Retail Food Group Limited

APPENDIX 4D (Rule 4.3A)
PRELIMINARY FINAL REPORT
FOR THE HALF-YEAR ENDED 27 December 2024
RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to the period ended 29 December 2023)

				1H25 A$'000	1H24 A$'000
Revenue	*Up*	*20.1%*	*to*	69,597	57,966
Other revenue				4,145	3,903
Total revenues and other income	***Up***	*19.2%*	*to*	73,742	61,869
Underlying earnings before interest, tax, depreciation and amortisation (EBITDA)	***Up***	*4.2%*	*to*	16,010	15,372
Transformation, acquisition costs, legal matters and marketing expenses				831	(3,815)
Reported earnings before interest, tax, depreciation and amortisation (EBITDA)	***Up***	***45.7%***	***to***	16,841	11,557
Profit/(loss) before income tax	***Up***	***95.8%***	***to***	10,067	5,142
Income tax benefit/(expense)				(2,734)	(923)
Profit/(loss) for the year attributable to members of the parent entity	***Up***	***73.8%***	***to***	7,333	4,219
				1H25	**FY24**
Net Tangible Assets/(Liabilities) per security [1]				(21.68) cents	(34.09) cents

(1) Net Tangible Assets/(Liabilities) per security has been restated retrospectively for comparative periods as a result of the share consolidation.

Dividends	Amount per security
Final dividend	
- Current year	- cents
- Previous corresponding period	- cents
Total dividend (interim and final):	
- Current year	- cents
- Previous corresponding period	- cents

For an explanation of the figures reported refer to commentary on the results.

Retail Food Group Limited
Consolidated Financial Report
Half-Year Ended 27 December 2024

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DIRECTORS' REPORT

The Directors of Retail Food Group Limited ('RFG', 'the Company' or 'Group') submit the Financial Report of the Company for the period ended 27 December 2024, in accordance with the provisions of the Corporations Act 2001.

Directors

The names and particulars of the Directors of the Company during or since the end of the half-year are:

Name	Particulars
Mr Peter George	Non-Executive Chairman
Mr David Grant	Independent Non-Executive Director
Ms Kerry Ryan	Independent Non-Executive Director
Mr Michael Bulley	Non-Executive Director
Ms Jacinta Caithness	Independent Non-Executive Director

Company Secretary	Registered Office	Principal Administration Office	Share Registry
Mr Anthony Mark Connors Level 4 35 Robina Town Centre Drive Robina QLD 4226	Level 11 2 Corporate Court Bundall QLD 4217	Level 4 35 Robina Town Centre Drive Robina QLD 4226	Computershare Investor Services Level 1 200 Mary Street Brisbane QLD 4000

Corporate governance

The Company recognises the importance of good corporate governance both to RFG shareholders and to the broader stakeholder community including franchise partners, regulators and consumers. The Company's practice is to publish its Corporate Governance Statement, which details the Company's observance of the Corporate Governance Principles & Recommendations (4th Edition), via the Australian Securities Exchange (ASX) and RFG's website at www.rfg.com.au when releasing the Company's Annual Report.

Principal activities

The Group's principal activities during the half-year were:

- Intellectual property ownership of the Donut King, Brumby's Bakery, Crust Gourmet Pizza Bar, Rack 'em Bones BBQ Ribs, Beefy's Pies and Gloria Jean's Coffees Brand Systems.
- Development and management of the Donut King, Brumby's Bakery, Crust Gourmet Pizza Bar, Rack 'em Bones BBQ Ribs, Beefy's Pies and Gloria Jean's Coffees Brand Systems throughout the world, whether directly managed and/or as licensor for all Brand Systems; and
- Development and management of the coffee roasting and bakery facilities and wholesale supply of coffee, pies and allied products to the existing Brand Systems and third parties.

There were no significant changes in the nature of the Group's principal activities during the half-year.

Important Information

This Directors' Report contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events and future financial prospects. 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. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause actual outcomes to be materially different from the events or results expressed or implied by such statements, and outcomes are not all within the control of RFG. Statements about past performance are not necessarily indicative of future performance.

Neither RFG nor any of its subsidiaries, affiliates and associated companies (or any of their respective officers, employees or agents) (the 'Relevant Persons') make any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statement or any outcomes expressed or implied in any forward-looking statement. The forward-looking statements in this Directors' Report reflect views held only at the date hereof and except as required by applicable law or the ASX Listing Rules, the Relevant Persons disclaim any obligation or undertaking to publicly update any forward-looking statements, or discussion of future financial prospects, whether as a result of new information or future events.

This Directors' Report refers to RFG's financial results, including RFG's statutory performance and underlying performance. RFG's statutory performance contains a number of items that when excluded provide a different perspective on the financial and operational performance of the business (underlying performance). Underlying EBITDA is a non-IFRS financial measure and excludes the impact of certain items consistent with the manner in which senior management reviews the financial and operating performance of the Group's business. Each underlying measure disclosed has been adjusted to remove the impact of these items. A description of the items that contribute to the difference between statutory performance and underlying performance is provided in the Group Operational Review within this report.

Certain other non-IFRS financial measures are also included in this Directors' Report. These non-IFRS financial measures are used internally by management to assess the performance of RFG's business and make decisions on allocation of resources. Non-IFRS measures have not been subject to audit or review. Certain comparative amounts from the prior corresponding year have been re-presented to conform to the current year presentation.

Unless otherwise specified, all operational metrics (including Same Store Sales (SSS), Customer Count (CC), Average Weekly Sales (AWS) and Average Transaction Value (ATV) provided in this Directors' Report are based on unaudited reported sales amongst stores trading, in the case of a half year, a minimum 23 of 26 weeks, and in the case of a full year, a minimum 46 of 52 weeks, versus unaudited reported sales against same stores trading a similar number of weeks during the comparable preceding period (as the case may be).

