.

[SLIDE 22: ACQUISITION FINANCING]

RFG will acquire Beefy's for total consideration of \$10m, which includes:

- An upfront cash payment of \$5.5m;
- \$2.0m in RFG equity; and
- Deferred cash payments of \$2.5m over the 12 months post completion.

The upfront cash component of the consideration, together with transaction costs, is to be funded by a combination of existing cash on hand and an extension of \$20m to RFG's existing senior secured debt facility. Deferred cash payments are anticipated to be funded from operating cashflows and available debt capacity.

RFG is well funded and continues to enjoy the strong support of our debt funders Washington H. Soul Pattinson and we do not have any immediate requirement to raise capital to fund the transaction, nor other growth initiatives.

Settlement of the transaction will be staged, determined by timing of lease assignments for the retail stores.

[SLIDE 23: \$20M UNDRAWN FACILITY B EXTENSION TO DEBT FUNDING]

As previously announced, RFG agreed and fully drew down on a Facility A term loan of \$20m with Washing H Soul Pattinson (WHSP) in April 2023.

The Company has negotiated a Facility B with WHSP for a fully committed flexible line of credit of up to \$20m, to provide further funding, if required, for organic and inorganic growth opportunities and working capital requirements.

We expect to draw-down \$5.0m in December 2023 in connection with the Beefy's transaction.

WHSP is not only the group's financier but also a key shareholder, and I'd like to take this opportunity to thank it for its continuing support of the Company.

[SLIDE 24: THANK YOU]

In closing, over the course of RFG's turnaround journey, we have built a much stronger business underpinned by a resilient domestic network.

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GROUP**

Not only is it better able to meet the challenges of today's evolving retail marketplace, it offers a firm platform upon which to pursue a much stronger FY24, and ultimately, a return to consistent long-term and sustainable growth.

Considerable progress has been made during the 1H24, with various exciting initiatives underway.

The Company therefore approaches the future with confidence.

Before I hand back to Peter, I would like to take this opportunity to thank RFG's team for their efforts during FY23 and in the current year. Your hard work, resilience and commitment to driving positive outcomes for our franchise partners and other stakeholders is much appreciated.

Similarly, I would also like to extend thanks and sincere appreciation to our franchise partners for their belief in RFG's brands and systems, and to you, our shareholders, for your support of the Company.

Ends

CEO's Address

Matthew Marshall

Chief Executive Officer
Retail Food Group Limited

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CEO's Address

Agenda

1. FY23 Financial Results
2. Business update
3. Acquisition of Beefy's Pies
4. Extension of debt facility

FY23 Financial Results



Network Sales Growth

7.2%

on pc^p



Same Store Sales Growth

12.1%

on pc^p



Average Transaction Value⁽⁴⁾

2.4%

on pc^p



Underlying Revenue⁽¹⁾

\$98.0m

up 8.0% on pc^p



Underlying EBITDA⁽²⁾

\$26.0m

up 21.0% on pc^p



Net Debt⁽³⁾

88.7%

on pc^p to \$2.1m

- RFG has transitioned out of turnaround into growth under a new management team with appointment of new CEO and CFO in H2 alongside continuity and new skillsets on the Board
- Successful launch of first virtual brand, Rack 'em Bones BBQ Ribs, as part of our omni-channel growth strategy to leverage our domestic footprint
- Network sales growth and Same Store Sales growth despite challenging retail conditions
- Secure balance sheet with 3-year debt funding secured through to 2026 and minimal net debt

- (1) Underlying Revenue is a non-IFRS measure not subject to audit. Underlying Revenue excludes restricted domestic marketing fund revenues and the impacts of AASB15 & 16
- (2) Underlying EBITDA is a non-IFRS measure not subject to audit. Underlying EBITDA excludes non-recurring, non-core costs of legacy ACCC proceedings and associated legal fees, restructuring and non-cash impairments. Refer to the FY23 results release presentation for reconciliation of underlying to statutory results
- (3) Net Debt is calculated as current and non-current external borrowings less unrestricted cash
- (4) ATV refers to all trading outlets, on a same store basis ATV increased by 1.5%

FY24 Business Update

Weekly trading numbers continue to be resilient despite challenging macro economic conditions
FY24¹ AWS: \$9.62m
Q4FY23² AWS: \$9.48m
Up 1.4% on Q4

