

NZX Release

Moa Group announces divestment of Moa Brewing Company to focus on growing premier hospitality business

19 February 2021

Moa Group Limited (NZX: MOA) ("Moa", "the Group"), announces the divestment of Moa Brewing Company continuing the development and expansion of its successful hospitality group, Savor Group, one of New Zealand's largest hospitality businesses.

Highlights

- Divestment of Moa Brewing Company Limited for total proceeds of approximately \$1.9 million
- Divestment creates greater balance sheet flexibility to pursue growth and capability to generate future earnings
- Company name change and rebrand to Savor Limited (NZX: SVR)
- Appointment of Lucien Law to Managing Director and Chief Executive Officer of the Group
- Appointment of EY as the Group's new external auditor

Sale of Moa Brewing Company

The future of Moa Brewing Company has been a focus of the Board and management over the past six months. The Board recognises the value that the Brewing business has brought to the Group, which formed the foundations of where the Group stands today.

However, the Board, with the support of management, has concluded that the best outcome for shareholders is to allocate capital and management attention to the areas of the business with the greatest growth and earnings potential.

The hospitality businesses, under the brand of Savor Group, has performed above expectations since it was acquired on 1 April 2019. The subsequent acquisition of Non Solo Pizza, and development of new venues has seen a progressive shift in the Group's operations to now be primarily hospitality focused, with those operations representing 65% of revenue and over 100% of profitability in FY20.

Lucien Law, Incoming Chief Executive Officer of Savor Limited, said: *"Now with a single focus we will move on exciting opportunities for strategic growth through new concepts, both refreshing existing spaces and adding new ones to deliver the best experience for our customers."*

"The successful relaunch of Non-Solo Pizza and the expansion of the Azabu brand to Mission Bay, have highlighted the growth potential for the hospitality business, and we are confident about the expertise of the team to execute on more opportunities in our pipeline in due course."

On the sale of Moa Brewing, the Group consulted with a range of potential purchasers of the business and determined the best outcome for shareholders was to unconditionally agree to sell Moa Brewing Company Limited to Mallbeca Limited, a company associated with current CEO Stephen Smith and his family interests, for approximately \$1.9 million on a debt and cash free basis. The transaction is expected to complete at the end of February 2021.

The Board is delighted that Moa Brewing will continue under the leadership and ownership of current CEO Stephen Smith, who has been invaluable in identifying the core business challenges over the past two years to enable stronger fundamentals in the future.

Geoff Ross, Chairman, said: *“The commitment of our shareholders to Moa Brewing since listing in 2012 has been unwavering. We were able to be a true disrupter in the market, and the Board continue to be proud of the position that Moa holds in the craft beer sector.”*

“This has been a difficult decision for the Board, however, we know that this is the best outcome for all shareholders. We have no doubt that Stephen with support of his family is the right person to take the business forward and will be a true protector of the Moa brand.”

Company name change

The divestment of the Brewing business will require the remaining Group to change its name. Moa Group Limited will become Savor Limited from 1 March 2021, with the NZX ticker changing from “MOA” to “SVR” on the same date.

Management structure

The Board has also undertaken a review of the structure of management in light of the divestment of the Brewing business and is pleased to announce that Lucien Law has been appointed as Managing Director and Chief Executive Officer across all operations of the Group from 1 March 2021.

At that time, Geoff Ross will move from Executive Chairman to Chairman and will become a Non-Executive Director. Geoff’s oversight has been invaluable through the integration of Savor Group, allowing Lucien and Stephen to focus solely on their respective business areas.

Geoff Ross, Chairman, said: *“As part of the focus on growing the hospitality business, the Board has decided to appoint Lucien Law as Managing Director and Chief Executive Officer of the Group. Lucien is the founder and creative force behind Savor Group and has a proven ability of building businesses from concept to exceptional customer experiences. He has a depth of experience in the industry and management that are unmatched in the New Zealand market.”*

Change in auditor

The change in the Group’s strategic direction with the divestment of the Brewing business and the focus on expanding the hospitality business has also led the Board to review its external advisers.

The Board has appointed EY as the Group’s auditors effective immediately, and thanks Grant Thornton for their work and support, particularly through the acquisition of Savor Group and Non Solo Pizza in the prior year.

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About Savor Group

Savor Group, established in 2011, is one of New Zealand's largest hospitality businesses with 13 iconic venues in Auckland, including Azabu Ponsonby, Azabu Mission Bay, Ebisu and Non Solo Pizza, each with its own unique concept, culture and offering. Savor has a reputation for originality, the quality of its products and the high standard of service that is consistent across the company portfolio.