

Prōmisia

Promisia Integrative Limited

Science of Nature

Interim Report
30 June 2014

PROMISIA INTEGRATIVE LIMITED

Financial Summary - Unaudited

For the six month period ended 30 June 2014

	Half year 30 June 14 Unaudited \$000	% Up (-Down) on 30 June 14	Half year 30 June 13 Unaudited \$000	Full year 31 Dec 13 Audited \$000
Sales revenue	122	85%	66	160
Operating revenue	142	115%	66	160
Operating loss before tax	(388)	438%	(72)	(576)
Total comprehensive loss attributable to shareholders	(388)	478%	(67)	(510)
Total Assets	1,168		618	507
Basic earnings per share	(0.002)		(0.0003)	(0.002)
Diluted earnings per share	(0.001)		(0.0003)	(0.002)
Net tangible Asset backing (\$ per share)	0.005		0.0025	0.0021

REPORT OF THE CHAIRMAN & CHIEF EXECUTIVE

The Chairman and Chief Executive have the pleasure in presenting the Half Year Report for Promisia Integrative Limited and its subsidiaries (“the Group”) for the six month period ended 30 June 2014.

Promisia Integrative Group Results to 30 June 2014

The Group incurred a net unaudited loss of \$388,557 for the half year ended 30 June 2014 (2013: \$72,014 loss). Significant investment has been made in the first 6 months of 2014 in developing both the sales platform and importantly the comprehensive scientific research programme backing its product Arthrem™. A key aspect of developing the sales platform has been the temporary relocation of the Chief Executive Officer to the United States during the second quarter of 2014. Revenues from the sale of Arthrem™ for the period were \$122,500 compared with \$65,900 in the previous half year. Arthrem™ is currently only sold in New Zealand.

The Company’s product is now available in over 400 pharmacies throughout New Zealand as well as on the New Zealand compliant e-commerce website. The new branding and packaging has been fully implemented and feedback from our New Zealand Distributor, Pharmabroker, is very positive.

The business plan is to continue building a company that is focused on developing and marketing unique and innovative therapeutic natural products. These products will have proven safety and efficacy characteristics derived from robust scientific data and employing a recurring sales platform. Our goal is to add scientific methodology and validity to an industry that is often perceived as unscientific.

Capital Raising from Share Purchase Plan and Associated Placement

During the half year the Company raised \$567,000 from its Share Purchase Plan and an additional placement of subscribed shares totalling \$1,281,000 was made to a range of investors including some institutional support. These new shares were all issued at 4.08 cents each and were fully allotted and paid for during July 2014. The Company was pleased with the range of investors involved and gratified by the level of institutional support. The Company's Directors and CEO all took up their full entitlements under the Share Purchase Plan.

Research Grant Funding

During the first quarter of 2014 the Company was awarded funding from Callaghan Innovation, which amounted to 40% of the total cost to undertake locally based in vitro laboratory studies of its unique plant extract presently used in the dietary supplement Arthrem™. Preliminary results of these laboratory studies have been positive and formal results will be published in a reputable peer-reviewed scientific journal in due course.

In addition, following approval of the New Zealand Health and Disability Ethics Committee, the Company gained further grant assistance from Callaghan Innovation for its randomised double blind placebo-controlled clinical trial, which is being carried out at Dunedin Hospital. Results from this trial are expected in the first quarter of 2015.

United States Developments

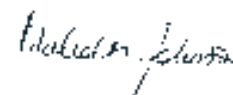
The Company's Chief Executive Officer is currently located in Washington DC. Mr Charles Daily has been working to build key relationships with individuals and companies who can assist with the product's launch in the United States. In that regard, the Company has recently entered into a consulting agreement with Mr Jeff Traister, President of Traister Creative LLC, to assist with the development and implementation of a sales platform for its joint support product Arthrem™ in the United States.

Jeff has 25 years of experience in executive management in marketing and business development. His experience includes launching new ventures and promoting new products and services within the healthcare, biopharmaceuticals, nutritional supplements and medical and medical device industry. Past clients in the US include, Reed Elsevier, Kimberly-Clark Healthcare, Roche and Pfizer. He holds an MBA in marketing from University of Arizona and a Masters in Science from Columbia University College of Physicians & Surgeons in New York.

Outlook

In order for Promisia Integrative to become a global leader in developing and marketing unique therapeutic natural products, it must demonstrate commercial success with its first to market product, Arthrem™. From this success other products will follow. Good progress is being made on new formulations and the testing of those formulations will be in keeping with the Company's strategic positioning for developing effective and safe therapeutic products using robust, validated scientific methodology.

