RETAIL FOOD GROUP

1H21 RESULTS PRESENTATION

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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.

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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 6 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 4D and Financial Report for the Half Year Ended 31 December 2020, lodged with the Australian Securities Exchange on 24 February 2021.

1H21 SNAPSHOT

CREDITABLE RESULT IN CHALLENGING COVID-19 CIRCUMSTANCES:

- Challenging trading conditions throughout 1H21 produced mixed results across the Group's operations
  - A number of positive indicators observed across the Group's business, particularly amongst:
    - Brumby's Bakery & QSR Division
    - Regional domestic franchised outlets
  - Partially offsetting COVID-19 impact on:
    - Operations with high exposure to shopping centres, metro or CBD locations
    - International Division performance
- Contributed to 1H21 Underlying EBITDA(1) of $14.4 million (1H20: $19.9 million(2))
    - Underlying EBITDA excludes contribution from discontinued operations, effect of AASB 15 & AASB 16, & non-cash lease impairment & restructuring costs (3)
- 1H21 Underlying NPAT(1) of $12.0 million (1H20: $7.5 million(2)), reflects 60% increase on PCP
- 1H21 Statutory NPAT(1) of $3.9 million (1H20: $13.9 million(2))
- 1H21 Statutory NPAT(1) from continuing operations of $8.6 million (1H20: $28.6 million(2))

(1) 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 1H21

(2) Comparative for 1H20 restated for Discontinued Operations & AASB 15 accounting – refer to Note 16 in Financial Report for Half Year Ending 31 December 2020 published with the ASX on 24 February 2021

(3) A reconciliation of Underlying EBITDA to Statutory EBITDA is presented on page 6 of this document

1H21 SNAPSHOT (CONTINUED)

COVID-19:

- Influenced all aspects of Group operations:
  - Strong demand for Brumby's Bakery staple bakery offer & QSR home delivery options:
    - Brumby's Bakery standout performer: 1H21 SSS of +11.7%[(1)]
    - Strong QSR results accelerated by launch of new Crust value model: 1H21 SSS of +6.7%[(1)]
  - Partially offset COVID-19 impact on coffee Brand Systems with high shopping centre presence (Gloria Jean's, Donut King & Michel's Patisserie):
    - Impacts both royalty/marketing & wholesale coffee revenues
    - Victoria & NSW most affected, particularly in metro areas, given enduring 1H21 COVID-19 impacts
    - 1H21 temporary outlet closures peaked at 36 outlets
    - Significant landlord engagement vis-à-vis rental relief & support for impacted stores
  - International network significantly impacted:
    - Government trading/movement restrictions affected broad cross-section of network portfolio
    - Consequential impact on wholesale coffee & licence fee revenues
  - Di Bella Coffee performance influenced by:
    - Independent café/contract roasting customer exposure to shopping centres/CBD, drove reduced order volumes
    - Coupled with reduced volumes derived from Brand System contributed to margin pressure

FURTHERED RESTRUCTURE OF BUSINESS:

- Disposal of non-core Dairy Country business drives enhanced focus on core franchise & coffee business:
  - Net proceeds applied to the reduction of debt
  - Marks exit from traditional foodservice operations
- Closure of New Zealand roasting facility forecast to deliver annualised savings of c.$300k

(1) SSS based on unaudited reported sales by franchisees amongst stores trading a minimum 23 of 26 weeks during 1H21 vs unaudited reported sales by franchisees against same stores trading a minimum 23 of 26 weeks during 1H20

1H21 SNAPSHOT (CONTINUED)

TURNAROUND ACTIVITY ONGOING:

- Underpinned by 'franchisee first' culture focused on driving improved franchise partner outcomes
- Reinvigoration of marketing activity following COVID-19 'first wave' pause:
  - 45 campaigns focused on driving additional network revenues, including:
    - Donut King Xmas campaign, driving c.10% donut category growth
    - Brumby's Cinnamon Bun launch, driving c.28% sweet category growth
    - Gloria Jean's Oreo & Fruit Chiller campaigns, driving c.13% category growth
- Launch of Crust value model promising 'premium quality pizza at affordable prices':
  - Contributed to 7.0% customer count growth, adding over 107k new customers across the network vs PCP
- Implementation of new field service team structure & support methodology:
  - Deployment of specialist coaches across core operational functions
  - Brand GMs now 'own' direct relationships with franchisees
- Focus on new outlet growth & franchise renewals despite COVID-19 headwinds:
  - 4 new domestic outlets established

