

Interim financial statements
for the period ended 30 September 2022

SAVOR

GROUP



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Director's Report

The Board of Directors has pleasure in presenting the interim financial statements for Savor Limited for the period ended 30 September 2022.

The interim financial statements presented are signed for and on behalf of the Board of Directors and were authorised for issue on 23 November 2022.

A handwritten signature in white ink, appearing to be 'Paul Robinson', written on a dark background.

Paul Robinson
Executive Chairman

A handwritten signature in white ink, appearing to be 'Ryan Davis', written on a dark background.

Ryan Davis
Director

Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2022

	Notes	Six months Sept 2022 \$000's Unaudited	Six months Sept 2021 \$000's Unaudited	Year ended March 2022 \$000's Audited
Revenue		20,703	17,155	30,581
Expenses:				
Direct costs		(6,241)	(5,151)	(8,974)
Employee costs		(10,287)	(8,013)	(14,202)
Marketing costs		(95)	(100)	(188)
Utilities and operational expenses		(1,548)	(1,374)	(2,622)
Other expenses		(1,182)	(1,024)	(2,317)
Other income		-	617	717
		1,350	2,110	2,995
Depreciation and amortisation		(2,270)	(1,960)	(4,001)
Restructuring costs	3	(475)	(315)	(1,200)
Impairment of goodwill		-	-	(1,564)
Interest expense		(737)	(588)	(1,266)
Loss before income tax		(2,132)	(753)	(5,036)
Taxation expense		-	-	-
Loss attributable to the shareholders		(2,132)	(753)	(5,036)
Other comprehensive income and expenses		-	-	-
Total comprehensive loss		(2,132)	(753)	(5,036)
Basic and diluted losses per share (cents)		(3.3)	(1.2)	(8.2)
Weighted average number of shares outstanding (thousands of shares)				
Basic and diluted		65,017	61,980	61,753

The accompanying notes form part of and are to be read in conjunction with these interim financial statements.

Consolidated Statement of Movements in Equity

For the six months ended 30 September 2022

	Notes	Share capital \$000's	Accumulated losses \$000's	Share-based payments reserve \$000's	Total equity \$000's
Total equity at 1 April 2021		47,251	(34,680)	155	12,726
Total comprehensive loss for the period		-	(753)	-	(753)
Issue of new shares		6,886	-	-	6,886
Total equity at 30 September 2021 (unaudited)		54,137	(35,433)	155	18,859
Total equity at 1 April 2021		47,251	(34,680)	155	12,726
Total comprehensive loss for the period		-	(5,036)	-	(5,036)
Issue of new shares		6,887	-	-	6,887
Repurchase of shares		(233)	-	-	(233)
Total equity at 31 March 2022 (audited)		53,905	(39,716)	155	14,344
Total equity at 1 April 2022		53,905	(39,716)	155	14,344
Total comprehensive loss for the period		-	(2,132)	6	(2,126)
Issue of new shares	4	2,099	-	-	2,099
Total equity at 30 September 2022 (unaudited)		56,004	(41,848)	161	14,317

The accompanying notes form part of and are to be read in conjunction with these interim financial statements.

Consolidated Balance Sheet

As at 30 September 2022

	Notes	Sept 2022 \$000's Unaudited	Sept 2021 \$000's Unaudited	March 2022 \$000's Audited
Assets				
Current assets:				
Cash		(94)	2,696	1,350
Trade and other financial receivables		851	508	586
Inventories		669	734	620
Total current assets		1,426	3,938	2,556
Non-current assets:				
Property, plant and equipment		13,335	11,700	11,118
Intangible assets	5	25,224	26,695	25,261
Right of use asset		14,868	17,302	16,069
Total non-current assets		53,427	55,697	52,448
Total assets		54,853	59,635	55,004
Liabilities				
Current liabilities:				
Trade and other payables		7,371	3,948	6,094
Lease liability		2,445	2,887	2,278
Borrowings		3,671	2,435	2,671
Deferred consideration payable		1,400	2,850	1,000
Related party payables		-	272	112
Total current liabilities		14,887	12,392	12,155
Non-current liabilities:				
Trade and other payables		1,197	1,169	831
Lease liability		14,092	15,460	15,069
Borrowings		10,010	11,750	10,755
Deferred consideration payable		350	-	1,850
Total non-current liabilities		25,649	28,379	28,505
Total liabilities		40,536	40,771	40,660
Equity				
Share capital	4	56,004	54,137	53,905
Reserves		(41,687)	(35,273)	(39,561)
Total equity		14,317	18,864	14,344
Total liabilities and equity		54,853	59,635	55,004

The accompanying notes form part of and are to be read in conjunction with these interim financial statements.

