



oliver's™



# Oliver's Real Food Limited

## Annual Report 2021/2022

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# **Oliver's Real Food Limited**

**ABN 33 166 495 441**

**Annual Report - 30 June 2022**

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Trading conditions remained difficult in the 12 months to June 30, 2022, as the Company sought to overcome the impact of COVID-19 on the business.

Despite the tough environment, the Board and management team are optimistic about the future and our attention has turned to recovery and continual improvement across our current store network.

Apart from COVID-19, Oliver's has also grappled with other issues since the Company was listed on the ASX in June 2017. In March 2021, the Company's financial viability was hampered by structural challenges on three fronts:

- An in-house operating model with high fixed costs from staffing and managing our kitchens and logistics.
- Underperforming stores, particularly in Victoria, which were running at a loss.
- The unsustainable losses incurred servicing the EG Food to Go business.

I am pleased to advise that over the last 18 months, the Company has dealt with all three of these challenges. We now have a reconfigured 16-store network and a Food to Go arrangement with EG, both capable of generating a cash profit. That we successfully dealt with these issues during tough trading conditions brought on by COVID restrictions is a testament to all involved. I particularly acknowledge the efforts of our Chief Executive Officer Tammie Phillips and the management team to achieve this outcome.

Unfortunately, we have farewelled many loyal, hard-working staff over the last 18 months due to the operational restructure and store rationalisation program. I take this opportunity to thank them for their contribution and wish them every success in their future endeavours.

In April 2022, our previous Chairman, Kim Wood, resigned from the Board, and I assumed the role of Chairman. Whilst Kim's tenure was relatively brief, he provided sound commercial advice, and his leadership during a difficult period is acknowledged. I thank him for his contribution. Kathryn Gregg replaced Kim, and being a representative of the Gregg family, our largest shareholder, demonstrates the Gregg family's ongoing commitment to Oliver's.

On behalf of all shareholders, I would like to thank our lenders for their continued financial support.



**Martin Green**  
CHAIRMAN

Those lenders are the Green and Gregg families, and their support demonstrates their respective commitment to deliver value for all our stakeholders. Both families are looking past the short-term performance, fully supported the operational restructure and store rationalisation program undertaken, and now see a positive, profitable future for the Company.

The Company is disappointed that the ASX has not lifted the suspension of Oliver's quotation on the ASX.

We are in ongoing dialogue with the ASX, and after a recent meeting we have been asked to provide additional data and submit a new request for reinstatement. This will be our third attempt since the shares were suspended 19 months ago.

The completion of the store rationalisation program and other operational improvements will, in our opinion, assist the Company in its efforts to have our shares relisted by the ASX.

If Oliver's shares remain suspended by the time of the Annual General Meeting on 23 November 2022, I will update shareholders at the meeting with further details about any ongoing discussions with ASX.

On a positive note, we have started the new financial year with confidence and optimism, and we continue to operate a sustainable business model. Much hard work has been undertaken to arrive at this point, and I thank all our employees for their dedication and support during a significant period of transition and operational disruption. The last 12 months have been challenging but daily, weekly, and monthly, we are becoming more efficient and financially stronger, and the Board and management are very focussed on future opportunities and growing the business profitably.



Martin Green  
Chairman

The FY22 operational year can be summarised as a year of two halves ("H"). As I reported last year in FY21, management successfully transitioned the business to a leaner and more agile operating model, reducing overheads by more than \$4.5 million. By FY22 the business was reset for a period of strategic growth. However, the financial year commenced with strict lockdowns in the business' major markets of New South Wales and Victoria. As such, management were tactical in our response to the evolving operating climate.

## H1 FY22

In the first half of FY22, the business continued to be heavily impacted by COVID related disruptions. Thus, rather than looking to growth ambitions, the company turned its focus to more cost reduction initiatives, to ensure its continued viability. The key focus areas included:

- Store Performance and Rationalisation – management assessed the short- and long-term prospects of each operating outlet, based on a wide range of metrics, and identified eight consistently underperforming locations. These outlets were progressively closed throughout the year, enabling the business to refocus resources on profitable stores, and improve the financial position of the business. Under the store rationalisation program, refreshed KPIs were established, which focused on strategic improvement of the current network.
- Back-end process cost savings – the business prioritised further reducing support costs. Oliver's has now established shared service initiatives for functions including finance and accounts, human resources, design, and IT support, resulting in a further \$600k reduction in annual overhead costs for the business.
- Improvement of gross profit – this has been achieved through changes to product mix, tactically increasing sales of higher margin lines, and improvements in procurement and supply chain efficiency.

## H2 FY22

During the second half of FY22, the economic environment started to improve. Whilst the challenges of the pandemic had been tough, the period created an opportunity for the business to evolve. For two years, the company focused on simplifying its business activity, reducing costs and risks, and emerged leaner and more efficient than ever. In the second part of FY22 there were 3 strategic priorities.



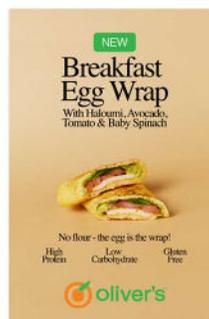
**Tammie Phillips**  
CHIEF EXECUTIVE OFFICER

## Strategic Priority 1 – Menu Management

Following a period of reduced menus through the pandemic, the business renewed its focus on menu development, product innovation and leveraged the opportunities of what is now a more health-focused world.

Led by our Head of Product and Dietitian, Natalie Sharpe, the business achieved:

- the return of the Oliver's famous pockets, re-imagined
- the launch of a new innovative breakfast egg wrap, featuring key health specifications - high protein, low carbohydrate, gluten free. Whilst this menu item is popular in the US & Europe, Oliver's is the first to bring this permanently to the Australian market
- the expansion of our breakfast menu, which now accounts for more than 30% of overall sales – new menu items include avocado on sourdough, gluten free crumpets and coconut yoghurt pots
- the introduction of an all-day kid's menu
- 5% point improvement in gross margin year on year.



## Strategic Priority 2 – Marketing Strategy

The Oliver's value proposition has always been simple and sincere: *To connect the Australian travelling public with nourishing whole foods that taste good on-the-go. It's fast-food dining, led by nature.*

Management have been cautious in our path to profitability, prioritising necessary operational changes before committing valuable resources into marketing efforts.

I am pleased to advise that in October 2021 the business appointed James Wood as Marketing Director. James immediately turned his attention to delivering the quick wins for the business, whilst building the foundations for larger initiatives including digital & social platforms and aligning the brand with a brand campaign.

We have used customer insights to create cost-efficient marketing and advertising initiatives that have focused on driving sales growth at stores and EG, whilst steadily transforming the Oliver's brand to be more modern and fresh.

The business has invested modestly into marketing initiatives, but the return and achievements to date are significant:

- New website, app and loyalty program
- Website search engine optimisation strategy
- Seasonal holiday digital campaign strategy
- Always on geo-targeted digital advertising through Google, Waze and social media
- Kids menu PR launch campaign with a total reach of 5 million
- Refreshed social media and email communications
- Refreshed Seasonal Product Promotion Strategy
- Overhaul of the Food To Go packaging
- Development of an extensive visual content marketing library

We are currently refreshing our billboard locations with eight new locations activating in the coming weeks.



## Strategic Priority 3 – Our People

Our employees are the lifeblood of our business. They have been extremely responsible and adaptable under what have been very difficult circumstances in the past two years, and for that I am very grateful.

In FY22, we launched a learning school with over 40 of our store staff enrolled in certified training courses, including courses in hospitality, retail, leadership, and management. We have also launched a Learning Management Platform which enables the business to be more efficient with training and staff communication. By embracing a digital platform, it will enable management to quickly deploy tactical training modules across all store locations in a cost-effective and engaging format.

A key focus for all management has been on redefining Key Performance Indicators for all venues, establishing improved KPI reporting tools, data systems and introducing an aligned employee reward program.

Our roadmap is committed to continuing to implement strategies that will improve our work culture, increase productivity, and build better work and customer relationships.

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## The Financial Highlights

We ended the financial year with net a loss after tax of -\$11.7 million vs -\$9.3 million in FY21. This includes \$9.7 million in net impairments vs \$2.2 million in FY21 and write back on lease terminations at Chinderah and Brisbane Kitchen resulting in a write back of \$2.5 million in lease liabilities.

Overall EBITDAI, removing the effect of the impairments and write backs, was a loss of -\$31k vs \$274k profit in 2021.

I am pleased to report over the past quarter, Oliver's recovery has gathered pace, with trade now approaching pre-pandemic levels and making modest profit.

In FY22, I believe we succeeded in building a platform for sustained profitable growth whilst delivering on our strategic priorities. I thank Martin Green and the Board for weathering the challenges with the ASX and allowing me to focus solely on the business operation.

To shareholders, I understand and relate to the frustration of these issues, but I can assure you that throughout the year as a Board and Executive our decisions continued to be driven by what we believed would be best for the current and future stakeholder community, and I believe we put the appropriate strategies in place to fulfil that responsibility.

Oliver's now enters a new era, characterised by a new health-focused world that demands convenience. The business is stabilised and is stronger and more resilient than ever. Oliver's is now ready to be 'that' business – the one that can seize the chance to grow and that has the agility to change and evolve.



Tammie Phillips  
CEO

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Oliver's Real Food Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

### Directors

The following persons were directors of Oliver's Real Food Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Martin Green	Non-Executive Chairman (Appointed Chairman on 4 April 2022)
Steven Metter	Non-Executive Director
Kathryn Gregg	Non-Executive Director (Appointed on 4 April 2022)
Kimley Wood	Former Chairman and Non-Executive Director (Resigned on 4 April 2022)

### Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of the provision of fast food services specialising in delicious, nutrient dense meals, designed with the customers' wellbeing in mind.

### Dividends

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

### Review of operations

The revenue for the consolidated entity amounted to \$19,484,064 (2021: \$28,177,980) a decrease of 30.9%

	2022 \$	2021 \$	Change \$	Change %
Revenue	19,484,064	28,177,980	(8,693,916)	(30.9%)

The loss for the consolidated entity after providing for income tax amounted to \$11,669,877 (30 June 2021: \$9,284,867).

Earnings before interest, taxes, depreciation and amortisation and impairments ('EBITDAI')\* amounted to \$31,104 (2021: \$274,257)

A reconciliation between loss after income tax, earnings before interest, taxes, depreciation and amortisation ('EBITDA')\* and EBITDAI\* is set out below:

	2022 \$	2021 \$	Change \$	Change %
Net loss after tax	(11,669,877)	(9,284,867)	(2,385,010)	25.7%
Add: Depreciation and amortisation expenses	2,754,667	5,034,145	(2,279,478)	(45.3%)
Add: Finance costs	1,647,010	2,300,527	(653,517)	(28.4%)
Less: Interest revenue	(2,407)	(2,353)	(54)	2.3%
Add: Writeback of liability on termination on property lease	(2,472,949)	-	(2,472,949)	-
EBITDA*	(9,743,556)	(1,952,548)	(7,791,008)	399.0%
Add: Impairment of assets	11,282,254	2,226,805	9,055,449	406.7%
Less: Reversal of impairments of assets	(1,569,802)	-	(1,569,802)	-
EBITDAI*	(31,104)	274,257	(305,361)	(111.3%)

\* 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.

During the financial year ended 30 June 2022 ('FY2022'), as reported in the Interim Report for the half-year ended 31 December 2021, a number of prior period errors were uncovered which have been corrected in these financial statements. The effect of these adjustments increased accumulated losses brought forward at 30 June 2021 by \$5,372,625. Refer to note 4 to the financial statements for further details.

FY2022 just like the previous financial year, was a challenging one for the consolidated entity. The significant impact of COVID-19 and the various ever-changing State border closures had direct and substantial effect on the consolidated entity's performance.

In June 2021 New South Wales went into lockdown. This was followed shortly thereafter by Victoria with both lockdowns lasting four months. The impact of these lockdowns and border closures saw all Corporate Stores cease trading for various and differing periods in each of the States during the first half of FY2022.

Following the lifting of both domestic and international border restrictions, the consolidated entity carefully monitored the individual performance of each store, with a view to establishing what, if anything, had changed during the disruptive COVID-19 period. The main focus was the Victorian store network, which experienced the heaviest sales decline since the beginning of the pandemic. After five months (December 2021 to April 2022) of monitoring, the Board resolved to approach the Victorian landlords with a view to exiting several stores, all of which were significantly under-performing compared to previous years and none of which presented any real prospects of recovering to pre-covid sales levels. This was a necessary step as, at the time, these stores combined were losing close to \$750,000 per annum.

The Board believes that with the cumulative positive impact of the operational restructuring completed in FY2022, together with the recent closures of these poor performing stores, the consolidated entity is now well placed to capitalise on its unique market position, its significant brand, and the market opportunities

From an operational perspective, the consolidated entity has continued to invest in its menu. The current expansion of that menu into a suite of exciting and wholesome menu items is the result of many months of planning, experimenting and analysing. Initial feedback to these menu changes has been extremely positive, and management remains focused on continued innovation of the menu.