REGULATORY:

- ACCC commenced Federal Court proceedings Dec 2020 following >2.5 years investigation:
  - Allegations relatively narrow in scope/focus & concern historical matters under former RFG leadership
  - Curtailing positive new outlet growth momentum
  - RFG intends to defend proceedings

WELL POSITIONED BUT ONGOING CHALLENGES/UNCERTAINTY REMAIN:

- Considerable progress on turnaround achieved to date:
  - Delivered on various commitments to key stakeholders throughout journey, including:
    - Adoption of new strategic roadmap focused on core franchise & coffee business
    - 1H20 recapitalisation of Group
    - Substantially improved marketing activity
    - Delivery of tangible COGs improvements for franchise partners
    - Enhanced systemisation across business
    - Investment in redesign & implementation of field service model & approach to franchise system management
- Strong Balance Sheet & liquidity buffer supported by more robust, efficient & agile organisation
- Positive indicators evident in 1H21 performance:
  - Provides confidence regarding future performance following return to less volatile conditions
- Difficult to predict future financial outcomes given ongoing COVID-19 uncertainty, including pending impact of JobKeeper withdrawal
- Despite uncertainty & ACCC litigation, RFG approaches future with cautious confidence

1H21 PERFORMANCE SUMMARY

GROUP PERFORMANCE[1]	1H21	1H20[5]	% Change
Revenue[2]	$85.1m	$179.0m	(52.4%)
EBITDA (underlying)	$14.4m	$19.9m	(27.8%)
EBITDA (statutory)	$12.2m	$49.6m	(75.5%)
NPAT (underlying)	$12.0m	$7.5m	60.0%
NPAT (statutory)	$3.9m	$13.9m	(72.2%)
Dividend	-	-	
Net Operating Cash Flow[3]	$8.9m	($2.6m)	
Net Debt[4]	$27.6m	$33.7m	

(1) Underlying EBITDA and Underlying NPAT are non-IFRS measures used by management to assess financial performance. Refer to Page 6 for reconciliation of underlying to statutory results

(2) Revenue (including discontinued operations)

(3) Statutory

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

(5) Comparative for 1H20 restated for Discontinued Operations & AASB 15 accounting – refer to Note 16 in Financial Report for Half Year Ending 31 December 2020 published with the ASX on 24 February 2021

1H21 PERFORMANCE SUMMARY

> 1H21 Underlying EBITDA[1] of $14.4 million

> Statutory NPAT of $3.9 million (1H20: $13.9 million[5]), includes contribution from discontinued operations, effect of AASB 15 & AASB 16, & non-cash lease impairment & restructuring costs

- Statutory NPAT from continuing operations was $8.6 million (1H20: $28.6 million)

> 1H21 underlying performance influenced by:

- The impact of COVID-19 on all aspects of Group operations, including:
  - Domestic & international store closures
  - Government trading & movement restrictions, contributing to:
    - Reduced customer footfalls across Brand Systems most exposed to shopping centre environments, particularly in VIC/NSW metro areas
    - Reduced demand for Di Bella Coffee products amongst independent café/contract roasting sector, particularly in CBD precincts
  - Offset by improved performance of Brumby’s Bakery & QSR Division networks & savings derived from ongoing restructuring activities
- Ongoing rationalisation of underperforming stores driving leaner, more profitable store network

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RECONCILIATION OF UNDERLYING TO STATUTORY RESULTS

> Discontinued operations & disposal cost includes:

- $1.8 million underlying EBITDA relating to trading operations prior to sale
- Offset by $5.0 million of losses & costs incurred as part of the disposal process

> $0.5 million non-core expenditure in continuing operations from restructuring activities, net of provisioning recognised in prior periods, comprising:

- Advisory costs in connection with restructuring activity & ongoing regulatory response
- Corporate & wholesale coffee division restructuring costs
- Cost reduction initiatives, including staff redundancies

1H21	UNDERLYING	STATUTORY
EBITDA	$14.4m	$12.2m
NPAT	$12.0m	$3.9m

1H21 UNDERLYING ADJUSTMENTS[(1)]

