



Oliver's Real Food Limited

2021 Annual General Meeting

Chairman's Address

Welcome to Oliver's Real Food Limited Annual General Meeting. My name is Kim Wood and I am the board Chairman. My fellow directors, Steve Metter and Martin Green are also here today. I welcome our CEO Tammie Phillips and CFO, Rob Ross-Edwards to the meeting, along with other Oliver's staff. You will be hearing from Tammie shortly. There will be an opportunity for questions later in the proceedings. Thank you for joining us today.

The 2020/21 year was a year of great change for Oliver's, with Oliver's now well positioned and looking forward to improved trading conditions as the COVID-19 related business impacts reduce in 2022.

As I said in the recent Annual Report, the suspension from official quotation by the Australian Securities Exchange (ASX) was the most significant challenge faced by the Company and its investors. The ASX suspended the Company's securities on the 26th February 2021 based upon concerns related to the Interim Financial Statements for the half-year ended 31 December 2020. Those statements were issued with an auditor's disclaimer of review conclusion, as the auditors considered that they had insufficient evidence to support the Board's view that the half-year financial statements supported a going concern basis. Subsequently, the Board provided additional evidence to the auditors relating to their initial going concern opinion and were successful in obtaining reissued consolidated half-year statements which did not contain either a disclaimer of review conclusion or an adverse review conclusion. That additional evidence included details of the restructuring plan forecast to reduce costs by more than \$4,000,000 annually, as well as details of a \$2,500,000 funding initiative.

Unfortunately, the ASX chose not to reinstate the Company's securities, and then raised further concerns about the level of working capital. The most recent audit did not repeat those initial concerns that led to the Company's suspension from the ASX. Further, Oliver's new auditors have quickly developed a constructive relationship with both board and management.

With regard to the current trading suspension, Oliver's has maintained a robust dialogue with the ASX with the aim of the resumption of trading. The ASX maintains its view that the Company's working capital should be at a minimum level of \$1.5 million. While this does not on face value appear to be onerous, it needs to be understood in the context of a business that carries little inventory and has a large number of significant property lease commitments. In order to maintain the ASX required level of working capital, a significant (and inefficient) cash balance would be required to meet that hurdle. Raising significant amounts of capital to reach the required \$1.5 million working capital level would be highly dilutive, and in fact may not be achievable in the current environment. This is not an attractive or workable solution in the directors' opinion.

The ASX has stated that it is potentially open to alternative arrangements, and there may be opportunity to find an alternative workable solution. The board will continue to explore ways of satisfying the ASX's requirements. It is important for investors to understand that the board is also exploring other opportunities, including alternate listing solutions. We understand the difficulties that this suspension has caused for many investors and are confident that we will resolve this matter and see trading in the Company's securities recommence.


Oliver's Real Foods reinvented its operating model during the 2020/21 year. Our CEO, Tammie Phillips will describe those changes in detail in her presentation. The board is confident that the Company has now established the right model to support both the current and future needs of the business. We are pleased with the continuing association with EG partnership and thank them for playing their part in the Oliver's Real Food story. We know that we need strong partnerships to succeed.

Major shareholders, Michael and Suzanne Gregg and Gelba Pty. Limited recently took over the financing role previously undertaken by Pure Asset Management. Further, they have funded a line of credit that provides some headroom to the Company. The board appreciates this commitment and confidence in the business by two major shareholders. We appreciate the past support shown by Pure and wish them well. They remain significant shareholders and have a stake in Oliver's success.

The Board hopes to announce an opportunity for all existing investors to participate in an attractively priced equity raise in coming months. This is likely to depend on our success in having the company relisted on the ASX or on an alternative trading platform.

On behalf of the Board, I would like to thank all our employees for their dedication and hard work during the last year. I know that there have been uncertainties and due to the COVID-19 related impact on our stores and employees' working hours. The new operating model has created both opportunities and challenges for employees too.

