

## FREQUENTLY ASKED QUESTIONS – FRANCHISEES

18 JULY 2018

# IT'S BUSINESS AS USUAL

### Who are the Administrators and why have they been appointed?

Morgan Kelly and Peter Gothard were appointed Voluntary Administrators (**the Administrators**) of Sumo Group Australia Pty Ltd and its associated entities (**the Group**) on 18 July 2018.

The Administrators have been appointed because the Group is having difficulties in meeting its financial commitments.

### What is the Administrator's role?

The Administrator's role is to take full control of the business and investigate options to resolve the financial position quickly. The Voluntary Administration process is designed to provide companies with breathing space from creditors and permit time to explore rescue options.

Voluntary Administration is also designed to maximise the prospects of the business continuing as a going concern. We will urgently be exploring rescue options, including:

- Reaching a compromise with creditors (known as a Deed of Company Arrangement); or
- Exploring a sale of business as a going concern

### The Administrators are:

- In control of the business;
- Continuing to trade on a 'business as usual' basis; and
- Working closely with the Group's management to resolve the financial distress as quickly as possible

### What does this mean for my franchise?

There will be no changes to operations and trading will continue business as usual.

### Do I need to continue to make my royalty payments?

Yes. Royalty payments will continue to be direct debited each Monday, and there will be no change to the normal process.

Please ensure that your royalty payments are up-to-date and advise your Sumo Group contact if you are having any difficulties in making payment. Your legal obligations to continue to pay franchise fees

continue, and are not impacted by the Voluntary Administration process. In the event your franchise fees are in arrears, please contact your Sumo Group representative to discuss next steps.

**Where do I direct any media queries?**

Please direct all media enquiries to Ferrier Hodgson:

**Telephone:** (02) 9286 9873

**Email:** [sumo.group@fh.com.au](mailto:sumo.group@fh.com.au)

**If I have questions who should I call?**

Please contact your Sumo Group representative who will be able to assist you with any queries.

We thank you for your assistance and will keep you updated as information becomes available.

**Morgan Kelly**

Administrator