

**Broo Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity:	Broo Limited
ACN:	060 793 099
Reporting period:	For the half-year ended 31 December 2020
Previous period:	For the half-year ended 31 December 2019

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**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	down	32.2% to	718,264
Loss from ordinary activities after tax attributable to the owners of Broo Limited	down	21.8% to	(1,036,723)
Loss for the half-year attributable to the owners of Broo Limited	down	21.8% to	(1,036,723)

*Dividends*

There were no dividends paid, recommended or declared during the current financial period.

*Comments*

The loss for the consolidated entity after providing for income tax amounted to \$1,036,723 (31 December 2019: \$1,325,579).

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**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.14	(0.23)

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**4. Control gained over entities**

Not applicable.

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**5. Loss of control over entities**

Not applicable.

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**6. Dividends**

*Current period*

There were no dividends paid, recommended or declared during the current financial period.

*Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

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**7. Dividend reinvestment plans**

Not applicable.

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**8. Details of associates and joint venture entities**

Not applicable.

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**9. Foreign entities**

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

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**10. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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**11. Attachments**

*Details of attachments (if any):*

The Interim Report of Broo Limited for the half-year ended 31 December 2020 is attached.

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**12. Signed**



Signed \_\_\_\_\_

Date: 25 February 2021

Kent Grogan  
Executive Chairman

**Broo Limited**

**ACN 060 793 099**

**Interim Report - 31 December 2020**

**Broo Limited**  
**Directors' report**  
**31 December 2020**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Broo Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

**Directors**

The following persons were directors of Broo Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Kent Grogan  
Mathew Boyes  
Matthew Newberry

**Principal activities**

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- production packaged and draught beer Australia; and
- management of hospitality venues.

**Dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$1,036,723 (31 December 2019: \$1,325,579).

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Matters subsequent to the end of the financial half-year**

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Kent Grogan  
Executive Chairman

25 February 2021

**AUDITOR'S INDEPENDENCE DECLARATION**  
**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

As lead auditor for the review of Broo Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Broo Limited and controlled entities.



**George Georgiou FCA**  
Registered Company Auditor  
ASIC Registration: 10310  
Melbourne, Victoria  
Date: 25 February 2021

**Broo Limited**  
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**31 December 2020**

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**General information**

The financial statements cover Broo Limited as a consolidated entity consisting of Broo Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Broo Limited's functional and presentation currency.

Broo Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

20 Langtree Avenue  
Mildura VIC 3500

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2021.

**Broo Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2020**

	<b>Note</b>	<b>Consolidated Dec 20 \$</b>	<b>Dec 19 \$</b>
<b>Revenue from continuing operations</b>	3	671,527	994,980
<b>Expenses</b>			
Other expenses		(2,588)	-
Cost of sales		(463,935)	(745,900)
Marketing		(44,036)	(30,947)
Occupancy		(183,230)	(250,230)
Administration		(901,483)	(927,746)
Finance costs		(153,681)	(212,873)
<b>Loss before income tax expense from continuing operations</b>		(1,077,426)	(1,172,716)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(1,077,426)	(1,172,716)
Profit/(loss) after income tax expense from discontinued operations	4	40,703	(152,863)
<b>Loss after income tax expense for the half-year attributable to the owners of Broo Limited</b>		(1,036,723)	(1,325,579)
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year attributable to the owners of Broo Limited</b>		<u>(1,036,723)</u>	<u>(1,325,579)</u>
Total comprehensive income for the half-year is attributable to:			
Continuing operations		(1,036,723)	(1,325,579)
Discontinued operations		-	-
		<u>(1,036,723)</u>	<u>(1,325,579)</u>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for loss from continuing operations attributable to the owners of Broo Limited</b>			
Basic earnings per share	13	(0.13)	(0.18)
Diluted earnings per share	13	(0.13)	(0.18)
<b>Earnings per share for profit/(loss) from discontinued operations attributable to the owners of Broo Limited</b>			
Basic earnings per share	13	-	(0.02)
Diluted earnings per share	13	-	(0.02)
<b>Earnings per share for loss attributable to the owners of Broo Limited</b>			
Basic earnings per share	13	(0.12)	(0.21)
Diluted earnings per share	13	(0.12)	(0.21)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Broo Limited**  
**Statement of financial position**  
**As at 31 December 2020**

