

1. Company details

| | |
|-------------------|--|
| Name of entity: | Oliver's Real Food Limited |
| ABN: | 33 166 495 441 |
| Reporting period: | For the half-year ended 31 December 2023 |
| Previous period: | For the half-year ended 31 December 2022 |

2. Results for announcement to the market

| | | | \$ |
|--|------|------------|------------|
| Revenue from ordinary activities | up | 2.5% to | 12,989,270 |
| Earnings before interest, tax, depreciation and amortisation ('EBITDA')* | up | (31.0%) to | 1,074,893 |
| Earnings before interest, taxes, depreciation and amortisation and impairments ('EBITDAI')* | up | (31.0%) to | 1,074,893 |
| Loss from ordinary activities after tax attributable to the owners of Oliver's Real Food Limited | down | 103.9% to | (244,393) |
| Loss for the half-year attributable to the owners of Oliver's Real Food Limited | down | 103.9% to | (244,393) |

* EBITDA and EBITDAI are financial measures which are not prescribed by the Australian Accounting Standards ('AAS') and represent the profit/loss under AAS adjusted for specific non-cash and significant items not expected to recur between periods. The directors consider EBITDAI to reflect the core earnings of the consolidated entity.

A reconciliation between the statutory result after income tax, to EBITDA and EBITDAI is set out below:

| | Consolidated | |
|--|---------------|---------------|
| | 31 Dec 2023 | 31 Dec 2022 |
| | \$ | \$ |
| Net (loss)/profit after tax | (244,393) | 6,302,835 |
| Add: Depreciation and amortisation expenses | 701,573 | 1,064,118 |
| Add: Finance costs | 621,360 | 589,226 |
| Less: Interest revenue | (3,647) | (474) |
| Add: Writeback of liability on termination on property lease | - | (6,406,213) |
| EBITDA | 1,074,893 | 1,549,492 |
| EBITDAI | 1,074,893 | 1,549,492 |
| | Consolidated | |
| | 31 Dec 2023 | 31 Dec 2022 |
| | \$ | \$ |
| Other items: | | |
| Writeback of lease liability on lease termination | - | 6,406,213 |
| | 2023 Cents | 2022 Cents |
| Basic earnings per share | (0.06) | 1.75 |
| Diluted earnings per share | (0.06) | 1.54 |

Commentary on the results

For further commentary on the results, refer to the 'Review of operations' section of the directors' report.

3. Net tangible assets

| | Reporting period Cents | Previous period Cents |
|---|------------------------------|-----------------------------|
| Net tangible assets per ordinary security | <u>(2.28)</u> | <u>(2.14)</u> |
| | Consolidated | |
| | 31 Dec 2023 | 30 Jun 2023 |
| | \$ | \$ |
| Net liabilities | (15,564,947) | (15,320,554) |
| Less: Right-of-use assets | (9,242,456) | (5,333,193) |
| Less: Intangibles | (386,154) | (409,000) |
| Add: Lease liabilities | <u>15,145,484</u> | <u>11,640,835</u> |
| Net tangible assets | <u>(10,048,073)</u> | <u>(9,421,912)</u> |
| | Consolidated | |
| | 31 Dec 2023 | 30 Jun 2023 |
| Total number of shares | 440,731,917 | 440,731,917 |

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the unmodified review report that contains a material uncertainty in relation to going concern is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Oliver's Real Food Limited for the half-year ended 31 December 2023 is attached.

12. Signed

As authorised by the Board of Directors

Signed  _____

Martin Green
Chairman

Date: 27 February 2024



Oliver's Real Food Limited

ABN 33 166 495 441

Interim Report - 31 December 2023

Oliver's Real Food Limited
Contents
31 December 2023



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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' or 'Oliver's') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

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:

| | |
|-------------------|------------------------|
| Martin Green | Non-Executive Chairman |
| Steven Metter | Non-Executive Director |
| Kathryn Gregg | Non-Executive Director |
| Benjamin Williams | Non-Executive Director |

Principal activities

During the financial half-year, the principal continuing activities of the consolidated entity consisted of the provision of fast-food services specialising in delicious, nutrient dense meals, designed with the customers' wellbeing in mind.

