

28 April 2022
ASX Announcement

Oliver's Real Food Limited (ASX: OLI) Monthly and Quarterly Appendix 4C – March 2022 and General Update

Further to ASX's request, pursuant to listing rules 18.7 and 18.8 that Oliver's Real Food Limited ("OLI" or the "Company") lodge both a monthly and a quarterly report in the form of an Appendix 4C under listing rule 4.7B, commencing with an Appendix 4C for March 2021. The Company provides an Appendix 4C for the month and quarter ending 31 March 2022.

January to March Sales

As reported in our monthly 4C appendices, sales have not been as strong as anticipated after borders re-opened late last year. Below are the store sales for the March 2022 quarter compared to the same quarter FY21 and FY20. Please note, the sales table below only refers to store sales in company owned stores.

	NSW \$'000	VIC \$'000	QLD \$'000	Total \$'000
FY22	\$ 4,048	\$ 1,723	\$ 206	\$ 5,977
FY21	\$ 4,383	\$ 1,816	\$ 264	\$ 6,464
	-\$ 335	-\$ 94	-\$ 59	-\$ 487
	-7.64%	-5.12%	-21.97%	-7.53%
FY22	\$ 4,048	\$ 1,723	\$ 206	\$ 5,977
FY20	\$ 4,699	\$ 2,939	\$ 220	\$ 7,852
	-\$ 651	-\$ 1,210	-\$ 15	-\$ 1,876
	-13.85%	-41.37%	-6.36%	-23.88%

Several factors contributed to the slow rebound in sales in the first quarter of 2022, including the ongoing public concern about COVID, the recent NSW flooding, the hesitancy of some to travel and the lack of international tourists.

Operations

The work done over the past 12 months to restructure the business is paying dividends and has essentially facilitated the survival of OLI in its most challenging periods since inception, with significantly reduced overhead, a discernible improvement in margins within the new operating model, and a maintainable rostering model which will continue to deliver best practice in terms of our wage costs.

To demonstrate the impact the changes are having, we highlight net cash (used in) operating activities compared to the same quarter in FY2021.

Cash flows from operating activities	QTR 3 FY2022 \$'000	QTR 3 FY2021 \$'000
Receipts from customers	\$6,105	\$7,670
Payments for:		
product manufacturing and operating costs	(\$2,639)	(\$5,320)
staff costs	(\$2,917)	(\$4,335)
government grants (Job Keeper)	\$2	\$1,672
administration and corporate	(\$515)	(\$493)
other	(\$56)	(\$306)
interest and finance costs	(\$311)	(\$246)
Net Cash (used in) operating activities	(\$331)	(\$1,358)

This outcome is a dramatic improvement, but the Company acknowledges it is still a long way from where it needs to be. Much more work is required to deliver positive quarterly cash flow.

OLI management is now focussing on revitalising the menu and our ordering technologies. This program introduces ten new & innovative lines and a continued focus on seasonal promotions, price bundling and meal deals, including expanding the Kids Menu to breakfast. Online ordering and our loyalty App are rolling out concurrently with the new menu launch. All new initiatives are supported by a strategic digital strategy and improved store communication via digital menus, service kiosks and in-store and external signage.

The Company has many outstanding stores within the network, and analysis shows these stores meet or exceed our internal performance matrix and are highly profitable. Offsetting these are stores whose cost structure and rents are not sustainable without a strong rebound in sales. In March 2022, the Company took the difficult but commercially necessary decision to close the Chinderah store near the NSW/QLD border. At the time, rent and outgoings alone accounted for 45% of sales, and we could not negotiate better terms with the landlord. We remain in discussions with other landlords about reducing specific store rents that were struck in pre-covid times.

Easter Trading

We can report that Easter sales were 6% below 2021, but we are encouraged by the performance of many of the stores during April, particularly the stores north of Sydney.

Half Year Accounts

We continue to work closely with our auditors to finalise the half-year review. We aim to release our final report by 15 May 2022.

Funding

On 15 March 2022, we advised the market that our lenders had increased the line of credit facility from \$1.5m to \$2.1m. With the continued lower sales in March, OLI today advises that our principal lenders, Michael and Suzanne Gregg and Gelba Pty Limited, have confirmed their continued support by increasing the line of credit facility from \$2.1m to \$2.5m.

The Company's financial position remains very challenged, as it was before the COVID-19 pandemic impacts, and we thank the lenders for their continued support. That OLI has remained in business over the last two years is a testament to all who have supported the Company, our staff, suppliers, landlords, lenders, governments, and shareholders. The work undertaken by the management team to restructure operations and re-focus the Company has given us a fighting chance.

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

For further information please contact:

Martin Green, Chairman

martin.green@oliversrealfood.com.au

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

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

Name of entity

OLIVERS REAL FOOD LIMITED

ABN

33 166 495 441

Month ended

MARCH 2022

Consolidated statement of cash flows	Current Month \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,799	14,128
1.2 Payments for		
(a) research and development	-	-33
(b) product manufacturing and operating costs	-675	-8,183
(c) advertising and marketing	-35	-163
(d) leased assets	-	-
(e) staff costs	-1,194	-6,666
(f) administration and corporate costs	-186	-1,352
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	-105	-1,020
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	2	2,011
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	-394	-1,276
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	71	-237
(d) investments	-	-
(e) intellectual property		-36

Consolidated statement of cash flows	Current Month \$A'000	Year to date (9 months) \$A'000
(f) other non-current assets -Term Deposit	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	316
(d) investments	-	106
(e) intellectual property	-	5
(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)	-	-
2.6 Net cash from / (used in) investing activities	71	154

