

12 December 2017  
ASX Announcement

## Mainstream delivers successful debt refinancing

### Highlights

- › Replaces existing debt facility with materially better terms
- › Repayment schedule over three years to reduce debt level
- › High quality banking relationship

Mainstream Group Holdings Limited (**ASX: MAI**) today announced it has signed a Term Sheet with Australia and New Zealand Banking Group Limited (**ANZ**) to replace its existing \$11 million Senior Secured Convertible Notes facility with a new three year \$11 million debt facility.

Mainstream Chief Financial Officer / Chief Operating Officer Justin O'Donnell said "We are very pleased to announce the refinancing of our debt facility which is expected to save the Company approximately \$775,000 of interest expense per year. This transaction demonstrates our proactive capital management approach and delivers on our objectives of reducing the Company's overall debt level and optimising pricing."

Key terms of the new facility include:

- › Amortising three year term loan facility with \$11 million facility limit.
- › Margin of 170 basis points per annum over BBSY for the relevant interest period (equates to current effective interest rate of 3.45% per annum).
- › Establishment Fee of 45 basis points payable on the date of the Facility Agreement.
- › Schedule to repay \$5 million over the next three years with residual payable on maturity.
- › Subject to the following financial covenants:
  - Debt to EBITDA of not more than 2.0x from 31/7/2018 to 31/1/2019 and 1.5x thereafter
  - Interest Cover Ratio of not less than 5.0x from 31/7/2018 to 31/1/2019 and 10.0x thereafter
  - Review Event if any of the following occur: Martin Smith (CEO) ceases to act in his current capacity, Byram Johnston (Chairman) or Martin Smith (or their related entities) cease to hold an aggregate of 30% in MAI's issued shares, a material change is made to a Material Contract or MAI enters into a trading halt or is voluntarily suspended for more than 3 business days.

The facility is subject to the usual documentation and conditions precedent for a facility of this nature including the repayment all outstanding Convertible Notes arranged by investment manager Mason Stevens Asset Management Pty Ltd. This is expected to occur in the first quarter of calendar year 2018. The new facility has no conversion rights.

## For more information

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## About Mainstream Group Holdings

Mainstream Group Holdings Limited (ASX: MAI) provides fund services underpinned by investment in people, processes and technology.

As at September 2017 the Group provides administration services to 719 funds and more than 105,000 investors with assets under administration in excess of AUD \$123 billion.

Mainstream employs over 217 people, with operations in Australia, Singapore, Hong Kong, the United States, the Cayman Islands, Dublin, the Isle of Man and Malta.

For more information, please visit: [www.mainstreamgroup.com](http://www.mainstreamgroup.com).