



Level 38 Tower Three
300 Barangaroo Avenue
SYDNEY NSW 2000

ABN: 51 194 660 183
Telephone: +61 2 9335 7000
Facsimile: +61 2 9335 7001

PO Box H67
Australia Square
SYDNEY NSW 1215
Australia

www.kpmg.com.au

20 December 2022

Circular to Creditors

Dear Creditors

Ex MWG Ltd (Formerly McWilliam's Wines Group Ltd) (Subject to Deed of Company Arrangement) ACN 000 024 108 (the Company)

We refer to the appointment of Gayle Dickerson, Ryan Eagle and myself, Tim Mableson, as Voluntary Administrators of the Company and to our subsequent appointment as Deed Administrators, firstly on 3 August 2020 pursuant to the first deed of company arrangement, and then secondly, pursuant to the second deed of company arrangement (**Second DOCA**) on 29 April 2021.

As advised in our previous circular to creditors dated 21 June 2022, we extended our estimated timing for a final dividend payment to 31 December 2022 to comply with the Company's financial reporting obligations required by Part 2M.3 of the *Corporations Act 2001* (Cth) (**Act**) for the financial years ending 30 June 2019 (**FY19**), 30 June 2020 (**FY20**) and 30 June 2021 (**FY21**) and the Company's obligations to hold annual general meetings in the period required by Section 250N of the Act for the 2019, 2020 and 2021 calendar years (**AGM 2019, 2020 & 2021**).

The timing for the completion of the preparation and lodgement of the financial statements and holding of the AGM 2019, 2020 & 2021 is as follows:

- a) we provided necessary financial information to two former Company staff members to update the management accounts for the period from 8 January 2020 to 30 June 2021, being the period the management accounts had not been finalised with the Company's external accountant;
- b) we provided the relevant information and management accounts to Financial Reporting Specialists (**FRS**), the Company's external accountant, to review and rollover any final updates to the draft FY19 financial statements and prepare the FY20 and FY21 financial statements. This work has commenced and draft FY20 and FY21 financial statements are currently subject to our review;
- c) after the FY20 and FY21 financial statements are completed by FRS, they are required to be audited. You may recall the Company's pre-appointment external auditor quoted a range of \$680,000 to \$900,000 to prepare and finalise the audited financial statements. In consultation with the Committee of Inspection we obtained another quote (from Grant Thornton), which resulted in an estimated audit fee of \$275,000 to complete the audit of the FY20 and FY21 financial statements. We have consequently proceeded with the engagement of Grant Thornton with a current estimated completion date for the audit and lodgement with ASIC on or around 28 February 2023; and
- d) as of November 2022, the FY19 unaudited financial statements have been lodged with ASIC in final draft form, being the form those financial statements were in at the date of our appointment as Voluntary Administrators. We have lodged with ASIC those draft financial statements, given that the Deed Administrators were not in control at the time the Company prepared the financial statements and the only reason they weren't signed off prior to our appointment was due to a going concern risk. We have therefore not asked Grant Thornton to do any work in relation to FY19.



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We also lodged with ASIC an exemption application for relief from FY22 financial reporting and AGM obligations and this has been granted by ASIC, subject to, among other things, the lodgement of the FY20 and FY21 audited financial statements by 28 February 2023 and the holding of AGM 2019, 2020 and 2021 by 31 March 2023. Documentation has been signed with ASIC to give effect to the terms and conditions of the relief granted.

In relation to fulfilling the AGM requirement for FY19, FY20 and FY21, as ASIC does not provide guidance in respect of this matter, we intend to convene one meeting to hold three concurrent AGMs to cover the three periods, FY19 to FY21. We will inform shareholders separately of the AGM's sometime in February 2023.

As currently agreed with ASIC, the broad timing for completing the Deed Administration and winding up is likely to be as follows:

- Lodgement of FY20 and FY21 audited financial statements – 28 February 2023;
- Holding of AGM 2019, 2020 and 2021 – 31 March 2023;
- Payment of final dividend and anticipated effectuation of the Deed of Company Arrangement – 30 April 2023; and
- Deregistration of the Company – 31 May 2023.

Assuming all of the above occurs based on current circumstances, including quotes/fee estimates to complete the tasks outlined in this circular, we estimate a final dividend to unsecured creditors in the range of \$0.01 to \$0.02 in the dollar.

Clause 7.9 of the Second DOCA provides that payment of all payments/dividends must be paid by the Final Payment Date (currently 31 December 2022 or other date as notified by the Deed Administrators to the creditors in writing). Further to our previous circular to creditors, for the reasons set out above, we hereby provide written notification to creditors that the Final Payment Date (as defined) pursuant to the Second DOCA dated 29 April 2021 is extended to 30 May 2023 (to allow potential minor slippage from the anticipated 30 April 2023 date described above).

We will continue to keep creditors informed however should you have any queries please contact this office by telephone or via email at mcwilliams@kpmg.com.au.

Yours faithfully,

Ex MWG Ltd (Subject to Deed of Company Arrangement)

Tim Mableson

Joint & Several Deed Administrator