



ASX ANNOUNCEMENT
ASX Code BUG

Market Announcement

16 January 2020

**INNOVATIVE WORKING CAPITAL FINANCE TO ENHANCE
BUDERIM'S CAPACITY TO PURSUE GROWTH OPPORTUNITIES**

- *Increased capacity to pursue opportunities to support sales initiatives*
- *Enables tendering for large contracts with wholesalers and retail chains*
- *Accelerates contract fulfilment*
- *Three-fold increase in working capital facilities for flexibility*
- *Refinances current senior debt*

Buderim Group Limited (**Buderim** or the **Company**) advises that it has entered into a A\$25 million working capital finance facility with Greensill Capital (UK) Limited (**Facility**).

The Facility is an uncommitted revolving working capital facility under which Buderim may request Greensill to provide short-term finance.

Funds drawn will be used to repay the Rabobank senior loan facilities in full and to fund working capital requirements. Loans will need to be refinanced periodically on maturity.

Buderim CEO Andrew Bond said: "This is an innovative approach to working capital financing that will enhance Buderim's capacity to pursue opportunities to support sales initiatives with higher inventory.

"The ability to have sufficient inventory on hand to get product in market quickly is a key enabler for our business. In particular, in the USA, our major macadamia market, it will allow Buderim to tender for larger contracts with wholesalers and retail chains in the knowledge that we can accelerate fulfilment.

"The new facility will increase available working capital facilities from A\$7 million to up to A\$25 million although we are unlikely to use all the facility in the near term with our current borrowing base around A\$20 million.

"As well, the facility will provide Buderim the flexibility to match borrowings to the region as between AUD and USD contracts."

Key details

Buderim may request funding in Australian dollars or US dollars. Greensill's lending criteria is based on there being a borrowing base comprising certain minimum levels of eligible inventory



BUDERIM GROUP LIMITED

A.C.N. 010 978 800 A.B.N. 68 010 978 800
Level 5, 303 Coronation Drive, Milton QLD 4064
PO Box 2225, Milton QLD 4064

Tel: +61 7 3726 3400 Fax: +61 7 3876 3010 Email: info@buderimginger.com



and eligible receivables and maximum funding of A\$25 million, with the provision of funding at Greensill's discretion.

Under the Facility, Buderim pays an annual arrangement fee and commercial margin over 30-day BBSY (for Australian dollars) and LIBOR (for US dollars) applicable to facilities of this nature, size and type.

Lending criteria and interest margins are subject to review by Greensill from time to time.

Amounts owing to Greensill are secured by a first ranking general security interest over Buderim and its subsidiaries and a first ranking mortgage over Buderim's real property assets in Hawaii. Asia Mark Development, the holder of A\$15 million of convertible notes, has consented to the Facility and will remain as second ranking security holders behind Greensill.

Buderim's current retail banking (overdraft) facility with Westpac will continue, secured by a first ranking mortgage over Buderim's land at Yandina. Westpac has also consented to the Greensill security.

Following the initial drawdown, Buderim expects that its total interest-bearing debt under all of its facilities including the Facility will be in the order of A\$8.5 million plus the Convertible Notes.

Buderim is also pleased to advise that the Company and the Chief Executive Officer, Mr Andrew Bond, have strengthened their mutual commitment by agreeing to increase the mutual notice period under their executive service agreement from 2 months to 6 months.

Authorised for release by the Board.

ENDS

Investor and Media Inquiries:

Graham Campbell, GRACosway on: 0411 830 790

www.bugcorporate.com

About Buderim Group Limited

Starting as a small Ginger Growers Cooperative in 1941, Buderim Group today is a long-standing and proudly successful Australian business. It is Australia's leading ginger processor and marketer of confectionary ginger products and through MacFarms in Hawaii is the largest vertically integrated orchard to retail macadamia nut processor and marketer in the USA. The Group's public face is the renowned and highly awarded tourism attraction, The Ginger Factory, located on Queensland's Sunshine Coast.



BUDERIM GROUP LIMITED

A.C.N. 010 978 800 A.B.N. 68 010 978 800
Level 5, 303 Coronation Drive, Milton QLD 4064
PO Box 2225, Milton QLD 4064

Tel: +61 7 3726 3400 Fax: +61 7 3876 3010 Email: info@buderimginger.com