



**Supie Limited, Workerly Limited and Bevie Limited
(all Administrators Appointed)
(together the “Companies” or “Group”)**

Report by Joint and Several Administrators pursuant to Section 239AU of the Companies Act 1993

Introduction

Richard Nacey and Stephen White were appointed Voluntary Administrators of the Companies on 30 October 2023 by resolution of their sole Director, subject to Section 239I of the Companies Act 1993 (the “Act”).

This report is provided to all known creditors in accordance with Section 239AU of the Act, and provides creditors with information regarding:

- i) The Companies’ business, property, affairs and financial circumstances; and
- ii) Any other matter material to the creditors’ decisions to be considered at the meeting.

It also provides a statement setting out the Administrators’ opinion, with reasons for that opinion, about each of the following matters:

- i) Whether it would be in the creditors’ interests for the Companies to execute a deed of company arrangement (“DOCA”);
- ii) Whether it would be in the creditors’ interests for the administration to end; or
- iii) Whether it would be in the creditors’ interests for the Companies to be placed in liquidation.

If a DOCA is proposed, the report will include a statement setting out the details of the proposed DOCA (but for the avoidance of any doubt, the Administrators do not propose a DOCA for any of the Companies).

This report is provided in accordance with the important notice overleaf, and the restrictions at Appendix I.



Important Notice

<p>Watershed Meeting</p>	<p>The purpose of the Watershed Meeting is to decide the future of Supie Limited, Bevie Limited and Workerly Limited (all Administrators Appointed) (together the “Companies” or “Group”). Prior to the Watershed Meeting, as the Voluntary Administrators, we are required to investigate the affairs of the Companies and prepare a report on the Companies’ business, property, affairs and financial circumstances and provide opinions on certain matters. That is the purpose of this report.</p> <p>The Watershed Meeting of creditors of the Companies (the “Watershed Meeting”) will be held at PwC Auckland, Level 27, PwC Tower, 15 Customs St West, Auckland 1010 on Thursday 9 November 2023 commencing at 4:30pm.</p> <p>Registration for all attendees will open at 3:00pm, and we note that the first meeting of creditors will be held immediately prior, at 3:30pm. Please note that the meeting will be restricted to creditors and employees of the Companies only. The meeting will be closed to the media.</p>
<p>Statutory requirements</p>	<p>All information contained in this report is provided in accordance with Section 239AU of the Companies Act 1993 (the “Act”).</p>
<p>Basis of reporting</p>	<p>The statements and opinions expressed herein have been made in good faith, and on the basis that all information provided to us by the Companies or other third parties and relied upon is true and accurate in all material respects, and not misleading by reason of omission or otherwise.</p>
<p>Information available</p>	<p>We have not independently verified the accuracy of information provided to us, and have not conducted any form of audit in respect of the Companies. Accordingly, we express no opinion on the reliability, accuracy, or completeness of the information provided to us and upon which we have relied. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever arising from this report.</p> <p>The statements and opinions expressed in this report are based on information available as at the date of the report.</p> <p>We reserve the right, but will be under no obligation, to review or amend our report, if any additional information, which was in existence on the date of this report was not brought to our attention, or subsequently comes to light.</p>
<p>Other</p>	<p>Certain numbers in tables throughout this report have been rounded and therefore may not add exactly.</p> <p>Unless otherwise stated all amounts are expressed in New Zealand dollars.</p>



1. Key Messages and Administrators' Recommendation

Purpose of report

The purpose of this report is to:

- Provide creditors with information and details regarding the business, property and affairs of the Companies; and
- Provide creditors with a recommendation with regards to the options for voting at the Watershed Meeting.

Administrators' recommendation and opinion that the Companies be placed into liquidation

The Administrators have not been made aware of any DOCA that has been prepared and that could be proposed to the Companies' creditors. If the Administrators become aware of any DOCA, they will advise creditors either at or before the Watershed Meeting.

Following an investigation into the Companies' business, property, affairs and financial circumstances, and in the absence of a DOCA proposal, the Administrators have formed an opinion on whether it would be in the creditors' interests:

- For the Administration to end and control of the Companies be returned to the Director; or
- For a liquidator to be appointed.