As a final point, readers and followers of Oliver's may have noticed renewed marketing initiatives. The basic core of the marketing strategy is to promote Oliver's to the consuming market that want to make healthier food choices in the Quick Service Restaurant space. Having refreshed the positioning and brand, the consolidated entity is focused on increasing awareness and consideration of Oliver's in these target segments through product-led marketing, communications and partnerships, while driving store visitation through a billboard strategy and targeted digital advertising. Management have also brought the business from significantly behind the industry in digital up to parity. This has been achieved by building a new search engine optimisation and mobile-friendly website, ongoing social media activity, the launch of the Oliver's app, loyalty program and online ordering.

#### *Impairment of assets*

In the Interim Report for the half-year ended 31 December 2021, the consolidated entity impaired assets totalling \$9,992,880, including \$6,054,606 for the full impairment of the Victorian store network. When the Interim Report were issued, the Board believed that all Victorian stores, except Euroa, would be closed. Following an extensive operational review in June 2022, a decision was made to continue to operate four of the Victorian stores, Officer Inbound and Outbound and Wallan Northbound and Southbound. This turnaround was on the basis that there are strong prospects for these stores (including current trading conditions, turnaround factors etc). As a result, under AASB 136 'Impairment of Assets', this has led to a "significant favourable change" that has occurred in the extent to which an asset is used. Therefore, \$1,569,802 of impairments relating to those four stores has now been reversed. Then a final evaluation of impairment of all stores was completed, resulting in additional impairment of \$1,285,781.

#### *Lease liability writeback*

Also included in profit or loss is a credit of \$2,472,949 that relates to a lease writeback following the assignment of the Queensland kitchen lease and the termination of the Chinderah store lease.

#### Option review

In addition \$627,050 was credited to impairments in the profit or loss, from change in assessment of the lease term. Under AASB 16 'Leases' an option for a lease should be added onto the lease period if management are reasonably certain to take up the option when the lease ends.

The company examined all leases and due to uncertainty of the past three years, it was deemed that three leases with options taken up under AASB 16 were deemed not to be reasonably certain that the options would be exercised and the options were reversed

#### Significant changes in the state of affairs

In addition to the operational restructuring and closure of poor performing stores, as detailed in the 'review of operations' section above, changes were made to the consolidated entity's borrowing facilities.

On 19 October 2021, the Pure Asset Management facility (excluding the warrants) was assigned to Gelba Pty. Limited and Michael and Suzanne Gregg for \$5,268,160, of which \$268,160 represents accrued interest. The initial term was two years from assignment date with an interest rate of 6% (linked to the 90 days BBSY) and reviewed quarterly.

The consolidated entity also entered into a \$1,500,000 revolving line of credit with Gelba Pty. Limited and Michael and Suzanne Gregg to support the consolidated entity's working capital requirements due to COVID-19 lockdown restrictions. The initial term was two years with an interest rate of 6% (linked to the 90 days BBSY) and reviewed quarterly.

At the AGM held on 22 January 2022, the following changes were made to the consolidated entity's financing agreements:

- approval to change the terms of a \$5,000,000 secured facility with Gelba Pty. Limited and Michael and Suzanne Gregg to an interest rate of 5.25% per annum calculated daily and payable quarterly in arrears maturing 30 September 2028. Repayment of \$250,000 per quarter from 1 October 2023 with the first repayment due 31 December 2023; and
- approval to secure the fully drawn \$1,500,000 revolving line of credit with Gelba Pty. Limited and Michael and Suzanne Gregg at an interest rate of 5.25% per annum calculated daily and payable monthly in arrears maturing 30 September 2023.

In March 2022, an additional \$1,000,000 unsecured revolving line of credit with Gelba Pty. Limited and Michael and Suzanne Gregg at an interest rate of 5.25% per annum calculated daily and payable monthly in arrears maturing 30 September 2023 was approved.

In May 2022, a further \$2,000,000 unsecured revolving line of credit was confirmed to enable the consolidated entity to expand.

Refer to note 17 to the financial statements for further details on borrowings.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

#### Matters subsequent to the end of the financial year

##### Release from 6 Victorian store leases

The company advises negotiations with one of our Victorian landlords have concluded and that the consolidated entity has been released from the following six leases:

- Geelong North and South
- Peninsula Inbound and Outbound
- Eastlink Inbound and Outbound

This is a significant and positive outcome for the company. As a result of this in the FY2023 first half results, there will be a write-back of the remaining lease liabilities in relation to these stores. As the right-of-use and plant and equipment assets for these six stores were fully impaired in FY2022, this will result in a writeback of \$6,385,000.

This write-back will reduce current and non-current liabilities and improve our working capital shortfall by approximately \$500k.

The company has signed the Deeds of Release, and the outstanding rent owed was paid on 26 September 2022. The company acknowledges the landlord's willingness to negotiate and to work with Oliver's to find a commercial outcome.

On 27 September 2022 the company obtained approval from their lenders for an increase in the unsecured revolving current facility for an additional \$1,000,000, making the facility \$5,500,000. As at date of signing the facility was drawn to \$4,730,800.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

### **Likely developments and expected results of operations**

The consolidated entity starts the new financial year with 16 Company owned stores:

Bulahdelah	Wallan Northbound
Euroa	Gundagai
Maryborough	Wallan Southbound
Coffs Harbour	Hexham
Officer Inbound	Lithgow
Ferry Park	Port Macquarie
Officer Outbound	Wyong Northbound
Goulburn	Wyong Southbound

### ***FY2023 outlook***

The outlook for the financial year ending 30 June 2023 ('FY2023') naturally must be conservative. The challenges being faced in the global economy, well publicised labour shortages and pressure on freight and logistics are certain to have an impact. The consolidated entity will take whatever action is necessary to meet these potential challenges and consequently, the consolidated entity's financial projections and growth plans are conservative.

The Board and Management have been researching the potential expansion of store footprint into the high foot-traffic city environment, the so called 'high street' opportunity. Whilst no decisions have been made, Management is currently modelling several alternatives, of which franchising, a process that was previously established for the Oliver's network, may form part. The 2023 financial projections have made certain assumptions in relation to the expansion opportunity, with a few such stores modelled for opening in the later part of FY2023 subject to feasibility outcomes.

### ***Funding requirements***

The Board is aware of the need for any expansion of the network to be fully funded, and given only preliminary research has commenced, no firm decision regarding the expansion and its funding requirements have been made.

In terms of the existing operation and the funding requirements in that regard, the Board is confident that with the closure of seven Victorian stores plus Chinderah in New South Wales and the combination of the new menu and the marketing initiatives, the consolidated entity will reduce its cash burn to a breakeven or slightly positive cash flow within months. That then reduces and ultimately eliminates any further on-going funding for current operations.

### **Statements made by the auditor regarding going concern**

The directors have prepared the financial statements on the basis that the consolidated entity is a going concern. Refer to note 2 to the financial statements for further information. The auditor has obtained sufficient appropriate audit evidence regarding the appropriateness of management's use of the going concern basis of accounting but has drawn attention to a material uncertainty in relation to going concern as disclosed within note 2 of the financial statements and accordingly within the audit report.

### **Material business risks**

The following is a summary of material business risks that could adversely affect the consolidated entity's financial performance and growth potential in future years and how it may mitigate such risks.

### ***Macroeconomic risks***

As purchases of food from Quick Service Restaurants are discretionary for many customers, the consolidated entity's financial performance can be impacted by reduced customer spending due to current and future economic conditions which it cannot control, such as increases in interest rates and inflation.

Further, there is a risk that the consolidated entity may be unable to deliver returns in accordance with its capital expenditure programme as a result of: underperformance of stores; changes to landlord approvals or rental terms; an inability to locate suitable sites for new stores; insufficient availability of professional builders to construct and develop new stores; or management demands reducing ability to execute defined strategies.

#### *Identification of new sites and renewal of existing sites*

The consolidated entity envisages an aggressive growth strategy. Unsuitable new sites, delays in opening new sites, reduced availability or excessive cost of real estate capable for use as new sites may impede the speed at which the consolidated entity's growth strategy can be implemented. For existing stores, the consolidated entity cannot guarantee that the lease will be renewed at the end of the term resulting in the consolidated entity exiting a particular site.

#### *Supply chain security*

There is a risk of material disruption to the supply of fresh food and other packaged goods due to a natural disaster such as flooding or widespread disease to crops or livestock. Such an event could potentially have significant consequences for all stores, including loss of revenue, potential brand damage and increased costs from alternative arrangements.

#### *COVID-19*

The consolidated entity continued to respond promptly and strategically to the ongoing and rapidly changing impact of COVID-19 related risks. The consolidated entity is equipped to quickly adapt to changing public health regulations and has developed better ways to continue operating in a COVID-safe manner. The winding back of Government stimulus across the economy may impact future results.

#### *Regulatory compliance, food safety and sanitation*

The consolidated entity is subject to a number of Australian laws and regulations such as food hygiene laws, privacy laws and those relating to workplace health and safety. The consolidated entity maintains sufficient internal controls to ensure continued compliance. However, there is a risk that a serious food safety incident could occur at one of our sites, as a result of operational lapse in procedures or malicious tampering, which may result in: a loss of revenue and brand reputation; closure of site where the incident occurred; and the payment to affected individuals of compensation and to the food authorities of a penalty or fine.

#### **Environmental regulation**

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

#### **Information on directors**

Name:	Martin Green
Title:	Chairman (appointed 4 April 2022) and Non-Executive Director (appointed 22 January 2021)
Qualifications:	Associate Diploma of Business (Accounting)
Experience and expertise:	Martin is Managing Director and Chief Executive Officer and minority shareholder of Gelba Group of Companies, a position held since August 2005. The family business was incorporated in August 1929 and today runs two contract packing manufacturing facilities employing 60 staff supplying portion-controlled products for the retail, catering and hospitality industries. In addition to this activity Gelba has investments in property, listed and unlisted companies.
Other current directorships:	Director of The Raw Liquid Sugar Company.
Former directorships (last 3 years):	None
Special responsibilities:	Chairman
Interests in shares:	37,439,660 shares
Interests in options:	None

Name: Steven Metter  
 Title: Non-Executive Director (appointed 11 March 2019)  
 Qualifications: B.Com (University of Witwatersrand – “Wits”); H.Dip Acc (Wits); B.Acc (Wits); Chartered Accountant (South Africa); Chartered Accountant (Australia and New Zealand) and Member National Institute of Accountants.  
 Experience and expertise: Steven is a qualified Chartered Accountant and a management accountant with a 36 year history as a business recovery specialist. He has extensive successful business interests in hospitality, as a major shareholder in a Melbourne based 400 set restaurant, and has acted as a financial consultant in Australia, South Africa and the USA.  
 Other current directorships: None  
 Former directorships (last 3 years): None  
 Special responsibilities: None  
 Interests in shares: 6,666,667 ordinary shares  
 Interests in options: None

Name: Kathryn Gregg  
 Title: Non-Executive Director (appointed 4 April 2022)  
 Qualifications: Bachelor of Business - International Marketing (University of Technology Sydney); Diploma of Public relations (New York University)  
 Experience and expertise: Kathryn's background is in sales and marketing and has extensive commercial background in retail and travel-related businesses. She is the representative of the Gregg family, the company's largest shareholder and principal lender.  
 Other current directorships: None  
 Former directorships (last 3 years): None  
 Special responsibilities: None  
 Interests in shares: None  
 Interests in options: None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

### Company secretary

Robert Lees (appointed 30 June 2021) is a member of the Chartered Accountants Australia and New Zealand and a Fellow of the Governance Institute of Australia. He is a graduate of the University of Technology, Sydney, holding a Bachelor of Business (Accounting) and a Graduate Diploma in Data Processing. He also holds a Graduate Diploma in Corporate Governance. In the last 19 years he has provided company secretarial services to ASX and NSX listed companies.

### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board Attended	Full Board Held	Audit and Risk Committee Attended	Audit and Risk Committee Held
Martin Green	14	14	2	2
Steven Metter	14	14	2	2
Kathryn Gregg	3	3	1	1
Kimley Wood	11	11	1	1

Held: represents the number of meetings held during the time the director held office.

The Nomination and Remuneration Committee function was undertaken as part of the full Board meeting.

### Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

#### *Principles used to determine the nature and amount of remuneration*

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

#### *Non-executive directors' remuneration*

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 29 November 2019, where the shareholders approved a maximum annual aggregate remuneration of \$500,000.

### Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders' value relative to the entire market and the increase compared to the consolidated entity's direct competitors. The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2022.

No STI's or LTI's have been paid or issued during the current year.

### Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met, however being suspend from trading, on the ASX, has not made this possible during the current year. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee.

Details of the earnings and total shareholders return for the last five years are as follows:

	Revenue \$	EBITDA \$	Net loss after tax \$
2022	19,484,064	(7,270,607)	(11,669,877)
2021	28,177,980	(1,952,548)	(9,284,867)
2020	28,535,455	(10,307,809)	(17,506,369)
2019	34,956,925	(13,084,182)	(15,661,501)
2018	35,918,346	2,245,276	(642,753)

The Nomination and Remuneration Committee is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth, if it can be maintained over the coming years. In part that will depend on the ASX suspension on trading being lifted.