	<b>Note</b>	<b>Consolidated Dec 20 \$</b>	<b>Jun 20 \$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		582,973	62,675
Trade and other receivables		262,520	189,760
Inventories	5	706,681	77,332
Other		48,103	173,974
		<u>1,600,277</u>	<u>503,741</u>
Non-current assets classified as held for sale		-	60,000
Total current assets		<u>1,600,277</u>	<u>563,741</u>
<b>Non-current assets</b>			
Property, plant and equipment		4,011,294	4,081,482
Right-of-use assets		2,564,658	2,745,024
Intangibles		217,780	216,380
Other		-	22,000
Total non-current assets		<u>6,793,732</u>	<u>7,064,886</u>
<b>Total assets</b>		<u>8,394,009</u>	<u>7,628,627</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	6	1,954,724	2,628,129
Borrowings		2,185,000	2,208,094
Lease liabilities		329,054	320,276
Employee benefits		154,118	146,645
Total current liabilities		<u>4,622,896</u>	<u>5,303,144</u>
<b>Non-current liabilities</b>			
Borrowings	7	-	1,314,443
Lease liabilities		2,251,378	2,422,358
Employee benefits		7,583	4,938
Total non-current liabilities		<u>2,258,961</u>	<u>3,741,739</u>
<b>Total liabilities</b>		<u>6,881,857</u>	<u>9,044,883</u>
<b>Net assets/(liabilities)</b>		<u>1,512,152</u>	<u>(1,416,256)</u>
<b>Equity</b>			
Issued capital	8	22,863,439	18,898,308
Reserves		293,851	293,851
Accumulated losses		<u>(21,645,138)</u>	<u>(20,608,415)</u>
<b>Total equity/(deficiency)</b>		<u>1,512,152</u>	<u>(1,416,256)</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*



**Broo Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2020**

<b>Consolidated</b>	<b>Reserves</b> <b>\$</b>	<b>Contributed equity</b> <b>\$</b>	<b>Accumulated losses</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 July 2019	6,034	17,960,593	(17,126,170)	840,457
Loss after income tax expense for the half-year	-	-	(1,325,579)	(1,325,579)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,325,579)	(1,325,579)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	-	569,650	-	569,650
Balance at 31 December 2019	<u>6,034</u>	<u>18,530,243</u>	<u>(18,451,749)</u>	<u>84,528</u>
<b>Consolidated</b>	<b>Reserves</b> <b>\$</b>	<b>Contributed equity</b> <b>\$</b>	<b>Accumulated losses</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 July 2020	293,851	18,898,308	(20,608,415)	(1,416,256)
Loss after income tax expense for the half-year	-	-	(1,036,723)	(1,036,723)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,036,723)	(1,036,723)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 8)	-	3,965,131	-	3,965,131
Balance at 31 December 2020	<u>293,851</u>	<u>22,863,439</u>	<u>(21,645,138)</u>	<u>1,512,152</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Broo Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2020**

	<b>Consolidated</b>	
	<b>Dec 20</b>	<b>Dec 19</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	441,969	1,200,124
Payments to suppliers and employees (inclusive of GST)	(2,510,181)	(1,503,725)
Other revenue	243,103	-
Interest and other finance costs paid	(8,736)	(206,556)
	<u>(1,833,845)</u>	<u>(510,157)</u>
Net cash used in operating activities		
<b>Cash flows from investing activities</b>		
Payments for intangibles	(1,400)	(1,500)
Proceeds from disposal of business	10,000	-
	<u>8,600</u>	<u>(1,500)</u>
Net cash from/(used in) investing activities		
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	2,985,985	-
Proceeds from borrowings	-	231,099
Share issue transaction costs	(277,739)	-
Repayment of borrowings	(249,347)	(91,562)
Repayment of lease liabilities	(113,356)	-
	<u>2,345,543</u>	<u>139,537</u>
Net cash from financing activities		
Net increase/(decrease) in cash and cash equivalents	520,298	(372,120)
Cash and cash equivalents at the beginning of the financial half-year	62,675	426,814
	<u>582,973</u>	<u>54,694</u>
Cash and cash equivalents at the end of the financial half-year		

