



11 October 2019

Capital raising launch and guidance

- Launch of \$150 million institutional placement and a share purchase plan of \$10 million, both at \$0.10 per share
- Intended equity raising and debt restructuring
- FY20 underlying EBITDA guidance in the range of \$42.0 - \$46.0 million
- Net proceeds of equity raising to be used to repay debt, strengthen the Company's balance sheet and provide working capital

Retail Food Group Limited (**RFG** or the **Company**) today announced the launch of an institutional placement, to sophisticated and professional investors, of approximately 1,500 million ordinary shares at \$0.10 per share (**Offer Price**) to raise \$150 million before costs (**Placement**)¹, with the ability to accept oversubscriptions. The Placement is subject to shareholder approval at a general meeting of the Company to be held on or around 19 November 2019. The Joint Lead Managers and Joint Bookrunners to the Placement are Petra Capital and Shaw and Partners. Aitken Murray Capital Partners is acting as co-lead manager to the Placement.

The Company also intends to offer a Share Purchase Plan (**SPP**)¹ at \$0.10 per share, the same price as the Placement, to raise a further \$10 million before costs. The Company reserves the right to increase the SPP to a maximum of \$20 million.

Net proceeds of the Placement and SPP (together the **Offer**) will primarily be used to pay down debt and provide working capital to stabilise the business and support the Company's turnaround plan.

The equity raising forms part of a wider recapitalisation plan, with the Company's existing senior lenders (**Lenders**) having entered into a binding commitment letter and term sheet, subject to various conditions including receipt of \$118.5 million of proceeds from the Offer to be applied in partial repayment of the senior debt, by which the Lenders agree to extinguish \$71.8 million of existing senior debt, and to provide a new \$75.5 million term loan facility maturing in November 2022 to refinance existing senior debt. To facilitate the Offer the Lenders have agreed to extend the existing facilities until 28 February 2020.

The Placement bookbuild opens today and is scheduled to close on 14 October 2019. The Investor Presentation, in relation to the Offer and recapitalisation, has been lodged in conjunction with this announcement.

Underlying EBITDA Guidance:

The Company is pleased to announce FY20 underlying EBITDA guidance in the range of \$42.0 - \$46.0 million, assuming full year contributions from all continuing business units, but excluding the impact of AASB15 and AASB16².

ENDS

For further information, please contact:

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About Retail Food Group Limited:

RFG is a global food and beverage company headquartered in Queensland. It is Australia's largest multi-brand retail food franchise owner and a roaster and supplier of high-quality coffee products. The Company also operates in the foodservice and dairy processing sectors. For more information about RFG visit: www.rfg.com.au

¹ The Placement and/or the SPP may be underwritten but are not currently underwritten.

² Excludes Hudson Pacific Foodservice, which will be classified as a Discontinued Operation; Includes Dairy Country operations; Underlying EBITDA is a non-IFRS financial measure. Non-IFRS financial measures have not been subject to audit or review