Business aligned around two segments, simplified reporting with minimal non-core expenses and operating cash conversion of 53%

We have continued to investigate and refine our plan for expansion in the US market. More work to do

We've deployed capital to launch or transition 13 company outlets by end Nov and 3 more by 31 December. We have launched 41 Rack'em'Bones outlets and acquired Beefy's Pies to drive faster growth

The first Gloria Jeans kiosk technology is live in Melton alongside a roll out of QR codes for at table ordering within Gloria Jeans and Donut King

Management team in place and executing including our new Chief Marketing Officer who started in October 2023

Refreshed marketing focus

Major marketing and product initiatives being deployed to drive 'value' to the customer and drive foot traffic;

- Crust - Classics with a twist
- Rack 'em Bones - Burnt ends launch
- Donut King Xmas range, 6+6 value deal
- Gloria Jean's – All About Flavour (flavour of the month)



Continued progress on technology deployment



✓ Successful roll out our first digital kiosk to Gloria Jeans Melton, VIC. We'll evaluate in store & expect further to launch kiosks in H2FY24



✓ QR code technology to facilitate order at table now deployed to pilot sites with a focus on franchise partner adoption in H2FY24



✓ Rack'em'Bones will launch a dedicated eComm website in H2FY24 following the transition of Crust to Task Tills



Transition of Crust and Pizza Capers to Task tills has been approved for full roll out in February 2024 including delivery tracking



Network continues to grow and renew

- Successful roll out of Success. Made. Simple. campaign to attract new franchise partners
- Crust franchise network renewals have been strong, alongside take up of Rack 'em Bones
- Pipeline of franchise partners is a focus with 51 approved applications, up from 34 in FY23
- 65 Franchise Partner renewals completed in the period to end November
- Manage to own program is progressing with 3 dark Brumby's outlets sold YTD November. 4 remain available for MTO and 6 have or will be exited reducing our dark site lease exposure



Momentum of new outlet builds is accelerating

LA MARZOTTO

Gloria Jean's



3 NEW OUTLETS

donut king.

8 NEW OUTLETS

CRUST

1 NEW OUTLET

Rack'em
BONES
BBQ RIBS

33 NEW OUTLETS

Continued progress on Ribs

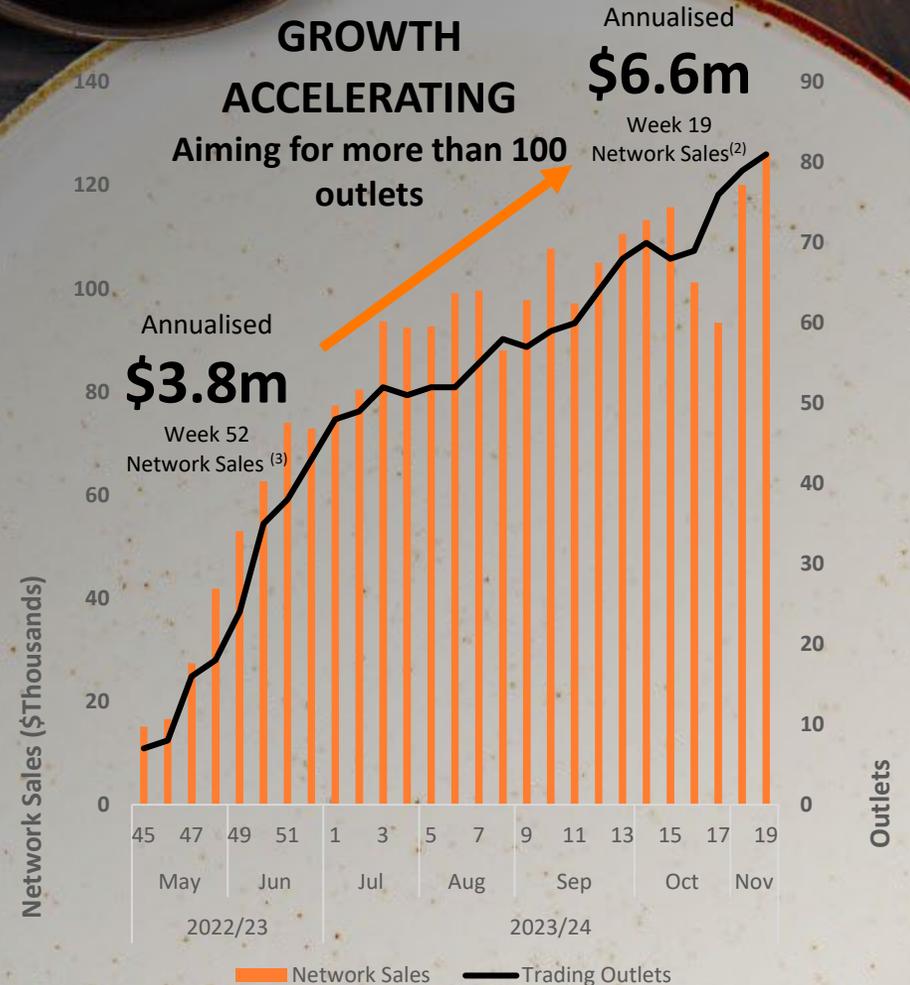
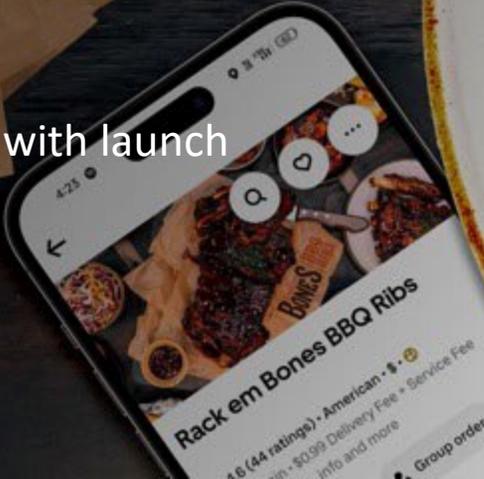
Rack 'em Bones BBQ Ribs is an online brand launched in late FY23 to leverage our existing QSR outlets and maximise profitability.



