

7 September 2020

Founders First to accelerate growth strategy after receiving commitments for A\$7.5 million placement and announces Share Purchase Plan

Highlights:

- Founders First to raise up to \$9m through a \$7.5m Placement and \$1.5m Share Purchase Plan (SPP) at \$0.35 per share
- The Placement was oversubscribed and received strong support from leading industry icon Chris Malcolm, who will own 7% of the Company following settlement of \$2.5m subscription, Greencape (FFL's largest institutional shareholder), and a number of new institutional shareholders who joined the register after taking significant positions
- Funds raised will further support the Company's growth strategy, including further investment into Kangaroo Island Distillery, Seven Seasons (home of Green Ant Gin) and brand investment and will leave the company well placed to capitalise on consolidation opportunities across the craft sector
- Following the settlement of the \$7.5m Placement, the Company will be well funded with approximately \$25m cash available including the recently announced debt facility with Pure Asset Management

Founders First Limited (ASX: FFL) ("**Founders First**" or "**the Company**") is pleased to announce that it has received firm commitments for A\$7.5 million (before costs) in new equity via a fully committed two tranche share placement to institutional and sophisticated investors ("**Placement**") through the issue of approximately 21.43 million new shares at \$0.35 per share ("**Placement Shares**").

Founders First also intends to launch a non-underwritten Share Purchase Plan ("**SPP**") following the issue of the Placement Shares to eligible shareholders, raising approximately A\$1.5 million (collectively, the "**Equity Raising**").

The proceeds from the Equity Raising will be used to fund the Company's stated growth strategy and will include funding of near term capital investments into the Kangaroo Island Distillery, Seven Seasons (including Green Ant Gin), brand investment and growth opportunities

Founders First's CEO and Managing Director, Mark Haysman, said: "*We are extremely happy with the support that we have received from new and existing institutional shareholders,*

foundation supporters and in particular from our partner in a new whisky enterprise, Chris Malcolm, who will become one of our largest shareholders. Having supportive funds like Greencape on our register is critical to our success”

“There is a huge opportunity over the coming years to create a high growth scale business that drives the craft sector forward and having the right investors on our register is critical to our success. We feel our register is high quality, patient capital that understands the size of our ambition and will be able to help fund the success of this company”

Placement

Tranche one of the Placement will be issued under the Company’s existing 15% placement capacity under ASX Listing Rule 7.1 and comprise the issue of up to approximately 13.46 million new shares (“**Tranche 1 Placement Shares**”) to raise up to approximately A\$4.7 million (“**Tranche 1**”).

The Placement Shares are expected to settle on Monday 14 September 2020. The balance of the Placement Shares after Tranche 1 (“**Tranche 2**”) will be issued subject to the Company receiving the required shareholder approvals at the Annual General Meeting (“**AGM**”), anticipated to be held in mid-November 2020. Upon receiving the required approvals, Tranche 2 will result in the issue of up to an additional 8 million Placement Shares to raise up to an additional A\$1.5 million. Tranche 1 and Tranche 2 Placement Shares will rank equally with existing ordinary shares from the date of issue and will be issued at the same price.

Taylor Collison Limited acted as Sole Lead Manager to the Placement.

An Appendix 3B for the proposed issue of the Placement Shares and the shares under the SPP will follow this announcement.

Share Purchase Plan

The Company is also pleased to announce its intention to offer all eligible shareholders (being those persons registered as ordinary shareholders as at 7.00pm (AEST) on Friday 4 September 2020 with a registered address in Australia or New Zealand) (“**Eligible Shareholders**”) the opportunity to participate in a non-underwritten SPP to raise up to A\$1.5 million. Under the SPP, Founders First shares will be issued at the Placement price of A\$0.35 and will rank equally with existing Founders First shares.

The SPP will provide each Eligible Shareholder with the opportunity to apply for up to A\$30,000 of Founders First shares, subject to the terms and conditions of the SPP and other eligibility criteria to be set out in the SPP offer booklet to be dispatched to Eligible Shareholders in due course.

Founders First, at its absolute discretion, reserves the right to scale back applications under the SPP.

Indicative Equity Raising Timetable

| Event | 2020 Time / Date |
|---|------------------------------|
| Trading Halt | Thursday 3 September 2020 |
| Record date (for determining shareholders entitled to participate in the SPP) | 7pm Friday 4 September 2020 |
| Announcement of Placement and SPP | Monday 7 September 2020 |
| Settlement of Placement Shares | Monday 14 September 2020 |
| Placement Shares commence trading on ASX | Tuesday 15 September 2020 |
| SPP Booklet dispatched to eligible shareholders | Thursday 17 September 2020 |
| SPP opens | Thursday 17 September 2020 |
| SPP closes | 5pm on Friday 9 October 2020 |
| Announcement of SPP Participation Results | Wednesday 14 October 2020 |
| Issue of New Shares under SPP | Tuesday 20 October 2020 |

The dates in the timetable above are indicative only and subject to change without notice. The Company reserves the right to alter these dates at its discretion and without notice, subject to the ASX Listing Rules and *Corporations Act 2001* (Cth). The Company may also withdraw the offer of SPP Shares under the SPP at any time before the allotment date in its absolute discretion.

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

Company Secretary:
 Andrew Syme

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/