### Share-based remuneration

The consolidated entity operates an LTI plan for eligible senior executives (the Oliver Employee Incentive Plan ('OEIP')) as a means of encouraging employees to share in the ownership of the company and promote its long-term success as a common goal. The Board will make offers to persons to participate in the OEIP based on their contribution to the consolidated entity. Under the terms of the OEIP the Board may make awards of options, performance rights, service rights, deferred share awards, exempt share awards, cash rights or stock appreciation rights. No offer of an award may be made to the extent it breaches the Constitution, the Listing Rules, the Corporations Act or any other applicable law.

The key terms of the OEIP and details of the pre-IPO Award to key management personnel are as follows (all capitalised terms have the meaning as defined within the OEIP):

Purpose	The purpose of the OEIP is to encourage Employees to share in the ownership of the Company and to promote the long-term success of the Company as a goal shared by all Employees.
Eligibility	Participants in the OEIP must be persons who are in full-time or part-time employment of a Group Company and includes a Director of a Group Company.
Form of Equity	<p>The Company may offer an Award which includes an Option, a Performance Right, a Service Right, a Deferred Share Award, an Exempt Share Award, a Cash Right, or a Stock Appreciation Right, in accordance with the terms of the OEIP.</p> <p>The Company may offer or issue Options, which are rights to be issued a Share upon payment of the Exercise Price and satisfaction of specified Vesting Conditions. These terms apply unless the Offer specifies otherwise: Options are Restricted Awards until they are exercised or expire. An offer may specify a Restriction Period for Shares issued on the exercise of Options. Options are subject to adjustment.</p> <p>No offers have been made in the current year.</p>

### Use of remuneration consultants

During the financial year ended 30 June 2022, the consolidated entity did not engage any remuneration consultants to review its remuneration policies and provide any recommendations on how to improve the STI and LTI programs.

### Voting and comments made at the company's Annual General Meeting ('AGM')

At the 21 January 2022 AGM, 99.7% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

### Details of remuneration

#### Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Oliver's Real Food Limited:

- Martin Green
- Steven Metter
- Kathryn Gregg - Appointed 4 April 2022
- Kimley Wood - Resigned 4 April 2022

And the following persons:

- Tammie Phillips - Chief Executive Officer
- Robert Ross-Edwards - Chief Financial Officer

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Directors fees	Non-monetary	Super-annuation	Long service leave	Equity-settled	
2022	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Martin Green	-	44,000	-	-	-	-	44,000
Steven Metter	-	56,672	-	-	-	-	56,672
Kathryn Gregg <sup>1</sup>	-	6,000	-	-	-	-	6,000
Kimley Wood <sup>2</sup>	-	46,662	-	-	-	-	46,662
<i>Other Key Management Personnel:</i>							
Tammie Phillips - Chief Executive Officer	249,551	-	-	22,214	-	-	271,765
Robert Ross-Edwards - Chief Financial Officer	201,167	-	-	20,167	-	-	221,334
	<u>450,718</u>	<u>153,334</u>	<u>-</u>	<u>42,381</u>	<u>-</u>	<u>-</u>	<u>646,433</u>

1 Kathryn Gregg's remuneration from date of appointed 4 April 2022 to 30 June 2022

2 Kimley Wood's remuneration from 1 July 2021 to date of resignation 4 April 2022

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Directors fees	Non-monetary	Super-annuation	Long service leave	Equity-settled	
2021	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Martin Green <sup>1</sup>	-	30,000	-	-	-	-	30,000
Steven Metter	-	80,004	-	-	-	-	80,004
Kimley Wood <sup>2</sup>	-	46,662	-	-	-	-	46,662
Jason Gunn <sup>3</sup>	-	81,315	-	-	-	-	81,315
Amanda Gunn <sup>4</sup>	-	54,210	-	-	-	-	54,210
<i>Executive Directors:</i>							
David McMahon - Former Chief Financial Officer <sup>5</sup>	147,870	-	-	11,016	-	-	158,886
<i>Other Key Management Personnel:</i>							
Tammie Phillips - Chief Executive Officer	188,077	-	-	17,867	-	44,362	250,306
Robert Ross-Edwards - Chief Financial Officer <sup>6</sup>	96,227	-	-	9,141	-	-	105,368
	<u>432,174</u>	<u>292,191</u>	<u>-</u>	<u>38,024</u>	<u>-</u>	<u>44,362</u>	<u>806,751</u>

1 Martin Green's remuneration from date of appointment 22 January 2021 to 30 June 2021

2 Kimley Wood's remuneration from date of appointment 25 November 2020 to 30 June 2021

3 Jason Gunn's remuneration from 1 July 2020 to date of resignation 4 March 2021

4 Amanda Gunn's remuneration from 1 July 2020 to date of resignation 4 March 2021

5 David McMahon's remuneration from 1 July 2020 to date of resignation 19 November 2020

6 Robert Ross-Edwards' remuneration from date of appointment 1 December 2020 to 30 June 2021

### Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Tammie Phillips  
Title: Chief Executive Officer  
Agreement commenced: 17 June 2020  
Term of agreement: No fixed term. Termination: three months in writing. The Company may terminate employment without payment in lieu of notice in circumstances involving serious or wilful misconduct  
Details: Annual remuneration including cash salary, superannuation and non-cash benefits of \$275,000, in addition supplied with a fully maintained vehicle.

There were 2,000,000 options granted on 17/6/2020 at a price of \$0.05 and a fair value of \$0.037 and remain unvested at 30/6/2021 and expired on 31/12/2021. There are currently no share options available.

Name: Robert Ross-Edwards  
Title: Chief Financial Officer  
Agreement commenced: 2 December 2020  
Term of agreement: No Fixed Term. Termination: three months in writing. The Company may terminate employment without payment in lieu of notice in circumstances involving serious or wilful misconduct  
Details: Annual remuneration including cash salary, superannuation and non-cash benefits of \$220,000.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

No STI's or LTI's have been offered or issued to key management personnel during the current year.

### Share-based compensation

#### Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2022.

#### Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Expiry date	Exercise price	Fair value per option at grant date
17 June 2020	31 December 2021	\$0.050	\$0.037

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

Name	Number of options granted during the year 2022	Number of options granted during the year 2021	Number of options vested during the year 2022	Number of options vested during the year 2021
David McMahon	-	-	-	2,000,000
Tammie Phillips	-	2,000,000	-	-

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	year %
Tammie Phillips	-	-	44,362	-

**Additional disclosures relating to key management personnel**

**Shareholding**

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Martin Green	37,439,660	-	-	-	37,439,660
Steven Metter	6,666,667	-	-	-	6,666,667
Tammie Phillips	1,250,000	-	-	-	1,250,000
	<u>45,356,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,356,327</u>

**This concludes the remuneration report, which has been audited.**

**Shares under option**

There were no unissued ordinary shares of Oliver's Real Food Limited under option outstanding at the date of this report.

**Shares issued on the exercise of options**

There were no ordinary shares of Oliver's Real Food Limited issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report, other than those outlined in the table above.

**Indemnity and insurance of officers**

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**Indemnity and insurance of auditor**

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

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During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

#### **Proceedings on behalf of the company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

#### **Non-audit services**

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 29 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 29 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants' issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

#### **Officers of the company who are former partners of Grant Thornton Audit Pty Ltd**

There are no officers of the company who are former partners of Grant Thornton Audit Pty Ltd.

#### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



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Martin Green  
Chairman

14 October 2022

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**Grant Thornton Audit Pty Ltd**  
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383 Kent Street  
Sydney NSW 2000  
Locked Bag Q800  
Queen Victoria Building NSW  
1230  
T +61 2 8297 2400

## Auditor's Independence Declaration

### To the Directors of Oliver's Real Food Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Oliver's Real Food Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

*Grant Thornton*

Grant Thornton Audit Pty Ltd  
Chartered Accountants



P J Woodley  
Partner – Audit & Assurance

Sydney, 14 October 2022

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**Oliver's Real Food Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2022**



	Note	Consolidated 2022 \$	2021 \$ Restated
<b>Revenue</b>	6	19,484,064	28,177,980
Other income	7	2,209,216	5,367,402
Interest revenue calculated using the effective interest method		2,407	2,353
<b>Expenses</b>			
Raw materials and consumables used		(8,934,323)	(12,294,358)
Employee benefits expense		(8,657,893)	(15,004,115)
Depreciation and amortisation expense	8	(2,754,667)	(5,034,145)
Impairment of assets	8,26	(11,282,254)	(2,226,805)
Loss on disposal of assets		(192,129)	(179,748)
Administration expenses		(2,515,247)	(3,498,521)
Restructure costs		(201,853)	(625,346)
Writeback of lease liability on lease termination		2,472,949	-
Store-facility occupancy expenses		(1,855,216)	(1,791,599)
Fair value gain on derivatives	28	632,277	122,562
Writeback of ROU impairment	8,26	1,569,802	-
Finance costs		(1,647,010)	(2,300,527)
<b>Loss before income tax expense</b>		(11,669,877)	(9,284,867)
Income tax expense	9	-	-
<b>Loss after income tax expense for the year attributable to the owners of Oliver's Real Food Limited</b>		(11,669,877)	(9,284,867)
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to the owners of Oliver's Real Food Limited</b>		<u>(11,669,877)</u>	<u>(9,284,867)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	24	(3.24)	(3.23)
Diluted earnings per share	24	(3.24)	(3.23)

Refer to note 4 for detailed information on Restatement of comparatives.

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

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Oliver's Real Food Limited  
Statement of financial position  
As at 30 June 2022



	Note	2022 \$	Consolidated 2021 \$ Restated	1 July 2020 \$ Restated
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	10	225,384	1,574,649	958,303
Trade and other receivables	11	209,229	1,088,774	979,176
Inventories - stock on hand		493,104	560,652	1,291,248
Other assets	12	153,194	210,190	277,238
<b>Total current assets</b>		<b>1,080,911</b>	<b>3,434,265</b>	<b>3,505,965</b>
<b>Non-current assets</b>				
Term deposits		305,891	571,531	288,095
Property, plant and equipment	13	2,183,932	4,259,641	6,132,097
Right-of-use assets	14	6,403,051	17,350,802	20,330,195
Intangibles	15	939,591	1,537,697	2,135,769
Other assets	12	124,965	147,905	124,005
<b>Total non-current assets</b>		<b>9,957,430</b>	<b>23,867,576</b>	<b>29,010,161</b>
<b>Total assets</b>		<b>11,038,341</b>	<b>27,301,841</b>	<b>32,516,126</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	16	4,465,604	4,793,111	5,992,836
Borrowings	17	389,690	480,606	1,512,355
Lease liabilities	18	2,578,695	2,575,444	3,572,852
Employee benefits		348,307	430,328	681,504
<b>Total current liabilities</b>		<b>7,782,296</b>	<b>8,279,489</b>	<b>11,759,547</b>
<b>Non-current liabilities</b>				
Borrowings	17	8,458,333	4,777,252	875,000
Lease liabilities	18	17,483,854	24,451,942	24,069,582
Derivative financial instruments	19	19,550	651,827	-
Employee benefits		67,855	107,683	85,102
Provisions	20	438,244	458,540	510,896
<b>Total non-current liabilities</b>		<b>26,467,836</b>	<b>30,447,244</b>	<b>25,540,580</b>
<b>Total liabilities</b>		<b>34,250,132</b>	<b>38,726,733</b>	<b>37,300,127</b>
<b>Net liabilities</b>		<b>(23,211,791)</b>	<b>(11,424,892)</b>	<b>(4,784,001)</b>
<b>Equity</b>				
Issued capital	21	34,061,382	34,061,382	31,361,382
Reserves	22	-	117,022	173,046
Accumulated losses		(57,273,173)	(45,603,296)	(36,318,429)
<b>Total deficiency in equity</b>		<b>(23,211,791)</b>	<b>(11,424,892)</b>	<b>(4,784,001)</b>

Refer to note 4 for detailed information on Restatement of comparatives.

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

**Oliver's Real Food Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2022**



	Note	Consolidated	
		2022	2021
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		20,593,425	30,759,626
Payments to suppliers (inclusive of GST)		(23,548,061)	(36,976,319)
		(2,954,636)	(6,216,693)
Interest received		2,385	2,353
Interest and other finance costs paid		(1,062,609)	(1,781,471)
Government Grants and Subsidies		2,151,140	5,167,402
Net cash used in operating activities	25	(1,863,720)	(2,828,409)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	13	(223,353)	(133,391)
Payments for intangible assets	15	(130,986)	(133,769)
Payments for security deposits		-	(307,336)
Proceeds from disposal of property, plant and equipment		316,464	385,559
Proceeds from release of security deposits		269,278	-
Net cash from/(used in) investing activities		231,403	(188,937)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	21	-	2,700,000
Proceeds from borrowings	25	8,884,819	5,068,404
Repayments of finance leases	25	(3,104,237)	(2,222,718)
Repayment of borrowings	25	(5,497,530)	(1,410,488)
Net cash from financing activities		283,052	4,135,198
Net increase/(decrease) in cash and cash equivalents		(1,349,265)	1,117,852
Cash and cash equivalents at the beginning of the financial year		1,574,649	456,797
Cash and cash equivalents at the end of the financial year	10	<u>225,384</u>	<u>1,574,649</u>

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

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## Note 1. General information

The financial statements cover Oliver's Real Food Limited (the 'company' or 'parent entity') as a consolidated entity consisting of Oliver's Real Food Limited and the entities it controlled at the end of, or during, the year (collectively referred to as the 'consolidated entity'). The financial statements are presented in Australian dollars, which is Oliver's Real Food Limited's functional and presentation currency.

