

Oliver's Real Food Limited

ANNUAL REPORT
30 JUNE 2024

For personal use only





Oliver's Real Food Limited

ABN 33 166 495 441

Annual Report - 30 June 2024

For personal use only

| | |
|---|----|
| Chairman's letter | 2 |
| Chief Executive Officer's letter | 4 |
| Directors' report | 7 |
| Auditor's independence declaration | 17 |
| Statement of profit or loss and other comprehensive income | 18 |
| Statement of financial position | 19 |
| Statement of changes in equity | 20 |
| Statement of cash flows | 21 |
| Notes to the financial statements | 22 |
| Consolidated entity disclosure statement | 53 |
| Directors' declaration | 55 |
| Independent auditor's report to the members of Oliver's Real Food Limited | 56 |
| Shareholder information | 60 |
| Corporate directory | 62 |

For personal use only

Letter from the Chairman

The company closed the 2024 financial year with a statutory loss of \$2.3 million. Despite this being our second-best result over the last 5 years, it is a disappointing outcome following a positive turnaround in 2023.

The Board and management are committed to returning the company to profit through a rigorous focus on reducing costs and driving sales growth, while delivering on the core promise of *fast food you can feel good about*.

As announced on 29 August 2024, the key factors which have impacted our financial performance include:

- Investment in Pheasants Nest stores
- Increased competition at Wyong
- Increased operating costs without sufficient sales growth across the network
- Impairments



Pheasants Nest

The investment into Pheasants Nest is vital for the growth of the business. Pheasants Nest South is now our third-highest revenue store behind Wyong North and Wyong South. Our presence at this key location also maintains our strong long-term relationship with Ampol.

The centres have taken longer to become established as a preferred service centre south of Sydney, resulting in sales initially being below expectations. Original forecasts for Pheasants Nest were based on our experience with Wyong trading and data regarding traffic movements on the Hume Highway. While Average Transaction Value (ATV) at Pheasants Nest is comparable with other stores, customer numbers are below expectations. This is particularly the case at the Northbound site which, given its inbound proximity to Sydney, is generally trading at a lower level – we believe this is an issue impacting all QSR operators at this site.

The management team is addressing sales activity at these two stores as a matter of priority, primarily via a rejuvenated marketing campaign. We remain optimistic about their contribution to the success of Oliver's.

Wyong

Wyong North transitioned from a stand-alone store to a service centre location and continues to operate solidly in that environment. While transactions initially declined, they are now ahead of last year. ATV however is lower as the sales mix has changed, and this is a challenge management is addressing.

Wyong South remains a stand-alone store and has been impacted by increased competition from the adjoining service centre. While our sales were subdued after the refurbished service centre opened, we are now seeing Southbound results picking up.

What is undeniable is that there is greater competition at both sites but we welcome the challenge this competition brings, and we remain very confident that these stores will continue to deliver significant returns in the years ahead.

Increased operational costs

Company-wide we have faced and continue to face increases in the costs of doing business including wages (and the consequent increase in on-costs) and store running expenses, notably utilities. While same-store sales growth in FY2024 of 2.25% was encouraging, it was insufficient to cover these increased costs.

In light of these challenges, we have further reviewed each store's performance with a very clear focus on sustainable cash generation. For stores not currently generating positive cashflow, we assessed the feasibility of cashflow improvement, given the store's location and realistic predictions of sales growth. This analysis has resulted in some difficult decisions and as previously announced, has led to the closure of our Lithgow and Coffs Harbour stores.

The Board and management team are very aware, despite the current subdued economic conditions, that the current financial returns are below expectations. The CEO letter provides more detail on management's strategies to boost sales across all stores, reduce costs and invest in our marketing activities.

Impairments

The FY2024 numbers included \$520k in impairments. \$320k of these related to the closure of Lithgow and Coffs Harbour stores. In the case of Lithgow, the store was consistently losing money and an outlier in the network. In the case of Coffs Harbour, the lease has less than one year to run and with the M1 Coffs Harbour by-pass soon to open, continuing to trade was deemed commercially unviable.

The additional impairment of \$200k was due to our review of impairment indicators of the remaining stores, and the identification of two stores requiring additional impairment due to current underperformance at those stores.

Against this, our network continues to include high value sites – especially our Wyong stores.

In conclusion

After a challenging FY2024, we are committed to a campaign of reviewing and reducing key operational costs with some significant efficiencies in the year ahead. A leaner, decentralised organisation focused on driving revenue in cash-positive stores, with increased marketing budget to drive substantial sales growth will underpin the next twelve months at Oliver's.

I thank and acknowledge the efforts of our CEO, Natalie Sharpe, the management team, and all employees across our store network. The economic environment is challenging but our future success and the result we achieve will be due to the continued dedication of every employee.

I conclude by thanking my fellow Board members for the contribution and support. I especially take this opportunity to thank Ben Williams, who resigned from the Board in July 2024. I acknowledge his valuable input as a Board member and the opportunity to tap into his experience in the QSR market and I know he remains keenly interested in Oliver's and our success.



Martin Green

Chairman

Letter from the CEO

Dear fellow Shareholders,

FY24 was challenging. Increased outgoings, additional competition at Wyong and initial Pheasants Nest store performance, which was below expectations, contributed to a net loss in FY24 of \$2.3 million (FY23 profit \$5.9 million).

Net impairments were \$520k (FY23 \$Nil). Write back on lease liabilities were Nil (FY23 \$6.4 million) due to store closures at Geelong North and South, Peninsula Inbound and Outbound, and Eastlink Inbound and Outbound in 2023.

Overall EBITDAI, removing the effect of the impairments, was \$1.7 million (FY23 \$2.8 million).

Recognising the challenging environment management remained focused on our strategic priorities of improving operational efficiencies and enhancing the customer experience.

Our commitment to these priorities has resulted in a leaner operating model and has strengthened our foundations for growth. In addition, important financially strategic decisions have been actioned to ensure that we remain competitive and resilient in the ever-changing market.

I outline here our FY24 strategic priorities, outcomes and plans to drive growth in FY25.

Improve operational efficiencies

Improving operational efficiencies was a key priority during FY24. Our initiatives focused on menu development, new equipment, organisational restructure and store consolidation.

Menu and equipment

Menu development was aimed at maximising efficiencies across our core product and ingredient lines. With the use of sales and customer feedback data, we consolidated our menu offering and resulting ingredient lines. This has had a positive impact on both increasing revenue and streamlining logistics.

For new products, we looked to utilise existing ingredient lines. Our new warm bowls range has helped to expand our lunch and dinner offering as well as including more nutritious items for those with special dietary needs. Our Mexican Chicken Bowl is now one of our highest selling menu lines across the lunch and dinner segments.

Along with the menu development, new kitchen equipment was rolled out across the store network to assist with speed of service and product consistency.

Organisational structure

Changes to our organisational structure during FY24, but particularly over the last quarter of the financial year, saw us move to a more decentralised management model with emphasis on the Business Support Manager (BSM) role.

The revised BSM roles are designed to strengthen communication channels between management and our in-store teams, identify and resolve issues within the network with greater efficiency, reinforce store sales KPIs, and enhance our workplace culture and customer experience.

The BSM's also assisted with the implementation of new customer service standards across the store network from April 2024, solidifying our commitment to providing exceptional customer service.



Store closures

Following careful analysis and evaluation of many aspects of the business, including product range, company structure and our store network, we decided to close three stores. Hexham closed in March, Lithgow in July and we recently announced Coffs Harbour will close in October.

These initiatives were necessary for our long-term success and to better streamline the business for future opportunities. Our immediate focus remains on strengthening the performance of our current store network before considering other growth opportunities.

Enhanced customer experience

Store refresh

Oliver's is committed to providing quality real food. It is important that our commitment to quality is reflected across all aspects of the business.

The refresh of our Wyong Northbound store and opening of our two new sites at Pheasants Nest during FY24 gave us the opportunity to set the standard for future Oliver's stores. The updated store design and uniforms reflects a modern, clean and fresh look with natural tones which aligns with our quality real food offering.

Tech upgrades

Upgrades to our IT ecosystem during FY24 has been an important part of strengthening the foundations of the business and improving customer experience.

New POS software and hardware were rolled out across the network to improve reliability, speed of service, and functionality. A new Kiosk application and App were also adopted and implemented to provide a better user experience. Pleasingly, we have seen an increased uptake of these sales channels.

Kiosk sales as a proportion of total net sales increased from 9.07% to 13.53% compared to the corresponding period in FY23. App registrations have grown steadily since the launch in late March. This is a good result as Kiosk sales deliver higher ATV compared to POS transactions, and the App channel enables more targeted marketing efforts and helps us drive value to our customers.

Overall, the new technology is more dynamic, allowing us to shape a solution that is fit for purpose and will serve our customers now and into the future.

The road ahead: Driving sales growth

With stronger operational and technological foundations, the key focus for FY25 is to drive sales growth across the existing store network.

Our strategy will utilise in-store and digital marketing initiatives to create brand awareness, attract new customers, emphasise our value proposition and drive loyalty.

