RETAIL
FOOD
GROUP

FY20 RESULTS PRESENTATION

DISCLAIMER

This Presentation contains summary information about the current activities of Retail Food Group Limited ACN 106 840 082 (RFG) and its subsidiaries as at the date of this Presentation, unless otherwise stated. The information in this Presentation is of a general nature and does not purport to contain all the information that a prospective investor may require in evaluating a possible investment. It should be read in conjunction with RFG's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

NO RESPONSIBILITY FOR CONTENTS OF PRESENTATION:

To the maximum extent permitted by law, RFG, its related bodies corporate and their respective directors, officers, employees, agents, advisers & representatives:

- Make no representation, warranty or undertaking, & accept no responsibility or liability, express or implied, as to the adequacy, accuracy, completeness or reasonableness of this Presentation or any other written or verbal communication transmitted or made available to any recipient hereof;

- Make no representation, warranty or undertaking, express or implied, in connection with the existing or potential turnover or financial viability of any particular existing or potential Donut King, Michel's Patisserie, Brumby's Bakery, bb's café, Esquires Coffee, Gloria Jean's Coffee, It's A Grind, Cafe2U, The Coffee Guy, Pizza Capers Gourmet Kitchen or Crust Gourmet Pizza Bar outlet. Interested parties (including franchisees & potential franchisees) must make their own investigations & satisfy themselves as to the existing or potential turnover or financial viability of any existing or potential outlet as aforesaid (as the case may be) on the basis of their own investigations & independent legal, financial & commercial advice; &

- Accept no responsibility for any errors in, or omissions from, this Presentation, whether arising out of negligence or otherwise.

ACCURACY OF PROJECTIONS & FORECASTS:

This Presentation includes certain statements including but not limited to, opinions, estimates, projections, guidance & forward looking statements with respect to future earnings and performance of RFG as well as statements regarding RFG's plans, strategies and the development of the market. Forward-looking statements include those containing words such as: 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and other similar expressions. These statements are not guarantees of future performance and are based on, & are made subject to, certain assumptions and contingencies which may not prove to be correct or appropriate. Actual results, performance or achievements may be materially affected by changes in economic & other circumstances which may be beyond the control of RFG. Readers are cautioned not to put undue reliance on forward- looking statements. Except to the extent implied by law, no representations or warranties are made by RFG, its related bodies corporate and their respective directors, officers, employees, agents, advisers and representatives that any projection, forecast, calculation, forward-looking statement, assumption or estimate contained in this Presentation should or will be achieved or that actual outcomes will not differ materially from any forward-looking statements. The forward-looking statements are based on information available to RFG as at the date of this Presentation. Except as required by law, RFG undertakes no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future events or results or otherwise.

IMPACT OF CORONAVIRUS (COVID-19)

The COVID-19 pandemic and the measures undertaken to contain it have materially changed the global economic outlook, causing large-scale economic disruption in all markets the Group operates in. The economic disruption is expected to lead to rising levels of unemployment, and elevated levels of credit losses from business insolvencies and ongoing disruption to trading conditions. In an attempt to mitigate the economic effect of COVID-19, governments, regulators and central banks have offered significant fiscal and regulatory support to assist businesses to remain liquid and solvent, and to support employees and the unemployed. The extent to which these efforts will reduce the adverse financial effects of COVID-19 remains uncertain.

NO OFFER TO SELL OR INVITATION TO BUY:

This Presentation does not, & should not be considered to, constitute or form part of any offer to sell, or solicitation of an offer to buy, any shares in RFG in any jurisdiction, & no part of this Presentation forms the basis of any contract or commitment whatsoever with any person. Distribution of this Presentation in or from certain jurisdictions may be restricted or prohibited by law. Recipients must inform themselves of & comply with all restrictions or prohibitions in such jurisdictions. Nothing in this Presentation is intended to be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs.

NON-IFRS INFORMATION

This Presentation contains certain non-IFRS financial measures. Non-IFRS financial measures are defined as financial measures that are presented other than in accordance with all relevant Accounting Standards. Non-IFRS financial measures are used internally by management to assess the financial performance of RFG's business and include EBITDA, Underlying EBITDA, Underlying NPAT and Underlying EPS.

A reconciliation and description of the items that contribute to the difference between RFG's underlying and statutory results is provided on page number 4 of this Presentation.

Further information regarding the non-IFRS financial measures and other key terms used in this Presentation is included in the Appendix.

Non-IFRS measures have not been subject to audit or review.

EFFECT OF ROUNDING

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation. Reference should be made to the Company's Appendix 4E and Annual Financial Report for the Year Ended 30 June 2020, lodged with the Australian Securities Exchange on 28 August 2020.

