

1. Company details

Name of entity:	Oliver's Real Food Limited
ABN:	33 166 495 441
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	7.1% to	26,673,110
Earnings before interest, taxes, depreciation and amortisation ('EBITDA')*	down	57.4% to	1,198,707
Earnings before interest, taxes, depreciation and amortisation and impairments ('EBITDAI')*	down	38.9% to	1,719,066
Loss from ordinary activities after tax attributable to the owners of Oliver's Real Food Limited	down	139.3% to	(2,313,007)
Loss for the year attributable to the owners of Oliver's Real Food Limited	down	139.3% to	(2,313,007)

* EBITDA and EBITDAI are financial measures which are not prescribed by the Australian Accounting Standards ('AAS') and represent the profit/loss under AAS adjusted for specific non-cash and significant items not expected to recur between periods. The directors consider EBITDAI to reflect the core earnings of the consolidated entity.

A reconciliation between the statutory result after income tax, to EBITDA and EBITDAI is set out below:

	Consolidated 2024 \$	2023 \$
Net (loss)/profit after tax	(2,313,007)	5,891,237
Add: Depreciation and amortisation expense	2,043,097	2,140,850
Add: Finance costs	1,475,392	1,201,964
Less: Interest revenue	(6,775)	(3,052)
Add: Writeback of liability on termination on property lease	-	(6,416,115)
EBITDA	<u>1,198,707</u>	<u>2,814,884</u>
Add: Impairment of assets	520,359	-
EBITDAI	<u><u>1,719,066</u></u>	<u><u>2,814,884</u></u>
	2024 Cents	2023 Cents
Basic earnings per share	(0.52)	1.50
Diluted earnings per share	(0.52)	1.34

Commentary on the results

The loss for the consolidated entity after providing for income tax amounted to \$2,313,007 (30 June 2023: profit of \$5,891,237).

The final quarter of the year proved very challenging, and the full-year result reported is very disappointing but is the result of four key factors:

- The Pheasants Nest, particularly Pheasants Nest North, is taking longer than expected to establish itself as the preferred service centre South of Sydney, which has meant sales have been below our internal expectations.
- Increased cost of doing business including wages (and the flow-on impact to super, payroll tax and workcover) and store facility expenses, notably electricity and additional property costs for Pheasants Nest.
- Same store sales growth failed to match increased costs.
- Increased competition at Wyong North and Wyong South following the recent refurbishment of both Service Centres. This was expected, but has temporarily impacted our financial performance in the last quarter.

Gross margins in FY2024 lifted marginally to 63.16% from 62.88% in the previous corresponding period. Pleasingly, same store sales at our five (5) Victorian stores lifted by 10.14% in FY2024.

The result was also impacted by a \$275k increase in interest expense primarily related to the fit-out and AASB16 interest for the two new stores at Pheasants Nest and impairments of \$520k relating to underperforming stores.

Economic conditions have continued to soften, particularly over the last three months, as cost-of-living pressures have weighed on household budgets. The restaurant, hospitality and Quick Service Restaurant (QSR) segments have been at the forefront of the pullback in spending by consumers. QSR is very competitive; we note recent ASX announcements by other industry players, which highlight the challenges they are seeing, and reference that in recent months, several hospitality and QSR businesses have either ceased trading or appointed Voluntary Administrators.

The Oliver's reality is like those being experienced throughout the broader hospitality industry. The last quarter of 2024 was weak, with same-store sales falling by 3.81% and transactions falling by 1.48%, resulting in a lower Average Transaction Value. Rising costs, higher rents from inflationary rent increases, and slower same-store sales growth remain a real issue for Oliver's as we begin the new financial year.

Management is taking action to address the cost issues and further marketing initiatives are underway to drive sales. We can advise that improved signage and specific advertising tested at our Maryborough store in Queensland saw sales and transactions improve by 14.5% in the final quarter compared to the prior corresponding quarter. On the back of this, further marketing activity and improved signage are underway across the network. Increased marketing is budgeted for FY25 year.

We have previously advised the market of the store closure at Lithgow. In addition, two management positions were recently made redundant, and today, we advise that our Coffs Harbour store will close on 14 October 2024. The Board and management are working on further initiatives to improve revenue and lower costs. The decisions already taken and implemented will start to deliver both the financial and cash flow benefits from the end of September 2024.

