

Moa Group Limited

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Moa Group Limited 2014 Annual Shareholders' Meeting

Good afternoon Ladies and Gentlemen.

On behalf of the Moa Board of Directors, I would like to welcome you to our Annual Shareholders' Meeting. My name is Grant Baker and I am the Non-Executive Chairman of Moa Group Limited.

We are duly convened as a notice of meeting has been circulated to shareholders and I can confirm that a quorum is present so I am very pleased to declare this meeting open.

Some key formalities first, to get the meeting underway:

- We aim to finish by 4:00 pm, after which Moa beer will be available for your enjoyment along with some canapés. The directors and executives look forward to meeting you all after the meeting.
- The 2014 Annual Report has been circulated to shareholders – additional copies are available on request from the company or from Link Market Services.
- Today we will be voting by way of poll. If you have not yet voted, there will be an opportunity to vote nearer the end of the meeting when the resolutions are put.
- When the meeting comes to an end, please put your voting papers into the voting box at the back of the room. All votes cast during the meeting will be added to the votes already received and the results will be announced to the NZX after the meeting.
- All proxies received have been counted. To date we have received 18.429 million votes being 59% of all shares.

We will begin with my Chairman's address followed by the CEO's Review. There will then be an opportunity for shareholders to ask directors general questions relating to the management and operations of the business. Those who are not shareholders are welcome to ask questions post the meeting. We will then move to the formalities of the meeting and vote on the annual meeting resolutions which include the re-election of directors and the re-appointment of auditor and setting of the auditor's remuneration.

And now some introductions:

- Myself, Grant Baker - Non-Executive Chairman
- Geoff Ross – director and CEO
- Non-executive director Allan Scott and
- independent director Kim Ellis

Unfortunately we have apologies today from:

- Craig Styris – a non-executive director and
- Alistair Ryan – an independent director

Both of these directors are overseas on business.

We also have in attendance:

Moa's chief financial officer, Ken Bugden, our general manager, Gareth Hughes, Dave Poole our Australian Market Manager and Moa founder Josh Scott.

John Moore, from Miro Capital, our capital markets advisor.

And also representatives from our auditor, PricewaterhouseCoopers are here as are representatives from Chapman Tripp, the company's legal advisor.

Moa Chairman's address

Ladies and gentlemen,

We're here today to review our first full year as a publicly listed company. Those of you who were at the shareholders meeting last year will recall that we had had a number of issues that had negatively impacted the business. We had sales and distribution agreements in Australia and New Zealand that weren't working and challenges with resource consents for our new brewery. These factors resulted in lower than budgeted sales and a number of increased costs, which in turn led to a \$5.8m dollar loss and consequently higher than expected utilization of our cash resources.

Since that time we have completely exited the poorly performing sales and distribution agreements and now run our own sales forces in Australia and New Zealand. For the last financial year, volume sold in Australia was up 54% on the previous year, with New Zealand up 18%. We see this as a very pleasing result given that the changes occurred mid-way through the year and caused a great deal of upheaval and disruption while they were happening.

Sales in other export markets were also significantly up on the previous year.

In the current financial year we are really beginning to see the benefit of the changes. First quarter volumes in New Zealand are nearly double what they were for the same period in the previous year and our growth trajectory is continuing to gain momentum.

With regard to building our new brewery, we were successful with our initial resource consent application, and successful again when it was appealed. However, for reasons best known to themselves another party continues to object and is tying the company up in a drawn out legal process. Given the rapidly increasing rate of our sales we needed to secure contract brewing capacity, which resulted in our agreement with McCashin's Brewery in Nelson. Looking forward we will continue to produce our higher volume products under contract while keeping our specialty brews in-house.

To take the business forward we will also be strengthening our balance sheet through a capital raising and rights issue.

Geoff will take you through the details of this and the matters I have covered in more detail shortly, but before I hand over to him I'd like to thank our directors for their help as they have committed to the company well over and above the call of duty. We really appreciate their input and wisdom. I'd also like to thank our dedicated Moa staff who have continued to believe in the brand from the beginning. Finally thank you to you, the shareholders. I know that the company's performance to date is not what you signed up for, so thanks for staying with us. We intend to reward your support

with much better results in the future. To tell you more about how we're running the business today, I'll hand over to Geoff for the CEO's review.

