



BROO Limited

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31 October 2022

ASX Announcement

Quarterly Activities Statement – October 2022 Quarter

Highlights

- Receipt from Customers for the June quarter at \$159k due to ongoing company restructuring

Operating Highlights

- Cash receipts for the quarter were \$159k, down compared to the previous quarter due to ongoing company restructuring

Corporate Update

During the last quarter, as part of the strategic review of the business and its assets including the Company's organisational structure, four of its wholly-owned subsidiaries were placed in Voluntary Administration in June quarter and continued the process during the September quarter. The company will provide an update to the market in due course.

Subsequent to the end of the quarter on 27 October 2022, the Company advised that Mr Jason Scher was appointed as Non-Executive Director. Mr Scher has had a successful 20+ year career track record in building businesses in the Fast Moving Consumer Goods (**FMCG**) space. He has been on the Board of Orange and Green Pty Ltd for over 10 years, led the Australia/New Zealand division of the Kruger Group from its inception in 2008, and Co-Founded Voost Vitamins which was successfully sold to The Proctor & Gamble Company in 2021.

-ENDS

This announcement was approved by the Board of Broo Limited.

For further information, please contact:

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Company Secretary
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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

BROO LTD

ABN

78 060 793 099

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	159	159
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(203)	(203)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(63)	(63)
(f) administration and corporate costs	(80)	(80)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(35)	(35)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(222)	(222)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(g) entities		
(h) businesses		
(i) property, plant and equipment	(7)	(7)
(j) investments		
(k) intellectual property		
(l) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(7)	(7)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	250	250
3.6	Repayment of borrowings	(20)	(20)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	230	230

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	78	78
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(222)	(222)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	(7)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	230	230
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	79	79

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	79	78
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	79	78

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	2,240	2,240
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	2,240	2,240
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>\$1,960k which is secured against the Ballarat property. The loan is with Moneytech and is repayable in 24 monthly instalments. Interest is payable at 14% per annum.</p> <p>The balance of Insurance Loan payable at the quarter end is \$30k. The loan is with Monument Premium Funding and is repayable in 12 monthly instalments. Interest payable is \$3,170.39.</p> <p>A further loan of \$250k was raised during the quarter. Loan terms to be confirmed.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(222)
8.2 Cash and cash equivalents at quarter end (item 4.6)	79
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	79
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.36
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: No, the company has been looking at various cost saving programs across the businesses to improve cashflow. The operating cash flows has improved by over 50% compared to previous quarter.</p>	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<p>Answer: Yes. The Company has initiated discussions around funding proposals to support working capital for the business. The Company will make appropriate disclosure to the ASX once the outcome is finalised.</p>	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. The Company expects to be able to continue its operations and to meet its business objectives with cost reductions and additional funding expected to be injected into the Company.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:31 October 2022.....

Authorised by:Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.