Oliver's Real Food Limited (ABN: 33 166 495 441) is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1, 24 Hely Street, Wyong NSW 2259

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 October 2022. The directors have the power to amend and reissue the financial statements.

## Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

The consolidated entity incurred a loss after tax of \$11,669,877 (2021: \$9,284,867) and net cash outflows from operating activities of \$1,863,720 (2021: \$2,828,409) for the year ended 30 June 2022. As at 30 June 2022, the statement of financial position reflected an excess of current liabilities over current assets of \$6,701,385 (2021: \$4,845,224).

The Directors believe that it is appropriate to continue to adopt the going concern basis of preparation as the detailed cash flow forecast prepared by Management, using their best estimate assumptions, indicated the consolidated entity will meet its ongoing compliance with its financial undertakings in the twelve-month period to October 2023. This is highly dependent on the ability of the business to operate in line with the detailed cash flow forecasts, the ongoing support of key lenders and future market conditions which are out of the control of the consolidated entity and, as a result, may be subject to change.

These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts in these financial statements.

## Note 2. Significant accounting policies (continued)

However, the directors believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- the opening of all the borders, the roll out of the vaccine and cessation of all restrictions, should lead to more consistent trading with stores returning to pre-Covid-19 sales levels;
- the consolidated entity has support from two leading shareholders and its funders Michael and Suzanne Gregg and Gelba Pty. Limited providing an additional \$1,800,000 facility to enable the company recover and grow and be operating cashflow positive in 2023 financial year; and at the date of this report \$769,500 remains undrawn,
- review of all stores has led to closure of several unprofitable stores during the financial year;
- the Board requested management to enhance the existing restructure plan to make the business cash flow positive in 2023 financial year ('FY2023'). Part of that plan includes an upgrade to stores, equipment to enable quick and efficient service in the consolidated entity's restaurants and develop a "high street" test store of the future in FY2023 that will be located in metropolitan Sydney. If the store is successful, then up to 20 stores will be rolled out in the next two years in Sydney, Melbourne and possibly Brisbane; and
- the plan has the backing of our two lenders Gelba Pty Ltd and Michael and Suzanne Gregg, however such growth will require substantial capital and a fund raising is expected to be carried out during FY2023.

Provided the consolidated entity achieves the commitments in the forecast and meet its legal obligations under the terms of the loans, the lenders will continue to support the consolidated entity.

Based on the above, the directors are confident that the consolidated entity will meet its obligations and accordingly have prepared the financial statements on a going concern basis.

Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amount and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern. At this time, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements as at the reporting date.

### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for derivative financial instruments.

### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 35.

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Oliver's Real Food Limited as at 30 June 2022 and the results of all subsidiaries for the year then ended.

## Note 2. Significant accounting policies (continued)

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

### Revenue recognition

The consolidated entity recognises revenue as follows:

#### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

#### *Sale of goods - retail*

Revenue associated with the sale of goods is recognised when the performance obligation has been fulfilled and control of the goods has been transferred to the customer, which occurs at the point of sale when the goods are collected.

#### *Royalty revenue*

Revenue associated with continuing licensees is recognised at a point in time as sales with the licensee occur. Revenue associated with these sales are invoiced on a monthly basis and payment is due in accordance with contract due dates.

## Note 2. Significant accounting policies (continued)

### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

### **Government grants**

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants are recognised when there is a reasonable assurance that the grant will be received, and all attached conditions complied with. They include JobKeeper/JobSaver and Victorian Government Small Business Hardship Grants, and are disclosed as other income in profit or loss.

### **Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

## Note 2. Significant accounting policies (continued)

Deferred tax assets and liabilities are always classified as non-current.

### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date.

Derivatives are classified as current or non-current depending on the expected period of realisation.

### Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

### Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

## Note 2. Significant accounting policies (continued)

### *Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

### **Property, plant and equipment**

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Land is not depreciated.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	3-25 years
Plant and equipment	3-20 years
Motor vehicles	2-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the term of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

### **Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## Note 2. Significant accounting policies (continued)

### Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

### Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of between three to five years.

### Reacquired rights

Reacquired rights represents the buyback of franchise territories are deferred and amortised over the period of the remaining lease term.

### Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

### Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. The consolidated entity has used the optional practical expedient to treat rent concessions in the form of rent forgiveness or a waiver as a direct consequence of the Coronavirus (COVID-19) pandemic and which relate to payments originally due on or before 30 June 2022 as variable lease payments. COVID-19 related rent concessions are recognised as other income in profit or loss.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## Note 2. Significant accounting policies (continued)

### Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

### Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

### Employee benefits

#### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### *Other long-term employee benefits*

The liabilities for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

#### *Share-based payments*

Equity-settled share-based compensation benefits are provided to employees under the Oliver Employee Incentive Plan.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

## Note 2. Significant accounting policies (continued)

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

### Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques used to measure fair value are those that are appropriate in the circumstances, and which maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

### Issued capital

Ordinary shares are classified as equity.

### Earnings per share

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Oliver's Real Food Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

## Note 2. Significant accounting policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

### New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

#### *Amending accounting standards*

Amending accounting standards issued are not considered to have a significant impact on the financial statements of the consolidated entity as their amendments provide either clarification of existing accounting treatment or editorial amendments.

#### *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*

AASB 2020-1 is applicable to annual periods beginning on or after 1 January 2023. Early adoption is permitted. The amendments to AASB 101 'Presentation of Financial Statements' clarify the requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments require a liability to be classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is conditional, the right only exists if, at the end of the reporting period, those conditions have been complied with. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified.

## Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### *Fair value measurement hierarchy*

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

### Note 3. Critical accounting judgements, estimates and assumptions (continued)

#### *Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. Refer to note 26 for further details.

#### *Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

#### *Derivative financial instruments*

Forward foreign exchange contracts, designated as cash flow hedges, are measured at fair value. Reliance is placed on future cash flows and judgement is made on a regular basis, through prospective and retrospective testing, including at the reporting date, that the hedges are still highly effective.

#### *Employee benefits provision*

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

#### *Lease make good provision*

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

### Note 4. Restatement of comparatives

#### *Correct of material error in Intellectual property*

During the review of impairments for the financial year ended 30 June 2022, it was discovered that in 2016-17 intellectual property relating to the Oliver's brand of \$500,000 was purchased from a related party. This should have been classified as goodwill and been fully impaired. This had resulted in an overstatement of intangible assets. Management have restated the comparatives and following adjustments have been recorded:

- a decrease to accumulated losses at 1 July 2020 representing the impairment of goodwill of \$500,000; and
- a decrease to the intangible assets at 1 July 2020, representing the impairment of goodwill of \$500,000.

#### *Correction of a material error in accounting treatment of share warrants*

During the financial year ended 30 June 2022, management discovered that the borrowings with Pure Asset Management was incorrectly recognised and measured as at 30 June 2021.

The consolidated entity entered into the facility agreement with Pure Asset Management on 29 September 2020, which included the issue of warrants.

#### Note 4. Restatement of comparatives (continued)

The key terms of the loan facility were:

- facility amount: \$5,000,000;
- interest is calculated on a daily basis at 10.5% p.a. and is payable quarterly in arrears; and
- term of three years.

The key terms of the warrants were:

- Tranche A warrants can be exercised at any time during the term of the loan for 37,500,000 shares; and
- Tranche B warrants can be exercised during the term of the loan once shareholder approval has been obtained, for 10,000,000 shares.

In the consolidated entity's financial statements for the year ended 30 June 2021, the loan facility was measured at amortised cost. Instead, the liability should comprise two components being the host debt liability and a derivative liability component for the conversion feature of the warrants. The derivative liability should be fair valued on initial inception (being 29 September 2020) and at each subsequent reporting date, with any movement in fair value charged/credited directly to profit or loss.

Applying the correct accounting treatment, at inception, the host debt liability should initially be carried at \$4,225,611 and interest should subsequently be charged using an effective interest rate of 14.74%. At inception date, a derivative liability with a fair value of \$774,389 should be recognised and subsequently fair valued at each reporting date.

As a result, Management have restated the comparatives and the following adjustments have been recorded:

- the recognition of a gain of \$122,562 in profit or loss representing the fair value movement in the derivative liability from the date of inception to 30 June 2021;
- the recognition of an expense of \$491,312 in profit or loss representing the additional interest expense on borrowings for the year ended 30 June 2021;
- the recognition of a derivative liability of \$651,827 representing the fair value of the derivative liability as at 30 June 2021; and
- a reduction in the carrying value of borrowings from \$5,057,329 to \$4,777,252 at 30 June 2021, representing the remeasurement of borrowings at inception plus interest.

#### *Correction of a material error in accounting treatment of right-of-use assets and fixed assets*

The consolidated entity received an information request from ASIC regarding 'reversals of impairments' at 30 June 2021 and their interpretation of AASB136 'Impairment of Assets', which stated specifically:

- (a) Under paragraph 110 of AASB136, an entity only estimates the recoverable amount of an asset when there are indications that an impairment loss recognised in prior periods may no longer exist or may have decreased.
- (b) Paragraph 111 of AASB136 also contains the minimum external and internal sources of information that entities should consider when determining whether any of these indications are present.
- (c) In ASIC's view, the impairment loss reversal should not have been recognised because there is no indication that the impairment loss(es) recognised in prior periods no longer exists.

Therefore, the Board has decided to reinstate the impairment that was previously reversed during the year ended 30 June 2021. As a result, comparatives have been restated, as follows:

- increase accumulated losses by \$4,500,875 as at 1 July 2020 to reinstate the impairment previously recognised on right-of-use assets and property, plant and equipment;
- reduce the carrying value of right-of-use assets by \$3,658,589 at 30 June 2021, representing the reinstatement of previously recognised impairment; and
- reduce the carrying property, plant and equipment by \$842,286 at 30 June 2021, representing the reinstatement of previously recognised impairment.

These errors have been rectified by restating each of the affected financial statement line items for prior periods as follows:

**Note 4. Restatement of comparatives (continued)**

*Statement of profit or loss and other comprehensive income*

Extract	Consolidated		
	2021 \$ Reported	\$ Adjustment	2021 \$ Restated
<b>Expenses</b>			
Impairment of assets	2,274,070	(4,500,875)	(2,226,805)
Fair value gain on derivatives	-	122,562	122,562
Finance costs	(1,806,215)	(494,312)	(2,300,527)
<b>Loss before income tax expense</b>	<b>(4,412,242)</b>	<b>(4,872,625)</b>	<b>(9,284,867)</b>
Income tax expense	-	-	-
<b>Loss after income tax expense for the year attributable to the owners of Oliver's Real Food Limited</b>	<b>(4,412,242)</b>	<b>(4,872,625)</b>	<b>(9,284,867)</b>
Other comprehensive income for the year, net of tax	-	-	-
<b>Total comprehensive income for the year attributable to the owners of Oliver's Real Food Limited</b>	<b>(4,412,242)</b>	<b>(4,872,625)</b>	<b>(9,284,867)</b>
	<b>Cents Reported</b>	<b>Cents Adjustment</b>	<b>Cents Restated</b>
Basic earnings per share	(1.54)	(1.69)	(3.23)
Diluted earnings per share	(0.35)	(2.88)	(3.23)

Diluted earnings per share was also adjusted to exclude options and warrants that were anti-dilutive.

*Statement of financial position at the beginning of the earliest comparative period*

Extract	Consolidated		
	1 July 2020 \$ Reported	\$ Adjustment	1 July 2020 \$ Restated
<b>Assets</b>			
<b>Non-current assets</b>			
Intangibles	2,635,769	(500,000)	2,135,769
Total non-current assets	29,510,161	(500,000)	29,010,161
<b>Total assets</b>	<b>33,016,126</b>	<b>(500,000)</b>	<b>32,516,126</b>
<b>Net liabilities</b>	<b>(4,284,001)</b>	<b>(500,000)</b>	<b>(4,784,001)</b>
<b>Equity</b>			
Accumulated losses	(35,818,429)	(500,000)	(36,318,429)
<b>Total deficiency in equity</b>	<b>(4,284,001)</b>	<b>(500,000)</b>	<b>(4,784,001)</b>

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**Note 4. Restatement of comparatives (continued)**

*Statement of financial position at the end of the earliest comparative period*

<b>Extract</b>	<b>2021</b> \$ <b>Reported</b>	<b>Consolidated</b> \$ <b>Adjustment</b>	<b>2021</b> \$ <b>Restated</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5,101,927	(842,286)	4,259,641
Right-of-use assets	21,009,391	(3,658,589)	17,350,802
Intangibles	2,037,697	(500,000)	1,537,697
Total non-current assets	<u>28,868,451</u>	<u>(5,000,875)</u>	<u>23,867,576</u>
<b>Total assets</b>	<u>32,302,716</u>	<u>(5,000,875)</u>	<u>27,301,841</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	5,057,329	(280,077)	4,777,252
Derivative financial instruments	-	651,827	651,827
Total non-current liabilities	<u>30,075,494</u>	<u>371,750</u>	<u>30,447,244</u>
<b>Total liabilities</b>	<u>38,354,983</u>	<u>371,750</u>	<u>38,726,733</u>
<b>Net liabilities</b>	<u>(6,052,267)</u>	<u>(5,372,625)</u>	<u>(11,424,892)</u>
<b>Equity</b>			
Accumulated losses	<u>(40,230,671)</u>	<u>(5,372,625)</u>	<u>(45,603,296)</u>
<b>Total deficiency in equity</b>	<u>(6,052,267)</u>	<u>(5,372,625)</u>	<u>(11,424,892)</u>

*Reclassification of certain comparatives*

Certain comparatives have been realigned to agree with current year presentation. There was no net effect on the loss or net deficiency in equity.