CEO Review

Good afternoon, to all fellow owners of Moa Brewing, and also to those media and friends of Moa.

We welcome these opportunities to get together, and hope you come away from this afternoon, with a clear view of Moa's progress and that of our plans ahead. And also for you to sense a little of the excitement the Moa team currently have and why.

At last year's ASM in late August, I stood to tell you all, of the negative effect previous models had made on the business and the changes Moa had made and still needed to make. And that come October 1 of last year we would move to a very different business. I am pleased to be able to stand here now, 11 months later, with the results of the new Moa.

Despite the turbulence and effects on us all, we go into this year incredibly optimistic. And this is why - Sales.

This graph shows independent scan data from AC Nielsen and is data for New Zealand grocery. Whilst this represents approximately 50% of beer sales in New Zealand, it is indicative of overall share. For the last two quarterly reporting periods, and of the top 5 craft beers, Moa is the fastest growing, across both periods. We are now No. 4 overall — behind Monteith's (DB and Dutch owned), Macs (Lion and Japanese owned) and Boundary Road (Independent Distillers and Japanese owned). In other words Moa is now the largest New Zealand owned brewer — owned by all of us here. And all of this happened in the last nine months.

For us at Moa, we say, this is merely a good start. A good start to the new Moa. And what this graph really says to us is look how big the opportunity is; even in our own backyard. We are catching the foreigners and we believe we can keep closing that gap. Here are some statistics on the size of the home market and what is going on in beer here.

Total beer in New Zealand, equates to a \$2.5 billion market. Yet it is in decline overall. A segment of this however is in high growth, and offers greater margins - Craft. While at only 4.8% share, craft beer is in growth and contributes \$120 million in sales. Our view is that we have two roles to play:

First, to support the overall growth of the Craft category, as there is value in supporting the creation of a vibrant true craft category in New Zealand. And second, to ensure we continue to achieve 'fastest growing status' and over take those in Corporate Craft. Or in other words, we want to be a front runner in a pack of true New Zealand craft brewers that change the New Zealand brewing landscape. Brands like Tuatara, Stoke and Epic etc. we see as running mates. The real opportunity to build a business of scale, is to gain share from Lion, DB and Independent and not to compete with the other bona fide craft beer brands.

As consumers move to more sophisticated beer flavours and trade up from typical lagers, Moa will aim to capture these drinkers when they enter the growing Craft beer segment. The Moa brand is positioned to capture those drinkers trading up from brands like Heineken, Stella and Steinlager to craft beers. They want an accessible craft taste at an accessible price. We see craft breweries in the US that offer accessible craft taste and price as the largest. And believe we should take a similar approach. Moa Original lager and our new Session Pale Ale target this group.

Whilst still on New Zealand, we would like to present this graph. The most recent quarter in New Zealand, compared to the same quarter of last year.

This is our most recent data, which shows 95% growth from the June quarter last year compared to the June quarter just finished. We hope this gives you a sense of what is now going on at Moa and why we feel the changes we made nine months ago have been the right ones.

Moa of course was always conceived as an export story. New Zealand has exceptional beverage credentials worldwide with our wine industry, and so, with the reputation for our hops, barley and water - we can surely build a craft beer industry, and add a significant export earner to this countries list of high value exports. We believe Moa is and can continue to drive this.

Whilst New Zealand, being our own backyard is our priority market for now, we see export markets such as Australia and the US as key next steps.

Starting with Australia, which we would now rank as our most important export market; followed by the US and then those countries we call Rest of World. The change here is that we are now placing greater emphasis on Australia. This is for several reasons. Australia is at a similar stage to New Zealand in the development of craft beer - offers good margins, and in marketing and distribution terms, is closer to New Zealand. The US continues to be a growth market, however as exchange rates have moved against us we see a margin reduction. We have increased prices here, which we believe will create more modest growth.

