

Retail Food Group Limited

APPENDIX 4D (Rule 4.3A)
PRELIMINARY FINAL REPORT
FOR THE HALF-YEAR ENDED 26 December 2025
RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to the period ended 27 December 2024)

				1H26 A\$'000	1H25 A\$'000
Total revenues and other income	Down	(6.4%)	to	69,002	73,742
Underlying earnings before interest, tax, depreciation and amortisation (EBITDA) ⁽¹⁾	Down	(43.1%)	to	9,152	16,089
Transformation, acquisition costs, legal matters and marketing expenses				(2,107)	831
Company store performance and strategic reset ⁽¹⁾				1,322	(79)
Reported earnings before interest, tax, depreciation and amortisation (EBITDA)	Down	(50.3%)	to	8,367	16,841
Profit/(loss) before income tax	Down	(77.1%)	to	2,307	10,067
Income tax benefit/(expense)				(318)	(2,734)
Profit/(loss) for the year attributable to members of the parent entity	Down	(72.9%)	to	1,989	7,333
Net Tangible Assets/(Liabilities) per security ⁽²⁾				1H26 (35.91) cents	FY25 (39.11) cents

(1) 1H25 Underlying EBITDA has been restated to remove EBITDA related to those Company stores to be sold or exited as part of Company Store strategic reset.

(2) 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 26 December 2025

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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 26 December 2025, in accordance with the provisions of the Corporations Act 2001.

Directors

The names and particulars of the Directors of the Company, identified as Key Management Personnel ('KMP'), during or since the end of the half-year are:

Name	Particulars
Mr Peter George	Executive Chairman (Appointed 12 September 2025 - formerly Non-Executive Chairman)
Mr David Grant	Non-Executive Director (Up until 29 January 2026)
Ms Kerry Ryan	Non-Executive Director (Up until 27 November 2025)
Mr Michael Bulley	Non-Executive Director
Ms Jacinta Caithness	Non-Executive Director
Mr Mark Lindh	Non-Executive Director (Appointed 7 January 2026)

In addition to the above named directors, the Company has also identified the names and particulars of the senior executive management of the Company identified as KMP during or since the end of the half-year :

Name	Particulars
Mr Matthew Marshall	Chief Executive Officer (Up until 12 September 2025)
Mr Robert Shore	Chief Financial Officer (Up until 31 December 2025)
Mr Anthony Mark Connors	Company Secretary, Director Corporate Services
Mr Ryan Chellingworth	Chief Financial Officer (Appointed 1 January 2026)

Former Chief Executive Officer, Matthew Marshall, held the role until his departure on 12 September 2025. Mr Marshall played a key role in the Group's management and strategic decisions and is considered KMP until his departure date. Peter George, who was previously Non-executive Chairman, was appointed Executive Chairman on 12 September 2025, having previously served as Executive Chairman from November 2018 until the appointment of Mr Marshall in July 2023.

Former Chief Financial Officer, Robert Shore, held the role until his resignation which was effective from 31 December 2025. Mr Shore will remain employed with the Group until the completion of his notice period. Mr Shore played a key role in the Group's financial management and strategic decisions and is considered KMP until his resignation date. The Chief Financial Officer role continues to play a key role in the Group's financial management and strategic decisions upon the appointment of Ryan Chellingworth, and he is considered KMP from the date of appointment.

Company Details

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.

DIRECTORS' 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;
- Development and management of the Firehouse Subs Brand System in Australia under licence from Restaurant Brands International Inc; and
- Development and management of 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 Performance Overview 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).

DIRECTORS' REPORT

Performance Overview

1H26 Results

The following table summarises the Group's results for the half years ending 26 December 2025 and 27 December 2024:

Item	1H26	1H25	Change
Revenue	\$69.0m	\$73.7m	(6.4%)
Revenue Adjustments ^(1,2) : Transformation of Company Stores	\$(10.3)m	\$(14.2)m	(27.2%)
Revenue Adjustments ^(1,3) : Other	\$(7.0)m	\$(7.2)m	(2.6%)
Revenue (Underlying) ⁽¹⁾	\$51.7m	\$52.4m	(1.3%)
EBITDA	\$8.4m	\$16.8m	(50.3%)
EBITDA Adjustments ^(1,2) : Transformation of Company Stores	\$(1.3)m	\$0.1m	(1766.3%)
EBITDA Adjustments ^(1,3) : Other	\$2.1m	\$(0.8)m	(353.8%)
EBITDA (Underlying) ⁽¹⁾	\$9.2m	\$16.1m	(43.1%)
NPAT	\$2.0m	\$7.3m	(72.9%)
NPAT Adjustments ^(1,2) : Transformation of Company Stores	\$(0.6)m	\$3.4m	(118.7%)
NPAT Adjustments ^(1,3) : Other	\$2.1m	\$(0.8)m	(353.8%)
NPAT (Underlying) ⁽¹⁾	\$3.5m	\$9.9m	(65.2%)

- (1) These figures are not subject to audit or review. A reconciliation of Underlying to Statutory results is presented in the Group's 1H26 Results Presentation accompanying these financial statements.
- (2) During FY25 the Group committed to a strategic reset of our corporately operated stores in our Gloria Jean's, Donut King, Crust Gourmet Pizza and Brumby's Bakery brands to either sell outlets to franchise partners or exit the site. In FY25 the Group recognised provisions to exit the sites including lease and PPE impairments and redundancy costs on the basis that sites without an agreed sale will be exited. During 1H26 the Group has successfully managed to transition 17 outlets to Franchise Partners. Any provisions held in relation to those sites have therefore been released. 1H25 results have been adjusted to present a more comparable recurring underlying result.
- (3) Other Underlying adjustments include the impact of one off expenses & provisions, restricted domestic marketing funds, costs associated with M&A activity, trading results and provision adjustments relating to company stores to be transitioned as part of the company store strategic reset and costs associated with the rollout of Firehouse Subs.