Funding

The Company maintains the support of its lenders, and they have provided \$650k in additional funding since 1 August 2024. The Board is currently in discussion with the lenders regarding the current facilities and future funding requirements, and once discussions are completed shareholders will be advised.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(2.67)</u>	<u>(2.14)</u>

Calculated as follows:

	Consolidated	Consolidated
	2024	2023
	\$	\$
Net liabilities	(17,633,561)	(15,320,554)
Less: Right-of-use assets	(8,814,818)	(5,333,193)
Less: Intangibles	(350,531)	(409,000)
Add: Lease liabilities	<u>15,021,020</u>	<u>11,640,835</u>
Net tangible assets	<u>(11,777,890)</u>	<u>(9,421,912)</u>
	Consolidated	Consolidated
	2024	2023
	Number	Number
Total number of shares	<u>440,731,917</u>	<u>440,731,917</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial report is in the process of being audited. It is expected that the auditor's report will be unmodified and contain a material uncertainty in relation to going concern.

11. Attachments

Details of attachments (if any):

The Unaudited Preliminary Final Report of Oliver's Real Food Limited for the year ended 30 June 2024 is attached.

12. Signed

As authorised by the Board of Directors

Signed  _____

Martin Green
Chairman

Date: 29 August 2024



Oliver's Real Food Limited

ABN 33 166 495 441

Unaudited Preliminary Final Report - 30 June 2024

Oliver's Real Food Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024



	Note	Consolidated 2024 \$	2023 \$
Revenue	1	26,666,335	24,904,830
Other income	2	70,800	223,231
Interest revenue calculated using the effective interest method		6,775	3,052
Expenses			
Raw materials and consumables used		(9,824,180)	(9,245,769)
Employee benefits expense		(10,427,024)	(8,925,823)
Depreciation and amortisation expense		(2,043,097)	(2,140,850)
Impairment of assets	3,9	(520,359)	-
(Loss)/profit on disposal of assets		-	25,363
Administration expenses		(2,281,156)	(2,319,122)
Writeback of lease liability on lease termination		-	6,416,115
Store-facility occupancy expenses		(2,485,709)	(1,867,376)
Fair value gain on derivatives		-	19,550
Finance costs		(1,475,392)	(1,201,964)
(Loss)/profit before income tax expense		(2,313,007)	5,891,237
Income tax expense		-	-
(Loss)/profit after income tax expense for the year attributable to the owners of Oliver's Real Food Limited		(2,313,007)	5,891,237
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (loss)/income for the year attributable to the owners of Oliver's Real Food Limited		<u>(2,313,007)</u>	<u>5,891,237</u>
		Cents	Cents
Basic earnings per share	8	(0.52)	1.50
Diluted earnings per share	8	(0.52)	1.34

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Oliver's Real Food Limited
Statement of financial position
As at 30 June 2024



	Note	Consolidated 2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents		459,601	275,938
Trade and other receivables		88,072	100,421
Inventories - stock on hand		314,767	454,438
Other assets		123,190	102,885
Total current assets		<u>985,630</u>	<u>933,682</u>
Non-current assets			
Term deposits		446,365	311,525
Property, plant and equipment	4	4,057,775	2,295,186
Right-of-use assets	5	8,814,818	5,333,193
Intangibles	6	350,531	409,000
Other assets		102,812	102,062
Total non-current assets		<u>13,772,301</u>	<u>8,450,966</u>
Total assets		<u>14,757,931</u>	<u>9,384,648</u>
Liabilities			
Current liabilities			
Trade and other payables		4,139,604	3,467,629
Borrowings	7	1,499,238	1,468,346
Lease liabilities		2,394,509	1,450,035
Employee benefits		367,149	296,678
Total current liabilities		<u>8,400,500</u>	<u>6,682,688</u>
Non-current liabilities			
Borrowings	7	10,985,000	7,504,002
Lease liabilities		12,626,511	10,190,800
Employee benefits		109,004	84,954
Provisions		270,477	242,758
Total non-current liabilities		<u>23,990,992</u>	<u>18,022,514</u>
Total liabilities		<u>32,391,492</u>	<u>24,705,202</u>
Net liabilities		<u>(17,633,561)</u>	<u>(15,320,554)</u>
Equity			
Issued capital		36,061,382	36,061,382
Accumulated losses		(53,694,943)	(51,381,936)
Total deficiency in equity		<u>(17,633,561)</u>	<u>(15,320,554)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Oliver's Real Food Limited
Statement of changes in equity
For the year ended 30 June 2024



