



**Oliver's Real Food Ltd
ABN 33 166 495 441**

**PO Box 3678
TUGGERAH NSW 2259
(02) 4353 8055**

5 November 2018

ASX RELEASE

Oliver's Real Food Limited (ASX: OLI)

Business update and FY19 market guidance, completion of placement and launch of entitlement offer

Oliver's Real Food Limited (**Oliver's** or the **Company**) provides a business update and market guidance for FY2019 and announces the completion of an institutional placement and the launch of a pro rata non-renounceable entitlement offer.

Key Highlights

- Last quarter highlights include completion of in-store technology testing with new technology initiatives approved, launch of new Oliver's summer menu with pricing adjustments and new menu branding, and a refreshed focus on external marketing.
- Completion of an institutional placement raising approximately \$3.5 million.
- Launch of a 1 for 6 pro rata non-renounceable entitlement offer to raise up to \$3.9 million.
- Net proceeds received from the placement and the entitlement offer will be used for
 - new store development and roll-out
 - speed ovens, self-ordering kiosks and refurbishment of Wyong stores
 - NSW warehouse and kitchen improvements
 - brand, marketing and packaging initiatives.
- Expectation for FY2019 of between \$40 million and \$43 million in revenue and between \$1.0 million and \$1.5 million in reported EBITDA and for FY2020 of between \$50 million and \$55 million in revenue and between \$3 million and \$4 million in reported EBITDA.

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Business update

During the last quarter, the Company has launched a number of operational improvement initiatives under the guidance of new CEO Greg Madigan. Since the last business update, the Company has achieved the following:

- Launch of the new Oliver's Summer Menu featuring new vegan salad range and a pulled pork roll, along with pricing adjustments and new menu branding, all aimed at contributing better value to our customers.
- Completion of in-store technology testing with new initiatives approved that will vastly improve the speed of our customer service experience. This includes new self-ordering kiosks to reduce service waiting times, and new speed cook ovens that will reduce cooking wait times by more than half.
- A refreshed focus on external marketing, including new billboard messaging, and a renewed focus on effective social media, helping to improve brand awareness and provide regular communication with our valued customer.

Mark Richardson, Chairman, said:

"Greg Madigan commenced as CEO on 9th April 2018 and during these last two quarters the Board is delighted with the speed with which Greg has built out a highly qualified and experienced QSR team, who have made significant improvements which are outlined in detail in the equity raising presentation lodged today with ASX. Of course, this has required significant additional cash expenditure and we are pleased to have funded all of these initiatives and the consolidation program from internal cash flow, with no increase in debt levels, while retaining a positive cash balance of \$1.9 million at the end of the September quarter. Importantly, each initiative has been implemented prior to the two far busier trading quarters, being the upcoming October to March period, and we believe that Oliver's will see a positive revenue, cash flow and profit benefit through these quarters."

FY2019 market guidance and expectations for FY2020

The Directors are pleased to provide the following post-Capital Raising outlook for FY2019:

- The consolidation approach to FY2019 will see many projects implemented to benefit and improve the performance of the brand.

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- As with any consolidation period, FY2019 results are viewed as transitional. This will see investment with part-year benefits for some projects, investment with little FY2019 impact for other projects, and some projects will be in development phase and carry into FY2020.
- FY2019 revenue of between \$40 million and \$43 million.
- FY2019 reported EBITDA of between \$1.0 million and 1.5 million.

Oliver's' expectations for FY2020 is for revenue of between \$50 million and \$55 million with reported EBITDA between \$3 million and \$4 million.

Capital Raising

Placement

The Company is pleased to announce the successful completion of a placement to existing and new institutional investors (**Placement**), raising approximately \$3.5 million. The Placement was conducted on 1 and 2 November 2018 and was lead managed by Veritas Securities Limited (**Veritas**).

Shares under the Placement were offered at a price of \$0.11 per share, representing an approximate discount of 16% to the 20 day volume weighted average price (**VWAP**) of Oliver's shares (**Shares**) prior to 31 October 2018.

Approximately 32 million new Oliver's shares will be issued under the Placement and, in accordance with ASX Listing Rule 7.1, no shareholder approval is required in connection with the issue of those new shares. New shares issued under the Placement will rank equally with existing Oliver's fully paid ordinary shares on issue.

Settlement and issue of the new shares to be issued under the Placement is expected to occur on Friday, 9 November 2018. The new shares are expected to commence trading on ASX on a normal settlement basis on Monday, 12 November 2018.

The Company is delighted with the outcome of the Placement which was conducted through challenging market conditions. The Company is pleased to see the support of existing and new investors for the Company's growth strategy and looks forward to implementing the strategy for the benefit of all shareholders.

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Entitlement Offer

In conjunction with the Placement, Oliver's is pleased to announce the launch of a pro rata non-renounceable entitlement offer (**Entitlement Offer**). Under the Entitlement Offer, all **Eligible Shareholders** (being those Oliver's shareholders with a registered address in Australia or New Zealand as at the Record Date) will be invited to subscribe for one new Oliver's share (**New Share**) for each six existing Shares held as at 7:00pm (Sydney time) on Thursday, 8 November 2018 (**Record Date**) at an offer price of \$0.11 per New Share (**Offer Price**), being the same price as the issue price under the Placement.