RETAIL FOOD GROUP

FY20 SNAPSHOT

RECAPITALISED:

- 1H20 recapitalisation afforded financial stability & capacity to execute on operational imperatives/respond to 2H20 COVID-19 impact
- $193.5 million gross equity proceeds raised(1)
- New $75.5 million three-year debt facility (maturing November 2022), reduced to $53.3 million gross debt at 30 June 2020
- Significant debt write-off ($71.8 million) & repayment (c.$142.8 million)
- Compliant with all lending covenants at 30 June 2020

RESTRUCTURED:

- Fundamentally redesigned approach to franchise network management – "Iconic Co"
- Di Bella Coffee restructure completed 2H20, realising annualised cost savings of c.$6.0 million per annum
- Divested non-core business units (Hudson Pacific Foodservice divestment completed Jan 2020)

BUILT PLATFORM FOR GROWTH:

- 'Franchisee first' culture driving strategic change
- Focused on improving domestic franchise outlet performance
- Successful implementation of targeted marketing & product initiatives – c.100 campaigns driving c.$30 million in additional network revenues
- Cost of goods reductions & significant lease support provided to franchisees (particularly post COVID-19 emergence)

CREDIBLE RESULT IN CHALLENGING CIRCUMSTANCES:

- FY20 Underlying EBITDA(2) of $35.5 million excluding contribution from discontinuing operations & effect of AASB 15 & 16, exceeding market guidance(3)
- FY20 Underlying NPAT(2) of $14.1 million
- Statutory net loss after tax of $4.0 million (FY19: $142.5 million loss) recognises $71.8 million gain on debt forgiven, offset by non-cash provisioning, impairment & non-core asset write downs, & restructuring costs

(1) $170 million gross proceeds raised from placement to institutional, professional & sophisticated investors (Placement) – settled November 2019; $18.8 million gross proceeds from Share Purchase Plan (SPP) & $4.7 million gross proceeds from 'Invesco top up' placement – settled December 2019, with net proceeds of SPP & 'Invesco top up placement' applied to further debt reduction

(2) Underlying EBITDA & NPAT are non-IFRS financial measures. Non-IFRS financial measures have not been subject to audit or review. A reconciliation and description of the items that contribute to the difference between statutory performance & underlying performance is provided in this presentation and in the summary of financial information attached to the Directors' Report for FY20

(3) FY20 Underlying EBITDA guidance of c.$35 million, assuming full year contributions from all continuing operations but excluding the impact of AASB 15 & 16, provided 26 June 2020

FY20 SNAPSHOT CONTINUED

COVID-19:

- Significant uncertainty arising from COVID-19
- Necessitated reassessment of likely FY20 performance & withdrawal of original FY20 guidance(1)
- Influenced performance in all aspects of Group operations:
  - Particularly evident in Brand Systems with high shopping centre presence (Donut King, Michel's Patisserie, Gloria Jean's)
    - Domestic customer count declines of c.50% at height of government restrictions
    - Drove temporary closure of c.100 outlets
  - Conversely, pandemic drove demand for Brumby's Bakery staple bakery offer & QSR Division home delivery options
  - International network significantly impacted:
    - Drove temporary closure of c.480 outlets & trading restrictions amongst remainder
    - Reduced franchise & wholesale coffee revenues
  - Di Bella Coffee independent café/contract roasting customer exposure to shopping centres/CBD drove reduced order volumes
  - Dairy Country production at full capacity to meet increased grocery channel demand for cheese processing

REGULATORY:

- ASIC advised in June 2020 that it had completed its investigation regarding RFG & would not be undertaking enforcement action
- ACCC investigation regarding RFG still ongoing to Company's knowledge – the Group has fully complied with that investigation to date

RFG WELL POSITIONED

- Despite ongoing COVID-19 influence, FY19-FY20 turnaround activity positions RFG well
- Strong Balance Sheet & liquidity buffer
- Restructuring initiatives have delivered a more robust, efficient & agile organisation better able to respond to COVID-19 challenges
- Positive impacts of initiatives being observed, with further scope for positive change
- Brand Systems resilient to economic headwinds
- Whilst COVID-19 uncertainty continues & work remains, RFG approaches future with confidence

(1) Original FY20 underlying EBITDA guidance of $42-$46m, assuming full year contributions from all continuing operations, but excluding the impact of AASB 15 & 16, withdrawn 24 March 2020

RETAIL FOOD GROUP

FY20 PERFORMANCE SUMMARY

FY20 GROUP PERFORMANCE	FY20	FY19[6]	% CHANGE
Revenue[1]	$264.0m	$349.0m	(24.4%)
EBITDA (underlying)[2]	$35.5m	$44.0m	(19.3%)
EBITDA (statutory)	$32.3m	($130.0m)	124.8%
NPAT (underlying)[2]	$14.1m	$10.7m	31.8%
NPAT (statutory)	($4.0m)	($142.5m)	97.2%
Dividend	-	-	
Net Operating Cash Flow[3]	($3.9m)	($8.5m)	
Net Debt[4]	$33.1m	$259.7m	

(1) Revenue (including discontinued operations)

(2) Underlying EBITDA & Underlying NPAT are non-IFRS measures used by management to assess financial performance. Refer to next slide for reconciliation of underlying to statutory results

(3) Statutory

(4) Net Debt is calculated in accordance with Senior Debt Facility Agreement definition, including maximum $25 million cash offset

(5) Hudson Pacific operations were included in FY19 underlying EBITDA, but have been excluded from FY20 Underlying EBITDA as a discontinued operation

(6) The Company has restated the Group's performance and financial position for prior periods as a result of retaining the Dairy Country business as a continuing operation, and reassessment of accounting for adoption of AASB 15 Revenue from contracts with customers. Refer to Note 34 of the FY20 Annual Financial Report