A robust digital strategy will form a key part of our marketing plans in FY25. Google Waze and Meta advertising will be employed to drive brand awareness and increase customer count.

A trial of this strategy at our Maryborough store in late FY24 yielded promising results with a 15.6% increase in net sales compared to the same period last year. We will now extend this digital strategy across the network.

Marketing plans in FY25 will be further strengthened by an increased social media presence, including value-add videos and influencer engagement, cross store promotions, signage upgrades and expanding our strategic partnerships.

We are focused on improving our value proposition over the coming months. In particular, the App will be used to drive value to our customers, through special offers and discounts, and to build loyalty.

A revised and improved food-to-go offering will help to enhance value perception in-store and deliver on our promise of 'fast food you can feel good about'. While most Australian QSRs focus on their restaurant offering, we see food-to-go as a clear competitive advantage for the business which can be further leveraged to drive growth.

I would like to take this opportunity to thank Martin Green and the Board for their ongoing support. I would also like to thank my management team and all Oliver's staff who have embraced much change over this year and remain as passionate and dedicated as ever to drive Oliver's forward.



Natalie Sharpe

CEO

natalie.sharpe@olivers.com

For personal use only

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 2024.

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 |
| Steven Metter | Non-Executive Director |
| Kathryn Gregg | Non-Executive Director |
| Benjamin Williams | Non-Executive Director (Resigned 12 July 2024) |

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 \$26,666,335 (2023: \$24,904,830) an increase of 7.1% from the previous reporting period.

| | 2024 \$ | 2023 \$ | Change \$ | Change % |
|---------|------------|------------|--------------|-------------|
| Revenue | 26,666,335 | 24,904,830 | 1,761,505 | 7.1% |

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

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

| | 2024 \$ | 2023 \$ | Change \$ | Change % |
|--|-------------------------|-------------------------|---------------------------|-----------------------|
| Net profit/(loss) after tax | (2,313,007) | 5,891,237 | (8,204,244) | (139.3%) |
| Add: Depreciation and amortisation expenses | 2,043,097 | 2,140,850 | (97,753) | (4.6%) |
| Add: Finance costs | 1,475,392 | 1,201,964 | 273,428 | 22.7% |
| Less: Interest revenue | (6,775) | (3,052) | (3,723) | 122.0% |
| Add: Writeback of liability on termination on property lease | - | (6,416,115) | 6,416,115 | (100.0%) |
| EBITDA* | <u>1,198,707</u> | <u>2,814,884</u> | <u>(1,616,177)</u> | <u>(57.4%)</u> |
| Add: Impairment of assets | <u>520,359</u> | <u>-</u> | <u>520,359</u> | <u>-</u> |
| EBITDAI* | <u><u>1,719,066</u></u> | <u><u>2,814,884</u></u> | <u><u>(1,095,818)</u></u> | <u><u>(38.9%)</u></u> |

* 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.

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.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

Mr Ben Williams (non-executive director), who joined the Company on 9 December 2022, resigned from the Board effective 12 July 2024.

Closure of Company Stores

The company's Lithgow store closed on 29 July 2024.

The Coffs Harbour store is scheduled to close on 14 October 2024.

The lenders have granted a 12-month interest moratorium on all \$4.91 million unsecured debt, backdated to 1 July 2024, which will provide an additional \$358k in working capital.

The lenders extended the maturity and repayment schedules of the secured loan and unsecured line of credit facilities by 12 months.

An additional \$1.4 million in an unsecured debt facility has been provided by Michael Gregg and the facility is repayable on or before 31 December 2025. To date, \$850,000 of the facility has been drawn down. The lender has agreed, subject to shareholder approval at the AGM, to convert the \$1.4 million facility into equity at \$0.014 per share. This is a premium to the current share price (\$0.010 - closing price on 23 September 2024). Should the debt conversion not be approved, then this amount will be considered as debt with interest charged at 7.3% p.a., with repayment due 31 December 2025.

No other matter or circumstance has arisen since 30 June 2024 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

FY2025 outlook

The high interest rates, utility price increases as well as the general cost of living pressures, have impacted customer sentiments and discretionary spending which have impacted sales in FY2024. We anticipate continued weak consumer sentiment in FY2025 but as noted in the CEO's letter, management have put into place additional measures to improve sales and reduce costs. Improving same store sales will be a key focus and ensuring that all stores are cash-flow positive. Increased marketing initiatives including social media campaigns and further enhancement of App promotions are now underway. The consolidated entity is also taking steps to further improve its gross margins by streamlining our product mix and improving logistics with the aim to lower our cost of goods.

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 will not consider new sites until the business returns to profitability and is cashflow positive. 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.

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 risks

The consolidated entity is subject to a number of environmental risks, including climate change, water scarcity and waste management. The consolidated entity's operations are exposed to the risks of climate change, including changes in weather patterns, sea level rise, and extreme weather events. These risks could have a significant impact on its operations, supply chain, and financial performance. The consolidated entity's operations are also exposed to the risks of water scarcity. This could lead to increased costs for water and disruptions to operations. Finally the consolidated entity's operations generate a significant amount of waste. This could lead to environmental damage, regulatory fines, and reputational risks.

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: | None |
| Former directorships (last 3 years): | None |
| Special responsibilities: | Chairman |
| Interests in shares: | 91,735,346 held indirectly |
| Interests in options: | None |

For personal use only

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: 92,427,516 held directly and indirectly
 Interests in options: None

Name: Benjamin (Ben) Williams
 Title: Non-Executive Director (Appointed on 9 December 2022; Resigned 12 July 2024)
 Qualifications: Bachelor of Business - Bond University Queensland.
 Experience and expertise: Ben has almost two decades' experience as a franchise owner of well-known and highly respected retail and Quick Service Restaurant (QSR) businesses, including nine years as a franchisee of KFC. Prior to KFC, Ben was a franchisee of Shaver Shop for nine years. Before moving into franchise ownership, he worked in institutional banking in London, Sydney and Melbourne.
 Other current directorships: None
 Former directorships (last 3 years): None
 Interests in shares: Nil
 Interests in options: Nil

'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 two decades he has provided company secretarial services to ASX and NSX listed companies.

For personal use only

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2024, 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 | 13 | 13 | 3 | 3 |
| Steven Metter | 13 | 13 | 3 | 3 |
| Kathryn Gregg | 12 | 13 | - | - |
| Ben Williams | 13 | 13 | - | - |

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 and therefore consists of the whole board.

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, which is comprised of the full board of directors, is responsible for determining and reviewing remuneration arrangements for its directors and executives of which such responsibilities are fulfilled as part of the ordinary board meetings throughout the year. 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;
- long-term performance incentives; 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. These targets and KPIs were chosen because the Nomination and Remuneration Committee considers that these best reflect the main drivers of short-term performance.

The long-term incentives ('LTI') are granted in the form of 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 2024.

No STI's or LTI's have been paid or issued during the current or previous financial years.

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. 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 profitability for the last five years are as follows:

| | Revenue \$ | EBITDA \$ | Net profit/(loss) after tax \$ |
|------|---------------|--------------|---|
| 2024 | 26,666,335 | 1,198,707 | (2,313,007) |
| 2023 | 24,904,830 | 2,814,884 | 5,891,237 |
| 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) |

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.

Share-based remuneration

The consolidated entity does not provide any share-based remuneration.

Use of remuneration consultants

During the financial year ended 30 June 2024, the consolidated entity did not engage any remuneration consultants.

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

At the 28 November 2023 AGM, 97.3% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. 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
- Benjamin Williams - (resigned 12 July 2024)

And the following persons:

- Natalie Sharpe - Chief Executive Officer (appointed 21 December 2022)
- Robert Ross-Edwards - Chief Financial Officer (resigned 20 June 2024)
- Tammie Phillips - Former Chief Executive Officer (resigned 21 December 2022)

| 2024 | 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 | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| <i>Non-Executive Directors¹:</i> | | | | | | | |
| Martin Green | - | 50,004 | - | - | - | - | 50,004 |
| Steven Metter | - | 65,004 | - | - | - | - | 65,004 |
| Kathryn Gregg | - | 50,004 | - | - | - | - | 50,004 |
| Benjamin Williams | - | 65,002 | - | - | - | - | 65,002 |
| <i>Other Key Management Personnel:</i> | | | | | | | |
| Natalie Sharpe | 200,000 | - | - | 22,000 | - | - | 222,000 |
| Robert Ross-Edwards | 220,000 | - | - | 24,200 | - | - | 244,200 |
| | <u>420,000</u> | <u>230,014</u> | <u>-</u> | <u>46,200</u> | <u>-</u> | <u>-</u> | <u>696,214</u> |

1 Directors fees unpaid at 30 June 2024 \$161,834

| 2023 | 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 | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| <i>Non-Executive Directors⁴:</i> | | | | | | | |
| Martin Green | - | 40,008 | - | - | - | - | 40,008 |
| Steven Metter | - | 40,008 | - | - | - | - | 40,008 |
| Kathryn Gregg | - | 40,008 | - | - | - | - | 40,008 |
| Benjamin Williams ¹ | - | 22,370 | - | - | - | - | 22,370 |
| <i>Other Key Management Personnel:</i> | | | | | | | |
| Natalie Sharpe ² | 162,744 | - | - | 17,088 | - | - | 179,832 |
| Robert Ross-Edwards | 208,333 | - | - | 21,875 | - | - | 230,208 |
| Tammie Phillips ³ | 147,381 | - | - | 8,511 | - | - | 155,892 |
| | <u>518,458</u> | <u>142,394</u> | <u>-</u> | <u>47,474</u> | <u>-</u> | <u>-</u> | <u>708,326</u> |

1 Benjamin William's remuneration from date of appointment 9 December 2022 to 30 June 2023

2 Natalie Sharpe's remuneration from 1 July 2022 to 30 June 2023, including being CEO from 21 December 2022 to 30 June 2023

3 Tammie Phillips' remuneration from 1 July 2022 to date of resignation 21 December 2022, other short-term benefits include consultant fees of \$64,048 paid after termination.