During the half-year period the key items of note for the Group were:

- Network sales fell 1.0% relative to 1H25 to \$254.6 million as challenging macroeconomic conditions combined with non-core store closures impacted our Café Coffee Bakery ("CCB") segment. Outlet numbers were also impacted by the closure of sites as part of the Company Store strategy reset. The CCB results were offset by improved trading in the Quick Service Restaurants ("QSR") segment. Network sales grew 2.5% on 2H25 as momentum continued in the QSR segment following improved results first seen in Q4 FY2025.
- Same store sales (SSS) growth was positive in 1H26, at +0.2% relative to 1H25, as our QSR segment returned to growth. Customer count remains challenging in CCB in the current economic environment.
- During the first half we opened 22 new outlets across our core brands. We opened 3 Beefy's stores in 1H26, with 7 stores now opened since the acquisition of Beefy's in December 2023. During the period we opened 3 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.
- We saw 38 closures, of which 28 were low performing⁴. A further 13 outlets closed across our non-core brands⁵. We continue to focus on the consolidation of non-core brands into the larger, stronger brand systems. We entered 2H26 with 693 domestic trading outlets.
- Our international network closed the period with 528 stores, down 1 to FY25 (529 stores). During the period the Group continued to progress with the setup of a new international supply hub in Türkiye as part of its international strategy, positioning the Group to better serve our key international Master Franchise Partners and their store networks.
- As part of the investment in our international strategy we appointed a new Head of International, Bilal Celik. Bilal brings extensive experience across QSR and food retail. Bilal is based near our new manufacturing hub in Türkiye.
- The Group continued with the launch of Firehouse Subs. The first stores are expected to open in Q4 FY2026, with a focus on flagship site selection and supply chain finalisation. The Group has committed to a 20 year development agreement with a potential break clause in year 3 at the Group's election.

(4) Low Performing outlets are defined as CCB outlets with an AWS <\$10k and QSR outlets with an AWS <\$12k.

(5) Non-core brands include Café2U, Michel's Patisserie and Pizza Capers Gourmet Kitchen.

DIRECTORS' REPORT

- We continued to execute on our company store reset strategy. At 27 June 2025 the Group had identified 50 stores to transition to Franchise Partner ownership or exit. During the period the Group transitioned 17 stores to Franchise Partners. A further 7 sales are agreed and are scheduled for settlement in Q3 FY2026. 11 outlets were closed during the period. As a result of the exit or transition of the stores to Franchise Partner ownership, the Group released \$2.8m of the onerous lease provisions previously taken in respect to those sites.
- Following the exploration of a potential divestment of Brumby's, at the conclusion of that process the Group has decided to retain the business. While Brumby's attracted considerable interest from multiple parties, we were ultimately not convinced that the options available would be in the best interests of shareholders, franchisees, or team members at this time. Brumby's remains profitable and is an important contributor to the Group's performance.
- The first stores refreshed in line with the strategic brand refresh for Gloria Jeans ('Glorange') were completed in 1H26. Stores at Goulburn, Shepperton and Robina were opened with a contemporary new store format blending modern design aesthetics with Gloria Jeans coffee heritage. AWS across these sites have all increased relative to PCP (or as compared to the GJ network average excluding drive thru sites, in the case of Shepperton).
- Moving into H2 FY2026 the Group is focussed on resetting its operations to better support our franchise network. As part of this reset the Group is targeting a reduction in the cost base to more appropriately align the Company's cost base with revenue expectations whilst continuing to execute on longer term growth opportunities including Beefy's, Firehouse Subs and our International operations.

The Group reports under two segments as follows:

- Café, Coffee, Bakery ('CCB')** which is approximately 72% of Group domestic network sales incorporating the Donut King, Brumby's Bakery, Gloria Jean's, Beefy's Pies, Michel's Patisserie, Cafe2U and CIBO Espresso brand systems and Di Bella Coffee; and
- Quick Service Restaurants ('QSR')** which is approximately 28% of Group domestic network sales and incorporates Crust Gourmet Pizza Bar ('Crust'), Pizza Capers Gourmet Kitchen, and Rack 'em Bones BBQ Ribs.

Café, Coffee & Bakery

	1H26	1H25	Change
Domestic Network Sales	\$182.8m	\$187.2m	(2.4%)
Same Store Network Sales	\$167.4m	\$168.2m	(0.4%)
Average Weekly Sales	\$17.2k	\$16.9k	1.7%
Domestic Trading Outlets ⁶	426	470	(44)
Customer Count	17.3m	18.5m	(6.1%)
Average Transaction Value	\$10.54	\$10.14	4.0%
Underlying Segment Revenue	\$45.9m	\$46.5m	(1.4%)
Network Sales: Revenue Conversion	25.1%	24.9%	1.0%
Underlying Segment EBITDA	\$7.5m	\$14.3m	(47.3%)

