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3 March 2023

\$47.4 Million Debt & Equity Capital Raising Launched

Key Points:

- Firm commitments received to raise \$24.9 million via a share placement to sophisticated and institutional investors at an offer price of \$0.08 per share.
- Binding term sheet signed to secure a new \$20.0 million debt facility with Washington H. Soul Pattinson and Company Limited.
- Launch of Share Purchase Plan to raise approximately \$2.5 million, providing existing eligible shareholders the opportunity to participate in the capital raising.
- Net proceeds to be used to reset and strengthen balance sheet, and to pursue core business and inorganic growth opportunities.

Retail Food Group Limited (**RFG**, the **Company** or **Group**) is pleased to announce that it has received firm commitments to raise \$24.9 million before costs from institutional and sophisticated investors via a placement ("**Placement**") of 311.5 million ordinary shares ("**Placement Shares**") at an issue price of \$0.08 per share ("**Offer Price**"). The Company has also entered into a binding term sheet with Washington H. Soul Pattinson and Company Limited (ASX:SOL) ("**WHSP**") to secure a new debt facility of \$20.0 million ("**New Debt Facility**").

In addition to the Placement and New Debt Facility, RFG aims to raise an additional circa \$2.5 million via a Share Purchase Plan ("**SPP**"), (subject to RFG's Board's discretion to scale back applications and/or accept oversubscriptions, subject to the ASX Listing Rules and *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*).

Net proceeds of the Placement, New Debt Facility and SPP will be used to reset and strengthen the Company's balance sheet, and provide capital for the Company to pursue core business and inorganic growth opportunities in the future. The Company encourages shareholders to review the Investor Presentation released to the ASX today for further information, including risks associated with the Offer and an investment in RFG securities.

RFG Executive Chairman, Peter George, noted that the capital raising and New Debt Facility enabled the Company to reset and strengthen its balance sheet, allowing the Group to pursue core business and inorganic growth opportunities.

"The Company's strong 1H23 results demonstrate the resilient nature of the Group's brand system portfolio and validate the strategic decisions implemented throughout the Company's 'franchisee first' turnaround journey. We have carried considerable momentum into the 2H23 and remain focused on delivering solutions to unlock growth and drive enhanced profitability for both our franchise partners and shareholders".

"We are pleased to welcome a number of respected institutional investors amongst new shareholders to the register, and extend thanks to those existing shareholders who have endorsed the Company's strategic growth platforms and initiatives by increasing their shareholding via the Placement. Retail shareholders will also have an opportunity to participate in the capital raising via the share purchase plan, which is intended to raise approximately \$2.5 million at the same Offer Price applicable under the Placement", Mr George said.

PLACEMENT DETAILS

The Placement Shares are expected to be allotted and issued on Thursday, 9 March 2023 and are within the Company's existing placement capacity under Listing Rule 7.1.

The Offer Price represents a:

- 12.1% discount to the last close of \$0.091 on Tuesday, 28 February 2023;
- 8.9% discount to the Wednesday 1 March 2023 VWAP of A\$0.0878; and, a
- 19.7% discount to the 30-day VWAP of \$0.0996 up to and including Wednesday, 1 March 2023.

All Placement Shares will rank equally with RFG's existing ordinary shares on issue once allotted.

NEW DEBT FACILITY DETAILS

WHSP continues to be a supportive shareholder of RFG and alongside its participation in the Placement, the Company and WHSP have today entered into a binding term sheet for a New Debt Facility, which will be for \$20.0 million. Drawdown remains subject to negotiation and execution of full form facility documentation and satisfaction of customary conditions precedent to drawing for a facility of this nature, including completion of the Placement under ASX Listing Rule 7.1.

Key terms of the New Debt Facility include:

Term	3 year loan term (on arm's length commercial terms).
Interest rate	Margin: 7.5% for the first 6 months. 7.5% to 6.5% based on net leverage ratio thereafter.
Fees	Establishment fee: \$600,000 Costs and expenses of the lender: c.\$250,000
Covenants	Quarterly testing of net leverage ratio and interest coverage ratio.
Timeframe to completion	c.4 weeks
Security	First ranking security over all Group assets, subsidiaries and undertakings. Cross guarantees also required.

Other key terms of the New Debt Facility have been summarised on page 16 of the Investor Presentation, released to the ASX today.

WHSP's shareholding in the Company following completion of the Placement will be approximately 7.97%.

SPP DETAILS

In addition to the Placement and the New Debt Facility, RFG aims to raise an additional circa \$2.5 million via a Share Purchase Plan ("**SPP**"), (subject to RFG's Board's discretion to scale back applications and/or accept oversubscriptions, subject to the ASX Listing Rules). The SPP will enable RFG shareholders as at the record date of 7.00pm (AEDT) on Thursday, 2 March 2023 with a registered address in Australia or New Zealand ("**Eligible Shareholders**") to have the opportunity to apply for the

New Shares at the same price as the Placement, being \$0.08 per share. Eligible Shareholders will be offered the opportunity under the SPP to apply for up to \$30,000 worth of New Shares.

Participation in the SPP by Eligible Shareholders is entirely optional.

The SPP is not underwritten. New Shares issued under the SPP will rank equally with existing fully paid ordinary shares in RFG then on issue.

The terms and conditions of the SPP will be detailed in an SPP Offer Booklet, expected to be dispatched to Eligible Shareholders and released to the ASX on Thursday, 9 March 2023. Eligible Shareholders should review the SPP Offer Booklet and Investor Presentation released today in full before deciding whether or not to participate in the SPP.

ADVISORS

Shaw and Partners Limited is acting as Sole Bookrunner to the Placement. Shaw & Partners Limited and Petra Capital Pty Limited are acting as Joint Lead Managers to the Placement. Arnold Bloch Leibler is acting as the Company's Australian legal adviser in connection with the Placement, New Debt Facility and SPP. 333 Capital is acting as corporate adviser to the Company in connection with the Placement, New Debt Facility and SPP.

INDICATIVE TIMETABLE

The indicative Placement and SPP timetable of key dates is set out below*:

Trading halt	Wednesday, 1 March 2023
Record Date for eligibility to participate in SPP	7:00PM AEDT, Thursday, 2 March 2023
Trading halt lifted and announcement of successful Placement, New Debt Facility and SPP	Friday, 3 March 2023
Settlement of Placement Shares	Wednesday, 8 March 2023
SPP offer documents released and SPP offer opens	Thursday, 9 March 2023
Allotment and commencement of trading of Placement Shares	Thursday, 9 March 2023
SPP closing date	Thursday, 6 April 2023
Announcement of results of SPP	Thursday, 13 April 2023
Allotment of New Shares issued under the SPP	Monday, 17 April 2023
Commencement of trading of New Shares issued under the SPP	Tuesday, 18 April 2023

***Note:** The timetable above is indicative only and subject to change. RFG reserves the right to amend any or all of these events, dates and times, without notice, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws.

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This announcement has been authorised by RFG's Board of Directors.

ENDS

For further information, interviews or images, 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 manager, and is the owner of iconic brands including Gloria Jean's, Donut King, Brumby's Bakery, Michel's Patisserie, Crust Gourmet Pizza, Pizza Capers, Cafe2U and The Coffee Guy. The Company is also a roaster and supplier of high-quality coffee products, supplied under the Di Bella Coffee brand. For more information about RFG visit: www.rfg.com.au