Oliver's Real Food Ltd
ABN 33 166 495 441

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TUGGERAH NSW
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31 March 2021
ASX Announcement

Oliver's Real Food Limited (ASX:OLI) (''Company'')
REISSUED FINANCIAL STATEMENTS

OLIVER'S REAL FOOD LTD (ASX:OLI) ("OLIVER'S" OR "THE COMPANY") ADVISES THAT THE CONSOLIDATED ENTITY'S PREVIOUSLY ISSUED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020, DATED 25 FEBRUARY 2021, HAVE BEEN WITHDRAWN AND REPLACED BY THESE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS.

The previously issued consolidated half-year financial statements were issued with a disclaimer of review conclusion as the independent auditors considered they did not have sufficient and appropriate evidence to support the Directors' view that the consolidated half-year financial statements should be prepared on a going concern basis.

Following the release of the consolidated financial statements to the Australian Securities Exchange (ASX), the Company's securities were suspended from official quotation.

Subsequently, the ASX advised the Company that the securities would not be reinstated to official quotation until the Company was able to provide audited consolidated financial statements with an independent auditor's review report that did not contain either a disclaimer of review conclusion or an adverse review conclusion.

Accordingly, the Board has obtained additional evidence to support its view on going concern. In particular, the Board has:

- Endorsed commencement of the restructuring plan specifically focused on achieving a reduction in overheads and fixed costs of approximately $4,000,000 per annum;

- Commenced a series of funding initiatives that are expected to improve the financial position of between $3,500,000 and $5,000,000, including binding commitments for a $2,500,000 placement to fund working capital; and

- Negotiated deferred payment terms with creditors, satisfied outstanding liabilities which were outside of terms, and reduced the current outstanding creditor's balance.

The reissued consolidated half-year financial statements contain no other changes from the consolidated financial statements issued on 25 February 2021, apart from the updates in note 1, note 10, note 15 and note 16, which include updated going concern disclosure, correction of terms and conditions associated with the related party loan and updated subsequent events disclosure, respectively, as a result of the reissuance of the consolidated half-year financial statements.

The reissued accounts contain the auditors' review report that contains a Qualified Conclusion related to impairment of assets and an Emphasis of Matter – Material Uncertainty Related to Going Concern.

The Board has requested for OLI shares to be reinstated however the Board notes that the ASX will need to consider OLI's reinstatement request and its compliance with the ASX Listing Rules, including ASX Listing Rule 12.2, and that there is no immediate reinstatement to official quotation upon the release of the reissued financial statements.

---END---

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

For further information please contact:

Kim Wood, Chairman
kim.wood@oliversrealfood.com.au
+ 61 (0) 401 117 997
+ 61 (0) 2 4353 8055

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 sand 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.

oliver's™

REAL FOOD LIMITED

ABN 33 166 495 441

REISSUED INTERIM REPORT

31 DECEMBER 2020

NEW

Oli Brekkie Buns

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oliver's™

GENERAL INFORMATION

The financial statements cover Oliver's Real Food Limited as a consolidated entity consisting of Oliver's Real Food Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Oliver's Real Food Limited's functional and presentation currency.

Oliver's Real Food Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

10 Amsterdam Circuit, Wyong NSW 2259

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The reissued financial statements were authorised for issue, in accordance with a resolution of directors, on 16 March 2021.

REISSUED DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Oliver's Real Food Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

DIRECTORS

The following persons were directors of Oliver's Real Food Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Jason Gunn	Non-Executive Chairman (Resigned 4th March 2021)
Kimley Wood	Non-Executive Chairman (Appointed 25 November 2020) (Appointed Non-Executive Chairman 4th March 2021)
Steven Metter	Non-Executive Director
Amanda Gunn	Non-Executive Director (Resigned 4th March 2021)
Martin Green	Non Executive Director (Appointed 22 January 2021)
David McMahon	Executive Director (Resigned 19 November 2020)
Anni Brownjohn	Non-Executive Director (Appointed 14 October 2020, Resigned 19 November 2020).

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $1,864,802 (31 December 2019: $3,648,488).

As a board and management team we are frustrated yet encouraged by the results we have achieved in the half year.

EBITDAI for the period is $1,317k. **This represents an improvement of $1,017k from the same period previous year.**

Revenue for the half year to December 2020 decreased by 31.8% to $12.2m.

Given the difficulties and challenges faced in this first half year as a direct result of the COVID19 pandemic, we believe that the results are encouraging, especially when you consider that the company has not just survived through what has been probably the most challenging trading environment for hospitality businesses but has also significantly expanded the business and brand footprint through the partnership with EG during the period.

In this first half trading period, the company has opened 101 new Oliver's Food To Go ("OFTG") locations with EG, bringing the total number of OFTG outlets to 115 at 31 December 2020.

Jason Gunn, former Chairman, commented:

"The board wishes to acknowledge the fantastic performance of our CEO Tammie Phillips and her team through this extremely difficult and challenging operating period.

Tammie stepped in as CEO on 17 June 2020 and was immediately faced with significant challenges and uncertainty.

