

**Promisia Integrative Limited**

**Unaudited Interim Financial Statements**

**For the Year ended 31 December 2017**

Promisia Integrative Limited  
Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income  
For the period ended 31 December 2017

	Unaudited Year Dec 2017 \$000	Unaudited 6 months June 2017 \$000	Audited Year Dec 2016 \$000
<b>Revenue</b>	2,332	1,318	2,665
Cost of goods sold	(642)	(355)	(773)
	<u>1,690</u>	<u>963</u>	<u>1,892</u>
<b>Other income</b>	76	-	-
<b>Expenses</b>			
Administration	(923)	(386)	(661)
Operating	(1,379)	(747)	(1,432)
Research	(258)	(146)	(191)
Amortisation and depreciation	(23)	(11)	(23)
	<u>(2,583)</u>	<u>(1,290)</u>	<u>(2,307)</u>
<b>Loss before taxation and interest</b>	(817)	(327)	(415)
Finance cost - interest paid	(64)	(33)	(55)
Finance income - interest received	22	16	11
	<u>(859)</u>	<u>(344)</u>	<u>(459)</u>
<b>Net Loss for period before income tax</b>	(859)	(344)	(459)
Income tax expense	-	-	-
<b>Net Loss for period</b>	(859)	(344)	(459)
<b>Other comprehensive income</b>			
Currency translation differences	(17)	(5)	9
	<u>(876)</u>	<u>(349)</u>	<u>(450)</u>
<b>Total comprehensive loss for period attributable to shareholders</b>			
Basic Earnings per share	(0.002)	(0.001)	(0.001)
Diluted Earnings per share	(0.002)	(0.001)	(0.001)

*The accompanying notes form part of these financial statements*

**Promisia Integrative Limited**  
**Consolidated Interim Statement of Changes in Equity**  
**For the year ended 31 December 2017**

	Share Capital	Foreign Currency Reserve	Share Option Reserve	Accumulated Losses	Total
	\$000	\$000	\$000	\$000	\$000
<b>Unaudited</b>					
At 1 January 2017	55,799	194	83	(54,391)	1,685
Total comprehensive loss for period	-	-	-	(859)	(859)
Other comprehensive income (loss)	-	(17)	-	-	(17)
Share Issue	167	-	-	-	167
Expired/Retired options	75	-	(75)	-	-
Share based payment	-	-	43	-	43
At 31 December 2017	56,041	177	51	(55,250)	1,019
<b>Unaudited</b>					
At 1 January 2017	55,799	194	83	(54,391)	1,685
Total comprehensive loss for period	-	-	-	(344)	(344)
Other comprehensive income (loss)	-	(5)	-	-	(5)
Share Issue	167	-	-	-	167
Expired/Retired options	75	-	(75)	-	-
Share based payment	-	-	21	-	21
At 30 June 2017	56,041	189	29	(54,735)	1,524
<b>Audited</b>					
At 1 January 2016	54,225	185	57	(53,932)	535
Total comprehensive loss for period	-	-	-	(459)	(459)
Other comprehensive income (loss)	-	9	-	-	9
Share Issue	1,557	-	-	-	1,557
Expired/Retired options	17	-	(17)	-	-
Share based payment	-	-	43	-	43
At 31 December 2016	55,799	194	83	(54,391)	1,685

*The accompanying notes form part of these financial statements*

Promisia Integrative Limited  
Consolidated Interim Balance Sheet  
As at 31 December 2017

