



**Moa Group Limited
Financial Statements
for the six months ended
30 September 2018**

Moa Group Limited
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30 September 2018

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Moa Group Limited
Interim Statement of Comprehensive Income
For the 6 months ended 30 September 2018

| | 6 MONTHS ENDED 30 SEPTEMBER 2018 | 6 MONTHS ENDED 30 SEPTEMBER 2017 | 12 MONTHS ENDED 31 MARCH 2018 |
|--|-------------------------------------|-------------------------------------|----------------------------------|
| | UNAUDITED | UNAUDITED | AUDITED |
| NOTES | \$'000 | \$'000 | \$'000 |
| Revenue | 6,190 | 5,841 | 13,759 |
| Excise | (1,596) | (1,294) | (3,306) |
| Net Revenue | 4,594 | 4,547 | 10,454 |
| Cost of sales | (3,374) | (3,235) | (7,454) |
| Gross profit | 1,220 | 1,311 | 2,999 |
| Expenses: | | | |
| Distribution | (650) | (445) | (1,168) |
| Administration | (791) | (958) | (1,983) |
| Sales and marketing | (1,190) | (1,387) | (2,380) |
| Finance income and expense | 3 | 2 | 2 |
| Total expenses | (2,627) | (2,789) | (5,529) |
| Other gains / (losses) | 10 | (11) | (18) |
| Loss before income tax | (1,397) | (1,488) | (2,548) |
| Income tax expense | - | - | - |
| Loss for the period | (1,397) | (1,488) | (2,548) |
| Other comprehensive income and expenses | - | - | - |
| Total comprehensive loss for the period | (1,397) | (1,488) | (2,548) |
| Losses per share for loss attributable to the ordinary equity holders of the Company during the period | | | |
| Basic losses (cents per share) | (2.4) | (2.7) | (4.7) |
| Diluted losses (cents per share) | (2.4) | (2.7) | (4.6) |
| Loss before income tax | (1,397) | (1,488) | (2,548) |
| Adjusted for: | | | |
| Depreciation & Amortisation | 214 | 202 | 473 |
| Finance income and expense | 7 | (2) | (2) |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | (1,176) | (1,288) | (2,078) |

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

All profit/(loss) and total comprehensive profit/(loss) is attributable to the Parent Company shareholders and is from continuing operations.

Moa Group Limited
Interim Statement of Financial Position
As at 30 September 2018

| | 30 SEPTEMBER 2018 | 30 SEPTEMBER 2017 | 31 MARCH 2018 |
|----------------------------------|-------------------|-------------------|---------------|
| | UNAUDITED | UNAUDITED | AUDITED |
| NOTES | \$'000 | \$'000 | \$'000 |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 793 | 1,526 | 987 |
| Trade and other receivables | 2,519 | 2,126 | 2,175 |
| Derivative Financial Instruments | 18 | - | - |
| Inventories | 2,892 | 1,830 | 1,937 |
| Total current assets | 6,222 | 5,482 | 5,099 |
| NON CURRENT ASSETS | | | |
| Trade and other receivables | 714 | - | - |
| Investments | 216 | 180 | 180 |
| Plant and equipment | 2,314 | 2,505 | 2,338 |
| Intangibles | 430 | 491 | 461 |
| Total non-current assets | 3,674 | 3,176 | 2,979 |
| Total assets | 9,896 | 8,659 | 8,078 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 3,093 | 2,087 | 2,499 |
| Derivative financial instruments | - | 6 | 5 |
| Total current liabilities | 3,093 | 2,092 | 2,504 |
| Total liabilities | 3,093 | 2,092 | 2,504 |
| Net assets | 6,803 | 6,566 | 5,574 |
| EQUITY | | | |
| Contributed equity | 5 | 29,188 | 26,482 |
| Reserves | 82 | 95 | 116 |
| Accumulated losses | (22,467) | (20,011) | (21,070) |
| Total Equity | 6,803 | 6,566 | 5,574 |

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

The Board of Directors authorised the statements presented on pages 2 to 12 for issue on 29 November 2017.
For and on behalf of the Board



