

25th May 2020
ASX Announcement

ASX – OLI

New Long-Term Supply Agreement and IP Licence with EG and Termination of the Scheme of arrangement

On 11 March 2020, OLI announced that it had entered into a Scheme Implementation Deed (**SID**) with EG Group to acquire all of its shares for cash consideration of ten (10) cents per share, under a proposed scheme of arrangement (**Scheme**).

On 24 April 2020 OLI announced that its Net Indebtedness (as defined in the SID) as at 31 March 2020 was \$910,000 and that absent a waiver by EG of the relevant condition for its Net Indebtedness not to exceed \$800,000 (**Relevant Condition**), the Scheme would not proceed.

On 27 April 2020, OLI released an announcement that EG had advised Oliver's that it would not waive the Relevant Condition. Since that time, the parties have been engaged in good faith negotiations with a view to determining amongst other things, whether an alternative transaction could be achieved.

OLI is pleased to announce that it has now reached agreement with EG on alternative arrangements. Below we set out the key commercial terms of these alternative arrangements.

Exclusive Long-Term Supply Agreement and IP Licence with EG

OLI has entered into a long-term agreement and Intellectual Property (**IP**) Licence with EG, to supply EG's Petrol and Convenience outlets in Australia, on an exclusive basis, with its branded "Olivers Food to Go" (**OFTG**) offering, on the following terms:

1. EG will pay OLI an upfront once off licence fee of **AUD\$500,000** in exchange for OLI granting it an exclusive licence to use its OFTG Trademark in connection with the sale of OFTG products in EG's Australian petrol and convenience outlets under a Supply Agreement.
2. The Supply Agreement is an exclusive supply agreement for OLI to supply all products to be sold at the EG OFTG outlets, for an initial term of 10 years (**Initial Term**) with an option for the parties to agree to extend the Supply Agreement for a further 10 years at the end of the Initial term. The supply agreement is subject to typical termination events including as a result of a change of control in OLI, whereby a person comes to hold more than 50% of the ordinary shares in OLI.
3. EG is subject to minimum performance requirements including opening a minimum 100 OFTG outlets within 12 months of the date of the deed.
4. OLI retains ownership of all its IP and any improvements or goodwill arising from use of its IP by EG will also be owned by OLI.

Termination of the Scheme

Given that EG did not agree to waive the Relevant Condition under the SID and having regard to the alternative long term supply arrangements described above, OLI and EG have agreed to terminate the SID and to release each other from all obligations under the SID.

Termination of Call Option Deeds

Further, the Call Option Deeds under which Hauraki Trustee Company Ltd, Twenty Second Sepelda Pty Ltd, and Niche Group Pty Ltd granted EG call options to acquire up to 19.9% of Oliver's shares have been terminated.

Jason Gunn, Oliver's Founder and Chairman commented:

"We are delighted to have reached this commercial arrangement with EG. EG recognised in Oliver's a brand with significant credibility in this market, and we have found in EG a fantastic partner to expand the Oliver's brand rapidly, on a national scale. We have enjoyed working with the team at EG over the last nine months, and we look forward to developing the relationship in the years to come."

Mike McMenamin, EG Group Australia CEO commented:

"We have long believed that Oliver's delivers a fresh and healthy option which customers love. After a successful trial, we look forward to working with the Oliver's team to provide this offer to many more customers via our network of sites across Australia."

About EG Group

EG Group is a founder-led business which combines site level operational excellence and innovation with industry leading growth. It is now one of the world's leading fuel and convenience retail businesses. Since EG Group was founded in 2001 by the Issa family in the United Kingdom, it has grown to c.6,000 sites, operating in ten international markets and serving more than 23 million customers per week. EG Group has grown through store roll-outs and strategic acquisitions and now employs more than 50,000 colleagues. In total, EG Group's brand dedicated functions manage and oversee c.1,500 food and drink-to-go units across its site network globally. The business is regularly recognized for innovation and investment in convenience retail assets, the employees and the systems. Zuber Issa and Mohsin Issa, Founders and co-CEOs, EG Group, were jointly named the 2018 EY Entrepreneur of the Year in the UK.

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About Oliver's Real Food Limited (ASX:OLI)

Oliver's Real Food Limited (**Oliver's**) listed on the ASX on 21 June 2017. Over its 15-year operating history, Oliver's has established a significant market position providing a healthy fast food alternative for travellers on Australia's major arterial highways. Oliver's Real Food is the world's first "certified organic fast food chain" and provides its customers with premium quality, "real" food that is fresh, natural, & free from additives and preservatives. Oliver's is a conscious business that understands, and is committed to, the interdependency of "all stakeholders" including our, customers, investors, team members, suppliers, the environment, and the communities in which we operate. www.oliversrealfood.com.au