

Moa Group Limited

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30 July 2015

Moa Group Limited

2015 Annual Shareholders' Meeting

Good afternoon Ladies and Gentlemen.

On behalf of the Moa Board of Directors, I would like to welcome you to your Annual Shareholders' Meeting. My name is Ashley Waugh 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 the formal meeting by 4:30 pm.
- After this we would like to take you all through the Moa range "beer school" along with some snacks and a chance for the directors and executives to meet you all. A time limit at this building determines that "beer school" will finish at 5:30pm.
- The 2015 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 poll.
- Please use your white voting card provided to you at the registration to complete your vote in relation to each resolution.
- At the end of the formal business, prior to the questions of general business, our registry will collect your voting cards. 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 29.3 million votes being 61% of all shares.

Today's Program

We will begin with my Chairman's address followed by the CEO's Review.

We will then move to the formalities of the meeting and vote on the annual meeting resolutions which include the election of directors and the re-appointment of auditor and setting of the auditor's remuneration.

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 after the shareholders meeting is closed.

And now some introductions:

- Myself, Ashley Waugh - Independent Chairman
- Geoff Ross – Director and CEO
- Allan Scott – Non-Executive Director
- Craig Styris – Non-Executive Director
- John Ashby – Independent Director

Apologies received from Grant Baker, Non-Executive Director, who is overseas.

We also have in attendance:

- Malcolm Bloor, our CFO
- Gareth Hughes, our General Manager and key growth driver
- David Poole our Australian Market Manager. David is standing for board election today.
- David Nicholls, our Head Brewer
- Moa founder Josh Scott
- and other members of the Moa team

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

Moa Chairman's address

Ladies and gentlemen,

As this is the first time I have stood in front of this group I wanted to tell you a bit about who I am and how I, along with other members of the Board, will guide Moa on the next phase of its journey.

My early career was in Sales, Marketing and General management roles with **Ford Motor Company** across New Zealand, Australia and Taiwan.

From there I moved to The **New Zealand Dairy Board** (now the international marketing arm of Fonterra) where I was the Regional CEO based in Melbourne and held Global Strategy Roles for the branded food business New Zealand Milk.

My most recent Chief Executive role was with **National Foods Australia**. National Foods was at that time the largest single supplier of branded dairy products and juice based beverages to Woolworths and Coles as well as having a formidable route market capability. National Foods underwent major transformation from a \$1.2bn listed company to private ownership via a series of mergers and acquisitions – today the company is part of Kirin, the Japanese brewer.

What I want to give to Moa is my experience in building brands and commercial outcomes based on a thorough understanding of FMCG and particularly food and beverage, the ability to work through wider issues and a strong commercial drive to focus on returns for all shareholders.

I also have a broad governance skillset which is particularly important for a public company like Moa.

Can I tell you what attracted me to Moa ?!

Firstly, the Moa brand is exciting and punches above its weight with an excellent range of products. This is a credit to the team that has built and developed the brand to its current position. At the heart of the brand is a very good product. The beer itself is world class.

Secondly, Moa is in a good place, in a “high growth” category which is “on trend” for consumers

For many years I worked in specialty cheeses – the same drivers that saw speciality cheese volumes grow at 20% per annum are evident in craft beer as consumer taste preferences become more sophisticated and they migrate from everyday beer to a craft product.

Thirdly, there's a lot of "X" Factor at Moa – it's sort of in the DNA of the place – it's in the brand and the people and it comes from the passion for the product.

Fourthly, like any other company, Moa has its commercial challenges to work through. In my business career I've been there before. The very best example would be King Island Cheese Company in Australia, then a struggling PLC, now a vibrant profitable brand.

I'm confident the ingredients for success are present

A lot of good things have been done at Moa.

There is a clear and focussed product range that presents very well to customers.

Retailer relationships continue to build and there is a good acceptance of Moa as a brand in the trade.

As well as a focus on driving the brand and sales there is a strong focus on cost of goods and a smart product sourcing strategy.

But there are a lot of good things that need to be done at Moa.

This includes remembering that Moa is a small company and so it is important that we keep the business simple.

It is also key that we continue to build our home market for velocity and strength via grocery growth.

Australia is a good "Focus" market for Moa and for the "Rest of World" we need to maintain our low cost approach.