4 Directors fees unpaid at 30 June 2023 \$106,014

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: Natalie Sharpe
Title: Chief Executive Officer
Agreement commenced: 21 December 2022
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 \$222,000.

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 \$244,200.
Mr Ross-Edwards has resigned effective 20 September 2024.

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 2024.

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2024.

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 | 87,691,544 | - | 4,043,802 | - | 91,735,346 |
| Steven Metter | 6,666,667 | - | - | - | 6,666,667 |
| Kathryn Gregg | 87,327,516 | - | 5,100,000 | - | 92,427,516 |
| Natalie Sharpe | - | - | 480,415 | - | 480,415 |
| Robert Ross-Edwards | 100,000 | - | - | - | 100,000 |
| | <u>181,785,727</u> | <u>-</u> | <u>9,624,217</u> | <u>-</u> | <u>191,409,944</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 2024 and up to the date of this report.

Shares under warrants

There were nil warrants outstanding at the date of this report.

Shares issued on the exercise of warrants

There were no ordinary shares of Oliver's Real Food Limited issued on the exercise of warrants during the year ended 30 June 2024 and up to the date of this report.

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.

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

There were no non-audit services provided during the financial year by the auditor (2023: nil).

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



Martin Green
Chairman

30 September 2024

For personal use only

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

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 2024, 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, 30 September 2024

www.grantthornton.com.au
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

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



| | Note | Consolidated 2024 \$ | Consolidated 2023 \$ |
|---|------|----------------------------|----------------------------|
| Revenue | 5 | 26,666,335 | 24,904,830 |
| Other income | 6 | 70,800 | 223,231 |
| Interest revenue calculated using the effective interest method | | 6,775 | 3,052 |
| Expenses | | | |
| Raw materials and consumables used | | (9,824,180) | (9,245,769) |
| Employee benefits expense | | (10,427,024) | (8,925,823) |
| Depreciation and amortisation expense | 7 | (2,043,097) | (2,140,850) |
| Impairment of assets | 7,23 | (520,359) | - |
| (Loss)/profit on disposal of assets | | - | 25,363 |
| Administration expenses | | (2,281,156) | (2,319,122) |
| Writeback of lease liability on lease termination | | - | 6,416,115 |
| Store-facility occupancy expenses | | (2,485,709) | (1,867,376) |
| Fair value gain on derivatives | 25 | - | 19,550 |
| Finance costs | 7 | (1,475,392) | (1,201,964) |
| (Loss)/profit before income tax expense | | (2,313,007) | 5,891,237 |
| Income tax expense | 8 | - | - |
| (Loss)/profit after income tax expense for the year attributable to the owners of Oliver's Real Food Limited | | (2,313,007) | 5,891,237 |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive (loss)/income for the year attributable to the owners of Oliver's Real Food Limited | | <u>(2,313,007)</u> | <u>5,891,237</u> |
| | | Cents | Cents |
| Basic earnings per share | 21 | (0.52) | 1.50 |
| Diluted earnings per share | 21 | (0.52) | 1.34 |

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

| | Note | Consolidated 2024 \$ | Consolidated 2023 \$ |
|-----------------------------------|------|----------------------------|----------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 9 | 459,601 | 275,938 |
| Trade and other receivables | 10 | 88,072 | 100,421 |
| Inventories - stock on hand | | 314,767 | 454,438 |
| Other assets | 11 | 123,190 | 102,885 |
| Total current assets | | <u>985,630</u> | <u>933,682</u> |
| Non-current assets | | | |
| Term deposits | | 446,365 | 311,525 |
| Property, plant and equipment | 12 | 4,057,775 | 2,295,186 |
| Right-of-use assets | 13 | 8,814,818 | 5,333,193 |
| Intangibles | 14 | 350,531 | 409,000 |
| Other assets | 11 | 102,812 | 102,062 |
| Total non-current assets | | <u>13,772,301</u> | <u>8,450,966</u> |
| Total assets | | <u>14,757,931</u> | <u>9,384,648</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 15 | 4,139,604 | 3,467,629 |
| Borrowings | 16 | 1,499,238 | 1,468,346 |
| Lease liabilities | 17 | 2,394,509 | 1,450,035 |
| Employee benefits | | 367,149 | 296,678 |
| Total current liabilities | | <u>8,400,500</u> | <u>6,682,688</u> |
| Non-current liabilities | | | |
| Borrowings | 16 | 10,985,000 | 7,504,002 |
| Lease liabilities | 17 | 12,626,511 | 10,190,800 |
| Employee benefits | | 109,004 | 84,954 |
| Provisions | 18 | 270,477 | 242,758 |
| Total non-current liabilities | | <u>23,990,992</u> | <u>18,022,514</u> |
| Total liabilities | | <u>32,391,492</u> | <u>24,705,202</u> |
| Net liabilities | | <u>(17,633,561)</u> | <u>(15,320,554)</u> |
| Equity | | | |
| Issued capital | 19 | 36,061,382 | 36,061,382 |
| Accumulated losses | | <u>(53,694,943)</u> | <u>(51,381,936)</u> |
| Total deficiency in equity | | <u>(17,633,561)</u> | <u>(15,320,554)</u> |

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

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



| | Issued capital \$ | Accumulated losses \$ | Total deficiency in equity \$ |
|--|-------------------------|-----------------------------|--|
| Consolidated | | | |
| Balance at 1 July 2022 | 34,061,382 | (57,273,173) | (23,211,791) |
| Profit after income tax expense for the year | - | 5,891,237 | 5,891,237 |
| Other comprehensive income for the year, net of tax | - | - | - |
| Total comprehensive income for the year | - | 5,891,237 | 5,891,237 |
| <i>Transactions with owners in their capacity as owners:</i> | | | |
| Contributions of equity, net of transaction costs (note 19) | 2,000,000 | - | 2,000,000 |
| Balance at 30 June 2023 | <u>36,061,382</u> | <u>(51,381,936)</u> | <u>(15,320,554)</u> |
| | Issued capital \$ | Accumulated losses \$ | Total deficiency in equity \$ |
| Consolidated | | | |
| Balance at 1 July 2023 | 36,061,382 | (51,381,936) | (15,320,554) |
| Loss after income tax expense for the year | - | (2,313,007) | (2,313,007) |
| Other comprehensive income for the year, net of tax | - | - | - |
| Total comprehensive loss for the year | - | (2,313,007) | (2,313,007) |
| Balance at 30 June 2024 | <u>36,061,382</u> | <u>(53,694,943)</u> | <u>(17,633,561)</u> |

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

| | Note | Consolidated 2024 \$ | 2023 \$ |
|--|------|----------------------------|-----------------------|
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 29,116,440 | 25,991,061 |
| Payments to suppliers (inclusive of GST) | | <u>(26,606,285)</u> | <u>(24,276,088)</u> |
| | | 2,510,155 | 1,714,973 |
| Interest received | | 6,775 | 3,052 |
| Interest and other finance costs paid | | (437,000) | (545,800) |
| Interest paid on lease liabilities | | <u>(590,573)</u> | <u>(450,966)</u> |
| Net cash from operating activities | 22 | <u>1,489,357</u> | <u>721,259</u> |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | (2,865,325) | (228,148) |
| Payments for intangible assets | 14 | (55,314) | - |
| Payments for term deposits | | (134,840) | - |
| Proceeds from disposal of property, plant and equipment | | - | 19,514 |
| Proceeds from release of security deposits | | <u>-</u> | <u>17,270</u> |
| Net cash used in investing activities | | <u>(3,055,479)</u> | <u>(191,364)</u> |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | 22 | 3,891,890 | 2,124,325 |
| Principal repayments of lease liabilities | 22 | (1,762,105) | (2,453,294) |
| Repayment of borrowings | | <u>(380,000)</u> | <u>(150,372)</u> |
| Net cash from/(used in) financing activities | | <u>1,749,785</u> | <u>(479,341)</u> |
| Net increase in cash and cash equivalents | | 183,663 | 50,554 |
| Cash and cash equivalents at the beginning of the financial year | | <u>275,938</u> | <u>225,384</u> |
| Cash and cash equivalents at the end of the financial year | 9 | <u><u>459,601</u></u> | <u><u>275,938</u></u> |

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

Note 1. 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, 5 Lenton Place, North Rocks, NSW 2151

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 30 September 2024. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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 made a loss after tax of \$2,313,007 (2023: profit of \$5,891,237) and net cash inflows from operating activities of \$1,489,357 (cash inflow 2023: \$721,259) for the year ended 30 June 2024. As at 30 June 2024, the statement of financial position reflected an excess of current liabilities over current assets of \$7,414,870 (2023: \$5,749,006).