FY20 PERFORMANCE SUMMARY

> FY20 Underlying EBITDA[2] of $35.5 million (excluding contribution from discontinuing operations and effect of AASB 15/AASB 16), exceeding FY20 Underlying EBITDA guidance[5]

> FY20 Underlying EBITDA excludes $6.7 million arising from adoption of new AASB 16 Lease standard, including $7.3 million contribution to Revenue

> Statutory net loss after tax of $4.0 million (FY19: $142.5 million loss) recognises $71.8 million gain on debt forgiven, offset by $59.0 million in non-cash provisioning, non-core asset write downs & $33.5 million of restructuring costs, which reflect forecast sustainable earnings & extensive restructuring activities, including disposal of Hudson Pacific Foodservice

> FY20 operating performance influenced by:

- 2H20 COVID-19 influence on all aspects of Group operations, including franchising revenues which were impacted by domestic & international store closures, travel restrictions & reduced customer footfall
- Ongoing store rationalisation program driving leaner, more profitable store network
- International operations heavily impacted by lockdowns in many countries, partially offset by savings from team restructure & travel restrictions
- Reduced demand for Di Bella Coffee products amongst independent café/contract roasting sector, offset by grocery/online performance & savings from restructuring activity
- Margin reduction in Dairy Country on increased grocery segment volumes

RETAIL FOOD GROUP

RECONCILIATION OF UNDERLYING TO STATUTORY RESULTS

> Adjustment to statutory EBITDA of $71.8 million gain on debt forgiven by lenders as part of debt recapitalisation

> Adjustments to statutory EBITDA also reflect $92.5 million non-core expenditure, including:

- $33.5 million non-core expenditure from major restructuring, comprising:
  - Advisory costs in connection with 1H20 recapitalisation and ongoing regulatory response
  - Corporate & wholesale coffee division restructuring
  - Cost reduction initiatives, including staff redundancies, corporate property closures & head office relocation
  - Losses from discontinued operations (Hudson Pacific Foodservice business)
- $59.0m non-cash provisioning, impairments & disposals, comprising:
  - Discontinued operations write-downs & disposals
  - Write-downs & disposals of redundant brand, corporate & wholesale coffee assets
  - Provisioning of onerous leases, contracts & costs associated with corporate, wholesale coffee & lease portfolio restructuring
  - Goodwill & intangible asset impairment

FY20	UNDERLYING	STATUTORY
EBITDA	$35.5m	$32.3m
NPAT	$14.1m	($4.0m)

FY20 UNDERLYING ADJUSTMENTS(1)

Underlying EBITDA (guidance basis)(2)	**$35.5m**
AASB 15 & 16 EBITDA	$15.6m
Business turnaround & restructuring	($33.5m)
Provisioning & impairment of Assets	($59.0m)
Gain on debt forgiveness	$71.8m
Marketing Fund EBITDA	$1.8m
Statutory EBITDA	**$32.3m**

(1) Refer Annual Financial Report for Full Year ended 30 June 2020 for further details

(2) FY20 Underlying EBITDA guidance of $35million, assuming full year contributions from all continuing operations but excluding the impact of AASB 15 / AASB 16

RETAIL FOOD GROUP

Underlying EBITDA[1]	FY20	FY19	% CHANGE
Bakery / Café Division[2]	$12.8m	$19.4m	(34.2%)
Coffee Retail Division[3]	$5.7m	$6.7m	(14.5%)
QSR[4]	$7.2m	$9.8m	(26.3%)
Domestic Franchising Total	$25.7m	$35.9m	(28.4%)
International Franchising	$3.8m	$5.9m	(35.6%)
Di Bella Coffee[5]	$2.1m	$3.4m	(38.1%)
Manufacturing & Distribution[6]	$3.9m	($1.2m)	414%
Group Total EBITDA	**$35.5m**	**$44.0m**	**(19.3%)**

(1) Underlying EBITDA is a non-IFRS financial measure. Non-IFRS financial measures have not been subject to review or audit

(2) Michel's Patisserie, Brumby's Bakery, Donut King

(3) Gloria Jean's, Mobile

(4) Crust Gourmet Pizza Bar, Pizza Capers

(5) EBITDA derived from Di Bella Coffee supply to franchise network is reported within the Franchise Division's results

(6) Dairy Country, Hudson Pacific (HPC), Associated Food Services (AFS). HPC & AFS results are included in FY19 and nil in FY20

EBITDA PERFORMANCE BY DIVISION TO PCP

> FY20 Underlying EBITDA divisional results attributable to:

- Franchise Operations:
  - Stabilisation of domestic Group Same Store Sales (SSS) decline for 9-month pre-COVID period (-0.7% excluding Michel's Patisserie); and
  - Positive impact of restructuring activity, resulting in reduced operating & overhead costs; offset by
  - 2H20 adverse impact of COVID-19 on trading revenue for Brand Systems most exposed to shopping centre environment, offset by improved trading amongst Brumby's Bakery & QSR Division networks
- Di Bella Coffee:
  - COVID-19 influenced reduction in independent café/contract roasting channel, offset by reduced overhead costs from restructuring plan implemented in FY20
- Manufacturing & Distribution:
  - Dairy Country: Significant new business & increased grocery customer volumes offset by reduced operating margins
  - Hudson Pacific Foodservice (including AFS) - discontinued operation, with disposal of business completed 3 January 2020