Performance Overview

1H25 Results

The following table summarises the Group's results for the half years ending 27 December 2024 and 29 December 2023:

Item	1H25	1H24	Change
Revenue	$73.7m	$61.9m	19.2%
Revenue Adjustments [1]	($7.2m)	($8.5m)	(15.3%)
Revenue (Underlying)[1]	$66.5m	$53.4m	24.7%
EBITDA	$16.8m	$11.6m	45.7%
EBITDA Adjustments [1]	($0.8m)	$3.8m	(78.2%)
EBITDA (Underlying) [1]	$16.0m	$15.4m	4.2%
NPAT	$7.3m	$4.2m	73.8%
NPAT Adjustments [1]	($0.8m)	$3.8m	(78.2%)
NPAT (Underlying) [1]	$6.5m	$8.0m	(18.8%)

(1) These figures are not subject to audit or review. A reconciliation of Underlying to Statutory results is presented in the Group's 1H25 Results Presentation accompanying these financial statements. Underlying EBITDA and NPAT excludes the impact of Marketing funds and M&A related costs.

Performance Overview (continued)

During the six-month accounting period the Group continued to gain momentum from the continued execution of its growth strategy. Key highlights included:

- Our network sales grew 3.2% on 2H24 to $257.1 million as momentum built in the Café, Coffee, Bakery ('CCB') segment. Network sales also grew 0.9% relative to 1H24 as our core CCB brands were resilient through challenging macroeconomic trading conditions and the full year impact of Beefy's offset lower network sales in the Quick Service Restaurants ('QSR') segment.
- Same store sales (SSS) growth was muted in 1H25 as we paused price management and focused on customer value proposition. Customer count remains challenging in the current economic environment.
- During the first half we opened 25 new outlets across our core brands. We saw 23 closures, of which 17 were low performing. On average, Average Weekly Sales of outlets opened in the half were 35.2% above that of the closed core outlets. We enter the second half with 750 domestic trading outlets[1].
- A further 15 outlets closed across our non-core brands. These form part of our continued focus on the consolidation of non-core brands into the larger, stronger brand systems. As part of our strategy to focus resources and investment in our core brands, we have signed contracts to divest Café2U New Zealand and United Kingdom which will release approximately $1 million of assets into cash in the second half.
- Towards the end of the period, we announced the acquisition of CIBO Espresso, which provides an additional 22 outlets to the Group. The acquisition was completed on 31 December 2024 for a total consideration of $2.7 million and did not contribute to EBITDA in 1H25.
- Beefy's contributed a full 6 months' results, with EBITDA of $1.3 million, up $1.2 million on 1H24 where it was consolidated for 19 days.
- We opened a further 2 new Beefy's outlets in the half, at Cannon Hill, Brisbane and Newtown, Toowoomba and expect to have 15 outlets at the end of FY25, up from 9 on acquisition in December 2023.
- We have further strengthened the management team with new Chief Operating Officer, Bree Coleman, evidencing the Group's ability to attract talent.
- We continued to execute on our company store strategy, which after significant outlet growth in FY24 has shifted to focus on the quality of operations and leveraging our scale alongside selective portfolio management and refurbishments. We now operate 72 outlets (up from 63 outlets at FY24) including 12 retail outlets we operate under the Beefy's brand and 4 company operated CIBO outlets. We also completed 4 refurbishments of company store outlets in 1H25 as we continued to focus on improving the customer experience.
- During the period we opened 6 outlets under our multi-site operator incentive programs. The aim of these programs is to incentivise our best operators to open and operate more outlets across our brand systems.
- The Group undertook a share consolidation of 1 share/right for every 40 shares/rights. The consolidation impacted both issued shares and performance rights.

As discussed in the prior period, we now report two segments as follows:

- **Café, Coffee, Bakery ('CCB')** which is approximately 73% of Group network sales incorporating Gloria Jean's Coffees, Donut King, Brumby's Bakery, Beefy's Pies, Café2U, The Coffee Guy, Michel's Patisserie and Di Bella Coffee; and
- **Quick Service Restaurants ('QSR')** which is approximately 27% of Group network sales and incorporates Crust Gourmet Pizza Bar, Pizza Capers Gourmet Kitchen, and Rack 'em Bones BBQ Ribs.

[1] Includes 22 outlets acquired as part of the CIBO acquisition, announced on 4 November 2024.

Café, Coffee & Bakery ('CCB')

	1H25	1H24	Change
Domestic Network Sales	$187.2m	$180.9m	3.5%
Same Store Network Sales	$165.1m	$163.5m	1.0%
Average Weekly Sales	$16.9k	$15.7k	8.0%
Domestic Trading Outlets[2]	492	503	(11)
Customer Count	18.5m	18.9m	(2.5%)
Average Transaction Value	$10.14	$9.55	6.2%
Underlying Segment Revenue	$60.2m	$47.2m	27.5%
Network Sales: Revenue Conversion	32.1%	26.1%	6.0%
Underlying Segment EBITDA	$14.4m	$12.3m	16.6%

- CCB contributes 72.8% of Group network sales with higher revenue conversion due to vertical integration of coffee and pie manufacturing.
- Domestic Network Sales were up 3.5%, driven by Core CCB brands which were up 4.8% on the prior comparative period ('PCP').
- Same Store Sales ('SSS') were up 1.0% with customer count declines offset by an increase in average transaction values in core CCB brands. SSS at Beefy's was impacted by declines at the Gympie outlet which saw a 37.4% reduction in trade following the opening of the Gympie Bypass. Excluding this, SSS for the Beefy's Pies Brand was up 5.7% on the PCP.
- The project to consolidate our brands, with mobile brands converting to Gloria Jeans, has gained good momentum with 9 Franchise Partners converting during 1H25.
- Customer count was impacted by 1H25 outlet closures and lower foot traffic in malls during a tougher economic environment. Offsetting this, we continued to see good growth in average transaction values.