Dividends

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

Review of operations

The revenue for the consolidated entity amounted to \$12,989,270 (31 December 2022: \$12,677,223), an increase of 2%.

| | 31 Dec 2023 | 31 Dec 2022 | Change | Change |
|---------|-------------|-------------|---------|--------|
| | \$ | \$ | \$ | % |
| Revenue | 12,989,270 | 12,677,223 | 312,047 | 2% |

Total store revenue was \$12.847m (31 December 2022: \$12.453m). Our preferred performance measurement is 'same-store' sales which was \$12.582m, an increase of 1.76%. We highlight the result from our five Victorian stores where same-store sales increased by 13.7%.

The loss for the consolidated entity after providing for income tax amounted to \$244,393 (31 December 2022: profit of \$6,302,835). In order to obtain a meaningful comparison of the profits in each of the two half years, it should be noted that the profit for the December 2022 half-year of \$6,302,835 included a write-back of the attributable lease liability for 6 Victorian stores closed in 2022 of \$6,406,213, without which the actual result would have been a loss of \$103,378, compared to the same figure for the December 2023 half-year of \$244,393.

As at 31 December 2023, there were 169 (31 December 2022: 191) Oliver's Food To Go ('OFTG') locations with EG Australia (fuel and convenience sites).

A reconciliation between the statutory result after income tax, to earnings before interest, taxes, depreciation and amortisation ('EBITDA')* and EBITDAI* is set out below:

| | 31 Dec 2023 | 31 Dec 2022 | Change | Change |
|--|------------------|------------------|------------------|--------------|
| | \$ | \$ | \$ | % |
| Net profit/(loss) after tax | (244,393) | 6,302,835 | (6,547,228) | (104%) |
| Add: Depreciation and amortisation expenses | 701,573 | 1,064,118 | (362,545) | (34%) |
| Add: Finance costs | 621,360 | 589,226 | 32,134 | 5% |
| Less: Interest revenue | (3,647) | (474) | (3,173) | 669% |
| Add: Writeback of liability on termination on property lease | - | (6,406,213) | 6,406,213 | (100%) |
| EBITDA* | <u>1,074,893</u> | <u>1,549,492</u> | <u>(474,599)</u> | <u>(31%)</u> |
| EBITDAI* | <u>1,074,893</u> | <u>1,549,492</u> | <u>(474,599)</u> | <u>(31%)</u> |

* EBITDA and EBITDAI are financial measures which are not prescribed by the Australian Accounting Standards ('AAS') and represent the profit/loss under AAS adjusted for specific non-cash and significant items not expected to recur between periods. The directors consider EBITDAI to reflect the core earnings of the consolidated entity.

Outlook

The recent interest rate rises, utility price increases, as well as the general cost of living pressures have impacted customer sentiment and discretionary spending which have impacted sales growth. However, management remains very focused on continual improvements in the business and the improvement in the gross margins in the first half to 64.35% from 62% is a testament to the work done to date.

While noting weak consumer sentiment exists and may impact sales in the coming months, the launch of two new stores in December 2023 at Pheasants Nest, NSW, one on each side of the highway at the Ampol Service Centre, will drive revenue growth. Initial sales at these stores are below internal forecast, as was previously reported, but the entity views this expansion as a long-term and strategic move, as well as solidifying the company's long-term relationship with Ampol, and hence expects both stores will become increasingly popular and viable. There is currently significant marketing underway to promote these two new stores and at the date of this report, the Pheasants Nest South store will be the 3rd largest in the network, on an annualised basis, as measured by revenue.

In the coming months, Oliver's will upgrade all its core software primarily to improve the customer experience, which includes improvements to the in-store ordering kiosks, better POS smarter software, improved reporting mechanisms and an improved communication structure with staff. All of these initiatives are expected to have on-going qualitative and quantitative benefits to the organisation.

