

PRESS RELEASE

Kingswood Corporate Finance successfully advises on the refinancing of Community Foods, a market leading manufacturer and supplier of dried fruit and nuts.

Community Foods Limited completes successful refinancing of a £17m working capital facility with Praetura Commercial Finance

We are delighted to have been able to support Community Foods Limited refinance its asset-based lending (ABL) facilities.

Community Foods, recently acquired by Vesta Group (a significantly supplier to Community Foods), mandated Kingswood Corporate Finance to find a new lender to refinance its working capital facilities to support the combined business on its next phase of growth of becoming a significant new player in the UK and European market.

For 40 years Community Foods has been engaged in the importing of a variety of dried fruits, nuts and seeds for sale into the health food market and more recently into major food manufacturers and retailers. The business is well respected by its peers and customers, particularly with respect to organic produce.

Our role

We advised the new shareholders and the management team on the refinancing process. We began by advising on the formulation and preparation of a strategic business plan, including various financial projections and sensitivity analyses.

Subsequently we advised the directors on several lenders who would be appropriate to the company, its circumstances, and its strategic direction, later leading the discussions and negotiating with a number of potential lenders.

We concluded the negotiations by advising the directors on the best source of funding, before implementing the execution of the refinancing through to the point of draw-down.

Martin Rome, Managing Director of Community Foods, commented on the refinancing, *“We have been actively seeking new investors and lenders for the business as the impacts of Covid and Brexit have been a challenge for businesses. The refinancing of Community Foods, alongside Vesta’s support, is a positive and significant step in our mission to provide improved value and benefits for our customers.”*

“The combination of objectiveness and determination that has been displayed by Richard Massing of Kingswood Corporate Finance has enabled Community Foods to navigate its way through a challenging refinancing process in a difficult environment. The resulting conclusion

was impossible to imagine just a year ago. We look forward to continuing our relationship with Richard and his colleagues at Kingswood in the years to come”.

Richard Massing, Director of Kingswood Corporate Finance, commented as follows: *“this was a particularly difficult and complex transaction involving the refinancing of a business that faced challenging trading conditions following Covid and Brexit and a challenging, risk-focused debt market. The refinancing required delicate management to enable the repayment of the previous indebtedness whilst ensuring a positive outcome for all stakeholders. After several months of negotiations we are delighted to have advised the shareholders and Directors on securing the future for Community Foods”.*

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NOTE TO EDITORS

KINGSWOOD CORPORATE FINANCE

Kingswood Corporate Finance is dedicated to providing clients with a full range of corporate finance advisory services and support for transactions. The team has backgrounds and relevant experience in accounting, taxation, investment banking, venture capital and management consultancy.

Based in central London, Kingswood Corporate Finance works with and advises on predominately private company transactions involving: mergers and acquisitions; buy-outs; raising equity and debt finance; business valuations; financial due diligence; and minority shareholder disputes.

Clients range from private companies to family businesses, and include entrepreneurial, family and venture capital backed businesses as well as listed and unlisted public companies, individual shareholders and management teams.

COMMUNITY FOODS LIMITED

Community Foods has been in business for more than 40 years and in that time has seen many changes, in particular the development of the Health Food trade and the general acceptance of a healthy diet. The company has been at the forefront of many of these developments and now looks forward to continuing on that exciting journey.

The company is very fortunate to have many decades worth of experience within its ranks which has enabled it to navigate its way through a very challenging period. Several key projects are currently underway alongside Vesta Group, which will significantly enhance the company's capabilities for the benefit of its customers and provide a strong platform for future success.

The business operates in 3 key channels: wholesale; retail (including Sainsbury's and Tesco); and ingredients supply; supported by a manufacturing division.

Following completion of the refinancing, the team will set about implementing their strategic investment plan.