And yet despite these challenges and ongoing uncertainty, Tammie and her team have effectively managed the business to mitigate the negative impacts of COVID19 whilst developing and expanding a fantastic working relationship with EG."

Store Network

The company operated a total of 24 company-owned quick service restaurants throughout the half-year as against 25 stores for the same period previous year.

- This corporate store network was hugely impacted by the ongoing travel restrictions and boarder closures that severely limited the number of people travelling long distances on highways during the trading period.
- As a result, some stores were closed temporarily on more than one occasion to help to mitigate the potential losses.
- We are grateful for the support we have received via the JobKeeper program which contributed $3.44m to the business in the trading period and we are happy to confirm that the company has again qualified to receive the JobKeeper subsidies through to the end of March 2021. This has enabled the business to retain valuable trained staff, who otherwise would have been out of employment.

EG Oliver's Food To Go

In this first half trading period, the company has opened 101 new Oliver's Food To Go locations with EG, bringing the total number of OFTG outlets to 115 at 31 December 2020. This is a significant achievement in a very short period of time and has substantially increased Oliver's brand footprint in Australia and will continue to do so. As expected, this level of expansion required a meaningful investment in areas such as product support and development, creating new logistic flows and merchandising. The bulk of which costs are reflected in the increase in the Group's Cost of Goods over this 6-month period. There remains considerable work to be done, particularly in light of the budgeted increase in the number of new OFTG stores within the EG network, and the Board is confident that all the efforts and investment into the EG partnership will generate meaningful future on-going revenue streams.

Gross Margin

Gross margin for the half year was 56% compared to 72.8% for the same period last year.

There are two main reasons for the reduction in gross margin:

1. Is the fact the EG Fuelco business is a wholesale supply business so gross margins are substantially less than the corresponding margins earned at a retail level within the company-owned Oliver's stores
2. As expected, this level of expansion required a meaningful investment in areas such as product support and development, creating new logistic flows, and merchandising etc, the bulk of which costs are reflected in the increase in the Group's Cost of Goods over this 6-month period.

Outlook

The board is confident that the management team under the leadership of Tammie Phillips, working closely with Rob Ross-Edwards who joined the business in November 2020 as CFO, are well placed and well advanced in their processes to drive the changes that are needed to achieve the positive financial outcomes we know this business is capable of achieving for shareholders.

The board have requested management to develop a restructure plan for the business specifically focused on achieving a significant reduction in overheads and fixed costs, whilst at the same time providing the capacity needed to embrace the opportunities for growth that are currently available to the business.

Management have already made significant progress with this very comprehensive exercise and we anticipate the results of this planning will be made available during March 2021.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

During the period from the half-year end to the date of this report:

- **Restructure Plan** for the business specifically focused on achieving a reduction in overheads and fixed costs of over $4,000,000 per annum, whilst at the same time providing the capacity needed to embrace the opportunities for growth that are currently available to the business. The plan consists of following elements:
  - Closure of facilities, which will result in staff reductions and associated head office personnel; and
  - The current EG multi-source and logistics model, will be replaced by a single source, national fully integrated operator.

  The plan, once implemented, will be cash flow positive after incurring initial restructure costs and is expected to be completed by 30 June 2021.
- **Fund Raising** (see Note 16 Subsequent Events). The Company has commenced a series of funding initiatives that are expected to improve the financial position of the consolidated entity and enable the implementation of the above restructure plan. The funding initiatives will allow access to additional funds of between $3,500,000 and $5,000,00 including additional $1,000,000 due to relaxation of the current funding covenants as detailed below.
  - The Company currently has binding commitments for a $2,500,000 placement to fund working capital. The Placement is via a two-tranche issue at $0.03 per share.
    - The first tranche, under which 40,000,000 shares will be issued to raise $1,200,000, is being conducted under the Company's existing Listing Rule 7.1 placement capacity, with all funds being received by 19 March 2021.
    - The second tranche, under which 43,333,333 shares will be issued to raise $1,300,000 is subject to shareholder approval both because it is above the Company's existing placement capacity and because the two shares recipients (Gelba Pty Limited and Twenty Second Sepelda Pty Ltd) are associates of the Company. The Company will seek shareholder approval for the second tranche of the Placement via an EGM which will be held in May 2021.
  - The Company currently has a loan from PURE Asset Management ('PURE') of $5,000,000 (gross). The cash covenant during the 31 March 2021 financial quarter was $2,000,000. PURE has agreed to reduce this cash covenants by $1,000,000 to the revised cash covenant of $1,000,000, effective from 5 March 2021. This cash covenant will remain in force for the remaining period of the loan. This provides immediate $1,000,000 of available cash and cash equivalents. PURE will also be participating in the Placement with $600,000 of financial support, with $200,000 in the first tranche and $400,000 in the second tranche.
  - In addition to the Placement, investors will be invited to participate in a Share Purchase Plan (SPP) for up to $30,000 per investor, at a price that will be determined by the Board and announced prior to or at the time the EGM notice is issued to shareholders. The SPP will be capped at $1,500,000, and investors may be subject to scale backs. In its cashflow forecasts, the Company estimates to raise approximately a minimum of $500,000 from the SPP.

