

[SLIDE 1 – Chairman’s Address]

Retail Food Group Limited

2023 Annual General Meeting

Chairman’s Address

30 November 2023

[SLIDE 2 – RFG reached an inflection point in FY23, emerging a stronger business after a multi-year turnaround]

When preparing my message for inclusion in our 2023 Annual Report, I reflected upon RFG’s journey since my appointment as Executive Chairman in late 2018.

The enormity of the turnaround challenge which then lay before us was clear.

While made more complex by the subsequent emergence of COVID, it was not insurmountable.

We therefore aspired to a brighter future for RFG.

Armed with a resilient core business and driven by a ‘franchisee first’ commitment, much has been accomplished over the past five years.

We have established the right culture, the right structure, the right strategy, and the right team.

These things contributed to a business which, as at 30 June, spanned 33 countries and 10 brands, which generated over 40 million consumer transactions that contributed to more than \$500 million in domestic network sales, that employed around 6,800 Australian team members, and which enjoyed a global outlet population of circa 1,300 trading outlets.

We have essentially transformed RFG into a more nimble, franchisee and customer focussed organisation that enjoys a stable earnings base, a stronger balance sheet and, free of the shackles imposed by legacy regulatory challenges, a firm platform to pursue growth.

It is this last word – growth – which is now our focus.

FY23 therefore represented an inflection point for RFG.

The heavy lifting in terms of the Company’s turnaround has been accomplished and we have emerged a stronger business through this process, now firmly focused on pursuing the many growth opportunities that lay before us.

[SLIDE 3 – We strengthened the RFG Board with two new non-executive director appointments]

With this focus in mind, we made two important appointments during 2023 that add considerable retail experience to the Board, complementing our existing capabilities and ensuring RFG remains appropriately structured and resourced to support strategic oversight and ongoing governance requirements into the future.

With more than 30 years' experience at the 'coal face' of retail food in Australia, the majority of which as a highly successful RFG multi-site franchise partner, Mick Bulley is a worthy appointment to the Board.

Closely aligned with the 'franchisee first' philosophy nurtured throughout our turnaround phase, Mick brings valuable insight into franchise partner experiences together with a keen understanding of retail execution at the consumer interface.

Similarly, Jacinta Caithness has enjoyed a notable career within the retail and franchising industries, having contributed to the rapid growth of Boost Juice domestically and overseas, before building an impressive resume working with various brands, whilst also accumulating valuable experience on the boards of Ventura Bus Lines and ASX listed Silk Laser Australia Limited.

Each have demonstrated a positive contribution since their appointments and have been warmly welcomed by the Board.

[SLIDE 4: We have appointed an experienced and energetic Chief Executive Officer]

RFG's transition in focus towards growth also represented an appropriate time to separate the role of Executive Chairman and Chief Executive Officer.

Consequently, we were pleased to promote Matt Marshall as our CEO, effective 1 July 2023, to steer RFG through this new phase in the Company's journey.

Matt is an exceptional leader and strategist who has played an important role in implementing our 'franchisee first' and customer centric values and strategies, whilst also driving strong operational outcomes in challenging retail environments.

Matt is supported by a highly capable management team with broad experience across multiple industries and disciplines. Recent appointments, including a highly credentialed CFO in Rob Shore, have also brought renewed enthusiasm for RFG's growth plans and ensured an appropriate blend of RFG tenure and fresh perspectives.

[SLIDE 5: Driving Sustainable Growth]

Those perspectives have also helped to inform our approach to sustainability.

We recognise the important role that all businesses can play in influencing change within the environments and communities in which they operate.

Consistent with this philosophy, during FY23 we built upon the foundational platform created in prior periods to establish an ESG framework that provides a clear 'north star' to guide the future development of sustainability initiatives within our business.

Incorporating a commitment to 'inspiring towards a healthy and prosperous planet and people', our framework is underpinned by five key pillars:

- Environmental protection and resource conservation;
- Responsible sourcing and care for our environment;
- Excellence in well-being across our people;
- Healthier customers, healthier communities; and
- Ensuring a prosperous RFG.

This framework has informed a number of activities, including establishment of our inaugural carbon footprint to provide a credible starting point to guide the steps we will need to take in the future as part of our environmental strategy, and the FY23 migration of over 94% of our domestic green coffee bean requirements to certified coffee, making Di Bella Coffee one of the largest buyers of certified coffee in Australia.

We provided further insight into our ESG initiatives in our inaugural Sustainability Report, published in December last year, and look forward to providing a further update on this important element of RFG's business early in the New Year.

[SLIDE 6: Strengthen Our Balance Sheet]

During FY23 we also strengthened our balance sheet via our March 2023 capital raise and debt refinancing, affording scope to pursue growth opportunities.

I would like to again welcome a number of respected institutional shareholders who joined the register via this initiative, whilst also extending thanks to those existing shareholders who also participated in the placement and allied share purchase plan.

Particular thanks is extended to Washington H Soul Pattinson and Company Limited for its support as both a shareholder and senior debt lender, and to our former senior debt providers, NAB and Westpac, for their past support throughout RFG's turnaround journey.

[SLIDE 7: Legacy Matters]

An important milestone in that journey was the resolution of the ACCC's Federal Court proceedings in December 2022, without the Company making any admission in response to the ACCC's allegations in the proceeding, nor paying any pecuniary penalties.