	Notes	Unaudited Year Dec 2017 \$000	Unaudited 6 months June 2017 \$000	Audited Year Dec 2016 \$000
<b>EQUITY</b>				
Share Capital	3.3	56,041	56,041	55,799
Accumulated Losses		(55,250)	(54,735)	(54,391)
Other Equity Reserves		228	218	277
<b>TOTAL EQUITY</b>		<b>1,019</b>	<b>1,524</b>	<b>1,685</b>
Represented by:				
<b>CURRENT ASSETS</b>				
Bank		324	1,279	1,827
Receivables		244	333	263
Prepayments		137	199	84
Inventory		1,383	891	811
		<b>2,088</b>	<b>2,702</b>	<b>2,985</b>
<b>NON-CURRENT ASSETS</b>				
Investments		75	75	75
Intangible Assets		125	111	127
Property, plant & equipment		7	27	5
		<b>207</b>	<b>213</b>	<b>207</b>
<b>TOTAL ASSETS</b>		<b>2,295</b>	<b>2,915</b>	<b>3,192</b>
less				
<b>CURRENT LIABILITIES</b>				
Payables and Accruals		316	412	468
Employee benefits		41	-	-
Loan		480	120	120
		<b>837</b>	<b>532</b>	<b>588</b>
<b>NON-CURRENT LIABILITIES</b>				
Loan		439	859	919
<b>TOTAL LIABILITIES</b>		<b>1,276</b>	<b>1,391</b>	<b>1,507</b>
<b>NET ASSETS</b>		<b>1,019</b>	<b>1,524</b>	<b>1,685</b>

*The accompanying notes form part of these financial statements*

Promisia Integrative Limited  
Consolidated Interim Statement of Cash flows  
For the period ended 31 December 2017

	Unaudited Year Dec 2017 \$000	Unaudited 6 months June 2017 \$000	Audited Year Dec 2016 \$000
<b>Operating activities</b>			
Receipts from customers	2,926	1,489	2,471
GST (net)	(52)	-	56
Payments to suppliers and employees	(4,358)	(2,142)	(3,147)
Interest (net)	(42)	16	(44)
<b>Net cash flows from (used in) operating activities</b>	<b>(1,526)</b>	<b>(637)</b>	<b>(664)</b>
<b>Investing Activities</b>			
Purchase intangible assets	(19)	(14)	(35)
Purchase property, plant & equipment	(5)	(4)	(5)
<b>Net cash flows from (used in) investing activities</b>	<b>(24)</b>	<b>(18)</b>	<b>(40)</b>
<b>Financing activities</b>			
New share capital	167	167	1,510
Repayment of loans	(120)	(60)	-
<b>Net cash flows from financing activities</b>	<b>47</b>	<b>107</b>	<b>1,510</b>
<b>Net change in cash</b>	<b>(1,503)</b>	<b>(548)</b>	<b>806</b>
Cash at Start of Period	1,827	1,827	1,021
<b>Cash at End of Period</b>	<b>324</b>	<b>1,279</b>	<b>1,827</b>

The accompanying notes form part of these financial statements

**Promisia Integrative Limited**  
**Notes to The Consolidated Interim Financial Statements**  
**For the year ended 31 December 2017**

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**1. Nature of operations**

Promisia Integrative Limited (Company) and its subsidiaries (the Group) principal activities are focused on developing and marketing unique therapeutic natural products with proven safety and efficacy based on robust research.

**2 General information and statement of compliance**

The company is registered under the Companies Act 1993 and is a Financial Markets Conduct 2013 reporting entity in terms of the Financial Reporting Act 2013. The group is profit – orientated.

Promisia Integrative Limited is a company domiciled in New Zealand. The registered office of the company is level 4, 22 Panama Street, Wellington 6011.

**Basis of Preparation**

The unaudited interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand, which is the New Zealand equivalent to International Financial Reporting Standards (NZ IFRS). They comply with NZ IAS 34 Interim Financial Reporting and should be read in conjunction with the 31 December 2017 annual report

The financial statements are presented in New Zealand dollars which is the group's functional and presentation currency and rounded to the nearest thousand dollars unless otherwise stated.

These financial statements do not include all the information required for full financial statements and consequently should be read in conjunction with the full financial statements of the Group for the year ended 31 December 2017.