Consolidated Statement of Cash Flows

For the six months ended 30 September 2022

	Six months Sept 2022 \$000's Unaudited	Six months Sept 2021 \$000's Unaudited	Year ended March 2022 \$000's Audited
<i>Cash flow from operating activities</i>			
Receipts from customers	20,438	17,082	30,325
Payments to suppliers, employees and other	(18,796)	(15,953)	(27,373)
Net cash from operating activities	1,642	1,129	2,952
<i>Cash flow from investing activities</i>			
Purchase of property, plant and equipment and intangible assets	(2,367)	(1,161)	(1,798)
Supplier loan funds received	730	-	-
Payments for venue development costs	(212)	(86)	(137)
Repayment of related party payable	(112)	(1,974)	(2,125)
Repayment of deferred consideration	(1,100)	-	-
Purchase of businesses	-	(7,975)	(7,975)
Net cash used in investing activities	(3,061)	(11,196)	(12,035)
<i>Cash flow from financing activities</i>			
Interest paid	(737)	(219)	(1,266)
Borrowings drawn down	1,575	6,966	15,130
Repayment of borrowings	(1,320)	(945)	(8,726)
Lease liability principal repayment	(1,462)	(1,306)	(2,738)
Transaction costs from issue of shares	(21)	(181)	(182)
Repurchase of shares	-	-	(233)
Issue of shares	1,940	5,046	5,046
Net cash from financing activities	(25)	9,361	7,031
Net movement in cash held	(1,444)	(706)	(2,052)
Add: opening cash	1,350	3,402	3,402
Closing cash	(94)	2,696	1,350

The accompanying notes form part of and are to be read in conjunction with these interim financial statements.

Notes to the Interim Financial Statements

1. Basis of presentation

Savor Limited ('the Parent' or 'Company') and its subsidiaries (together 'the Group') operate in the hospitality sector, operating a number of premium restaurants and bars. The address of its registered office is Level 4, Seafarers Building, 114 Quay Street, Auckland, 1142.

The condensed consolidated interim financial statements presented are those of Savor Limited and its subsidiaries (the "Group"). Savor Limited is a company domiciled in New Zealand, registered under the Companies Act 1993 and is a Financial Markets Conduct Act 2013 reporting entity. These interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and the requirements of the Financial Markets Conduct Act 2013. For the purposes of complying with NZ GAAP the Group is a for-profit entity. The condensed consolidated financial statements of the Group comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). They also comply with International Financial Reporting Standards (IFRS). The interim financial statements are presented in New Zealand dollars. They comply with NZ IAS 34 Interim Financial Reporting and should be read in conjunction with the 31 March 2022 annual report available on the Group website at www.savor.co.nz.

The accounting policies used to prepare these interim financial statements are consistent with the preparation of the Group's latest annual report.

2. Key estimates and judgements

The Group has undertaken a number of key estimates and judgements when preparing these financial statements, the details of which are outlined in this note. These judgements have been formed using historical information and comparatives where available, and management's best judgement where there is no appropriate comparison. The Group continues to review all significant estimates along with the assumptions used and recognises any adjustments to these in the period in which a change occurs. The key estimates and judgements are disclosed in the Group's most recent annual report.

3. Restructuring costs

Restructuring costs occur outside the normal course of operating the venues on a day to day basis, and are unrelated to the Group's trading operations. These have been separated out on the face of the Statement of Comprehensive Income to allow the reader of these financial statements to understand the day to day operations for the year without the impact of these items. These items typically include the impairment or disposal of assets, costs related to restructuring or M&A activity, concept development or are otherwise unrelated to Group's trading operations. Costs incurred during the period are related to the development and opening of MoVida and Bivacco, as well as recruitment and immigration costs in response to the significant labour shortage that would not otherwise have been incurred in the normal course of business.