**Note 5. Operating segments**

*Identification of reportable operating segments*

The consolidated entity is organised into one operating segment being Quick Service Restaurants in Australia. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDAI (earnings before interest, tax, depreciation, amortisation and impairment). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

**Note 5. Operating segments (continued)**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
Net loss after tax	(11,669,877)	(9,284,867)
Add: Depreciation and amortisation expense	2,754,667	5,034,145
Add: Impairment of assets	11,282,254	2,226,805
Add: Finance costs	1,647,010	2,300,527
Less: Interest revenue	(2,407)	(2,353)
Less: Writeback of liability on termination of property lease	(2,472,949)	-
Less: Writeback of impairment	(1,569,802)	-
<b>EBITDAI</b>	<b><u>(31,104)</u></b>	<b><u>274,257</u></b>

**Note 6. Revenue**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
<i>Revenue from contracts with customers</i>		
Revenue from sale of goods - retail	<u>19,107,156</u>	<u>28,096,223</u>
<i>Other revenue</i>		
Royalties	333,681	-
Rent	20,250	7,200
Other revenue	<u>22,977</u>	<u>74,557</u>
	<u>376,908</u>	<u>81,757</u>
<b>Revenue</b>	<b><u>19,484,064</u></b>	<b><u>28,177,980</u></b>

**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 7. Other income**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
Government grants - JobSaver/JobKeeper **	1,626,940	4,433,773
Rent concessions	566,200	690,785
Miscellaneous income	<u>16,076</u>	<u>242,844</u>
<b>Other income</b>	<b><u>2,209,216</u></b>	<b><u>5,367,402</u></b>

\*\* This income was Government grants that was Covid19 related and is not expected in future years

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## Note 8. Expenses

	Consolidated 2022 \$	2021 \$
Loss before income tax includes the following specific expenses:		
<i>Depreciation and amortisation</i>		
Property, plant and equipment (note 13)	669,201	1,191,991
Motor vehicles right-of-use assets	3,835	-
Right-of-use assets property(note 14)	1,445,946	3,110,313
Intangibles (note 15)	635,685	731,841
	<u>2,754,667</u>	<u>5,034,145</u>
<i>Impairment split</i>		
Property, plant and equipment (note 13)	1,167,421	157,628
Right-of-use asset (note 14)	10,070,793	2,069,177
Intangibles (note 15)	44,039	-
Impairment writeback of Victorian Stores (Note 14,26)	(1,569,276)	-
	<u>9,712,977</u>	<u>2,226,805</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	567,775	487,162
Interest and finance charges paid/payable on lease liabilities	878,102	1,308,349
Interest on derivative financial instruments	280,077	494,312
Bad and doubtful debts	(78,944)	10,704
	<u>1,647,010</u>	<u>2,300,527</u>
<i>Leases</i>		
Short-term lease payments	46,962	-
<i>Superannuation expense</i>		
Defined contribution superannuation expense	712,110	1,058,113
<i>Share-based payments expense</i>		
Share-based payments expense	(44,262)	51,524

## Note 9. Income tax expense

	Consolidated 2022 \$	2021 \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(11,669,877)	(9,284,867)
Tax at the statutory tax rate of 25% (2021: 26%)	(2,917,469)	(2,414,065)
Current year tax losses and temporary differences not recognised	2,917,469	2,414,065
Income tax expense	<u>-</u>	<u>-</u>

**Note 9. Income tax expense (continued)**

	<b>Consolidated 2022</b>	<b>2021</b>
	\$	\$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	32,422,759	25,253,642
Potential tax benefit @ 25%	8,105,690	6,313,411

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

	<b>Consolidated 2022</b>	<b>2021</b>
	\$	\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Allowance for expected credit losses	(11,725)	1,156
Employee benefits	(54,739)	(10,178)
Provision for lease make good	(5,074)	(13,089)
Accrued expenses	40,136	66,797
Total deferred tax assets not recognised	<u>(31,402)</u>	<u>44,686</u>

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

**Note 10. Cash and cash equivalents**

	<b>Consolidated 2022</b>	<b>2021</b>
	\$	\$
<i>Current assets</i>		
Cash on hand	126,124	123,062
Cash at bank	99,260	1,451,587
	<u>225,384</u>	<u>1,574,649</u>

**Note 11. Trade and other receivables**

	<b>Consolidated 2022</b>	<b>2021</b>
	\$	\$
<i>Current assets</i>		
Trade receivables	112,929	969,934
Less: Allowance for expected credit losses	(3,000)	(49,900)
	<u>109,929</u>	<u>920,034</u>
Other receivables	99,300	168,740
	<u>209,229</u>	<u>1,088,774</u>

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**Note 11. Trade and other receivables (continued)**

*Allowance for expected credit losses*

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Gross carrying amount 2022	Gross carrying amount 2021	Allowance for expected credit losses	
	\$	\$	2022 \$	2021 \$
<b>Consolidated</b>				
Not overdue	155,848	691,215	-	-
Under three months overdue	12,049	143,213	-	-
Three to six months overdue	30,588	210,387	-	-
Over six months overdue	13,744	93,859	3,000	49,900
	<u>212,229</u>	<u>1,138,674</u>	<u>3,000</u>	<u>49,900</u>

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	2022 \$	2021 \$
Opening balance	49,900	45,273
Additional provisions recognised	-	4,627
Unused amounts reversed	(46,900)	-
Closing balance	<u>3,000</u>	<u>49,900</u>

**Note 12. Other assets**

	Consolidated	
	2022 \$	2021 \$
<i>Current assets</i>		
Prepayments	153,194	210,190
<i>Non-current assets</i>		
Rental bonds	124,965	147,905
	<u>278,159</u>	<u>358,095</u>

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Note 13. Property, plant and equipment

	Consolidated	
	2022	2021
	\$	\$
<i>Non-current assets</i>		
Land - at cost	-	426,955
Leasehold improvements - at cost	6,981,353	7,464,761
Less: Accumulated depreciation	(2,814,503)	(2,536,858)
Less: Impairment	(2,755,054)	(2,442,959)
	1,411,796	2,484,944
Plant and equipment - at cost	5,806,940	5,708,257
Less: Accumulated depreciation	(3,459,972)	(2,823,422)
Less: Impairment	(1,625,930)	(1,561,333)
	721,038	1,323,502
Motor vehicles - at cost	122,491	69,621
Less: Accumulated depreciation	(71,393)	(45,381)
	51,098	24,240
	2,183,932	4,259,641

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land \$	Leasehold improvements \$	Plant and equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2020	426,955	3,153,734	2,114,070	437,338	6,132,097
Additions	-	14,916	118,475	-	133,391
Disposals	-	(56,563)	(260,630)	(348,082)	(665,275)
Impairment of assets	-	(84,462)	(73,166)	-	(157,628)
Transfers out	-	-	-	9,047	9,047
Depreciation expense	-	(542,681)	(575,247)	(74,063)	(1,191,991)
	426,955	2,484,944	1,323,502	24,240	4,259,641
Balance at 30 June 2021	426,955	2,484,944	1,323,502	24,240	4,259,641
Additions	-	42,670	180,683	-	223,353
Disposals	(426,955)	(46,750)	(22,102)	(513)	(496,320)
Impairment of assets	-	(826,999)	(340,422)	-	(1,167,421)
Transfers in (out)	-	103,095	(103,095)	33,880	33,880
Depreciation expense	-	(345,164)	(317,528)	(6,509)	(669,201)
	-	1,411,796	721,038	51,098	2,183,932
Balance at 30 June 2022	-	1,411,796	721,038	51,098	2,183,932

Refer to note 26 for further information on impairment of assets.

**Note 14. Right-of-use assets**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Motor vehicles - right-of-use	-	61,355
Less: Accumulated depreciation	-	(21,091)
	<u>-</u>	<u>40,264</u>
Lease of premises - right-of-use	26,563,315	31,254,067
Less: Accumulated depreciation	(6,621,331)	(5,766,988)
Less: Impairment	(13,538,933)	(8,176,541)
	<u>6,403,051</u>	<u>17,310,538</u>
	<u><u>6,403,051</u></u>	<u><u>17,350,802</u></u>

Additions to the right-of-use assets during the year were \$631,171.

The consolidated entity leases land and buildings for its offices, warehouses and retail outlets under agreements of between 1 to 20 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The consolidated entity leases office equipment under agreements of less than 12 months. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

<b>Consolidated</b>	<b>Motor vehicles \$</b>	<b>Lease of premises \$</b>	<b>Equipment hire \$</b>	<b>Total \$</b>
Balance at 1 July 2020	675,486	19,614,719	39,960	20,330,165
Transfers In from PPE	(9,047)	-	13,990	4,943
Disposals	(504,363)	-	(36,778)	(541,141)
Impairment of assets	-	(2,069,177)	-	(2,069,177)
Re-measurement of leases	-	2,736,325	-	2,736,325
Depreciation expense	(121,812)	(2,971,329)	(17,172)	(3,110,313)
Balance at 30 June 2021	40,264	17,310,538	-	17,350,802
Disposals	(36,430)	(11,572)	-	(48,002)
Change of lease term adjustments	-	(1,579,623)	-	(1,579,623)
Impairment of assets	-	(10,070,793)	-	(10,070,793)
Writeback of Impairments	-	1,569,276	-	1,569,276
Re-measurement of leases	-	631,171	-	631,171
Depreciation expense	(3,834)	(1,445,946)	-	(1,449,780)
Balance at 30 June 2022	<u>-</u>	<u>6,403,051</u>	<u>-</u>	<u>6,403,051</u>

Refer to note 26 for further information on impairment of assets.

For other lease related disclosures, refer to the following:

- note 8 for details of interest on lease liabilities and other short-term and low-value lease expenses;
- note 18 for lease liabilities at the end of the reporting period;
- note 27 for undiscounted future lease commitments; and
- statement of cash flows for repayment of lease liabilities.

### Note 15. Intangibles

	Consolidated	
	2022	2021
	\$	\$
<i>Non-current assets</i>		
Software - at cost	295,112	984,882
Less: Accumulated amortisation	(50,938)	(669,688)
	<u>244,174</u>	<u>315,194</u>
Reacquired rights - at cost	3,258,000	3,258,000
Less: Accumulated amortisation	(2,518,544)	(2,035,497)
Less: Impairment	(44,039)	-
	<u>695,417</u>	<u>1,222,503</u>
	<u><u>939,591</u></u>	<u><u>1,537,697</u></u>

#### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Software \$	Reacquired rights \$	Total \$
Balance at 1 July 2020	430,219	1,705,550	2,135,769
Additions	133,769	-	133,769
Amortisation expense	(248,794)	(483,047)	(731,841)
	<u>315,194</u>	<u>1,222,503</u>	<u>1,537,697</u>
Balance at 30 June 2021	315,194	1,222,503	1,537,697
Additions	130,986	-	130,986
Disposals	(49,368)	-	(49,368)
Impairment of assets	-	(44,039)	(44,039)
Amortisation expense	(152,638)	(483,047)	(635,685)
	<u>244,174</u>	<u>695,417</u>	<u>939,591</u>

Refer to note 26 for further information on impairment of assets.

### Note 16. Trade and other payables

	Consolidated	
	2022	2021
	\$	\$
<i>Current liabilities</i>		
Trade payables	1,846,662	1,959,458
Accrued expenses	872,198	636,619
GST payable	1,112,234	513,258
Other payables	634,510	1,683,776
	<u>4,465,604</u>	<u>4,793,111</u>

Refer to note 27 for further information on financial instruments.

Note 17. Borrowings

	Consolidated	
	2022	2021
	\$	\$
<i>Current liabilities</i>		
Loan from Safety Factor Aviation Pty Ltd - secured	-	337,202
Insurance premium funding - unsecured <sup>(1)</sup>	89,530	143,404
Loan from related party - Green Superannuation Fund - secured <sup>(2)</sup>	300,160	-
	389,690	480,606
<i>Non-current liabilities</i>		
Loan from third party - Pure Asset Management - secured <sup>(3)</sup>	-	4,852,252
Loan from related party - Gelba Pty. Limited - secured <sup>(4)</sup>	1,500,000	-
Loan from related party - Michael and Suzanne Gregg - secured <sup>(4)</sup>	3,500,000	-
Revolving line of credit from related party - Gelba Pty. Limited <sup>(5)</sup>	1,980,000	-
Revolving line of credit from related party - Michael and Suzanne Gregg <sup>(5)</sup>	1,520,000	-
Capitalised borrowing costs	(41,667)	(75,000)
	8,458,333	4,777,252
	8,848,023	5,257,858

Refer to note 27 for further information on financial instruments.