Quick Service Restaurants ('QSR')

	1H25	1H24	Change
Domestic Network Sales	$69.9m	$73.9m	(5.4%)
Same Store Network Sales	$66.5m	$69.7m	(4.7%)
Average Weekly Sales (1)	$18.5k	$19.1k	(3.5%)
Domestic Trading Outlets	258	240	18
Customer Count	1.6m	1.7m	(6.8%)
Average Transaction Value	$44.59	$43.93	1.5%
Underlying Segment Revenue	$6.4m	$6.2m	3.2%
Network Sales: Revenue Conversion	9.1%	8.4%	0.7%
Underlying Segment EBITDA	$1.6m	$3.0m	(46.5%)

(1) Average Weekly Sales for QSR is calculated using physical outlet numbers to more accurately reflect the benefit of Rack 'em Bones to the Franchise Partner

- QSR contributed 27.2% of Group network sales with no vertical integration of product and only 6 company store operated outlets.
- Our competitors' discount pricing continued to challenge our more premium brand particularly in a tougher retail environment. Crust has lost customer count by not matching discounts but has minimised the impacts to Franchise Partner profitability.
- QSR is focused on retaining share through the launch of our lunchtime Piadinas and a new range of sides which are resonating with consumers. Rack 'em Bones continues to offset lost network sales in Crust outlets and is available at the majority of Crust locations.
- Additionally, we have maximised sales opportunities during large sporting events with Network Sales up 19.5% on PCP for State of Origin Game 3.
- During 1H25, outlet count in pizza brands was stable (Crust up 2, Pizza Capers down 3, Rack 'em Bones up 11).
- Crustworthy continues to build product differentiation as we invest in technology and drive customer acquisition.

[2] Includes 22 CIBO stores acquired as part of the CIBO acquisition announced on 4 November 2024.

Income Statement

- Underlying revenue grew 24.7% on PCP as increased company store revenue (including a full 6-month contribution from Beefy's of $10.2 million) helped offset lower franchise service fees.
- Company stores expenses grew $5.9m on PCP, in line with revenues, including the full 6-month impact of Beefy's ($4.3 million) and the larger company store network. We leveraged our growing corporate store scale with expenses falling to 60.2% of company store revenue (PCP:70.5%).
- Corporate payroll costs were lower by $0.3 million despite wage inflation as we continued to deliver productivity improvements.
- Underlying EBITDA of $16.0 million was up 4.2% on 1H24 and up 15.8% on 2H24. The acquisition of Beefy's Pies, which was consolidated for a full 6 months, and a range of initiatives offset a reduction in lease impairments gains in the PCP.
- Non-core adjustments included in Underlying EBITDA have reduced significantly on the PCP. The USA results, whilst not material, have been included in the current period results reflecting that phase one of the strategic transformation has been completed. Adjustments in 1H25 totalled ($0.8m) include costs associated with marketing fund movements, the acquisition of CIBO Espresso and costs associated with business development activities.
- RFG generated statutory Net Profit After Tax of $7.3 million in 1H25 up from $4.2 million in 1H24, an increase of 73.8%.
- Tax Expense for the period was $2.7 million. No material cash tax is payable as a result of deferred tax movements, principally the utilisation of tax losses held on the balance sheet. At the end of the period the Group has $97.2 million of Australian tax revenue losses to offset against future profits.

Balance Sheet

- Cash reserves of $21.4 million (FY24: $20.6 million) includes $17.7 million of unrestricted cash (FY24: $18.3 million) against borrowings of $25.0 million under the debt facility which is secured until April 2026.
- Inventory levels increased due to timing of receipt of green coffee bean raw materials on committed contracts.
- Net working capital decreased marginally, with Trade Receivables in line with 30 June 2024 and lower Trade and other Payables offsetting higher inventory.

Cashflow

- Underlying Operating Cashflows as a % of EBITDA was 61% in the period. Underlying Operating Cashflows of $9.8 million were down on PCP due to the timing of payment of FY24 STIP in 1H25 and annual expenses, including insurance premiums.
- Capital expenditure of $3.5 million was primarily used to invest in new store expansion and refurbishment of our company store outlets to drive better customer experience and improved sales performance.
- Lease payments of $4.9 million declined $0.2 million on PCP as the benefits of FY24 actions taken to exit, convert or reopen a number of un-used sites reduced payments and offset the larger portfolio of company stores.

Provision and Contingent Liabilities

Michel's Patisserie Class Action:

During the prior year, the Company entered a binding deed to settle the class action commenced against it and two of its related entities in the Federal Court of Australia (Court) in October 2021 by a former franchisee of the Michel's Patisserie brand system on behalf of certain Michel's Patisserie franchisees, former franchisees and their related parties ('class members'). The settlement, approved by the Court during the 1H25, involved a dismissal of the proceeding by the applicant without RFG making any admission or any payment to the applicant, to any class member or towards the applicant's or the litigation funder's costs of the proceeding.

The settlement included releases by the applicant and class members in favour of RFG and its related respondent entities, together with a release by RFG in favour of applicable class members regarding historical debts alleged in the proceeding. This release had no financial impact on RFG's 1H25 results.

Subsequent Events

On 4 November 2024, the Group announced it had entered into a binding Share Purchase Agreement to acquire 100% of CIBO Holdings Pty Ltd ("CIBO") and its wholly owned subsidiaries subject to the completion of certain conditions precedent related to the assignment of leases to the Group. The conditions precedent were satisfied post balance date, with settlement occurring on 31 December 2024. RFG agreed to purchase 100% of the share capital of CIBO including the Intellectual Property for total consideration of $2.7 million. CIBO is a boutique coffee franchise founded in Adelaide over 23 years ago and currently operates through 22 retail outlets including 4 company owned outlets located in South Australia.