This outcome drew to a close legacy regulatory activity which had fettered RFG for five years, removing an uncertainty and constraint which allowed our focus to shift towards growth.

In the Michel's Patisserie class action, following the Company's successful application in October 2022 to strike-out the entirety of the Applicant's original statement of claim, the Applicant filed an amended statement of claim on 13 December 2022.

RFG filed an extensive defence to that amended claim in July 2023, which addresses the Applicant's allegations concerning historical conduct of the Company. In particular, in response to allegations of systemic misconduct, the defence outlines the individual factors which varied amongst relevant franchisees and which informed the Company's assessment and conduct in relation to a number of matters, including the implementation of the historical franchise distribution model and the financial and other operational assistance that was provided to individual franchisees.

The Applicant has since filed a short reply to RFG's defence, and the parties have attended an administrative hearing at which the proceeding was referred to mediation in the New Year following targeted discovery of key documents.

If the proceeding is not resolved at mediation, the matter will be referred for further directions and the Company will, consistent with its paramount obligations to the Court, seek orders allowing the most efficient and effective means to file its evidence in response to the Applicant's allegations.

[SLIDE 8: A New Chapter]

As we embark on the next chapter of RFG's journey, we do so with confidence having established a strong platform for delivery of sustainable stakeholder rewards.

We do however step forward with a strong appreciation that the existing macro retail environment remains challenging, not just for the Company, but also our franchise partners and the consumers they serve.

We are focused not only on managing, but overcoming, these challenges, whilst also investing for the long term. We do so knowing the strength of our network and growing portfolio of company stores, which have been toughened by the challenges endured in recent years.

Before I pass to Matt to provide further insight into FY23 performance and our plans for the future, I would to take this opportunity to thank each of our Franchise Partners and Master Franchise Partners for their ongoing commitment to their business and faith in RFG's roadmap for the future.

I would also like to thank our team for their positive energy, continuing focus and commitment to delivering positive outcomes for all of our stakeholders.

Finally, I would also like to thank you, our valued shareholders, for your support for Retail Food Group.

Ends

Chairman's Address

Peter George

Executive Chairman

Retail Food Group Limited



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An Inflection Point

RFG reached an inflection point in FY23, emerging a stronger business after a multi-year turnaround

33

Countries

10

Brands

6,800

Estimated domestic
network employees

>40m

Consumer Transactions

>\$500m

Domestic network sales

c.1,300

Global trading outlets

- The right culture, the right structure, the right strategy and the right team in place
- Stable and resilient earnings base
- Stronger balance sheet
- Firm platform for growth

Metrics as at 30 June 2023

Board Enhancement

We strengthened our Board with two new non-executive Director appointments during 2023



Michael (Mick) Bulley
Non-Executive
Director

- Appointed 13 March 2023
- >30 years' retail experience
- Highly successful multi-site operator & founding member of Donut King Franchise Advisory Council
- Aligned with 'Franchisee First' philosophy



Jacinta Caithness
Independent
Non-Executive Director

- Appointed 25 September 2023
- Notable career spanning >20 years in retail/franchising
- Contributed to rapid growth of Boost Juice domestically & internationally
- Skillset and experience particularly relevant to RFG's transition to growth phase

A New CEO & Refreshed Executive Team

We have appointed an experienced and energetic CEO supported by a highly capable executive team



- Matt Marshall commenced as CEO effective 1 July 2023
- An exceptional leader and strategist with proven capabilities over several years at RFG
- Integral part of implementing our 'franchisee first' and customer centric values and strategies, whilst driving strong operational outcomes in difficult retail environments
- Supported by highly capable and experienced management team bolstered by recent appointments, including CFO Rob Shore

Driving Sustainable Growth

Inspiring towards a healthy and prosperous planet and people



Environmental
protection and
resource
conservation



Responsible
sourcing and care
for our
environment



Excellence in
well-being across
our people



Healthier
customers,
healthier
communities



Ensuring a
prosperous RFG

Strengthen Our Balance Sheet

During FY23 we strengthened our balance sheet via a March 2023 capital raising and debt refinancing

- Gross funds of \$25.3 million raised via placement and share purchase plan
- New \$20.0m senior secured debt facility
- Affords scope to pursue growth opportunities

Legacy Matters

An important milestone was the resolution of the ACCC Federal Court Proceedings in December 2022

Resolution of ACCC Proceedings

- No admissions, pecuniary penalties, injunction, disclosure or adverse publicity order
- s87 Undertaking provided to ACCC
 - c.\$8.0m payable to certain franchisees
 - Franchisee debts of c.\$1.8m waived
 - \$500K contribution to ACCC costs
- Removed significant uncertainty and constraint, allowing focus to shift towards growth

Michel's Patisserie Class Action

- Applicant's original statement of claim struck-out in its entirety. Amended claim filed
- Comprehensive defence filed July 2023
- Referred to mediation in New Year following targeted discovery of key documents
- If not resolved, RFG will seek orders allowing most efficient and effective means to file evidence and remains committed to vigorously defending the proceeding

A New Chapter

A resilient business trading well in challenging macro retail conditions

- RFG embarks on the next chapter of its journey with confidence having established a strong platform for delivery of sustainable stakeholder rewards
- The macro retail environment does however remain challenging
- RFG will continue to manage and overcome these challenges whilst investing for long term growth
- RFG is in an enviable position of having a strong network of franchise partners and company stores