

24 June 2022
ASX Announcement

ASX - OLI

Monthly Appendix 4C – May 2022

Further to ASX's request, pursuant to listing rules 18.7 and 18.8, that Oliver's Real Food Limited ("OLI" or the "Company") lodge a monthly report in the form of an Appendix 4C under listing rule 4.7B, commencing with an Appendix 4C for May 2021, the Company provides Appendix 4C for the month ending 31 May 2022.

The Company's material business activities for May 2022 included:

- Company-store sales \$1,777,413, down 11.89% on 2021 sales, and down 20.26% on **May 2019**.
- State performance compared with 2021: NSW down 9.55%, VIC down 15.81%, QLD down 20.88%.
- State performance compared with **2019**: NSW down 6.17%, VIC down 41.27%, QLD down 14.42%.
- Oliver's Food to Go total sales were \$439,000.

The Company further reports that the expenditure in the May monthly 4C, to related parties reported at Item 6.1, is solely Directors' fees paid to Non-Executive Directors.

The negative operating cashflow was significant and represents a reduction in trade creditors and other liabilities of \$770,000 during the month.

There are encouraging signs for June sales, the NSW stores, are close to pre-COVID 2019 levels. However, the remaining Victorian stores, while showing some improvement, still remain well below pre-COVID sales. As noted recently, the company continues to monitor the Victorian stores and negotiate with landlords.

This ASX release has been authorised by the Board of Directors.

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For further information please contact:

Martin Green, Chairman
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Oliver's Real Food Limited (**Oliver's**) listed on the ASX on 21 June 2017. Over its 15-year operating history, Oliver's has established a significant market position providing a healthy fast food alternative for travellers on Australia's major arterial highways. Oliver's Real Food is the world's first "certified organic fast food chain" and provides its customers with premium quality, "real" food that is fresh, natural, & free from additives and preservatives. 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

Appendix 4C

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

Name of entity

OLIVERS REAL FOOD LIMITED

ABN

33 166 495 441

Month ended

MAY 2022

Consolidated statement of cash flows	Current Month \$A'000	Year to date (11 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,880	18,680
1.2 Payments for		
(a) research and development	-	-33
(b) product manufacturing and operating costs	-1,509	-10,934
(c) advertising and marketing	-32	-260
(d) leased assets	-	-
(e) staff costs	-1,163	-8,821
(f) administration and corporate costs	-148	-1,699
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	-14	-1,048
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	140	2,151
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	-846	-1,962
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-7	-244
(d) investments	-	-
(e) intellectual property	-	-36

Consolidated statement of cash flows	Current Month \$A'000	Year to date (11 months) \$A'000
(f) other non-current assets -Term Deposit	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	316
(d) investments	-	106
(e) intellectual property	-	5
(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	-7	147

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	880	8,675
3.6 Repayment of borrowings (leased assets)	-177	-2,758
Repayment of borrowings	-	-5,498
3.7 Transaction costs related to loans and borrowings	-	26
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	703	445

Consolidated statement of cash flows		Current Month \$A'000	Year to date (11 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	351	1,571
4.2	Net cash from / (used in) operating activities (item 1.9 above)	-846	-1,962
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-7	147
4.4	Net cash from / (used in) financing activities (item 3.10 above)	703	445
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	201	201

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 Month \$A'000	Previous Month \$A'000
5.1	Bank balances	85	215
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	116	136
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	201	351

6.	Payments to related parties of the entity and their associates	Current Month \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1. Directors Fees paid to Non-Executive Directors and salaried Executive Directors.	-7
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7.	Financing facilities	Total facility amounts at month end \$A'000	Amount drawn at Month 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	8,300
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	301	301
7.4	Total financing facilities	9,801	8,601
7.5	Unused financing facilities available at month end		1,200
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 5.25% pa calculated daily and payable quarterly in arrears maturing 30 September 2028. Repayment of \$250k per quarter from 1 October 2023 with first repayment due 31 December 2023.</p> <p>A \$1.5m secured revolving line of credit with Gelba Pty. Limited and Michael and Suzanne Gregg at an interest rate of 5.25% pa calculated daily and payable monthly in arrears maturing 30 September 2023.</p> <p>A \$1.0m unsecured revolving line of credit with Gelba Pty. Limited and Michael and Suzanne Gregg at an interest rate of 5.25% pa calculated daily and payable monthly in arrears maturing 30 September 2023.</p> <p>A \$2.0m unsecured revolving line of credit with Gelba Pty. Limited and Michael and Suzanne Gregg at an interest rate of 5.25% pa calculated daily and payable monthly in arrears maturing 30 September 2023.</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>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	-846
8.2	Cash and cash equivalents at month end (item 4.6)	201
8.3	Unused finance facilities available at quarter end (item 7.5)	1,200
8.4	Total available funding (item 8.2 + item 8.3)	1,401
8.5	Estimated Months of funding available (item 8.4 divided by item 8.1)	1.65
	<i>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.</i>	
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: No, our FY23 forecast indicates cash flow will improve in the coming months, which assumes for improvement in revenue and further cost reduction measures.	

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: Yes, The Company is in continued discussions with its lenders and maintains their support. The current line of credit facility was increased in May by a further \$2m. The Company remains committed to raising equity and is currently considering all options, but the timing remains undecided whilst our shares are suspended.

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: Yes, assuming the continued support of lender and improved revenue, forecasted in the months ahead, occurs.

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: 24 June 2022.....

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.