

ASX Announcement



Field Solutions Holdings Limited (ASX: FSG)
ASX Limited
Company Announcements Office

18 December 2023

FSG secures \$13m debt funding to complete its Regional Australia Network buildout.

Field Solutions Holdings Limited (ASX: FSG) (**FSG** or the **Company**), Australia's leading rural, regional, and remote telecommunications carrier and full-service ICT provider, is pleased to announce the finalisation of a \$13M debt funding agreement with Regal Funds Management Pty Limited as trustee for the Regal Tactical Opportunities Fund (Regal).

Highlights

- Initial \$10m tranche available immediately, a further \$3m in March of 2024.
- Interest at bank base rate (BBSW) plus 9%, payable monthly.
- 3% arrangement fee to Regal Finance
- Issue to Regal of 46,244,496 warrants at 5.75c, which is a premium of 43% over the last closing price. Exercisable within a 3-year period.
- Lender to take a charge over the Company's assets as security.
- Core business performing strongly, in line with company expectations.

FSG has agreed a \$13m debt facility with the Lender to fund network infrastructure within its Regional Access Network (RAN), which were the subject of grants awarded in 2021/22.

Until now FSG has funded the rollout of the RAN from operating cash flow. However, due to unexpected delays experienced in the past 18 months, such as severe weather and complicated permitting processes, the Company has adjusted its construction planning by combining projects into larger regional clusters for more efficiency and reduced cost.

This approach helps control construction costs but requires additional working capital for up to 6 months until grant funds are received. The debt facility provides the lowest available weighted cost of capital for funding this working capital requirement.

The debt facility is covered by grant funding projected to be received upon completion of the network infrastructure.

The Company anticipates repaying the debt facility within the 18-month term.

Separately funding the network infrastructure allows the Company to focus operating cash flow on the core business to execute its growth strategy.

MST acted as corporate advisors on the transaction with a 3% fee on completion.

Current Trading Update

FSG's core business continues to enjoy strong year-on-year performance in line with the Company's expectations, which has allowed the Company to fund the RAN infrastructure build. This debt facility reduces constraints on operating cash flow and enables the Company to issue contracts to suppliers and complete its build in the shortest possible timeframe.

This announcement has been authorised for release by the Board of FSG.

About FSG

FSG provides, builds and operates "true broadband networks" specifically for rural, regional and remote Australia. FSG is a licensed Australian telecommunications carrier, providing services via its own telecommunications network (trading under the brands 'JustISP' TasmaNet and "Ant Communications") and a NBNco Retail Service Provider.

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