In addition, during this half-year, Oliver's upgraded and relocated its Wyong North store within the same complex, as was required by the landlord. This store now boasts the new Oliver's store design concept, with better presentation, flow and ambiance. Initially, sales decreased due to the parking area being a construction site, as was previously reported, but the directors are pleased to announce that transactions in the flagship store have returned to normal levels. The sales mix has changed, with more breakfast sales than that previously, leading to a drop in the overall average transaction value and thus marginally lower sales at this time.

The landlord is now redeveloping their Wyong South Service Centre. There may be some disruptions during the construction phase, but unlike the Wyong North redevelopment, the stand-alone store will remain in situ. Oliver's is required to undertake renovations to the store during calendar 2024. Any such works will be timed to minimise disruption to trading at the store. It is noted that the McDonald's closed on 28 January 2024 and from that date, for 10 weeks, the Oliver's store will be the only full service QSR open at the site. The directors can report that they have seen a significant increase in sales at this store since 29 January 2024.

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

The company has agreed with the lenders to extend the maturity date of all loans by one year and any repayments will be delayed by one year. This was approved by the Board of Directors on 29 January 2024.

Wyong Southbound Lease Extension

On the 22 February 2024, a new sub-lease was signed with Ampol Petroleum Pty Ltd. The sub-lease will expire on 29 June 2028, with two five-year option periods.

No other matter or circumstance has arisen since 31 December 2023 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

A handwritten signature in black ink, appearing to read "M Green", written over a horizontal line.

Martin Green
Chairman

27 February 2024

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Auditor's Independence Declaration

To the Directors of Oliver's Real Food Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Oliver's Real Food Limited for the half-year ended 31 December 2023. I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants



P J Woodley
Partner – Audit & Assurance

27 February 2024

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Oliver's Real Food Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023



| | | Consolidated | |
|--|-------------|---------------------|--------------------|
| | Note | 31 Dec 2023 | 31 Dec 2022 |
| | | \$ | \$ |
| Revenue | 4 | 12,989,270 | 12,677,223 |
| Other income | | 1,250 | 30,063 |
| Interest revenue calculated using the effective interest method | | 3,647 | 474 |
| Expenses | | | |
| Raw materials and consumables used | | (4,653,513) | (4,807,058) |
| Employee benefits expense | | (5,013,647) | (4,387,548) |
| Depreciation and amortisation expense | | (701,573) | (1,064,118) |
| Administration expenses | | (1,248,661) | (1,085,891) |
| Writeback of lease liability on lease termination | | - | 6,406,213 |
| Store-facility occupancy expenses | | (999,806) | (877,297) |
| Finance costs | | (621,360) | (589,226) |
| (Loss)/profit before income tax expense | | (244,393) | 6,302,835 |
| Income tax expense | | - | - |
| (Loss)/profit after income tax expense for the half-year attributable to the owners of Oliver's Real Food Limited | | (244,393) | 6,302,835 |
| Other comprehensive income for the half-year, net of tax | | - | - |
| Total comprehensive (loss)/income for the half-year attributable to the owners of Oliver's Real Food Limited | | (244,393) | 6,302,835 |
| | | Cents | Cents |
| Basic earnings per share | 13 | (0.06) | 1.75 |
| Diluted earnings per share | 13 | (0.06) | 1.54 |