Underlying EBITDA - Continuing	**$14.4m**
Discontinued Operations and Disposal costs	($3.2m)
AASB 15 & 16	$1.3m
Business Restructuring	($0.5m)
Marketing Fund EBITDA	$0.2m
Statutory EBITDA	**$12.2m**

(1) Refer to Financial Report for Half Year ended 31 December 2020 for further details

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UNDERLYING EBITDA[1]	1H21	1H20[7]	% Change
Bakery / Café Division[2]	$6.2m	$7.9m	(21.3%)
Coffee Retail Division[3]	$3.7m	$4.0m	(8.2%)
QSR[4]	$3.3m	$3.7m	(11.2%)
Domestic Franchising Total	$13.2m	$15.6m	(15.4%)
International Franchising[5]	$0.4m	$2.8m	(84.4%)
Di Bella Coffee[6]	$0.8m	$1.5m	(43.2%)
Group Total EBITDA	**$14.4m**	**$19.9m**	**(27.8%)**

(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 (domestic). International Franchising is presented within the Coffee Retail Division in the segment note of the statutory financial statements.
(4) Crust Gourmet Pizza Bar, Pizza Capers
(5) International Franchising is presented within the Coffee Retail Division in the segment note of the statutory financial statements.
(6) EBITDA derived from Di Bella Coffee supply to franchise network is reported within the Franchise Division's results
(7) Comparative for 1H20 restated for Discontinued Operations & AASB 15 accounting – refer to Note 16 in Financial Report for Half Year Ending 31 December 2020 published with the ASX on 24 February 2021

EBITDA PERFORMANCE BY DIVISION TO PCP

> 1H21 Underlying EBITDA divisional results attributable to:

- Franchise Operations:
  - Influence of COVID-19, including:
    - Impact of domestic & international store closures
    - Government trading & movement restrictions, contributing to reduced customer footfalls across Brand Systems most exposed to shopping centre environments, particularly in VIC/NSW metro areas
    - Offset by improved performance of Brumby's Bakery & QSR Division networks
  - Ongoing rationalisation of underperforming stores contributing to lower trading store numbers
- Di Bella Coffee:
  - COVID-19 influenced reduction in independent café/contract demand for DBC products, particularly amongst CBD precincts, offset by reduced overhead costs from restructuring activities
  - Coupled with reduced Brand System coffee volumes, contributed to margin pressure

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CASH FLOWS

> Net cash inflows were attributable to a return to more normalised operations in 1H21, whereas 1H20 included significant supplier payments made by the Group in relation to restructuring & recapitalisation activity undertaken in that half-year

> Decrease in cash receipts from customers consistent with:
  - Disposal of non-core commercial operations (Hudson Pacific – Jan 2020; Dairy Country – Oct 2020)
  - Reduced underlying revenues in Franchise & Di Bella Coffee

> Cash outflows include $8.9 million in payments for costs associated with debt repayment & restructuring activities, including:
  - $4.5 million senior debt & ancillary facilities repayments
  - Advisory costs & regulatory response
  - Cost reduction initiatives, including staff redundancies & corporate property closures
  - Corporate & wholesale coffee division restructuring

> $3.8 million in JobKeeper payments received in 1H21

> Lower interest rate outflows arising from debt reduction in Dec 2019, with $1.5 million interest rate swaps termination payment in 1H21

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

CASH FLOW STATEMENT	1H21 ($m)	1H20 ($m)
Receipts from Customers	93.2	175.7
Payments to Suppliers & Employees	(75.4)	(150.8)
Gross Operating Cash Flows - Underlying	**17.8**	**24.9**
Restructuring costs	(3.4)	(16.3)
Recapitalisation related costs expensed	-	(4.0)
Gross Operating Cash Flows	**14.4**	**4.6**
Interest & Other Costs of Finance Paid	(5.5)	(7.2)
Net Operating Cash Flows	**8.9**	**(2.6)**
Net Debt (repayment)	(4.5)	(139.0)
Net Capital Raising	-	179.1
Acquisition of Business & Intangibles	-	(0.8)
Payments for Property, Plant & Equipment	(1.3)	(0.5)
Sale proceeds of Business	3.1	-
Sale proceeds of Property, Plant & Equipment	0.1	0.5
Lease payments	(3.9)	(6.3)
Other Cash Activities	0.4	0.5
	(6.1)	**33.5**
Net Increase in Cash Reserves	2.8	30.9
Cash Reserves at Period End[1]	**43.1**	**44.2**

