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## ASX ANNOUNCEMENT

24 May 2022

### GOOD DRINKS SIGNS TRANSFORMATIVE DISTRIBUTION AGREEMENT WITH MOLSON COORS

- Contract expected to add \$35m - \$40m to revenue and \$3m - \$4m to EBITDA
- Expands channels to market for high margin GDA house brands to further drive volume and margin growth as contract brewing unwinds
- Recognises the capability and value generated by GDA's multi-year investment in people and process across Australia in sales, marketing and distribution

Good Drinks Australia Ltd ("Good Drinks", "The Group", ASX: GDA) is pleased to announce it has entered into a major Distribution Agreement ("Agreement") to partner with **Molson Coors** ("Molson Coors") and exclusively represent the Miller Chill, Miller Genuine Draught, Coors and Molson Canadian brands in Australia.

The Molson Coors brands collectively represent approximately 15 million Litres per annum and will be a material volume and earnings driver for Good Drinks. Based on current volumes sold over the last 12 months and known retail pricing of the range, the Agreement and commercial partnership is expected to deliver an additional \$35m-\$40m in revenue and \$3m-\$4m EBITDA annually for Good Drinks.



Molson Coors is one of the world's leading beverage companies and its products are sold in over 100 countries. It has a proud history of selling successful brands for over 200 years and is traded on the New York and Canadian Stock Exchange (NYSE: TAP). Please refer to Appendix 2 for additional information on Molson Coors.

Molson Coors APAC Regional Director Shaun Morton said: "I am really pleased that we have secured a long-term distribution agreement with Good

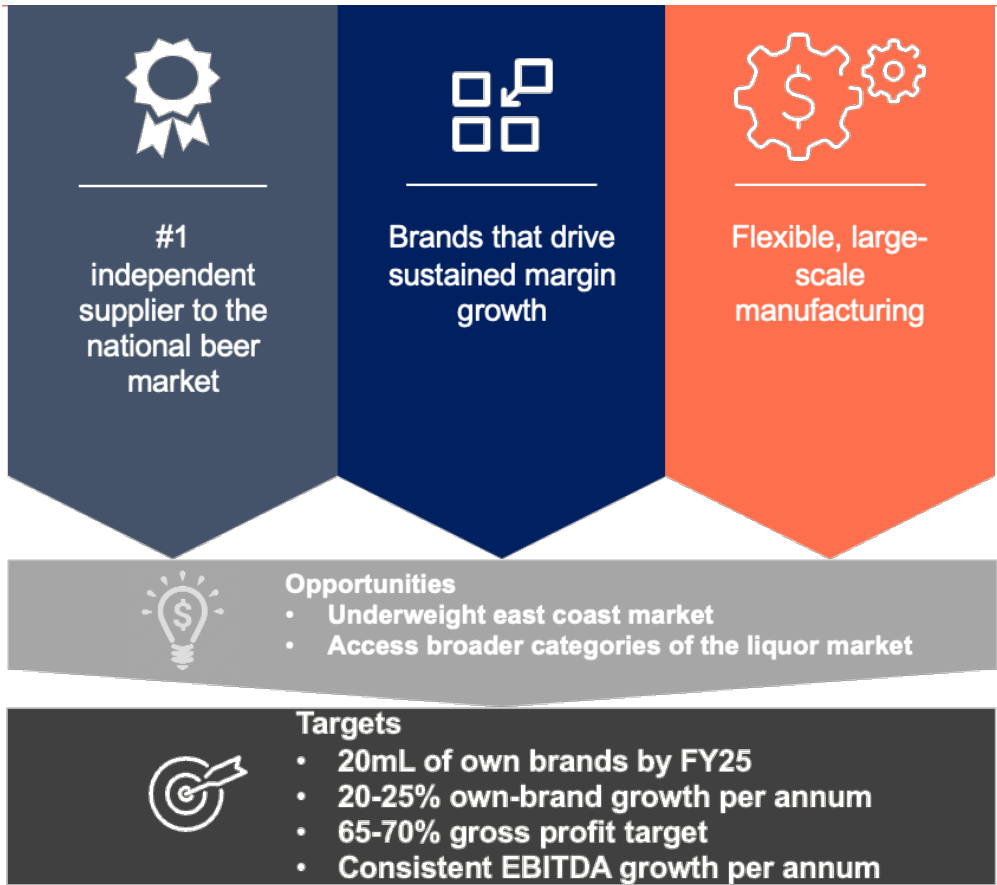
Drinks. We have managed to find a trusted business partner in GDA that will help us deliver on our growth ambitions on the Australian Market. Australia is a priority market for Molson Coors and as such, GDA's local market expertise and nationwide distribution coverage provide an excellent platform from which to develop our portfolio. We are looking forward to a long and successful partnership with Good Drinks."

The partnership is aligned with two key pillars of the Good Drinks strategy:

- to continue to develop our sales and marketing teams to become the leading independent supplier to the national beer, cider and liquor market; and
- to support brands that drive incremental margin growth.