- ✓ Rack 'em Bones is now available in 81¹ locations, up from 42 outlets at 30 June. Expect to reach >90 by end December, six months ahead of plan
- ✓ Annualised sales run rate increased to c. \$6.6m², up 73% on 30 June 2023 rate
- ✓ New product development continues with launch of beef burnt ends and new chicken wing flavours in November
- ✓ eComm site build progressing well with launch expected early in 2024



1. As at 10 November 2023
2. Based on unaudited reported sales by Franchise Partners and company outlets in week 19 of FY24
3. Based on unaudited reported sales by Franchise Partners and company outlets in week 52 of FY23



Network returns to net growth in H1

\$9.15m
same store
sales / wk
up 1.9% on pcp

Quality of network improving on a same store sales basis with benefit of new outlets for Christmas & H2

\$9.62m
network sales /
wk up 1.4% on
Q4 FY23

Challenging network sale comparatives in H1 due to timing of outlet closures & openings (immaterially down \$4.1m in network sales² on PCP is a good outcome)

- >70 new outlets open or scheduled to open before 31 December as growth accelerates
- 45 new outlets open by week 17
- Closed outlets had an average AWS of \$7.2k compared to \$11.0k for new outlets excluding Rack'em Bones

Café, Coffee, Bakery ('CCB')

491

TRADING OUTLETS
(DOWN 13 SINCE 30 JUNE)

+3.3%

SAME STORE SALES VS PCP

\$9.45

SSS AVERAGE TRANSACTION
VALUE UP 5.3% ON PCP

Network Sales : Cafe, Coffee, Bakery



CCB has demonstrated resilient trading through the period with SSS up 3.3%.



Total Network Sales immaterially down \$1.4m in first 17 weeks. Tougher H1FY24 comparatives will be offset by newer, higher quality outlets opening in Q2FY24 and meaningfully contributing to the rest of the financial year.



Growth in Donut King & Gloria Jeans since 30 June. Loss of outlets in Michel's and mobile brands have minimal impact to H1FY24 result.

