

Mosaic Brands Limited ASX Update: Convertible Notes

Mosaic Brands Limited (ASX: MOZ) has determined that the interest payment for the Notes on issue for the quarter ending June 30th will capitalise and not be paid in cash.

As noted in the Company's market update dated 8 June 2022 this is due to the adverse trading conditions experienced throughout Q3 and the Mother's Day period stemming from the ongoing impacts of the Omicron COVID-19 variant.

This position comes as part of the agreement with the Company's senior lender to waive its requirement to test the financial covenants in respect of the quarter ending 30 June 2022.

The Company intends to pay cash interest on the Notes for the quarter ending 30 September 2022 subject to the continued improvement in trading conditions seen throughout the past 6 weeks

The effect of this on the Convertible Notes is as follows:

Number of Convertible Notes on issue	Face Value	Face Value + December 2021 8% capitalised Cash Interest	Interest Calculation Date	Days Capitalised	Interest Calculation June 2022 Quarter	Face Value + 8% capitalised Interest June 2022 (Notional Note Principal Amount)
32,017,808	\$1.00	\$1.0173	30/06/22	91	\$0.0203	\$1.0376

Ends

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Note:

Additional Interest on convertible notes is only payable if an Event of Default outlined in section 4.1.8(a)(i) or 4.1.8(a)(ii) of the Prospectus has occurred, which will allow the Convertible Note holder to have a higher secured claim. There being no event of Default outlined in section 4.1.8(a)(i) or 4.1.8(a)(ii) of the Prospectus then the Additional Interest Rate will be deemed to be 0.00%.

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