

Heritage Brands

24 June 2019

The Manager
National Stock Exchange of Australia

Dear Sir/Madam

Debt Finance Transaction

Heritage Brands Limited (NSX: HBA) ("**HBA**" or the "**Company**") refers to its announcement on 27 May 2019 and advises that it has today finalised and completed the formal documentation in respect of a short term secured loan facility for a maximum amount of up to \$4.0 million from three of its substantial shareholders (the "**Junior Lenders**").

The Company also confirms that its first ranking secured lender has also today provided its formal approval to the grant of second ranking general security over all of the assets of the Company and its subsidiaries by the Company to the Junior Lenders.

Those conditions attaching to the waiver from the National Stock Exchange of Australia Limited ("**NSX**") waiving the requirement for shareholder approval in connection with the \$4.0 million debt finance transaction which needed to be satisfied before the Company could drawdown advances under the \$4.0 million loan facility have now been satisfied.

The following conditions attaching to the waiver from the NSX will be satisfied in the future (that is, after advances have been made to the Company):

- (a) A summary of the material terms of the security granted by the Company to the Junior Lenders will be included in the Company's annual report during the term of the security (that is, in the annual report to be issued for the financial year ending 31 July 2019).
- (b) Shareholder approval will be sought for any variation to the terms of the security which is not a minor change or which is inconsistent with the terms of the waiver.
- (c) Shareholder approval will be sought if the security is not discharged once the funds advanced to the Company by the Junior Lenders are repaid.

Yours faithfully



Chris McGibbon
Company Secretary