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## **Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### **New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### **Going concern**

The consolidated entity has incurred a net loss of \$1,036,723 for the half-year ended 31 December 2020 and has a working capital deficit of \$3,022,619 and had cash outflows from operating activities of \$1,833,845. These conditions indicate a significant or material uncertainty about the consolidated entity's ability to continue as a going concern.

The financial report has been prepared on a going concern basis which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business at the amounts stated in the financial report, for the following reasons:

- On 12 August 2020, the company announced that it had signed a contract brewing agreement with CUB Pty Ltd for the production of Broo Premium Lager and Australian Draught. The agreement will provide increased production and supply capacity for its brands and enable the company to meet and capitalise on market demand. The agreement will continue for a period of 24 months expiring on 31 August 2022. The consolidated entity has product stock on hand available for sale, and has launched sales and marketing initiatives in quarter one of 2021 to facilitate increased product sales;
- On 19 February 2021, the consolidated entity refinanced current borrowings totalling \$1,950,000 which are now due for repayment on 19 February 2023;
- The board is currently investigating options to dispose of all non-essential assets; and
- The directors are of the opinion that the company will be able to access equity capital markets for any additional working capital requirements.

For the above reasons the board considers that the consolidated entity remains a going concern and the financial report has been prepared on this basis. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be incurred should the consolidated entity not continue as a going concern.

## **Note 2. Impact of COVID 19 pandemic**

During the last financial year, the COVID-19 was declared a pandemic by the World Health Organisation (WHO). The pandemic has adversely affected the global economy, including an increase in unemployment, decrease in consumer demand, interruptions in supply chains, and tight liquidity and credit conditions. Since its outbreak, governments across the country have set up measures to contain the pandemic. Many states have required entities to limit or suspend business operations, and have also implemented travel restrictions and quarantine measures. Monetary and fiscal stimulus packages have also been introduced. As the COVID-19 outbreak continues to evolve, the estimated financial impact cannot be reasonably determined at this juncture. The impact which COVID 19 has had on the consolidated entity is set out below.

**Broo Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 2. Impact of COVID 19 pandemic (continued)**

*Hospitality*

During last financial year, the consolidated entity closed both of its hospitality venues. During the current financial half-year, the consolidated entity has completed the disposal of the Sorrento Brewhouse business assets. The Mildura pub has re-opened in late December.

*Brewing*

The impact of COVID on the consolidated entity's brewing segment has not been as significant. The Mildura Brewery continues to produce beer. On 12 August 2020, the company announced that it had signed a contract brewing agreement with CUB Pty Ltd for the production of Broo Premium Lager and Australian Draught. CUB have been able to operate fill obligations under the contract without interruption during the current financial half-year.

*Government COVID and other relief*

During the current half year the consolidated entity received government COVID stimulus and rent relief totalling \$245,993.

**Note 3. Revenue**

	<b>Consolidated</b>	
	<b>Dec 20</b>	<b>Dec 19</b>
	<b>\$</b>	<b>\$</b>
<b>From continuing operations</b>		
<i>Revenue from contracts with customers</i>		
Sales of goods	426,315	994,980
<i>Other revenue</i>		
Other revenue	245,212	-
Revenue from continuing operations	<u>671,527</u>	<u>994,980</u>

Other revenue is made up of government COVID stimulus and rent relief.