Geoff Ross
Executive Chair



Craig Styris
Chair of the Audit and Risk Committee

**Interim Statement of Movements in Equity
For the 6 months ended 30 September 2018**

ATTRIBUTABLE TO EQUITY HOLDERS OF MOA GROUP LIMITED

| | SHARE CAPITAL | ACCUMMULATED LOSSES | SHARE ENTITLEMENT RESERVE | TOTAL EQUITY |
|---|---------------|------------------------|---------------------------------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance as at 1 April 2017 | 26,041 | (18,524) | 113 | 7,630 |
| Total comprehensive loss for the period | - | (1,488) | - | (1,488) |
| Share based payments | - | - | 15 | 15 |
| Issue of shares in lieu of fees | 40 | - | - | 40 |
| Net proceeds from issue of new shares | 319 | - | - | 319 |
| Employee share options exercised | 82 | - | (33) | 49 |
| Balance as at 30 September 2017 | 26,482 | (20,011) | 95 | 6,566 |
| Total comprehensive loss for the period | - | (1,059) | - | (1,059) |
| Share based payments | 25 | - | 18 | 43 |
| Issue of shares in lieu of fees | - | - | - | - |
| Net proceeds from issue of new shares | (2) | - | - | (2) |
| Employee share options exercised | 23 | - | 3 | 26 |
| Balance as at 31 March 2018 | 26,528 | (21,070) | 116 | 5,574 |
| Total comprehensive loss for the period | - | (1,397) | - | (1,397) |
| Share based payments | - | - | - | - |
| Expired Options | - | - | (22) | (22) |
| Issue of shares in lieu of fees | - | - | - | - |
| Net proceeds from issue of new shares | 2,625 | - | - | 2,625 |
| Employee share options exercised | 36 | - | (12) | 24 |
| Balance as at 30 September 2018 | 29,188 | (22,467) | 82 | 6,803 |

The above Statement of Movements in Equity should be read in conjunction with the accompanying notes.

Moa Group Limited
Interim Statements of Cash Flows
For the 6 months ended 30 September 2018

| | 6 MONTHS ENDED 30 SEPTEMBER 2018 | 6 MONTHS ENDED 30 SEPTEMBER 2017 | 12 MONTHS ENDED 31 MARCH 2018 |
|---|-------------------------------------|-------------------------------------|----------------------------------|
| | UNAUDITED | UNAUDITED | AUDITED |
| NOTES | \$'000 | \$'000 | \$'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | 5,178 | 5,662 | 13,792 |
| Payments to suppliers and employees | (7,831) | (7,057) | (15,481) |
| Interest received | 3 | 2 | 2 |
| Direct/indirect taxation received/(paid) | 3 | (59) | (71) |
| Net cash flow from operating activities | 7 | (1,451) | (1,758) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investments | (36) | - | (180) |
| Payments for plant and equipment | (157) | (78) | (151) |
| Payments for intangibles | (2) | (12) | (13) |
| Net cash flow from investing activities | (195) | (90) | (344) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Net proceeds from issue of shares | 5 | 2,648 | 389 |
| Net cash flow from financing activities | 2,648 | 368 | 389 |
| Net Increase/(decrease) in cash and cash equivalents | (194) | (1,174) | (1,713) |
| Cash and cash equivalents at the beginning of the period | 987 | 2,700 | 2,700 |
| Cash and cash equivalents at the end of the period | 793 | 1,526 | 987 |

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 General information

Moa Group Limited ('the Parent' or 'Company') and its subsidiary (together 'the Group') operate in the beverage sector, brewing and distributing super premium craft beer and cider. The Company has operations in New Zealand and sells predominantly to the New Zealand market, with a focus on growing exports to Asia and sales to other international markets.

The Group's business is highly seasonal with the October to March period representing a disproportionate share of revenue and cash receipts.

The address of its registered office is 70 Richmond Road, Grey Lynn, Auckland, 1021.

These consolidated interim financial statements have been approved for issue by the Board of Directors on 29 November 2018.

2 Basis of preparation of interim year report

The Group consists of profit-oriented companies and the condensed consolidated interim financial information for the six months ended 30 September 2018 has been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). These financial statements comply with NZ IAS 34 'Interim Financial Reporting' and with International Accounting Standard 34 (IAS 34). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the period ended 31 March 2018, which have been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

3 Summary of significant accounting policies

The accounting policies applied are consistent with those applied when preparing the annual financial statements for the year ended 31 March 2018 except for the following new reporting standards applicable for reporting periods commencing after 1 January 2018.

Reporting under NZ IFRS 9 for Financial Instruments. The Group has assessed this reporting standard and has made no material changes to its reported results.

Reporting under NZ IFRS 15 for Revenue from Contracts with Customers. The Group has assessed this reporting standard and made changes to its reporting of Revenue

- a) Excise in New Zealand is a production tax paid by the Group and then forming part of the price charged to customers, the Group will now include the amount of excise charged to customers in Revenue.
- b) The Group makes payments to its Customers. Payments that relate to the goods delivered to its Customers are deducted from Revenue. Payments relating to services provided are treated as Operating Expenses. There is no change for comparative reporting periods.
- c) The Group has contracts with customers and any Contract Assets are included on the Interim Statement of Financial Position as Trade and Other Receivables. There is no change for comparative reporting periods.