- CCB contributes 72% of Group domestic network sales with higher revenue conversion due to vertical integration of coffee and pie manufacturing.
- During 1H26, we have seen a reduction in domestic trading outlets to 426, predominantly across non-core brands as well as stores exited as part of the strategic reset of our company store network (11 outlets). 3 new outlets were opened in Beefy's during the period together with 4 new outlets across other core CCB brands. Whilst overall network numbers have reduced, the quality of the network continues to improve, reflected in AWS increasing 1.7% over the period.
- Domestic Network Sales were down 2.4% on 1H25, driven by outlet closures in non-core brands and the exits as part of the strategic reset of our company store network. Core CCB brands were down 0.8% on the prior comparative period ('PCP') with Beefy's up 18.7%, from the opening of new stores, being offset by lower performance in Donut King and Gloria Jeans.
- Same Store Sales ('SSS') were lower by 0.4% with customer count declines seen across all brands (excluding Beefy's) in challenging macroeconomic conditions.
- Beefy's contributed underlying EBITDA (post AASB16) of \$1.5 million (vs \$1.9 million in 1H25). SSS growth was 4.6% for 1H26 as increases in the original 9 acquired stores were offset by lower performance in the 7 new stores, where AWS averaged 70% of the non-highway stores network average⁷. Focus for 2H26 is on improving operational standards together with increased brand awareness and marketing improvements for those new stores.
- Customer count was impacted by 1H26 outlet closures and challenging trading conditions, particularly in shopping centres. Offsetting this, pricing actions taken to support Franchise Partner margins since 1H25 has seen growth in average transaction values across all brands, with ATV up 4% on PCP.

(6) 1H25 domestic trading outlets, excluding the 22 CIBO stores acquired as part of the acquisition of CIBO which settled on 31 December 2024, post balance date.

(7) Beefy's non-highway stores network average is based on all stores. These stores are located close to the Bruce Highway and benefit from the increased traffic flow.

DIRECTORS' REPORT

Quick Service Restaurants

	1H26	1H25	Change
Domestic Network Sales	\$71.8m	\$69.9m	2.8%
Same Store Network Sales	\$67.3m	\$66.2m	1.6%
Average Weekly Sales ⁸	\$18.7k	\$18.5k	1.4%
Domestic Trading Outlets	267	258	9
Customer Count	1.6m	1.6m	2.7%
Average Transaction Value	\$44.62	\$44.59	0.1%
Underlying Segment Revenue	\$5.8m	\$5.8m	(0.8%)
Network Sales: Revenue Conversion	8.0%	8.3%	(0.3%)
Underlying Segment EBITDA	\$1.7m	\$1.8m	(9.3%)

(8) 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 28% of Group domestic network sales with no vertical integration of product.
- During the half all key QSR sales metrics were in growth as network sales growth of 2.8% was driven primarily by improved customer count. Competitors reduced heavy discounting seen in prior periods. Crust had deliberately sought not to enter a price war, in order to protect Franchise Partner profitability, and was able to capitalise through a continued focus on value for the customer.
- Crust SSS was up 2.2% on the PCP as new campaigns including the Meat Deluxe range, Summer LTO range and Free delivery Thursdays helped deliver improved sales performance.
- Crust continued to maximise sales opportunities during large sporting events with Network Sales up 15.2% for the NRL Grand Final, 5.9% for AFL Grand Final eve and 1.9% for State of Origin Game 3 (this was on top of a 19.5% increase in 1H25 vs 1H24), all against the PCP.
- During 1H26, outlet count in pizza brands was stable. New physical outlets opened in Crust were able to offset closures at non-core Pizza Capers sites (Crust up 2, Pizza Capers down 2, Rack 'em Bones up 6).

Profit and Loss Statement

- Whilst the Group considers that underlying metrics give a clearer view of the financial performance, statutory revenue reduced 6.4% or \$4.7 million on the prior comparative period, primarily from lower revenue relating to the closure or transition to Franchise Partners of company stores as part of the company store reset strategy.
- Underlying revenue was lower by 1.3% on PCP as increased company store revenue (Beefy's and CIBO) helped offset the one-off receipt of insurance proceeds received in 1H25 (\$2.7 million) and a one-off amount of deferred franchise related income recognised in the PCP (\$0.6 million).
- Underlying Cost of Goods Sold ("COGS") were also higher during the period with underlying COGS increasing by \$4.4m, primarily due to the Beefy's new store openings and the CIBO company stores acquired as part of the CIBO acquisition on 31 December 2024. Coffee COGS also increased, from higher input costs, primarily from higher coffee green bean prices. Despite the higher raw green bean prices, the Group maintained wholesale coffee prices to support Franchise Partners during the challenging trading environment.
- Continued focus on cost control resulted in lower corporate overheads and payroll costs, where inflationary impacts were offset by lower variable compensation accruals. These were offset by higher company store expenses from the Beefy's expansion and the full period impact of the CIBO stores and lower lease impairment provision releases.
- Underlying EBITDA of \$9.2 million was down 43% on 1H25 and 32% on 2H25.
- Non-core adjustments excluded from Underlying EBITDA include:
 - Marketing funds, (\$0.9m),
 - Company Stores trading results and provision adjustments relating to those company stores to be sold or exited as part of the Company Store reset strategy announced in August 2025, (\$1.3m),
 - Firehouse setup costs, \$0.9m,
 - Costs associated with the scale up of our new international hub in Türkiye, \$1.0m; and
 - One-off costs including those associated with M&A and business development activities, \$1.2m.
- RFG generated statutory Net Profit After Tax of \$2.0 million in 1H26 which was lower than \$7.3 million in 1H25, a reduction of 72.9%.
- Tax Expense for the period was \$0.3 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 \$109.8 million of Australian tax revenue losses to offset against future profits.