Trade and Other Payables. The Company has entered into structured payment plans with a number of its major suppliers to defer payments over an agreed period. Of the $7,177,955 recorded as Trade and Other Payables at 31 December 2020, $3,248,735 were on payments plans of which $473,706 have been renegotiated deferring settlement until post 30 June 2021. $1,068,409 of the creditors outside of payment terms amounting to $1,112,012 as at 31 December 2020 have been paid in full and $43,603 remains outstanding. Trade creditor levels have reduced by over 50% since 31 December 2020 to $1,568,823 as at the date of issue of the reissued half-year report (31 December 2020: $3,339,300).

Resignation of Jason Gunn. Mr. Jason Gunn resigned as Chairman and Director, including of all relevant subsidiaries of the Company, effective 4th March 2021.

Resignation of Amanda Gunn. Ms. Amanda Gunn resigned as a Director, effective 4th March 2021.

Appointment of Kimley Wood. Mr. Kimley Wood was appointed as Chairman, effective 4th March 2021.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Signed ________________ Date: 16 March 2021

Kimley Wood
Chairman

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT

I am pleased to provide the following declaration of independence to the directors of Oliver's Real Food Limited.

As lead audit director for the review of the financial statements of Oliver's Real Food Limited and its controlled entities for the half-year ended 31 December 2020, I hereby declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Name of Firm	Bishop Collins Audit Pty Ltd Chartered Accountants
Name of Registered Company Auditor	Martin Le Marchant
Auditor's Registration No.	431227
Address	Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259
Dated	16 March 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	Consolidated 31 December 2020 $	Consolidated 31 December 2019 $
Revenue	4	12,240,086	17,937,045
Other income	5	4,114,491	211,261
Expenses			
Raw materials and consumables used		(4,931,032)	(4,886,083)
Employee benefits expense		(7,636,462)	(9,762,135)
Finance costs – leases		(525,439)	(685,927)
Depreciation and amortisation expense		(2,475,496)	(2,812,069)
Impairment of assets		-	(300,000)
Loss on disposal of assets		(11,184)	-
Administration expenses		(1,673,599)	(1,931,540)
Other expenses		(3,711)	(175,000)
Finance costs		(180,643)	(60,609)
Occupancy		(781,813)	(1,093,096)
Loss before income tax expense		(1,864,802)	(3,558,153)
Income tax expense		-	(90,335)
Loss after income tax expense for the half-year attributable to the owners of Oliver's Real Food Limited		(1,864,802)	(3,648,488)
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Oliver's Real Food Limited		(1,864,802)	(3,648,488)
Earnings per share			
Basic earnings per share (cents)		(0.01)	(0.01)
Diluted earnings per share (cents)		(0.01)	(0.01)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	Consolidated 31 December 2020 $	30 June 2020 $
Assets			
Current assets			
Cash and cash equivalents	6	2,710,808	958,303
Trade and other receivables	7	2,090,542	979,176
Inventories		1,416,796	1,291,248
Other		339,527	277,238
Total current assets		6,557,673	3,505,965
Non-current assets			
Other financial assets		571,445	288,095
Property, plant and equipment	8	5,575,101	6,132,097
Right-of-use assets		19,146,905	20,330,195
Intangibles	9	2,252,951	2,635,769
Other		122,905	124,005
Total non-current assets		27,669,307	29,510,161
Total assets		34,226,980	33,016,126
Liabilities			
Current liabilities			
Trade and other payables		7,177,995	5,890,117
Borrowings	10	710,022	1,512,355
Lease liabilities	11	3,326,842	3,572,852
Employee benefits		772,626	681,504
Other		105,919	102,719
Total current liabilities		12,093,404	11,759,547
Non-current liabilities			
Borrowings	12	4,908,333	875,000
Lease liabilities	13	22,733,896	24,069,582
Employee benefits		104,166	85,102
Provisions		505,646	510,896
Total non-current liabilities		28,252,041	25,540,580
Total liabilities		40,345,445	37,300,127

Net liabilities		(6,118,465)	(4,284,001)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 (CONT)

	Note	Consolidated 31 December 2020 $	30 June 2020 $
Equity			
Issued capital		31,361,382	31,361,382
Reserves		203,384	173,046
Accumulated losses		(37,683,231)	(35,818,429)
Total deficiency in equity		(6,118,465)	(4,284,001)

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Consolidated			
	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2019	29,810,861	293,724	(18,513,611)	11,590,974
Loss after income tax expense for the half-year	-	-	(3,648,488)	(3,648,488)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(3,648,488)	(3,648,488)
Transactions with owners in their capacity as owners:				
Option expenses recognised in the period	-	916,951	-	916,951
Balance at 31 December 2019	29,810,861	1,210,675	(22,162,099)	8,859,437