- (1) Insurance premium funding is payable in monthly instalments and carries an interest rate of 7.2% (2021: 3.59%) variable. This facility is unsecured.
- (2) Loan is associated with Martin Green who is a trustee and member of the Green Superannuation Fund and is at a rate of 6% per annum. This facility is secured by a fixed and floating charge of the assets of the company.
- (3) The Pure Asset Management loan in the prior period was for \$5,000,000 on a 36 month term. The terms of this facility included an interest rate of 10.5% per annum. "The facility also provides for the lender to convert their loan and interest by issue of warrants that would be price at the lower of \$0.12 or an adjusted price if the Company issues equity securities exceeding 15% of the existing number of shares, subject to relevant shareholder approvals and/or available listing rule 7.1 or 7.1A issue capacity.  
To support the above, the facility included the issue of warrants in two tranches: (i) 37,500,000 Warrant Shares to be issued out of the Company's existing ASX Listing Rule 7.1 capacity; and (ii) 10,000,000 Warrant Shares to be issued, which were approved, at the Annual General Meeting ('AGM') on 22 January 2021.

On 19 October 2021, the facility (excluding the warrants) was assigned to Gelba Pty. Limited (an entity of which Martin Green, is a director and minority shareholder) and Michael and Suzanne Gregg for \$5,268,160, of which \$268,160 represents accrued interest.

The assignment of the loan facility to Gelba Pty. Limited and Michael and Suzanne Gregg is a substantial modification under AASB 9 'Financial Instruments', which requires the original loan to be de-recognised on the date it was settled and a new liability recognised, with any difference recognised in profit or loss.

There is no change in the 47,500,000 warrants held by Pure Asset Management and the terms that were approved by shareholders.

**Note 17. Borrowings (continued)**

- (4) During the financial year, the consolidated entity entered into a new facility agreement with Gelba Pty. Limited and Michael and Suzanne Gregg for the assignment of the Pure Asset Management loan of \$5,000,000. The initial term was two years from assignment date with an interest rate of 6% (linked to the 90 days BBSY) and reviewed quarterly and payable quarterly in arrears. At the AGM held on 22 January 2022, the interest rate was approved to be changed to 5.25% per annum calculated daily and payable quarterly in arrears maturing 30 September 2028. Repayment of \$250,000 per quarter from 1 October 2023 with the first repayment due 31 December 2023.

As per Pure Asset Management loan agreement, this facility is secured, namely first ranking security over assets of the consolidated entity.

- (5) The consolidated entity also entered into a \$1,500,000 revolving line of credit with Gelba Pty. Limited and Michael and Suzanne Gregg to support the consolidated entity's working capital requirements due to COVID-19 lockdown restrictions. The initial term was two years with an interest rate of 6% (linked to the 90 days BBSY) and reviewed quarterly. At the AGM held on 22 January 2022, shareholders approved the facility at an interest rate of 5.25% per annum calculated daily and payable monthly in arrears maturing 30 September 2023.

During the financial year a further \$3,000,000 was approved, bringing the total unsecured revolving line of credit to \$4,500,000 at an interest rate of 5.25% per annum calculated daily and payable monthly in arrears maturing 30 September 2023. In 27 September an additional \$1 million was approved, making the total unsecured revolving line of credit to \$5,500,000.

**Financing arrangements**

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 2022 \$	2021 \$
<b>Total facilities</b>		
Loan from third party - Pure Asset Management	-	4,852,252
Loan from related party - Gelba Pty. Limited	1,500,000	-
Loan from related party - Michael and Suzanne Gregg	3,500,000	-
Revolving line of credit from related party - Gelba Pty. Limited	3,380,000	-
Revolving line of credit from related party - Michael and Suzanne Gregg	2,120,000	-
	<u>10,500,000</u>	<u>4,852,252</u>
<b>Used at the reporting date</b>		
Loan from third party - Pure Asset Management	-	4,852,252
Loan from related party - Gelba Pty. Limited	1,500,000	-
Loan from related party - Michael and Suzanne Gregg	3,500,000	-
Revolving line of credit from related party - Gelba Pty. Limited	1,980,000	-
Revolving line of credit from related party - Michael and Suzanne Gregg	1,520,000	-
	<u>8,500,000</u>	<u>4,852,252</u>
<b>Unused at the reporting date</b>		
Loan from third party - Pure Asset Management	-	-
Loan from related party - Gelba Pty. Limited	-	-
Loan from related party - Michael and Suzanne Gregg	-	-
Revolving line of credit from related party - Gelba Pty. Limited	1,400,000	-
Revolving line of credit from related party - Michael and Suzanne Gregg	600,000	-
	<u>2,000,000</u>	<u>-</u>

**Note 18. Lease liabilities**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
<i>Current liabilities</i>		
Lease liability	2,578,695	2,575,444
<i>Non-current liabilities</i>		
Lease liability	17,483,854	24,451,942
	<u>20,062,549</u>	<u>27,027,386</u>

Refer to note 27 for further information on financial instruments.

**Note 19. Derivative financial instruments**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
<i>Non-current liabilities</i>		
Financial derivative - warrants	19,550	651,827

Refer to note 27 for further information on financial instruments.

Refer to note 28 for further information on fair value measurement.

**Note 20. Provisions**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
<i>Non-current liabilities</i>		
Lease make good	438,244	458,540

*Lease make good*

The provision represents the present value of the estimated costs to make good the premises leased by the consolidated entity at the end of the respective lease terms.

*Movements in provisions*

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	<b>Lease Make Good</b>
<b>Consolidated - 2022</b>	\$
Carrying amount at the start of the year	458,540
Unused amounts reversed	<u>(20,296)</u>
Carrying amount at the end of the year	<u>438,244</u>

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## Note 21. Issued capital

	2022 Shares	Consolidated 2021 Shares	2022 \$	2021 \$
Ordinary shares - fully paid	360,731,917	360,731,917	34,061,382	34,061,382

### Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 July 2020	270,731,917	31,361,382
Issue of shares via share placement	18 March 2021	40,000,000	1,200,000
Issue of shares via share placement	24 May 2021	50,000,000	1,500,000
Balance	30 June 2021	360,731,917	34,061,382
Balance	30 June 2022	360,731,917	34,061,382

### Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the company be wound up in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### Share buy-back

There is no current on-market share buy-back.

### Share warrants

The consolidated entity has granted two warrant certificates and approved by shareholders to subscribe for shares over two tranches, the first being for 37,500,000 shares and the second for a further 10,000,000 shares at a warrant exercise price of \$0.12 per share.

### Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2021 Annual Report.

## Note 22. Reserves

	Consolidated 2022 \$	2021 \$
Share-based payments reserve	-	117,022

### Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration in accordance with the provisions of Oliver's Employee Incentive Plan. Amounts are transferred out of the reserve and into issued share capital when the options are vested and exercised.

### Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments \$
Balance at 1 July 2020	173,046
Share-based payments	51,524
Expired share options	(107,548)
Balance at 30 June 2021	117,022
Expired share options	(117,022)
Balance at 30 June 2022	-

## Note 23. Dividends

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

## Note 24. Loss per share

	Consolidated 2022 \$	2021 \$
Loss after income tax attributable to the owners of Oliver's Real Food Limited	(11,669,877)	(9,284,867)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	360,731,917	287,385,469
Weighted average number of ordinary shares used in calculating diluted earnings per share	360,731,917	287,385,469
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(3.24)	(3.23)
Diluted earnings per share	(3.24)	(3.23)

Nil (2021: 4,000,000) options and 47,500,000 (2021: 47,500,000) warrants have been excluded from the calculation of diluted earnings per share, as they are anti-dilutive.

**Note 25. Cash flow information**

*Reconciliation of loss after income tax to net cash used in operating activities*

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax expense for the year	(11,669,877)	(9,284,867)
Adjustments for:		
Depreciation and amortisation	2,754,667	5,034,145
Impairment of assets	11,282,254	2,226,805
Net loss on disposal of property, plant and equipment	192,129	179,748
Share-based payments	(44,262)	(51,524)
Vender loan statute barred	-	(200,000)
Fair value gain on derivatives	(632,277)	(122,562)
Finance costs - unwind	280,077	491,312
Writeback of ROU liability terminated Leases	(2,472,949)	-
Reversal of impairments	(1,569,276)	-
Rental Waivers	(566,200)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	879,402	(109,598)
Decrease in inventories - stock on hand	67,548	730,596
Decrease in prepayments	56,996	67,048
Decrease in other operating assets	22,940	(306,835)
Decrease in trade and other payables	(327,507)	(1,157,532)
Decrease in employee benefits	(121,848)	(228,595)
Increase/(decrease) in other operating liabilities	4,463	(96,550)
Net cash used in operating activities	<u>(1,863,720)</u>	<u>(2,828,409)</u>

*Changes in liabilities arising from financing activities*

	Lease liabilities \$	Bank loans \$	Insurance premium funding \$	Related party borrowings \$	Third party borrowings \$	Pure Asset Manage- ment \$	Total \$
<b>Consolidated</b>							
Balance at 1 July 2020	27,642,434	975,000	229,219	481,630	200,000	-	29,528,283
Net cash from/(used in) financing activities	(2,222,718)	(975,000)	(85,815)	(144,428)	(200,000)	5,000,000	1,372,039
Lease remeasurement	1,607,670	-	-	-	-	-	1,607,670
Interest	-	-	-	-	-	132,329	132,329
Balance at 30 June 2021	27,027,386	-	143,404	337,202	-	5,132,329	32,640,321
Net cash from/(used in) financing activities	(3,104,237)	-	5,185	8,514,433	-	(5,132,329)	283,052
Lease remeasurement	(1,388,551)	-	-	-	-	-	(1,388,551)
Termination of leases	(2,472,049)	-	-	-	-	-	(2,472,049)
Other changes	-	-	(59,059)	21,988	-	-	(37,071)
Balance at 30 June 2022	<u>20,062,549</u>	<u>-</u>	<u>89,530</u>	<u>8,873,623</u>	<u>-</u>	<u>-</u>	<u>29,025,702</u>

## Note 26. 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 trigger exists, the recoverable amount of the asset is determined. As a result of the losses incurred by the consolidated entity during the financial year ended 30 June 2022, an indicator of impairment was triggered, and management performed impairment testing on the cash generating unit ('CGU') to which the assets belong as at 31 December 2021. An impairment exists when the carrying amount of the CGU exceeds its recoverable amount. The recoverable amount was then reassessed as at 30 June 2022.

Assets have been allocated to 24 CGU's. 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.

### Key assumptions used in the impairment testing

Assumption	Amount
Discount rate	16.25% -17.5%
Revenue growth rate year 1	Forecasted to return to Pre-COVID-19 2019 trading conditions.
Revenue growth rate year 2	15%
Revenue growth rate year 3 - 5	3%
Average budgeted cost of sales (% of revenue)	37%
Average budgeted labour costs (% of revenue)	38%
Budgeted capital expenditure	\$10,000

### Impairment testing results

As at 31 December 2021, the consolidated entity impaired assets totalling \$9,992,880 arose in 20 of the 24 CGU's, including \$7,243,474 for the full impairment of the Victorian store network. When the 31 December 2021 Interim Report was issued, the Board believed that all Victorian stores, except Euroa, would be closed. Following an extensive operational review in June 2022, a decision was made to continue to operate four of the Victorian stores, Officer Inbound and Outbound and Wallan Northbound and Southbound. This turnaround was on the basis that there are strong prospects for these stores (including current trading conditions, turnaround factors and are currently generating cash flows higher than forecasted in this previous reporting period). As a result, under AASB 136 'Impairment of Assets', this has led to a "significant favourable change" that has occurred in the extent to which an asset is used. Therefore, \$nil of impairments relating to those four stores has now been reversed. Refer to note 8 for the impairment charge in profit or loss.

