

31 August 2020

## Founders First secures \$7.5m debt facility with Pure Asset Management

Founders First Limited (ASX: FFL) (“the Company”), is pleased to announce it has signed a binding term sheet to secure a A\$7.5M debt facility with PURE Asset Management Pty Ltd (“PURE”) to support the business’s growth initiatives. This is a strong endorsement of the Founders First business model and growth prospects given the early stage of the business.

Founders First CEO Mark Haysman commented “we are really pleased to be partnering with PURE on this deal. The team at PURE are Investors first and foremost and they have extensive experience with small cap companies in the journey to profitability. We see significant opportunity for further consolidation in the craft Industry and to ensure we are well capitalised to realise these opportunities is critical. We see this as a long-term partnership that is critical to unlocking our growth ambitions”

Tim Callan, PURE Director, commented “We are excited by the opportunity to work with Founders First, and consider the craft beer industry a structural growth thematic in its adolescence. Within this environment, we believe there is a unique opportunity for a well-capitalised player to create a significant and sustainable business. PURE places emphasis on people and the team of industry experts assembled provide us with great confidence in the Company’s execution ability.”

### Loan Terms:

- \$7.5M facility drawn in two tranches. \$2.5M to be drawn upon completion of legal documentation, \$5.0 to be drawn after obtaining relevant shareholder approval (with first \$2.5m to be drawn within 10 business days after shareholder approval and the second \$2.5m to be drawn between 1 November 2020 and 30 June 2021);
- 4-year term
- 9.75% Interest Rate
- Pure to have first ranking security over all the assets of the company and its subsidiaries.
- Financial covenants include:
  - A cash balance measures on a quarterly basis; and
  - 6 months trailing adjusted EBIT.

### Warrants:

- 15m detached unlisted warrants to be issued to Pure Asset Management

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- exercise price of \$0.60C (or a lower price if the company issues shares in excess of its 15% capacity limit after 30 June 2021)
- Warrants are exercisable at any time up to the week prior to the maturity date;
- 4-year term
- The warrants will be issued under the company's existing placement capacity pursuant to ASX Listing Rule 7.1. The company intends to seek shareholder approval for the issue of the 2<sup>nd</sup> tranche. Further details of the warrants will be provided in the notice of meeting.

This announcement has been authorised and released by Managing Director, Mark Haysman

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#### **About Founders First**

Founded in 2017, Founders First (ASX:FFL) is aiming to build the world's strongest craft beverage collective through supporting and growing independent craft brewery and distillery businesses. FFL has invested in select craft beverages and is accelerating the brands growth through equity and debt funding whilst providing access to FFL's leading team of liquor industry professionals providing functional excellence to craft operators. Founders First focus is on allowing founders to play to their strengths while the FF team of industry experts supports by covering their gaps constraining growth and profitability.

[foundersfirst.group/](http://foundersfirst.group/)

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