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 12-month period to September 2025. 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. Material accounting policy information (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 consolidated entity has support from two major shareholders and its funders Michael and Suzanne Gregg and Gelba Pty. Limited ('principal lenders') to ensure the consolidated entity can continue to meet its debts as and when they fall due.
- Since the end of the 2024 financial year, the Board and management have reduced the overheads of the business, comprising the termination of 3 senior managers, as well as consolidating the menu, a focus on more direct and strategic marketing and the closure of consistently under-performing stores. The positive impact of all these changes will only begin in the second quarter of the 2025 financial year, and management estimates the cash savings will amount to around \$600k per annum.
- Further, management continues to streamline our supply chain and logistics, and the Board anticipates further cash savings in this area from the third quarter of 2025.
- The Board has made several references to the two new stores opened in 2024 at Pheasants Nest. These stores are strategically located on the highway in the Ampol Service Centres, and the expectation is that these locations will increase their performance in the year ended 30 June 2025. The cash flow forecasts predict a conservative increase in patronage, as the site becomes more familiar to travellers, and the company has recently implemented a focussed marketing campaign specifically to direct more traffic to Pheasants Nest. Any improvement in the performance of these stores will translate directly into an improved bottom line and an increase in cash inflows.
- The lenders have granted a 12-month interest moratorium on all \$4.91 million unsecured debt, backdated to 1 July 2024, which will reduce interest costs by \$358k in FY2025.
- The lenders extended the maturity and repayment schedules of the secured loan and unsecured line of credit facilities by 12 months.
- An additional \$1.4 million in an unsecured debt facility has been provided by Michael Gregg and the facility is repayable on or before 31 December 2025. To date, \$850,000 of the facility has been drawn down. The lender has agreed, subject to shareholder approval at the AGM, to convert the \$1.4 million facility into equity at \$0.014 per share. This is a premium to the current share price (\$0.010 - closing price on 23 September 2024). Should the debt conversion not be approved, then this amount will be considered as debt with interest charged at 7.3% p.a., with repayment due 31 December 2025.
- The company has entered into a payment plan with the Australian Taxation Office ('ATO') for outstanding liabilities.

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.

Should the above strategies and assumptions not materialise, there will be a material uncertainty whether the consolidated entity can continue as a going concern. While acknowledging the situation, the Board points out that the bulk of the factors mentioned above have either been implemented or are in the process of being implemented.

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.

Note 2. Material accounting policy information (continued)

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 31.

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 2024 and the results of all subsidiaries for the year then ended.

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.

Note 2. Material accounting policy information (continued)

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.

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. These grants include BAC and CAC Training Grants from the New South Wales, Queensland and Victorian Governments 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.

Note 2. Material accounting policy information (continued)

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.

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

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.

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.

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.

Note 2. Material accounting policy information (continued)

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.

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.

Note 2. Material accounting policy information (continued)

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.

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

Trade and other payables 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.

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. Material accounting policy information (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.

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.

Note 2. Material accounting policy information (continued)

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.

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 2024. 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.

AASB 18 'Presentation and Disclosure in Financial Statements'

This standard is applicable to annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The standard replaces AASB 101 'Presentation of Financial Statements', although many of the requirements have been carried forward unchanged and is accompanied by limited amendments to the requirements in AASB 107 'Statement of Cash Flows'. The standard requires income and expenses to be classified into five categories: 'Operating' (residual category if income and expenses are not classified into another category), 'Investing', 'Financing', 'Income taxes' and 'Discontinued operations'. The standard introduces two mandatory sub-totals: 'Operating profit' and 'Profit before finance and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides and enhanced guidance on how to organise and group information (aggregation and disaggregation) in the financial statements and whether to provide it in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027 and it is expected that there will be a significant change in the layout of the statement of profit or loss.

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.

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 23 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.

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. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segment being Quick Service Restaurants in Australia. This operating segment is 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 earnings before interest, tax, depreciation, amortisation and impairment ('EBITDAI'). 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. Revenue

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

Disaggregation of revenue

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

Note 6. Other income

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

Note 7. Expenses

Consolidated
2024 **2023**
\$ **\$**

(Loss)/profit before income tax includes the following specific expenses:

| | | |
|--|-----------|-----------|
| <i>Cost of sales</i> | | |
| Cost of sales | 9,824,479 | 9,251,360 |
| <i>Depreciation and amortisation</i> | | |
| Property, plant and equipment (note 12) | 566,783 | 415,478 |
| Property right-of-use assets (note 13) | 1,362,531 | 1,194,781 |
| Intangibles (note 14) | 113,783 | 530,591 |
| Total depreciation and amortisation | 2,043,097 | 2,140,850 |
| <i>Impairment of assets</i> | | |
| Property, plant and equipment (note 12) | 236,067 | - |
| Right-of-use asset (note 13) | 284,292 | - |
| Total impairment (note 23) | 520,359 | - |
| <i>Finance costs</i> | | |
| Interest and finance charges paid/payable on borrowings | 884,819 | 750,998 |
| Interest and finance charges paid/payable on lease liabilities | 590,573 | 450,966 |
| Finance costs expensed | 1,475,392 | 1,201,964 |
| <i>Leases</i> | | |
| Short-term lease payments | 228,723 | 120,885 |
| <i>Superannuation expense</i> | | |
| Defined contribution superannuation expense | 892,208 | 788,475 |

Note 8. Income tax expense

Consolidated
2024 **2023**
\$ **\$**

| | | |
|---|-------------|-------------|
| <i>Numerical reconciliation of income tax expense and tax at the statutory rate</i> | | |
| (Loss)/profit before income tax expense | (2,313,007) | 5,891,237 |
| Tax at the statutory tax rate of 25% | (578,252) | 1,472,809 |
| Writeback of lease liabilities on lease termination | - | (1,604,029) |
| Current year tax losses and temporary differences not recognised | 578,252 | 131,220 |
| Income tax expense | - | - |

For personal use only

Note 8. Income tax expense (continued)

| | Consolidated 2024 | 2023 |
|---|------------------------------|-------------|
| | \$ | \$ |
| <i>Tax losses not recognised</i> | | |
| Unused tax losses for which no deferred tax asset has been recognised | 32,540,051 | 30,273,293 |
| Potential tax benefit @ 25% | 8,135,013 | 7,568,323 |

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.

| | Consolidated 2024 | 2023 |
|---|------------------------------|------------------|
| | \$ | \$ |
| <i>Deferred tax assets not recognised</i> | | |
| Deferred tax assets not recognised comprises temporary differences attributable to: | | |
| Allowance for expected credit losses | (6,946) | 8,250 |
| Reacquired rights - Contract liabilities | (44,589) | (55,917) |
| Employee benefits | 29,693 | (45,981) |
| Provision for lease make good | 6,930 | (48,872) |
| Accrued expenses | 38,107 | (87,370) |
| Right-of-use assets and Lease liability | 1,551,551 | 1,576,911 |
| Total deferred tax assets not recognised | <u>1,574,746</u> | <u>1,347,021</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 9. Cash and cash equivalents

| | Consolidated 2024 | 2023 |
|-----------------------|------------------------------|----------------|
| | \$ | \$ |
| <i>Current assets</i> | | |
| Cash on hand | 129,323 | 114,283 |
| Cash at bank | 330,278 | 161,655 |
| | <u>459,601</u> | <u>275,938</u> |

Note 10. Trade and other receivables

| | Consolidated 2024 | 2023 |
|--|------------------------------|----------------|
| | \$ | \$ |
| <i>Current assets</i> | | |
| Trade receivables | 71,194 | 100,496 |
| Less: Allowance for expected credit losses | (5,214) | (33,000) |
| | <u>65,980</u> | <u>67,496</u> |
| Other receivables | 22,092 | 32,925 |
| | <u>88,072</u> | <u>100,421</u> |

Note 10. 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:

| Consolidated | Gross carrying amount | Gross carrying amount | Allowance for expected credit losses | |
|-----------------------------|------------------------------|------------------------------|---|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| Not overdue | 68,256 | 75,958 | - | - |
| Under three months overdue | 2,654 | 43,762 | - | 19,299 |
| Three to six months overdue | 22,376 | - | - | - |
| Over six months overdue | - | 13,701 | 5,214 | 13,701 |
| | <u>93,286</u> | <u>133,421</u> | <u>5,214</u> | <u>33,000</u> |