(1) All metrics based on unaudited reported sales by Franchise Partners and company outlets for weeks 1 – 17 of FY24

Quick Service Restaurants ('QSR')

222¹

TRADING OUTLETS
(UP 27 SINCE 30 JUNE)

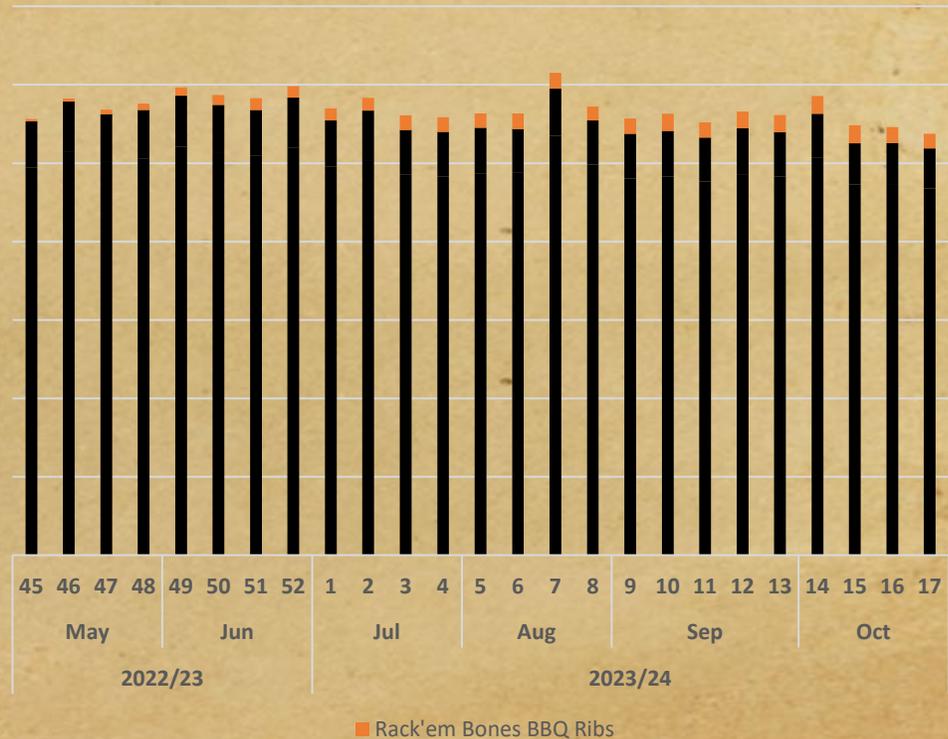
(1.2)%

SAME STORE SALES
INCLUDING RACK 'EM BONES

\$43.41

SSS AVERAGE TRANSACTION
VALUE UP 10.9% ON PCP

Network Sales: Quick Service Restaurants



QSR continues to experience challenging trading conditions with unsustainable competitor discounting. Total network sales slightly down \$2.6m on PCP



Excluding Ribs, SSS down \$2.2m which is offset by \$1.7m of Rack 'em Bones sales protecting franchisee profitability



Significant growth in Ribs outlets is a key differentiator allowing our network to avoid the discount pizza price war which is unsustainable for franchisee's and leads to long term profitability challenges



Launch of Crustworthy as we continue to build product differentiation, invest in technology and drive customer acquisition

(1) All metrics based on unaudited reported sales by Franchise Partners as at Week 17 of FY24 or for period between weeks 1 – 17 of FY24
 (2) Same Store Sales includes Rack 'em Bones ('REB') because brand commenced trading in an existing Crust or Pizza Capers Franchise and provides an incremental benefit to existing Franchise Partners

Group Trading Summary



713

Total Outlets
As at week 17
of FY24



**\$163.5
million**

Network Sales¹
FY24 weeks
1 - 17



45

New Outlets Opened
By week 17 of FY24,
inclusive of
Rack'em Bones



+1.8%

Same Store Sales
Inclusive of Rack 'em
Bones compared
to PCP

- ✓ Network has returned to net outlet growth with more outlets on track to open in the remainder of H1
- ✓ New outlets provide stronger average weekly sales than closures with momentum building through H1
- ✓ QSR has maintained ATV and seen minimal network sales decline despite a discount pizza competitor price war by focusing on product quality and our virtual Rack 'em Bones BBQ Ribs brand to maintain franchisee profitability
- ✓ Organic outlet openings will drive FY24 network sales growth in H2 offsetting the immaterial gap of \$4.1m in the first 17 weeks of FY24 vs PCP