Subsequent to the balance date, and subject to various conditions precedent, the Group has entered into agreements to introduce Firehouse Subs into Australia. Firehouse Subs is an iconic American sandwich restaurant chain renowned for delivering great products and exceptional customer experience. RFG has entered into a development agreement with Firehouse Subs APAC Pte. Ltd, a subsidiary of Restaurant Brands International, Inc. (RBI), for a twenty year term inclusive of our option to extend at the end of the third year of the agreement. RFG's rights to open and franchise stores after 2027 are subject to the satisfaction of certain conditions. The agreement commits RFG to invest US$4 million per year for each of the first three years of the agreement to develop the brand and open 15 company store restaurants. RBI will receive fees based on store turnover. In connection with this agreement, RFG has renegotiated certain elements of our Senior Secured Debt Facility Agreement ('Facility') with Washington H. Soul Pattinson and Company Limited ('WHSP') including the drawdown of a further $7,500,000. RFG will issue 625,000 ordinary shares via placement to WHSP in connection with the amendments to the Facility.

There has not been any other matter or circumstance occurring, in the reasonable opinion of the Directors, that may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Dividends

The Directors have resolved that no dividend will be declared or paid with respect to the 1H25 period.

Auditors Independence Declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001is included on page 9 of the half-year financial report.

Rounding off of amounts

The Company is a company of the kind referred to in ASIC Corporations Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

This Directors' Report is signed in accordance with a resolution of Directors made pursuant to s.306 (3) of the Corporations Act 2001.

RETAIL FOOD GROUP LIMITED

Mr Peter George
Non-Executive Chairman

Robina, 19 February 2025

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Retail Food Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Retail Food Group Limited for the Half-year ended 27 December 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Simon Crane
Partner

Brisbane
19 February 2025

Independent Auditor's Review Report

To the shareholders of Retail Food Group Limited

Conclusion

We have reviewed the accompanying ***Half-year Financial Report*** of Retail Food Group Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Retail Food Group Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 27 December 2024 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Half-year Financial Report*** comprises:

- Consolidated statement of financial position as at 27 December 2024;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date;
- Notes 1 to 13 including selected explanatory notes; and
- The Directors' Declaration.

The ***Group*** comprises the Company and the entities it controlled at the Half-year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 27 December 2024 and its performance for the Half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

Simon Crane
Partner

Brisbane
19 February 2025

DIRECTORS' DECLARATION

In the opinion of the Directors of Retail Food Group Limited ("the Company"):

(1) the condensed consolidated financial statements and notes set out on pages 13 to 28, are in accordance with the Corporations Act 2001 including:

 (a) giving a true and fair view of the Group's financial position as at 27 December 2024 and of its performance for the six month period ended on that date, and

 (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001, and

(2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

RETAIL FOOD GROUP LIMITED

Mr Peter George
Non-Executive Chairman

Robina, 19 February 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 27 DECEMBER 2024

Consolidated	Notes	1H25 $'000	1H24 $'000
Revenue from contracts with customers	4	69,597	57,966
Cost of sales	5	(19,370)	(15,233)
Gross profit		50,227	42,733
Other revenue	4	4,145	3,903
Occupancy expenses		(2,851)	(2,051)
Administration expenses		(12,188)	(12,837)
Operating expenses	5	(18,203)	(14,328)
Marketing expenses		(6,304)	(8,837)
Other expenses	5	(1,930)	1,461
Finance costs		(2,602)	(2,225)
Other gains and losses	5	(227)	(2,677)
Profit/(loss) before income tax		10,067	5,142
Income tax benefit/(expense)		(2,734)	(923)
Profit/(loss) for the period		7,333	4,219
Other comprehensive income/(loss), net of tax			
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations		(32)	(32)
Other comprehensive income/(loss) for the period, net of tax		(32)	(32)
Total comprehensive income/(loss) for the period		7,301	4,187
Total comprehensive income/(loss) is attributable to:			
Equity holders of the parent		7,301	4,187
Earnings per share (1)			
Basic (cents per share)		11.77	6.87
Diluted (cents per share)		11.38	6.71

(1) During the period the Group undertook a share consolidation of 1 share for every 40 shares. As a result, both basic and diluted earnings per share (EPS) have been restated retrospectively for comparative periods. Refer to Note 9.

The accompanying notes form part of these Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 27 DECEMBER 2024

Consolidated	Notes	1H25 $'000	FY24 $'000
Current assets			
Cash and cash equivalents	6	21,426	20,623
Trade receivables		11,431	10,995
Lease receivables	7	22,159	22,452
Other financial assets		-	19
Inventories		5,502	3,887
Other		4,042	4,074
Total current assets		64,560	62,050
Non-current assets			
Lease receivables	7	41,584	39,206
Other financial assets		-	29
Property, plant and equipment		32,726	30,725
Intangible assets	8	229,356	229,221
Other		6,440	7,504
Total non-current assets		310,106	306,685
Total assets		374,666	368,735
Current liabilities			
Trade and other payables		9,477	10,636
Borrowings		124	1,243
Lease liabilities	7	31,000	31,617
Provisions		6,717	6,826
Other		5,178	2,945
Total current liabilities		52,496	53,267
Non-current liabilities			
Borrowings		24,696	24,471
Lease liabilities	7	57,069	56,288
Deferred tax liabilities		7,280	4,546
Provisions		10,657	12,104
Other		6,756	10,052
Total non-current liabilities		106,458	107,461
Total liabilities		158,954	160,728
Net assets		215,712	208,007
Equity			
Issued capital	9	642,882	642,739
Reserves		4,753	3,094
Retained earnings	10	(431,923)	(437,826)
Total equity		215,712	208,007

The accompanying notes form part of these Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 27 DECEMBER 2024