(1) Cash Reserves include restricted cash of $7.0 million (1H20: $6.3 million)

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BALANCE SHEET AT 31 DEC 2020	1H21 ($m)	FY20 ($m)
Assets		
Cash Reserves	**43.1**	40.2
Trade Receivables	**9.2**	20.1
Finance lease receivables	**70.5**	75.9
Financial Assets	**4.1**	4.1
Inventories	**5.7**	11.0
Plant & Equipment	**22.4**	39.0
Intangibles	**230.8**	238.1
Other	**2.2**	9.1
Total Assets	**388.0**	**437.5**
Liabilities		
Trade Payables	**9.4**	43.8
Provisions	**9.6**	15.7
Borrowings	**48.9**	53.6
Lease Liabilities	**120.9**	124.1
Derivative Liability	**-**	1.9
Unearned income	**18.2**	21.6
Other	**1.0**	0.7
Total Liabilities	**208.0**	**261.4**
Net Assets	**180.0**	**176.1**

BALANCE SHEET

> Disposal of discontinued operation Dairy Country has resulted in a significant decrease in trade receivables, inventories, plant & equipment, intangibles, other assets, trade payables, & lease liabilities

> Movements in lease receivables & lease liabilities during the period reflect:

- Termination of leases & contractual lease payments made during the period in the ordinary course of business, offset by
- Increases with respect to COVID-19 related lease arrears & deferrals recognised during the period ($6.5 million increase in lease receivables net of impairment & $11.8 million increase in lease liabilities)

> Reduction of provisions reflects restructuring activity completed in the ordinary course of business & early settlement of operational matters on favourable terms to the Group

> Borrowings have decreased upon repayment of debt during the period

> Derivative liabilities have reduced as interest rate swaps were cancelled & paid out during the period

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DEBT STRUCTURE

- Fully compliant with all covenants as at 31 December 2020
- Senior Debt Facilities tenor – Nov 2022
- Borrowings decreased upon repayment of debt during the period
- Current debt of $10 million represents amortisation of facility commencing quarterly from March 2021

Gross debt	$52.6 million
Current Facility Headroom	$34.2 million
Net Debt at 31 December 2020 (1)	$27.6 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 $2.8 million & maximum cash offset of $25 million. Net debt excludes lease liability.

Gross debt	$52.6 million
Bank debt - Current	$10.0 million
Bank debt - Non-Current	$39.8 million
Other Facilities	$2.8 million

1H21 DIVISIONAL PERFORMANCE

	1H21	1H20	% Change
New Outlets	3	-	
Closures	(33)	(49)	
Outlets at 31 December[1]	460	535	(14.0%)
Same Store Sales (SSS)[2]	(4.3%)	(1.7%)	
Network Sales	$116.2m	$141.3m	(17.8%)
Transaction Revenues	$0.3m	$0.6m	(42.1%)
Trading Revenues	$13.6m	$14.9m	(8.9%)
Distribution Revenues[3]	-	$2.5m	(100.0%)
External Revenue	$13.9m	$18.0m	(22.6%)
Bakery Café Division EBITDA[4]	**$6.2m**	**$7.9m**	**(21.3%)**
Brumby's Bakery EBITDA	$2.8m	$1.8m	57.4%
Donut King EBITDA	$3.0m	$4.7m	(35.0%)
Michel's Patisserie EBITDA	$0.4m	$1.4m	(72.8%)

DOMESTIC BAKERY / CAFÉ DIVISION

> 1H21 performance influenced by:

- Unavoidable impact of COVID-19 & government restrictions in response thereto:
  - Brand Systems predominantly exposed to shopping centre environments (Donut King/Michel's Patisserie) most impacted by COVID-19 measures, leading to depressed customer count, outlet sales & temporary outlet closures
- Cumulative underperforming outlet closures during 1H21 & prior reporting periods, partially offset by 3 1H21 new outlet openings

> Offset by:

- Strong consumer demand for quality bakery products offered by Brumby's Bakery as consumers returned to their 'local baker' during pandemic
- Positive impacts derived from reinvigoration of marketing activity & launch of innovative products