\$2.5 million
EBITDA
FY24 pro forma full year



Implied 4.0x
Forward pro forma
EBITDA multiple



Vertically integrated
pie & cake
manufacturing

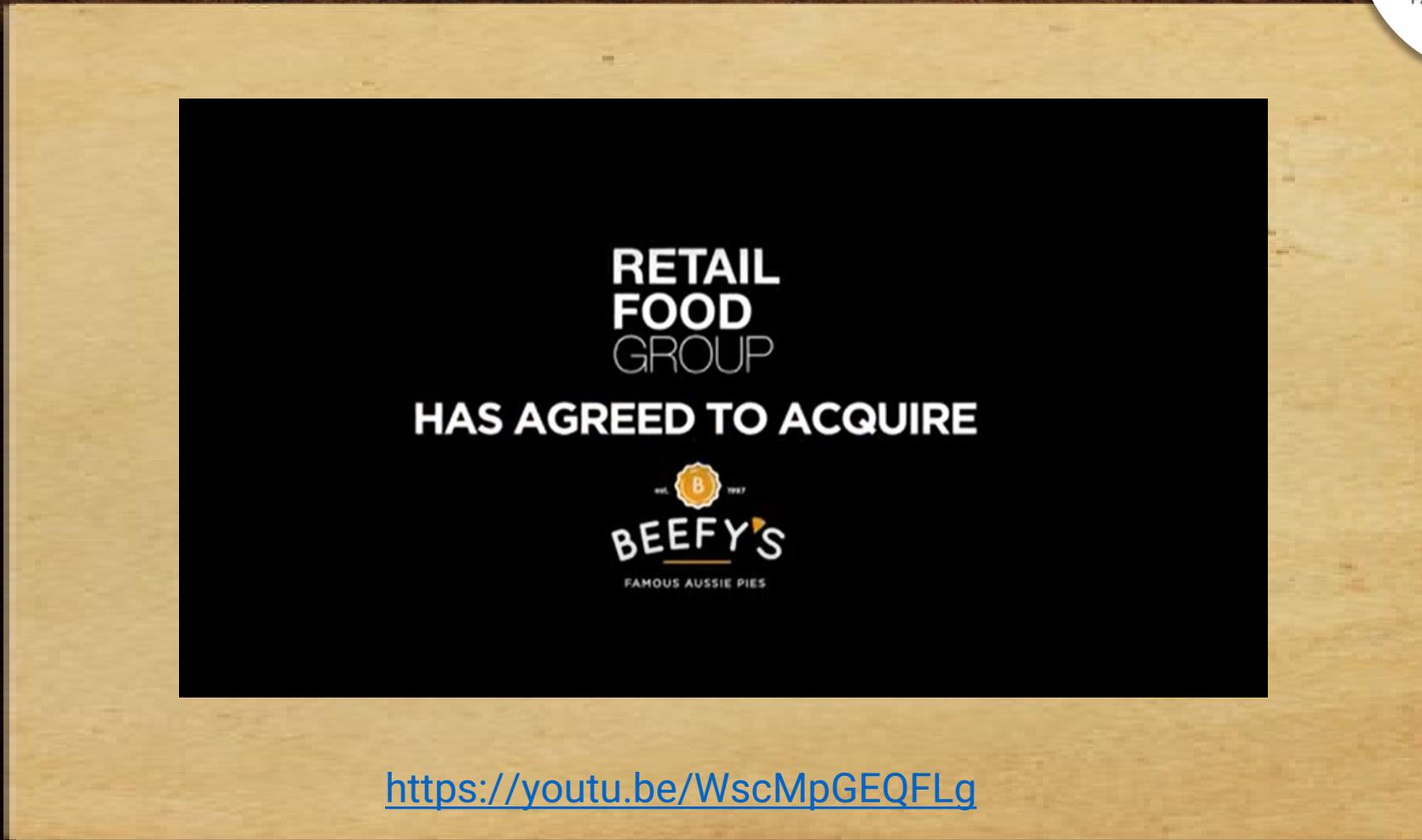


Expands company store
division by
9 retail outlets



Immediate organic
outlet growth
opportunities

We welcome Beefy's to the Group



Acquisition of Beefy's Pies

Transaction Details

- RFG has signed an agreement to purchase the trade & assets of Beefy's Pies ('Beefy's') including the share capital of Beefy's Pty Ltd which owns the Intellectual Property for total consideration of \$10 million ('Acquisition'). Total consideration includes an upfront cash payment of \$5.5 million and \$2.0 million in RFG equity alongside deferred cash payments of \$2.5 million over the 12 months post completion.
- Implied Acquisition forward multiple of approximately 4.0x Enterprise Value / FY24 forecast pro forma EBITDA for the 12 months ending 30 June 2024.