We need to continue working on the commercial aspects of our business around the cost of product, overhead and distribution aligned to keeping the business simple.

We want to broaden our market presence and particularly in the on premise channel i.e. licenced bars and outlets.

Even more importantly we want to continue to innovate in this exciting market category of craft beer and continue to be a leader in this sector.

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, 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 share price is not what you signed up for, so thanks for staying with us. We intend to reward your support with results. To tell you more about how we're running the business today, I'll hand over now to Geoff for the CEO's review.

{hand over to Geoff}

CEO Review

(Chart - picture from South Island series — with words FY15 Review. FY16 Preview.)

Good afternoon to all owners of the Moa Brewing Company. And to all our guests and the Moa team themselves. Welcome.

Thanks to you Ashley, for your opening and summary of the opportunity, challenges and perspective on the journey ahead. We have a very strong board in place, which I believe will be demonstrated here today.

This afternoon, I would like to start by summarising the opportunity we see in front of us at Moa and then outline what we believe are the necessary steps in realising this opportunity and then how we are tracking toward this. Within this we will cover the FY15 result, and also give a view on growth through this current financial year.

Craft beer continues to grow as a category, here and in all markets internationally. This shows no sign of slowing. We are part of the most vibrant growth category in beverage today. Using New Zealand as an example — we can demonstrate the current size of this category, its growth rate, and potential size in years to come.

(Chart - New Zealand Craft beer market — size, growth rate)

Craft beer is 7.8% of total beer including the “Corporate Craft” of Lion and DB. Research recently organised by New Zealand Trade and Enterprise, shows this category is growing at 25% PA.

A leading grocery retailer in New Zealand is more optimistic than this research. They predict Craft beer will be at 15% of all beer in their stores as soon as the middle of next year. We took a reading from grocery data late last year created by research firm AC Nielsen. This is what it showed in the New Zealand market for craft beer and Moa’s position within it.

(Chart with AC Nielsen data from last year)

This shows the relative market shares in grocery for Craft beer including of Lion and DBs brands Macs and Monteiths on the left. And as a pure craft category on the right. We see growth in the category and growth in Moa’s share of that category continuing.

The move to more flavoursome craft beer styles is underway in all countries world wide. In the US, Craft beer is already at 15% and growing. In fact this year, the size of the craft beer category over took iconic beer brand - Budweiser in the US.

We see craft beer in New Zealand catching up to the US. There are of course many entrants in this emerging category. As it grows we would see it develop much as wine did 20 years ago. Some brands will remain small, and those well capitalised and with the right strategy and more aggressive growth aspirations will go on to become much larger players.

(Chart- The sequence in Building a Beverage business and brand. Product range. Operations. Distribution. Sales. Volume efficiency. Expansion opportunities)

The building of a business in the beverage world involves a definite sequence.

Obviously the start point is **the product** itself, and capability to ensure you have the right range in place. From our most accessible style, our Original lager which is our biggest seller, to the Reserve Brews, we are confident we have a very good product. The ongoing sales momentum is evidence of this. As are the multitude of awards Moa has received. We will have the range available post this meeting to sample.

Operation capability to scale up and keep brewing for greater sales is next. After the unexpected challenges in getting resource consent to expand our Blenheim Brewery, we reached a solution early this year. This now gives us the necessary consents to expand. We also have a contract brewing partner in Nelson which has allowed growth to continue. This two brewery approach we believe is now the right model for Moa. We produce our larger volume brews such as Original lager and Session Pale Ale, in Nelson to our process and standards and with our IP. The more speciality “hands on” brews are produced at our own brewery in Blenheim. Blenheim also acts as the R&D hub for us, where we trial and create new Brews. A new lager, White Lager was created for trial there, earlier this year. On the back of its successful launch, we will look to scale this product up — and potentially move its production to Nelson as volumes grow. We will keep this model going and will not be putting funds into the expansion of Moa’s own Brewery in the near term.

Distribution is a key battle field to win on, in beverage. A change in distribution model in late 2013 in both New Zealand and Australia, whilst painful at the time, has proven to be the right move. These models are definitely delivering the growth we require. And we will continue with them.

