

4 November 2024

ACQUISITION OF CIBO ESPRESSO

- **CIBO Espresso is a boutique coffee franchise founded in Adelaide over 23 years ago**
- **We are acquiring CIBO Espresso from Retail Zoo to accelerate our growth in South Australia and gain immediate access to 22 retail locations including 4 company owned outlets**
- **We expect to invest c. \$1.3 million into the South Australian network to provide compelling incentives (including capital commitments) for CIBO Espresso Franchise Partners to accelerate their transition to Gloria Jean's including:**
 - **our innovative cold beverages (e.g. Chillers);**
 - **food offerings (e.g. Acai);**
 - **a larger core brand with a global presence, and materially larger marketing fund; and,**
 - **an upfront capital commitment for rebranding and equipment**

Retail Food Group Limited (ASX: RFG) is pleased to announce the acquisition of CIBO Espresso:

- RFG has signed an agreement to purchase 100% of the share capital of CIBO Espresso Holdings Pty Ltd including the Intellectual Property for total consideration of \$2.7 million ('Acquisition'). The transaction will be funded by RFG cash on hand.
- We expect the transaction to complete in mid FY25 and be accretive in FY26 following acquisition and conversion costs incurred in FY25.
- The transaction rationale includes:
 - **Enhanced South Australia presence:** Rapid scale-up in South Australia accelerates our growth and we gain immediate access to 22 retail locations including 4 company owned outlets
 - **Coffee supply synergy:** Synergy expected to be realised by utilising our Castle Hill roastery's production capacity and supplying to the CIBO Espresso stores
 - **Experienced Franchisees:** CIBO Espresso is a largely franchised network with 3 multi site operators, a robust customer base and an existing team of passionate café operators
 - **Core brand focus:** RFG is focused on coffee as a core business and our global scale drives benefits for Franchise Partners alongside expansion of products upon conversion to Gloria Jean's with a broad cold beverage offer and Acai an immediate opportunity to drive network sales growth. Franchise Partners will also benefit from a larger marketing fund upon conversion
 - **Shared systems and resources:** Network sales growth in a core brand can be immediately leveraged in support functions e.g. IT, finance, leasing
- Total consideration of \$2.7 million to be funded by cash on hand alongside transaction costs of \$0.2 - \$0.3 million. RFG will invest c. \$1.3m (primarily capex) to provide conversion incentives.

Retail Food Group CEO Matt Marshall said:

"This acquisition aligns perfectly with our strategic goal to grow our core brands in the Café, Coffee, Bakery (CCB) channel and is an important step to deliver Gloria Jean's bold ambition to become the most visited beverage destination in the world"

This announcement has been authorised by the Board of Directors.

Ends

Investor Enquiries:

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About Retail Food Group Limited:

RFG is a global food and beverage company headquartered in Queensland. It is Australia's largest multi-brand retail food franchise manager, and is the owner of iconic brands including Gloria Jean's, Donut King, Brumby's Bakery, Beefy's Pies and Crust Gourmet Pizza. The Company is also a roaster and supplier of high-quality coffee products. For more information about RFG visit: www.rfg.com.au

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