Administrators' opinion and recommendation: The Administrators are of the view that the best outcome for creditors from the Watershed Meeting is for the Companies to be placed into liquidation. There is no DOCA to be presented to creditors, and returning the companies to the control of the Director is not an appropriate option, as the companies are insolvent.

If creditors wish to adopt the recommendation of the Administrators, which is to place the Companies into liquidation, then creditors should vote as follows in respect of the resolution for each company:

Resolution A: That Supie Limited be placed into liquidation and that Richard Nacey and Stephen White of PwC be appointed liquidators of Supie Limited **Vote: "For"**

Resolution B: That Bevie Limited be placed into liquidation and that Richard Nacey and Stephen White of PwC be appointed liquidators of Bevie Limited **Vote: "For"**

Resolution C: That Workerly Limited company be placed into liquidation and that Richard Nacey and Stephen White of PwC be appointed liquidators of Workerly Limited **Vote: "For"**

It is important to note that in the event that any of Resolutions A, B, or C does not gain the requisite majority to pass (which is 50% by total number of votes, and 75% by total claim value of creditors voting on the resolution), the Administration will end for that Company and the Company will be returned to the control of the Director.



In the following sections of this report, we provide additional detail regarding the Group's business, property, affairs and financial circumstances and the work the Administrators have carried out to date. We also discuss the implications of the companies being returned to the control of the Director.

2. The Business and Affairs of the Companies within the Group

Background and trading history

The Group, based in Wiri, Auckland and founded by Sarah Balle (the Director), had operated as an online grocery business since 2021. Its primary aim was to introduce competition into the supermarket industry and provide New Zealanders with affordable, healthy food.

The companies in administration comprise:

- Supie Limited (incorporated in October 2019), which was the Group's main trading company;
- Bevie Limited (incorporated in September 2021) which holds the Group's liquor license for selling beers, wines and spirits, with all alcohol sales and inventory sitting within this company; and
- Workerly Limited (incorporated in January 2021), which employed the Group's staff.

At the date of our appointment Workerly Limited employed 118 staff members, 52 of which were on casual contracts with the remaining 66 staff members employed on a mix of part and full time contracts.

We understand that the Group had approximately 73,000 members, of which over 10,000 have shopped with Supie in the last two years. Approximately 3,500 of these are active subscribers who paid a subscription fee to access special offers and other benefits.

Factors leading to Voluntary Administration

Based on the information provided by the Director and from the Administrators' own enquiries, a number of key issues have been identified as contributing to the voluntary administration:

- As a start-up in the early years of its life, Supie was operating in a highly competitive market.
- While it had achieved strong revenue and customer growth over recent years, this had not been at the scale required for sustainable profitability.
- This, coupled with a key investor ceasing to continue providing funding placed the Group under significant financial pressure, which resulted in the Director concluding that the Companies needed to enter a formal insolvency process to avoid further creditor losses.

The Director considered two options to place the companies into an insolvency process. First, liquidation was considered. However, given the broad nature of the Group's shareholder base, which comprises a large number of individual shareholders, this option would likely have required an application to the High Court (as having 75% of shareholders sign a resolution would have been very challenging from a logistical perspective) and would have resulted in a delay in the appointment of liquidators, risking further loss to the creditors of the companies in the Group. Instead the Director passed a resolution to have the Companies placed into voluntary administration.



The Administrators have decided to call the Watershed Meeting as soon as possible in order to avoid additional expense being incurred and therefore optimise the outcome for creditors of each Company.

3. The financial circumstances and property of the Companies

The table below sets out a summarised statement of financial performance of the Companies in the Group, for the year ended 31 March 2023 and the year to date. This information is based on the Companies' management accounts, information provided by the Director, and other information available to the Administrators.

Supie Limited - Profit & Loss

NZD in 000s	FY23	YTD24
Revenue		
Sales - groceries	2,600	4,771
Sales - produce	1,148	1,506
Other sales	985	199
Membership Revenue	129	111
Interest Income	6	1
Total revenue	4,869	6,588
Cost of sales		
COGS - grocery	(2,533)	(3,998)
COGS - produce	(1,000)	(1,169)
Total cost of sales	(3,533)	(5,166)
Gross profit	1,336	1,422
Direct operational costs		
Direct labour	(798)	(1,245)
Other cost of sales	(1,683)	(1,932)
Total direct operational costs	(2,481)	(3,177)
Operating expenses		
Indirect labour	(971)	(869)
Marketing expenses	(551)	(272)
Rent	(310)	(163)
IT Systems	(93)	(98)
Investment expenses	(205)	(24)
Other operating expenses	(245)	(590)
Total operating expenses	(2,375)	(2,016)
EBITDA	(3,518)	(3,770)
Depreciation	(187)	(123)
Interest expense	(5)	(1)
Net profit	(3,711)	(3,894)

