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26 March 2019

Market update: Savor Group deal now unconditional after Moa achieves EBITDA positive quarter (Feb 19)

Moa Group Limited (NZX: MOA) announces that it has achieved positive EBITDA over the last three summer months (December 18- February 19) and is now looking to accelerate its gains in the New Zealand craft beer scene through its acquisition of Savor Group, a premiere hospitality business based in Auckland.

Moa expects that the continued improved performance will see Moa achieve near break-even profitability for 2nd half year ended 31 March 2019. The full audited results will be finalised and announced during May.

The acquisition of leading NZ hospitality business Savor Group is now unconditional following completion of a recent \$3.0m share placement at \$0.38 per share to selected private investors, and finalisation of a banking facility with BNZ. Moa Group is now underway with a rights issue to ensure all shareholders get the opportunity to participate on the same terms as the share placement.

The rights issue opened on March 18 and closes on April 5. Eligible shareholders are able to apply for one new share for every eleven shares currently held at 38 cents each, a discount to the average market price of 42.6 cents since 4 March 2019. Rights are also quoted on the NZX Main Board, so investors who don't wish to take up their rights may seek to trade them.

The size of the rights offer is \$2 million, however, under an oversubscription facility, the amount raised could be as much as \$3 million in total. This will support further exciting opportunities arising from the acquisition of Savor Group, which is forecasted to take the Moa Group to in excess of \$40m in revenue and \$3.6m EBIT for the full financial year.

Moa has experienced considerable quarter (27/01/19 – AC Nielsen TSM) retail sales value growth of 32% and continues to outpace the rest of the craft market by a factor of nine.

Ross says integrating with Savor to develop more venues and maximise synergies is just one part of the company's plans to further cement their place in the Kiwi craft beer scene.

"And, of course, we'll also maintain our commitment to leading innovation, working with our sales partner Constellation so as to further boost category growth, and drive the business through to a full year of break-even profitability."

ENDS