The Group advises that there is no change to the timing of revenue recognition but the amount of recognised revenue is impacted by excise taxes. This change is presented on the Interim Statement of Comprehensive Income by including a line termed Net Revenue (as previously reported) and adding new lines at the head of the Interim Statement of Comprehensive Income for Revenue and Excise. As a result \$3,306,000 has been added to Revenue for the year ending 31 March 2018 and \$1,294,000 has been added to Revenue for the six months ending 30 September 2017.

Otherwise there are no other new accounting standards, or amendments to existing standards that are effective for the six months ending 30 September 2018 which are expected to have a material impact on the Group.

4 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Although certain geographies do not currently meet the NZ IFRS 8 quantitative thresholds, management has concluded that these segments should be reported as they are closely monitored by the chief operating decision maker as potential growth segments and are expected to materially contribute to Group revenue in the future.

The chief operating decision maker assesses the performance of the operating segments based on a measure of EBITDA (Earnings before interest, taxation, depreciation and amortisation). Interest income and costs are not allocated to segments as this type of activity is driven by the Group's head office function which manages the cash position of the Group. Head office costs are allocated to New Zealand as this segment represents the largest proportion of the Group's sales.

The segment information provided to the chief operating decision maker for the reportable segments is as follows:

| | 6 MONTHS ENDED 30 SEPTEMBER 2017 | | |
|--|----------------------------------|--------|---------|
| | NEW ZEALAND | EXPORT | TOTAL |
| | \$'000 | \$'000 | \$'000 |
| Revenue | 5,317 | 524 | 5,841 |
| EBITDA | (1,110) | (177) | (1,288) |
| Depreciation and amortisation | (202) | - | (202) |
| Income tax expense | - | - | - |
| Expenditure on fixed and intangible assets | 91 | - | 91 |
| | 12 MONTHS ENDED 31 MARCH 2018 | | |
| | NEW ZEALAND | EXPORT | TOTAL |
| | \$'000 | \$'000 | \$'000 |
| | Revenue | 12,589 | 1,170 |
| EBITDA | (2,008) | (70) | (2,078) |
| Depreciation and amortisation | (473) | - | (473) |
| Income tax expense | - | - | - |
| Expenditure on fixed and intangible assets | 164 | - | 164 |
| | 6 MONTHS ENDED 30 SEPTEMBER 2019 | | |
| | NEW ZEALAND | EXPORT | TOTAL |
| | \$'000 | \$'000 | \$'000 |
| | Revenue | 5,718 | 473 |
| EBITDA | (1,116) | (60) | (1,176) |
| Depreciation and amortisation | (214) | - | (214) |
| Income tax expense | - | - | - |
| Expenditure on fixed and intangible assets | 159 | - | 159 |

Revenues from external customers are derived from the sale of goods in the beverage sector.

The total of non-current assets is \$3,674,000 (31 March 2018: \$2,979,000; 30 September 2017: \$3,176,000), all of which are located in New Zealand.

Segment assets and liabilities are not included within the reporting to the chief operating decision maker and hence have not been included within the segment information tables above.

In November 2017 the Group discontinued sales of the agency line of Parrot Dog beers in New Zealand. Included in Revenue for previous periods is \$758,000 for the six months ending 30 September 2017 and \$1,027,000 for the twelve months ending 31 March 2018. Without these discontinued lines Revenue in the six months ending 30 September 2018 of \$6,190,000 compares with Revenue of \$5,083,000 in the six months ending 30 September 2017, an increase of 21%.

5 Contributed equity

| | ORDINARY | | UNLISTED NON VOTING | | CONTRIBUTED |
|--|-------------------|---------------|---------------------|----------|---------------|
| | SHARES | \$000s | SHARES | \$000s | CAPITAL \$000 |
| At 1 April 2016 | 53,630,087 | 26,041 | - | - | 26,041 |
| Voting shares converted | (13,004) | (6) | 13,004 | 6 | - |
| Staff options exercised | 222,483 | 82 | - | - | - |
| Shares issued to directors in lieu of fees | 81,559 | 40 | - | - | 40 |
| Placement shares | 627,986 | 329 | - | - | 329 |
| Issue costs | - | (10) | - | - | - |
| At 30 September 2017 | 54,549,111 | 26,476 | 13,004 | 6 | 26,482 |
| Non voting shares converted | | (1) | | 1 | - |
| Staff options exercised | 62,667 | 22 | | | 22 |
| Shares issued to employees in lieu of salary | 43,353 | 25 | | | 25 |
| Shares issued to directors in lieu of fees | | | | | - |
| Issue costs | | (1) | | | (1) |
| At 31 March 2018 | 54,655,131 | 26,521 | 13,004 | 7 | 26,528 |
| Staff options exercised | 97,157 | 36 | - | - | 36 |
| Placement shares | 5,387,843 | 2,708 | - | - | 2,708 |
| Issue costs | - | (84) | - | - | (84) |
| At 30 September 2018 | 60,140,131 | 29,181 | 13,004 | 7 | 29,188 |

The total number of authorised ordinary voting shares is 60,140,131. In addition, there are 32,489 treasury shares where no value has been ascribed.