> Divisional Same Store Sales (SSS)[2]:

- -1.1% vs PCP (excluding Michel's Patisserie[5])
- Brumby's Bakery stand-out performer: 1H21 SSS of +11.7% vs PCP

> Launch of new customer Loyalty Programs for Donut King & Michel's Patisserie

- New Brumby's customer Loyalty Program scheduled for 2H21 launch

> Strong consumer engagement: c.7.6 million impressions for 6 key campaigns, using hyper local strategy to target store footprint

(1) Outlet statistics including trading & non-trading sites (refer FY20 Results Presentation, released to ASX 28.08.20, for total outlets as at 30 June 2020)
(2) SSS based on unaudited reported sales by franchisees amongst stores trading a minimum 23 of 26 weeks during 1H21 vs unaudited reported sales by franchisees against same stores trading a minimum 23 of 26 weeks during 1H20
(3) Sales from Hudson Pacific (discontinued operation) to Brands - included in Trading revenue for Statutory reporting
(4) Underlying. Underlying EBITDA is a non-IFRS financial measure. Non-IFRS financial measures have not been subject to review or audit
(5) Where various indicators of positive product & marketing performance has not translated to consistent reported franchisee sales across the network

DOMESTIC COFFEE RETAIL DIVISION

> 1H21 divisional performance influenced by:
  - Temporary reduction of brand marketing initiatives following rechannelled financial support to franchise partners during COVID-19 lockdowns
  - Impact on trading revenue of:
    - COVID-19, particularly in shopping centres (partially offset by Drive Thru performance)
    - Cumulative 1H21 & prior periods underperforming outlet closures

> Gloria Jean's Drive Thru standout performer:
  - Best performing outlets in network:
    - +19.9% SSS growth vs -13.2% amongst traditional outlets(2)
  - Remains a focus for new outlet growth opportunity

> Rollout of new POS system nearing completion:
  - Consistent with remainder of network (ex-QSR Division)
  - Facilitates improved insights, marketing effectiveness & reported data accuracy

> Ongoing focus on Gloria Jean's menu extension & fulfillment of Flavour Famous® messaging:
  - Launch of Oreo & Fruit Chillers range, driving c.13% category growth
  - c.4.1 million impressions on social media, using hyper local strategy to target store footprint

> 2H21 launch of new digital Loyalty Program to drive purchase frequency

> Donut King van trial, to prove new business model & accelerate Mobile network growth, ongoing

	1H21	1H20	% Change
New Outlets	-	-	
Closures	(29)	(23)	
Outlets at 31 December(1)	209	244	(14.3%)
Mobile Vans at 31 December(1)	101	147	(31.3%)
Same Store Sales (SSS)(2)	(11.5%)	(3.4%)	
Network Sales(3)	$53.6m	$66.5m	(19.5%)
Transaction Revenues	$0.2m	$0.2m	-
Trading Revenues	$14.1m	$17.8m	(20.9%)
Distribution Revenues(4)	-	$0.3m	(100.0%)
External Revenue	$14.3m	$18.3m	(22.0%)
Coffee Retail Division EBITDA(5)	**$3.7m**	**$4.0m**	**(8.2%)**
Gloria Jean's EBITDA	$2.9m	$3.0m	(5.1%)
Mobile Coffee EBITDA	$0.8m	$1.0m	(17.6%)

(1) Outlet statistics including trading & non-trading sites (refer FY20 Results Presentation, released to ASX 28.08.20, for total outlets as at 30 June 2020)
(2) SSS based on unaudited reported sales by franchisees amongst stores trading a minimum 23 of 26 weeks during 1H21 vs unaudited reported sales by franchisees against same stores trading a minimum 23 of 26 weeks during 1H20
(3) Excludes Mobile
(4) Sales from Hudson Pacific (discontinued operation) to Brands - included in Trading revenue for Statutory reporting
(5) Underlying. Underlying EBITDA is a non-IFRS financial measure. Non-IFRS financial measures have not been subject to review or audit