Beefy's Overview

- Beefy's was established in 1997 and has evolved to be a leading manufacturer and retailer of pies and bakery goods on the Sunshine Coast with a well established brand.
- Beefy's operates 9 retail locations between Brisbane and Gympie supported by a factory at Kunda Park. Retail locations serve both returning customers (e.g. Buderim town center) and impulsive purchases (e.g. Glasshouse Mountains Bruce Highway).

Transaction Strategic Rationale

- **Reliable earnings profile:** Beefy's is forecast to generate Revenue of approximately \$18 million and EBITDA of \$2.5 million in FY24 on a pro forma basis.
- **Expands RFG Company Stores:** All Beefy's outlets are corporately owned and high performing with established teams in place. RFG currently operates 41 company outlets across our Donut King, Gloria Jeans and Brumby's brands with Crust and Rack 'em Bones to open in Q2.
- **New Outlet Expansion:** Beefy's is primed for further outlet expansion with a strong brand, regular and consistent customer feedback requesting more outlets and minimal complexity in food retail requirements meaning many locations are suitable.
- **Economies of Scale:** RFG can deploy our existing systems, e.g. in leasing, procurement and technology to assist the Beefy's team in growing their network.
- **Opportunity to Franchise:** Opportunity to franchise the brand in the future.

Acquisition of Beefy's Pies

Acquisition consideration

- Total consideration of \$10 million
- Upfront cash payment of \$5.5 million
- 33,333,333 RFG shares (\$2.0 million) to be issued to the vendors at 6.0c / share (calculated at a 10 day VWAP to 28 November) following the completion of conditions subsequent including retail lease assignments and subject to Boards discretion to pay in cash. RFG shares issued will be subject to a 12 month trading lock.
- Deferred cash payments of \$2.5 million over the 12 months post completion

Acquisition Funding

- The upfront cash component and transaction costs is to be funded by a combination of:
 - Existing RFG cash on hand
 - Our existing credit facility ('Facility B') has been extended by \$20 million, within the framework of our existing Senior Secured Term loan. We are pleased to continue to enjoy the support of Washington H. Soul Pattinson for our debt requirements.
 - Initially the facility will be partially drawn with the facility to support working capital and future growth.
- The deferred cash payments are expected to be funded from operating cashflows and available debt capacity
- RFG does not envisage any immediate requirement to raise capital to fund current growth plans

Financial Impact

- The Acquisition is expected to deliver 0.2c EPSA accretion in FY25 pre synergies and before transaction costs
- Pro forma FY24 earnings are forecasted at revenue of approximately \$18 million and EBITDA of \$2.5 million
- Beefy's is expected to be consolidated into FY24 results from mid December 2023 with a FY24 benefit to the Group of \$8 - \$11 million revenue and \$1.0 - \$1.5 million EBITDA
- Transaction costs of approximately \$0.5 - \$1.0 million incurred in connection with the acquisition
- Net debt / Pro forma FY24 EBITDA of less than 0.5x expected

Timing and Conditions

- RFG will complete the acquisition and take control of the key assets of Beefy's effective mid December. RFG will consolidate the results of Beefy's from this date.
- No regulatory change of control approvals are required

Beefy's at a glance

- Established in 1997¹, BEEFY'S is a family owned business who strive on making great quality products
- Key products are manufactured in house at their factory on the Sunshine Coast. Vertical integration of manufacturing ensures they deliver their vision of 'Bigger, Better, Beefier Meat Pies – Guaranteed'
- In 2022, the Beefy's Signature Steak was awarded GOLD in the National Competition (8 years in a row)²
- Operating 9 company store retail locations on the Sunshine Coast, Beefy's are ready for expansion throughout Queensland, particularly SEQ.