In the last 6 months, we have created a significant step up to our plans for Australia. Dan Murphy's has 180 large format stores, which we secured listings with late December last year. BWS have 1200 convenience style stores, which we also secured access, only two months ago. These are the very best liquor retailers in Australia and Moa now has an opportunity to build sizable sales with these parties.

A key reason for getting a presence in these stores, when they get bombarded with new Craft Beers, is Shane Warne. We struck up a relationship with Shane Warne last year, which lead to a collaborative brew, we call 99 Not Out. Named after his highest score with the bat, which was against New Zealand at the WACA, in which he was caught out by Mark Richardson off what turned out to be a no ball; bowled by Daniel Vettori. This brew opened doors that would have otherwise remained closed.

We have two of our own sales people in Australia now, and a country manager - David Poole, who is here this afternoon. Sydney is our beach head - and we are starting to see wins there, bar by bar, liquor store by liquor store.

America, believe it or not, is the most advanced craft beer market in the world. It is a market that we believe has a big opportunity. In the US we are viewed as a high end international craft beer, and soon to be a bigger exporter to the US than mass market Steinlager. Moa Cider has recently entered the US and is off to a good start. We are focusing our efforts on the North Eastern states, Texas and also Colorado and California.

The Americas Cup in San Francisco last year saw a unique opportunity to get Californians into Moa. We went from 40 accounts to 240 accounts in California during this period, and sold a fair amount of Moa on the pier overlooking the finish line.

The challenge in the US is margin. The exchange rate and the two tier distribution system makes it difficult to get a sustainable margin. Because of this, we have increased our prices, which in turn will slow the growth rate somewhat.

We aim to keep the US growing more organically, so that once we cement in place a solid market share here and in Australia, we will be in a position to use the US platform created to expand further. The US is on a midterm horizon for us.

We have several markets that have taken an interest in Moa and which we service from here. Craft beer is not just a growth category in the US, Australia and here. It is on the move internationally. New Zealand has sound beverage credentials, and when interest is shown in Moa from other countries, we undertake to export direct with a low service model.

Sales are obviously the major part of a growth business. Another key component is margin. Moa in the early part of this year has undertaken a complete strategic review of every component of the product make up - packaging, caps, labels, freight and warehousing have all been reviewed and in most cases, savings have been made, that will flow through later this year. This is largely because of scale. When volumes increase, price per unit can decrease. A great example of this is freight. Rather than sending 5 cases to an account, we gain consumer support to grow this to a pallet, and then into a truck load, as we now do with the Foodstuffs group, straight to their warehouses. This is obviously a more efficient form.

In the first half of FY014 we reported a gross margin of 14%. In the second half a gross margin of 19%. We are now in to the early 20% on a monthly basis and will be substantially higher as we move into 2015. Alongside this we are also sliming our range. Reducing complexity and also stock holdings.

With our review of the packaging and format we also have the ability to refine the look of Moa. A new suite of packaging for Moa will start to hit the shelves in late August and September.

Here are the key ranges:

- The Classic range — which includes our leading SKU - Moa Original lager. And most recently the countries first Session Pale Ale. (Which you should try this evening — it is my new favourite Moa beer style.) Perfectly suited to those who step up for the first time to craft beer.
- Next the Estate range, bottle conditioned and bigger in flavour.
- And then the Reserve and special reserve range — for the more advanced beer connoisseur. Styles that are often aged and created for food occasions and seasonality.
- We are also re-branding our cider from Weka to Moa Cider. This has just launched for the US summer and is off to a great start.

The obvious requirement for a growth company is capacity to ensure the growth can be delivered. When we first listed Moa, in late 2012, we anticipated building a larger brewery on the current site. Our application was successful, however it was appealed by several parties, one being a neighbouring offshore-owned winery with a significantly larger footprint than our own planned new brewery. We then went through a review process with an Independent Commissioner and were again successful with our application. Unfortunately this was again appealed.

We have chosen to engage in mediation with affected parties in an effort to avoid the expense and management time involved in going to the Environment Court. We expect to reach some form of solution later this year.