Consolidated	Notes	Fully Paid Ordinary Shares	Other Reserves	Retained Earnings	Total
		$'000	$'000	$'000	$'000
Balance at 1 July 2023		640,316	4,355	(444,957)	199,714
Loss for the period		-	-	4,219	4,219
Transfer from retained earnings to marketing fund reserve		-	(1,219)	1,219	-
Other comprehensive loss		-	(32)	-	(32)
Total comprehensive income/(loss)		-	(1,251)	5,438	4,187
Issue of ordinary shares		580	(580)	-	-
Recognition of share-based payments		-	399	-	399
Transfer from equity-settled employee benefits reserves		-	(81)	81	-
Balance at 29 December 2023		640,896	2,842	(439,438)	204,300
Balance at 29 June 2024		642,739	3,094	(437,826)	208,007
Profit for the period	10	-	-	7,333	7,333
Transfer from retained earnings to marketing fund reserve	10	-	1,430	(1,430)	-
Other comprehensive income		-	(32)	-	(32)
Total comprehensive income/(loss)		-	1,398	5,903	7,301
Recognition of share-based payments		-	404	-	404
Transfer from equity-settled employee benefits reserves	9	143	(143)	-	-
Balance at 27 December 2024		642,882	4,753	(431,923)	215,712

The accompanying notes form part of these Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 27 DECEMBER 2024

Consolidated	Notes	1H25 $'000	1H24 $'000
Cash flows from operating activities			
Receipts from customers		75,991	63,331
Payments to suppliers and employees		(64,128)	(53,145)
Income tax paid		(31)	-
Net cash provided by operating activities		11,832	10,186
Cash flows from investing activities			
Interest received		322	104
Repayment of advances to other entities		43	80
Payments for property, plant and equipment		(3,549)	(3,568)
Proceeds from sale of property, plant and equipment		175	199
Payments for business combinations		(250)	(5,500)
Net cash (used in)/provided by investing activities		(3,259)	(8,685)
Cash flows from financing activities			
Lease payments	7	(4,933)	(5,123)
Proceeds from borrowings		-	5,000
Repayment of borrowings		(1,085)	(1,523)
Interest and other costs of finance paid		(1,771)	(1,166)
Net cash used in financing activities		(7,789)	(2,812)
Net (decrease)/increase in cash and cash equivalents		784	(1,311)
Cash and cash equivalents at the beginning of the period		20,623	22,263
Effects of exchange rate changes on cash and cash equivalents		19	(32)
Cash and cash equivalents at end of period	6	21,426	20,920

The accompanying notes form part of these Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Contents of the notes to the financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant matters

The key impacts on the financial statements, including the application of critical estimates and judgements, are as follows:

Receivables and other financial assets

The Group has fully provided for 78% of trade and other receivables that are 30+ days past due.

The Group has applied the simplified approach to measuring expected credit losses within AASB 9 which uses a lifetime expected loss allowance for all trade and other receivables.

Lease assets and liabilities

As at 27 December 2024, landlords reported, with respect to franchised store leases where the Group is head on lease (HOL), lease arrears of $2.2 million (FY24: $2.8 million). The lease arrears balances reported to the Group by landlords are on a net basis, and include the application by landlords of relief in the form of rental abatements.

The Group has recognised a current lease liability and current lease receivable at 27 December 2024 of $2.2 million (FY24: $2.8 million), from the respective franchise partners occupying the stores to which these arrears apply. An expected credit loss provision (ECL) of $1.7 million (FY24 $2.1 million) was recognised against the lease receivable balance.

In addition, the Group assessed the underlying right-of-use (ROU) assets and lease receivable assets for indicators of impairment. The Group has reduced its provisioning in 1H25 to reflect improving trading conditions, relative to prior periods when the provisions were charged, and management actions to re-open, surrender or renegotiate onerous lease agreements of franchised outlets which has resulted in an ECL balance of $3.9 million (FY24: $6.2 million). Refer to Note 7.

Assessment of impairment of non-financial assets

The Directors have completed an assessment of the Group's intangible assets for 1H24 and determined there were no indicators of impairment.

The Group assessed the carrying values of its property, plant and equipment, for impairment indicators. Lease related ROU assets presented within property, plant and equipment of the Group were impaired as discussed under the foregoing heading “Lease assets and liabilities”.

No other property, plant and equipment was assessed as impaired as at 27 December 2024.

2. General information

Retail Food Group Limited (the Company) is a public company listed on the Australian Securities Exchange (ASX: RFG), incorporated in Australia and operating predominantly in Australia. Retail Food Group Limited’s registered office and its principal place of business are as follows:

Registered Office	Principal Administration Office
c/- KPMG, Level 11 2 Corporate Court Bundall QLD 4217	Level 4 35 Robina Town Centre Drive Robina QLD 4226

The principal activities of the Company and its subsidiaries (the Group) during the course of the half-year were the:

- Intellectual property ownership of the Donut King, Brumby’s Bakery, Michel’s Patisserie, Pizza Capers Gourmet Kitchen, Crust Gourmet Pizza Bar, Rack ‘em Bones BBQ Ribs, Gloria Jean’s Coffees, Beefy's Pies, Café2U & The Coffee Guy Brand Systems;
- Development and management of the Donut King, Brumby’s Bakery, Michel’s Patisserie, Pizza Capers Gourmet Kitchen, Crust Gourmet Pizza Bar, Rack ‘em Bones BBQ Ribs, Gloria Jean’s Coffees and Beefy's Pies Brand Systems throughout the world, whether directly managed and/or as licensor; and
- Development and management of the coffee roasting and bakery facilities and the wholesale supply of coffee, pies and allied products to the existing Brand Systems and third parties.

3. Segment information

3.1 Description of segments and principal activities

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed regularly by the Chief Operating Decision Makers (CODMs), in order to allocate resources to the segments and to assess their performance.

The Group considers that two segments provide the clearest view of the Group's results. As a result, the Group reports its primary segments under AASB8 as follows:

- Café, Coffee & Bakery Division (incorporating the Donut King, Brumby's Bakery, Gloria Jean's Coffees, Beefy's Pies, Di Bella Coffee, Michel's Patisserie, Café2U & The Coffee Guy Brand Systems); and

- QSR Division (incorporating the Crust Gourmet Pizza Bar, Rack 'em Bones BBQ Ribs, & Pizza Capers Gourmet Kitchen Brand Systems).

