

Moa Brewing Company

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MOA GROUP ANNUAL RESULT, CAPITAL RAISE AND SPP.

Today Moa Group Limited (NZX:MOA) New Zealand's largest independent brewer releases its fully audited annual result and announces a capital raise to part fund further growth strategies.

As signalled in the 30 April 2018 trading update announcement, the annual result is relatively consistent with last year. Revenue grew from \$10.24 m to \$10.45 m. And EBITDA moved from a loss of \$1.96 to \$2.08m. The full year loss moved slightly from \$2.32m to \$2.55m. Growth slowed as a result of exiting the distribution arrangement with another craft brand. The Moa brand itself has been in growth in New Zealand during the year, and more so of late on the back of recent successful new product launches. The Moa brand has grown strongly in China.

The year had a number of highlights:

- Moa secured the number 3 position in the New Zealand craft market
- Moa signed a distribution agreement with a partner in China (the world's fastest growing craft beer market) which has committed to investing in a specific Moa sales force
- The year had a number of cashflow positive months – indicating the continuing development of the business
- The successful launch of a number of new products which have been well received by consumers

The movement in EBITDA was the result of investment in China and additional brewing capacity to facilitate further growth in the brand. We expect to see the benefits from both of these investments into FY19.

Moa recently announced a sales partnership with New Zealand's number 3 Wine player - Constellation Brands. The partnership gets under way from June 1 and sees the effective sales force for Moa grow considerably. The venture will see the creation of one of New Zealand's largest beverage sales teams with material cost savings for Moa.

The company also announced today a capital raise by the company of \$1.92m (3.73m shares to be issued) at a price of 51.32c per share (representing the 20 day VWAP¹ prior to board approval). The investors include directors Geoff Ross and David Poole and prominent US investor Rich Frank. This additional capital will be used to fund working capital and to assist in the execution of a number of growth opportunities. The capital raise demonstrates the confidence the investors have in Moa and the future success of the business.

The Moa Board will offer retail shareholders the ability to contribute additional capital on similar terms. Eligible shareholders will be able to purchase up to \$15,000 of shares on similar or better terms to today's placement through a share purchase plan (SPP). Further details will be announced and documentation will be posted to shareholders in the next few weeks.

Moa Group Executive Chairman Geoff Ross said "We are well positioned for the next stage in our evolution. Our strong domestic market position, recent growth in China and sales partnership with Constellation reflect the strength of the brand and our products. With the additional capital raised today we will be able to accelerate our growth and take the business to the next level."

For more information contact Geoff Ross on 021 424 219.

¹ VWAP refers to Volume Weighted Average Share Price