Source: Supie Limited management accounts



Workerly Limited - Profit & Loss

NZD in 000s	FY23	YTD24
Revenue		
Sales - employment	1,760	2,053
Sales - recruitment	25	14
Total revenue	1,784	2,067
Cost of sales		
Payroll	(1,717)	(2,003)
Kiwisaver	(41)	(50)
Recruitment	(25)	(11)
Total cost of sales	(1,784)	(2,064)
Gross profit	1	3
Other income		
Other revenue	2	1
Administration sales	-	-
Total other income	2	1
Operating expenses		
Leave liability expense	(24)	(60)
ACC	(17)	(10)
IT systems	(6)	(4)
Other operating expenses	(8)	(0)
Total operating expenses	(55)	(74)
EBITDA	(53)	(71)
Depreciation	(0)	-
Interest expenses	(0)	-
Net profit	(53)	(71)

Source: Workerly Limited management accounts

Bevie Limited - Profit & Loss

NZD in 000s	FY23	YTD24
Revenue		
Sales - alcohol	110	152
Sales - food & other items	4	0
Total revenue	114	152
Cost of sales		
COGS - alcohol	(115)	(109)
COGS - food & other items	(3)	-
Total cost of sales	(118)	(109)
Gross profit	(4)	43
Operating expenses		
Bank fees	0	(0)
Legal expenses	0	-
Total operating expenses	0	(0)
EBITDA	(4)	43
Interest expenses	(0)	(0)
Net profit	(4)	43

Source: Bevie Limited management accounts



4. The assets and liabilities of the Companies

As at the date of the appointment of the Administrators, the balance sheet of the Companies in the Group showed a negative net asset position.

Supie Limited - Balance Sheet

NZD in 000s	Oct-23
Current assets	
Inventory	837
Stripe	189
GST receivable	113
Prepayments	53
Bank	4
Other current assets	(3)
Total current assets	1,193
Fixed assets	
Technology	173
Warehouse equipment	37
IT	10
Other fixed assets	25
Total fixed assets	246
Total assets	1,439
Current liabilities	
Accounts payable	(1,793)
Prepaid Membership Revenue	(132)
Accrued expenses	(8)
Suspense account	2
Total liabilities	(1,932)
Non-current liabilities	
Related party loans	(1,098)
Loan	(8)
Total non-current liabilities	(1,106)
Total liabilities	(3,038)
Total net assets	(1,600)
Equity	
Shareholder capital	9,248
Current year earnings	(4,075)
Retained earnings	(6,773)
Total equity	(1,600)

Source: Supie Limited management accounts



Workerly Limited - Balance Sheet

NZD in 000s	Oct-23
Current assets	
Related party loan	903
Prepayments	9
Bank	0
Total current assets	912
Fixed assets	
IT equipment	-
Total assets	912
Current liabilities	
PAYE payable	(465)
GST payable	(465)
Leave liability	(129)
Accounts payable	(23)
Accruals	(6)
Total liabilities	(1,087)
Total net assets	(175)
Equity	
Current year earnings	(59)
Retained earnings	(116)
Total equity	(175)

Source: Workerly Limited management accounts

Bevie Limited - Balance Sheet

NZD in 000s	Oct-23
Current assets	
Inventory	78
Bank	0
Total assets	78
Current liabilities	
Accounts payable	(30)
Related party loan	(8)
GST payable	(4)
Total liabilities	(42)
Total net assets	36
Equity	
Current year earnings	34
Retained earnings	2
Total equity	36

Source: Bevie Limited management accounts



The reported assets and liabilities of the Companies as at the date of Administration, 30 October 2023, are set out in the table above. This information is based on the Companies' management accounts, information provided by the Director, and other information available to the Administrators.