The partnership also delivers on the two key opportunities of the Good Drinks strategy:

- to access broader categories of the liquor market; and
- to develop a more meaningful market share on the east coast of Australia.



The Molson Coors brands complement the current Good Drinks product range, broadening our portfolio and delivering further access to the significant Premium International beer category of the alcohol market, without competing directly with our existing brand portfolio.

The Molson Coors brands are sold across Australia with a strong established base of consumer demand across national chains, independent retail and on-premise markets. The new partnership further accelerates expansion of the Good Drinks national field sales team.



The Molson Coors brands will be manufactured by Coopers Premium Beverages, with some brands being imported, and will not impact on Good Drinks' production capacity. The initial on-boarding of inventory and terms of trade will require additional working capital, which will be funded via an extension of our existing working capital facility.

Commenting on the new partnership with Molson Coors, Managing Director John Hoedemaker said:

"The Molson Coors partnership is a game-changer for our business and delivers a step change increase in revenue and earnings whilst also expanding avenues to market for Good Drinks proprietary brands.

Molson Coors has a strong and vibrant brand portfolio with a significant following in Australia, a deep history in the USA and is a truly global business. The decision by Molson Coors to partner with Good Drinks Australia is a further vote in confidence in our national sales and marketing team and our capabilities to grow brands in the Australian beer market."

Please see attached Appendices for additional information:

Appendix 1: About the brands

Appendix 2: About Molson Coors

Appendix 3: Material terms of the agreement

This announcement has been authorised by the Board of Directors.

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Disclaimer on forward-looking statements:

Certain statements contained in this Announcement, including information as to the future financial or operating performance of the Company and its projects, are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Group, and which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements. Forward looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance.

Given these uncertainties, recipients are cautioned to not place undue reliance on any forward-looking statement. Subject to any continuing obligations under applicable law the Group disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements in this Announcement to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based.



## APPENDIX 1: ABOUT THE BRANDS



**Miller Chill** is Australia's top-selling flavoured beer; a light, lime-flavoured lager that elevates your summer experience. Slow-brewed and lower in carbs than other beers, Miller Chill is brewed with real lime to give it a unique taste and a clean, crisp, refreshing finish.



**Miller Genuine Draft** is a rapidly growing worldwide brand with a strong US heritage and can be enjoyed in more than 50 countries globally. This exceptionally smooth beer is made with high-quality ingredients using our innovative, proprietary "four times filtration" brewing process. Put simply, the taste of MGD is an extraordinary experience. Countries to choose this smooth and refreshing draft beer include Germany, Turkey, UK, Ukraine, Canada, Australia, South Africa and Chile.



**Coors** is the 9th largest beer brand in the world and is proudly served in more than 40 countries worldwide. It is the 2nd largest brand in the US and 6th largest brand in the UK. The beer was born in the Rocky Mountains of North America over 140 years ago. Every sip of this clean light tasting beer is refreshing and cold thanks to a recipe inspired by using icy cold mountain water. Our bottles, cans and glasses all feature thermo ink which turns blue when the Coors mountain is cold.



**Molson Canadian** is made from the best the Canadian land has to offer: Canadian water, prairie barley, and no preservatives. The result is a beer as clean, crisp and fresh as the country it comes from. Brewed without preservatives, Molson Canadian is proudly made locally in Vancouver, Toronto, Montreal, Moncton and St. John's, with over 3000 Canadians having a hand in bringing this crisp and refreshing lager to your home.

## APPENDIX 2: ABOUT MOLSON COORS BEVERAGE COMPANY

Molson Coors Beverage Company, whose history can be traced back to 1774, is one of the world's largest brewers by enterprise value. Molson Coors operates globally with centres in USA, Canada and Europe. Molson Coors has a diverse portfolio of owned and partner brands, including global beer brands Coors, Miller Genuine Draft, Carling, Staropramen and Blue Moon. While the company's roots lie in traditional beer brewing, Molson Coors now offers brands that extend beyond the beer aisle such as the fast-growing Vizzy hard seltzer brand in the USA. For more information on Molson Coors Beverage Company, please visit [www.molsoncoors.com](http://www.molsoncoors.com).



**APPENDIX 3: MATERIAL TERMS OF AGREEMENT**

- Particulars: MCI Investments LLC and Molson Coors Canada Inc (MCBC) have appointed GDA as its exclusive distributor in all Australian States and Territories for certain MCBC branded alcohol beverages. Molson Coors Canada Inc has a right to remove itself as a contracting party to the distribution agreement.
- Term: 5-year term commencing 1 July 2022 to 30 June 2027 which, subject to the performance by GDA, can be extended at GDA's election by a further 5-year term.
- Products: Miller Chill, Coors, Miller Genuine Draft, Molson Canadian. GDA has also been granted a right of first refusal to the distribution rights over other MCBC brands not yet distributed in Australia.
- Other terms: GDA has committed to targets for the Brands for each year of the term. The distribution agreement provides for a bonus payable to GDA for overperformance against targets and a payment to MCI for underperformance.
- Currency: AUD denominated
- Territory: Australia (exclusive)

-ENDS-