The Board continues to remain enthusiastic about progress in sales growth both domestically and in due course overseas. Even without our scientific based programme, sales should continue to grow. This has already been demonstrated with current domestic sales growth to date. It is expected that proven efficacy will help accelerate growth due to the potential endorsement and recommendation of our Arthrem™ product by healthcare professionals along with increasing trust and confidence as expressed by consumers. Further development of new products, following similar steps as for Arthrem™ in terms of scientifically and clinically proving efficacy and safety and employing a similar sales platform, will bolster future sales growth.



E.M.M. Johnson
CHAIRMAN



C.O Daily
CHIEF EXECUTIVE

FINANCIAL STATEMENTS

Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 30 June 2014

	Unaudited 6 months June 2014 \$000	Unaudited 6 months June 2013 \$000	Audited Year Dec 2013 \$000
Sales Revenue	122	66	160
Cost of sales	(50)	101	-
Operating expenses	(243)	(122)	(268)
Administration expenses	(212)	(104)	(429)
(Loss) before Taxation and Interest	(382)	(59)	(537)
Other income - grants	20	-	-
Net Interest (Expense)	(25)	(13)	(39)
Net Loss for period before tax	(388)	(72)	(576)
Income tax expense	-	-	-
Loss for period	(388)	(72)	(576)
Other comprehensive income			
Exchange differences on translating foreign operations	-	5	66
Total comprehensive (Loss) for period attributable to shareholders	(388)	(67)	(510)
Basic earnings per share (cents)	(0.002)	(0.0003)	(0.002)
Diluted earnings per share (cents)	(0.001)	(0.000)	(0.002)

Consolidated Interim Statement of Changes in Equity

For the half year ended 30 June 2014

	Share Capital \$000	Share Redemption Reserve \$000	Foreign Currency Reserve \$000	Share Option Reserve \$000	Accumulated Losses \$000	Total \$000
Unaudited						
Equity at 1 January 2014	50,927	-	177	44	(52,210)	(1,062)
Comprehensive Income (Loss)	-	-	-	-	(388)	(388)
Share Issue	567	-	-	-	-	567
New subscribed and paid capital	241	-	-	-	-	241
Equity at 30 June 2014	51,735	-	177	44	(52,598)	(642)
Unaudited						
Equity at 1 January 2013	50,219	44,678	111	-	(96,312)	(1,303)
Comprehensive Income (Loss)	-	-	(5)	-	(72)	(77)
Share Issue	525	-	-	-	-	525
Transfer	-	-	-	-	-	-
Share based payment	-	-	-	-	-	-
Equity at 30 June 2013	50,774	44,678	106	-	(96,384)	(855)
Audited						
Equity at 1 January 2013	50,219	44,678	111	-	(96,312)	(1,304)
Comprehensive Income (Loss)	-	-	66	-	(576)	(510)
Share Issue	679	-	-	-	-	679
Transfer	-	(44,678)	-	-	44,678	-
Share based payment	29	-	-	44	-	73
Equity at 31 December 2013	50,927	-	177	44	(52,210)	(1,062)

Consolidated Interim Balance Sheet

As at 30 June 2014

	Unaudited 6 months June 2014 \$000	Unaudited 6 months June 2013 \$000	Audited Year Dec 2013 \$000
Equity			
Share Capital	51,735	50,745	50,927
Share Redemption Reserve	-	44,678	-
Share Option Reserve	44	-	44
Foreign Currency Reserve	177	106	177
Accumulated Loss	(52,598)	(96,384)	(52,210)
Total Equity	(642)	(855)	(1,062)
Represented by:			
Current Assets			
Bank	505	89	169
Receivables	143	256	56
Prepayments	118	168	131
Stock	326	-	76
	1,093	513	432
Non-Current Assets			
Investments	75	75	75
Property Plant & Equipment	-	30	-
	75.113	105	75
Total Assets	1,168	618	507
less			
Current Liabilities			
Payables and Accruals	557	454	316
Non Current Liabilities			
Loan	1,253	1,019	1,253
Total Liabilities	1,810	1,473	1,569
Net (Liabilities) / Assets	(642)	(855)	(1,062)

Consolidated Interim Statement of Cashflows

For the half year ended 30 June 2014

	Unaudited 6 months June 2014 \$000	Unaudited 6 months June 2013 \$000	Audited Year Dec 2013 \$000
Operating Activities			
Receipts from customers	158	73	188
Income tax/GST refund	23	4	21
Payments to suppliers and employees	(626)	(218)	(610)
Interest (net)	(25)	-	(27)
Net Cash Flows From (used in) Operating Activities	(471)	(141)	(428)
Financing Activities			
New share issue & costs	808	313	679
Net Cash Flows From Financing Activities	808	313	679
Net Change in Cash	336	172	251
Cash at Start of Year	169	(83)	(83)
Exchange rate fluctuations	-	-	1
Cash at the End of Year	505	89	169