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

| | Consolidated | |
|--|---------------------|---------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Opening balance | 33,000 | 3,000 |
| Additional provisions recognised | - | 30,000 |
| Receivables written off during the year as uncollectable | (27,786) | - |
| Closing balance | <u>5,214</u> | <u>33,000</u> |

Note 11. Other assets

| | Consolidated | |
|---------------------------|---------------------|----------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Prepayments | <u>123,190</u> | <u>102,885</u> |
| <i>Non-current assets</i> | | |
| Rental bonds | <u>102,812</u> | <u>102,062</u> |
| | <u>226,002</u> | <u>204,947</u> |

For personal use only

Note 12. Property, plant and equipment

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

Reconciliations

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

| Consolidated | Leasehold improvements | Plant and equipment | Motor vehicles | Total |
|-------------------------|-----------------------------------|--------------------------------|---------------------------|------------------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2022 | 1,411,796 | 721,038 | 51,098 | 2,183,932 |
| Additions | 414,783 | 111,949 | - | 526,732 |
| Depreciation expense | (237,243) | (161,096) | (17,139) | (415,478) |
| Balance at 30 June 2023 | 1,589,336 | 671,891 | 33,959 | 2,295,186 |
| Additions | 1,650,277 | 916,464 | - | 2,566,741 |
| Impairment (note 23) | (107,747) | (128,320) | - | (236,067) |
| Disposals | (1,302) | - | - | (1,302) |
| Transfers | 12,306 | (12,306) | - | - |
| Depreciation expense | (306,165) | (238,802) | (21,816) | (566,783) |
| Balance at 30 June 2024 | <u>2,836,705</u> | <u>1,208,927</u> | <u>12,143</u> | <u>4,057,775</u> |

Refer to note 23 for further information on impairment of assets.

Note 13. Right-of-use assets

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

Note 13. Right-of-use assets (continued)

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:

| Consolidated | Lease of premises \$ |
|----------------------------------|-------------------------------------|
| Balance at 1 July 2022 | 6,403,051 |
| Change of lease term adjustments | 124,923 |
| Depreciation expense | <u>(1,194,781)</u> |
| Balance at 30 June 2023 | 5,333,193 |
| Additions | 4,840,975 |
| Change of lease term adjustments | 287,473 |
| Impairment (note 23) | (284,292) |
| Depreciation expense | <u>(1,362,531)</u> |
| Balance at 30 June 2024 | <u><u>8,814,818</u></u> |

Refer to note 23 for further information on impairment of assets.

For other lease related disclosures, refer to the following:

- note 7 for details of interest on lease liabilities and other short-term and low-value lease expenses;
- note 17 for lease liabilities at the end of the reporting period;
- note 24 for undiscounted future lease commitments; and
- statement of cash flows for repayment of lease liabilities.

Note 14. Intangibles

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

Note 14. Intangibles (continued)

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 2022 | 244,174 | 695,417 | 939,591 |
| Amortisation expense | <u>(58,842)</u> | <u>(471,749)</u> | <u>(530,591)</u> |
| Balance at 30 June 2023 | 185,332 | 223,668 | 409,000 |
| Additions | 55,314 | - | 55,314 |
| Amortisation expense | <u>(68,471)</u> | <u>(45,312)</u> | <u>(113,783)</u> |
| Balance at 30 June 2024 | <u><u>172,175</u></u> | <u><u>178,356</u></u> | <u><u>350,531</u></u> |

Note 15. Trade and other payables

| | Consolidated 2024 \$ | Consolidated 2023 \$ |
|----------------------------|-------------------------------------|-------------------------------------|
| <i>Current liabilities</i> | | |
| Trade payables | 1,837,475 | 2,160,994 |
| Accrued expenses | 1,076,294 | 494,856 |
| GST payable | 797,297 | 483,828 |
| Other payables | <u>428,538</u> | <u>327,951</u> |
| | <u><u>4,139,604</u></u> | <u><u>3,467,629</u></u> |

Refer to note 24 for further information on financial instruments.

Note 16. Borrowings

| | Consolidated | |
|--|--------------------------|-------------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Insurance premium funding - unsecured ⁽¹⁾ | 74,078 | 43,186 |
| Loan from related party - Green Superannuation Fund - secured ⁽²⁾ | 300,160 | 300,160 |
| Loan from related party - Gelba Pty. Limited - secured ⁽³⁾ | 375,000 | 225,000 |
| Loan from related party - Michael and Suzanne Gregg - secured ⁽³⁾ | 375,000 | 525,000 |
| Revolving line of credit from related party - Gelba Pty. Limited ⁽⁴⁾ | 187,500 | 188,996 |
| Revolving line of credit from related party - Michael and Suzanne Gregg ⁽⁴⁾ | 187,500 | 186,004 |
| | <u>1,499,238</u> | <u>1,468,346</u> |
| <i>Non-current liabilities</i> | | |
| Loan from related party - Gelba Pty. Limited - secured ⁽³⁾ | 1,125,000 | 1,275,000 |
| Loan from related party - Michael and Suzanne Gregg - secured ⁽³⁾ | 3,125,000 | 2,975,000 |
| Revolving line of credit from related party - Gelba Pty. Limited ⁽⁴⁾ | 2,208,342 | 1,644,181 |
| Revolving line of credit from related party - Michael and Suzanne Gregg ⁽⁴⁾ | 1,616,658 | 1,618,154 |
| New site line of credit from related party - Michael and Suzanne Gregg ⁽⁵⁾ | 2,085,000 | - |
| New site line of credit from related party - Gelba Pty Ltd ⁽⁵⁾ | 825,000 | - |
| Capitalised borrowing costs | - | (8,333) |
| | <u>10,985,000</u> | <u>7,504,002</u> |
| | <u><u>12,484,238</u></u> | <u><u>8,972,348</u></u> |

Refer to note 24 for further information on financial instruments.

- (1) Insurance premium funding is payable in monthly instalments and carries an interest rate of 5.3% (2023: 5.1%) variable. This facility is unsecured.
- (2) Loan is associated with Martin Green who is a trustee of the Green Superannuation Fund and is at an interest rate of 6% (2023: 6%) per annum. This facility is secured by a fixed and floating charge of the assets of the company. The loan is only repayable when the consolidated entity has recorded positive NPAT for two calendar quarters.
- (3) The related party loans carries an interest rate of 7.3% (2023: 7.3%) per annum calculated daily and payable quarterly in arrears maturing 30 September 2029. Repayment of \$250,000 per quarter from 1 October 2024 with the first repayment due 31 December 2024. This facility is secured, namely first ranking security over assets of the consolidated entity.
- (4) The related party revolving line of credit carries an interest rate of 7.3% (2023: 7.3%) per annum calculated daily and payable monthly in arrears. \$2,500,000 is secured and matures on 30 September 2029, Repayment of \$125,000 per quarter from 1 October 2024 with first repayment due 31 December 2024. \$2,000,000 is unsecured and drawn down to \$1,700,000, maturing on 30 September 2025.
- (5) The related party new site facility carries an interest rate of 7.3% per annum calculated daily and payable monthly in arrears. \$2,910,000 is secured and matures on 30 September 2025.

Note 16. Borrowings (continued)

Financing arrangements

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

| | Consolidated | |
|---|---------------------|------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Total facilities | | |
| Loan from related party - Gelba Pty. Limited | 1,500,000 | 1,500,000 |
| Loan from related party - Michael and Suzanne Gregg | 3,500,000 | 3,500,000 |
| Revolving line of credit from related party - Gelba Pty. Limited | 2,500,000 | 2,250,000 |
| Revolving line of credit from related party - Michael and Suzanne Gregg | 2,000,000 | 1,800,000 |
| Loan from related party - Green Superannuation Fund - secured | 300,160 | 300,160 |
| New site line of credit from related party - Michael and Suzanne Gregg | 2,085,000 | - |
| New site line of credit from related party - Gelba Pty. Limited | 825,000 | - |
| | <u>12,710,160</u> | <u>9,350,160</u> |
| Used at the reporting date | | |
| Loan from related party - Gelba Pty. Limited | 1,500,000 | 1,500,000 |
| Loan from related party - Michael and Suzanne Gregg | 3,500,000 | 3,500,000 |
| Revolving line of credit from related party - Gelba Pty. Limited | 2,395,842 | 2,019,181 |
| Revolving line of credit from related party - Michael and Suzanne Gregg | 1,804,158 | 1,618,154 |
| Loan from related party - Green Superannuation Fund - secured | 300,160 | 300,160 |
| New site line of credit from related party - Michael and Suzanne Gregg | 2,085,000 | - |
| New site line of credit from related party - Gelba Pty. Limited | 825,000 | - |
| | <u>12,410,160</u> | <u>8,937,495</u> |
| Unused at the reporting date | | |
| 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 | 104,158 | 230,819 |
| Revolving line of credit from related party - Michael and Suzanne Gregg | 195,842 | 181,846 |
| Loan from related party - Green Superannuation Fund - secured | - | - |
| New site line of credit from related party - Michael and Suzanne Gregg | - | - |
| New site line of credit from related party - Gelba Pty. Limited | - | - |
| | <u>300,000</u> | <u>412,665</u> |

Note 17. Lease liabilities

| | Consolidated | |
|--------------------------------|--------------------------|--------------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Lease liability | <u>2,394,509</u> | <u>1,450,035</u> |
| <i>Non-current liabilities</i> | | |
| Lease liability | <u>12,626,511</u> | <u>10,190,800</u> |
| | <u><u>15,021,020</u></u> | <u><u>11,640,835</u></u> |

Refer to note 24 for further information on financial instruments.

