

SAVOR

114 Quay St, Auckland
Level 4, Seafarers Building
www.savor.co.nz

Annual Shareholders Meeting 2022 addresses

Welcome

Welcome to Savor's 2022 Annual Shareholders Meeting, I'm Lucien Law, CEO, and with me today is Paul Robinson, our Executive Chairman.

It's been a few years since we held an AGM in person so it's exciting to be able to do in person today and in the new MoVida restaurant.

After the meeting has concluded, we would like invite you over to Bar Non Solo and we can try some of the MoVida offering and some hospitality.

I'll hand you over now to Paul Robinson our Chairman now.

Formalities

Can I please ask that you put your mobile phone on silent. Health & Safety requires me to say that the toilet facilities are located in the corridor next to where you entered from the lift area. If a fire alarm is to sound, please follow directions from staff and make your way down the stairwell and through the lobby out to either Quay Street or Tyler Street.

Our Board representatives, who you probably have not had the chance to meet in person are here with us today to answer any questions you have:

- Ryan Davis, Chair of the Audit & Risk Committee
- Louise Alexander, Chair of the People & Culture Committee
- And Lucien Law, our CEO

Joining us today are members of our executive team including Tim Peat, our CFO, and Joanna Cooke, our Group Operations Director.

Finally, I'd like to welcome the team from our share registrar, Link Market Services. They will help conduct the voting on the formal business later in the meeting and also act as scrutineer.

As with a normal annual meeting anyone in the room will be able to ask questions and vote. I encourage you to do so.

SAVOR

114 Quay St, Auckland
Level 4, Seafarers Building
www.savor.co.nz

Notice of Meeting

The Company Secretary has confirmed to me that the Notice of Meeting has been sent to shareholders and other persons entitled to receive it.

Quorum

I have been advised that there is a quorum present and so I declare the 2022 Annual Meeting of Shareholder open

Proxies

Proxies have been appointed for the purposes of this meeting in respect of approximately 28 million shares, representing over 42% of the total number of shares.

I'd like to thank shareholders for their level of participation in today's meeting.

My fellow directors and I intend to vote all discretionary proxies we have received in favour of the Resolutions as set out in the Notice of Meeting.

Agenda

Turning to the agenda for today's proceedings.

As a 31 March year end company it is too soon to give a half year results update so instead I will cover the year to date results and headline the various business group's performance before spotlighting the Board's key objectives before handing over to Lucien to look through COVID and detail how we intend to achieve this.

We will then deal with the formal business of the meeting, being the reappointment of Directors and fixing the auditors remuneration for the coming year.

SAVOR

114 Quay St, Auckland
Level 4, Seafarers Building
www.savor.co.nz

Year to date trading update

We are extremely pleased with the strong revenue performance for the year to the end of July of \$14.5m, bouncing back after the lifting of Omicron restrictions. The strength of our venues has again been on display as customer demand remains strong.

However, this has been muted by the difficult trading environment with labour shortages and supply challenges leading to the Group experiencing margin compression.

Margin compression has been driven by three key factors:

First, wage inflation, then inflation in our cost of goods, and capacity constraints.

These combined led to an annualised 7% cost increase to the business. We expect capacity constraints to be resolved by November with 50 offshore staff being deployed.

The Group has acted strongly in response, exercising our brand pricing power by:

In July, we increased menu pricing by an average of 7% across all venues.

Then, in August, in response to excise tax inflation, we increased our alcohol pricing by a further 10% across the Group.

The net result is an annualised increase of 11% of revenue, more than offsetting the 7% increase in the Group's cost base. This demonstrates again the power of our stable of brands and results in protection of our margin across the year.

The Group remains confident that further growth over previous years is within reach but is limited by the tight labour market and delays in Government immigration policy.

SAVOR

114 Quay St, Auckland
Level 4, Seafarers Building
www.savor.co.nz

The repayment of debt has continued at an accelerated rate throughout COVID, with over \$2.8m of principal repaid since April last year. With the expansion of the Group through recent acquisitions and new openings, we expect the debt to EBITDA ratio to be less than 1 to 1 by the end of 2024.

This ratio of debt positions the Group well to deliver free cash flows to power future growth or enable a return to shareholders should the gross debt be at an acceptable level to the Board.

Snapshot of Business Unit Performance

The next slides demonstrate the key financial metrics of our most iconic venues. These show the strength of our assets and that the Group is well positioned to take advantage of no trading restrictions and further recovery of tourism.

Azabu

The Azabu sites at Ponsonby and Mission Bay together deliver annual sales in excess of \$4m each. This translates to an annual revenue per seat in the venues of \$42,500 on average. Customer spend remains high at an average of \$80 per person, with the sites delivering strong EBITDA margin returns of 21-23% between them.