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

| | | Consolidated | |
|--------------------------------------|-------------|---------------------|---------------------|
| | Note | 31 Dec 2023 | 30 Jun 2023 |
| | | \$ | \$ |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 5 | 944,300 | 275,938 |
| Trade and other receivables | 6 | 64,145 | 100,421 |
| Inventories - stock on hand | | 588,191 | 454,438 |
| Other assets | | 224,624 | 102,885 |
| Total current assets | | <u>1,821,260</u> | <u>933,682</u> |
| Non-current assets | | | |
| Term deposits | | 500,246 | 311,525 |
| Property, plant and equipment | 7 | 4,292,494 | 2,295,186 |
| Right-of-use assets | 8 | 9,242,456 | 5,333,193 |
| Intangibles | 9 | 386,154 | 409,000 |
| Other assets | | 102,812 | 102,062 |
| Total non-current assets | | <u>14,524,162</u> | <u>8,450,966</u> |
| Total assets | | <u>16,345,422</u> | <u>9,384,648</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 10 | 3,829,687 | 3,467,629 |
| Borrowings | 11 | 794,576 | 1,468,346 |
| Lease liabilities | | 2,103,546 | 1,450,035 |
| Employee benefits | | 328,475 | 296,678 |
| Total current liabilities | | <u>7,056,284</u> | <u>6,682,688</u> |
| Non-current liabilities | | | |
| Borrowings | 11 | 11,423,835 | 7,504,002 |
| Lease liabilities | | 13,041,938 | 10,190,800 |
| Employee benefits | | 105,554 | 84,954 |
| Provisions | | 282,758 | 242,758 |
| Total non-current liabilities | | <u>24,854,085</u> | <u>18,022,514</u> |
| Total liabilities | | <u>31,910,369</u> | <u>24,705,202</u> |
| Net liabilities | | <u>(15,564,947)</u> | <u>(15,320,554)</u> |
| Equity | | | |
| Issued capital | | 36,061,382 | 36,061,382 |
| Accumulated losses | | (51,626,329) | (51,381,936) |
| Total deficiency in equity | | <u>(15,564,947)</u> | <u>(15,320,554)</u> |

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

Oliver's Real Food Limited
Statement of changes in equity
For the half-year ended 31 December 2023



| | Issued capital \$ | Reserves \$ | Accumulated losses \$ | Total deficiency in equity \$ |
|--|-------------------------|----------------|-----------------------------|--|
| Consolidated | | | | |
| Balance at 1 July 2022 | 34,061,382 | - | (57,273,173) | (23,211,791) |
| Profit after income tax expense for the half-year | - | - | 6,302,835 | 6,302,835 |
| Other comprehensive income for the half-year, net of tax | - | - | - | - |
| Total comprehensive income for the half-year | - | - | 6,302,835 | 6,302,835 |
| Balance at 31 December 2022 | <u>34,061,382</u> | <u>-</u> | <u>(50,970,338)</u> | <u>(16,908,956)</u> |
| | | | | |
| | Issued capital \$ | Reserves \$ | Accumulated losses \$ | Total deficiency in equity \$ |
| Consolidated | | | | |
| Balance at 1 July 2023 | 36,061,382 | - | (51,381,936) | (15,320,554) |
| Loss after income tax expense for the half-year | - | - | (244,393) | (244,393) |
| Other comprehensive income for the half-year, net of tax | - | - | - | - |
| Total comprehensive loss for the half-year | - | - | (244,393) | (244,393) |
| Balance at 31 December 2023 | <u>36,061,382</u> | <u>-</u> | <u>(51,626,329)</u> | <u>(15,564,947)</u> |

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

Oliver's Real Food Limited
Statement of cash flows
For the half-year ended 31 December 2023