Note 18. Provisions

| | Consolidated | |
|--------------------------------|----------------|----------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Non-current liabilities</i> | | |
| Lease make good | <u>270,477</u> | <u>242,758</u> |

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:

| | Lease Make Good |
|--|-----------------|
| Consolidated - 2024 | \$ |
| Carrying amount at the start of the year | 242,758 |
| Additional provisions recognised | <u>27,719</u> |
| Carrying amount at the end of the year | <u>270,477</u> |

Note 19. Issued capital

| | 2024 Shares | Consolidated | | 2023 \$ |
|------------------------------|--------------------|--------------------|-------------------|-------------------|
| | | 2023 Shares | 2024 \$ | |
| Ordinary shares - fully paid | <u>440,731,917</u> | <u>440,731,917</u> | <u>36,061,382</u> | <u>36,061,382</u> |

Movements in ordinary share capital

| Details | Date | Shares | \$ |
|--------------------------------|-----------------|--------------------|--------------------------|
| Balance | 1 July 2022 | 360,731,917 | 34,061,382 |
| Conversion of debt into shares | 8 February 2023 | <u>80,000,000</u> | \$0.025 <u>2,000,000</u> |
| Balance | 30 June 2023 | <u>440,731,917</u> | <u>36,061,382</u> |
| Balance | 30 June 2024 | <u>440,731,917</u> | <u>36,061,382</u> |

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.

Note 19. Issued capital (continued)

Share warrants

In prior years, 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. In the current year, these warrants expired and are no longer on foot.

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 2023 Annual Report.

Note 20. Dividends

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

Note 21. Earnings per share

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

Note 22. Cash flow information

Reconciliation of (loss)/profit after income tax to net cash from operating activities

| | Consolidated 2024 \$ | 2023 \$ |
|--|----------------------------|----------------|
| (Loss)/profit after income tax expense for the year | (2,313,007) | 5,891,237 |
| Adjustments for: | | |
| Depreciation and amortisation | 2,043,097 | 2,140,850 |
| Impairment of assets | 520,359 | - |
| Net gain on disposal of non-current assets | - | (25,363) |
| Fair value gain on derivatives | - | (19,550) |
| Writeback of lease liability on terminated right-of-use assets | - | (6,416,115) |
| Finance costs (non-cash) | 447,818 | - |
| Change in operating assets and liabilities: | | |
| Decrease in trade and other receivables | 12,349 | 108,808 |
| Decrease in inventories - stock on hand | 139,671 | 38,666 |
| (Increase)/decrease in prepayments | (20,305) | 50,309 |
| Decrease in other operating assets | (134,840) | (5,634) |
| Increase/(decrease) in trade and other payables | 671,975 | (997,975) |
| Increase/(decrease) in employee benefits | 94,521 | (34,530) |
| Increase/(decrease) in other operating liabilities | 27,719 | (9,444) |
| Net cash from operating activities | <u>1,489,357</u> | <u>721,259</u> |

Changes in liabilities arising from financing activities

| Consolidated | Lease liabilities \$ | Insurance premium funding \$ | Related party borrowings \$ | Total \$ |
|--|----------------------------|---------------------------------------|--------------------------------------|-------------------|
| Balance at 1 July 2022 | 20,062,549 | 89,530 | 8,873,623 | 29,025,702 |
| Net cash from/(used in) financing activities | (2,904,260) | - | 2,124,325 | (779,935) |
| Lease remeasurement | 124,923 | - | - | 124,923 |
| Termination of leases | (5,642,377) | - | - | (5,642,377) |
| Other changes | - | (46,344) | (2,068,786) | (2,115,130) |
| Balance at 30 June 2023 | 11,640,835 | 43,186 | 8,929,162 | 20,613,183 |
| Net cash from/(used in) financing activities | (1,762,105) | - | 3,511,890 | 1,749,785 |
| Lease remeasurement | 287,473 | - | - | 287,473 |
| Acquisition of leases | 4,840,975 | - | - | 4,840,975 |
| Other changes | 13,842 | 30,892 | (30,892) | 13,842 |
| Balance at 30 June 2024 | <u>15,021,020</u> | <u>74,078</u> | <u>12,410,160</u> | <u>27,505,258</u> |

Note 23. Impairment testing

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

Note 23. Impairment testing (continued)

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

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

Impairment testing results

The consolidated entity assessed impairment indicators across its 17 CGU's and identified 6 CGU's that had indicators of impairment as evidence was available from internal reporting that the economic performance of these CGU's were worse than expected. The CGU's identified to have impairment indicators were:

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

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

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

| CGU # | CGU Name | Recoverable Amount (VIU) \$ | Carrying amount \$ | Impairment this year ROU assets \$ | Impairment this year PPE assets \$ |
|-------|----------------------|--------------------------------|-----------------------|--|--|
| # 1 | Coffs Harbour | - | 92,026 | - | (92,026) |
| # 2 | Goulburn | 334,856 | 402,149 | (67,294) | - |
| # 3 | Lithgow | - | 238,318 | (185,133) | (43,185) |
| # 4 | Maclean | - | 132,721 | (31,865) | (100,856) |
| # 5 | Maryborough | 420,158 | 388,037 | - | - |
| # 6 | Pheasants Nest North | 1,778,661 | 1,717,532 | - | - |
| | | <u>2,533,675</u> | <u>2,970,783</u> | <u>(284,292)</u> | <u>(236,067)</u> |

Key assumptions used in the impairment testing

| Assumption | Amount |
|---|----------------------------------|
| Discount rate | 17.5% |
| Revenue growth rate year 1 | CGUs #1-5: 3-15%; CGU #6: 62.5%* |
| Average revenue growth rate year 2 onwards | 9.8% |
| Average budgeted cost of inventories (% of revenue) | 34% |
| Average budgeted labour costs (% of revenue) | 26-39% |

* The revenue growth rate for Pheasants Nest North is expected to grow 62.5% in the next year on an annualised basis as passenger traffic passing through the Northbound site is expected to increase after a longer than expected establishment as a preferred service centre south of Sydney.

Note 23. Impairment testing (continued)

Sensitivity

In order to assess any estimation uncertainty, the consolidated entity performed sensitivity analysis on the impairment calculations presented in these financial statements for all CGU's. In the event that the stores trading revenue improved by 10%, the headroom in these CGU's would increase and would therefore result in a reduction in impairment calculated at \$67,293. In the event the stores trading revenue declined by 10%, the consolidated entity would not need to recognise any additional impairment, however the headroom across these CGU's would reduce by \$393,848.

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 24. 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.

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.

The consolidated entity had loans from related parties outstanding of \$12,410,160 (2023: \$8,712,335) with fixed interest rate of 7.3% (2023: 7.3%). The consolidated entity did not have any variable rate interest borrowings.

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.

Note 24. Financial instruments (continued)

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.

Financing arrangements

Unused borrowing facilities at the reporting date:

| | Consolidated 2024 | Consolidated 2023 |
|---|------------------------------|------------------------------|
| | \$ | \$ |
| Revolving line of credit from related party - Gelba Pty. Limited | 104,158 | 230,819 |
| Revolving line of credit from related party - Michael and Suzanne Gregg | 195,842 | 181,846 |
| | <u>300,000</u> | <u>412,665</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.

| Consolidated - 2024 | Weighted average interest rate % | 1 year or less \$ | Between 1 and 2 years \$ | Between 2 and 5 years \$ | Over 5 years \$ | Remaining contractual maturities \$ |
|--------------------------------------|---|----------------------------------|---|---|----------------------------|--|
| Non-derivatives | | | | | | |
| <i>Non-interest bearing</i> | | | | | | |
| Trade payables | - | 1,837,475 | - | - | - | 1,837,475 |
| GST and PAYG payable | 11.34% | 797,297 | - | - | - | 797,297 |
| Other payables | - | 428,538 | - | - | - | 428,538 |
| <i>Interest-bearing - variable</i> | | | | | | |
| Other loans | 6.00% | 300,160 | - | - | - | 300,160 |
| Insurance premium funding | 5.30% | 74,078 | - | - | - | 74,078 |
| <i>Interest-bearing - fixed rate</i> | | | | | | |
| Related party loans | 7.30% | 1,125,000 | 6,110,000 | 4,875,000 | - | 12,110,000 |
| Lease liability | 7.50% | 2,424,465 | 2,295,318 | 6,279,593 | 4,064,273 | 15,063,649 |
| Total non-derivatives | | <u>6,987,013</u> | <u>8,405,318</u> | <u>11,154,593</u> | <u>4,064,273</u> | <u>30,611,197</u> |