RETAIL FOOD GROUP

CASH FLOWS

> Decrease in cash receipts from customers consistent with:
  - Reduced underlying revenues in Franchise & Di Bella Coffee
  - Dairy Country transition to net tolling fee invoicing & payment terms with key customers

> Cash outflows include $29.5 million in payments for costs associated with restructuring activities, including:
  - Advisory costs & regulatory response
  - Cost reduction initiatives, including staff redundancies, corporate property closures & head office relocation
  - Corporate & wholesale coffee division restructuring
  - Trading losses from discontinued operations (Hudson Pacific Foodservice business)

> $4.0 million recapitalisation advisory costs expensed

> Nil tax instalment payments were required in the period due to carried forward tax loss position from prior years

> Lease payments now disclosed separately in the statement of cash flows, in accordance with requirements of AASB 16

(1) Cash Reserves include **Continuing & Discontinued** Operations & restricted cash of $6.3m

	FY20 ($m)	FY19 ($m)
Receipts from Customers	319.6	468.0
Payments to Suppliers & Employees	(280.6)	(430.7)
Gross Operating Cash Flows - Underlying	**39.0**	**37.3**
Restructuring costs	(29.5)	(35.2)
Recapitalisation related costs expensed	(4.0)	-
Gross Operating Cash Flows	**5.5**	**2.1**
Interest & Other Costs of Finance Paid	(9.4)	(17.9)
Income Taxes Refund	-	7.3
Net Operating Cash Flows	**(3.9)**	**(8.5)**
Net Debt (repayment)	(137.8)	(4.5)
Net Capital Raising	179.1	-
Acquisition of Business & Intangibles	(0.9)	(1.0)
Payments for Property, Plant & Equipment	(1.7)	(3.0)
Sale proceeds for Property, Plant & Equipment	-	9.1
Lease payments	(10.2)	-
Disposal of discontinued operations	1.5	-
Other Cash Activities	0.9	2.2
	30.9	**2.8**
Net (Decrease) / Increase in Cash Reserves	27.0	(5.8)
Cash Reserves at Period End[(1)]	**40.2**	**13.3**

RETAIL FOOD GROUP

BALANCE SHEET AT 30 JUNE	FY20 ($m)	FY19 ($m)
Assets		
Cash Reserves	40.2	12.3
Trade Receivables	20.1	15.4
Finance lease Receivables	80.4	-
Financial Assets	4.1	4.7
Inventories	11.0	6.9
Plant & Equipment	39.0	23.1
Intangibles	238.1	256.2
Current & Deferred Tax Assets	82.0	56.1
Other	9.1	5.0
Assets held for sale	-	65.5
	524.0	**445.2**
Liabilities		
Trade Payables	43.8	15.0
Provisions	20.3	28.3
Borrowings	53.6	264.1
Lease Liabilities	124.1	-
Derivative Liability	1.9	3.1
Unearned Income	21.6	31.2
Deferred Tax Liability	82.0	55.9
Other	0.7	0.6
Liabilities Classified as Held for Sale	-	53.6
	347.9	**451.7**
Net Assets / (Liabilities)	**176.1**	**(6.5)**

BALANCE SHEET

> Net assets increased to $176.1 million as a result of 1H20 recapitalisation & debt restructure (completed December 2019)

> Reclassification of Dairy Country from Assets Held for Sale in FY19 to Continuing Operations in FY20 has resulted in an increase in trade receivables, plant & equipment, deferred tax balances, & trade payables

> Assets & liabilities held for sale as at end 1H20 represent the Hudson Pacific Foodservice & Associated Food Services distribution businesses. These businesses have since been disposed of & FY20 closing Assets & Liabilities held for sale is NIL

> The Group adopted AASB 16 Leases from 1 July 2019, resulting in the recognition & presentation of finance lease receivables & lease liabilities separately on the balance sheet. In addition, plant & equipment includes $23.3m of Right Of Use lease assets under this standard

RETAIL FOOD GROUP

DEBT STRUCTURE

Gross senior debt – Pre Recapitalisation	$265.8 million
Debt write-off	$71.8 million
Payment from Placement proceeds:	$118.5 million
New term facility	$75.5 million
Additional debt repaid from SPP & 'top-up' placement	$22.2 million
Gross senior debt – Post Recapitalisation	$53.3 million
Net Debt at 30 June 2020[1]	$33.1 million
Covenant compliance	Fully compliant with all lending covenants

[1] Net debt calculated in accordance with Senior Debt Facility Agreement for covenant testing purposes, includes ancillary facilities of $5.4 million & maximum cash offset of $25 million. Net debt excludes lease liability

RETAIL FOOD GROUP

FY20 DIVISIONAL PERFORMANCE

DOMESTIC BAKERY / CAFÉ DIVISION

> Divisional Same Store Sales (SSS) stabilisation underpinned by franchise turnaround initiatives:
- +0.8% on PCP during Q1-Q3FY20 (excluding Michel's Patisserie[2])
- Brumby's Bakery stand-out performer: FY20 +1.2% on PCP driven by new product & promotional activity & consumer demand for staple bakery products during COVID-19 restrictions

> High consumer engagement: c.114 million customer reach via social media across divisional Brand Systems