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	600	7,475
3.6 Repayment of borrowings (leased assets)	-418	-2,225
Repayment of borrowings	-	-5,498
3.7 Transaction costs related to loans and borrowings	3	26
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	185	-222

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	365	1,571
4.2 Net cash from / (used in) operating activities (item 1.9 above)	-394	-1,276

Appendix 4C
Monthly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current Month \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	71	154
4.4	Net cash from / (used in) financing activities (item 3.10 above)	185	-222
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	227	227

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 Month \$A'000	Previous Month \$A'000
5.1	Bank balances	94	196
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	133	169
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	227	365

6.	Payments to related parties of the entity and their associates	Current Month \$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.	-
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>		

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

7. Financing facilities	Total facility amounts at month end \$A'000	Amount drawn at Month end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	7,100	7,100
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	301	301
7.4 Total financing facilities	7.401	7,401
7.5 Unused financing facilities available at month 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.		
<p>7.1 A \$5.0m secured facility with Gelba and Michael and Suzanne Gregg at an interest rate of 5.25% pa calculated daily and payable quarterly in arrears maturing 30 September 2028. Repayment of \$250k per quarter from 1 October 2023 with first repayment due 31 December 2023.</p> <p>A \$2.1m unsecured revolving line of credit with Gelba Pty.Limited and Michael and Suzanne Gregg at an interest rate of 5.25% pa calculated daily and payable monthly in arrears maturing 30 September 2023.</p> <p>7.3 Secured loan \$301k from Green Superannuation Fund assignment of the Safety Aviation Factor Pty Ltd loan, only repayable after 1st July 2021 and the consolidated entity has recorded a positive NPAT during the two calendar quarters prior to the quarter in which the payment is made; The interest rate being 6% calculated daily, payable monthly in arrears.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	-394
8.2 Cash and cash equivalents at month end (item 4.6)	227
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	227
8.5 Estimated Months of funding available (item 8.4 divided by item 8.1)	0.58
<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 months, 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, April sales suggests the company will have positive operating cash flow month and our forecast indicates cash flow will improve in the coming months, as the economy continues to recovery, tourism picks up as more people can travel with confidence.	
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: Yes, The Company is in continued discussions with its lenders and maintains their support. The current line of credit facility was increased in April by a further \$400k. The Company remains committed to raising equity and is currently considering all options, but the timing remains undecided whilst our shares are suspended.

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, assuming the continued support of lender and improved revenue, forecasted in the months ahead, occurs

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 2022.....

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

Notes

1. This monthly 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 – e.g., 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.

Appendix 4C

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

Name of entity

OLIVERS REAL FOOD LIMITED

ABN

33 166 495 441

Quarter ended

MARCH 2022

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	6,105	14,128
1.2 Payments for		
(a) research and development	-10	-33
(b) product manufacturing and operating costs	-2,639	-8,183
(c) advertising and marketing	-49	-163
(d) leased assets	3	0
(e) staff costs	-2,917	-6,666
(f) administration and corporate costs	-515	-1,352
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	-311	-1,020
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	2	2,011
1.8 Other (provide details if material)	0	0
1.9 Net cash from / (used in) operating activities	-331	-1,276
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-37	-237
(d) investments	-	-
(e) intellectual property	-2	-36

Consolidated statement of cash flows	Current Quarter \$A'000	Year to date (9 months) \$A'000
(f) other non-current assets -Term Deposit		-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	316
(d) investments	-	106
(e) intellectual property	5	5
(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)	-	-
2.6 Net cash from / (used in) investing activities	-34	154

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	921	7,475
3.6 Repayment of borrowings (leased assets)	-1,024	-2,225
Repayment of borrowings	-28	-5,498
3.7 Transaction costs related to loans and borrowings	9	26
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-122	-222

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	714	1,571
4.2 Net cash from / (used in) operating activities (item 1.9 above)	-331	-1,276

Appendix 4C
Monthly cash flow report for entities subject to Listing Rule 4.7B

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)	-34	154
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-122	-222
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	227	227

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	94	538
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	133	176
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	227	714

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.	21
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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

7.	Financing facilities	Total facility amounts at month end \$A'000	Amount drawn at Month end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	7,100	7,100
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	301	301
7.4	Total financing facilities	7,401	7,401
7.5	Unused financing facilities available at month 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.		
	<p>7.1 A \$5.0m secured facility with Gelba and Michael and Suzanne Gregg at an interest rate of 5.25% pa calculated daily and payable quarterly in arrears maturing 30 September 2028. Repayment of \$250k per quarter from 1 October 2023 with first repayment due 31 December 2023.</p> <p>A \$2.1m unsecured revolving line of credit with Gelba Pty.Limited and Michael and Suzanne Gregg at an interest rate of 5.25% pa calculated daily and payable monthly in arrears maturing 30 September 2023.</p> <p>7.3 Secured loan \$301k from Green Superannuation Fund assignment of the Safety Aviation Factor Pty Ltd loan, only repayable after 1st July 2021 and the consolidated entity has recorded a positive NPAT during the two calendar quarters prior to the quarter in which the payment is made; The interest rate being 6% calculated daily, payable monthly in arrears.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	-331
8.2	Cash and cash equivalents at month end (item 4.6)	227
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	227
8.5	Estimated Quarter of funding available (item 8.4 divided by item 8.1)	0.69
	<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 months, please provide answers to the following questions:	
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	<p>Answer: No, April sales suggests the company will have positive operating cash flow month and our forecast indicates cash flow will improve in the coming months, as the economy continues to recovery, tourism picks up as more people can travel with confidence.</p>	

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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, assuming the continued support of lender and improved revenue, forecasted in the months ahead, occurs

Compliance statement

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

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