During this drawn out process, Moa still needed to brew increasing quantities of beer. For this reason we approached the nearby McCashin's Brewery in Nelson, which, with our help, were able to start brewing our largest single product – Moa Original – at their brewery.

We believe this was a mutually beneficial move for us and McCashin's Brewery. It gave us the capacity we required and also gave McCashin's Brewery greater scale, which generates brewing efficiencies for both parties.

While this relationship started informally, we moved to a full contract brewing relationship in May 2014. Moa was able to relocate several items of equipment to the McCashin's Brewery as part of this agreement, further increasing scale and brewing efficiencies for the benefit of both parties.

This is a long term contract, and in addition to Moa Original being brewed at McCashin's Brewery, in time our Session Pale Ale, Cider and potentially the Estate range will also be brewed under contract.

All of us at Moa have confidence that we can continue the type of growth we have shown in the last 9 months under our new model. New Zealand alone represents a big opportunity. The category is in growth and export opportunities, particularly to Australia, provide plenty of scope. Scale is driving COGs (Costs of goods) down and margin is increasing.

In high growth stages of any business there are periods of investment and Moa would like to continue to invest to build a much larger, revenue generating asset. This investment will be used for further sales and distribution growth, marketing and investing in management infrastructure to meet the demands of a much larger business. Once critical mass is achieved the demand for funds reduces and the business will become increasingly self-funding. And an observation alongside this growth is that as sales grow, so too should the overall value of the company.

To fund this growth the largest shareholders, Pioneer Capita, The Business Bakery and Allan Scott Wines, have committed to give support. They have confidence in the business prospects and therefore believe this is the right strategic move to continue to fund this growth. You as fellow shareholders will be invited to participate on the same terms. We of course recognize that for many of you, like us, have experienced a significant drop in share price over the last year. And you may question why you would want to make a further investment? We accept this and must clearly state this participation is completely voluntary for you. We will provide as much information as possible on the business for you to access the decision.

Investing now, does we believe represent good value. If you choose to invest now with other shareholders you will access these same terms. If not, whilst there will be dilution, you will be part of a company with a much stronger balance sheet and you could also on-sell those rights you chose not to take up. So irrespective of your call, we believe all shareholders are better off, with more capital in the company.

To give some guidance on value, we have some references from other companies, here and in Australia. This may be useful for your own decision making. Moa is currently valued at \$15.2 million based on yesterday's closing price of \$0.50 cents per share.

Emerson's - was bought by Lion recently for \$8 million. This was for the brand only. Moa is approximately 6 times bigger than Emerson's meaning we are undervalued in that reference.

Tuatara we believe was valued at \$9.0 million. We estimate we are twice as big as Tuatara when adding in export markets, therefore we would assume a larger value than we currently have under that comparison.

Little Creatures in Australia was sold to Lion for a multiple of 5.5 x Revenue. Under that formula Moa would be valued at circa \$25 million. Well above where we are now.

With the support of the major shareholders the Board is seeking to raise between \$5.75 million in new equity. The majority will be a pro rata, renounceable rights issue to all shareholders. However we have also undertaken to allow significant supportive shareholders to participate via a placement — we have raised \$500,000 via this method. The Business Bakery, Pioneer Capital and Allan Scott Wines did not participate in the placement. They will only participate alongside all other shareholders - equally via the rights issue.

The rights issue is to be undertaken at \$0.33 per share on a 1 for 2 basis — meaning for every 2 shares you hold — you are able to purchase another 1 share for 33 cents.

If you don't wish to take up these rights, you can sell them. This is why we have set the pricing at 33 cents, so there will be an active market for you to be to do this. It also means that for some of you, you may choose to purchase these rights to have further ownership in Moa.

We announce this rights issue today, with a Record Date of 4 August. The rights themselves can then be traded between 31 July and 15 August. The rights issue closes 21 August. A full business summary and offer details will be sent to shareholders on 5 August.