DIRECTORS' REPORT

Balance Sheet

- Cash reserves of \$16.7 million (FY25: \$26.0 million) includes \$5.4 million of unrestricted cash (FY25: \$13.9 million) against borrowings of \$32.5 million under the debt facility which is secured until April 2026. Restricted cash includes cash held in relation to cash backed bank guarantees relating to certain lease and other contractual obligations, balances held in brand marketing funds that must be applied toward agreed marketing and promotional activities, as well as amounts held under the Firehouse Subs master franchise agreement signed in February 2025 that are required to be applied toward the development and growth of the Firehouse Subs brand in accordance with contractual capital expenditure commitments.
- As at 26 December 2025, the Group's current liabilities exceeded its current assets by \$20.6 million (FY25: \$18.1 million). This reflects the classification of the Group's debt facility as a current liability, as it was due for repayment in April 2026 at balance date. In February 2026, subsequent to half-year, the Group refinanced its senior debt facility with Washington H. Soul Pattinson & Company Limited ("WHSP") for a term of 19 months to 31 August 2027.
- Inventory levels increased due to additional Beefy's and CIBO stores, timing of receipt of green coffee bean raw materials on committed contracts and the establishment of the Türkiye Hub.
- Net working capital was marginally higher, with an increase in Trade Receivables, owing to the timing of public holidays, and the higher inventory balance offset by increased Trade and other Payables.

Cashflow

- Operating cashflows of \$1.9m for the half were primarily impacted by the lower business performance relative to 1H25, costs associated with the rollout of growth initiatives including Firehouse Subs and the International Hub, company stores subject to the company store reset strategy and the one off receipt of \$2.7m in insurance proceeds and \$0.3m in debt recoveries in the PCP.
- Capital expenditure of \$1.9 million was primarily used to invest in new store expansion across the Beefy's network. Additionally we paid the final instalment relating to the Beefy's acquisition of \$2 million.
- Lease payments of \$4.7 million decreased \$0.2 million on PCP primarily as a result of the actions taken in respect to the company store reset strategy.

Provision and Contingent Liabilities

There have been no material changes in the Group's contingent liabilities since 27 June 2025.

Subsequent Events

In February 2026, the Group refinanced its senior debt facility via the establishment of a new facility with Washington H. Soul Pattinson & Company Limited ("WHSP"). The new facility is for a term of 19-months to 31 August 2027. The \$41.2m facility provides for an additional \$7.5m drawdown (executed in February 2026) to support execution of the Company's strategy and includes the capitalisation of establishment costs (\$1.2m). Interest is payable at a margin of 9% over BBSY. The debt is subject to quarterly covenant testing of net leverage ratio, interest coverage ratio and a minimum liquidity requirement. Consistent with the previous facility first ranking security is provided over all the Group's Australian assets, subsidiaries and undertakings.

On 3 February 2026 the Group announced a program of cost and efficiency initiatives. The initiatives are expected to deliver savings of approximately \$1.2 million to \$1.8 million in FY26, increasing to approximately \$5.0 million to \$7.0 million on an annualised basis from FY27. One-off statutory implementation costs of approximately \$2.0 million are expected to be incurred in FY26. No adjustments have been made in respect of these matters as they relate to conditions arising after the reporting date.

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 1H26 period.

Auditors Independence Declaration

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

DIRECTORS' 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
Executive Chairman

Robina, 26 February 2026



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 26 December 2025 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

Jason Adams
Partner

Brisbane
26 February 2026



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 26 December 2025 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 26 December 2025;
- Consolidated statement of profit or loss and other comprehensive, 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 Retail Food Group Limited (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 APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of annual financial reports of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

For personal use only

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 26 December 2025 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



Jason Adams
Partner

Brisbane
26 February 2026

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 26 December 2025 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
Executive Chairman

Robina, 26 February 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 26 DECEMBER 2025

Consolidated	Notes	1H26 \$'000	1H25 \$'000
Revenue from contracts with customers	4	67,895	69,597
Cost of sales	5	(22,635)	(19,370)
Gross profit		45,260	50,227
Other revenue	4	1,107	4,145
Occupancy expenses		(2,165)	(2,851)
Administration expenses		(12,449)	(12,188)
Operating expenses	5	(19,623)	(18,203)
Marketing expenses		(6,912)	(6,304)
Other (expenses)/gains	5	340	(1,930)
Finance costs		(3,136)	(2,602)
Other gains and losses	5	(115)	(227)
Profit/(loss) before income tax		2,307	10,067
Income tax benefit/(expense) ⁽¹⁾		(318)	(2,734)
Profit/(loss) for the period		1,989	7,333
Other comprehensive income/(loss), net of tax items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations		(36)	(32)
Other comprehensive income/(loss) for the period, net of tax		(36)	(32)
Total comprehensive income/(loss) for the period		1,953	7,301
Total comprehensive income/(loss) is attributable to:			
Equity holders of the parent		1,953	7,301
Earnings per share			
Basic (cents per share)		3.16	11.77
Diluted (cents per share)		3.06	11.38

(1) The effective tax rate for 1H26 is 13.8% (1H25: 27.2%). The decrease primarily reflects the timing of marketing fund receipts and related expenditure, which are treated as non-assessable and non-deductible for tax purposes.

