

## Founders First - Completion of 1st Tranche of Warrants

25 September 2020

ASX Announcement

Founders First Limited (ASX: FFL) ("**Founders First**" or "**the Company**") is pleased to announce that, further to its ASX announcement dated 31 August 2020, it has now entered into full Facility documents with Pure Asset Management Pty Ltd ACN 616 178 771 (in its capacity as trustee for The Income and Growth Fund ACN 976 293 282) (Pure Asset Management) for the \$7.5m debt facility and issue of warrants to Pure Asset Management.

The facility documents comprise:

- Facility agreement dated 24 September 2020 for the \$7.5m debt facility on the terms outlined in the Company's ASX Announcement dated 31 August 2020;
- Warrant Deed dated 24 September 2020 for the issue of 15m unlisted warrants to Pure Asset Management on the terms outlined in the Company's ASX announcement dated 31 August 2020; and
- General Security Deed, imposing a first ranking security over all present and after acquired assets of the Company and its controlled subsidiaries, who are guarantors of the debt.

The Facility Agreement is in line with the terms of the binding term sheet as previously announced.

- The first \$2.5m of the debt facility must be drawn down within 5 business days of the date of the Facility documents.
- The second tranche of the debt facility of \$5m is to be drawn down after the Annual General Meeting, scheduled for 4 November 2020 (with the first \$2.5m to be drawn down within 10 business days after shareholder approval is obtained to the issue of the warrants under the Warrant Deed, and the second \$2.5m to be drawn down between 1 November 2020 and 30 June 2021).
- The Facility Agreement also contains general undertakings from the Company and the subsidiary guarantors regarding things including:
  - Compliance with laws;
  - Tax liabilities;
  - Preservation of assets;
  - Disposal, mergers and acquisitions;
  - Insurance coverage;
  - No material change of business or material adverse effect;
  - Dividends; and

- Financial indebtedness.

The Warrant Deed, also in line with the terms of the binding term sheet as previously announced. The first tranche of 5,000,000 warrant shares (options) are issued on the execution of the Warrant Deed. The second tranche of 10,000,000 warrant shares (options) are issues subject to approval of shareholders at the Company's Annual General Meeting, scheduled for 4 November 2020. The warrants are exercisable on the terms set out in the Company's ASX announcement dated 31 August 2020.

Further details of the Warrant Deed will be provided in the Notice of Meeting for the Annual General Meeting.

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/](https://foundersfirst.group/)