> FY20 performance influenced by:
- Positive impact of brand/marketing initiatives, including solid pre COVID-19 growth amongst:
  - donut category (Donut King)
  - filled bread category (Michel's Patisserie)
- Restructuring activity driving reduced operating/overhead costs; offset by
- COVID-19 impact in Q4, particularly amongst Donut King/Michel's Patisserie outlets within shopping centres, partially offset by positive Brumby's Bakery performance
- Cumulative FY19/FY20 non-profitable outlet closures
- Reduced coffee & supply-side revenues due to wholesale coffee price decrease (July 2019) & procurement benefits passed to network

	FY20	FY19	% CHANGE
New Outlets	-	-	
Closures	(72)	(76)	
Outlets at 30 June	490	562	(12.8%)
Same Store Sales (SSS)	(5.9%)	(2.4%)	
Network Sales	$249.6m	$307.9m	(18.9%)
Transaction Revenues	$3.8m	$1.8m	111%
Trading Revenues	$24.6m	$40.6m	(39.4%)
External Revenue	$28.4m	$42.4m	(33.0%)
Bakery Café Division EBITDA [1]	**$12.8m**	**$19.4m**	**(34.2%)**
Brumby's Bakery EBITDA	$3.3m	$4.7m	(30.5%)
Donut King EBITDA	$7.5m	$10.1m	(26.0%)
Michel's Patisserie EBITDA	$2.0m	$4.6m	(56.0%)

[1] Underlying. Underlying EBITDA is a non-IFRS financial measure. Non-IFRS financial measures have not been subject to review or audit

[2] Where various indicators of positive product & marketing performance, together with award of 2019 Roy Morgan Coffee Shop of the Year, has not translated to consistent reported franchisee sales

[3] Outlet statistics including trading & non-trading sites – refer FY20 Annual Financial Report for total trading outlets as at 30 June 2020

RETAIL FOOD GROUP

DOMESTIC COFFEE RETAIL DIVISION

> Gloria Jean's focus on menu extension & fulfillment of Flavour Famous® messaging gaining traction:
- 'Toastini' campaign delivered c.$3.5 million annualised network revenue
- KitKat ranging drove c.9% growth in Chiller category
- c.46 million customer reach on social media

> Gloria Jean's Drive Thru standout performer, particularly during COVID-19:
- c.20% AWS growth post COVID-19

> FY20 divisional performance influenced by:
- Positive impact of brand/marketing initiatives
- Restructuring activity, resulting in reduced operating & overhead costs; offset by
- Impact on trading revenue of:
  - COVID-19, particularly in shopping centres (partially offset by Drive Thru performance):
  - Cumulative FY19/FY20 non-profitable outlet closures
- Reduced coffee & supply-side revenues due to wholesale coffee price decrease (July 2019) & procurement benefits passed to network

	FY20	FY19	% CHANGE
New Outlets	-	7	
Closures	(56)	(80)	
Outlets at 30 June	220	251	(12.4%)
Mobile Vans at 30 June	119	144	(17.4%)
Same Store Sales (SSS)	(11.2%)	(3.6%)	
Network Sales	$119.5m	$148.0m	(19.3%)
Transaction Revenues	$4.0m	$0.9m	344%
Trading Revenues	$27.2m	$39.5m	(31.1%)
External Revenue	$31.2m	$40.4m	(22.8%)
Coffee Retail Division EBITDA [(1)]	**$5.7m**	**$6.7m**	**(14.5%)**
Gloria Jean's EBITDA	$3.8m	$5.1m	(24.3%)
Mobile Coffee EBITDA	$1.9m	$1.6m	17.5%

[(1)] Underlying. Underlying EBITDA is a non-IFRS financial measure. Non-IFRS financial measures have not been subject to review or audit

[(2)] Outlet statistics including trading & non-trading sites – refer FY20 Annual Financial Report for total trading outlets as at 30 June 2020

RETAIL FOOD GROUP

DOMESTIC QSR DIVISION

- Benefited from consumer preference for meal delivery options during COVID-19 restriction periods:
  - Drove strong post COVID-19 AWS growth amongst both Brand Systems
  - Non-contact delivery options implemented
- Development & successful trial of new value model:
  - Lower price point range & value bundling
  - Targets wider consumer audience
  - Positive trial results: strong AWS growth per trial store
  - Network launch scheduled 1H21
- FY20 divisional performance influenced by:
  - COVID-19 influence on delivery orders/trading revenue
    - Contributing to FY20 SSS growth of +0.2%
  - Positive impact of restructuring activity, resulting in reduced operating & overhead costs; offset by
  - Cumulative impact on trading revenues attributable to FY19/FY20 non-profitable outlet closures
  - Reduced supply-side revenues due to procurement benefits being passed onto franchisees & lower volume-based supplier licence fees

	FY20	FY19	% CHANGE
New Outlets	-	1	
Closures	(27)	(17)	
Outlets at 30 June	195	222	(12.2%)
Same Store Sales (SSS)	0.2%	(1.5%)	
Network Sales	$145.6m	$159.1m	(8.5%)
Transaction Revenues	$1.8m	$0.9m	100%
Trading Revenues	$13.1m	$18.1m	(27.6%)
External Revenue	$14.9m	$19.0m	(21.7%)
EBITDA[(1)]	**$7.2m**	**$9.8m**	**(26.3%)**

