



BROO Limited

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24 June 2022

ASX Announcement

Company Restructure and Voluntary Administration of Certain Broo Subsidiaries

Broo Limited (ASX: BEE) (**Broo** or the **Company**) advises that as part of the strategic review of the business and its assets including the Company's organisational structure (see ASX announcement dated 29 April 2022), the Board on 6 May 2022 appointed Con Kokkinos of Worrells as Voluntary Administrator for each of the following wholly-owned subsidiaries:

1. Australia Draught Pty Ltd (ACN 165 148 130);
2. Mildura Brewery Pub (Broo) Pty Ltd (ACN 616 811 744);
3. Mildura Brewery (Broo) Pty Ltd (ACN 616 810 621); and
4. Sorrento Brewery Pty Ltd (ACN 616 889 788).

(together, the **Subsidiaries**).

The Board of Broo notes that the voluntary administration relates to the Subsidiaries listed above **only** and does not include **Broo Limited** or **Broo Brewery Pty Ltd** (the owner of the Ballarat property asset located at 2 Liberator Drive, Mitchell Park) which is wholly owned by the Company, or other entities within the Broo group. Broo will continue trading and conducting its beer sale business outside of the Mildura pub operations. The Company's Ballarat property is also not affected by the voluntary administration and the Company continues to assess different options regarding the land asset to generate maximum value for Broo shareholders.

Status of voluntary administration

On 9 June 2022, the creditors of Australia Draught Pty Ltd (**Australia Draught**) approved a Deed of Company Arrangement (**DOCA**). Pursuant to the DOCA, the voluntary administration of Australia Draught has come to an end, and the control of Australia Draught has now been returned to its parent entity, Broo Limited. This allows the Company to continuing trading its business via Broo Limited and Australia Draught.

The Company previously advised the market that it was in the process of closing down its operations of the Mildura pub and as part of the restructure, Mildura Brewery Pub (Broo) Pty Ltd and Mildura Brewery (Broo) Pty Ltd have commenced the process of liquidation. The Company has also commenced the process of winding down Sorrento Brewery Pty Ltd.

As a result of this restructure, the Group will comprise the following entities:

- Broo Limited
- Australia Draught Pty Ltd (subject to Deed of Company Arrangement)
- Broo Brewery Pty Ltd

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The simplified structure will allow the Group to focus on its core business. The Company's production contract with CUB is not affected as part of the restructure.

In addition, under the lease arrangement with the Mildura pub operation, Broo Ltd was previously a guarantor under the lease. As part of this process, Broo has signed a deed of release with the landlord to release all of Broo's current and future obligations under the lease as guarantor.

The Company expects to receive a dividend following the completion of liquidation process given its position as the biggest creditor to all of the subsidiaries. As the Company is not in control of the liquidation process it is unable to estimate the quantum of the final dividend but expects to provide an update to the market in due course.

Broo's Chairman, Kobe Li, commented, "Since April, following certain Board and management changes at Broo, the new leadership team has been undertaking a detailed assessment of the Group's financial and operational position, as well as a strategic review of the Group's assets and business. As part of this review, it became apparent that the appointment of the Voluntary Administrator to the relevant Subsidiaries had become necessary, in light of the financial circumstances of those entities. The voluntary administration was intended to provide an appropriate framework to facilitate a restructure of the Group's business, whilst ensuring that all creditors are treated equitably. With the return of control of Australia Draught to Broo, and the ongoing liquidation of Mildura pub and brewery subsidiaries, the Group is now better positioned to address its future strategy, and in this regard, we look forward to providing further updates to the market, including an update regarding its property in Ballarat."

The Company's shares will remain in suspension pending a further market update regarding the outcome of its ongoing strategic review. The Company will provide an update to the market in due course.

-ENDS

This announcement was approved by the Board of Broo Limited.

For further information, please contact:

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