



## Castle Brands Recapitalizes Balance Sheet, Substantially Expands and Extends Credit Facility and Significantly Lowers Interest Expense

July 18, 2019

### Reduces Total Interest Expense over \$1.5 Million Annually Increases Financial Flexibility Substantially

NEW YORK, July 18, 2019 /PRNewswire/ -- Castle Brands Inc. (NYSE American: ROX), a developer and international marketer of premium and super-premium drinks brands, today announced that its primary lender under its Revolving Credit Facility, had agreed to substantially increase and extend its \$27 million credit facility. At the same time, the Company will repay and retire its higher priced, \$20 million 11% Subordinated Notes. The balance sheet recapitalization and amended revolving facility provide a number of major benefits to Castle Brands.



#### Benefits of the Balance Sheet Recapitalization:

- The Revolving Credit facility was increased to \$60 million and extended to July 2023.
- The weighted average cost of debt for the Company was reduced by approximately 350 basis points based on today's LIBOR.
- The Company's \$20 million 11% Subordinated Notes have been fully retired.
- The combination of these steps will reduce the Company's annual interest and debt service expenses by over \$1.5 million annually.
- The new facility recognizes the value of the Company's bourbon inventory.
- The new facility will add incremental liquidity of approximately \$10 million.

"This balance sheet recapitalization and expansion of our revolving credit facility with our lender marks a major turning point for Castle Brands. It properly recognizes the value of our bourbon inventory, substantially lowers our overall interest expense, and provides significantly increased liquidity and financial flexibility," stated Richard J. Lampen, President and Chief Executive Officer of Castle Brands.

"We are grateful for the support that our revolving credit facility lender has provided in the past. It has allowed us to build bourbon inventories of almost 35,000 barrels, enough to produce approximately 800,000 cases (9L) of Jefferson's bourbon. We appreciate that they have agreed to make these significant changes and look forward to continuing to work together to increase the scale and profitability of our business," stated Alfred J. Small, Senior Vice President and Chief Financial Officer of Castle Brands.

#### About Castle Brands

Castle Brands is a developer and international marketer of premium and super-premium brands including: Jefferson's<sup>®</sup>, Jefferson's Presidential Select<sup>™</sup>, Jefferson's Reserve<sup>®</sup>, Jefferson's Ocean Aged at Sea Bourbon, Jefferson's Wine Finish Collection and Jefferson's Wood Experiments,

Goslings® Rums, Goslings® Stormy Ginger Beer, Knappogue Castle Whiskey®, Clontarf® Irish Whiskey, Pallini® Limoncello, Boru® Vodka, Brady's® Irish Cream, The Arran Malt® Single Malt Scotch Whisky, The Robert Burns Scotch Whisky and Machrie Moor Scotch Whisky. Additional information concerning the Company is available on the Company's website, [www.castlebrandsinc.com](http://www.castlebrandsinc.com).

#### Forward Looking Statements

*This press release includes statements of our expectations, intentions, plans and beliefs that constitute "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and are intended to come within the safe harbor protection provided by those sections. These statements, which involve risks and uncertainties, relate to the discussion of our business strategies and our expectations concerning future operations, margins, sales, potential divestitures, profitability, liquidity, indebtedness and capital resources and to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. You can identify these and other forward-looking statements by the use of such words as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "thinks," "estimates," "seeks," "predicts," "could," "projects," "potential" and other similar terms and phrases, including references to assumptions. These forward looking statements are made based on expectations and beliefs concerning future events affecting us and are subject to uncertainties, risks and factors relating to our operations and business environments, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed or implied by these forward looking statements. These risks include our history of losses, our ability to expand our operations in both new and existing markets, our ability to develop or acquire new brands, our relationships with distributors, the success of our marketing activities, the effect of competition in our industry and economic and political conditions generally, including the current economic environment and markets. More information about these and other factors are described under the caption "Risk Factors" in Castle Brands' Annual Report on Form 10-K for the year ended March 31, 2019 and other reports we file with the Securities and Exchange Commission. When considering these forward looking statements, you should keep in mind the cautionary statements in this press release and the reports we file with the Securities and Exchange Commission. New risks and uncertainties arise from time to time, and we cannot predict those events or how they may affect us. We assume no obligation to update any forward looking statements after the date of this press release as a result of new information, future events or developments, except as required by the federal securities laws.*

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