\$16.4m

FY23 REVENUE
(UP 14.5% ON FY22)

\$2.2m

NORMALISED PRO
FORMA FY23 EBITDA

12%

YTD (Jul-Oct) FY24
SSS GROWTH ON
FY23



Key Investment Highlights

Reliable earnings profile and forecast growth in existing store network.

Beefy's is forecast to generate Revenue of approximately \$18 million and EBITDA of \$2.5 million in FY24 on a pro forma basis.

Expands RFG Company Store division

All Beefy's outlets are corporately owned and high performing with established teams in place. RFG currently operates 41 company outlets across our Donut King, Gloria Jeans, Brumby's, Crust and Rack 'em Bones.

Future Opportunity to Franchise

We believe the brand is suitable for franchising in the future which unlocks further growth opportunities.

Economies of Scale

RFG can deploy our existing systems, e.g. in leasing, procurement and technology to assist the Beefy's team in growing their network and expanding margins.

New Store Expansion

Beefy's is primed for further outlet expansion with a strong brand, regular and consistent customer feedback requesting more outlets and minimal complexity in food retail requirements meaning many locations are suitable. Beefy's has a strong brand presence in the fast population growth area of South East Queensland.

Customer Research



In the Sunshine Coast LGA, **prompted brand awareness is 90%** (64% awareness NET across all respondents)



Source: Stellar Research, n=317 Panel conducted in Brisbane, Sunshine Coast, Somerset and Moreton Bay Local Government Authorities (LGA).

**RETAIL
FOOD
GROUP**



Beefy's is well known and loved in its Sunshine Coast heartland



73% of Beefy's customers are either **likely** or **very likely** to return to Beefy's in the future (versus 42% for a competitor).



75% of Beefy's customers are either **likely** or **very likely** to recommend Beefy's to friends and family (versus 45% for a competitor).



Of the respondents living in the Sunshine Coast region (the closest proximity to a Beefy's), **68% have purchased bakery items from the brand**, and **36% have purchased within the past three months**.



Of all respondents in the Sunshine Coast LGA, **71% would consider purchasing from Beefy's**



Brisbane is an immediate customer growth opportunity



Of the Brisbane respondents who had tried Beefy's, **78% are either likely or very likely to return to Beefy's in the future**



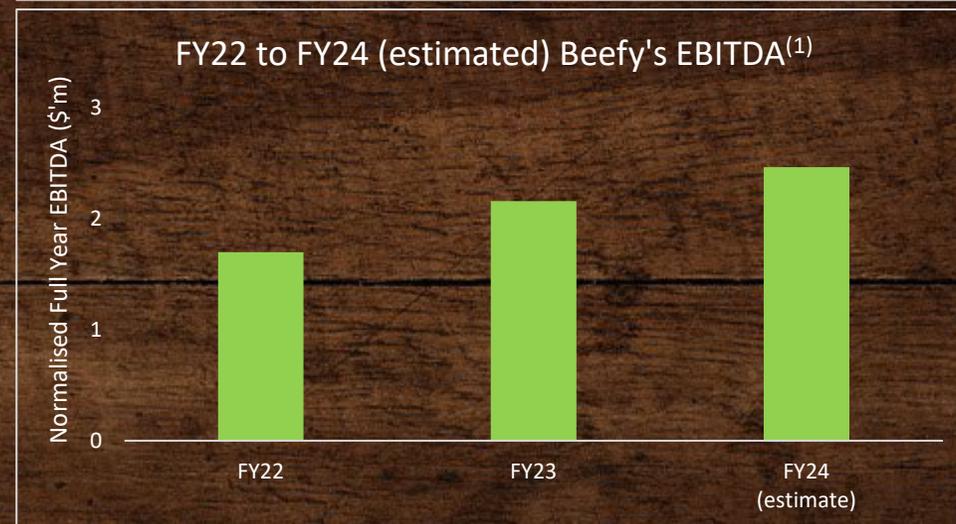
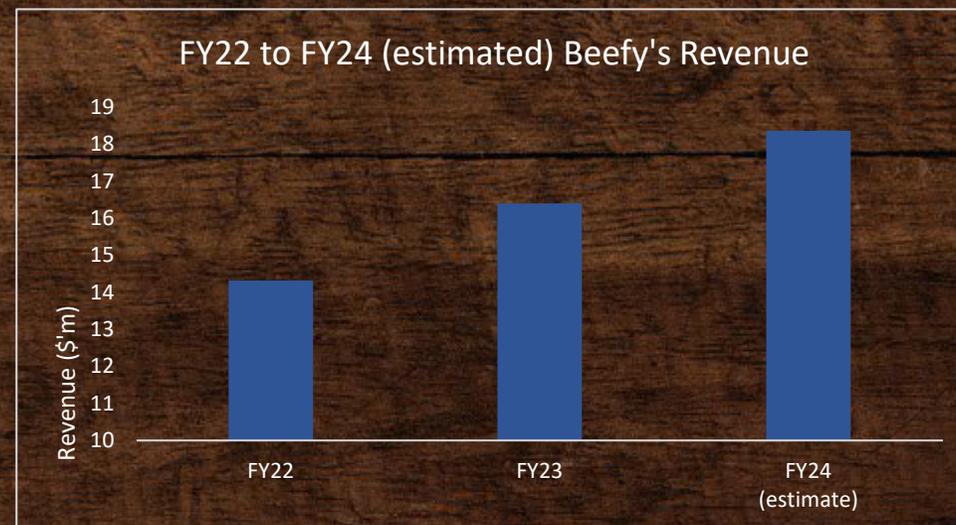
Of the same Brisbane respondents, **81% rate 'value for money' as a key driver of their Beefy's purchase experience**



