



7 April 2020

STRATEGIC INVESTMENT AND RIGHTS ISSUE, BANK SUPPORT CONFIRMED AND DEFERRED SAVOR GROUP CONSIDERATION AGREED.

Moa Group Limited (NZX:MOA) today announces:

- a capital raising of up to \$5.5 million at an issue price of 14 cents per share, comprising:
 - strategic placement of \$2.5m to a new cornerstone investor, and
 - 1 for 5 rights issue to raise up to approximately \$3m.
- as previously announced the Group continues to have the support of their banking partner. This support gives the Group confidence in trading through the next financial year.
- an agreement has been reached with vendors of Savor Group to defer the \$3.2 million additional cash payment until 1 April 2021.

The new funds are being pre-emptively raised to provide the Group with additional Balance Sheet strength given the ongoing uncertainty facing the Hospitality business due to COVID-19, in connection with an agreement reached with the Savor Group vendors regarding the additional cash payment which is due to them and to provide additional flexibility for future acquisitions.

Strategic Investment: New Cornerstone Investor

After close of trading yesterday Moa agreed the terms of a strategic investment in the Group by a prominent New Zealand businessperson. The total amount of the investment is up to \$4m, and has been agreed on the following terms:

- \$2.5m placement of 17,857,143 new shares at an issue price of 14 cents per share.
- Approximately \$480,000 via subscription for full entitlement under subsequent rights issue.
- Moa has undertaken to place shortfall shares not taken up by existing shareholders under the rights issue to increase the total investment to \$4 million (to the extent there are shortfall shares available to do so).

The placement shares are expected to be issued within the next two business days.

Rights Issue: 1 for 5 to raise up to approximately \$3 million

Moa also intends to undertake a 1 for 5 pro rata rights issue to raise up to \$3 million. The offer price of 14 cents per share is the same as the strategic placement issue price.

As noted above, Moa has agreed with its new investor that, to the extent possible, it will place shortfall shares to them to increase the total value of their investment in Moa to \$4m, they have also undertaken to subscribe for his full entitlement.

The rights issue offer document is expected to be made available in approximately one week.

Bank Support Confirmed

The Group recently announced that its banking partner was supportive of the Group's new plans given the changes it has had to make in the current COVID-19 impacted trading environment. They have offered the Company a significant principal holiday and access of up to \$2m in additional funds.

Savor Group Additional Payment: Cash Component Deferred

Under the terms of the sale and purchase agreements for the Savor Group Hospitality business, Moa is required to make an additional payment of \$5.4 million if certain commercial milestones are reached. Moa's Board has determined that the criteria to trigger the additional payment has been met, and accordingly Moa is required to:

- Subject to the appropriate NZX approvals, issue \$2.2 million of shares to the Savor Group vendors at an issue price of 14 cents; and
- pay the vendors \$3.2 million of cash, which has now been deferred until 1 April 2021, interest free.

Executive Chair Geoff Ross, warmly welcomes our new cornerstone investor and says "their complementary upstream food businesses will add significant opportunities to the Group, sharing our combined vision of an integrated 'gate to plate' Hospitality and Beverages Group. This will also add considerable value to the Group's Balance Sheet, giving us strength and certainty in these uncertain times."

Lucien Law, Managing Director of Moa Hospitality says: "we're moving quickly to reshape our business in order to address the issues this crisis has created. The vertical integration of protein and fresh produce is something that we have been looking to achieve for a while now. As a food and beverage business, having a closer connection to our producers is going to achieve a superior product for customers, and the ability to be more vertical is always going to be better for the bottom line. There have been very few positives, if any, to take out of this crisis for our business. But if nothing else, it has reaffirmed to me that, as a restaurateur, we exist for a lot more than just to deliver food and pour drinks. When we're at our best, we're a place where people connect, do business and celebrate life, and I think we are all missing that even after a relatively short period of time."

For more information contact:

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About Moa Group Limited

Moa Group Limited (NZX: MOA) is a brewing and hospitality company owned by and based in New Zealand. The Group is made of two segments: Moa Beverages, which brews and distributes Moa branded craft beers and ciders, and Moa Hospitality, trading as Savor Group Limited, which owns and operates restaurants and bars across New Zealand following the acquisition of the Savor Group and Non Solo Pizza businesses in April and September 2019 respectively.