The accounting policies adopted are consistent with those of the previous financial year. All new standards and amended standards issued during 2017 and applicable after 1 January 2017 have not been adopted. The impact in the initial period of application is expected to be minimal at this stage.

**3. Disclosures**

**3.1 Operating segments**

The Group's reportable segments are based on the geographic location of its activities which reflect the type of activities undertaken and have been determined based on internal reporting used by management and the Board of Directors to assist strategic decision making.

**3.2 Financial risk management**

The Group's activities are exposed to a variety of financial risks: market risk, credit risk, liquidity risk, cash flow risk and fair value interest-rate risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2017. There have been no changes in the management of risk or in any risk management policies in the current period. The Group does not have any derivative financial instruments or any other financial assets or liabilities that are classified as instruments at fair value through profit and loss under NZ IFRS.

The fair value of assets and liabilities approximates their carrying value.

**Promisia Integrative Limited**  
**Notes to The Consolidated Interim Financial Statements**  
**For the year ended 31 December 2017**

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**3.3 Share Capital**

The Group's share capital includes fully paid, subscribed and treasury shares.

**Issued and paid capital**

There were 508,958,971 (31 December 2016: 498,510,841) ordinary shares on issue at balance date.

During the year, 10,448,130 ordinary shares were issued to staff as part of a staff bonus scheme. Bonuses were paid to staff net of tax based on achieving agreed sales targets as set by the board on an annual basis for the financial year ending 31 December 2016. The bonuses were used entirely as payment for the unpaid shares.

At 31 December 2017 issued and paid capital comprised:

	Unaudited Year Dec 2017 \$000	Unaudited 6 months June 2017 \$000	Audited Year Dec 2016 \$000
Opening balance	55,799	55,799	54,225
Shares issued	167	167	1,557
Expired/retired options	75	75	17
	56,041	56,041	55,799

**Unpaid ordinary shares – Treasury shares**

At 31 December 2016, 27,043,986 of unpaid shares have been issued by the company as part of a Staff Unpaid Share Scheme for eligible staff being employees or contractors to purchase. During the period to 30 June 2017 staff were allocated total shares of 10,448,130 and paid \$167,170 for these shares from their share of the company's bonus scheme.

At 31 December 2017, 16,595,856 shares remain unallocated and are held by a nominee company Promisia Trustee Limited

**3.4. Related party information**

During the year to 31 December 2017, director fees of \$92,917, (31 December 2016: \$73,744) were paid to the directors.

In October 2017, a new chief executive, Rene de Wit was appointed.

As noted in paragraph 3.3, staff are entitled to participate in the Staff Unpaid Share Scheme.

**3.5. Contingent liabilities**

There were no contingent liabilities at 31 December 2017 (31 December 2016:\$nil).

**3.6 Capital commitments**

There were no capital commitments at 31 December 2017 (December 2016:\$nil).

**Promisia Integrative Limited**  
**Notes to The Consolidated Interim Financial Statements**  
**For the year ended 31 December 2017**

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**3.7 Purchase commitments**

The Artemisia leaf purchase commitment at 31 December 2017 amounts to \$210,800 (2016:\$93,000). Advertising commitment at 31 December 2017 amounts to \$210,000 (2016:\$nil).

**3.8 Unaudited Financial Statements**

The interim financial statements to 31 December 2017 have not been audited.

**3.9 Events subsequent to balance date**

During January 2018, the Group completed private placements of 47,750,000 shares to wholesale and eligible investors at an issue price of \$0.02 per share and raised the sum of \$955,000.

The placements raised new working capital to support the launch of Arthrem into the Australian market, fund market development in New Zealand for Artevite (the canine equivalent of Arthrem) and drive further product development. The Directors and Chief Executive supported the company and participated in the placements to the value of \$200,000.

There have been no other matters or circumstances since the end of the financial year, not otherwise dealt with in these financial statements that have significantly or may significantly affect the Group's operations.