(Chart - Total litres sold per year, past three years)

Sales Momentum is the next key step. Sales volume grew 40% in the recent financial year and we expect that type of momentum to continue. We did a calculation recently which shows that one Moa beer is being opened every 5 seconds. The key markets we are focusing on are the New Zealand and Australian markets. These markets grew 82% and 79% respectively. A significant step forward very recently here in New Zealand is with Progressive and their Countdown supermarkets. Whilst we have had very good ranging within Foodstuffs supermarkets (New World and Pak n Save), we were light in Countdown. The growth of the Moa brand finally convinced Progressive that they should have us on shelf there too. So now our biggest Products or SKUs as we call them - Moa Original 12 packs and SPA 12 packs as of last month, are in Countdown, along with 6 packs and two of our Reserve brews. This is a great addition to volume growth.

(Chart - NZ sales last three years. Aus sales last three years)

We do also export to Markets such as the US, Brazil, China, and Singapore - however the markets we place our own people in, and where we retain focus is in New Zealand and Australia, which will be the case for the next two years. Then with a larger base in this part of the world, we will look to expand on the beachheads created in these off shore markets. We did scale back investment in the US last year, we will continue to work with our importer there, however it will be a lower resource model for us, with lower sales expectations — allowing us to retain focus closer to home.

Efficiency in Operating systems is gained as volume increases. The best example of this is here in New Zealand. When starting our own model two years ago, we were sending deliveries direct to grocery stores. Often just a single layer of cases on a pallet. As that grew and grew, full Pallets were delivered direct to the stores. And now volume has reached a high enough threshold where we can deliver direct to one central warehouse that services a group of stores. One B train into a central warehouse is off course much more efficient than single small deliveries to a heap of stores.

Beer is a business that does benefit from increases in size. And as volume grows benefits can be derived through many areas of the business. Freight being an obvious one but also in Cost of goods — or COGs as we call them. We see gains in COGs and operating costs being realised in this coming year, now that we have reached these volume levels.

And through all these steps we keep building the brand. Presenting Moa at Beer festivals, at events, via social media and PR. Using cost effective ways of telling the Moa story. Do follow us on Instagram on @moabeer

There have been two years of heavy investment to build Moa to where it is today. We see the critical steps outlined above as now being in place and for this year ahead the business will see the benefits of both increasing sales and decreasing costs.

(Chart – investing in growth)

In the year just gone, we had sales of just over \$6 million, up from \$4.5 last year. And with a loss of \$5.5 m, down from \$5.8 the year prior. We would see these losses reducing significantly as this indicative graph shows. Greater sales will contribute to this as will margin improvement and reductions in overheads. As at today most of our volume is produced in our new lower cost bottle giving significant savings going forward. Freight costs have reduced significantly as we have moved from shipping small orders to individual outlets to shipping large orders to customer warehouses. We won't have several one off costs which feature in last year. Overheads have been reduced.

The cash position at the end of the FY15 year was \$3.8m. Growing sales, cost efficiencies and working capital improvements are forecast to provide Moa adequate funding. And we continue to monitor cash requirements. We have no major capital expenditure requirements and, apart from seasonal requirements, we do not see our working capital increasing as a result of newly implemented Sales and Operations planning processes. This combined with a focussed product range and a higher sales throughput will see our stock turn over more quickly.

(Chart – Shareholder Value)

Like you I am also a Moa owner, investing at the IPO over two years ago, and would obviously like to see that share price a lot stronger than it is now. The key cause for this value drop, was due to the distribution changes two years ago, and the poor performance that triggered that. This is now well behind us now, we are demonstrating strong growth, in a growing category, and are progressing well through the core Steps required to build a beverage business. Our view is that continuing to deliver on these growth rates, and continuing to improve the financial metrics, to be a leader in a high value category — will have to create a higher value in our share price.

We look forward to reporting on our progress. And will give a trading update on this current year, in November. Thank you for coming on the Moa journey with us. Also thanks to all of the Moa team, those in the Brewery, those in sales around the country and those here in Auckland. We are working hard to make sure it is a rewarding experience for all. I will now pass you back to Ashley. Thank you. And I look forward to tasting a Moa with you after the meeting.

{Hand back to Ashley Waugh}

Thank you Geoff

We want to share with you the Moa Employee Share Option Scheme

The Board has resolved today to incentivise and reward Moa staff for the contribution they will be making to the future growth of the company by implementing a long term Employee Share Option scheme.