[(1)] Underlying. Underlying EBITDA is a non-IFRS financial measure. Non-IFRS financial measures have not been subject to review or audit

[(2)] Outlet statistics including trading & non-trading sites – refer FY20 Annual Financial Report for total trading outlets as at 30 June 2020

INTERNATIONAL FRANCHISING DIVISION

> Two new Master Franchises granted during FY20: Gloria Jean's Hungary and Gloria Jean's Vietnam

> FY20 performance influenced by:

- Net reduction of 26 international territory licences as legacy & non-performing arrangements, where existing parties were not considered sustainable long term, were brought to an end
- 55 new outlets, offset by 123 closures (including 32 store/8 van closures attributable to COVID-19)[1]
- Reduction in Trading Revenues reflects significant 2H20 COVID-19 impact & reduced outlet portfolio

> As at 30 June 2020, international operations comprise 631 outlets across 61 international territories in 47 countries

	FY20	FY19	% CHANGE
New Master Franchise Agreements	2	6	
New Outlets	55	42	
Outlets at 30 June[1]	631	699	(9.7%)
Transaction Revenues	$0.8m	$2.0m	(60.0%)
Trading Revenues	$13.2m	$16.2m	(18.5%)
External Revenue	$14.0m	$18.2m	(23.1%)
EBITDA[2]	**$3.8m**	**$5.9m**	**(35.6%)**

[1] As reported by Master Franchise Partners

[2] Underlying. Underlying EBITDA is a non-IFRS financial measure. Non-IFRS financial measures have not been subject to review or audit

DI BELLA COFFEE (DBC)

> DBC's reputation for high quality coffee products recognised:
- 22 medals across wholesale/franchise blends at November 2019 Golden Bean industry awards

> 2H20 completion of DBC restructure:
- Realising annualised cost savings of c.$6.0m per annum
- Roasting operations consolidated at state-of-the-art Sydney facility
- Non-franchise blends independently verified & graded against industry standard - continue to be rated high quality
- New management appointed & Brisbane HQ relocated
- High DIFOT rates (>98%) maintained throughout restructure/COVID-19 period

> FY20 divisional performance[3] influenced by:
- Negative COVID-19 impact on independent cafe/contract roasting customer volumes, particularly where CBD based (closures, restricted trading, customer traffic declines)
- Cycling of FY19 loss of key customers in highly competitive independent café sector
- $6.8 million revenue decrease on PCP attributable to 1H19 exit from unprofitable coffee capsule business; offset by
- Positive impact of restructuring activity, resulting in reduced operation & overhead cost

	FY20	FY19	% CHANGE
External Revenue	$23.0m	$35.8m	(35.8%)
EBITDA Underlying[1][2]	$2.1m	$3.4m	(38.1%)

[1] Underlying EBITDA is a non-IFRS financial measure. Non-IFRS financial measures have not been subject to review or audit

[2] Di Bella Coffee segment excludes contribution from Di Bella Coffee to supply franchisees, which is included within the franchise divisional results.

MANUFACTURING & DISTRIBUTION

> FY20 divisional performance attributable to Dairy Country only:
- Revenue increased $3.4 million on PCP on the back of increased processing volumes in grocery channel
- FY20 EBITDA margin reduction attributable to:
  - Increased costs to produce additional volumes secured (additional overhead on integration of new business volumes)
  - Increased sales mix to lower margin grocery channel product
  - Absorption of commodity price increases on legacy contracts

> Dairy Country operational & management review, to increase economic returns on current volumes, commenced 2H20:
- Management renewal & scoping of efficiencies attended
- Implementation suspended due to COVID-19 operating conditions (Dairy Country has operated at full capacity throughout pandemic period)

> Hudson Pacific Foodservice classified discontinued operations FY20, with divestment completed January 2020

	FY20	FY19	% CHANGE
Dairy Country	$102.9m	$99.5m	3.4%
Hudson Pacific[3]	-	$53.6m	-
External Revenue	$102.9m	$153.1m	(32.8%)
Dairy Country	$3.9m	$3.5m	11.4%
Hudson Pacific[3]	-	($4.7m)	-
EBITDA Underlying[1][2]	**$3.9m**	**($1.2m)**	**414%**

(1)Underlying. Underlying EBITDA is a non-IFRS financial measure. Non-IFRS financial measures have not been subject to review or audit

(2) Hudson Pacific operations were included in FY19 underlying EBITDA, but have been excluded from FY20 Underlying EBITDA as a discontinued operation

(3) Foodservices (Hudson Pacific Foodservice) is classified as Discontinued operation in FY20

RESPONDING TO COVID-19

> Safety & wellbeing of our people & community the priority at all times
> Initiatives implemented under turnaround plan provided strong foundation for decisive action
> Broad range of operational & financial measures to support franchise network:

- Operational modifications/adaptations at store level
- Waiver of certain fixed & percentage-based fees (+500 outlets)
- Deferral of debt/finance repayments to RFG & waiver of interest costs
- Supply chain management
- Lessor engagement to secure rent & other relief (concessions for c.415 outlets in FY20)
- Assistance interpreting, implementing & complying with government requirements
- Realignment of promotional activity to maximise campaign success & ROI, including deferral of activity where appropriate
- Extensive & ongoing communication with network & end customers