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DOMESTIC QSR DIVISION

- 1H21 divisional performance influenced by:
  - Implementation of new Crust value model following successful FY20 trial:
    - Lower price point range & value bundling
    - Targets wider consumer audience
    - Promises 'quality pizza at affordable prices'
    - Supported by:
      - Strong consumer preference for non-contact meal delivery options within COVID-19 environment
      - Launch of complementary dessert range Dec 2020
  - Aggressive local area marketing campaign leveraging traditional & digital media channels
    - c.10 million impressions served, delivering 10:1 Return on Ad Spend (ROAS)
- Operational initiatives & consumer demand drove strong +6.7% SSS growth(2)
  - All stores now adopting new Crust model, contributing to brand SSS +5.4% & customer count growth +7.0% vs PCP(2)
  - Continued focus on model rollout, menu development & technology advancements within eCommerce platform
  - New customer Loyalty Program on track to launch 2H21

	1H21	1H20	% Change
New Outlets	1	-	
Closures	(18)	(11)	
Outlets at 31 December(1)	178	205	(13.2%)
Same Store Sales (SSS)(2)	6.7%	(1.5%)	
Network Sales	$74.5m	$73.5m	1.4%
Transaction Revenues	$0.1m	$0.3m	(59.4%)
Trading Revenues	$6.0m	$5.5m	8.1%
Distribution Revenues(3)	-	$3.1m	(100.0%)
External Revenue	$6.1m	$8.9m	(21.7%)
QSR Division EBITDA(4)	**$3.3m**	**$3.7m**	**(11.2%)**

(1) Outlet statistics including trading & non-trading sites (refer FY20 Results Presentation, released to ASX 28.08.20, for total outlets as at 30 June 2020)
(2) SSS based on unaudited reported sales by franchisees amongst stores trading a minimum 23 of 26 weeks during 1H21 vs unaudited reported sales by franchisees against same stores trading a minimum 23 of 26 weeks during 1H20
(3) Sales from Hudson Pacific (discontinued operation) to Brands - included in Trading revenue for Statutory reporting
(4) Underlying. Underlying EBITDA is a non-IFRS financial measure. Non-IFRS financial measures have not been subject to review or audit

INTERNATIONAL FRANCHISING DIVISION [1]

> 1H21 performance influenced by:
- Reduction in Trading Revenues reflects ongoing COVID-19 impact & reduced outlet portfolio – as at 31 December 2020[2]:
  - c.25 outlets remained temporarily closed
  - Licensed networks across 34 countries remained subject to varying trading conditions, as a consequence of COVID-19 related government measures
- 27 new outlets, offset by 54 closures (including 28 store/4 van closures attributable to COVID-19)[2]
  - 2H21 pipeline of c.18 new outlets across 10 countries[2]

> Launch of new USA coffee website contributed to c.AUD$455k in online sales, representing a c.100% increase on 2H20 performance

> Launch of new USA online local area marketing portal, anticipated to drive tangible efficiencies at franchisor & franchise partner level

> As at 31 December 2020, international operations comprised 604 outlets across 59 international territories in 46 countries

	1H21	1H20	% Change
New Master Franchise Agreements	-	1	
New Outlets	27	40	
Outlets at 31 December[2]	604	667	(9.4%)
Transaction Revenues	$0.1m	$0.7m	(81.7%)
Trading Revenues	$3.9m	$8.2m	(52.8%)
External Revenue	$4.0m	$8.9m	(55.2%)
Franchise International EBITDA[3]	**$0.4m**	**$2.8m**	**(84.4%)**

(1) International Franchising is presented within the Coffee Retail Division in the segment note of the statutory financial statements.

(2) As reported by Master Franchise Partners

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

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DI BELLA COFFEE (DBC)

> 1H21 divisional performance influenced by:
- Negative COVID-19 impact on independent cafe/contract roasting customer volumes, particularly where CBD based (closures, restricted trading, customer traffic declines driven by 'work from home' arrangements)
- Gross margin on sales negatively impacted in the period, as reduced production volumes resulted in increased costs per unit produced
- Offset by positive impact of FY20 restructuring activity which drove reduced operational & overhead cost

> Additional restructuring activity undertaken or underway
- Scoping opportunities for further efficiencies via automation, warehouse & distribution service review
- Dec 2020 outsourcing of NZ based roasting contemporaneous with decommissioning of Auckland roasting facility
- Initiative projected to deliver annualised savings of c.$300k
- 2H20 launch of contract roasting solution to support Middle East/Central Asian region programmed to deliver further efficiencies
- Consolidation of USA operations programmed for 2H20 (including roasting facility decommissioning & contract roasting solution)