93% of Brisbane's Beefy's customers say that **Beefy's is a reputable brand**

Financial Summary

	FY22	FY23	FY24 (estimate)
Revenue	\$14,319	\$16,401	\$18,367
Gross Profit	\$ 8,003	\$ 9,100	\$10,286
<i>Gross Margin</i>	55.9%	55.5%	56.0%
Labor	(3,698)	(4,283)	(4,775)
<i>Labor as % of Net Revenues</i>	25.8%	26.1%	26.0%
Rent ⁽²⁾	(1,146)	(1,176)	(1,286)
<i>Rent as % of Net Revenues</i>	8.0%	7.2%	7.0%
Other Expenses	(1,461)	(1,484)	(1,763)
<i>Other Expenses as % of Net Revenues</i>	(10.2%)	(9.0%)	-9.6%
Normalised EBITDA⁽¹⁾	\$1,699	\$2,158	\$2,462
<i>EBITDA Margin</i>	11.9%	13.2%	13.4%



(1) Normalised EBITDA includes adjustments to non-recurring vendor expenses. FY24 estimate is for the twelve months ending 30 June 2024 notwithstanding that Beefy's will be consolidated into RFGs financial results from 11 December 2023.

(2) Rent shown is on an pre-AASB16 accounting basis

Source: Beefy's management and statutory accounts, Due Diligence information, Management Estimates

Acquisition Financing

CONSIDERATION ELEMENT	TIMING	RFG FINANCING
Upfront Cash \$5.5 million	December 2023 dependent upon the completion of various conditions precedent to the transaction	Financed by cash on hand supported by a \$20 million Facility B extension to RFG debt facility borrowed from Washington H. Soul Pattinson
RFG Equity \$2 million	Expected between December 2023 & March 2024 dependent upon the timing of retail lease assignments	RFG to issue new script at a 10 day VWAP to 28 November 2023, or payable in cash at RFG's election
Deferred Cash \$2.5 million	<ul style="list-style-type: none">• \$0.5m over the 12 months post completion; and,• \$2.0m 12 months after completion of the transaction. Dependent upon timing of retail lease assignments	Financed by cash on hand and generated over the trading period, supported by a \$20 million Facility B extension to RFG debt facility borrowed from Washington H. Soul Pattinson

\$20m undrawn Facility B Extension to Debt Funding

- RFG continues to enjoy debt financing support from Washington H. Soul Pattinson ('WHSP')
- WHSP remain a significant shareholder in RFG and provide our debt financing
- RFG agreed a Facility A debt facility of \$20 million with WHSP in April 2023 which was fully drawn in April 2023
- Subject to standard conditions precedent, Facility B agreed for a committed flexible line of credit of up to \$20 million for acquisitions, organic growth and working capital.
- RFG expects to draw down \$5.0m in December 2023 to complete the acquisition of Beefy's and fund further growth opportunities.



THANK YOU