> Additional short-term strategies at Group level to reflect trading environment:

- Deferral of non-essential CAPEX, projects & travel
- Workforce planning initiatives to reduce payroll expense, including recruitment freeze, working hour reductions & stand downs
- All Directors elected to take temporary 20% reduction in fees/remuneration

> Leveraging available government support:

- c.$2.4m in JobKeeper & other assistance in FY20

RETAIL FOOD GROUP

REDEFING RFG'S APPROACH TO NETWORK MANAGEMENT

DRIVING STRATEGIC CHANGE IN OUR FRANCHISE NETWORK

> Whole-of-organization realignment focused on improving franchisee outcomes & driving growth

> All franchise facing functions & brand management consolidated into single Retail Division under new leadership

> Retail Division recently relaunched as 'Iconic Co':

- Reflects brand portfolio's strong recognition in consumer markets
- Mandate to pursue world-best practice specialisation in retail franchising
- Underpinned by 'franchisee first' mindset:
    - Where the franchisee succeeds, the franchisor succeeds
    - Focused on growing franchisee revenue & reducing costs:
        - c.100 new product & marketing campaigns in FY20 drove total estimated annualised network sales of c.$30m
        - Achieved social media reach of c.164m, ensuring brands remain top-of-mind for consumers
        - Delivered meaningful COGs outcomes, including:
            - c.15 - 20% reduction in wholesale coffee pricing implemented July 19
            - >$500K annualised saving in flour range for Brumby's Bakery franchisees (including significant average cost reduction on white flour)
            - Cost reductions across QSR Division core ingredient range

> Iconic Co:

- Facilitates flat level management structure that promotes agile decision making, efficiencies & closer connection to franchisees & end consumers
- Seeks to build positive relationships with franchisee stakeholders
- Drives rejuvenation of franchise operation systems across all functions
- Bolstered by recruitment of culturally aligned industry veterans
- Represents new approach to franchise network management

AN ACCOMPLISHED LEADERSHIP TEAM

> New leadership team with significant retail & franchising expertise appointed:

Head of Retail: Jessica Buchanan
- Multi-site franchisee with her family during early career
- Established herself as head strategist at large multi-national advertising agencies to build global brands including BMW's Mini Cooper, Tabcorp, The Australian Defence Force & many of Cadbury Schweppes' brands
- Then combined experience & focus to driving turnarounds & accelerating growth amongst well-known retail & franchise brands including Boost Juice, Hairhouse Warehouse, Healthy Habits, Banjo's Bakery, Narellan Pools, Miller's Fashion, Katies & others

Head of Operations: Damian Zammit
- >30 years' operational experience at McDonald's
- Commenced as crew member aged 15 & went on to work at McDonald's Australia & USA
- Departed as VP Operations for McDonald's Korea – part of turnaround team charged with returning market to growth
- Passion for customer experience, driving customers to brands & growing franchisee sales using simple, robust systems, processes & training to drive bottom line profits

Head of Growth: Matthew Marshall
- Returned to RFG in 2H20
- >15 years' experience across variety of major brands/organisations including Cadbury Schweppes, Asahi, RFG & Sanofi Consumer Healthcare
- Senior commercial roles including Head of Sales, Head of Trade Marketing, Managing Director – Brumby's Bakery, & General Manager Commercial Partnerships & Planning

> Leadership team tasked with:

- Defining Brand System strategic direction
- Developing best practice systemisation across all functions
- Fostering 'franchisee first' culture
- Delivering positive results at franchisee & franchisor level

ICONICCO

DRIVING WORLD-CLASS SYSTEMISATION & TOOLS

> 12 months program to develop world class systemization across all aspects of Iconic Co's operations

- Audit, break-down & rebuild of systems & processes
- Informed by new expertise recruited to the business
- Focus on driving efficiency, simplicity & positive outcomes for franchisees
- Significantly de-risks business model, particularly in COVID-19 environment

> New systems & processes reach across all business functions, including:

- Product development
- Supplier negotiation
- Operational performance
- Lease negotiation
- Site selection
- Store design & construction
- Franchise partner recruitment & network growth
- Marketing
- Network communications
- Financial reporting

BUILDING ENHANCED FRANCHISEE RELATIONSHIPS

> Driving positive network sentiment via:
- ‘Franchisee first’ mindset & culture
- Focus on ensuring franchisees have best opportunity to succeed
- Enhanced systemisation & business tools (eg launch of new Local Area Marketing (LAM) portal)
- Partnership with market leading leasing agency to drive improved leasing outcomes
- Organisational change & franchisee engagement

> Redefined Brand System General Manager role:
- Now primary point of contact for franchisees
- Ensures feedback delivered directly to executive management for prompt action
- Facilitates timely & accurate insights regarding network sentiment & performance
- Enables redesign of field service team structure & support methodology

NEW FIELD TEAM STRUCTURE:

> Evolution of franchisee field support team structure for implementation 1H21

> New structure tasked with four key objectives:

- Driving more revenue into stores
- Training franchise partners to become better retailers & generate more profits
- Helping franchise partners to build brand equity via enhanced customer experience
- Maximise franchise partner return on investment