Share placements and rights issues

In June 2018 3,736,832 ordinary shares were issued in a private placement and in July 2018 1,651,011 ordinary shares were issued following a Share Placement Plan.

MOA Employee Share Option Plan

In September 2015 1,220,000 options were granted at an exercise price of \$0.282. Of these 713,335 options have been exercised into ordinary shares or terminated after staff have left the Group leaving a balance of 506,665 options outstanding.

In June 2017 120,000 options were granted at an exercise price of \$0.443. Of these 60,000 options have been exercised into ordinary shares or terminated after staff have left the Group leaving a balance of 60,000 options outstanding.

In September 2017 240,000 options were granted at an exercise price of \$0.443. Of these 140,000 options have been exercised into ordinary shares or terminated after staff have left the Group leaving a balance of 100,000 options outstanding.

6 Related party transactions

(a) Directors

The Directors serving during the period were:

| | | <u>Date of appointment</u> |
|------------------|-------------------------|---------------------------------------|
| Geoff Ross | Chief Executive Officer | 27 August 2012 |
| | Executive Chairman | 22 December 2017 |
| Sheena Henderson | Independent Director | 1 October 2017 |
| Craig Styris | Non-Executive Director | 27 August 2012 |
| David Poole | Non-Executive Director | 17 September 2015 |
| John Ashby | Independent Director | 28 January 2015 retired 3 August 2018 |
| Rich Frank | Independent Director | 1 August 2018 |

(b) Board and key management remuneration

Craig Styris' directors fees are charged through Pioneer Capital Management Ltd and director fees for the period were payable to Geoff Ross, Sheena Henderson, David Poole and John Ashby (to 31 July 2018). Director fees to Rich Frank (from 1 August 2018) are payable in shares.

| | 6 MONTHS ENDED 30 SEPTEMBER 2018 UNAUDITED \$'000 | 6 MONTHS ENDED 30 SEPTEMBER 2017 UNAUDITED \$'000 | 12 MONTHS ENDED 31 MARCH 2018 AUDITED \$'000 |
|---------------------------------------|--|--|---|
| Director Fees | 86 | 126 | 229 |
| Management Fees | 45 | 105 | 229 |
| Senior employees' short term benefits | 370 | 225 | 480 |
| Share based payments | - | 6 | 17 |
| | 501 | 462 | 956 |

7 Reconciliation of loss after income tax to net cash flows from operating activities

| | 6 MONTHS ENDED 30 SEPTEMBER 2018 UNAUDITED \$'000 | 6 MONTHS ENDED 30 SEPTEMBER 2017 UNAUDITED \$'000 | 12 MONTHS ENDED 31 MARCH 2018 AUDITED \$'000 |
|--|--|--|---|
| Loss for the period | (1,397) | (1,488) | (2,548) |
| Depreciation and amortisation | 214 | 202 | 472 |
| Loss on disposal of fixed assets | - | - | - |
| Foreign exchange (gains)/losses | (33) | 12 | 18 |
| Change in fair value of derivatives | 23 | - | - |
| Shares in lieu of fees | - | 40 | 65 |
| Share based payments | (34) | (18) | 36 |
| Movements in working capital: | | | |
| (Increase) / decrease in inventories | (955) | (6) | 58 |
| (Increase) / decrease in trade and other receivables | (1,060) | (222) | (90) |
| Increase in trade and other payables | 595 | 29 | 231 |
| Net cash outflow from operating activities | (2,647) | (1,451) | (1,758) |

8 Capital commitments

There are no material capital commitments at 30 September 2018.

9 Events occurring after balance date

There are no material events occurring after balance date.

Corporate Directory

Directors

GEOFF ROSS
SHEENA HENDERSON
DAVID POOLE
CRAIG STYRIS
RICH FRANK (from 1 August 2018)

Executive Chair
Independent Director
Non Executive Director
Non Executive Director
Independent Director

Financial Calendar

| | |
|---------------------------|----------|
| Interim results announced | November |
| End of financial year | 31 March |
| Annual results announced | May |
| Annual report published | June |

Registered Office and address for service

70 Richmond Road, Grey Lynn, Auckland 1021
Phone +64 9 367 9841 Facsimile +64 9 637 9471 www.moabeer.com

Auditor – KPMG

Banker – Bank of New Zealand

Solicitors – Chapman Tripp

Company Publications – the Company informs investors of the Company's business and operations by issuing an Annual report and regular 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 7, Zurich House, 21 Queen Street, Auckland, PO Box 91976, Auckland 1142
Phone +64 9 375 5998 | Facsimile +64 9 375 5990

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

Stock Exchange – the company's shares trade on the NZX main board equity security market operated by NZX under the code MOA.