As I stated in the last Annual Report, we are seeing the benefits of a better way to do our business. A focus on an agile and nimble model will benefit employees, partners, and investors. We have that model. We have a united Board and a strong management team. We have committed employees. We have great partners. I encourage all of you to stay the course as we rebuild. I am certain that Oliver's Real Food has a brighter future.



Kim Wood

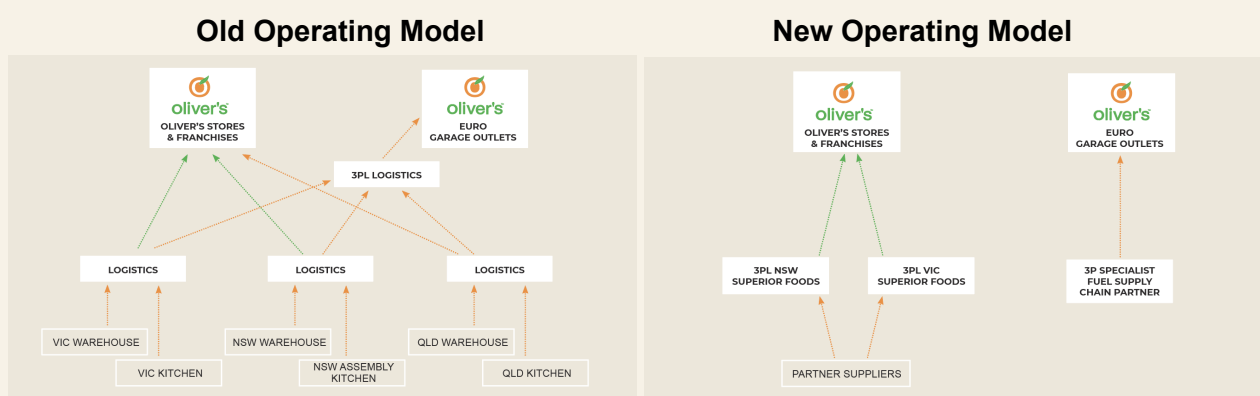
CHAIRMAN

CEO's Address

Hello and thank you for taking the time and interest to join the Oliver's Annual General Meeting.

With all the challenges that COVID threw at us throughout the year, we took significant steps to make sure Oliver's weathered the economic impact by minimising cash outflows and utilising government support schemes, whilst still progressing with the changes to the business model I announced at last year's AGM. It has been an immensely challenging yet productive year and I am pleased to update shareholders on the progress the company has made over the past 12 months.

I announced last year that I believed our greatest gains would come from rooting out the excess complexity in the business model and simplifying the structure and overhead in the business. I am pleased to advise that the operating model was transformed successfully and completed in June 2021.



The highlights of the re-structure as displayed on the new operating model slide - include the closure of 3 production kitchens, 3 warehouses, in-house logistics as well as a reduction of 40% to Head Office fixed costs reducing the company's cost base by approximately \$4.0mill per annum.

The complex in-house operations have now been replaced with strategic partnerships that foster efficiency. This includes a productive relationship which commenced in April 2021 with Superior Foods who now service all company warehousing and logistics. Under the new partnership Superior Foods now own, manage, and distribute our stock. The transition has improved the speed and accuracy of logistics and fulfilment rates to stores.

In the area of food production, the business now collaborates with bespoke food and drink manufacturers to produce our recipes which are delivered into Superior's Warehouses for distribution to our store network 3 times a week as well as to 180 EG Petrol Stations. Whilst we have retained control of the IP and developments in our branded lines, we are already seeing the further benefits that collaboration brings to innovation.

The new agile operating model aligns much of our expenditure to the level of trading so that a number of our former fixed costs have now been converted to variable costs which, as well as establishing a solid foundation for a return to profit, also placed the business in a much stronger position to manage the lengthy COVID lockdowns and disruptions throughout the year.

That said, the trading conditions due to COVID were extremely tough. The store network did not get a clear runway for sales throughout the year but there were windows of strong performance that gave cause for real optimism. Some examples being:

1. The NSW network which was the least impacted up until the June 2021 lockdown was trending to match 2019 (pre-pandemic) sales levels.