	Issued capital \$	Accumulated losses \$	Total deficiency in equity \$
Consolidated			
Balance at 1 July 2022	34,061,382	(57,273,173)	(23,211,791)
Profit after income tax expense for the year	-	5,891,237	5,891,237
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	5,891,237	5,891,237
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs	2,000,000	-	2,000,000
Balance at 30 June 2023	<u>36,061,382</u>	<u>(51,381,936)</u>	<u>(15,320,554)</u>
	Issued capital \$	Accumulated losses \$	Total deficiency in equity \$
Consolidated			
Balance at 1 July 2023	36,061,382	(51,381,936)	(15,320,554)
Loss after income tax expense for the year	-	(2,313,007)	(2,313,007)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(2,313,007)	(2,313,007)
Balance at 30 June 2024	<u>36,061,382</u>	<u>(53,694,943)</u>	<u>(17,633,561)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Oliver's Real Food Limited
Statement of cash flows
For the year ended 30 June 2024



Note	Consolidated	
	2024	2023
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	29,116,440	25,991,061
Payments to suppliers (inclusive of GST)	<u>(26,606,285)</u>	<u>(24,276,088)</u>
	2,510,155	1,714,973
Interest received	6,775	3,052
Interest and other finance costs paid	(437,000)	(545,800)
Interest paid on lease liabilities	<u>(590,573)</u>	<u>(450,966)</u>
Net cash from operating activities	<u>1,489,357</u>	<u>721,259</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(2,865,325)	(228,148)
Payments for intangible assets	(55,314)	-
Payments for term deposits	(134,840)	-
Proceeds from disposal of property, plant and equipment	-	19,514
Proceeds from release of security deposits	<u>-</u>	<u>17,270</u>
Net cash used in investing activities	<u>(3,055,479)</u>	<u>(191,364)</u>
Cash flows from financing activities		
Proceeds from borrowings	3,891,890	2,124,325
Principal repayments of lease liabilities	(1,762,105)	(2,453,294)
Repayment of borrowings	<u>(380,000)</u>	<u>(150,372)</u>
Net cash from/(used in) financing activities	<u>1,749,785</u>	<u>(479,341)</u>
Net increase in cash and cash equivalents	183,663	50,554
Cash and cash equivalents at the beginning of the financial year	<u>275,938</u>	<u>225,384</u>
Cash and cash equivalents at the end of the financial year	<u><u>459,601</u></u>	<u><u>275,938</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Revenue

	Consolidated	
	2024	2023
	\$	\$
<i>Revenue from contracts with customers</i>		
Revenue from sale of goods - retail	26,385,799	24,475,783
<i>Other revenue</i>		
Royalties	265,792	404,790
Rent	12,003	22,938
Other revenue	2,741	1,319
	<u>280,536</u>	<u>429,047</u>
Revenue	<u><u>26,666,335</u></u>	<u><u>24,904,830</u></u>

Disaggregation of revenue

Revenue from the sale of goods and royalties are generated from the sale of food and beverage generated in Australia and recognised when the goods are transferred at a point in time.

Note 2. Other income

	Consolidated	
	2024	2023
	\$	\$
Government grants - BAC & CAC training grants	44,259	218,481
Miscellaneous income	26,541	4,750
Other income	<u>70,800</u>	<u>223,231</u>

Note 3. Expenses

	Consolidated	
	2024	2023
	\$	\$
(Loss)/profit before income tax includes the following specific expenses:		
<i>Impairment of assets</i>		
Property, plant and equipment (note 4)	236,067	-
Right-of-use asset (note 5)	284,292	-
Total impairment (note 9)	<u>520,359</u>	<u>-</u>

Note 4. Property, plant and equipment

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	7,519,981	5,858,732
Less: Accumulated depreciation	(2,859,028)	(2,552,895)
Less: Impairment	(1,824,248)	(1,716,501)
	<u>2,836,705</u>	<u>1,589,336</u>
Plant and equipment - at cost	5,476,180	4,569,685
Less: Accumulated depreciation	(3,112,789)	(2,871,649)
Less: Impairment	(1,154,464)	(1,026,145)
	<u>1,208,927</u>	<u>671,891</u>
Motor vehicles - at cost	109,077	122,491
Less: Accumulated depreciation	(96,934)	(88,532)
	<u>12,143</u>	<u>33,959</u>
	<u><u>4,057,775</u></u>	<u><u>2,295,186</u></u>

Note 5. Right-of-use assets

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Lease of premises - right-of-use	21,543,103	18,788,026
Less: Accumulated depreciation	(5,831,375)	(6,644,002)
Less: Impairment	(6,896,910)	(6,810,831)
	<u>8,814,818</u>	<u>5,333,193</u>