| | Consolidated | |
|---|-----------------------|-----------------------|
| | 31 Dec 2023 | 31 Dec 2022 |
| | \$ | \$ |
| Cash flows from operating activities | | |
| Receipts from customers (inclusive of GST) | 13,511,430 | 13,139,429 |
| Payments to suppliers and employees (inclusive of GST) | <u>(12,297,013)</u> | <u>(12,462,675)</u> |
| | 1,214,417 | 676,754 |
| Interest received | 3,647 | 474 |
| Interest and other finance costs paid | <u>(151,080)</u> | <u>(189,325)</u> |
| Net cash from operating activities | <u>1,066,984</u> | <u>487,903</u> |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment | (2,316,932) | (96,856) |
| Payments for security deposits | (188,721) | - |
| Proceeds from disposal of property, plant and equipment | 1,250 | 68,449 |
| Proceeds from release of security deposits | <u>-</u> | <u>22,903</u> |
| Net cash used in investing activities | <u>(2,504,403)</u> | <u>(5,504)</u> |
| Cash flows from financing activities | | |
| Proceeds from borrowings | 3,161,500 | 1,500,000 |
| Repayment of lease liabilities | (978,584) | (1,649,984) |
| Repayment of borrowings | <u>(77,141)</u> | <u>(79,498)</u> |
| Net cash from/(used in) financing activities | <u>2,105,775</u> | <u>(229,482)</u> |
| Net increase in cash and cash equivalents | 668,356 | 252,917 |
| Cash and cash equivalents at the beginning of the financial half-year | <u>275,944</u> | <u>225,384</u> |
| Cash and cash equivalents at the end of the financial half-year | <u><u>944,300</u></u> | <u><u>478,301</u></u> |

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Oliver's Real Food Limited (the 'company' or 'parent entity') 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 (collectively referred to as the 'consolidated entity'). 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 (ABN: 33 166 495 441) is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

5 Lenton Place North Rocks, NSW 2151

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 financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2024. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 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 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

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

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

Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

The consolidated entity made a loss after tax of \$244,393 (31 December 2022: profit of \$6,302,835) and has net cash inflows from operating activities of \$1,066,984 (31 December 2022: net cash inflows of \$487,903) for the half-year ended 31 December 2023. As at 31 December 2023, the statement of financial position reflected an excess of current liabilities over current assets of \$5,235,024 (30 June 2023: \$5,749,006).

The directors believe that it is appropriate to continue to adopt the going concern basis of preparation as the detailed cash flow forecast prepared by management, using their best estimate assumptions, indicated the consolidated entity will meet its ongoing compliance with its financial undertakings in the 12-month period to February 2025. This is highly dependent on the ability of the business to operate in line with the detailed cash flow forecasts, the ongoing support of key lenders and future market conditions which are out of the control of the consolidated entity and, as a result, may be subject to change.

Note 2. Material accounting policy information (continued)

These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts in these financial statements.

However, the directors believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- the consolidated entity has support from two leading shareholders and its funders Michael and Suzanne Gregg and Gelba Pty. Limited ('principal lenders') with undrawn facilities of \$611,000 as of the date of this report which enables the consolidated entity to meet its financial obligations, should it be required. The principal lenders' have advised the directors that no debts or accrued interest will be called for repayment for a period of 12 months from the date of signing the interim financial report for 31 December 2023, if the company does not have financial capacity to support such repayment of either interest or capital;
- the Board requested management prepare plans to further improve sales and profit, on what has already been achieved and continue to ensure the business is cash flow positive. The leases for both Wyong North and Wyong South have been renewed with the landlord for 5 years with two 5-year options. As part of the new lease, Wyong North's new fit out was completed and opened in September 2023. Wyong South will also be refitted in the latter half of 2024. These two are the company's biggest stores and the lease renewals provide certainty as to future sales for the entity; and
- a continuation of the upgrade to existing stores and equipment will continue to enable quick and efficient service in the consolidated entity's other QSR (Quick Service Restaurant) stores to drive additional revenue.

Provided the consolidated entity achieves the commitments in the forecast and meets its legal obligations under the terms of the loans, the lenders will continue to support the consolidated entity.

Should the above strategies and assumptions not materialise, there will be a material uncertainty whether the consolidated entity can continue as a going concern.

Based on the above, the directors are confident that the consolidated entity will meet its obligations and accordingly have prepared the financial statements on a going concern basis.

Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amount and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern. At this time, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements as at the reporting date.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segment being Quick Service Restaurants in Australia. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews earnings before interest, tax, depreciation, amortisation and impairment ('EBITDAI'). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Note 3. Operating segments (continued)

A reconciliation of the statutory result after income tax to EBITDAI is as follows:

| | Consolidated | |
|---|---------------------|--------------------|
| | 31 Dec 2023 | 31 Dec 2022 |
| | \$ | \$ |
| Net profit/(loss) after tax | (244,393) | 6,302,835 |
| Add: Depreciation and amortisation expense | 701,573 | 1,064,118 |
| Add: Finance costs | 621,360 | 589,226 |
| Less: Interest revenue | (3,647) | (474) |
| Less: Writeback of liability on termination of property lease | - | (6,406,213) |
| EBITDAI | <u>1,074,893</u> | <u>1,549,492</u> |

Note 4. Revenue

| | Consolidated | |
|--|---------------------|--------------------|
| | 31 Dec 2023 | 31 Dec 2022 |
| | \$ | \$ |
| <i>Revenue from contracts with customers</i> | | |
| Revenue from sale of goods - retail | <u>12,845,941</u> | <u>12,462,188</u> |
| <i>Other revenue</i> | | |
| Royalties | 135,739 | 205,611 |
| Rent | 6,284 | 8,342 |
| Other revenue | 1,306 | 1,082 |
| Revenue | <u>12,989,270</u> | <u>12,677,223</u> |

Disaggregation of revenue

Revenue from the sale of goods and royalties are generated from the sale of food and beverage generated in Australia and recognised when the goods are transferred at a point in time.

Note 5. Cash and cash equivalents

| | Consolidated | |
|-----------------------|---------------------|--------------------|
| | 31 Dec 2023 | 30 Jun 2023 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Cash on hand | 280,687 | 114,283 |
| Cash at bank | 663,613 | 161,655 |
| | <u>944,300</u> | <u>275,938</u> |

Note 6. Trade and other receivables

| | Consolidated | |
|--|----------------------|-----------------------|
| | 31 Dec 2023 | 30 Jun 2023 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Trade receivables | 69,359 | 100,496 |
| Less: Allowance for expected credit losses | <u>(5,214)</u> | <u>(33,000)</u> |
| | <u>64,145</u> | <u>67,496</u> |
| Other receivables | <u>-</u> | <u>32,925</u> |
| | <u><u>64,145</u></u> | <u><u>100,421</u></u> |

Note 7. Property, plant and equipment

| | Consolidated | |
|----------------------------------|-------------------------|-------------------------|
| | 31 Dec 2023 | 30 Jun 2023 |
| | \$ | \$ |
| <i>Non-current assets</i> | | |
| Leasehold improvements - at cost | 7,408,397 | 5,858,732 |
| Less: Accumulated depreciation | <u>(2,674,937)</u> | <u>(2,552,895)</u> |
| Less: Impairment | <u>(1,716,501)</u> | <u>(1,716,501)</u> |
| | <u>3,016,959</u> | <u>1,589,336</u> |
| Plant and equipment - at cost | 5,248,121 | 4,569,685 |
| Less: Accumulated depreciation | <u>(2,969,432)</u> | <u>(2,871,649)</u> |
| Less: Impairment | <u>(1,026,145)</u> | <u>(1,026,145)</u> |
| | <u>1,252,544</u> | <u>671,891</u> |
| Motor vehicles - at cost | 109,077 | 122,491 |
| Less: Accumulated depreciation | <u>(86,086)</u> | <u>(88,532)</u> |
| | <u>22,991</u> | <u>33,959</u> |
| | <u><u>4,292,494</u></u> | <u><u>2,295,186</u></u> |

Reconciliations

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

| Consolidated | Leasehold improvements | Plant and equipment | Motor vehicles | Total |
|-----------------------------|-------------------------------|----------------------------|-----------------------|-------------------------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2023 | 1,589,336 | 671,891 | 33,959 | 2,295,186 |
| Additions | 1,601,938 | 623,825 | - | 2,225,763 |
| Transfers in/(out) | (52,273) | 52,273 | - | - |
| Depreciation expense | <u>(122,042)</u> | <u>(95,445)</u> | <u>(10,968)</u> | <u>(228,455)</u> |
| Balance at 31 December 2023 | <u><u>3,016,959</u></u> | <u><u>1,252,544</u></u> | <u><u>22,991</u></u> | <u><u>4,292,494</u></u> |