Key observations are as follows:

- The asset values on the balance sheet are based on net book values and have not been independently verified during the Administration.
- It is important to note that the book value of the assets on the balance sheet may differ substantially from the market value of the assets, particularly in an insolvency scenario.
- Liabilities due to employees, Inland Revenue, landlords and other suppliers/creditors were frozen as at the date of Voluntary Administration, being 30 October 2023.
- The majority of the employee entitlements comprises outstanding wages and holiday pay.

5. The Voluntary Administration appointment

Appointment of Administrators

Richard Nacey and Stephen White, both Licensed Insolvency Practitioners of PwC, were appointed Voluntary Administrators of the Companies on 30 October 2023 at the request of the Director, pursuant to section 239I of the Companies Act 1993. At the date of appointment the Companies had one director, being Sarah Balle.

Objective of Voluntary Administration

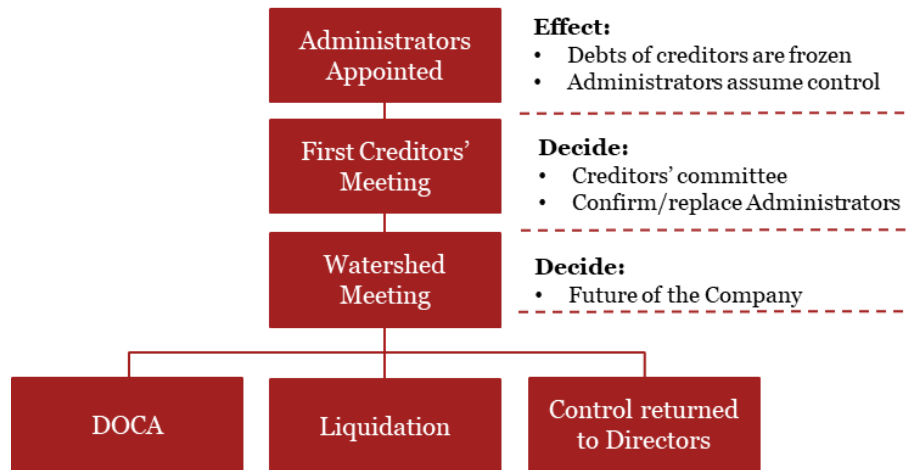
The Act sets out the objectives of a Voluntary Administration as:

- To maximise the chances that a company, or as much as possible of its business, continues in existence as a going concern in order to maximise the returns to creditors and shareholders; or
- If it is not possible for a company or its business to continue operating, to then develop alternative strategies to provide a better return to creditors and shareholders than would result from a winding up of the company.

Upon appointment of Administrators, all claims against a company in administration are frozen with the exception of the rights of secured creditors.

The voluntary administration provides a moratorium period during which the Administrators assume control of the company's business, property and affairs.

Key stages of the Administration process are summarised in the diagram below.



6. Actions taken by the Administrators

Since their appointment, the Administrators have:

- Met with and briefed staff
- Issued notices terminating the employees' employment contracts with Workerly Limited (Administrators Appointed)
- Issued casual administration employment contracts to a small number of staff members
- Insured and secured the Companies' assets
- Notified suppliers and other creditors and stakeholders
- Commenced the process of addressing retention of title and PMSI claims
- Notified the landlord of the Voluntary Administration
- Addressed queries from the media
- Spoken to parties that may have an interest in purchasing the business or assets of the companies in the Group.

Statement of Position

The Director was asked to complete a Statement of Position in respect of the Companies (the Directors' Statement) pursuant to section 239AF of the Act. This will be tabled at the first meeting of creditors, immediately prior to the Watershed Meeting, pursuant to section 239AF(3) of the Act.

The Directors' Statement contains summary information about the assets and liabilities of the Companies as at the date of Voluntary Administration and the Director's views on the reasons leading to the appointment of Administrators.

7. First creditors' meeting and creditors' committees

As is required under the Act, the first meeting of creditors is scheduled to be held on 9 November 2023. This is immediately prior to the Watershed Meeting of creditors. The principal purpose of the meeting is to



consider whether to replace the Administrators and whether to appoint creditors' committees to the Companies. The meeting also gives creditors an opportunity to ask the Administrators questions in relation to the administration.

The matter of whether to appoint creditors' committees will be voted upon. For the resolution to be passed it requires a majority in number (i.e. over 50%) representing at least 75% in value of those voting on the resolution.

