



Oliver's Real Food Ltd
ABN 33 166 495 441

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29 January 2024
ASX Announcement

Oliver's Real Food Limited (ASX: OLI) Quarterly Appendix 4C – December 2023

The Company hereby provides its operations report and Appendix 4C for the December 2023 quarter.

December Quarter Trading Commentary

The Company revenue was \$6.851m, an increase of \$93k (1.3%) compared to December 2022 quarter and the EBIT result was \$176k, down \$230k (56.65%) also compared to December 2022 quarter.

As announced on 17 January 2024 in our Market Update, sales in the quarter were impacted significantly by the relocation of the Wyong North store into the Ampol service centre. The construction works associated with the car park redevelopment throughout October, November and into December, meant sales at that store, which is our highest revenue generator, were down 11.16% in the quarter. Once the carpark was fully re-opened on December 12, sales at the store rebounded and were only down 5% in December.

Same store sales growth fell 2% in the quarter however excluding the significant impacts at Wyong North, all other network stores sales were flat. Gross margins continued to improve and were 64.35% compared with 62% in the December 2022 quarter.

Expenses were up 11.2%, mostly attributable to increased labour cost resulting from the FWC 2023 National Wage Case decision, but also due to one off costs, such as staff training costs, associated with opening the two stores at Pheasant Nest.

Material business activities for the December 2023 Quarter

- Company-owned store sales were \$6.767m.
- Like-for-like store comparison is down 2% on 2022 sales.
- Like-for-like store performance by State compared with 2022: NSW down 6%, VIC up 12%, QLD down 3%.

- Cash flows from operating activities were positive at \$647k. (Y.T.D \$1.067m)
- Food-to-Go total sales were \$1.16m, and the Company earned \$70k in royalties.

December 2023 Quarter unaudited financial summary*

	FY2024 Actual \$'000	FY2024 Forecast \$'000	Actual v Forecast \$'000	FY2023 Actual \$'000	FY24 v FY23 \$'000
Revenue	6,851	7,531	(680)	6,758	93
Less COGS	2,442	2,703	(261)	2,568	(126)
Gross Margin	4,409	4,828	(419)	4,190	219
<i>GM %</i>	<i>64.35%</i>	<i>64.11%</i>		<i>62.00%</i>	
Less Expenses	4,233	4,490	(257)	3,784	449
EBIT	176	338	(162)	406	(230)
Less Interest	322	299	23	326	(4)
Operating result	(146)	39	(185)	80	(226)

*These figures have been updated from the figures released in our announcement dated 17 January 2024

Outlook

Presently overall sales are up 10% in January 2024 due to the opening of the two new stores at Pheasant Nest. Same store sales are down 1.5% compared to 2023.

We reported in our recent Market Update announcement that both Pheasant Nest stores were below our internal forecasts. Whilst they are still below expectation, we are encouraged that sales are improving in January as our marketing initiatives see more customers becoming aware of these new stores.

On Monday January 29, the McDonald's store at the Ampol Wyong South services will close. As was the case when McDonald's closed at Wyong North last year, Oliver's will be the only full-service food outlet open at Wyong South for a period of 10 weeks. We anticipate our sales at the store will lift during this period.

We also confirm that we have signed with Ampol a new 5-year lease, with two 5-year option periods for the Wyong South store. This is our second biggest store by sales and an important part of our network. However, unlike Wyong North, our Wyong South store will remain in its current location but will undergo some necessary renovations which will be scheduled in calendar 2024 but undertaken so as to not significantly disrupt trade.

Funding Update

After discussion with our Lenders, we can advise that we have reached agreement to extend the maturity date of all loans by one year and any repayments will also be delayed one year.

Full details of the current loan facilities are detailed in the 4C appendix.

The Board takes this opportunity to advise that the Lenders have confirmed to the Board and our auditors the following assurance:

“... we advised that no debts, or accrued interest, will be called for repayment for a period of 12 months from the date of signing the FY24 half-year financial report, if the Company does not have the financial capacity to support such repayment of either interest or capital”.

Payments to related parties (Listing Rule 4.7C.3)

Interest paid to related party entities on loans was \$117k for the quarter. Directors' Fees paid amounted to \$Nil.

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The Board of Directors has authorised this ASX release.

For further information, please contact:

Martin Green, Chairman

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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

DECEMBER 2023

Consolidated statement of cash flows	Current Quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,123	13,511
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-3,188	-6,435
(c) advertising and marketing	-80	-142
(d) leased assets	-	-
(e) staff costs	-2,735	-5,135
(f) administration and corporate costs	-355	-585
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	4
1.5 Interest and other costs of finance paid	-121	-151
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – Brisbane Kitchen make-good	-	-
1.9 Net cash from / (used in) operating activities	647	1,067
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-1,434	-2,316
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows	Current Quarter \$A'000	Year to date (6 months) \$A'000
(f) other non-current assets -Term Deposit	-190	-190
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	1	1
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-1,623	-2,505

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	1,870	3,162
3.6 Repayment of borrowings (leased assets)	-503	-979
Repayment of borrowings	-43	-77
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	1,324	2,106

Consolidated statement of cash flows		Current Quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	596	276
4.2	Net cash from / (used in) operating activities (item 1.9 above)	647	1,067
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-1,623	-2,505
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,324	2,106
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	944	944

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	661	432
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	283	164
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	944	596

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. Interest on Related party loans (\$117k), Directors Fees (NIL).	117
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.

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

7. Financing facilities	Total facility amounts at quarter end \$A'000	Amount drawn at Quarter 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	9,500	8,889
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	3,211	3,211
7.4 Total financing facilities	12,711	12,100
7.5 Unused financing facilities available at month end		611
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 Pty. Limited and Michael and Suzanne Gregg at an interest rate of 7.30% pa calculated daily and payable quarterly in arrears maturing 30 September 2029. Repayment of \$250k per quarter from 1 October 2024 with first repayment due 31 December 2025.</p> <p>A \$2.5m secured revolving line of credit facility with Gelba Pty. Limited and Michael and Suzanne Gregg at an interest rate of 7.30% pa calculated daily and payable monthly in arrears maturing 30 September 2029. Repayment of \$125k per quarter from 1 October 2024 with first repayment due 31 December 2024</p> <p>A \$1.5m unsecured revolving line of credit with Gelba Pty. Limited and Michael and Suzanne Gregg at an interest rate of 7.30% pa calculated daily and payable monthly in arrears maturing 30 September 2025.</p> <p>A \$500k unsecured revolving line of credit with Gelba Pty. Limited at an interest rate of 7.30% pa calculated daily and payable monthly in arrears maturing 30 September 2025</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> <p>Unsecured refit and equipment finance loan for Pheasant Nest stores and Wyong North with Gelba Pty. Limited and Michael and Suzanne Gregg at an interest rate of 7.30% pa calculated daily and payable monthly in arrears. As of 31 December 2023, \$2,910m fully drawn. Maturity date of this facility is yet to be negotiated but no earlier than 30 September 2025.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	647
8.2 Cash and cash equivalents at quarter end (item 4.6)	944
8.3 Unused finance facilities available at quarter end (item 7.5)	611
8.4 Total available funding (item 8.2 + item 8.3)	1,555

8.5 Estimated Quarters of funding available (item 8.4 divided by item 8.1)

N/A

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.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

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: N/A

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: N/A

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

Compliance statement

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

Date: 29 January 2024.....

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.