If there are any questions do let us know. You are welcome to speak with myself and also our adviser on this program - John Moore here this afternoon. You can also email any questions to moahunters@moabeer.com

Moa undertook substantial changes in FY2014. The growth achieved in the last nine months is evidence that there has been a true turnaround. Sales, distribution, marketing and brewing are all driving growth. Key strategic moves are driving to gain efficiencies in our COG's thus increasing margins. Export emphasis now sees Australia as the key export market.

Moa is demonstrating that it can take a role in developing the craft brewing sector of this country and has taken a key step to becoming New Zealand's largest exporter of Craft beer.

We look forward to providing further updates of progress, and as a fellow Moa owner, hope that despite a rocky year, you see Moa is now performing as it should. Moa's ambition is to be of substantial size in Australasian brewing within two years, then move on to gain a presence in the Northern Hemisphere markets where it has already created a beach head.

Thank you for your time today.

Myself and all the Moa team, are thrilled you are on this journey with us. We are working hard to make it a rewarding one, for all.

Hand back to Grant Baker
Thank you Geoff

Shareholder discussion

Ladies and Gentlemen, I now invite any questions, comments or discussion from shareholders or proxy holders relating to the management and operations of the company. An opportunity to ask questions relating to the formal resolutions will be available during those proceedings to follow shortly. Any shareholders wishing to speak should move to the microphone nearest to them and direct any questions through the Chair. Please introduce yourself by name to the Chair. If you are not a shareholder, we are happy to take questions post the meeting.

Questions and answers session

We now move to the formal business which is detailed in the notice of meeting. I will move each resolution, invite discussion on that resolution, and then put the resolution to a vote. As mentioned, voting will be by way of poll. You may choose to complete your voting paper as the resolutions are proposed and discussed or you may choose to complete your voting paper at the conclusion of the meeting.

Reappointment of directors

First, we will deal with the re-election of directors.

All Board members were appointed simultaneously, following the incorporation of Moa Group Limited. As such, all directors have been in office for an equal period of time. Under the Constitution of the company one third of directors will retire by rotation each year. This year Allan Scott and I are retiring by rotation. We are both eligible to stand for re-election.

Resolution 1.a.

The first resolution is the re-election of Allan Scott. As mentioned, Allan joined the Board in August 2012 and is a non-executive director representing Allan Scott Wines and Estates Limited our third largest shareholder. Allan retires by rotation and, being eligible, offers himself for re-election. Allan will now address the meeting.

{Allan addresses the meeting}

Thank you Allan.

The Board unanimously endorses Allan's re-election as a director of the company. I will now put the resolution.

I move that the company re-elects Allan Scott as a director.

Is there any discussion?

{Questions, responses}

I now put the resolution.

Shareholders should complete their voting papers for this resolution.

Handover to Kim

Resolution 1.b.

The second resolution is the re-election of Grant Baker. Grant joined the Board in August 2012 and is a non-executive director representing The Business Bakery, the second largest shareholder in Moa Group Limited. Grant will now address the meeting.

{Grant addresses the meeting}

Thank you Grant.

The Board unanimously endorses Grant's re-election as a director of the company. I will now put the resolution.

I move that the company re-elects Grant Baker as a director.

Is there any discussion?

{Questions, responses}

I now put the resolution.

Shareholders should complete their voting papers for this resolution.

Hand back to Grant

Resolution 2

The final matter is to confirm the re-appointment of PricewaterhouseCoopers as auditor, and to authorise the Directors to fix the auditor's remuneration.

I move that PricewaterhouseCoopers be re-appointed as the auditor of Moa and that the directors be authorised to fix the auditor's remuneration for the coming year.

Is there any discussion?

{Questions, responses}

I now put the resolution.

Shareholders should complete their voting papers for this resolution.

That brings us to the conclusion of the resolutions. At the end of the meeting please deposit your voting papers in the voting box at the exit to this room. The votes will be collated by Link Services and will be announced to the NZX after the meeting.

Closing

That completes the business of the meeting, and today's Annual Shareholders' Meeting.

The presentation will be available on the NZX and the Moa website by the end of today.

Once approved the minutes will also be put onto the website.

Again can I say, we are excited about the year ahead and we look forward to providing feedback as the year progresses.

Thank you for your attendance and I declare the meeting closed.