2. 25% of total store revenue was derived from sales from new products and categories introduced over the past 12 months. Significantly the introduction of bundle deals resulted in a contribution of 18% to total sales. In March 2021, a new breakfast bundle menu was launched resulting in the 6am-11am time-of-day category lifting from 25% to 30% of total contribution to sales.
3. Our EG partnership grew to 180 Petrol Stations including broadening our supply into WA & SA, which we could not have undertaken under the old model. In June 2021 we also opened an additional new Oliver's franchise at Winter Valley, Victoria.

Despite the patches of optimism our trading fell short of projections and the year was heavily dominated by strong cost management.

Financial Overview

Total Reported Loss	-\$4.412m
Impairments	- \$2.274m
Depreciation & Amortisation	\$5.034m
Finance Costs	\$1.806m
EBITDAI	\$0.118m

We ended the financial year with total revenue of \$28.4m with net loss after tax of \$4.4m vs -\$17.5m in FY20. The 2021 figures include \$1m in re-structure costs (which included redundancies and operating site closures) as well as a write back of \$2m in impairments.

FY22 has continued to be heavily affected by COVID. As I write this sales continue to be patchy and far from even across the network with each region and venue now facing its own unique challenges relating to the new virus variant Omicron which is impacting both sales and staff. Under the new operating model with much of our expenditure aligned to the level of trading, the business has been focusing on maximising landlord assistance and strong wages control.

Whilst we are still grappling with COVID-19 and are uncertain on how it may continue to impact sales, what we are certain of is that under our new operating model our store network sales need to restore to 2019 pre pandemic levels to achieve a break-even EBIT. And to that end our focus has been on strategies that will get the business there and beyond. The activity has focused on Product Development, Technology and Marketing and Brand.

Growth Initiatives

Product Development

The development of new products has remained a critical element of our business strategy. Our strategic focus throughout the year has been on time-of-day sales, bundling and new product development in our FOOD TO GO category which supplies into both our store and the EG channel networks.

In November 2021 we launched our Kids Menu Meal Deal which incorporates packaged healthy menu choices for little OLI customers including a meal, side & drink boxed for \$9.95.

Our forward strategy is to continue to leverage our strong health brand with continuous innovation to gain market share, grow the average sale into EG stores and create long term competitive advantages.

Technology

In April 2021 we successfully rolled out a new point of sale system to all stores. Along with significant cost savings, some of the improved benefits from the new system include digital menu boards with time-of-day capabilities; real time live updating to menus and pricing to stores; and significantly enhanced analytic data. Further we re-launched our self-service kiosks with improved functionality and re-designed our digital menus which has made our messaging and communication much clearer.

In the areas of Finance, HR and Recipe Development we have transitioned the business from out-of-date, inefficient software to newer technologies that have improved workplace productivity. Efficiencies gained in these areas have contributed to the reduction of 40% in Head Office personnel.

Marketing and Brand

In the second half FY21 the company underwent an extensive review of the Oliver's brand and marketing function which included qualitative customer research across a broad demographic of road trippers, families, retirees, holiday groups and workers/commuters. Through this process we gained an insightful understanding of how Oliver's can best build its brand and marketing maturity to drive revenue growth and customer experience.

From this research we have created a very lean, highly effective and strategic marketing presence and will transform the brand over two years to being a recognised leader in the QSR and health space. This has begun with a brand refresh, a new website and social media strategy, and will continue through innovative digital advertising, content marketing, communications and strategic partnerships.

We recently launched a summer 'Home on the Road' marketing campaign to drive demand during this holiday period and will continue the momentum with strategic campaigns leading up to Easter and the June holidays. We are also refreshing and expanding our out-of-home billboard network to capture consumers close to the point of purchase.

Looking to the future...

In closing, I am excited for the future. Despite the challenges that have been thrown at us we have taken significant steps to make sure that Oliver's will emerge stronger than before and return to profit. We now have a simple and lean operating model that enables the business to concentrate on sales growth through innovation, continuous improvement, and evolving the brand. Our vision and strategy are clear, and I look much forward to leading the charge on it.