



Oliver's Real Food Ltd
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12 July 2017

ASX Release: Oliver's Real Food Limited (ASX:OLI)

Oliver's Real Food secures Strategic location on Bruce Highway Maryborough Qld

Highlights and Financial Impact

- Oliver's Real Food Limited (**Oliver's** or the **Company**), has secured another strategic location, this time on the Bruce Highway at Maryborough 255 kilometres north of Brisbane.
- Oliver's will acquire the freehold property and the business currently known as Sexie Coffie for a total cost of \$2.2 million (\$1.2 million for the property, which is supported by an independent valuation, and \$1 million for the business).
- The acquisition is consistent with the growth plans detailed in the Oliver's Prospectus dated 17th May 2017 (**Prospectus**).
- Oliver's will fund the acquisition entirely from proceeds from the IPO.
- The acquisition is expected to generate Revenue of \$1.5m and EBITDA of \$0.25 million in its first full year, however the contribution to FY18 EBITDA is likely to be minimal due to the expected opening date and costs associated with the conversion of the store.
- Acquisition completion is scheduled for 1 September 2017.
- Funding for the acquisition will be entirely from IPO proceeds.
- A deposit for the business has been made and completion is expected on 1 September 2017.
- There are no conditions precedent for completion.
- Post-acquisition Oliver's will rebrand the store as Oliver's Maryborough following an internal refurbishment and new signage.
- Oliver's Maryborough is expected to be open for trading before the end of this calendar year.

Overview

Oliver's has today executed binding agreements to acquire the freehold property and the business currently known as Sexie Coffie for a total cost of \$2.2 million (\$1.2 million for the property and \$1 million for the business).

Originally built as a McDonalds Family restaurant, the site has been run as a roadside café since 2002. The property comprises a 5,115 m² corner allotment located with good exposure to the Bruce Highway. The location adjoins a Caltex truck stop service station and the Oliver's Board believes this,

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combined with the highway traffic exposure, are positive attributes. The property is improved with a single level fast food restaurant with dine in and drive-through service having a total lettable area of 381 m².

Strategic Rationale

As disclosed in Oliver's Prospectus, Oliver's business strategy is to accelerate the roll out of new stores along the arterial highways of Australia's eastern and southern seaboard. Store location is selected for its traffic flows, ease of access, situation of other Quick Service Restaurant outlets and the location of Oliver's kitchens and service routes. A key benefit from the roll out strategy is economies of scale. New store openings will be a combination of acquiring existing retail outlets and converting them to Oliver's stores and via greenfield development.

Oliver's identified 11 new locations in the Prospectus for roll out in FY18. This store was not at a location identified in the Prospectus but as disclosed in the Prospectus, the Board will consider other sites that become available. Sexie Coffie is a site that satisfies Oliver's criteria for roll out of new stores and was an attractive opportunity to Oliver's. In particular, Sexie Coffie is:

- Currently a profitable roadside store with approximately \$1.5 million in sales per annum;
- Strategically located on the Bruce Highway, a major road between Brisbane and North Queensland;
- Consistent with Oliver's strategy to open more stores in Queensland – this will be the second store in Queensland; and
- A building of high quality.

Local residents and people driving the Bruce Highway will now be able to choose from a variety of nutrient rich foods including: salads, sushi, gourmet pita pockets, chia cups, yoghurt cups, organic soups and curries, sandwiches, coffee and protein balls. They can also enjoy a portion of Oliver's steamed organic beans with Himalayan rock salt – the healthy alternative to fries.

"Every decision we make is based on how much good we are doing in the world. We call it 'feed your good', and if we all do what we can, the world will soon become a much better and healthier place" said CEO Jason Gunn.

"The Maryborough store is the latest of a number of new stores planned to serve travellers on the eastern seaboard. It marks another step forward for a company whose business model has successfully anticipated the convergence of three significant trends in the Australian market," said Chairman Mark Richardson. "The growth of the fast food market, investment in highway infrastructure and the growing

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awareness of the health benefits of thoughtful food choices all converge to provide a bright future for this newly listed public company”.

For further information please contact:

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About Oliver's Real Food Limited (ASX:OLI)

Oliver's Real Food Limited (**Oliver's**) listed on the ASX on 21 June 2017 after raising \$15m by way of an Initial Public Offering. Over its 12 year operating history, Oliver's has established a significant market position providing a healthy, fresh food alternative to traditional fast food for travellers on Australia's major arterial highways. Oliver's Real Food is believed to be the world's first certified organic fast food chain with stores along the arterial highways of Australia's eastern seaboard. Oliver's provides its customers with premium quality, “real” food that is fresh and natural, free from additives and preservatives, 7 days a week at major highway locations. Oliver's is passionate about nutrition and the benefits of eating well. Approximately 50% of the food and beverages sold at Oliver's sites is organically grown and 90% of it is Oliver's branded.

Oliver's plans to own and operate approximately 33 stores by the end of FY2018 and over 60 stores within the next few years.

www.oliversrealfood.com.au

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