Reconciliation of Cashflows from Operating Activities

	Unaudited 6 months June 2014 \$000	Unaudited 6 months June 2013 \$000	Audited Year Dec 2013 \$000
Cashflows from Operating Activities			
(Loss) for Period	(388)	(72)	(576)
<i>Non cash items</i>			
Depreciation	-	19	9
Loss on disposal plant	-	-	34
Foreign exchange fluctuations	-	-	72
Share based payments	-	-	73
	(388)	(53)	(388)
Changes in Assets and Liabilities			
Receivables and prepayments	(75)	(9)	(86)
Payables and accruals	241	22	122
Stock	(251)	(101)	(76)
Net cash from operating activities	(471)	(141)	(428)

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year
ended 30 June 2014

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

Promisia Integrative Limited ('the Company') is domiciled in New Zealand, registered under the Companies Act 1993 and listed on New Zealand Exchange Ltd.

The Company and its subsidiaries comprise the Promisia Integrative Group. The Company is an issuer in terms of the Securities Act 1978 and Financial Reporting Act 1993. The financial statements of the Company and the Promisia Integrative Group have been prepared in accordance with the Financial Reporting Act 1993.

The registered office of the Company is at Level 15, 171 Featherston Street, Wellington, 6011 NZ P.O. Box 10121, The Terrace, Wellington 6143.

The Group is designated as a profit-oriented entity for the purpose of preparing financial statements. The financial statements are stated in New Zealand dollars and rounded to the nearest thousand unless otherwise indicated.

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice New Zealand (NZ GAAP). They comply with New Zealand equivalent to International Financial Reporting Standards NZIAS 34: Interim Financial Reporting.

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 2013. The same accounting policies, presentation and methods of computation have been followed in these condensed financial statements as were applied in the preparation of the Group's audited financial statements for the year ended 31 December 2013.

The accounting policies adopted are consistent with those of the previous financial year. All new standards and amended standards issued during 2013 and applicable after 1 January 2014 have been adopted as required. 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.

Based on the nature of this segment, no additional disclosure is required in the interim financial statements as the group currently has only one reportable and operating segment located in New Zealand.

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 2013. 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.

3.3 SHARE CAPITAL

There were 250,317,452 (2013: 236,420,247 at 31 Dec 2013) authorised ordinary shares on issue at 30 June 2014. All ordinary shares carry full and equal voting rights and share equally in distributions. The shares have no par value.

	Unaudited 6 months June 2014 \$000	Unaudited 6 months June 2013 \$000	Audited Year Dec 2013 \$000
Opening balance	50,927	50,219	50,219
New issued capital	567	526	526
New subscribed and paid capital	241	-	-
Issued shares re exercise of options	-	-	157
Share based payment	-	-	29
Brokerage costs	-	-	(4)
Closing balance	51,735	50,745	50,927

New Issued Capital

During the six month period, an additional 13.9 million ordinary shares were issued as part of a share purchase plan to raise further equity funding of \$567,000 for the company's next phase of growth and development.

New subscribed and paid capital

	Unaudited 6 months June 2014 \$000	Unaudited 6 months June 2013 \$000	Audited Year Dec 2013 \$000
New subscribed capital	1,281	-	-
Less unpaid subscribed capital	1,040	-	-
New subscribed and paid capital at 30 June 2014	241	-	-

The company also issued an additional placement of 31,415,686 ordinary shares to raise \$1,281,000 for investment and working capital requirements. At 30 June 2014 the new subscribed and paid capital totalled \$241,000 with the balance of unpaid subscribed capital of \$1,040,000 being received in July 2014.

3.4. RELATED PARTIES

During the six month period to 30 June 2014, director fees of \$30,000 (30 June 2013 \$30,000) were paid and management fees of \$63,000 (30 June 2013 \$33,000) were paid to key management personnel. There were no other related party transactions.

3.5. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2014 (June 2013:\$nil).

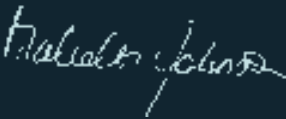
3.6 CAPITAL COMMITMENTS

There were no capital commitments at 30 June 2014 (June 2013:\$nil).

3.7 PURCHASE COMMITMENTS

The Artemisia leaf purchase commitment at 30 June 2014 amounts to \$98,802 (2012:\$134,892).

THIS INTERIM REPORT
IS DATED 30 JUNE 2014
& IS SIGNED ON BEHALF
OF THE BOARD BY:



E.M.M. Johnson



S. Underwood