> Transitions support team from 'generalist' skillset to Specialist Coaches across seven core areas:

- Front of House
- Back of House
- Coffee Excellence
- Product Quality
- Business Improvement
- Local Store Marketing
- Brand Standards Review

> Underpinned by comprehensive operational retraining course (thru Sep – Oct 2020)

> Will result in deployment of Specialist Coaches to drive change/provide support where needed most

> Enables cross-brand functionality, enhanced efficiencies & reduced travel burden

RETAIL FOOD GROUP

ICONICCO FY21 FOCUS

FY21 FOCUS – BAKERY/CAFÉ DIVISION

- Donut King:
  - Rollout & launch of new Donut King premium coffee blend & signage:
    - Major initiative – c.$2m investment
    - Targets increased coffee sales/appeals to non-traditional customers
  - Aggressive bundle/box offers & donut category innovation
  - Leverage multi-site operators to drive new outlet growth
  - Relaunch of Quake Shakes® to drive cold beverage category
  - Trial of mobile van concept to extend brand reach into new markets & facilitate franchisee growth options
  - Launch of new digital Loyalty Program to drive frequency
- Brumby's Bakery:
  - Maintaining heavy campaign activity to drive category growth
  - Targeting expansion of regional footprint
  - Launch of new digital Loyalty Program to drive frequency
- Michel's Patisserie:
  - Maintaining aggressive campaign activity to drive category revenue
  - Launch of new digital Loyalty Program to drive frequency
  - Supply chain range optimization underway, targets:
    - Reduced wastage
    - Improved efficiencies
    - Enhanced Brand System profitability

FY21 FOCUS – COFFEE RETAIL DIVISION

- Aggressive focus on securing Drive-thru locations
- Trial of new Gloria Jean's concept in 1H21, including:
  - New freshly baked food range
  - 'First to market' brand proposition
- Launch of 'Best Coffee Ever' to drive hot beverage category sales
- Ongoing promotion & ownership of Flavour Famous® messaging:
  - Drives recall & recognition across hot beverage, Chillers & Toastini's ranges
- Rollout of new POS system:
  - Consistent with remainder of network (ex-QSR Division)
  - Facilitates improved insights, marketing effectiveness & reported data accuracy
- Launch of new digital Loyalty Program to drive frequency

FY21 FOCUS – QSR DIVISION

- Rollout & launch of successfully trialed new value model across all stores located in mid to low demographic populations (80% of the network) to:
  - Drive franchisee revenues & customer count
  - Facilitate new store growth opportunity
  - Increase market share
  - Shift brand proposition to 'premium quality pizza at affordable pricing'
- Focus on nurturing & facilitating multi-site operator growth
- Launch of new digital Loyalty Program to drive frequency
- Focus on driving COGs reductions at store level:
  - Cost reductions across core ingredient range
  - When aligned with enhanced menu, targets annualised savings of >$1.0m

RETAIL FOOD GROUP

OUTLOOK

Outlook

- 1H20 recapitalization provided financial stability & platform for further implementation of turnaround initiatives:
  - Sustainable balance sheet with liquidity buffer
- Disposal of non-core operations facilitates enhanced focus on continuing business & driving improved franchisee outcomes
- Significant FY20 restructuring activity delivers more efficient & agile business model
- Positive impact of business improvement initiatives observed during FY20:
  - Continued focus on driving outlet performance & supporting franchisees
  - New structure & initiatives lays foundation for return to future growth as economic conditions improve
- Brand System portfolio well positioned to respond to COVID-19 impacted economy:
  - Donut King, Michel's Patisserie, Gloria Jean's: Impulse or low ATV (c.$7 ex-QSR Division) positioning resistant to declines in discretionary spending
  - Brumby's Bakery: Quality food offer & staple bakery range
  - QSR Division: Non-contact & delivered meal solutions, bolstered by FY21 new value range
  - Network geographically diversified
- Impact of COVID-19 (during FY20 & FY21YTD) demonstrates ongoing uncertainty which is expected to prevail for some time
- Notwithstanding this uncertainty, significant progress on RFG's turnaround has been made
- Whilst much work remains to be done, RFG approaching the future with confidence
- Further trading update to be provided at 2020 Annual General Meeting

RETAIL FOOD GROUP

RETAIL FOOD GROUP

APPENDIX

Definitions

BCD	Bakery/Café Division: Donut King, Michel's Patisserie, Brumby's Bakery
CRD	Coffee Retail Division: Gloria Jean's, Cafe2U, The Coffee Guy, It's A Grind, bb's Café, Esquires Coffee
Manufacturing & Distribution	(formerly referred to as Commercial Division) Hudson Pacific Foodservice, Associated Foodservice, Bakery Fresh (ceased operation in May 19) and Dairy Country
DBC	Di Bella Coffee: Franchise supply; specialty roasting; in-home/grocery; contract roasting
Mobile	Cafe2U, The Coffee Guy
PCP	Previous Corresponding Period
QSR	QSR Division: Crust Gourmet Pizza Bar, Pizza Capers
SSS	Same Store Sales
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortization
NPAT	Net Profit After Tax
EPS	Earnings per Share
YOY	Year on Year
POS	Point of Sale
AWS	Average Weekly Sales

RETAIL FOOD GROUP