	Consolidated			
	Issued capital $	Reserves $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2020	31,361,382	173,046	(35,818,429)	(4,284,001)
Loss after income tax expense for the half-year	-	-	(1,864,802)	(1,864,802)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,864,802)	(1,864,802)
Transactions with owners in their capacity as owners:				
Option expenses recognised in the period	-	30,338	-	30,338
Balance at 31 December 2020	31,361,382	203,384	(37,683,231)	(6,118,465)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Oliver's café, now open at EG Liverpool

STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	Consolidated 31 December 2020 $	Consolidated 31 December 2019 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		12,281,128	19,694,238
Interest received		1,517	1,297
Government grants and concessions		3,234,466	-
Other revenue		28,545	9,727
Payments to suppliers and employees (inclusive of GST)		(14,743,017)	(17,851,466)
Finance costs		(228,377)	(31,272)
Finance costs – leases		(570,121)	(698,007)
Net cash from operating activities		4,141	1,124,517
Cash flows from investing activities			
Payments for property, plant and equipment	8	(81,601)	(115,211)
Payments for intangibles	9	(51,110)	-
Payments for security deposit – term deposit		(284,851)	-
Proceeds from disposal of property, plant and equipment		6,932	157,500
Net cash from/(used in) investing activities		(410,630)	42,289
Cash flows from financing activities			
Repayment of borrowings – CBA bank		(975,000)	(100,000)
Proceeds from borrowings – Pure Capital net (net of costs)		4,900,000	520,000
Repayment of lease liabilities		(1,114,500)	(1,392,802)
Repayment of related party loan		(150,000)	-
Net cash from/(used in) financing activities		2,660,500	(972,802)
Net increase in cash and cash equivalents		2,254,011	194,004
Cash and cash equivalents at the beginning of the financial half-year		456,797	1,042,598
Cash and cash equivalents at the end of the financial half-year		2,710,808	1,236,602

The above statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Oliver's Real Food Ltd as a consolidated entity comprising Oliver's Real Food Ltd and the entities it controlled during the half-year. The financial statements are presented in Australian dollars, which is the group's functional and presentation currency.

Statement of compliance

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 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 principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated.

Reissued Financial Statements

The Consolidated entity's previously issued consolidated interim financial statements for the half-year ended 31 December 2020, dated 25 February 2021, have been withdrawn and replaced by these consolidated half-year financial statements.

The previously issued consolidated half-year financial statements were issued with a disclaimer of review conclusion as the independent auditors considered they did not have sufficient and appropriate evidence to support the Directors' view that the consolidated half-year financial statements should be prepared on a going concern basis.

Following the release of the consolidated financial statements to the Australian Securities Exchange (ASX), the Company's securities were suspended from official quotation.

Subsequently, the ASX advised the Company that the securities would not be reinstated to official quotation until the Company was able to provide audited consolidated financial statements with an independent auditor's review report that did not contain either a disclaimer of review conclusion or an adverse review conclusion.

Accordingly, the Board has obtained additional evidence to support its view on going concern. In particular, the Board has:

- Endorsed commencement of the restructuring plan specifically focused on achieving a reduction in overheads and fixed costs of over $4,000,000 per annum;
- Commenced a series of funding initiatives that are expected to improve the financial position of between $3,500,000 and $5,000,000, including binding commitments for a $2,500,000 placement to fund working capital;

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONT)

- Negotiated deferred payment terms with Creditors, satisfied outstanding liabilities which were outside of terms and reduced the current outstanding creditors balance.

For further explanation of the assessment of going concern, refer to Note 1.

These reissued consolidated half-year financial statements contain no other changes from the consolidated financial statements issued on 25 February 2021, apart from the updates in note 1, note 10, note 15 and note 16, which include updated going concern disclosure, correction of terms and conditions associated with the related party loan and updated subsequent events disclosure, respectively, as a result of the reissuance of these consolidated half-year financial statements.

This announcement has been authorised by the Board of Olivers Real Food Limited.

Going concern

The half-year financial report has been prepared on a going concern basis. The consolidated entity has incurred a net loss of $1,864,802 for the half-year ended 31 December 2020. As at 31 December 2020, the consolidated entity had cash and cash equivalents of $2,710,808, out of which $2,500,000 were not immediately available to the Consolidated entity due to the limitations imposed by the cash balance covenant relating to the loan from Pure Asset Management Pty Ltd. This covenant has reduced from $2,500,000 to $2,000,000 in the 31 March 2021 quarter.

As at 31 December 2020, the consolidated statement of financial position reflected an excess of current liabilities over current assets of $5,535,731.

The Consolidated entity's net cash flow from operating activities was $4,141 during the half-year, declined by $1,120,376 from the comparative half-year period.

The Group's ability to continue as a going concern is contingent on the following factors:

- Restructure Plan for the business specifically focused on achieving a reduction in overheads and fixed costs of over $4,000,000 per annum, whilst at the same time providing the capacity needed to embrace the opportunities for growth that are currently available to the business. The plan consists of following elements:
  - Closure of facilities, which will result in staff reductions and associated head office personnel; and
  - The current EG multi-source and logistics model, will be replaced by a single source, national fully integrated operator.