> Focus on online channel drove c.23% increase in B2C sales vs PCP to c.$625k

	1H21	1H20	% Change
External Revenue	$8.8m	$14.2m	(37.9%)
EBITDA Underlying(1)(2)	$0.8m	$1.5m	(43.2%)

(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

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2H21 FOCUS & OUTLOOK

2H21 FOCUS

> Unwavering commitment to supporting franchisee community

- Maintaining aggressive campaign activity to drive category growth
- Leverage new customer Loyalty Programs & social media to drive frequency & engagement
- Menu enhancement & introduction of new products
- Driving supply chain optimisation & reduction of cost of goods
- Leverage new field team support structure to drive enhanced operational support
- Navigating evolving COVID-19 landscape

> Focus on new outlet growth opportunity

- Nurturing Multi-Store Owner (MSO) franchise partner complement
- Execution of Crust value model & conclude trial of Donut King mobile van concept
- Aggressive focus on Gloria Jean’s drive thru concept
- Foster international network growth opportunities
- Network expansion opportunities in regional locations as metro continues to navigate COVID-19 uncertainty

> Strategic initiatives to drive improved outcomes within international business

- 2H21 launch of Dubai supply hub to support international network
  - Will supply c.70% of existing network
  - Drives significant reduction in freight times & cost
- International launch of premium Gloria Jean’s ‘Glorious Blend’ in response to Master Franchise Partner demand
- Relocation of USA headquarters to Chicago – the birthplace of Gloria Jean’s
  - Enhances connectivity with majority of existing USA network

> ACCC Federal Court proceedings

- Relatively narrow in scope & focus having regard to broad nature of >2.5 years investigation
- Allegations concern historical matters occurring under former leadership
- Proceedings at early stage & currently not possible to determine potential outcomes
- If ACCC successful, this could result in the imposition of potentially significant penalties & other orders
- RFG intends to defend the proceedings

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OUTLOOK

> Significant progress on turnaround achieved to date

- Delivered on commitments to key stakeholders throughout turnaround journey, including:
  - Adoption of new strategic roadmap focused on core franchise/coffee business
  - 1H20 recapitalisation of the Group
  - Substantially improved marketing activity
  - Delivery of tangible COGS improvements for franchise partners
  - Enhanced systemisation across business
  - Investment in redesign & implementation of field service model & approach to franchise system management
- Strong balance sheet & liquidity buffer supported by more robust, efficient & agile organisation which has benefited from extensive restructuring undertaken to date
- Divestment of non-core operations marks exit from traditional foodservice operations
- Ongoing work to improve outcomes & position for future growth

> COVID-19's unavoidable influence demonstrated by 1H21 performance & 2H21 lockdowns

- Despite impact, positive effect of business improvement measures observed
  - Provides confidence regarding future performance following return to less volatile conditions

> Difficult to predict future financial outcomes given:

- Ongoing COVID-19 related uncertainty, including pending impact of withdrawal of government support initiatives (including JobKeeper)
- ACCC proceedings curtailing positive momentum

> Despite that uncertainty & ACCC litigation, RFG approaches the future with cautious confidence

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APPENDIX

Definitions

B2C	Business-to-Consumer
BCD	Bakery/Café Division: Donut King; Michel's Patisserie; Brumby's Bakery
COGS	Cost of Goods Sold
CRD	Coffee Retail Division: Gloria Jean's; Cafe2U; The Coffee Guy; It's A Grind; bb's Café; Esquires Coffee
DBC	Di Bella Coffee Division: Franchise supply; specialty roasting; in-home/grocery; contract roasting
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortisation
EPS	Earnings per Share
Manufacturing & Distribution	Formerly referred to as Commercial Division: Hudson Pacific Foodservice & Associated Foodservice (disposed Jan 2020); Bakery Fresh (ceased operation May 19); Dairy Country (disposed Oct 2020)
Mobile	Mobile Van Division: Café2U; The Coffee Guy
MSO	Multi-Store Owner
NPAT	Net Profit After Tax
PCP	Previous Corresponding Period
POS	Point of Sale
QSR	QSR Division: Crust Gourmet Pizza Bar; Pizza Capers
ROAS	Return On Ad Spend
SSS	Same Store Sales

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