Note 8. Right-of-use assets

| | Consolidated | |
|----------------------------------|------------------|------------------|
| | 31 Dec 2023 | 30 Jun 2023 |
| | \$ | \$ |
| <i>Non-current assets</i> | | |
| Lease of premises - right-of-use | 23,116,870 | 18,788,026 |
| Less: Accumulated depreciation | (7,063,583) | (6,644,002) |
| Less: Impairment | (6,810,831) | (6,810,831) |
| | <u>9,242,456</u> | <u>5,333,193</u> |

Reconciliations

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

| Consolidated | Lease of premises \$ |
|-----------------------------|-------------------------|
| Balance at 1 July 2023 | 5,333,193 |
| Additions | 4,189,517 |
| Revaluation increments | 139,325 |
| Depreciation expense | (419,579) |
| Balance at 31 December 2023 | <u>9,242,456</u> |

Note 9. Intangibles

| | Consolidated | |
|--------------------------------|----------------|----------------|
| | 31 Dec 2023 | 30 Jun 2023 |
| | \$ | \$ |
| <i>Non-current assets</i> | | |
| Software - at cost | 325,805 | 295,112 |
| Less: Accumulated amortisation | (140,539) | (109,780) |
| | <u>185,266</u> | <u>185,332</u> |
| Reacquired rights - at cost | 505,000 | 3,258,000 |
| Less: Accumulated amortisation | (301,591) | (2,990,293) |
| Less: Impairment | (2,521) | (44,039) |
| | <u>200,888</u> | <u>223,668</u> |
| | <u>386,154</u> | <u>409,000</u> |

Reconciliations

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

| Consolidated | Software \$ | Reacquired rights \$ | Total \$ |
|-----------------------------|----------------|-------------------------|----------------|
| Balance at 1 July 2023 | 185,332 | 223,668 | 409,000 |
| Additions | 30,693 | - | 30,693 |
| Amortisation expense | (30,759) | (22,780) | (53,539) |
| Balance at 31 December 2023 | <u>185,266</u> | <u>200,888</u> | <u>386,154</u> |

Note 10. Trade and other payables

| | Consolidated | |
|----------------------------|---------------------|--------------------|
| | 31 Dec 2023 | 30 Jun 2023 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Trade payables | 2,443,446 | 2,160,994 |
| Accrued expenses | 473,757 | 494,856 |
| GST payable | 139,429 | 483,828 |
| Other payables | 773,055 | 327,951 |
| | <u>3,829,687</u> | <u>3,467,629</u> |

Note 11. Borrowings

| | Consolidated | |
|--|---------------------|--------------------|
| | 31 Dec 2023 | 30 Jun 2023 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Insurance premium funding - unsecured ⁽¹⁾ | 119,416 | 43,186 |
| Loan from related party - Green Superannuation Fund - secured ⁽²⁾ | 300,160 | 300,160 |
| Loan from related party - Gelba Pty. Limited - secured ⁽³⁾ | 75,000 | 225,000 |
| Loan from related party - Michael and Suzanne Gregg - secured ⁽³⁾ | 175,000 | 525,000 |
| Revolving line of credit from related party - Gelba Pty. Limited ⁽⁴⁾ | 62,500 | 188,996 |
| Revolving line of credit from related party - Michael and Suzanne Gregg ⁽⁴⁾ | 62,500 | 186,004 |
| | <u>794,576</u> | <u>1,468,346</u> |
| <i>Non-current liabilities</i> | | |
| Loan from related party - Gelba Pty. Limited - secured ⁽³⁾ | 1,425,000 | 1,275,000 |
| Loan from related party - Michael and Suzanne Gregg - secured ⁽³⁾ | 3,325,000 | 2,975,000 |
| Revolving line of credit from related party - Gelba Pty. Limited ⁽⁴⁾ | 2,022,177 | 1,644,181 |
| Revolving line of credit from related party - Michael and Suzanne Gregg ⁽⁴⁾ | 1,741,658 | 1,618,154 |
| New site line of credit from related party - Michael and Suzanne Gregg ⁽⁵⁾ | 2,085,000 | - |
| New site line of credit from related party - Gelba Pty Limited ⁽⁵⁾ | 825,000 | - |
| Capitalised borrowing cost | - | (8,333) |
| | <u>11,423,835</u> | <u>7,504,002</u> |
| | <u>12,218,411</u> | <u>8,972,348</u> |