  The plan, once implemented, will be cash flow positive after incurring initial restructure costs and is expected to be completed by 30 June 2021.
- **Fund Raising** (see Note 16 Subsequent Events). The Company has commenced a series of funding initiatives that are expected to improve the financial position of the consolidated entity and enable the implementation of the above restructure plan. The funding initiatives will allow access to additional funds of between $3,500,000 and $5,000,000 which is inclusive of an additional $1,000,000 due to relaxation of the current funding covenants as detailed below.
  - The Company currently has binding commitments for a $2,500,000 placement to fund working capital. The Placement is via a two-tranche issue at $0.03 per share.
    - The first tranche, under which 40,000,000 shares will be issued to raise $1,200,000, is being conducted under the Company's existing Listing Rule 7.1 placement capacity, with all funds being received by 19 March 2021.
    - The second tranche, under which 43,333,333 shares will be issued to raise $1,300,000 is subject to shareholder approval both because it is above the Company's existing placement capacity and because the two shares recipients (Gelba Pty Limited and Twenty Second Sepelda Pty Ltd) are associates of the Company. The Company will seek shareholder approval for the second tranche of the Placement via an EGM which will be held in May 2021.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONT)

- The Company currently has a loan from PURE Asset Management ('PURE') of $5,000,000 (gross). The cash covenant during the 31 March 2021 financial quarter was $2,000,000. PURE has agreed to reduce this cash covenants by $1,000,000 to the revised cash covenant of $1,000,000, effective from 5 March 2021. This cash covenant will remain in force for the remaining period of the loan. This provides immediate access to $1,000,000 of available cash and cash equivalents. PURE will also be participating in the Placement with $600,000 of financial support, $200,000 in the first tranche and $400,000 in the second tranche.
- In addition to the Placement, investors will be invited to participate in a Share Purchase Plan (SPP) for up to $30,000 per investor, at a price that will be determined by the Board and announced prior to or at the time the EGM notice is issued to shareholders. The SPP will be capped at $1,500,000, and investors may be subject to scale backs. In its cashflow forecasts, the Company estimates to raise approximately a minimum of $500,000 from the SPP.

Trade and Other Payables. The Company has entered into structured payment plans with a number of its major suppliers to defer payments over an agreed period. Of the $7,177,955 recorded as Trade and Other Payables at 31 December 2020, $3,248,735 were on payments plans of which $473,706 have been renegotiated deferring settlement until post 30 June 2021. $1,068,409 of the creditors outside of payment terms amounting to $1,112,012 as at 31 December 2020 have been paid in full and $43,603 remains outstanding. Trade creditor levels have reduced by over 50% since 31 December 2020 to $1,568,823 as at the date of issue of the reissued half-year report (31 December 2020: $3,339,300).

Despite the current economic uncertainty caused by COVID-19, management and the Board believe the consolidated entity is in the position to raise funding via the placement indicated above and to execute its restructuring plan. The recent opening of all the borders and the roll out of the COVID-19 vaccine, should lead to more consistent trading and bolster the assumptions underpinning the cashflow forecast. Therefore, they consider it appropriate to continue to adopt going concern basis in preparing this half-year financial report.

The ongoing effects of the health pandemic, reliance on the assumptions underpinning the future cashflow forecast, the requirements to reduce overheads and fixed costs and raise additional working capital indicate a significant material uncertainty that may cast doubt on the consolidated entity's ability to continue as a going concern and, therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business. This half-year financial report does not reflect adjustments in the carrying value of the assets and liabilities, the reported revenue and expenses, and the balance sheet classification used, that would be necessary if the consolidated entity was unable to continue as a going concern.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Revenue from customers with contracts

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONT)

Sales of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

JobKeeper payments

Revenue received from Federal Government JobKeeper Program has been classified as Other income.

Lease concessions

Lease waivers and concessions as mandated by State Government legislation has been classified as Other income. This represents the difference between the normal lease payment and the concession rate paid to the landlord.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONT)

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. All critical accounting estimates and judgements are consistent with those applied and included in the annual financial statements for the year ended 30 June 2020.

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Coronavirus (COVID-19) pandemic has had a significant effect on the Olivers business with state and border closures particularly in Victoria and in northern NSW where the majority of the Olivers stores operate.

The government incentives both Federal and State have been exceptionally helpful as turnover has been down, with some stores experiencing up to 80–90% drop in turnover, allowing Olivers to keep valuable trained staff, which will be very important in returning to pre pandemic turnover.

There has been a substantial impact with overall turnover down 32% on last year. This has had a significant impact upon the financial statements and current uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT)

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are not recognised.

The group's leasing activities and how these are accounted for

The group leases various offices, warehouses, retail stores and motor vehicles. Rental contracts are typically made for fixed periods of 5 to 15 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payment that are based on an index or a rate.
- Amounts expected to be payable by the lessee under residual value guarantees.
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs, and
- restoration costs.

Estimation uncertainty arising from variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. Due to thresholds for variable payments not being exceeded, there are currently no lease payments that are on the basis of variable payment terms. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs. A 5% increase in sales across all stores in the group with such variable lease contracts would increase total lease payments by approximately NIL%. All impacted stores are currently trading under the variable rent threshold.

