



SA Tourism Commission grants \$500,000 for Mighty Craft's Kangaroo Island Spirits distillery upgrade

1 March 2021

ASX Announcement

Highlights

- Mighty Craft (ASX:MCL) is excited to be partnering with Kangaroo Island Spirits and South Australian Tourism Commission to develop a world-class experiential distillery at Kangaroo Island Distillery (KID) in Cygnet River Kangaroo Island.
- Kangaroo Island Distillery is a confirmed recipient of \$500K funding support from the South Australian Tourism Industry Development Fund, with a Grant Deed expected to be executed later this week.
- State funding support enables works to immediately commence on an improved cellar door and immersive experience that will showcase the KIS brand, amongst Australia's most awarded gin brands.
- Kangaroo Island Spirits has received the highest International accolades for their carefully crafted products. KIS was the only Australian gin producer to have two products in the top 10 (Wild Gin and O'Gin) at the 2020 International Wine & Spirit Competition (IWSC).
- MCL is co-investing to upgrade the commercial distillery and storage facilities to meet increased demand for KIS brand. The new distillery will have an initial production capacity of over 200,000 bottles with scope to increase this further.
- KIS is a high growth and profitable business and the brand is yet to gain meaningful distribution on the eastern seaboard which indicates significant further upside potential.
- The upgrade will ensure the KI Whisky strategy can be accelerated as a key pillar of our stated ambition of 2,000 barrels of aged whisky stock by 2025.
- A KIS brand refresh is underway and will be launched later this year in readiness for the push into the eastern seaboard and global market penetration.

Mighty Craft Limited is pleased to announce with 100%-owned subsidiary Kangaroo Island Spirits (KIS), it has received a \$500,000 grant from the South Australian Tourism Commission (SATC) to develop a world-class experimental distillery at Kangaroo Island. Award-winning gin



producer Kangaroo Island Spirits (KIS), owned by Mighty Craft, is pleased to announce that it has received a \$500,000 grant from the South Australian Tourism Commission (SATC) to develop a world-class experimental distillery at Kangaroo Island. The grant from SATC under its Tourism Industry Development Fund (TIDF) adds to Mighty Craft's \$3 million investment in the project and will allow work on the project to commence immediately.

Mighty Craft Managing Director Mark Haysman said the enhanced distillery, coupled with continued growth of the KIS brand, was expected to attract additional tourists to Kangaroo Island and would allow for greater collaboration opportunities with other Kangaroo Island businesses as well as those in mainland SA.

"We are getting set to take one of Australia's most Internationally recognised gin brand, Kangaroo Island Spirits, to the World. Upgrades to its humble site origins at Cygnet River will allow Kangaroo Island Distillery to become one of Australia's most iconic experiential distilleries, attracting global visitation and contribution to the broader economy. We are thrilled to be partnering with the State Government to make this a reality."

SATC chief executive Rodney Harrex said the significant investment in the project was an outstanding result for Kangaroo Island. "Kangaroo Island is a premium tourism destination in South Australia and we are delighted to support this project of Mighty Craft and Kangaroo Island Spirits which will help promote the region and attract additional visitors. It will enable the distillery to be involved in a wider a range of events, diversify its range, create jobs and boost its capacity for training."

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This announcement has been authorised and released by Managing Director, Mark Haysman

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ABOUT MIGHTY CRAFT

Mighty Craft (MCL) is an ASX listed company that leads the industry in supporting and growing independent craft brewery and distillery businesses, backing talented makers with a big vision. Their focus is on allowing founders to play to their strengths while the Mighty Craft team of industry experts supports by filling in any missing gaps constraining growth and profitability. Ultimately, Mighty Craft backs founders to succeed and loves being part of the journey and collaborates to create a stronger craft community. www.mightycraft.com.au

ABOUT KANGAROO ISLAND SPIRITS

Kangaroo Island Spirits Distillery (KIS) was founded by Jon and Sarah Lark in 2004. KIS, one of Australia's first gin distilleries established in Jon and Sarah's humble shed on Kangaroo Island. Since then they have built a reputation as one of Australia's best gin distillers with numerous awards. KIS has recently won a swag of accolades including best contemporary gin at the International Wine and Spirits Competition in London, the first time an Australian Gin had won the award in its 50-year history. Their most recent achievement was at the 2020 International Wine and Spirits Competition which included receiving 96 points for both their Wild and O Gins, the highest for Australian gin. KIS also took out the Consumers' Choice Award 2020 and a Platinum Award for their Whisky Barrel Aged Gin at this year's SIP Awards. Again, making them the highest awarded Australian distillery. In March 2020, Mighty Craft acquired KIS with Jon and Sarah Lark remaining at the helm of the business. www.kispirits.com.au