The accompanying notes form part of these Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 26 DECEMBER 2025

Consolidated	Notes	1H26 \$'000	FY25 \$'000
Current assets			
Cash and cash equivalents	6	16,749	26,002
Trade receivables		13,000	10,969
Lease receivables	7.1	22,264	20,890
Inventories		5,924	4,304
Other		5,644	4,902
Total current assets		63,581	67,067
Non-current assets			
Lease receivables	7.1	42,783	46,025
Property, plant and equipment		19,476	21,047
Intangible assets	8	219,588	219,588
Deferred tax assets		-	4
Other		6,956	6,847
Total non-current assets		288,803	293,511
Total assets		352,384	360,578
Current liabilities			
Trade and other payables		12,814	10,173
Borrowings	1	32,699	33,562
Lease liabilities	7.1	29,223	28,587
Provisions		6,929	8,850
Other		2,486	4,017
Total current liabilities		84,151	85,189
Non-current liabilities			
Lease liabilities	7.1	56,107	63,788
Deferred tax liabilities		314	-
Provisions		9,539	11,138
Other		5,344	5,487
Total non-current liabilities		71,304	80,413
Total liabilities		155,455	165,602
Net assets		196,929	194,976
Equity			
Issued capital	9	644,298	644,025
Reserves		4,295	3,655
Retained earnings	10	(451,664)	(452,704)
Total equity		196,929	194,976

The accompanying notes form part of these Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 26 DECEMBER 2025

Consolidated	Notes	Fully Paid Ordinary Shares	Other Reserves	Retained Earnings	Total
		\$'000	\$'000	\$'000	\$'000
Balance at 29 June 2024		642,739	3,094	(437,826)	208,007
Profit for the period		-	-	7,333	7,333
Transfer from retained earnings to marketing fund reserve		-	1,430	(1,430)	-
Other comprehensive loss		-	(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		143	(143)	-	-
Balance at 27 December 2024		642,882	4,753	(431,923)	215,712
Balance at 28 June 2025		644,025	3,655	(452,704)	194,976
Profit for the period	10	-	-	1,989	1,989
Transfer from retained earnings to marketing fund reserve	10	-	949	(949)	-
Other comprehensive loss		-	(36)	-	(36)
Total comprehensive income/(loss)		-	913	1,040	1,953
Transfer from equity-settled employee benefits reserves	9	273	(273)	-	-
Balance at 26 December 2025		644,298	4,295	(451,664)	196,929

The accompanying notes form part of these Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 26 DECEMBER 2025

Consolidated	Notes	1H26 \$'000	1H25 \$'000
Cash flows from operating activities			
Receipts from customers		71,264	75,991
Payments to suppliers and employees		(69,307)	(64,128)
Income tax paid		(32)	(31)
Net cash provided by operating activities		1,925	11,832
Cash flows from investing activities			
Interest received		185	322
Repayment of advances to other entities		-	43
Payments for property, plant and equipment		(1,912)	(3,549)
Proceeds from sale of property, plant and equipment		427	175
Payments for business combinations ⁽¹⁾		(2,000)	(250)
Net cash (used in)/provided by investing activities		(3,300)	(3,259)
Cash flows from financing activities			
Lease payments	7	(4,704)	(4,933)
Repayment of borrowings		(1,051)	(1,085)
Interest and other costs of finance paid		(2,034)	(1,771)
Net cash used in financing activities		(7,789)	(7,789)
Net (decrease)/increase in cash and cash equivalents		(9,164)	784
Cash and cash equivalents at the beginning of the period		26,002	20,623
Effects of exchange rate changes on cash and cash equivalents		(89)	19
Cash and cash equivalents at end of period	6	16,749	21,426

(1) This relates to the deferred cash consideration associated with the Beefy's acquisition, which was settled on 30 June 2025 in accordance with the terms of the purchase agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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 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.

The Group has recognised a provision for expected credit losses against > 72% of trade and other receivables that are 30+ days past due (1H25: > 78%), reflecting stronger recovery of existing debts and the use of payment plans to support repayment.

Current Asset and Liability Position

As at 26 December 2025, the Group's current liabilities exceeded its current assets by \$20.6 million (FY25: \$18.1 million). This reflects the classification of the Group's debt facility as a current liability, as it was due for repayment in April 2026 at balance date. In February 2026, subsequent to half-year, the Group refinanced its senior debt facility with Washington H. Soul Pattinson & Company Limited ("WHSP") for a term of 19 months to 31 August 2027. Further details are provided in Note 13.

Cost reduction initiatives

On 3 February 2026 the Group announced a program of cost and efficiency initiatives. The initiatives are expected to deliver savings of approximately \$1.2 million to \$1.8 million in FY26, increasing to approximately \$5.0 million to \$7.0 million on an annualised basis from FY27. One-off statutory implementation costs of approximately \$2.0 million are expected to be incurred in FY26. No adjustments have been made in respect of these matters as they relate to conditions arising after the reporting date.

Lease assets and liabilities

As at 26 December 2025, landlords reported, with respect to franchised store leases where the Group is head on lease (HOL), lease arrears of \$1.1 million (27 June 2025 (FY25) \$0.8 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 26 December 2025 of \$1.1 million (FY25: \$0.8 million), from the respective franchise partners occupying the stores to which these arrears apply. An expected credit loss provision (ECL) of \$0.6 million (FY25 \$0.6 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 increased its provisioning in 1H26 to reflect underlying trading conditions, which has resulted in an ECL balance of \$2.9 million (FY25: \$2.5 million). Refer to Note 7.