Note 6. Intangibles

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Software - at cost	350,426	295,112
Less: Accumulated amortisation	(178,251)	(109,780)
	<u>172,175</u>	<u>185,332</u>
Reacquired rights - at cost	505,000	3,258,000
Less: Accumulated amortisation	(324,123)	(2,990,293)
Less: Impairment	(2,521)	(44,039)
	<u>178,356</u>	<u>223,668</u>
	<u><u>350,531</u></u>	<u><u>409,000</u></u>

Note 7. Borrowings

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Insurance premium funding - unsecured	74,078	43,186
Loan from related party - Green Superannuation Fund - secured	300,160	300,160
Loan from related party - Gelba Pty. Limited - secured	375,000	225,000
Loan from related party - Michael and Suzanne Gregg - secured	375,000	525,000
Revolving line of credit from related party - Gelba Pty. Limited	187,500	188,996
Revolving line of credit from related party - Michael and Suzanne Gregg	187,500	186,004
	<u>1,499,238</u>	<u>1,468,346</u>
<i>Non-current liabilities</i>		
Loan from related party - Gelba Pty. Limited - secured	1,125,000	1,275,000
Loan from related party - Michael and Suzanne Gregg - secured	3,125,000	2,975,000
Revolving line of credit from related party - Gelba Pty. Limited	2,208,342	1,644,181
Revolving line of credit from related party - Michael and Suzanne Gregg	1,616,658	1,618,154
New site line of credit from related party - Michael and Suzanne Gregg	2,085,000	-
New site line of credit from related party - Gelba Pty Ltd	825,000	-
Capitalised borrowing costs	-	(8,333)
	<u>10,985,000</u>	<u>7,504,002</u>
	<u><u>12,484,238</u></u>	<u><u>8,972,348</u></u>

Note 8. Earnings per share

	Consolidated	
	2024	2023
	\$	\$
(Loss)/profit after income tax attributable to the owners of Oliver's Real Food Limited	<u>(2,313,007)</u>	<u>5,891,237</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	440,731,917	392,074,383
Adjustments for calculation of diluted earnings per share:		
Warrants	<u>-</u>	<u>47,500,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>440,731,917</u>	<u>439,574,383</u>
	Cents	Cents
Basic earnings per share	(0.52)	1.50
Diluted earnings per share	(0.52)	1.34

Note 9. Impairment testing

The consolidated entity assesses impairment of non-financial assets, except indefinite life intangible assets, at each reporting period by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment indicator exists, the recoverable amount of the asset is determined. An impairment exists when the carrying amount of the CGU exceeds its recoverable amount.

Note 9. Impairment testing (continued)

Non-financial assets have been allocated to 17 CGU's (2023: 16). The consolidated entity has determined that the CGU's represent each standalone quick service restaurant within the store network on the basis that each store generates cash flows independent of each other stores. Similarly, the financial results of the consolidated entity are reported on a store-by-store basis and decisions to continue or dispose of assets are made at this same level.

The recoverable amount of the CGU has been determined by using value-in-use ('VIU') calculations. The VIU calculations use cash flow projections based on financial budgets approved by management and the Board of Directors covering the remaining lease period of each CGU.

Impairment testing results

The consolidated entity assessed impairment indicators across its 17 CGU's and identified 6 CGU's that had indicators of impairment. The CGU's identified to have impairment indicators were:

- Coffs Harbour
- Goulburn
- Lithgow
- Maclean
- Maryborough
- Pheasants Nest North

The recoverable amount of these CGU's have been determined by using value-in-use ('VIU') calculations.

As at 30 June 2024, \$520,359 (2023 \$nil) impairment charge was recognised in relation to these CGU's. The results were as follows:

CGU #	CGU Name	Recoverable Amount (VIU) \$	Carrying amount \$	Impairment this year \$	Headroom \$
# 1	Coffs Harbour	-	92,026	(92,026)	-
# 2	Goulburn	334,856	402,149	(67,293)	-
# 3	Lithgow	-	238,318	(228,319)	-
# 4	Maclean	-	132,721	(132,721)	-
# 5	Maryborough	420,158	388,037	-	32,121
# 6	Pheasants Nest North	1,778,661	1,717,532	-	61,129
		<u>2,533,675</u>	<u>2,970,783</u>	<u>(520,359)</u>	<u>93,250</u>