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	<b>Consolidated</b>	
	<b>Dec 20</b>	<b>Dec 19</b>
	<b>\$</b>	<b>\$</b>
<i>Major product lines</i>		
Brewery sales	388,156	429,388
Hospitality sales	38,159	565,592
	<u>426,315</u>	<u>994,980</u>
<i>Geographical regions</i>		
Australia	<u>426,315</u>	<u>994,980</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	<u>426,315</u>	<u>994,980</u>

**Note 4. Discontinued operations**

*Description*

During the current financial half-year, the company has entered into a sales contract for the Sorrento Brewhouse for \$60,000.

**Broo Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 4. Discontinued operations (continued)**

*Financial performance information*

	<b>Dec 20</b>	<b>Dec 19</b>
	<b>\$</b>	<b>\$</b>
Sales	-	63,905
Other revenue	46,737	-
Total revenue	<u>46,737</u>	<u>63,905</u>
Cost of sales	-	(65,742)
Administration expenses	(6,034)	(85,543)
Occupancy expenses	-	(65,483)
Total expenses	<u>(6,034)</u>	<u>(216,768)</u>
Profit/(loss) before income tax expense	40,703	(152,863)
Income tax expense	-	-
Profit/(loss) after income tax expense from discontinued operations	<u>40,703</u>	<u>(152,863)</u>

**Note 5. Current assets - inventories**

	<b>Consolidated</b>	
	<b>Dec 20</b>	<b>Jun 20</b>
	<b>\$</b>	<b>\$</b>
Stock on hand - at net realisable value	<u>706,681</u>	<u>77,332</u>

**Note 6. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>Dec 20</b>	<b>Jun 20</b>
	<b>\$</b>	<b>\$</b>
Trade payables	583,755	888,653
BAS payable	194,741	208,390
Other payables	1,176,228	1,531,086
	<u>1,954,724</u>	<u>2,628,129</u>

**Note 7. Non-current liabilities - borrowings**

	<b>Consolidated</b>	
	<b>Dec 20</b>	<b>Jun 20</b>
	<b>\$</b>	<b>\$</b>
Loans from director	-	1,314,443

During the current financial half year the loan from Kent Grogan was settled in full. The company issued 60,455,000 fully paid ordinary shares valued at \$1,088,190 with the remainder of the balance being settled in cash.

**Broo Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 8. Equity - issued capital**

	<b>Dec 20</b>	<b>Consolidated</b>	<b>Dec 20</b>	<b>Jun 20</b>
	<b>Shares</b>	<b>Jun 20</b>	<b>\$</b>	<b>\$</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>945,752,965</u>	<u>710,065,743</u>	<u>22,863,439</u>	<u>18,898,308</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2019	710,065,743		18,898,308
Issue of shares	28 August 2020	70,274,770	\$0.018	1,264,946
Issue of shares	28 September 2020	61,954,549	\$0.018	1,115,182
Shares issued to settle loan with director	28 September 2020	60,455,000	\$0.018	1,088,190
Issue of shares	2 October 2020	33,658,740	\$0.018	605,857
Shares issued to settle trade payables	13 November 2020	2,855,275	\$0.018	51,395
Shares issued to non-executive directors in lieu of fees	13 November 2020	6,488,888	\$0.018	116,800
Cost of capital raising		-	\$0.000	(277,239)
Balance	31 December 2020	<u>945,752,965</u>		<u>22,863,439</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**Note 9. Equity - dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Note 10. Contingent liabilities**

The company had no contingent liabilities at 31 December 2020 and 30 June 2020.

**Note 11. Related party transactions**

*Parent entity*

Broo Limited is the parent entity.

*Transactions with related parties*

There were no transactions with related parties during the current and previous financial half-year.