Non Solo Pizza

Non Solo Pizza continues to defend its iconic position in the Italian dining scene in Auckland, with expected annual sales \$5.7m, driven by revenue per seat of \$47,500. Following the renovation of the site in 2020, we've been pleased to see average spend per head lift to \$90, with the venue delivering solid EBITDA returns of 23-25%

Amano

Week by week the popularity of Amano demonstrates the strength of this addition to the Group, with annual revenue of \$15m. EBITDA and average cheque size are slightly lower than other venues

SAVOR

114 Quay St, Auckland
Level 4, Seafarers Building
www.savor.co.nz

as a result of lower value per head breakfast service, and the Bakery. The Bakery outperforms expectations with over \$60,000 of sales per week.

Key Objectives

The Group's three key objectives from a shareholder perspective:

- i) To drive free cash flows
- ii) Share Price Recovery
- iii) Liquidity in our stock

I'll now pass over to Lucien to discuss our growth plans for the Group.

CEO's Address

The Board has been firmly focused on driving growth for the Group to gain size and scale, and enable the efficiencies that come with that.

Our current suite of venues are on track to deliver annualised revenue of \$50m, with the opening of MoVida and Bivacco expected to contribute a further \$20m to bring the Group to a total of \$70m by 2024.

This graph shows the trajectory of revenue for the Group over the past five years, with each point making a significant difference to the overall Group position. Managing to achieving growth while navigating the last 2 years of the pandemic and multiple closers has not been easy but has established a solid base for growth.

As you'll see from where we are today, MoVida opens this week for the first time in New Zealand. We expect \$7.5m of revenue from this level of the building (which was achieved by Ostro at its prime)

SAVOR

114 Quay St, Auckland
Level 4, Seafarers Building
www.savor.co.nz

The style of food and strong food to beverage ratio allows for solid EBITDA returns - consistent with the rest of the Group.

We're excited about what the future holds for MoVida, with the licensing agreement permitting future expansion.

In May it was exciting to announce securing the Viaduct Harbour's most desirable corner site – formerly the successful Headquarters.

We're currently in construction with the intention of opening in November this year.

We believe the development of Bivacco is a strong statement for Savor's first venue in the Viaduct precinct, with expected annual revenue of \$12.5m and an approximate EBITDA return of 25% it's a key venue in our growth plans.

It's an amazing site and I'm very pleased with the development so far.

It's a large site with over 140 dining seats inside and on the veranda, 67 waterfront outdoor seats whilst maintaining a bar with 240sm - which enjoys all day sun.

At \$70m of revenue each year, Savor has scale.

At \$70m of revenue, Savor is an \$8-10m EBITDA business:

- The Group's overheads and listing costs will be less than 5% of revenue
- Opens Savor to a wider range of investors
- Third party debt to EBITDA will be at an all time low ratio of approximately 1:1.
- Expected free cash flows of \$3-5m annually to fuel growth or enable a potential return to shareholders.

The share price is currently trading at a multiple of 3 times compared to an international average of more than twice this.

SAVOR

114 Quay St, Auckland
Level 4, Seafarers Building
www.savor.co.nz

Savor has transformed the Moa business from one that focused on revenue into a business driving profitability. The merger of Savor ended the perpetual losses and delivered a breakeven position for the first time since listing.

Each step along the way has brought revenue growth and driven the profitability of the Group as a whole:

- The acquisitions of NSP and Mission Bay increased Group EBITDA by over \$2m
- The divestment of the brewing business freed up \$3m of working capital and \$2m of Group overheads.
- The acquisition of the Hipgroup venues brought scale and in a normalised trading environment would have delivered \$7m of EBITDA.
- Bringing on MoVida and Bivacco will further drive economies of scale with no significant incremental overheads.
- Over a period of 3 short years, the Group will be on track to deliver in excess of \$70m in revenue and between \$8 to \$10m in EBITDA.

Looking forward I believe Savor has the portfolio of brands to grow to a \$100m revenue business.

We see the growth of the Group to \$100m revenue through three pillars. Our signature venues, and growth in the fast casual sector through OJI and Amano.

OJI is positioned as a premium, specialist sushi brand, competing with the likes of St Pierre's. We've built on our experience and skill from our Japanese restaurants to deliver a higher quality sushi menu at an affordable price.

When we acquired OJI we identified 3 areas for expansion:

OJI stores – with 3 existing stores through Commercial Bay and Britomart, and 1 in Wynyard Quarter opening later this year

SAVOR

114 Quay St, Auckland
Level 4, Seafarers Building
www.savor.co.nz

OJI inside – OJI is currently in one Four Square with two more due to open this year, and OJI is due to launch into Farro in September in the Grey Lynn store with a clear pathway to roll out to all 6 Farro stores over the next 3 months

OJI in Schools – We saw a gap in the healthy quality lunch time offer in schools and targeted Auckland’s private schools. We’ve started with 6 schools in a progressive roll-out and are planning to push for more schools in term 4.

OJI continues to demonstrate significant sales growth since we acquired it on a purely cost recovery basis.