Up to 1.2 million share options will be issued to Moa employees which represents 2.5% of the currently issues shares.

Options will vest with employees equally at the end of the first, second and third years of employment.

Moa employees then have two years after vesting to take up shares by paying today's share price.

This scheme encourages employees to contribute to the profitable growth of Moa as well as to stay with Moa throughout the journey.

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. At the completion of the formal business of the meeting, our registry, Link Market Services, will collect your voting papers.

Reappointment of directors

First, we will deal with the election of directors.

There have been changes to the Board during the year. I joined the Board in September last year and John Ashby joined the Board in January this year. As we were appointed by your other Directors during the year we now offer ourselves for election at this meeting.

Under the Constitution of the company one third of directors are required to retire by rotation each year. This year Craig Styris and Grant Baker are retiring by rotation. Craig stands for re-election.

Unfortunately Grant has decided to retire from the Board effective 30 September this year. Grant was very instrumental in the IPO for the business and, as Chairman, guiding the business through its initial years. We would like to express our gratitude to Grant for the work achieved to get Moa to where it is today. We have had a nomination for a new Director in the name of David Poole. David will be given the chance to introduce himself and you will then be given the opportunity to vote on his election.

Resolution 1.a.

The first resolution is the election of John Ashby. John is an independent director with extensive experience in international food and beverage industry where he has held CEO and senior executive roles. John was appointed by your other Directors in the past year and, being eligible, offers himself for election. John will now address the meeting.

{John addresses the meeting}

Thank you John.

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

I move that the company elects John Ashby as a director.

Is there any discussion?

{Questions, responses}

I now put the resolution.

Please mark your voting intention, either FOR, AGAINST or ABSTAIN in respect of the resolution on the voting card provided.

Thank you.

{Handover to Geoff}

Resolution 1.b.

The second resolution is the election of Ashley Waugh. Ashley is an independent director with extensive experience most recently as CEO of Australian dairy food and juice company National Foods. Ashley was appointed by your other Directors in the past year and, being eligible, offers himself for election. Ashley will now address the meeting.

{Ashley addresses the meeting}

Thank you Ashley.

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

I move that the company elects Ashley Waugh as a director.

Is there any discussion?

{Questions, responses}

I now put the resolution.

Please mark your voting intention, either FOR, AGAINST or ABSTAIN in respect of the resolution on the voting card provided.

Thank you.

{Handover to Ashley}

Resolution 1.c.

The third resolution is the re-election of Craig Styris. Craig represents Pioneer Capital, an investor in New Zealand businesses that are focussed on growth. He has been a Director of Moa since August 2012 and, being eligible, offers himself for re-election. Craig will now address the meeting.

{Craig addresses the meeting}

Thank you Craig.

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

I move that the company elects Craig Styris as a director.

Is there any discussion?

{Questions, responses}

I now put the resolution.

Please mark your voting intention, either FOR, AGAINST or ABSTAIN in respect of the resolution on the voting card provided.

Thank you.

Resolution 1.d.

The fourth resolution is the election of David Poole. David has extensive experience in sales, management and governance to bring to Moa. He offers himself as a replacement for Grant Baker who is retiring at the end of September. Being eligible he offers himself for election. David will now address the meeting.

{David addresses the meeting}

Thank you David.

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

I move that the company elects David Poole as a director.

Is there any discussion?

{Questions, responses}

I now put the resolution.

Please mark your voting intention, either FOR, AGAINST or ABSTAIN in respect of the resolution on the voting card provided.

Thank you.

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.

Please mark your voting intention, either FOR, AGAINST or ABSTAIN in respect of the resolution on the voting card provided.

Thank you.

That brings us to the conclusion of the resolutions. I will now give the opportunity for the votes to be collected. If you have not already done so please complete your voting card in respect of each resolution. The votes will be counted by Link Services and will be announced to the NZX after the meeting.

{Pause and give opportunity for votes to be collected}

Questions and answers session

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.

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.

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.

I declare the meeting closed.

Josh and David are now going to take us through "beer school" which will be in this room initially and then we will move out to sample our company's products.

Thank you for attending this shareholders meeting.