Employee benefits provision

As discussed in Note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

NOTE 3. OPERATING SEGMENTS

Identification of reportable operating segments

The consolidated entity is organised into one operating segment: Australia. Given the matters discussed in the going concern and subsequent events notes relating to the planned restructuring, no other segments are currently being assessed by the Chief Decision Maker of the group and no further analysis is provided.

NOTE 4. REVENUE

	Consolidated	
	31 December 2020 $	31 December 2019 $
Revenue from contracts with customers		
Revenue from sale of goods	12,204,398	17,937,045
Other revenue		
Rent	3,600	-
Interest received	1,517	1,297
Other revenue	30,571	(1,297)
	35,688	-
Revenue	12,240,086	17,937,045

NOTE 5. OTHER INCOME

	Consolidated	
	31 December 2020 $	31 December 2019 $
Government concessions – JobKeeper	3,436,500	-
Rent concessions	660,308	-
Miscellaneous income	17,683	211,261
Other income	4,114,491	211,261

NOTE 6. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	Consolidated	
	31 December 2020 $	30 June 2020 $
Cash on hand	52,070	18,620
Cash at bank	2,658,738	939,683
	2,710,808	958,303

Reconciliation of cash and cash equivalents at the end of the financial year.

The above figures are reconciled to cash and cash equivalents at the end of the financial half year as shown in statement of cash flows as follows:

Balances as above	2,710.808	958,303
Bank overdraft	-	(501,506)
	2,710,808	456,797

NOTE 7. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	Consolidated	
	31 December 2020 $	30 June 2020 $
Trade receivables	1,136,626	177,716
Less: Allowance for expected credit losses	(94,851)	(45,273)
	1,041,775	132,443
Other receivables – Job Keeper payments	1,048,767	846,733
	2,090,542	979,176

NOTE 8. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	31 December 2020 $	30 June 2020 $
Land – at cost	426,955	426,955
Leasehold improvements – at cost	7,722,281	7,755,802
Less: Accumulated depreciation	(2,017,126)	(1,760,338)
Less: Impairment	(2,841,730)	(2,841,730)
	2,863,425	3,153,734
Plant and equipment – at cost	6,881,486	6,807,816
Less: Accumulated depreciation	(3,351,403)	(3,056,681)
Less: Impairment	(1,637,065)	(1,637,065)
	1,893,018	2,114,070
Motor vehicles – at cost	955,419	955,419
Less: Accumulated depreciation	(563,716)	(518,081)
	391,703	437,338
	5,575,101	6,132,097

NOTE 8. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (CONT)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Land and buildings $	Leasehold improvements $	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 July 2020	426,955	3,153,734	2,114,070	437,338	6,132,097
Additions	-	-	81,601	-	81,601
Disposals	-	(17,813)	(303)	-	(18,116)
Depreciation expense	-	(272,495)	(302,351)	(45,635)	(620,481)
Balance at 31 December 2020	426,955	2,863,426	1,893,017	391,703	5,575,101

NOTE 9. NON-CURRENT ASSETS – INTANGIBLES

	31 December 2020 $	30 June 2020 $
Goodwill – at cost	2,133,516	2,133,516
Less: Impairment	(2,133,516)	(2,133,516)
	-	-
Intellectual property – at cost	610,576	610,576
Less: Impairment	(110,576)	(110,576)
	500,000	500,000
Patents and trademarks – at cost	190,575	190,575
Less: Accumulated amortisation	(139,523)	(139,523)
Less: Impairment	(51,052)	(51,052)
	-	-
Customer contracts – at cost	333,830	333,830
Less: Accumulated amortisation	(133,522)	(133,522)
Less: Impairment	(200,308)	(200,308)
	-	-
Software – at cost	902,224	851,113
Less: Accumulated amortisation	(614,859)	(420,894)
	287,365	430,219
Reacquired Rights – at cost	3,258,000	3,258,000
Less: Accumulated amortisation	(1,792,414)	(1,552,450)
	1,465,586	1,705,550
	2,252,951	2,635,769

NOTE 9. NON-CURRENT ASSETS – INTANGIBLES (CONT)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Consolidated						
	Goodwill $	Patents and trademarks $	Computer software $	Brands and IP $	Customer relationships $	Franchised rights $	Total $
Balance at 1 July 2020	-	-	430,219	500,000	-	1,705,550	2,635,769
Additions	-	-	51,111	-	-	-	51,111
Amortisation expense	-	-	(193,965)	-	-	(239,964)	(433,929)
Balance at 31 December 2020	-	-	287,365	500,000	-	1,465,586	2,252,951

NOTE 10. CURRENT LIABILITIES – BORROWINGS

	Consolidated	
	31 December 2020 $	30 June 2020 $
Bank overdraft – secured	-	501,506
Bank loans – secured	-	100,000
Loan from third party ** – unsecured	200,000	200,000
Related party loan – Safety Factor Aviation Pty Ltd* – secured	342,977	481,630
Insurance premium funding *** – unsecured	167,045	229,219
	710,022	1,512,355

* Loan is associated with Jason Gunn can only be repaid on the following conditions:
– The payment occurs on or after 1 July 2021;
– The Consolidated Entity has recorded a positive NPAT during the two calendar quarters prior to the quarter in which the payment is made; and
– No Event of Default, Default or Review Event is continuing or expected to occur (in the opinion of the Lender, acting reasonably).
The loan accumulates interest of 6% per annum and is capitalised until repayment.