In addition to each Eligible Shareholder's entitlement under the Entitlement Offer, Eligible Shareholders who subscribe for their full entitlement to New Shares will also be offered the opportunity to subscribe for additional New Shares to the extent there is a shortfall under the Entitlement Offer (**Shortfall Facility**).

Any New Shares that are not taken up by Eligible Shareholders (whether on exercise of any entitlement or under the Shortfall Facility) may be placed by the Company within three months of the closing date of the Entitlement Offer on the same terms as the Entitlement Offer at the discretion of the Board.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferrable. New Shares issued under the Entitlement Offer will rank equally with each existing Share on issue. Oliver's will seek quotation of the New Shares on ASX at the time of their issue.

The Entitlement Offer will open on Monday, 12 November 2018 and will close at 5:00pm (Sydney time) on Tuesday, 27 November 2018, unless extended. An offer booklet in respect of the Entitlement Offer (**Offer Booklet**) was lodged today with ASX and is expected to be mailed to Eligible Shareholders on Monday, 12 November 2018.

Key dates of the Placement and the Entitlement Offer (together, the **Capital Raising**) are provided at the end of this announcement.

An equity raising presentation which provides further details on the Company's business operations and strategy, and on the Capital Raising, was lodged with ASX today and is also available at the Company's website – www.investor.oliversrealfood.com.au.

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Use of funds

The continuation of the initiatives outlined in the business update at the beginning of this announcement require further capital. The proceeds from the Capital Raising (less associated costs) will be used for all, or some, of the following:

- developing and opening new stores to take advantage of sales and market momentum;
- implementing new instore kitchen and service equipment to improve speed of service and store service capacity;
- refurbishing the two flagship stores in Wyong to improve capacity and efficiencies including additional self-ordering kiosks;
- a new central support facility in NSW, improving efficiency and capacity to service Oliver's expanding store count;
- conducting brand research to better understand the Company's brand strengths and opportunities, developing Oliver's' offering further thereby extending Oliver's leadership in the healthy food QSR category;
- increasing sales and marketing activity to support accelerated growth;
- undertaking a complete review of packaging and waste; and
- improving the Company's billboard assets to ensure optimum exposure.

The extent to which the Company pursues some, or all, of the above initiatives will depend on the total proceeds raised under the Entitlement Offer (noting that the Company has already raised approximately \$3.5 million through the Placement). Further details of what the Directors propose regarding these initiatives is set out in the equity raising presentation lodged with ASX today and also available from the Company's website – www.investor.oliversrealfood.com.au.

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Key dates

Remaining key dates for the Capital Raising are as follows:

Event	Date
Release Investor Presentation, Appendix 3B and 708AA cleansing notice	Monday, 5 November 2018
Lodgement and despatch of notice to security holders containing the information required by Appendix 3B	Tuesday, 6 November 2018
"Ex" date <i>Securities are quoted on an "ex" basis</i>	Wednesday, 7 November 2018
Record Date for eligibility to participate in the Entitlement Offer	7:00pm (Sydney time) on Thursday, 8 November 2018
Settlement and issue of New Shares under the Placement (on a DvP basis)	Friday, 9 November 2018
New Shares issued under the Placement commence trading on ASX on a normal settlement basis	Monday, 12 November 2018
Offer Booklet and Entitlement and Acceptance Form despatched to shareholders Announce despatch to ASX Entitlement Offer opens	Monday, 12 November 2018
Despatch of holding statements for New Shares issued under the Placement	Tuesday, 13 November 2018
Closing Date of Entitlement Offer	5:00pm (Sydney time) on Tuesday, 27 November 2018, unless extended
New Shares to be issued under the Entitlement Offer quoted on a deferred settlement basis	Wednesday, 28 November 2018
Announcement of results of Entitlement Offer (including any shortfall)	Friday, 30 November 2018

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Event	Date
New Shares issued under the Entitlement Offer	
Deferred settlement trading ends	Tuesday, 4 December 2018
New Shares issued under the Entitlement Offer commence trading on ASX on a normal settlement basis	Wednesday, 5 December 2018
Despatch of holding statements for New Shares issued under the Entitlement Offer	Thursday, 6 December 2018

*** These dates are indicative only and are subject to change. Oliver's reserves the right, subject to the Corporations Act 2001 (Cth) and the ASX Listing Rules, to amend this indicative timetable. In particular, Oliver's reserves the right to extend the Closing Date, accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw or vary the Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the allotment and issue of New Shares. Oliver's will consult with Veritas in relation to any change to this indicative timetable and any such change may require the consent of the Underwriter.*

Further information

Further information regarding the Company, the Placement, and the Entitlement Offer are set out in the equity raising presentation released to ASX today and available on the Company's website – www.investor.oliversrealfood.com.au. The equity raising presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer. A copy of the equity raising presentation will be included in the Offer Booklet. Eligible Shareholders are encouraged to read the Offer Booklet carefully, including the equity raising presentation, before deciding whether or not to participate in the Entitlement Offer.

For further information please contact:

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Chief Executive Officer
Phone: 02 4353 8055

Mark Richardson
Chairman
Phone: 0412 334 353

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 13 year operating history, Oliver's has established a significant market position providing a Fresh, Natural and Organic fast food alternative for travellers on Australia's major arterial highways. Oliver's Real Food is considered to be the world's first "certified organic fast food chain" and provides its customers with

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premium quality, "real" food that is fresh, natural, & free from additives and preservatives, 7 days a week.

Oliver's currently operates 28 company owned stores, with plans to extend this network.

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

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