



Oliver's Real Food Ltd
ABN 33 166 495 441

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28 April 2021
ASX Announcement

Oliver's Real Food Limited (ASX:OLI) ("Company") QUARTERLY ACTIVITIES STATEMENT AND APPENDIX 4C

Oliver's Real Food Limited ("Oliver's") is pleased to present its Appendix 4C for the third quarter of FY2021. In addition to the Appendix 4C, the Company also provides unaudited trading results for the FY2021 Q3 with comparison to last year.

In providing these results the Company must emphasise that the unaudited trading results are presented on an accrual basis whereas the Appendix 4C is the movement of cash during the quarter. As a result, there will be differences in the numbers reported between the trading result and the Appendix 4C.

FY2021 Q3 Unaudited Trading Report

	FY2021 \$000	FY2020 \$000	Change \$000
Company Stores & Other	\$6,564	\$8,170	(\$1,606)
Oliver's Food to Go	\$1,051	\$n/a	\$1,051
Total Sales	\$7,615	\$8,170	(\$555)
Cost of Goods Sold	\$2,995	\$3,194	(\$199)
Gross Margin	\$4,620	\$4,976	(\$356)
Gross Margin %	60.67%	60.91%	
Expenses	\$4,843	\$6,132	(\$1,289)
Depreciation Amortisation	\$430	\$532	(\$103)
EBIT	(\$653)	(\$1,688)	\$1,035
Interest	\$387	\$301	\$86
NPBT	(\$1,040)	(\$1,989)	\$949

Despite a reduction in Company store turnover in the quarter (compared to the same period in 2020), due primarily to COVID-19 and border closures, Oliver's has improved its performance. Most of the decline in sales occurred in January and since then, as borders have opened, February and March sales in dollar value matched last year. We note that all Company owned stores were closed last year from March 23, so to provide shareholders a more meaningful measurement of the quarter's performance, we also provide below the monthly daily average store sales percentages compared to 2020:

January	down 38.48%
February	down 18.03%
March	down 10.38%

The trend is positive and as at the time of issuing this announcement we can advise that April 2021 Company store sales are 5.5% below April 2019 levels. Comparison with April 2020 is not possible due to stores being closed.

The Oliver's Food to Go (OFTG) channel continues to grow and sales have performed well. At the end of March 2021, there were 140 OFTG outlets established with EG Group and a further 6 outlets have been opened in April 2021.

During the quarter, \$98K was paid to related parties and their associates. These payments related to director fees.

Good cost control and the Job Keeper wages subsidy meant Oliver's was able to improve our bottom-line result, and with further planned overhead reductions and the streamlining of the Oliver's operations, further improvement to the Company's financial performance is expected in FY2022.

OUTLOOK

April 2021 sales suggest economic activity continues to rebound from the impacts of COVID-19. The Company notes recent traffic figures released by Transurban for the Jan – Mar period showing a strong pick up in traffic on the Sydney network, but Melbourne traffic still 15% below previous year. The Company store sales in April 2021 show a similar pattern – NSW recovering strongly and currently 3.5% ahead of 2019 levels but VIC, whilst improving, still about 20% below.

In the months ahead, a variety of store upgrades, menu changes, and staff training are all expected to deliver real benefits to our customers, the very lifeblood of the business, and the recent new product releases, such as the Vegan Burger and Breakfast Bundles, ensure that management is listening to our customers and constantly trying to improve the product offerings accordingly. The Oliver's management team remains focused on the previously announced restructure plan.

Tammie Phillips, CEO, comments:

"The re-structure plan is well underway and on track to be settled into the operation by 30th June. The benefits to shareholders will be realised in FY22 with a new, simplified, energised OLI that is primarily focused on the customer and revenue growth."

The Board again acknowledges the frustration many shareholders would feel over the recent suspension of our shares by the ASX. The Board continues to work closely with the ASX to resolve their concerns. Yesterday's announcement regarding the Federal Court ruling should remove another concern the ASX may have regarding Oliver's shares being released from suspension.

The Board is pleased with the progress made to date by our management team and will keep shareholders updated appropriately in the months ahead.

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This ASX release has been authorised by the Board of Directors.

For further information please contact:

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About Oliver's Real Food Limited (ASX:OLI)

Oliver's Real Food Limited (**Oliver's**) listed on the ASX on 21 June 2017. Over its 15-year operating history, Oliver's has established a significant market position providing a health fast food alternative for travellers on Australia's major arterial highways. Oliver's Real Food is the world's first "certified organic fast-food chain" and provides its customers with premium quality, "real" food that is fresh, natural, & free from additive and preservatives. Oliver's is a conscious business that understands, and is committed to, the interdependency of "all stakeholders" including our customers, investors, team members, suppliers, the environment, and the communities in which we operate.

www.oliversrealfood.com.au

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

OLIVER'S REAL FOOD LIMITED

ABN

33 166 495 441

Quarter ended ("current quarter")

MARCH 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,670	19,585
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-5,320	-12,225
(c) advertising and marketing	--68	-220
(d) leased assets	-252	-822
(e) staff costs	-4,335	-10,724
(f) administration and corporate costs	-493	-1,425
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	-246	-486
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,672	4,907
1.8 Other (provide details if material)	14	42
1.9 Net cash from / (used in) operating activities	-1,358	-1,366
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-74
(d) investments	-	-
(e) intellectual property	-65	-116

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(f) other non-current assets -Term Deposit	-	-284
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	35	35
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	5	5
2.6	Net cash from / (used in) investing activities	-25	-434

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,200	1,200
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	5,000
3.6	Repayment of borrowings (leased assets)	-632	-1,743
	Repayment of borrowings	-	-1,120
3.7	Transaction costs related to loans and borrowings	-8	-93
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	560	3,224

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,711	464
4.2	Net cash from / (used in) operating activities (item 1.9 above)	-1,358	-1,366

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-25	-434
4.4	Net cash from / (used in) financing activities (item 3.10 above)	552	3,234
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,888	1,888

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,800	2,616
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	88	95
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,888	2,711

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1. Directors Fees paid to Non-Executive Directors and salaried Executive Directors.	98
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1 Loan facilities	5,000	5,000
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	347	347
7.4 Total financing facilities	5,347	5,347
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
7.1 A \$5.0m secured facility with PURE Asset Management at an interest rate at 10.5% pa calculated daily and payable quarterly in arrears maturing 30 September 2023.		
7.3 Secured loan from Jason Gunn through his wholly owned Company, Safety Aviation Factor Pty Ltd, repayable 1 st July, 2021. The interest rate being 6% calculated daily, payable monthly in arrears.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	-1,358
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,888
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	1,888
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.39
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No, as the restructure plan previously announced is implemented during Q4 of FY2021 the company expects net operating cash used in Q4 (excluding one off restructure costs) to be significantly reduced.	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: OLI has announced a General Meeting to be held on May 20, 2021 so shareholders can approve the second tranche of the recently announced Placement of \$1.5M to sophisticated investors. If shareholder approval is received \$1.5M will be available on or about 24 May 2020. To date the company has received no feedback from shareholders to indicate any disapproval to the Placement. In addition, when OLI shares are re-instated to trading by the ASX, a SPP will be offered to shareholders as per our announcement on 10 March 2021 which could raise a further \$1.5M depending on shareholder participation.	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the business has raised money to enable it to restructure its business model, reduce costs, thereby minimising cash outflows from operations.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2021.....

Authorised by: Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.