



ASX ANNOUNCEMENT

23 June 2020

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Gage Roads Brewing Co Ltd
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ASX: GRB

Gage Roads Brewing Co Limited is one of Australia's leading craft breweries. Since commencing brewing operations in 2004, Gage Roads Brewing Co Limited has been at the forefront of the thriving craft beer industry, producing some of Australia's most popular beer and cider brands including Alby, Hello Sunshine, Atomic Beer Project, Matso's Broome Brewery and the Gage Roads range of craft beers.

Gage Roads Brewing Co's distribution extends across Australia through its national sales and marketing team, Good Drinks Australia, providing its portfolio of award-winning beer and cider to Australia's leading retailers and hospitality venues.

GAGE ROADS SECURES \$12 MILLION WORKING CAPITAL FACILITY TO FUND GROWTH

Gage Roads Brewing Co Ltd (ASX:GRB, Gage Roads, the Company) is pleased to announce the successful refinancing of its credit facilities with the Commonwealth Bank of Australia (CBA, Bank).

As part of the Company's Good Drinks strategy, Gage Roads has successfully grown proprietary brands to more than 64% of sales mix (up from 32% in FY17) and the strategy continues to target an additional 10m litres per annum of Good Drinks brands on a national basis.

This strategy, while increasing gross profits and earnings, has resulted in further working capital requirements which also fluctuate due to the seasonal nature of Gage Roads' production and inventory profile.

Accordingly, the Company has worked with its banking partner CBA to put in place a new Borrowing Base facility aligned with expanding working capital requirements.

The new banking facility converts the Company's existing Trade Finance facility (\$4.5 million limit) into a Borrowing Base facility (\$12.0 million limit) while maintaining existing Bank credit facilities.

The Borrowing Base facility is secured against trade receivables and inventory and is provided on a revolving basis. This facility enables the Company to fund a broader part of its working capital cycle and provides capital to fund sales growth.

The existing cash advance facility, bank guarantee facility and equipment finance facility remain in place.

Summary of credit facilities:

	Old	New
Cash Advance Facility	\$5,800,000	5,800,000
Trade Finance Facility	\$4,500,000	\$-
Borrowing Base Facility	\$-	\$12,000,000
Bank Guarantee Facility	\$450,000	\$450,000
Equipment Finance Facility	\$2,000,000	\$2,000,000

The Company's Managing Director John Hoedemaker commented "We're pleased that our principal banking partner CBA shares our confidence in the business. This new facility unlocks an additional \$7.5m in funds to support our growth in FY21 and beyond."

- ENDS-

This announcement has been authorised by the Board of Directors.

Further information:

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