

Promisia Integrative Limited

Unaudited Interim Financial Statements

For the Year ended 31 December 2016

Promisia Integrative Limited
Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2016

	Unaudited Year Dec 2016 \$000	Unaudited 6 months June 2016 \$000	Audited Year Dec 2015 \$000
Revenue	2,665	994	408
Cost goods sold	(778)	(253)	(98)
	<u>1,887</u>	<u>741</u>	<u>310</u>
Expenses			
Operating expenses	(1,429)	(727)	(464)
Administration expenses	(662)	(260)	(490)
Research & Development	(192)	(94)	(234)
Amortisation	(23)	(11)	(14)
	<u>(2,306)</u>	<u>(1,092)</u>	<u>(1,202)</u>
(Loss) before taxation and interest	(419)	(351)	(892)
Finance cost - interest paid	(55)	(27)	(62)
Finance income - interest received	11	12	8
	<u>(463)</u>	<u>(366)</u>	<u>(946)</u>
Net Loss for period before tax	(463)	(366)	(946)
Income tax expense	-	-	-
	<u>(463)</u>	<u>(366)</u>	<u>(946)</u>
Loss for period	(463)	(366)	(946)
Other comprehensive income			
Current translation differences	13	11	(10)
	<u>(450)</u>	<u>(355)</u>	<u>(956)</u>
Total comprehensive (Loss) for period attributable to shareholders	<u>(450)</u>	<u>(355)</u>	<u>(956)</u>
Basic Earnings per share	(0.001)	(0.001)	(0.003)
Diluted Earnings per share	(0.001)	(0.001)	(0.003)

Promisia Integrative Limited
Consolidated Interim Statement of Changes in Equity
For the year ended 31 December 2016

	Share Capital	Foreign Currency Reserve	Share Option Reserve	Accumulated Losses	Total
	\$000	\$000	\$000	\$000	\$000
Unaudited					
Equity at 1 January 2016	54,225	185	57	(53,932)	535
Net loss for period	-	-	-	(463)	(463)
Other comprehensive Income (Loss)	-	13	-	-	13
Share Issue net proceeds	1,568	-	-	-	1,568
Share based payment	-	-	44	-	44
Equity at 31 December 2016	55,793	198	101	(54,395)	1,697
Unaudited					
Equity at 1 January 2016	54,225	185	57	(53,932)	535
Net loss for period	-	-	-	(366)	(366)
Other comprehensive Income (Loss)	-	11	-	-	11
Share Issue net proceeds	143	-	-	-	143
Share based payment	-	-	22	-	22
Equity at 30 June 2016	54,368	196	79	(54,298)	345
Audited					
Equity at 1 January 2015	52,731	195	58	(52,986)	(2)
Net loss for period	-	-	-	(946)	(946)
Other comprehensive Income (Loss)	-	(10)	-	-	(10)
Share Issue net proceeds	1,450	-	-	-	1,450
Options expired	44	-	(44)	-	-
Share based payment	-	-	43	-	43
Equity at 31 December 2015	54,225	185	57	(53,932)	535

Promisia Integrative Limited
Consolidated Interim Balance Sheet

As at 31 December	Unaudited Year Dec 2016 \$000	Unaudited 6 months June 2016 \$000	Audited Year Dec 2015 \$000
EQUITY			
Share Capital	55,793	54,368	54,225
Share Option Reserve	100	79	57
Foreign Currency Reserve	199	196	185
Accumulated Losses	(54,394)	(54,298)	(53,932)
TOTAL EQUITY	1,697	345	535
Represented by:			
CURRENT ASSETS			
Bank	1,827	604	1,021
Receivables	264	339	102
Prepayments	84	76	42
Inventory	811	879	591
	2,986	1,898	1,756
NON-CURRENT ASSETS			
Investments	75	75	75
Intangible Assets	130	112	115
TOTAL ASSETS	3,190	2,085	1,946
less			
CURRENT LIABILITIES			
Payables and Accruals	575	656	315
NON-CURRENT LIABILITIES			
Loan	919	1,084	1,096
TOTAL LIABILITIES	1,494	1,740	1,411
NET ASSETS (LIABILITIES)	1,697	345	535

Promisia Integrative Limited
Consolidated Interim Statement of Cashflows
For the year ended 31 December 2016

	Unaudited Year Dec 2016 \$000	Unaudited 6 months June 2016 \$000	Audited Year Dec 2015 \$000
Operating activities			
Receipts from customers	2,471	791	534
Receipt tax	56	39	49
Payments to suppliers and employees	(3,160)	(1,404)	(1,421)
Interest (net)	(44)	12	(54)
Net cash flows from (used in) operating activities	(676)	(562)	(892)
Investing Activities			
Purchase intangible assets	(38)	(8)	(19)
Net cash flows from (used in) operating activities	(38)	(8)	(19)
Financing activities			
New share issue & costs	1,520	153	1,284
Net cash flows from financing activities	1,520	153	1,284
Net change in cash	806	(417)	373
Cash at Start of Period	1,021	1,021	648
Exchange rate fluctuations	-	-	-
Cash at End of Period	1,827	604	1,021

Promisia Integrative Limited
Notes to Consolidated Interim Financial Statements
For the year ended 31 December 2016

1. Nature of operations

Promisia Integrative Limited (Company) and its subsidiaries (the Group) principal activities are focused on developing and marketing unique therapeutic natural products with proven safety and efficacy based on robust research.