	Six months Sept 2022 \$000's	Six months Sept 2021 \$000's	Year ended March 2022 \$000's
Acquisition costs	(20)	(95)	(804)
Restructuring and other costs	(242)	(97)	(149)
Loss on disposal of fixed assets	-	(36)	(110)
Concept development expenses	(212)	(87)	(137)
	(474)	(315)	(1,200)

4. Share capital

On 31 May 2022, the Group completed a private placement to raise a total of \$2.1m of new equity at \$0.40 per share, totalling 5.3 million new shares.

5. Intangible asset impairment

The Group performed its annual impairment testing of goodwill at 31 March 2022, which included a number of conservative assumptions for the impact of COVID-19. Management has reconsidered the assumptions of the impairment tests in light of the results for the six months and are satisfied that there is no indication of an impairment that would require a more comprehensive impairment assessment at this time.

6. Segmental information

Segmental information is presented in respect of the Group's industry segments as all of the Group's operations are in New Zealand.

	Six months Sept 2022 \$000's	Six months Sept 2021 \$000's	Year ended March 2022 \$000's
Revenue			
Hospitality	20,703	17,155	30,581
Corporate	-	-	-
Total	20,703	17,155	30,581
EBITDA*			
Hospitality	2,556	2,531	4,598
Corporate	(1,206)	(421)	(1,603)
Total	1,350	2,110	2,995
* EBITDA means earnings before interest, tax, depreciation, amortisation, restructuring costs, and impairment charges as disclosed in the Statement of Comprehensive Income.			
Depreciation and amortisation			
Hospitality	(2,270)	(1,960)	(4,001)
Corporate	-	-	-
Total	(2,270)	(1,960)	(4,001)
Capital expenditure			
Hospitality	(2,579)	(1,161)	(1,936)
Corporate	-	-	-
Total	(2,579)	(1,161)	(1,936)
Non-current assets			
Hospitality	53,286	55,697	52,448
Corporate	-	-	-
Total	53,286	55,697	52,448

7. Reconciliation of net earnings to net cash from operating activities

	Six months Sept 2022 \$000's	Six months Sept 2021 \$000's	Year ended March 2022 \$000's
Net loss after tax	(2,132)	(746)	(5,036)
Add back:			
Interest paid	737	588	1,266
Venue development costs expensed	212	86	137
Add/(Less) non-cash items:			
Depreciation and amortisation	2,270	1,960	4,001
Supplier loan income recognised	(159)	(151)	(312)
Loss on disposal of fixed assets	-	36	110
Impairment of goodwill	-	-	1,564
Movements in working capital:			
Trade and other receivables	(264)	(73)	(256)
Inventories	(49)	(139)	143
Trade and other payables	1,027	(432)	1,335
Net cash from operating activities	1,642	1,129	2,952



Corporate Directory

Directors

Paul Robinson

Executive Chairman

Lucien Law

Executive Director & CEO

Ryan Davis

Independent Director

Louise Alexander

Independent Director

Financial Calendar

Interim results announced: November

End of financial year: 31 March

Annual Report published: May

Registered Office and address for service

Level 4, Seafarers Building, 114 Quay
Street, Auckland, 1010, New Zealand
contact@savor.co.nz

Auditor

EY

Banker

Kiwibank

Lawyers

Chapman Tripp

Company Publications

The Company informs investors of the Group's business and operations by publishing an Annual Report and regular trading updates.

Share register and shareholder enquiries

Shareholders with enquiries about transactions or changes of address should contact the share register.

Link Market Services Limited

Level 30, PwC Tower, 15 Customs
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Auckland 1142

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Other questions should be directed to the Company at the registered address.

Stock Exchange Quotation

The Company's shares trade on the NZX Main Board equity security market operated by NZX under the code SVR.

SAVOR

GROUP

New Zealand's premier hospitality group