For personal use only

Note 24. Financial instruments (continued)

| Consolidated - 2023 | Weighted average interest rate % | 1 year or less \$ | Between 1 and 2 years \$ | Between 2 and 5 years \$ | Over 5 years \$ | Remaining contractual maturities \$ |
|--------------------------------------|----------------------------------|-------------------|--------------------------|--------------------------|------------------|-------------------------------------|
| Non-derivatives | | | | | | |
| <i>Non-interest bearing</i> | | | | | | |
| Trade payables | - | 2,160,994 | - | - | - | 2,160,994 |
| GST payment plan | 7.00% | 483,828 | - | - | - | 483,828 |
| Other payables | - | 327,951 | - | - | - | 327,951 |
| <i>Interest-bearing - variable</i> | | | | | | |
| Other loans | 6.00% | 300,160 | - | - | - | 300,160 |
| Insurance premium funding | 5.10% | 43,186 | - | - | - | 43,186 |
| <i>Interest-bearing - fixed rate</i> | | | | | | |
| Related party loans | 7.30% | 1,301,583 | 1,500,000 | 4,500,000 | 1,512,335 | 8,813,918 |
| Lease liability | 3.69% | 1,844,611 | 1,808,865 | 4,287,853 | 5,744,261 | 13,685,590 |
| Total non-derivatives | | <u>6,462,313</u> | <u>3,308,865</u> | <u>8,787,853</u> | <u>7,256,596</u> | <u>25,815,627</u> |

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

Note 25. 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

There were no derivative financial instruments as at 30 June 2024.

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.

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.

Note 25. Fair value measurement (continued)

Level 3 assets and liabilities

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

| Consolidated | Derivative financial instruments \$ |
|------------------------------------|--|
| Balance at 1 July 2022 | (19,550) |
| Gains recognised in profit or loss | <u>19,550</u> |
| Balance at 30 June 2023 | - |
| Balance at 30 June 2024 | <u>-</u> |

Note 26. 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 2024 \$ | 2023 \$ |
|--|----------------------------|----------------|
| <i>Audit services - Grant Thornton Audit Pty Ltd</i> | | |
| Audit or review of the financial statements | <u>181,250</u> | <u>170,000</u> |

Note 27. Contingent liabilities

The consolidated entity has given bank guarantees as at 30 June 2024 of \$444,277 (2023: \$306,155) to various landlords.

Note 28. Related party transactions

Parent entity

Oliver's Real Food Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 30.

Key management personnel

Disclosures relating to key management personnel are set out in note 29 and the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

| | Consolidated 2024 \$ | 2023 \$ |
|-----------------------------|----------------------------|------------|
| Payment for other expenses: | | |
| Interest expense | 820,726 | 654,856 |
| Directors fees expense | 212,371 | 153,979 |

Note 28. Related party transactions (continued)

Receivable from and payable to related parties

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

| | Consolidated | |
|-----------------------------------|--------------|---------|
| | 2024 | 2023 |
| | \$ | \$ |
| Current payables: | | |
| Interest owing to related parties | 641,597 | 275,930 |
| Directors fees owing to directors | 161,834 | 106,014 |

Loans to/from related parties

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

| | Consolidated | |
|--|--------------|-----------|
| | 2024 | 2023 |
| | \$ | \$ |
| Current borrowings: | | |
| Loan from Green Superannuation Fund - Martin Green is a trustee of the Fund | 300,160 | 300,160 |
| Loan from Gelba Pty. Limited - Martin Green is director and minority shareholder | 375,000 | 225,000 |
| Loan from Michael and Suzanne Gregg - shareholder of Oliver's Real Foods Limited | 375,000 | 525,000 |
| Revolving line of credit from Gelba Pty. Limited - shareholder of Oliver's Real Foods Limited | 187,500 | 188,996 |
| Revolving line of credit from Michael and Suzanne Gregg - shareholder of Oliver's Real Foods Limited | 187,500 | 186,004 |
| Non-current borrowings: | | |
| Loan from Gelba Pty. Limited - Martin Green is director and minority shareholder | 1,125,000 | 1,275,000 |
| Loan from Michael and Suzanne Gregg - shareholder of Oliver's Real Foods Limited | 3,125,000 | 2,975,000 |
| Revolving line of credit from Gelba Pty. Limited - shareholder of Oliver's Real Foods Limited | 2,208,342 | 1,644,181 |
| Revolving line of credit from Michael and Suzanne Gregg - shareholder of Oliver's Real Foods Limited | 1,616,658 | 1,618,154 |
| New site line of credit from Michael and Suzanne Gregg - shareholder of Oliver's Real Foods Limited | 2,085,000 | - |
| New site line of credit from Gelba Pty Ltd - shareholder of Oliver's Real Foods Limited | 825,000 | 50,000 |

Terms and conditions

For further details on the loans and revolving lines of credit refer to note 16.

Note 29. 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 2024.

Compensation

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

| | Consolidated | |
|------------------------------|----------------|----------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Short-term employee benefits | 650,014 | 660,852 |
| Post-employment benefits | 46,200 | 47,474 |
| | <u>696,214</u> | <u>708,326</u> |

Note 30. 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 | |
|---|---|--------------------|-----------|
| | | 2024 % | 2023 % |
| Fresh Food Services NSW Pty Limited | Australia | 100% | 100% |
| Fresh Food Services QLD Pty Limited (1) | Australia | - | 100% |
| Fresh Food Services VIC Pty Limited | Australia | 100% | 100% |
| Gundagai Properties Pty Ltd | Australia | 100% | 100% |
| Oliver's Ballarat Pty Ltd (1) | Australia | - | 100% |
| Oliver's Bulahdelah Pty Ltd | Australia | 100% | 100% |
| Oliver's Chinderah Pty Limited (1) | Australia | - | 100% |
| Oliver's Coffs Pty Limited | Australia | 100% | 100% |
| Oliver's Corporate Pty Ltd | Australia | 100% | 100% |
| Oliver's East-Link Inbound Pty Limited (1) | Australia | - | 100% |
| Oliver's East-Link Outbound Pty Limited (1) | Australia | - | 100% |
| Oliver's Employment Services Pty Ltd (1) | Australia | - | 100% |
| Oliver's Euroa Pty Limited | Australia | 100% | 100% |
| Oliver's Ferry Park Pty Limited | Australia | 100% | 100% |
| Oliver's PN North Pty Limited (2) | Australia | 100% | 100% |
| Oliver's PN South Pty Limited (3) | 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 (1) | Australia | - | 100% |
| Oliver's Penn-Link Outbound Pty Limited (1) | Australia | - | 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% |

* (1) Deregistered

** (2) Formerly Oliver's Geelong Northbound Pty Ltd

*** (3) Formerly Oliver's Geelong Southbound Pty Ltd

Note 31. Parent entity information

Statement of profit or loss and other comprehensive income

| | Parent | |
|-----------------------------------|-------------|------------|
| | 2024 \$ | 2023 \$ |
| (Loss)/profit after income tax | (2,313,007) | 5,891,237 |
| Total comprehensive (loss)/income | (2,313,007) | 5,891,237 |

Note 31. Parent entity information (continued)

Statement of financial position

| | 2024 \$ | Parent 2023 \$ |
|----------------------------|---------------------|----------------------|
| Total current assets | 985,630 | 933,682 |
| Total assets | 14,757,931 | 9,384,648 |
| Total current liabilities | 8,400,500 | 6,682,688 |
| Total liabilities | 32,391,492 | 24,705,202 |
| Equity | | |
| Issued capital | 36,061,382 | 36,061,382 |
| Accumulated losses | (53,694,943) | (51,381,936) |
| Total deficiency in equity | <u>(17,633,561)</u> | <u>(15,320,554)</u> |

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

The parent entity has guarantees for its subsidiaries in relation to property lease as at 30 June 2024 and 30 June 2023.

Contingent liabilities

Except for the bank guarantees as detailed in note 27, the parent entity has no other contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Material accounting policy information

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 32. Events after the reporting period

Mr Ben Williams (non-executive director), who joined the Company on 9 December 2022, resigned from the Board effective 12 July 2024.

Closure of Company Stores

The company's Lithgow store closed on 29 July 2024.

The Coffs Harbour store is scheduled to close on 14 October 2024.

The lenders have granted a 12-month interest moratorium on all \$4.91 million unsecured debt, backdated to 1 July 2024, which will provide an additional \$358k in working capital.

The lenders extended the maturity and repayment schedules of the secured loan and unsecured line of credit facilities by 12 months.