8. The voting process at the Watershed Meeting

The resolutions to be voted on at the Watershed Meeting for each of the Companies are as follows:

- Resolution A: "It is resolved that Supie Limited be placed in liquidation and that Richard Nacey and Stephen White of PwC be appointed liquidators of Supie Limited"
- Resolution B: "It is resolved that Bevie Limited be placed in liquidation and that Richard Nacey and Stephen White of PwC be appointed liquidators of Bevie Limited"
- Resolution C: "It is resolved that Workerly Limited be placed in liquidation and that Richard Nacey and Stephen White of PwC be appointed liquidators of Workerly Limited"

Resolution A will be voted on first. If Resolution A passes, Richard Nacey and Stephen White will be appointed liquidators of Supie Limited, and no further voting will take place for that Company.

If Resolution A does not pass, the Administration of the Supie Limited will come to an end and control of that Company will be returned to the Director.

The same process will follow for each of Resolutions B and C.

Each creditor will be invited to vote "For", "Against" or "Abstain" for each resolution presented at the Watershed Meeting.

Please note that if the Watershed Meeting ends without a resolution having been passed to appoint liquidators of the Companies, then the Administration will end and control of the Companies will be returned to the Director. The outcome of voting in respect to a resolution needs to be determined before moving to vote on the next resolution. Creditors are able to vote in favour of more than one resolution if they wish (provided they are creditors of each relevant Company).

In order for a resolution to be passed at the meeting, it will need the support of at least 50% of creditors that vote on the resolution by number, and to be supported by creditors totalling at least 75% of the value of those creditors that vote on the resolution.

Creditors of the Companies are able to vote on the above resolutions in one of the following ways:

1. **By postal vote or nomination of a proxy by post:** Creditors may exercise their vote by post or can nominate a proxy by post. If you would like to vote by post or nominate a proxy by post, please complete the pre-populated postal or proxy form included with the notice of meeting invite and return this to nz_supie@pwc.com by 11:00am on Wednesday 8 November 2023.



2. **In person at the Watershed Meeting:** Creditors are able to vote in person at the Watershed Meeting in each of the three locations where the meeting is being held. Creditors will be required to registered at the meeting, and will be asked to provide identification. We note that the numbers at each of the three locations will be limited, and would therefore recommend that creditors vote electronically ahead of the meeting.

Please note that when appointing a proxy, creditors are able to provide direction as to how they should vote for each resolution, or can leave the decision as regard to voting to the proxy. Where the Chair has been appointed as a proxy, and where no direction has been provided as to how they should vote, they will then vote in a manner that they believe will represent the best outcome for creditors.

Registration for those attending in person will open from 3:00pm on 9 of November 2023.

9. Contact details

Supie Limited, Workerly Limited and Bevie Limited (Administrators Appointed)
PricewaterhouseCoopers New Zealand
Private Bag 92162
Auckland

A handwritten signature in black ink, appearing to read 'Richard Nacey', written over a horizontal line.

Richard Nacey
Administrator
E: richard.j.nacey@pwc.com

A handwritten signature in black ink, appearing to read 'Stephen White', written over a horizontal line.

Stephen White
Administrator
E: stephen.r.white@pwc.com



Appendix I: Restrictions

All information contained in this report is provided in accordance with Section 239AU of the Companies Act 1993.

The statements and opinions expressed herein have been made in good faith, and on the basis that all information relied upon is true and accurate in all material respects, and not misleading by reason of omission or otherwise.

We have not independently verified the accuracy of information provided to us, and have not conducted any form of audit in respect of the Company. Accordingly, we express no opinion on the reliability, accuracy, or completeness of the information provided to us and upon which we have relied. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever arising from this report.

The statements and opinions expressed in this report are based on information available as at the date of the report.

We reserve the right, but will be under no obligation, to review or amend our Report, if any additional information, which was in existence on the date of this Report was not brought to our attention, or subsequently comes to light.

We have relied on forecasts and assumptions prepared by the Company about future events which, by their nature, are not able to be independently verified. Inevitably, some assumptions may not materialise and unanticipated events and circumstances are likely to occur. Therefore, actual results in the future will vary from the forecasts upon which we have relied. These variations may be material.

In addition the following should be noted:

- Certain numbers included in tables throughout this report have been rounded and therefore do not add exactly.
- Unless otherwise stated all amounts are stated in New Zealand dollars.