- (1) Insurance premium funding is payable in monthly instalments and carries an interest rate of 5.31% (30 June 2023: 5.1%) variable. This facility is unsecured.
- (2) Loan is associated with Martin Green who is a trustee of the Green Superannuation Fund and carries an interest rate of 6% per annum. This facility is secured by a fixed and floating charge of the assets of the consolidated entity.
- (3) The related party loan carries an interest rate of 7.3% (30 June 2023: 7.3%) per annum calculated daily and payable quarterly in arrears maturing 30 September 2029. Repayment of \$250,000 per quarter from 1 October 2024 with the first repayment due 31 December 2024. This facility is secured, namely first ranking security over assets of the consolidated entity.
- (4) The related party revolving line of credit carries an interest rate of 7.3% (30 June 2023: 7.3%) per annum calculated daily and payable monthly in arrears. \$2,500,000 is secured and fully drawn, maturing on 30 September 2029. Repayment of \$125,000 per quarter from 1 October 2024 with first repayment due 31 December 2024. \$2,000,000 is unsecured and drawn down to \$1,388,835, maturing on 30 September 2025.
- (5) The related party new site facility carries an interest rate of 7.3% (30 June 2023: 7.3%) per annum calculated daily and payable monthly in arrears. \$2,910,000 is secured and matures on 30 September 2025.

Note 12. Dividends

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

Note 13. Earnings per share

| | Consolidated | |
|---|--------------------|--------------------|
| | 31 Dec 2023 | 31 Dec 2022 |
| | \$ | \$ |
| (Loss)/profit after income tax attributable to the owners of Oliver's Real Food Limited | <u>(244,393)</u> | <u>6,302,835</u> |
| | Number | Number |
| Weighted average number of ordinary shares used in calculating basic earnings per share | 440,731,917 | 360,731,917 |
| Adjustments for calculation of diluted earnings per share: | | |
| Warrants* | <u>-</u> | <u>47,500,000</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>440,731,917</u> | <u>408,231,917</u> |
| | Cents | Cents |
| Basic earnings per share | (0.06) | 1.75 |
| Diluted earnings per share | (0.06) | 1.54 |

* In the current period, 47,500,000 warrants have been excluded from the calculation of diluted earnings per share, as they were anti-dilutive.

Note 14. Events after the reporting period

The company has agreed with the lenders to extend the maturity date of all loans by one year and any repayments will be delayed by one year. This was approved by the Board of Directors on 29 January 2024.

Wyong Southbound Lease Extension

On the 22 February 2024, a new sub-lease was signed with Ampol Petroleum Pty Ltd. The sub-lease will expire on 29 June 2028, with two five-year option periods.

No other matter or circumstance has arisen since 31 December 2023 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.

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 2023 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

A handwritten signature in black ink, appearing to read "M Green", written over a horizontal line.

Martin Green
Chairman

27 February 2024

Independent Auditor's Review Report

To the Members of Oliver's Real Food Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Oliver's Real Food Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a summary of significant accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Oliver's Real Food Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and 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.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of \$244,393 during the half year ended 31 December 2023 and, as of that date, the Group's current liabilities exceeded its current assets by \$5,235,024. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, 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.

Directors' responsibility 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

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements 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 half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

P J Woodley
Partner – Audit & Assurance

27 February 2024