2 General information and statement of compliance

The company is registered under the Companies Act 1993 and is a Financial Markets Conduct 2013 reporting entity in terms of the Financial Reporting Act 2013. The group is profit – orientated.

Promisia Integrative Limited is a company domiciled in New Zealand. The registered office of the company is Level 15, 171 Featherston Street, Wellington.

Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand, which is the New Zealand equivalent to International Financial Reporting Standards (NZ IFRS). They comply with NZ IAS 34 Interim Financial Reporting and should be read in conjunction with the 31 December 2015 annual report

The financial statements are presented in New Zealand dollars which is the group's functional and presentation currency and rounded to the nearest thousand dollars unless otherwise stated.

These financial statements do not include all the information required for full financial statements and consequently should be read in conjunction with the full financial statements of the Group for the year ended 31 December 2015.

The accounting policies adopted are consistent with those of the previous financial year. All new standards and amended standards issued during 2015 and applicable after 1 January 2015 have not been adopted. The impact in the initial period of application is expected to be minimal at this stage.

3. Disclosures

3.1 Operating segments

The Group's reportable segments are based on the geographic location of its activities which reflect the type of activities undertaken and have been determined based on internal reporting used by management and the Board of Directors to assist strategic decision making.

3.2 Financial risk management

The Group's activities are exposed to a variety of financial risks: market risk, credit risk, liquidity risk, cash flow risk and fair value interest-rate risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2015. There have been no changes in the management of risk or in any risk management policies in the current period. The Group does not have any derivative financial instruments or any other financial assets or liabilities that are classified as instruments at fair value through profit and loss under NZ IFRS.

The fair value of assets and liabilities approximates their carrying value.

Promisia Integrative Limited
Notes to Consolidated Interim Financial Statements
For the year ended 31 December 2016

3.3 Share Capital

The Group's share capital includes fully paid, subscribed and treasury shares.

Issued and paid capital

There were 498,510,841 (2015: 281,733,138) ordinary shares on issue at balance date.
At 31 December 2016 issued and paid capital comprised

	Unaudited Year Dec 2016 \$000	Unaudited 6 months June 2016 \$000	Audited Year Dec 2015 \$000
Opening balance	54,225	52,731	52,731
Share Issue net proceeds	1,585	-	1538
Expired options	-	-	44
Issue costs	(17)	-	(88)
Closing balance	55,793	52,731	54,225

During the year 63 million ordinary shares were issued as part of a rights issue to raise further equity funding of \$1,585,000 for the company's next phase of growth and development.

At 31 December 2015 the new subscribed and paid capital from the rights issue totalled \$1,537,990 with the balance of unpaid subscribed capital \$152,010 being received in January 2017.

Unpaid ordinary shares – Treasury shares

A further 27,043,986 of unpaid shares have been issued by the company as a part of a Staff Unpaid Share Scheme for eligible staff being employees or contractors to purchase. The shares are unallocated shares held by a nominee company Promisia Trustee Limited. No shares were allocated to staff at 31 December 2016.

3.4. Related party information

During the year to 31 December 2016, director fees of \$75,000 (31 December 2015 \$60,000) were paid and management fees of \$180,000 (31 December 2015 \$133,000) were paid to key management personnel.

As noted in paragraph 3.3, a Staff Unpaid Share Scheme has been set up for eligible staff to participate in.

During the year, a company bonus scheme was also set up for staff that has been offered the unpaid shares in the staff unpaid share scheme.

At 31 December 2016 no staff member has accepted the offer and \$100,000 has been allocated to key management as annual bonuses to be used as payment when the shares are allocated and vested.

The bonuses will be paid to staff net of tax based on achieving agreed sales targets as set by the board on an annual basis for the financial years ending 31 December 2016 and 31 December 2017 and used entirely as payment for the unpaid shares.

3.5. Contingent liabilities

There were no contingent liabilities at 31 December 2016 (31 December 2015:\$nil).

3.6 Capital commitments

There were no capital commitments at 31 December 2016 (December 2015:\$nil).

3.7 Purchase commitments

The Artemisia leaf purchase commitment at 31 December 2016 amounts to \$151,000 (2014:\$93,000.).

3.8 The interim financial statements to 31 December 2016 have not been audited.