



2 June 2026

Market Update

- **Transformation Progress:** Cost rationalisation program running ahead of schedule, with expected FY26 savings of \$2.3-2.5m (previously \$1.2-1.8m) and FY27 savings of \$5.0-7.0m (unchanged). Operational enhancement & structural alignment activities remain on track.
- **Challenging Trading Conditions:** Core Brand Network Sales² for the first 20 weeks of 2H26 fell 4.8% vs the PCP, while Core Brand Same Store Sales³ fell 0.8% vs the PCP.
- **FY26 Underlying EBITDA⁴ Guidance:** Range narrowed to \$20.0-21.0m (from \$20.0-24.0m), reflecting the above developments and growth in 2H26 vs 1H26.
- **First Firehouse Subs Restaurant:** Remains on track for June 2026 launch.

Retail Food Group Limited ("RFG" or "the Company") provides the following market update:

Transformation Program Progress

The Transformation Program outlined at the 1H26 result has been significantly progressed:

- **Cost Rationalisation is ahead of schedule**, with the Company's SE Qld office consolidation near completion and management layers reduced. Anticipated savings attributable to cost rationalisation are now expected to reach \$2.3-2.5m in FY26 (previously \$1.2-1.8m) as savings have accelerated in the current year. FY27 anticipated savings remain \$5.0-7.0m.
- **Operational Enhancement remains on track:**
 - 'Back to Basics' marketing strategies established across all Core Brands, with 12-month rolling promotional calendars developed for FY27;
 - Operations Team reset underway, targeting an enhanced focus on Franchise Partner engagement and driving store sales & profitability growth; and
 - Procurement and supply chain review complete, with outlet operating cost saving opportunities identified and being pursued.
- **Structural Alignment remains on track:** A brand-aligned leadership model which will better integrate network marketing and operational support while driving accountability at a brand level, is scheduled for deployment in 1Q27.

Mr George said: "We have successfully right-sized the organisation, establishing a more efficient cost base that better positions us to effectively and efficiently support our Franchise Partners. Pleasingly, Franchise Partner feedback on these initiatives to date has been very positive.

Trading Update (first 20 weeks of 2H26) – Challenging Trading Conditions

- **Core Brand Network Sales² -4.8% vs the PCP**, largely driven by reduced customer count on Café, Coffee Bakery⁵ outlet closures.
- **Core Brand Same Store Sales³ -0.8% vs the PCP**, reflecting worsening retail trading conditions driven by multiple recent interest rate increases, rising inflationary pressures, and historically low consumer confidence levels.

RFG Executive Chairman Peter George said: "Trading conditions remain difficult for our Franchise Partners, and we have responded by focusing our marketing activity on simple, value-led campaigns designed to reconnect with core customers, drive transaction growth, and stabilise customer count performance. Our use of more scalable and efficient campaigns, focused on core product ranges and frequency-driving occasions, is a key element of our ongoing transformation agenda, which is ultimately focused on supporting our Franchise Partners as they navigate these challenging trading conditions".

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FY26 Underlying EBITDA Guidance

RFG now expects to report FY26 Underlying EBITDA³ in the range of \$20.0-21.0m, based on unaudited management accounts for the 10 months ending 30 April 2026 and forecast performance for May and June 2026 and reflects:

- Initial Transformation Program savings (\$2.3-2.5m in 2H26);
- Current retail trading conditions, which reflect recent interest rate increases, worsening inflationary pressures, and historically low consumer confidence levels;
- Wholesale coffee price increases implemented by the Company in March 2026, alongside improved procurement of coffee inputs; and
- The contribution from the Türkiye supply hub (which commenced operations Feb 26).

Mr George said: "We remain focused on the execution of our Transformation Program and delivering enhanced solutions for our Franchise Partners to unlock growth and drive profitability. RFG will enter FY27 with a more efficient cost base, a refreshed approach to driving network performance, and an enhanced alignment across marketing and operational functions. We therefore consider the 2H26 will represent an earnings inflection point and that the many positive initiatives implemented or in development will contribute to a stronger FY27".

Firehouse Subs

Launching June 2026: The first Australian Firehouse Subs store is on track to launch in June 2026 at Westfield Mount Gravatt, located in Brisbane (Queensland).

Mr George said: "This restaurant will represent a key milestone in RFG's partnership with Restaurant Brands International Inc. and is the culmination of a significant schedule of work, including the establishment of a domestic supply chain. We have positioned the brand for success and lease negotiations are progressing for additional sites, in support of our broader rollout schedule and growth aspirations for each of our Core Brands".

FY26 Result

RFG expects to release its FY26 results in late August 2026 and will continue to update the market on trading performance and strategic initiatives in line with its continuous disclosure obligations.

This announcement has been authorised by the Board of Directors.

- (1) This Announcement should be read in conjunction with RFG's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), available at www.asx.com.au. This announcement contains certain non-IFRS financial measures, including underlying Revenue and EBITDA. Non IFRS measures have not been subject to audit or review. A reconciliation and description of the items that contribute to the difference between RFG's underlying and statutory results is provided in the Company's 1H26 Results Presentation lodged with the ASX.
- (2) Network Sales is based on unaudited reported sales across all domestic network outlets.
- (3) Same Store Sales metrics (SSS) provided in this Announcement are based on unaudited reported sales by Franchise Partners and corporate stores, versus unaudited reported sales by Franchise Partners and corporate stores against same stores trading a similar number of weeks during the prior comparable period (PCP).
- (4) Underlying EBITDA is a non-IFRS measure not subject to audit. Underlying EBITDA excludes one off expenses & provisions, restricted domestic marketing funds, costs associated with M&A activity, trading results relating to company stores to be transitioned as part of the company store strategy reset (announced 20.08.2025), costs associated with the rollout of Firehouse Subs, and is inclusive of AASB15 and AASB16.
- (5) Café, Coffee and Bakery segment includes Donut King, Gloria Jean's, Brumby's Bakery, Beefy's Pies, Michel's Patisserie, Café 2U and CIBO Espresso outlets

ENDS

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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, Crust Gourmet Pizza and Beefy's Pies. The Company holds the exclusive licence to grow Firehouse Subs restaurants in Australia and expects to open the first restaurant in FY26. RFG distributes high quality pies from its Sunshine Coast Bakery and coffee through its Sydney Roastery. For more information about RFG visit: www.rfg.com.au

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