**Broo Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 11. Related party transactions (continued)**

*Receivable from and payable to related parties*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	<b>Consolidated</b>	
	<b>Dec 20</b>	<b>Jun 20</b>
	<b>\$</b>	<b>\$</b>
Current payables:		
Accrued directors' fee and wages	398,048	502,788

*Loans to/from related parties*

The following balances are outstanding at the reporting date in relation to loans with related parties:

	<b>Consolidated</b>	
	<b>Dec 20</b>	<b>Jun 20</b>
	<b>\$</b>	<b>\$</b>
Non-current borrowings:		
Loan from key management personnel (interest is not payable on the loans and they have no fixed term of repayment)	-	1,314,443

During the current financial half year the loan from Kent Grogan was settled in full. The company issued 60,455,000 fully paid ordinary shares valued at \$1,088,190 with the remainder of the balance being settled in cash.

*Terms and conditions*

Unless stated otherwise, all transactions were made on normal commercial terms and conditions and at market rates.

**Note 12. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 13. Earnings per share**

	<b>Consolidated</b>	
	<b>Dec 20</b>	<b>Dec 19</b>
	<b>\$</b>	<b>\$</b>
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of Broo Limited	<u>(1,077,426)</u>	<u>(1,172,716)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>839,243,190</u>	<u>640,645,155</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>839,243,190</u>	<u>640,645,155</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.13)	(0.18)
Diluted earnings per share	(0.13)	(0.18)

**Broo Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 13. Earnings per share (continued)**

	<b>Consolidated</b>	
	<b>Dec 20</b>	<b>Dec 19</b>
	<b>\$</b>	<b>\$</b>
<i>Earnings per share for profit/(loss) from discontinued operations</i>		
Profit/(loss) after income tax attributable to the owners of Broo Limited	<u>40,703</u>	<u>(152,863)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>839,243,190</u>	<u>640,645,155</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>839,243,190</u>	<u>640,645,155</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	-	(0.02)
Diluted earnings per share	-	(0.02)
	<b>Consolidated</b>	
	<b>Dec 20</b>	<b>Dec 19</b>
	<b>\$</b>	<b>\$</b>
<i>Earnings per share for loss</i>		
Loss after income tax attributable to the owners of Broo Limited	<u>(1,036,723)</u>	<u>(1,325,579)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>839,243,190</u>	<u>640,465,155</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>839,243,190</u>	<u>640,465,155</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.12)	(0.21)
Diluted earnings per share	(0.12)	(0.21)



**Broo Limited**  
**Directors' declaration**  
**31 December 2020**

In the directors' opinion:

- the attached financial statements comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001, other mandatory professional reporting requirements, and the accounting policies as described in Note 1;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the directors



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Kent Grogan  
Executive Chairman

25 February 2021

## **Independent Auditor's Review Report**

### **To the members of Broo Ltd and its controlled entities**

### **Report on the Half-year Financial Report**

#### *Conclusion*

We have reviewed the accompanying Half-year Financial Report of Broo Ltd and its controlled entities ("The Group").

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of the Group is not in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the company's financial position as at 31 December 2020 and of its performance for the Half-year ended on that date; and
- Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

The Half-year Financial Report comprises:

- Condensed statement of financial position as at 31 December 2020;
- Condensed statement of profit or loss and other comprehensive income, Condensed statement of changes in equity and Condensed statement of cash flows for the Half-year ended on that date;
- Notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The Group comprises Broo Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half year.

#### *Material Uncertainty Related to Going Concern*

We draw attention to note 1 in the half year financial report which indicates that the consolidated entity incurred a net loss of \$1,036,723, had a working capital deficiency of \$3,022,619 as at 31 December 2020 and had net cash outflows from operating activities of \$1,833,845 during the half year ended 31 December 2020. These events or conditions, along with other matters as set forth in Note 1 indicate that a material uncertainty exists that may cast a significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### *Responsibilities of the Directors for the Half-year Financial Report*

The Directors of the Company are responsible for:

- The preparation of the Half-year Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and Corporations Act 2001
- For such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility for the review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As auditor of Broo Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.



**George Georgiou FCA**

Registered Company Auditor

ASIC Registration: 10310

Melbourne, Victoria

Date: 25 February 2021