3.2 Segment information provided to the Chief Operating Decision Makers

Segment Revenue

Revenue from external parties reported to the CODMs is measured in a manner consistent with that in the segment note. Sales between segments are carried out at arm's length and are eliminated on consolidation.

Segment EBITDA

The CODMs assess the performance of the operating segments based on a measure of segment EBITDA.

3.3 Segment Analysis

Information related to the Group's operating results per segment is presented in the following table.

Segment	Cafe, Coffee & Bakery		QSR Systems		Total	
	1H25 $'000	1H24 $'000	1H25 $'000	1H24 $'000	1H25 $'000	1H24 $'000
Revenue	60,194	48,270	6,351	6,241	66,545	54,511
Revenue - Restricted Marketing Funds	4,726	4,798	2,471	2,560	7,197	7,358
Segment Revenue	64,920	53,068	8,822	8,801	73,742	61,869
Underlying EBITDA	14,388	12,337	1,622	3,035	16,010	15,372
Marketing Funds EBITDA					1,430	(1,219)
Transformation, acquisition costs and legal matters					(599)	(2,596)
Finance costs					(2,602)	(2,225)
Depreciation & amortisation					(4,172)	(4,190)
Profit before tax					10,067	5,142
Income tax expense					(2,734)	(923)
Profit after tax for the period					7,333	4,219

3.4 Geographical information

An insignificant portion of the Group's profits are generated outside of Australia and hence, no geographical information has been disclosed.

4. Revenue and other revenue

An analysis of the Group's revenue for the period, from continuing operations, is as follows:

Consolidated	1H25 $'000	1H24 $'000
Revenue from the sale of goods	40,733	29,048
Revenue from franchise agreements	19,198	18,973
Revenue from the sale of distribution rights	2,469	2,587
Revenue from restricted marketing funds	7,197	7,358
	69,597	57,966
Operating lease income (1)	-	2,459
Other revenue (2)	4,145	1,444
	4,145	3,903
	73,742	61,869

The Group's primary revenue streams include revenue from the sales of goods, revenue from franchise agreements, revenue from the sale of distribution rights and revenue from restricted marketing funds. Revenue from the sale of goods, franchise agreements and restricted marketing funds are derived at a point in time apart from $1.5 million (1H24: $1.2 million) which was derived over time. Operating lease income and revenue from the sale of distribution rights are derived over a period of time.

(1) During 1H24 the Group assessed its leases to ensure they are recognised in accordance with their long term economic substance. As part of this assessment a number of sub-leases with Franchise Partners were reclassified to finance lease receivables. Any income arising from these sub-lease agreements is now recognised as an offset to occupancy expenses.

(2) During the period the Group received income of $2.7m in the form of settlement proceeds paid in connection with the resolution of certain claims made under the Group's insurance policies.

5. Profit for the period

Profit for the period has been arrived at after charging (crediting):

Consolidated	1H25 $'000	1H24 $'000
Cost of sales	19,370	15,233
Operating expenses/(gains):		
Wages	17,318	13,726
Repairs and maintenance	566	392
Other	319	210
Total operating expenses	18,203	14,328
Other expenses/(gains):		
Impairment (gain)/loss on lease assets	(2,656)	(6,495)
Impairment loss/(gain) on trade and other receivables	503	846
Depreciation of property, plant and equipment	4,172	4,190
Other	(89)	(2)
Total other expenses/(gains)	1,930	(1,461)
Other gains and losses:		
Loss on lease modification	402	2,592
Loss/(Gain) on disposal of assets	(175)	85
Total other losses	227	2,677
Employee benefits expense:		
Equity settled share based payments	404	399
Post-employment benefits (defined contribution plans)	1,789	1,373
Other employee benefits (wages and salaries)	20,931	17,109
Total employee benefits expense (1)	23,124	18,881

(1) Employee benefits expense is allocated between administration expenses, operating expenses or cost of sales in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, dependent on the roles performed by the associated employees.

6. Current assets - Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period, as shown in the consolidated statement of cash flows, can be reconciled to the related items in the consolidated statement of financial position as follows:

6.1 Reconciliation of cash and cash equivalents

Consolidated	1H25 $'000	FY24 $'000
Restricted cash relating to marketing funds and unclaimed dividends	3,681	2,320
Unrestricted cash and cash balances	17,745	18,303
	21,426	20,623

6.2 Restricted cash

Restricted cash relates to cash reserved for marketing specific pursuits and unclaimed dividends.

7. Leases

This note provides information for leases in which the Group is the lessee and the lessor.

7.1 Amounts recognised in the consolidated statement of financial position

(a) Group as a Lessee

The Group has lease contracts for various properties and equipment. The Group's obligation under its leases are secured by the lessor's title to the lease assets. For these properties a ROU asset and associated liability is recognised.

Net book value	Properties $'000	Equipment $'000	Total $'000
As at 30 June 2023	20,072	130	20,202
Additions	21,332	128	21,460
Terminations	(7,255)	-	(7,255)
Reclassification adjustment (1)	(16,296)	-	(16,296)
Depreciation	(6,297)	(126)	(6,423)
Impairment Release	7,727	-	7,727
Reclassification to 'trade receivable - loss Allowance'	113	-	113
Effect of movements in exchange rates	85	-	85
As at 28 June 2024	19,481	132	19,613

Net book value	Properties $'000	Equipment $'000	Total $'000
As at 28 June 2024	19,481	132	19,613
Additions	4,455	-	4,455
Terminations	(1,813)	-	(1,813)
Reclassification adjustment (1)	(382)	-	(382)
Depreciation	(2,993)	(61)	(3,054)
Impairment Release	356	-	356
Reclassification to 'trade receivable - loss Allowance'	(32)	-	(32)
Effect of movements in exchange rates	41	-	41
As at 27 December 2024	19,113	71	19,184

(1) The Group's leases have been assessed to ensure they are in accordance with their long term economic substance.