## Note 26. Impairment testing (continued)

The following table details the impairment loss by CGU and asset category:

CGU #	CGU Name	Impairment of right-of- use assets \$	Impairment of property, plant & equipment \$	Impairment of franchise rights \$	Writeback of impairment of right-of- use assets \$	Total impairment \$	Recoverable amount (VIU) \$
# 1	Ballarat	34,053	(3,766)	-	-	30,287	-
# 2	Bulahdelah	260,816	109,924	-	-	370,740	1,007,839
# 3	Chinderah	917,661	39,773	-	-	957,434	-
# 4	Coffs Harbour	228,869	31,358	17,210	-	277,437	109,665
# 5	Eastlink Inbound	602,613	16,219	-	-	618,832	-
# 6	Eastlink Outbound	1,001,641	46,634	-	-	1,048,275	-
# 7	Euroa	-	-	-	-	-	863,362
# 8	Ferry Park	61,674	-	-	-	61,674	205,657
# 9	Geelong Northbound	650,475	39,869	-	-	690,344	-
# 10	Geelong Southbound	400,244	34,313	-	-	434,557	-
# 11	Goulbourn	106,826	-	-	-	106,826	617,838
# 12	Gundagai	286,730	-	-	-	286,730	1,442,817
# 13	Hexham	133,720	131,615	26,829	-	292,164	-
# 14	Lithgow	460,100	41,282	-	-	501,382	298,982
# 15	Maryborough	586,488	23,167	-	-	609,655	428,328
# 16	Officer Inbound	414,206	39,065	-	(207,020)	246,251	75,416
# 17	Officer Outbound	414,622	55,984	-	(342,945)	127,661	242,246
# 18	Penn Inbound	644,042	52,421	-	-	696,463	-
# 19	Penn Outbound	628,580	48,724	-	-	677,304	-
# 20	Port Macquarie	700,005	35,427	-	-	735,432	2,060,564
# 21	Wallan North	881,222	215,472	-	(881,222)	215,472	936,388
# 22	Wallan South	457,995	(21,812)	-	(138,615)	297,568	152,196
# 23	Wyong North	120,438	139,801	-	-	260,239	1,237,503
# 24	Wyong South	77,775	91,950	-	-	169,725	767,074
		<u>10,070,795</u>	<u>1,167,420</u>	<u>44,039</u>	<u>(1,569,802)</u>	<u>9,712,452</u>	<u>10,445,875</u>

### Sensitivity

As a result of the uncertainty surrounding the current trading situation with border closures and trading restrictions, the consolidated entity performed some sensitivity analysis on the impairment calculations presented in these financial statements. In the event the stores trading number improved by 10%, the reduction in the impairment calculated amounts to \$1,758,583, however, should there be a further decline in revenue to the extent of 10%, there would be the need to further impair an additional \$1,186,247. This would be distributed proportionally between property, plant and equipment 40%, and right-of-use- assets 60%, however this may vary depending on the particular stores involved.

Notwithstanding the above, the carrying values in respect of the CGU against which an impairment loss has been recognised continue to be sensitive to a range of assumptions, in particular the growth rates in the cash flow forecasts.

## Note 27. Financial instruments

### Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk, credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and ageing analysis for credit risk.

## Note 27. Financial instruments (continued)

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and manages financial risks within the consolidated entity. Finance reports to the Board on a monthly basis.

### *Market risk*

The consolidated entity is not exposed to any significant foreign currency risk.

### *Price risk*

The consolidated entity is not exposed to any significant price risk.

### *Interest rate risk*

The consolidated entity's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the consolidated entity to interest rate risk. Borrowings obtained at fixed rates expose the consolidated entity to fair value interest rate risk.

For the consolidated entity loans from related parties outstanding were \$8,500,000, with interest rate of 5.25%, are interest only payment loans with quarterly cash outlays of \$111,562 to service the interest payments. (2021: Pure Asset Management outstanding were \$5,132,329 outstanding fixed at 10.5% interest). An official increase/decrease in interest rates of 100 basis points (2021: 100 basis points) would have an adverse/favourable effect on profit before tax of \$85,000 (2021: \$14,750) per annum, the percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts.

### *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

### *Liquidity risk*

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

**Note 27. Financial instruments (continued)**

*Financing arrangements*

Unused borrowing facilities at the reporting date:

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
Revolving line of credit from related party - Gelba Pty. Limited	1,400,000	-
Revolving line of credit from related party - Michael and Suzanne Gregg	600,000	-
	<u>2,000,000</u>	<u>-</u>

*Remaining contractual maturities*

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

<b>Consolidated - 2022</b>	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	1,846,662	-	-	-	1,846,662
Accruals	-	872,198	-	-	-	872,198
Other payables	-	634,510	-	-	-	634,510
GST Payment plan	-	945,522	166,712	-	-	1,112,234
<i>Interest-bearing - variable</i>						
Other loans	6.00%	300,160	-	-	-	300,160
Insurance premium funding	7.20%	89,530	-	-	-	89,530
<i>Interest-bearing - fixed rate</i>						
Related party loans	5.25%	-	4,499,750	1,000,000	3,000,250	8,500,000
Lease liability	3.69%	2,578,695	1,921,662	4,671,590	10,890,602	20,062,549
Total non-derivatives		<u>7,267,277</u>	<u>6,588,124</u>	<u>5,671,590</u>	<u>13,890,852</u>	<u>33,417,843</u>
<b>Derivatives</b>						
Warrants	-	-	19,550	-	-	19,550
Total derivatives		<u>-</u>	<u>19,550</u>	<u>-</u>	<u>-</u>	<u>19,550</u>

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**Note 27. Financial instruments (continued)**

<b>Consolidated - 2021</b>	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	1,959,458	-	-	-	1,959,458
Other payables	-	1,683,776	-	-	-	1,683,776
<i>Interest-bearing - variable</i>						
Other loans	6.00%	337,202	-	-	-	337,202
Insurance premium funding	3.59%	143,404	-	-	-	143,404
<i>Interest-bearing - fixed rate</i>						
Pure Asset Management loan	10.50%	525,000	525,000	5,131,250	-	6,181,250
Lease liability	3.69%	2,450,730	2,465,196	5,796,593	15,205,920	25,918,439
<b>Total non-derivatives</b>		<b>7,099,570</b>	<b>2,990,196</b>	<b>10,927,843</b>	<b>15,205,920</b>	<b>36,223,529</b>
<b>Derivatives</b>						
Warrants	-	-	-	651,827	-	651,827
<b>Total derivatives</b>		<b>-</b>	<b>-</b>	<b>651,827</b>	<b>-</b>	<b>651,827</b>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**Note 28. Fair value measurement**

*Fair value hierarchy*

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

<b>Consolidated - 2022</b>	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Liabilities</i>				
Derivative financial instruments	-	-	19,550	19,550
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>19,550</b>	<b>19,550</b>
<b>Consolidated - 2021</b>				
<i>Liabilities</i>				
Derivative financial instruments	-	-	651,827	651,827
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>651,827</b>	<b>651,827</b>

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

### Note 28. Fair value measurement (continued)

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

#### Valuation techniques for fair value measurements categorised within level 2 and level 3

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

#### Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

<b>Consolidated</b>	Derivative financial instruments \$
Balance at 1 July 2020	-
Additions	(774,389)
Gains recognised in profit or loss	<u>122,562</u>
Balance at 30 June 2021	(651,827)
Gains recognised in profit or loss	<u>632,277</u>
Balance at 30 June 2022	<u><u>(19,550)</u></u>

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Range (weighted average)	Sensitivity
Derivative financial instruments	Discount rate	25%	10% increase in discount rate, would change fair value by (\$13,601). 10% decrease on discount rate, change fair value by \$12,044.
	Volatility	108.5%	10% increase in volatility rate, would change fair value by (\$28,949). 10% decrease on discount rate, change fair value by \$12,044

### Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the company:

	Consolidated 2022 \$	2021 \$
Audit services - Grant Thornton Audit Pty Ltd (2021: Bishop Collins Audit Pty Ltd) Audit or review of the financial statements	<u>230,200</u>	<u>185,000</u>

### Note 30. Contingent liabilities

The consolidated entity has given bank guarantees as at 30 June 2022 of \$305,891 (2021: \$571,531) to various landlords.

### Note 31. Related party transactions

#### Parent entity

Oliver's Real Food Limited is the parent entity.

#### Subsidiaries

Interests in subsidiaries are set out in note 33.

#### Key management personnel

Disclosures relating to key management personnel are set out in note 32 and the remuneration report included in the directors' report.

#### Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2022	2021
	\$	\$
Payment for other expenses:		
Interest paid to related parties	348,694	24,843

#### Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

#### Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2022	2021
	\$	\$
Current borrowings:		
Loan from Safety Factor Aviation Pty Ltd - a company solely owned by former director Jason Gunn	-	337,202
Loan from Green Superannuation Fund - Martin Green is a trustee and member of the Fund	300,160	-
Non-current borrowings:		
Loan from Gelba Pty. Limited - Martin Green is director and minority shareholder	1,500,000	-
Loan from Michael and Suzanne Gregg - shareholder of Oliver's Real Foods Limited	3,500,000	-
Revolving line of credit from Gelba Pty. Limited	1,980,000	-
Revolving line of credit from Michael and Suzanne Gregg	1,520,000	-

#### Terms and conditions

For further details on the loans and revolving lines of credit refer to note 17.

### Note 32. Key management personnel disclosures

Refer to the Remuneration report contained in the Directors' report for details of the remuneration to each key management personnel for the year ended 30 June 2022.

### Note 32. Key management personnel disclosures (continued)

#### Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2022	2021
	\$	\$
Short-term employee benefits	604,052	724,365
Post-employment benefits	42,381	38,024
Share-based payments	-	44,362
	646,433	806,751

### Note 33. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2022 %	2021 %
Fresh Food Services NSW Pty Limited	Australia	100%	100%
Fresh Food Services QLD Pty Limited	Australia	100%	100%
Fresh Food Services VIC Pty Limited	Australia	100%	100%
Gundagai Properties Pty Ltd	Australia	100%	100%
Oliver's Ballarat Pty Ltd	Australia	100%	100%
Oliver's Bulahdelah Pty Ltd	Australia	100%	100%
Oliver's Chinderah Pty Limited	Australia	100%	100%
Oliver's Coffs Pty Limited	Australia	100%	100%
Oliver's Corporate Pty Ltd	Australia	100%	100%
Oliver's East-Link Inbound Pty Limited	Australia	100%	100%
Oliver's East-Link Outbound Pty Limited	Australia	100%	100%
Oliver's Employment Services Pty Ltd	Australia	100%	100%
Oliver's Euroa Pty Limited	Australia	100%	100%
Oliver's Ferry Park Pty Limited	Australia	100%	100%
Oliver's Geelong Northbound Pty Limited	Australia	100%	100%
Oliver's Geelong Southbound Pty Limited	Australia	100%	100%
Oliver's Gundagai Pty Limited	Australia	100%	100%
Oliver's Hexham Pty Limited	Australia	100%	100%
Oliver's Lithgow Pty Limited	Australia	100%	100%
Oliver's Maitland Road Pty Limited	Australia	100%	100%
Oliver's Maryborough Pty Limited	Australia	100%	100%
Oliver's Merino Pty Limited	Australia	100%	100%
Oliver's Officer Inbound Pty Ltd	Australia	100%	100%
Oliver's Officer Outbound Pty Ltd	Australia	100%	100%
Oliver's Penn-Link Inbound Pty Limited	Australia	100%	100%
Oliver's Penn-Link Outbound Pty Limited	Australia	100%	100%
Oliver's Port Macquarie Pty Limited	Australia	100%	100%
Oliver's Wallan Northbound Pty Ltd	Australia	100%	100%
Oliver's Wallan Southbound Pty Ltd	Australia	100%	100%
Oliver's Wyong Northbound Pty Ltd	Australia	100%	100%
Oliver's Wyong Southbound Pty Limited	Australia	100%	100%
Silver Dog Pty Ltd	Australia	100%	100%

### Note 34. Share-based payments

#### Executive Share Option Plan

Share options are granted to Executives under the Oliver's Employee Incentive Plan to take up ordinary shares at a pre-determined exercise price. The options hold no voting or dividend rights and are not transferable.

Vesting is subject to performance conditions pertaining to earnings forecast and relative total shareholder return ('TSR') being met, and the executive is still employed at the end of the vesting period. The options lapse when an executive ceases their employment with the consolidated entity.

The 2,000,000 options would have vested, had they not expired, when the share price doubled from \$0.022 to \$0.044 and there are two consecutive quarters of positive EBITDA.

Set out below are summaries of options granted under the plan:

	Number of options 2022	Weighted average exercise price 2022	Number of options 2021	Weighted average exercise price 2021
Outstanding at the beginning of the financial year	2,000,000	\$0.280	300,000	\$0.300
Expired	(2,000,000)	\$0.280	(300,000)	\$0.300
Granted 22 January 2021	-	\$0.000	2,000,000	\$0.028
Outstanding at the end of the financial year	<u>-</u>	<u>\$0.280</u>	<u>2,000,000</u>	<u>\$0.280</u>

### Note 35. Parent entity information

#### Statement of profit or loss and other comprehensive income

	Parent	
	2022	2021
	\$	\$
Loss after income tax	(11,669,878)	(9,284,866)
Total comprehensive income	(11,669,878)	(9,284,866)

#### Statement of financial position

	Parent	
	2022	2021
	\$	\$
Total current assets	1,080,911	3,434,265
Total assets	11,038,341	27,301,841
Total current liabilities	7,782,297	8,279,488
Total liabilities	34,250,132	38,726,732
Equity		
Issued capital	34,061,382	34,061,382
Share-based payments reserve	-	117,022
Accumulated losses	(57,273,173)	(45,603,295)
Total deficiency in equity	<u>(23,211,791)</u>	<u>(11,424,891)</u>

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### Note 35. Parent entity information (continued)

#### *Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021.

#### *Contingent liabilities*

Except for the bank guarantees as detailed in note 30, the parent entity has no other contingent liabilities as at 30 June 2022 and 30 June 2021.

#### *Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

#### *Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

### Note 36. Events after the reporting period

#### **Release from 6 Victorian store leases**

The company advises negotiations with one of our Victorian landlords have concluded and that the consolidated entity has been released from the following six leases:

- Geelong North and South
- Peninsula Inbound and Outbound
- Eastlink Inbound and Outbound

This is a significant and positive outcome for the company. As a result of this in the FY2023 first half results, there will be a write-back of the remaining lease liabilities in relation to these stores. As the right-of-use and plant and equipment assets for these six stores were fully impaired in FY2022, this will result in a writeback of \$6,385,000.