Note 32. Events after the reporting period (continued)

An additional \$1.4 million in an unsecured debt facility has been provided by Michael Gregg and the facility is repayable on or before 31 December 2025. To date, \$850,000 of the facility has been drawn down. The lender has agreed, subject to shareholder approval at the AGM, to convert the \$1.4 million facility into equity at \$0.014 per share. This is a premium to the current share price (\$0.010 - closing price on 23 September 2024). Should the debt conversion not be approved, then this amount will be considered as debt with interest charged at 7.3% p.a., with repayment due 31 December 2025.

No other matter or circumstance has arisen since 30 June 2024 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.

For personal use only

| Entity name | Entity type ⁽¹⁾ | Place formed / Country of incorporation | Ownership interest | |
|---|----------------------------|---|-----------------------|------------------------------|
| | | | % | Tax residency ⁽²⁾ |
| Oliver's Real Food Limited ⁽³⁾ | Body corporate | Australia | - | Australia |
| Fresh Food Services NSW Pty Limited | Body corporate | Australia | 100.00% | Australia |
| Fresh Food Services VIC Pty Limited | Body corporate | Australia | 100.00% | Australia |
| Gundagai Properties Pty Ltd | Body corporate | Australia | 100.00% | Australia |
| Oliver's Bulahdelah Pty Ltd | Body corporate | Australia | 100.00% | Australia |
| Oliver's Coffs Pty Limited | Body corporate | Australia | 100.00% | Australia |
| Oliver's Corporate Pty Ltd | Body corporate | Australia | 100.00% | Australia |
| Oliver's Euroa Pty Limited | Body corporate | Australia | 100.00% | Australia |
| Oliver's Ferry Park Pty Limited | Body corporate | Australia | 100.00% | Australia |
| Oliver's PN North Pty Limited | Body corporate | Australia | 100.00% | Australia |
| Oliver's PN South Pty Limited | Body corporate | Australia | 100.00% | Australia |
| Oliver's Gundagai Pty Limited | Body corporate | Australia | 100.00% | Australia |
| Oliver's Hexham Pty Limited | Body corporate | Australia | 100.00% | Australia |
| Oliver's Lithgow Pty Limited | Body corporate | Australia | 100.00% | Australia |
| Oliver's Maitland Road Pty Limited | Body corporate | Australia | 100.00% | Australia |
| Oliver's Maryborough Pty Limited | Body corporate | Australia | 100.00% | Australia |
| Oliver's Merino Pty Limited | Body corporate | Australia | 100.00% | Australia |
| Oliver's Officer Inbound Pty Ltd | Body corporate | Australia | 100.00% | Australia |
| Oliver's Officer Outbound Pty Ltd | Body corporate | Australia | 100.00% | Australia |
| Oliver's Port Macquarie Pty Limited | Body corporate | Australia | 100.00% | Australia |
| Oliver's Wallan Northbound Pty Ltd | Body corporate | Australia | 100.00% | Australia |
| Oliver's Wallan Southbound Pty Ltd | Body corporate | Australia | 100.00% | Australia |
| Oliver's Wyong Northbound Pty Ltd | Body corporate | Australia | 100.00% | Australia |
| Oliver's Wyong Southbound Pty Limited | Body corporate | Australia | 100.00% | Australia |
| Silver Dog Pty Ltd | Body corporate | Australia | 100.00% | Australia |

(1) None of the entities noted above were trustees within the consolidated entity, partners in a partnership within the consolidated entity or participants in a joint venture within the consolidated entity.

(2) All entities are Australian tax residents, there are no foreign tax jurisdictions of tax residency.

(3) Oliver's Real Food Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

Basis of preparation

This consolidated entity disclosure statement ('CEDs') has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 'Consolidated Financial Statements'.

For personal use only

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 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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



Martin Green
Chairman

30 September 2024

For personal use only

Independent Auditor's Report

To the Members of Oliver's Real Food Limited

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 Group), which comprises the consolidated statement of financial position as at 30 June 2024, 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 material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 30 June 2024 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 Group 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.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Group incurred a net loss of \$2,313,007 during the year ended 30 June 2024, and as of that date, the Group's current liabilities exceeded its current assets by \$7,414,870. 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 Group'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 |
|---|---|
| Impairment assessment of property, plant and equipment and right of use assets – Note 23 | |
| <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 or Cash Generating Unit (CGU) may be impaired. The entity shall estimate the asset's or CGU's recoverable amount if any indication exists.</p> <p>The carrying amounts of the CGUs being the individual stores that had impairment indicators were assessed by management for impairment by estimating their recoverable amount using a value-in-use method per AASB 136.</p> <p>Significant 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">• Obtaining management's assessment of impairment indicators under AASB 136 and reviewing for reasonableness;• Assessing management's assessment of the Consolidated Entity's CGUs;• Reviewing the impairment model for compliance with AASB 136;• Verifying the mathematical accuracy of the underlying model calculations and assessing the appropriateness of the methodologies applied;• Reviewing the key inputs of the model and corroborating key assumptions against supporting documentation;• Considering the appropriateness of revenue growth assumptions in management's forecast of cash flows in the current and future operating environments;• Performing sensitivity analysis on the significant inputs and assumptions made by management in preparing the value-in-use calculation; and• Assessing the appropriateness 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 Group's annual report for the year ended 30 June 2024, 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:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group'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 Group 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. 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 11 to 15 of the Directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Oliver's Real Food Limited, for the year ended 30 June 2024 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, 30 September 2024

For personal use only

The shareholder information set out below was applicable as at 23 September 2024.

Distribution of equitable securities

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

| | Ordinary shares | | % of total number of shares |
|---------------------------------------|-------------------|--------------------|-----------------------------|
| | Number of holders | Number of shares | |
| 1 to 1,000 | 43 | 9,278 | 0.01 |
| 1,000 to 5,000 | 244 | 803,386 | 0.18 |
| 5,001 to 10,000 | 248 | 1,862,115 | 0.42 |
| 10,001 to 100,000 | 1,033 | 32,960,962 | 7.48 |
| 100,001 and over | 236 | 405,096,176 | 91.91 |
| | <u>1,804</u> | <u>440,731,917</u> | <u>100.00</u> |
| Holding less than a marketable parcel | <u>1,373</u> | <u>21,654,564</u> | <u>4.91</u> |

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 |
| GELBA PTY LIMITED | 91,735,346 | 20.81 |
| MR MICHAEL JOHN GREGG & MRS SUZANNE JANE GREGG | 85,327,516 | 19.36 |
| AURAKI TRUSTEE COMPANY LIMITED HAURAKI DISCRETIONARY A/C | 23,387,500 | 5.31 |
| MS ALLISON DAWN HART | 21,943,656 | 4.98 |
| BUTOF HOLDINGS PTY LTD | 20,785,318 | 4.72 |
| ZANYA NOMINEES PTY LTD JLS SUPERANNUATION A/C | 11,666,667 | 2.65 |
| LIGHTVIEW ASSET PTY LTD | 10,220,263 | 2.32 |
| TWENTY SECOND SEPELDA PTY LTD THE METTER FAMILY A/C | 6,666,667 | 1.51 |
| CUSTODIAL SERVICES LIMITED BENEFICIARIES HOLDING A/C | 5,420,155 | 1.23 |
| MR PETER DARRELL ROBERTS | 5,000,000 | 1.13 |
| MR MICHAEL JOHN GREGG | 4,600,000 | 1.04 |
| WR SIMPSON NOMINEES PTY LTD SIMPSON SUPER FUND A/C | 4,269,692 | 0.97 |
| MFA CAPITAL PTY LTD T & J ADAMS SUPER FUND A/C | 3,822,728 | 0.87 |
| CITICORP NOMINEES PTY LIMITED | 3,567,335 | 0.81 |
| MS ANNE LOUISE MATTHEWS | 3,500,000 | 0.79 |
| GAZELLE BICYCLES AUSTRALIA PTY LTD GAZELLE BICYCLE AUS SBF A/C | 2,888,363 | 0.66 |
| MR PETER ATTIA | 2,730,634 | 0.62 |
| MS JOANNA BROOKE GREGG | 2,500,000 | 0.57 |
| MS KATHRYN GREGG | 2,500,000 | 0.57 |
| MR RICHARD ADAM YOUNG | 2,498,942 | 0.57 |
| | <u>315,030,782</u> | <u>71.49</u> |

Substantial holders

Substantial holders in the company are set out below:

| | Ordinary shares | |
|---|-----------------|--------------------------|
| | Number held | % of total shares issued |
| GELBA PTY LIMITED | 91,735,346 | 20.81 |
| MR MICHAEL JOHN GREGG & MRS SUZANNE JANE GREGG | 85,327,516 | 19.36 |
| HAURAKI TRUSTEE COMPANY LIMITED (HAURAKI DISCRETIONARY A/C) | 23,387,500 | 5.31 |

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.

For personal use only

| | |
|---|---|
| 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, 5 Lenton Place North Rocks NSW 2151 +61 2 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 www.boardroomlimited.com.au |
| 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 | www.olivers.com.au www.investor.olivers.com.au |

Corporate Governance Statement 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.

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:
<https://olivers.com.au/investors>