The Group’s finance lease receivables relate to franchise store leases where the Group is party to the head lease agreement and also has a corresponding back to back lease arrangement with the franchise partner of the stores. In these instances, RFG is both the lessee (under the head lease) and lessor (under the sub-lease).

The Group accounts for the head lease and the sub-lease as two separate contracts and classifies the franchise stores sub-leases as finance or operating leases by reference to the right-of-use asset arising from the head lease. The Group has reclassified its sub-lease agreements from right of use assets to finance lease receivable. Any adjustment from remeasurement is recognised in the income statement as a gain or loss on lease modification.

7. Leases (continued)

7.1 Amounts recognised in the consolidated statement of financial position (continued)

(b) Group as a Lessor

The Group has a portfolio of property leases which have been secured on behalf of franchisees. The cash flows under these arrangements substantially offset each other.
A financial asset and financial liability is recognised which generate interest income and expenses, which materially offset within the income statement.

Set out below are the carrying amounts of investment in lease assets and the movements during the period.

	Gross Lease Asset $'000	ECL Provision $'000	Total $'000
As at 30 June 2023	65,194	(10,786)	54,408
Additions	15,234	-	15,234
Reclassification adjustment (1)	13,267	(266)	13,001
Payments	(25,807)	-	(25,807)
Impairment Release	-	4,822	4,822
As at 28 June 2024	67,888	(6,230)	61,658
Current	25,941	(3,489)	22,452
Non current	41,947	(2,741)	39,206
Total investment in lease assets	67,888	(6,230)	61,658

	Gross Lease Asset $'000	ECL Provision $'000	Total $'000
As at 28 June 2024	67,888	(6,230)	61,658
Additions	14,181	-	14,181
Terminations	(297)	-	(297)
Reclassification adjustment (1)	(755)	-	(755)
Payments	(13,394)	-	(13,394)
Impairment Release	-	2,350	2,350
As at 27 December 2024	67,623	(3,880)	63,743
Current	24,903	(2,744)	22,159
Non current	42,720	(1,136)	41,584
Total investment in lease assets	67,623	(3,880)	63,743

(1) The Group's leases have been assessed to ensure they are in accordance with their long term economic substance.

The Group’s finance lease receivables relate to franchise store leases where the Group is party to the head lease agreement and also has a corresponding back to back lease arrangement with the franchise partner of the stores. In these instances, RFG is both the lessee (under the head lease) and lessor (under the sub-lease).

The Group accounts for the head lease and the sub-lease as two separate contracts and classifies the franchise stores sub-leases as finance or operating leases by reference to the right-of-use asset arising from the head lease. The Group has reclassified its sub-lease agreements from right of use assets to finance lease receivable. Any adjustment from remeasurement is recognised in the income statement as a gain or loss on lease modification.

7. Leases (continued)

7.1 Amounts recognised in the consolidated statement of financial position (continued)

Set out below are the carrying amounts of lease liabilities and the movement during the period

	1H25 $'000	FY24 $'000
Opening balance	(87,905)	(90,288)
Additions	(18,673)	(35,015)
Terminations	1,921	1,623
Payments	16,093	34,773
Arrears movement	495	1,002
Closing balance	(88,069)	(87,905)
Current	(31,000)	(31,617)
Non current	(57,069)	(56,288)
Total Lease liabilities	(88,069)	(87,905)

Minimum undiscounted lease payments for operating leases to be made after reporting date are as follows:

	1H25 $'000	FY24 $'000
Within 1 year	7,288	7,011
Between 1 and 2 years	6,293	6,244
Between 2 and 3 years	4,130	4,585
Between 3 and 4 years	3,015	2,932
Between 4 and 5 years	1,342	1,470
Later than 5 years	1,679	1,305
	23,747	23,547

Minimum undiscounted rental receivables after reporting date are as follows:

	1H25 $'000	FY24 $'000
Within 1 year	26,202	28,721
Between 1 and 2 years	20,251	19,825
Between 2 and 3 years	14,844	14,259
Between 3 and 4 years	7,948	8,024
Between 4 and 5 years	3,127	2,592
Later than 5 years	1,773	1,610
	74,145	75,031

7. Leases (continued)

7.1 Amounts recognised in the consolidated statement of financial position (continued)

The following table shows the movement in the expected credit loss that has been recognised for Lease Receivables:

Consolidated	1H25 $'000	FY24 $'000
Balance at the beginning of the period	6,230	10,786
Reclassification from 'right-of-use assets'	-	433
Lease impairment recognised/(reversed) during the period	(2,263)	(4,275)
Reclassification to 'trade receivables - loss allowance' (1)	-	(167)
Expected credit loss/(reversals) on rental arrears & deferrals	(87)	(547)
Balance at the end of the period	3,880	6,230

(1) Allowance for expected credit loss is reclassified to trade receivables to cover allowance for unpaid rent on impaired leases.

7.2 Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss and other comprehensive income includes the following amounts related to leases:

	1H25 $'000	1H24 $'000
Operating lease income	-	2,459
Finance lease interest income	1,757	1,290
Interest expense (finance lease)	(1,757)	(1,290)
Interest expense (operating leases)	(929)	(1,020)
Depreciation expense of ROU assets	(3,054)	(3,569)
Impairment reversal on ROU assets	356	3,245
Expected credit gain - lease receivables	2,300	3,250
Loss on lease modification	(402)	(2,592)

(c) Amounts recognised in statement of cashflows

The consolidated statement of profit or loss and other comprehensive income includes the following amounts related to leases:

	1H25 $'000	FY24 $'000
Total cash outflow for leases	(4,933)	(12,453)

7.4 Make-good provisions

The Group is required to restore the leased premises of its franchise stores and certain corporate leases, to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements for impaired and unimpaired leases.