This write-back will reduce current and non-current liabilities and improve our working capital shortfall by approximately \$500k.

The company has signed the Deeds of Release, and the outstanding rent owed was paid on 26 September 2022. The company acknowledges the landlord's willingness to negotiate and to work with Oliver's to find a commercial outcome.

On 27 September 2022 the company obtained approval from their lenders for an increase in the unsecured revolving current facility for an additional \$1,000,000, making the facility \$5,500,000. As at date of signing the facility was drawn to \$4,730,800.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Martin Green  
Chairman

14 October 2022

## Independent Auditor's Report

To the Members of Oliver's Real Food Limited

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Grant Thornton Audit Pty Ltd

Level 17

383 Kent Street

Sydney NSW 2000

Locked Bag Q800

Queen Victoria Building NSW

1230

T +61 2 8297 2400

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Oliver's Real Food Limited (the Company) and its subsidiaries (the Consolidated Entity), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the Corporations Regulations 2001.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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## Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Consolidated Entity incurred a net loss of \$11,669,878 during the year ended 30 June 2022, and as of that date, the Consolidated Entity's current liabilities exceeded its total assets by \$6,701,385. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<b>Impairment assessment of property, plant and equipment and right of use assets – note 26</b>	
<p>AASB 136 <i>Impairment of Assets</i> requires entities to assess at the end of each reporting period whether there is any indication that an asset may be impaired. The entity shall estimate the asset's recoverable amount if any indication exists.</p> <p>The carrying amounts of the CGUs were assessed by management for impairment by estimating their recoverable amount using a value-in-use method per AASB 136.</p> <p>Further, four of the Victorian stores were assessed for an impairment reversal due to significantly favourable changes in the asset use under AASB 136.</p> <p>Many judgements and estimates are involved in determining the recoverable amount. These include but are not limited to forecasting future cash flows and applying an appropriate discount rate. Due to the required judgements and estimates, we have considered this a key audit matter.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"><li>• Obtaining management's assessment of impairment indicators under AASB 136 and reviewing for reasonableness;</li><li>• Assessing management's assessment of the Consolidated Entity's Cash Generating Units (CGUs);</li><li>• Reviewing the impairment model for compliance with AASB 136;</li><li>• Verifying the mathematical accuracy of the underlying model calculations and assessing the appropriateness of the methodologies applied;</li><li>• Reviewing the key inputs of the model and corroborating key assumptions against supporting documentation;</li><li>• Considering the appropriateness of revenue growth assumptions in management's forecast of cash flows in the current and future operating environments;</li><li>• Engaging our internal valuation specialists to assess the mechanics of the impairment model and associated discount rate;</li><li>• Performing sensitivity analysis on the significant inputs and assumptions made by management in preparing the value-in-use calculation; and</li><li>• Assessing the adequacy of disclosures in the financial report.</li></ul>

#### Derivative financial instruments – note 4, note 19, note 27 and note 28

On 29 September 2020, the Consolidated Entity entered a facility agreement with Pure Asset Management for \$5,000,000. In addition, the Consolidated Entity issued warrants in conjunction with the loan facility.

On 19 October 2021, the facility was assigned to Gelba Pty Ltd for \$5,268,160, of which \$268,160 represents accrued interest. However, the warrants remained issued to Pure Asset Management and, therefore, are recorded at their fair value at the end of the reporting period.

Given the high level of management judgement and management's use of experts to value the warrants we have determined this to be a key audit matter.

Our procedures included, amongst others:

- Evaluating the competence, capability and objectivity of the experts used by management for the accounting treatment and valuation methodology;
- Engaging our expert to obtain an understanding of the relevant contract terms and reviewing the accounting treatment as advised by management's expert to assess compliance with Australian Accounting Standards;
- Engaging our valuations expert to assist in reviewing the valuation methodology and challenging the key inputs and assumptions to comparable data in the market;
- Reviewing the legal advice, which determined that the share warrants were still active and able to be exercised by Pure Asset Management; and
- Assessing the adequacy of disclosures in the financial report.

#### Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1\\_2020.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf). This description forms part of our auditor's report.

### Report on the remuneration report

#### Opinion on the remuneration report

We have audited the Remuneration Report included in pages 12 to 17 of the Directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Oliver's Real Food Limited, for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd  
Chartered Accountants



P J Woodley  
Partner – Audit & Assurance  
Sydney, 14 October 2022

The shareholder information set out below was applicable as at 30 September 2022

### Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Warrants over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total warrants issued
1 to 1,000	42	1.98	-	-
1,001 to 5,000	281	13.27	-	-
5,001 to 10,000	300	14.16	-	-
10,001 to 100,000	1,235	58.31	1	100.00
100,001 and over	260	12.28	-	-
	<b>2,118</b>	<b>100.00</b>	<b>1</b>	<b>100.00</b>
Holding less than a marketable parcel	516	0.61	-	-

### Equity security holders

#### Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
MR MICHAEL JOHN GREGG & MRS SUZANNE JANE GREGG	51,327,516	14.23
GELBA PTY LIMITED	37,439,660	10.38
HAURAKI TRUST COMPANY LIMITED	28,387,500	7.87
BUTOF HOLDINGS PTY LTD	20,785,318	5.76
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	20,250,000	5.61
ZANYA NOMINEES PTY LTD (JLS SUPERANNUATION A/C)	11,666,667	3.23
SWEET AS DEVELOPMENTS PTY LTD (SWEETMAN MCNICKLE FAMILY A/C)	11,288,572	3.13
MR JASON ANTONY GUNN	10,000,000	2.77
TWENTY SECOND SEPELDA PTY LTD (THE METTER FAMILY A/C)	6,666,667	1.85
CUSTODIAL SERVICES LIMITED (BENEFICIARIES HOLDING A/C)	5,420,155	1.50
EVACAP PTY LTD (EVANS FAMILY A/C)	4,066,666	1.13
CITICORP NOMINEES PTY LIMITED	3,848,589	1.07
MS ANNE LOUISE MATTHEWS	3,500,000	0.97
WR SIMPSON NOMINEES PTY LTD (SIMPSON SUPER FUND A/C)	3,253,025	0.90
WOLRAM INVESTMENTS PTY LTD (WOLRAM A/C)	3,000,000	0.83
GAZELLE BICYCLES AUSTRALIA PTY LTD (GAZELLE BICYCLE AUS SBF A/C)	2,888,363	0.80
MR MICHAEL JOHN GREGG	2,000,000	0.55
MFA CAPITAL PTY LTD (T & J ADAMS SUPER FUND A/C)	1,800,000	0.50
GOLD RETIREMENT PTY LTD (GOLD RETIREMENT FUND A/C)	1,750,000	0.49
MRS PAMELA ELIZABETH BROWN	1,750,000	0.49
	<b>231,088,698</b>	<b>64.06</b>

	Warrants over ordinary shares	Warrants over ordinary shares % of total warrants
	Number held	issued
PURE ASSET MANAGEMENT	47,500,000	100.00

#### Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares % of total shares	
	Number held	issued
MR MICHAEL JOHN GREGG & MRS SUZANNE JANE GREGG	51,327,516	14.23
GELBA PTY LIMITED	37,439,660	10.38
HAURAKI TRUST COMPANY LIMITED	28,387,500	7.87
BUTOF HOLDINGS PTY LTD	20,785,318	5.76
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	20,250,000	5.61

#### Voting rights

The voting rights attached to ordinary shares are set out below:

##### Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

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**NSW**

Bass Hill  
 Belmont  
 Belrose  
 Birkshire Park  
 Blacktown  
 Blakehurst  
 Bowral  
 Brookvale  
**Bulahdelah**  
 Bulli  
 Burwood  
 Campbelltown  
 Campbelltown  
 Cardiff  
 Charlestown  
 Chatswood East  
 Chester Hill  
 Chipping Norton  
 Chullora  
**Coffs Harbour**  
 Cranebrook  
 Dural  
 Edgeworth  
 Emu Heights  
 Emu Plains  
 Epping Cotters Road  
 Fairymeadow  
**Ferry Park**  
**Goulburn**  
 Goulburn  
 Granville  
 Greenacre  
 Gregory Hills  
**Gundagai**  
**Hexham**  
 Katoomba  
 Kellyville Ridge  
 Kings Park  
 Kogarah  
 Lake Munmorah  
 Lansvale  
 Lewisham  
 Lisarow  
**Lithgow**  
 Liverpool  
 Maitland  
 Marrickville  
 Minto  
 Miranda  
 Mittagong  
 Moss Vale

Narellan  
 Narellan  
 Narrambla  
 Newport  
 North Narrabeen  
**Oran Park**  
 Oran Park  
 Orange  
 Penrith  
**Port Macquarie**  
 Prestons  
 Punchbowl  
 Riverstone  
 Rockdale  
 Roselands  
 Rutherford  
 Silverwater  
 Spring Farm  
 Surry Hills  
 Tuggerah  
 Turramurra  
 Umina Beach  
 Werrington  
 West Ryde  
 Windsor  
 Wollongong West  
 Woolooware  
 Wyoming  
**Wyong Northbound**  
**Wyong Southbound**

**ACT**

Belconnen  
 Canberra Airport  
 Conder  
 Dickson  
 Gungahlin  
 Hume  
 Jerrabomberra  
 Lyneham  
 Tuggeranong

**VIC**

Abbotsford  
 Altona Meadows  
 Bacchus Marsh  
 Bacchus Marsh  
 Balwyn  
 Bayswater  
 Berwick  
 Braeside  
 Bulleen

Camberwell  
 Carrum Downs  
 Chelsea  
 Clayton  
 Coburg  
 Craigieburn  
 Cranbourne  
 Doncaster East  
 Epping  
**Euroa**  
 Frankston  
 Glen Waverley  
 Glen Waverly  
 Hastings  
 Kennington  
 Keysborough  
 Kilsyth  
 Langwarrin  
 Laverton North  
 Lucas  
 Manifold Heights  
 Maribynong  
 Melton  
 Melton South  
 Mernda  
 Monbulk  
 Murrumbeena  
 Noble Park  
 North Geelong  
 North Melbourne  
 Ocean Grove  
 Ocean Grove  
 Officer  
**Officer Inbound**  
**Officer Outbound**  
 Pascoe Vale  
 Ringwood  
 Rosebud West  
 Rowville  
 Rye  
 Seville  
 Springvale  
 St Helena  
 St Kilda  
 Sunbury  
 Tarniet  
 Taylors Hill  
 Torquay  
**Wallan North**  
**Wallan South**  
 Wantirna  
 Werribee

Winter Valley  
 Wyndham Vale

**QLD**

Birkdale  
 Bowen Hills  
 Brendale  
 Brendale  
 Browns Plains  
 Calamvale  
 Cannon Hill  
 Capalaba  
 Capalaba  
 Cornubia  
 Enoggera  
 Goodna  
 Greenbank  
 Gympie  
 Gympie  
 Helensvale  
 Hope Island  
 Jimboomba  
 Kallangur  
 Karalee  
 Kenmore  
 Macgregor  
 Mango Hill  
**Maryborough**  
 Meadowbrook  
 Mitchelton  
 Moorooka  
 Ormeau  
 Oxley  
 Park Ridge  
 Robina  
 Runaway Bay  
 Slacks Creek  
 Southport  
 Springfield Lakes  
 Tingalpa  
 Underwood  
 Upper Coomera  
 Victoria Point  
 Virginia  
 Warner  
 Waterford  
 Woodridge

**Oliver's restaurant**  
 Oliver's Food  
 To Go at EG

Directors	Martin Green Steven Metter Kathryn Gregg
Company secretary	Robert Lees
Australian business number ('ABN')	33 166 495 441
Registered office and principal place of business	Level 1, 24 Hely Street Wyong NSW 2259 (02) 4353 8055
Share register	Boardroom Pty Ltd Level 12, 275 George Street Sydney NSW 2000 1300 737 760 (in Australia) or +61 2 9290 9600 <a href="http://www.boardroomlimited.com.au">www.boardroomlimited.com.au</a>
Auditor	Grant Thornton Audit Pty Ltd Level 17 383 Kent Street Sydney NSW 2000
Solicitors	Breene and Breene Level 12, 111 Elizabeth Street Sydney NSW 2000
Bankers	Commonwealth Bank of Australia Level 19, 111 Pacific Highway, North Sydney NSW 2060  National Australia Bank Level 13, Tower B, 799 Pacific Highway, Chatswood NSW 2067
Stock exchange listing	Oliver's Real Food Limited shares are listed on the Australian Securities Exchange (ASX code: OLI)
Websites	<a href="http://www.olivers.com.au">www.olivers.com.au</a> <a href="http://www.investor.olivers.com.au">www.investor.olivers.com.au</a>
Corporate Governance Statement	<p>The directors and management are committed to conducting the business of Oliver's Real Food Limited in an ethical manner and in accordance with the highest standards of corporate governance. Oliver's Real Food Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.</p> <p>The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, which is approved at the same time as the Annual Report can be found at: <a href="https://olivers.com.au/investors">https://olivers.com.au/investors</a></p>