Assessment of impairment of non-financial assets

The Group assessed at 26 December 2025, whether indicators of impairment existed for relevant cash-generating units. Updated trading results and forecast cash flows were reviewed as part of the assessment. Based on this review, which was sufficient to support the assessment at the reporting date, the Directors concluded that the recoverable amounts of the relevant assets and cash-generating units continue to exceed their carrying values and no impairment has been recognised in the half-year. A full impairment assessment will be undertaken as part of the annual reporting process.

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 26 December 2025.

Strategic reset of company stores

Following the strategic reset adopted in FY25, the Group continued to implement the planned exit of identified corporate-operated stores during the first half of FY26. The restructuring provisions and asset write-downs recognised in FY25 (based on management's best estimates as at 27 June 2025) were reassessed at 26 December 2025 to reflect the above store exits.

- For those remaining outlets without an agreed sale in place, no adjustment to the impairment provision taken at 27 June 2025 has been made on the basis that if a sale is not achieved those outlets will be exited.
- For property, plant and equipment and ROU assets, recoverable amounts have been estimated based on available market evidence, historical sales data, and expected closure outcomes. Where a sale is imminent, any impairment has been calculated to write down the value of any assets to be in line with the expected recoverable value. Where no sale is imminent, an impairment has been taken against the written down value of any property, plant and equipment and ROU assets.
- Lease liability provisions reflect unavoidable costs assuming no viable sublease or exit alternatives. While management continues to seek the best possible commercial outcomes in the event of an exit, at balance date there was insufficient evidence to support a reduction in the Group's contractual obligations under any lease contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant matters (continued)

This review resulted in the reversal of \$2.8 million of onerous lease and related provisions and \$0.3 million against other provisions established in FY25. These movements primarily reflect the finalisation of site closures and disposals.

As at 26 December 2025, there were 19 remaining stores for which the Group is actively pursuing either a sale or an exit.

2. Summary of material accounting policies

This consolidated interim financial report for the half-year reporting period ended 26 December 2025 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 27 June 2025 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. As disclosed in Note 1, the Group had an excess of current liabilities over current assets at 26 December 2025 of \$20.6 million (FY25: \$18.1 million) due to its then \$32.5 million debt facility maturing in April 2026. The debt facility has since been refinanced subsequent to year end - refer note 13.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 the most appropriate presentation of the Group's results is through two segments. The Group reports its primary segments under AASB8 as follows:

- Café, Coffee & Bakery Division (incorporating the Donut King, Brumby's Bakery, Gloria Jean's, Beefy's Pies, Michel's Patisserie, Cafe2U and CIBO Espresso brand systems and Di Bella Coffee); and
- QSR Division (incorporating the Crust Gourmet Pizza Bar, Rack 'em Bones BBQ Ribs, Pizza Capers Gourmet Kitchen and Firehouse Subs 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	
	1H26 \$'000	1H25 \$'000	1H26 \$'000	1H25 \$'000	1H26 \$'000	1H25 ⁽³⁾ \$'000
Revenue	55,386	60,194	6,499	6,351	61,885	66,545
Revenue - Restricted Marketing Funds	4,658	4,726	2,459	2,471	7,117	7,197
Segment Revenue	60,044	64,920	8,958	8,822	69,002	73,742
Underlying EBITDA ^{(3) (4)}	7,496	14,287	1,656	1,802	9,152	16,089
Marketing Funds EBITDA					949	1,430
Transformation, acquisition costs and legal matters					(3,056)	(599)
Company Stores performance ⁽¹⁾					(1,160)	(79)
Company Stores strategic reset ⁽²⁾					2,825	-
Depreciation & amortisation					(3,267)	(4,172)
Finance costs					(3,136)	(2,602)
Profit before tax					2,307	10,067
Income tax expense					(318)	(2,734)
Profit after tax for the period					1,989	7,333

(1) Company store performance is attributable to CCB (\$1.1m) and QSR (\$0.1m) (1H25: CCB (\$0.06m), QSR (\$0.02m)).

(2) Company store strategic reset is attributable to CCB (\$2.8m).

(3) As a result of the Group's strategic reset of company stores, underlying EBITDA reported to the Chief Operating Decision Marker excludes company store results. Comparative information for 1H25 has been restated to exclude company stores results from underlying EBITDA.

(4) COGS values relating to each segment are 1H26; CCB \$22.6m, QSR \$0.02m (1H25: CCB \$19.1m, QSR \$0.3m).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. Revenue and other revenue

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

Consolidated	1H26 \$'000	1H25 \$'000
Revenue from the sale of goods	40,001	40,733
Revenue from franchise agreements	18,154	19,198
Revenue from the sale of distribution rights	2,623	2,469
Revenue from restricted marketing funds	7,117	7,197
	<u>67,895</u>	<u>69,597</u>
Other revenue ⁽¹⁾	1,107	4,145
	<u>69,002</u>	<u>73,742</u>