** Loan from third party is interest free and has no specific repayment date.

*** Premium Funding is payable in monthly instalments and carries an interest rate of 3.59%.

NOTE 11. CURRENT LIABILITIES – LEASE LIABILITIES

	Consolidated	
	31 December 2020 $	30 June 2020 $
Lease liability	3,326,842	3,572,852

NOTE 12. NON-CURRENT LIABILITIES – BORROWINGS

	Consolidated	
	31 December 2020 $	30 June 2020 $
Bank loans- secured	-	875,000
Loan from third party – Pure Capital – secured	5,000,000	-
Less amortised borrowing Costs	(91,667)	-
	4,908,333	875,000

The Pure Capital loan is for $5,000,000 on a 36 month term.

The terms of this facility include an interest rate of 10.5% p.a. The facility also provides for the lender to convert their loan and interest by issue of warrants that would be priced at $0.12 subject to relevant shareholder approvals and/or available listing rule 7.1 or 7.1A issue capacity.

To support the above, the facility includes the issue of warrants in two (2) tranches:

- 37,500,000 Warrant Shares to be issued out of the Company's existing ASX Listing Rule 7.1 capacity; and
- 10,000,000 Warrant Shares to be issued, which were approved, at the Annual General Meeting (AGM) on 22 January 2021.

The facility has a minimum cash balance requirement, which reduces over the length of the facility. In December 2020, the cash balance dropped under the $2,500k covenant limit for a several days and Pure Capital waived this breach with no further action to be taken.

NOTE 13. NON-CURRENT LIABILITIES – LEASE LIABILITIES

	Consolidated	
	31 December 2020 $	30 June 2020 $
Lease liability	22,733,896	24,069,582

NOTE 14. EQUITY – DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial half-year.

NOTE 15. RELATED PARTY TRANSACTIONS

The Group has a loan of $342,977 from Safety Factor Aviation Pty Ltd a related party of Mr. Jason Gunn (former Chairman of the Group) which is only repayable under the Pure Asset Management Pty Ltd Facilities Agreement dated 29 September 2020 on the following conditions:

- The payment occurs on or after 1 July 2021;
- The Consolidated Entity has recorded a positive NPAT during the two calendar quarters prior to the quarter in which the payment is made; and
- No Event of Default, Default or Review Event is continuing or expected to occur (in the opinion of the Lender, acting reasonably).

The loan accumulates interest of 6% per annum and is capitalised until repayment.

NOTE 16. EVENTS AFTER THE REPORTING PERIOD DURING THE PERIOD FROM THE HALF-YEAR END TO THE DATE OF THIS REPORT:

- **Restructure Plan** for the business specifically focused on achieving a reduction in overheads and fixed costs of over $4,000,000 per annum, whilst at the same time providing the capacity needed to embrace the opportunities for growth that are currently available to the business. The plan consists of following elements:
  - Closure of facilities, which will result in staff reductions and associated head office personnel; and
  - The current EG multi-source and logistics model, will be replaced by a single source, national fully integrated operator.

  The plan, once implemented, will be cash flow positive after incurring initial restructure costs and is expected to be completed by 30 June 2021.
- **Fund Raising** (see Note 16 Subsequent Events). The Company has commenced a series of funding initiatives that are expected to improve the financial position of the consolidated entity and enable the implementation of the above restructure plan. The funding initiatives will allow access to additional funds of between $3,500,000 and $5,000,00 including additional $1,000,000 due to relaxation of the current funding covenants as detailed below.
  - The Company currently has binding commitments for a $2,500,000 placement to fund working capital. The Placement is via a two-tranche issue at $0.03 per share.
    - The first tranche, under which 40,000,000 shares will be issued to raise $1,200,000, is being conducted under the Company's existing Listing Rule 7.1 placement capacity, with all funds being received by 19 March 2021.
    - The second tranche, under which 43,333,333 shares will be issued to raise $1,300,000 is subject to shareholder approval both because it is above the Company's existing placement capacity and because the two shares recipients (Gelba Pty Limited and Twenty Second Sepelda Pty Ltd) are associates of the Company. The Company will seek shareholder approval for the second tranche of the Placement via an EGM which will be held in May 2021.
  - The Company currently has a loan from PURE Asset Management ('PURE') of $5,000,000 (gross). The cash covenant during the 31 March 2021 financial quarter was $2,000,000. PURE has agreed to reduce this cash covenants by $1,000,000 to the revised cash covenant of $1,000,000, effective from 5 March 2021. This cash covenant will remain in force for the remaining period of the loan. This provides immediate $1,000,000 of available cash and cash equivalents. PURE will also be participating in the Placement with $600,000 of financial support, with $200,000 in the first tranche and $400,000 in the second tranche.
  - In addition to the Placement, investors will be invited to participate in a Share Purchase Plan (SPP) for up to $30,000 per investor, at a price that will be determined by the Board and announced prior to or at the time the EGM notice is issued to shareholders. The SPP will be capped at $1,500,000, and investors may be subject to scale backs. In its cashflow forecasts, the Company estimates to raise approximately a minimum of $500,000 from the SPP.

