

Funding update

Mighty Craft Limited (ASX:MCL) ("**Mighty Craft**", "**MCL**" or the "**Company**") is pleased to provide a funding update:

Key points:

- **Key terms agreed with lenders and creditors. These terms are intended to provide the Company with the flexibility and time needed to execute its ongoing divestment program, as part of its stated strategy to deleverage the business. These terms include:**
 - Extension of the bridging loan with the Swiss based family office for 50% of the loan balance (The original loan principle was \$5,000,000) on the same terms as the original facility conditional upon:
 - \$435,733 payment due on or before the 23rd February 2024.
 - \$1,000,000 payment due on or before the 29th February 2024.
 - This would leave a remaining loan balance of \$2,500,000 as at the 29th February 2024 which is due for repayment on the 17th August 2024.
 - The terms of the loan extension are in line with the original facility agreement which is 25% interest compounding daily.
 - ATO payment plan – the Company has agreed to a payment plan with the ATO for full settlement of the outstanding liability including interest of \$8,811,197 on the 31st July 2024.
 - The Company is in ongoing discussions with Pure Asset Management (**Pure**), which has expressed support for the ongoing divestment program. Pure's continued support is contingent upon its satisfaction with the Company's progress towards executing divestments and deleveraging the business.
 - The Company notes that it has received temporary relief of its covenant conditions as set out in the facility agreement and its ability to continue as a going concern is dependent upon the ongoing support of Pure. The Company is working with Pure to reach a sustainable agreement with respect to the outstanding loan and covenant conditions. It is expected that a condition of temporary relief will be achieving agreed milestones in relation ongoing divestments.
- **Progress on divestments:**
 - Settlement of the Slipstream divestment (as announced to the ASX 15/2/24) is scheduled for the 29th February 2024 for \$850,001¹.

¹ Settlement is conditional on the purchaser obtaining bank finance on or before 29th February 2024 and approval under the lease conditions. There are currently no indications that the purchaser will be unable to satisfy these conditions.

- Settlement of the sale of Emu Bay property on Kangaroo Island is scheduled for the 26th February 2024 for a purchase price of \$793,000
- The Company notes that the proceeds from the settlement of Slipstream and Emu Bay are required to meet the SVC Facility repayment due on 29th February 2024 mentioned above.
- Broader divestment program – the Company has received multiple non-binding offers for the South Australian based assets. The Company intends to evaluate these offers with the aim of pursuing those that are in the best interests of all stakeholders.

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This announcement has been authorised and approved for release by the Board of Directors of Mighty Craft Limited

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Disclaimer

The material contained in this document is of general information about the activities of the Company as at the date of this update. All monetary figures quoted within this document are in Australian dollars (\$AUD) unless otherwise specified and are provided on an unaudited basis.

This announcement contains “forward-looking statements.” These can be identified by words such as “may”, “should”, “anticipate”, “believe”, “intend”, “estimate”, and “expect”. Statements which are not based on historic or current facts may be forward-looking statements. Forward-looking statements are based on:

- *assumptions regarding the Company’s financial position, business strategies, plans and objectives of management for future operations and development and the environment in which the Company will operate; and*
- *current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties.*

Actual results, performance or achievements of the Company could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained within the presentations are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by forward-looking statements. For example, the factors that are likely to affect the results of the Company include general economic conditions in Australia and globally; exchange rates; competition in the markets in which the Company does and will operate; weather and climate conditions; and the inherent regulatory risks in the businesses of the Company. The forward-looking statements contained in this announcement should not be taken as implying that the assumptions on which the projections have been prepared are correct or exhaustive. The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement. The Company disclaims any responsibility to update or revise any forward-looking statements to reflect any change in the Company's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. The projections or forecasts included in this presentation have not been audited, examined or otherwise reviewed by the independent auditors of the Company.

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