For operating leases entered into post adoption of AASB 16 where the lease asset is a ROU asset, these costs are capitalised within ROU assets and amortised over the shorter of the term of the lease and the useful life of the assets. For finance leases, where the underlying lease asset is a finance lease receivable, the costs associated with make-good provisions are presented as Receivables - make-good, and classified within other assets.

8. Intangible assets

8.1 Intangible assets

			Indefinite Life		Total
		Goodwill	Brand Systems	Intellectual Property Rights	
Consolidated	Notes	$'000	$'000	$'000	$'000
Gross carrying amount					
Balance as at 1 July 2023		273,057	429,487	5,537	708,081
Acquisitions through business combinations		5,525	5,292	-	10,817
Balance as at 28 June 2024		278,582	434,779	5,537	718,898
Acquisitions through business combinations		135	-	-	135
Balance as at 27 December 2024		278,717	434,779	5,537	719,033
Accumulated amortisation and impairment losses					
Balance as at 1 July 2023		(207,807)	(281,870)	-	(489,677)
Balance as at 28 June 2024		(207,807)	(281,870)	-	(489,677)
Balance as at 27 December 2024		(207,807)	(281,870)	-	(489,677)
Net book value					
As at 28 June 2024		70,775	152,909	5,537	229,221
As at 27 December 2024		70,910	152,909	5,537	229,356

8.2 Overview

An intangible asset’s recoverable value is the greater of its value in use and its fair value less costs of disposal.

For intangible assets with a finite life, if there are indicators that the intangible asset’s recoverable value has fallen below its carrying value, an impairment test is performed, and a loss is recognised for the amount by which the carrying value exceeds the asset’s recoverable value.

Intangible assets that have an indefinite useful life, such as brand systems, intellectual property rights and goodwill, are tested annually for impairment, or more frequently, where there is an indication that the carrying amount may not be recoverable.

The Directors have completed an assessment of the Group's intangible assets for 1H25 and determined there were no indicators of impairment.

9. Issued capital

Consolidated	1H25 $'000	FY24 $'000
62,305,789 fully paid ordinary shares (FY24: 2,489,443,223)	642,882	642,739
	642,882	642,739

Consolidated	1H25 No. '000	1H25 $'000
Fully paid ordinary shares [1]		
Balance at beginning of period	2,489,443	642,739
Transfer from equity-settled employee benefits reserve	2,637	143
Consolidation of 1 share for every 40 shares	(2,429,774)	-
Balance at end of period	62,306	642,882

(1) Fully paid ordinary shares carry one vote per share and carry the right to dividends.

10. Retained earnings

Consolidated	1H25 $'000	FY24 $'000
Balance at beginning of period	(437,826)	(444,957)
Net profit/(loss) attributable to members of the parent entity	7,333	5,791
Net profit/(loss) attributable to marketing funds reclassed to other reserves	(1,430)	1,234
Recognition of share-based payments	-	106
Balance at end of period	(431,923)	(437,826)

11. Contingent liabilities

Michel's Patisserie Class Action:

During the prior year, the Company entered a binding deed to settle the class action commenced against it and two of its related entities in the Federal Court of Australia (Court) in October 2021 by a former franchisee of the Michel's Patisserie brand system on behalf of certain Michel's Patisserie franchisees, former franchisees and their related parties ('class members').

The settlement, approved by the Court during the 1H25, involved a dismissal of the proceeding by the applicant without RFG making any admission or any payment to the applicant, to any class member or towards the applicant's or the litigation funder's costs of the proceeding. The settlement included releases by the applicant and class members in favour of RFG and its related respondent entities, together with a release by RFG in favour of applicable class members regarding historical debts alleged in the proceeding. This release had no financial impact on RFG's 1H25 results.

12. Events after the reporting period

On 4 November 2024, the Group announced it had entered into a binding Share Purchase Agreement to acquire 100% of CIBO Holdings Pty Ltd ("CIBO") and its wholly owned subsidiaries subject to the completion of certain conditions precedent related to the assignment of leases to the Group. The conditions precedent were satisfied post balance date, with settlement occurring on 31 December 2024. RFG agreed to purchase 100% of the share capital of CIBO including the Intellectual Property for total consideration of $2.7 million. CIBO is a boutique coffee franchise founded in Adelaide over 23 years ago and currently operates through 22 retail outlets including 4 company owned outlets located in South Australia.

Subsequent to the balance date, and subject to various conditions precedent, the Group has entered into agreements to introduce Firehouse Subs into Australia. Firehouse Subs is an iconic American sandwich restaurant chain renowned for delivering great products and exceptional customer experience. RFG has entered into a development agreement with Firehouse Subs APAC Pte. Ltd, a subsidiary of Restaurant Brands International, Inc. (RBI), for a twenty year term inclusive of our option to extend at the end of the third year of the agreement. RFG's rights to open and franchise stores after 2027 are subject to the satisfaction of certain conditions. The agreement commits RFG to invest US$4 million per year for each of the first three years of the agreement to develop the brand and open 15 company store restaurants. RBI will receive fees based on store turnover. In connection with this agreement, RFG has renegotiated certain elements of our Senior Secured Debt Facility Agreement ('Facility') with Washington H. Soul Pattinson and Company Limited ('WHSP') including the drawdown of a further $7,500,000. RFG will issue 625,000 ordinary shares via placement to WHSP in connection with the amendments to the Facility.

There has not been any other matter or circumstance occurring, in the reasonable opinion of the Directors, that may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Interim Dividend

The Directors have resolved that no dividend will be declared or paid with respect to the 1H25 period.

13. Summary of material accounting policies

This consolidated interim financial report for the half-year reporting period ended 27 December 2024 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 28 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

These financial statements have been prepared on the basis that RFG is a going concern, able to realise assets in the ordinary course of business and settle liabilities as and when they are due.

The Company is a company of the kind referred to in ASIC Corporations Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.