Trade and Other Payables. The Company has entered into structured payment plans with a number of its major suppliers to defer payments over an agreed period. Of the $7,177,955 recorded as Trade and Other Payables at 31 December 2020, $3,248,735 were on payments plans of which $473,706 have been renegotiated deferring settlement until post 30 June 2021. $1,068,409 of the creditors outside of payment terms amounting to $1,112,012 as at 31 December 2020 have been paid in full and $43,603 remains outstanding. Trade creditor levels have reduced by over 50% since 31 December 2020 to $1,568,823 as at the date of issue of the reissued half-year report (31 December 2020: $3,339,300).

Resignation of Jason Gunn. Mr. Jason Gunn resigned as Chairman and Director, including of all relevant subsidiaries of the Company, effective 4th March 2021.

Resignation of Amanda Gunn. Ms. Amanda Gunn resigned as a Director, effective 4th March 2021.

Appointment of Kimley Wood. Mr. Kimley Wood was appointed as Chairman, effective 4th March 2021.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

REISSUED DIRECTORS' DECLARATION

In the directors' opinion:

- The attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- The attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- 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 directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Signed Kim Wood Date: 16 March 2021

Kimley Wood
Chairman

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF OLIVER'S REAL FOOD LIMITED

Report on the Half-Year Financial Report

Qualified Conclusion

We have reviewed the accompanying reissued half-year financial report of Oliver's Real Food Limited ("the company") and controlled entities ("the consolidated entity"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled during the half-year.

Based on our review, which is not an audit, with the exception of the matters described in the Basis for Qualified Conclusion paragraph, we have not become aware of any matter that makes us believe that the 31 December 2020 reissued half-year financial report of Oliver's Real Food Limited is not in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Qualified Conclusion

Included in the consolidated statement of financial position as at 31 December 2020 are intangible assets of $2,252,951, right of use assets of $19,146,905 and property, plant and equipment of $5,575,101. Due to ongoing operating losses, the Group is required to undertake an impairment assessment of tangible and intangible assets in accordance with AASB 136 *Impairment of Assets*. Due to uncertainties connected with COVID-19, and uncertainties associated with the effects of the planned restructuring and matters outlined in Notes 1 and 16 to the reissued half-year report, management concluded there was insufficient empirical evidence to support the assumptions that would be used in preparing an impairment assessment as at 31 December 2020. Accordingly, an impairment assessment was not prepared by management. Therefore, we were unable to obtain sufficient appropriate audit evidence about the carrying value of the intangible assets, right-of-use assets and property, plant and equipment as at 31 December 2020. Consequently, we were unable to determine whether any adjustments to the carrying value of the intangible assets, right-of-use assets and property, plant and equipment in the statement of financial position are necessary for the period ended 31 December 2020.

Emphasis of Matter – Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the reissued half-year financial report, which indicates that the Group incurred a net loss of $1,864,802 during the half-year ending 31 December 2020 and, as of that date, the Group's current liabilities exceeded its current assets by $5,535,731. As stated in Note 1, the ongoing effects of the health pandemic, reliance on the assumptions underpinning the future cashflow forecast, the requirements to reduce overheads and fixed costs and raise additional working capital indicate a significant material uncertainty that may cast doubt on the consolidated entity's ability to continue as a going concern. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Other Matter (Reissue of the Half-year Financial Report)

Our review report dated 25 February 2021 contained a *Disclaimer of Review Conclusion* due to our inability to obtain sufficient appropriate review evidence to form a conclusion as to whether the use of the going concern assumption in the preparation of the half-year financial report was appropriate. Subsequent to the finalisation of the original half-year financial report and the issue of our original review report, the Group obtained binding commitments for a $2,500,000 placement to fund working capital and to facilitate implementation of the proposed restructure plan, negotiated deferred payment terms, and satisfied outstanding liabilities which were outside of terms, as disclosed in Note 1 and Note 16. These events and conditions, as disclosed in Note 1 and Note 16, enabled us to form a conclusion on the appropriateness of the use of the going concern basis in the preparation of the reissued half-year financial report. This reissued review report replaces the review report issued on 25 February 2021.

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* and for 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 Responsibility for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the reissued financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the reissued half-year financial report is not in accordance with the *Corporations Act 2001,* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 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*. We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity (ASRE 2410).

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 consequentially 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.

Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards) (the Code)* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Name of Firm	Bishop Collins Audit Pty Ltd Chartered Accountants
Name of Registered Company Auditor	Martin Le Marchant
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Dated	16 March 2021

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