Over the past six months, sales have tripled from \$100k to \$300k per month, demonstrating 20% month on month growth over that time.

We see more growth with the CBD getting busier from tourists and summer trading, and believe sales will continue to grow as we get back to full strength staffing levels and continue product innovation.

OJI has risen to be a top performing store in Commercial Bay amongst a competitive set of over 35 offerings.

The Amano Bakery continues to be a stand-out performer in Britomart, consistently delivering revenue per week in excess of \$60,000.

It has proven to be resilient to the ebb & flow of CBD workers and maintained its sales as “work from home” trends have continued, cementing its place as a destination venue.

We see the expansion of Amano is focused on two key areas of growth.

Amano Britomart is a “Centre of Excellence” for the Amano brand. With an investment of \$7m to build, we do not intend replicate this in any great number.

SAVOR

114 Quay St, Auckland
Level 4, Seafarers Building
www.savor.co.nz

Amano Bakery is a key area of growth for us with future standalone stores that we can develop into neighbourhood bakery, deli and wine bar concepts. We see a demand for this offering in a number of Auckland neighbourhoods.

Wholesale supply is the other area of growth for Amano. We have had a few large retailers expressing interest in the Amano product. We will explore this route once we build production capacity.

Formal Business

Ladies and Gentlemen, we now come to the formal part of the business - matters requiring resolution, which are outlined in the Notice of Meeting.

There will be an opportunity for shareholders to ask questions on each matter being put to shareholders.

For the sake of good order, shareholders questions raised should relate directly to the matter being considered.

Now, moving to the resolutions, a poll will be held on each of these resolutions.

Shareholders joining us today here, you would have been given your shareholder voting card. If you are a shareholder and did not register on arrival and wish to vote, please make your way to the registration desk across the floor behind the bar and staff from Link will assist you. Please mark your voting intention for each resolution and the voting cards will be collected at the conclusion of the meeting.

Results of the vote will be announced via the Exchange.

Each resolution set out in the Notice of Meeting is to be considered as an ordinary resolution and, as such, must be approved by a simple majority of the votes cast by shareholders entitled to vote and voting on the resolution.

The outcome of proxy votes will be displayed for your information after voting on all the resolutions.

Resolution 1 – Re-election of Paul Robinson

SAVOR

114 Quay St, Auckland
Level 4, Seafarers Building
www.savor.co.nz

As Resolution 1 concerns the re-election of myself as a Director of the Company I'll ask Louise Alexander to step in to complete the formal process for this resolution.

Resolution 1 concerns the re-election of Paul Robinson as a Director of the Company.

I now propose that Paul Robinson is re-elected as a Director of the Company.

Thank you – please mark your voting cards in the way you wish to vote by ticking “FOR”, “AGAINST” or “ABSTAIN” in the appropriate place on the voting card.

Resolution 2- Re-election of Lucien Law

Resolution 2 concerns the re-election of Lucien Law as a Director of the Company.

I now propose that Lucien Law is re-elected as a Director of the Company.

Thank you – please mark your voting cards in the way you wish to vote by ticking “FOR”, “AGAINST” or “ABSTAIN” in the appropriate place on the voting card.

Resolution 3: Auditors Remuneration

Resolution 3 concerns the authorisation of the Directors to fix the remuneration of the Auditors for the coming year.

I now propose that the Directors of the Company be authorised to fix the remuneration of the Auditors for the coming year.

Thank you – please mark your voting cards in the way you wish to vote by ticking “FOR”, “AGAINST” or “ABSTAIN” in the appropriate place on the voting card.

That completes voting on the resolutions. The Registrar, Link Market Services will now move through the room to collect your voting cards.

Questions

SAVOR

114 Quay St, Auckland
Level 4, Seafarers Building
www.savor.co.nz

I would now like to give shareholders the opportunity to ask questions.

To begin, we've received one question from a shareholder ahead of the meeting, which was:

Savor's reputation as an employer took a hit in August 2021 lockdowns due to how employees were paid the subsidy and the support of those on casual/ low-hour minimum contracts. Is it accepted this may be having a material impact on hiring and attracting new talent? If so, what is being done to repair the brand of Savor as an employer?

Response:

There's a few things to unpack here, most of which we discussed at last year's meeting, but what I would say is that the allegations made were factually incorrect and once we wrote to Newshub in a legal capacity the article was removed.

We haven't seen an impact of this on our ability to attract new talent, with over 240 staff employed since January and over 100 in the last three months. Our average staff tenure is two and a half years, and we haven't had any of our venue senior management leave in the past six months.

Secondly, we had a question on the rating of Savor Group on Google.

The low rating relates to the holding company, Savor Group Limited, the ratings for the individual venues average above 4.4. We were subject to some fake reviews following the news articles but this has now stopped.

Closing Remarks

Thank you, this now brings the Annual Meeting to a close. Please enjoy the refreshments provided and taste a sample of the best of what MoVida has to offer.

End of Meeting