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 \$0.7 million (1H25: \$1.5 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 the prior period (1H25) 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	1H26 \$'000	1H25 \$'000
Cost of sales	22,635	19,370
Operating expenses/(gains):		
Wages	18,658	17,318
Repairs and maintenance	745	566
Other	220	319
Total operating expenses	<u>19,623</u>	<u>18,203</u>
Other expenses/(gains):		
Impairment (gain)/loss on lease assets	(753)	(2,656)
Impairment (reversal) of leases relating to company store strategic reset	(2,842)	-
Provision loss/(gain) relating to the company store strategic reset	(343)	-
Impairment loss/(gain) on trade and other receivables	225	503
Depreciation of property, plant and equipment	3,267	4,172
Other	106	(89)
Total other expenses/(gains)	<u>(340)</u>	<u>1,930</u>
Other gains and losses:		
Loss on lease modification	319	402
Loss/(gain) on disposal of assets	(204)	(175)
Total other losses/(gains)	<u>115</u>	<u>227</u>
Employee benefits expense:		
Equity settled share based payments	-	404
Post-employment benefits (defined contribution plans)	2,119	1,789
Other employee benefits (wages and salaries)	22,303	20,931
Total employee benefits expense ⁽¹⁾	<u>24,422</u>	<u>23,124</u>

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	1H26 \$'000	FY25 ⁽¹⁾ \$'000
Restricted cash relating to marketing funds and unclaimed dividends	3,250	2,493
Restricted cash relating to cash-backed bank guarantees	2,600	3,250
Restricted cash relating to commitments for expenditure under the Firehouse Subs agreement	5,513	6,377
Unrestricted cash and cash balances	5,386	13,882
	<u>16,749</u>	<u>26,002</u>

(1) Restated to include the disclosure of cash backed bank guarantees and the Group's commitments under the Firehouse Subs agreement.

Restricted cash

Restricted cash relates to cash reserved for specific contractual and designated purposes and is not available for general use by the Group. This includes short-term deposits pledged as security for bank guarantees relating to certain lease and other contractual obligations, balances held in brand marketing funds that must be applied toward agreed marketing and promotional activities, as well as amounts held under the Firehouse Subs master franchise agreement signed in February 2025 that are required to be applied toward the development and growth of the Firehouse Subs brand in accordance with contractual capital expenditure commitments. Refer to note 12.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 28 June 2024	19,481	132	19,613
Additions	12,764	231	12,995
Terminations	(2,469)	(111)	(2,580)
Reclassification of right-of-use assets ⁽¹⁾	(2,751)	-	(2,751)
Reclassification of lease receivables ⁽¹⁾	3,361	-	3,361
Depreciation	(6,876)	(85)	(6,961)
Impairment expense	(9,645)	-	(9,645)
Reclassification to 'trade receivable - loss allowance'	54	-	54
Effect of movements in exchange rates	5	-	5
As at 27 June 2025	13,924	167	14,091

Net book value	Properties \$'000	Equipment \$'000	Total \$'000
As at 27 June 2025	13,924	167	14,091
Additions	1,561	-	1,561
Terminations	(1,390)	-	(1,390)
Reclassification of right-of-use assets ⁽¹⁾	(4,109)	-	(4,109)
Reclassification of lease receivables ⁽¹⁾	286	-	286
Depreciation	(2,361)	(39)	(2,400)
Impairment Release	3,632	-	3,632
Effect of movements in exchange rates	(4)	-	(4)
As at 26 December 2025	11,539	128	11,667

(1) The Group's leases have been assessed to ensure they are in accordance with their long term economic substance. Refer to note 7.5.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 to support our network, occupation of which is licensed to Franchise Partners. 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 28 June 2024	67,888	(6,230)	61,658
Additions	32,078	-	32,078
Terminations	(2,075)	-	(2,075)
Reclassification adjustment ⁽¹⁾	(608)	(120)	(728)
Payments	(27,901)	-	(27,901)
Impairment Release	-	3,883	3,883
As at 27 June 2025	69,382	(2,467)	66,915
Current	22,309	(1,419)	20,890
Non current	47,073	(1,048)	46,025
Total investment in lease assets	69,382	(2,467)	66,915

	Gross Lease Asset \$'000	ECL Provision \$'000	Total \$'000
As at 27 June 2025	69,382	(2,467)	66,915
Additions	7,434	(343)	7,091
Terminations	(332)	-	(332)
Reclassification adjustment ⁽¹⁾	3,443	(86)	3,357
Payments	(11,984)	-	(11,984)
As at 26 December 2025	67,943	(2,896)	65,047
Current	24,008	(1,744)	22,264
Non current	43,935	(1,152)	42,783
Total investment in lease assets	67,943	(2,896)	65,047

(1) The Group's leases have been assessed to ensure they are in accordance with their long term economic substance. Refer to note 7.5.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	1H26 \$'000	FY25 \$'000
Opening balance	(92,375)	(87,905)
Additions	(8,945)	(43,505)
Terminations	909	3,817
Payments	15,364	33,039
Arrears movement	(283)	2,179
Closing balance	(85,330)	(92,375)
Current	(29,223)	(28,587)
Non current	(56,107)	(63,788)
Total Lease liabilities	(85,330)	(92,375)

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

	1H26 \$'000	FY25 \$'000
Within 1 year	7,165	8,095
Between 1 and 2 years	4,847	6,842
Between 2 and 3 years	3,599	4,569
Between 3 and 4 years	2,296	3,194
Between 4 and 5 years	2,035	1,971
Later than 5 years	276	3,654
	20,218	28,325

Minimum undiscounted rental receivables after reporting date are as follows:

	1H26 \$'000	FY25 \$'000
Within 1 year	27,421	27,451
Between 1 and 2 years	21,747	22,382
Between 2 and 3 years	14,085	15,693
Between 3 and 4 years	8,260	8,525
Between 4 and 5 years	3,934	3,940
Later than 5 years	2,589	3,405
	78,036	81,396

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	1H26 \$'000	FY25 \$'000
Balance at the beginning of the period	2,467	6,230
Reclassification from 'right-of-use assets'	86	120
Lease impairment recognised/(reversed) during the period	299	(3,668)
Expected credit loss/(reversals) on rental arrears & deferrals	44	(215)
Balance at the end of the period	2,896	2,467

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:

	1H26 \$'000	1H25 \$'000
Finance lease interest income	2,711	1,757
Interest expense (finance lease)	(2,711)	(1,757)
Interest expense (operating leases)	(1,075)	(929)
Depreciation expense of ROU assets	(2,399)	(3,054)
Impairment (reversals) of leases relating to Company store strategic reset	2,842	-
Impairment reversals (charges) of ROU Assets	790	356
Expected credit gain / (loss) - lease receivables	(299)	2,300
Expected credit gain / (loss) on rental arrears & deferrals	(44)	-
Expected credit gain - make-good receivables	263	-
Loss on lease modification	(319)	(402)

7.3 Amounts recognised in statement of cashflows

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

	1H26 \$'000	FY25 \$'000
Total cash outflow for leases	(4,704)	(10,564)

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.

7.5 Finance lease receivables accounting policy

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. Any adjustment from remeasurement is recognised in the income statement as a gain or loss on lease modification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. Intangible assets

8.1 Intangible assets

Consolidated	Notes	Indefinite Life			Total
		Goodwill	Brand Systems	Intellectual Property Rights	
		\$'000	\$'000	\$'000	\$'000
Gross carrying amount					
Balance as at 28 June 2024		278,582	434,779	5,537	718,898
Acquisitions through business combinations		2,596	-	5	2,601
Disposals		(28)	-	-	(28)
Balance as at 27 June 2025		281,150	434,779	5,542	721,471
Balance as at 26 December 2025		281,150	434,779	5,542	721,471
Accumulated amortisation and impairment losses					
Balance as at 1 July 2024		(207,807)	(281,870)	-	(489,677)
Impairment losses		(1,876)	(10,330)	-	(12,206)
Balance as at 27 June 2025		(209,683)	(292,200)	-	(501,883)
Balance as at 26 December 2025		(209,683)	(292,200)	-	(501,883)
Net book value					
As at 27 June 2025		71,467	142,579	5,542	219,588
As at 26 December 2025		71,467	142,579	5,542	219,588

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 Group assessed at 26 December 2025, whether indicators of impairment existed for relevant cash-generating units. Updated trading results and forecast cash flows were reviewed as part of the assessment. Based on this review, which was sufficient to support the assessment at the reporting date, the Directors concluded that the recoverable amounts of the relevant assets and cash-generating units continue to exceed their carrying values and no impairment has been recognised in the half-year. A full impairment assessment will be undertaken as part of the annual reporting process.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. Issued capital

Consolidated	1H26 \$'000	FY25 \$'000
63,095,410 fully paid ordinary shares (FY25: 62,930,789)	644,298	644,025

Consolidated	1H26 No. '000	1H26 \$'000
Fully paid ordinary shares⁽¹⁾		
Balance at beginning of period	62,931	644,025
Transfer from equity-settled employee benefits reserve	165	273
Balance at end of period	63,096	644,298

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

10. Retained earnings

Consolidated	1H26 \$'000	FY25 \$'000
Balance at beginning of period	(452,704)	(437,826)
Net profit/(loss) attributable to members of the parent entity	1,989	(14,921)
Net (profit)/loss attributable to marketing funds reclassified to other reserves	(949)	43
Balance at end of period	(451,664)	(452,704)

11. Contingent liabilities

There have been no material changes in the Group's contingent liabilities since 27 June 2025.

12. Commitments for expenditure

In February 2025, the Group entered into agreements to introduce the Firehouse Subs brand into Australia. The Group expects the first restaurant to open in mid 2026 and has committed to a 20 year development agreement, with a potential break clause in year 3 at the Group's election. In FY25 the Group has entered into a contractual agreement that includes capital expenditure commitments of USD 4.0 million per annum for each of the first three years of the agreement. Refer to note 6.1.

13. Events after the reporting period

In February 2026, the Group refinanced its senior debt facility via the establishment of a new facility with Washington H. Soul Pattinson & Company Limited ("WHSP"). The new facility is for a term of 19-months to 31 August 2027. The \$41.2m facility provides for an additional \$7.5m drawdown (executed in February 2026) to support execution of the Company's strategy and includes the capitalisation of establishment costs (\$1.2m). Interest is payable at a margin of 9% over BBSY. The debt is subject to quarterly covenant testing of net leverage ratio, interest coverage ratio and a minimum liquidity requirement. Consistent with the previous facility first ranking security is provided over all the Group's Australian assets, subsidiaries and undertakings.

On 3 February 2026 the Group announced a program of cost and efficiency initiatives. The initiatives are expected to deliver savings of approximately \$1.2 million to \$1.8 million in FY26, increasing to approximately \$5.0 million to \$7.0 million on an annualised basis from FY27. One-off statutory implementation costs of approximately \$2.0 million are expected to be incurred in FY26. No adjustments have been made in respect of these matters as they relate to conditions arising after the reporting date.

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 1H26 period.