



mighty
craft

Q3 RESULTS PRESENTATION

April 2021





Q3 HIGHLIGHTS

Record growth quarter

- +277% growth¹ in revenue and +360% growth in receipts (cash) reported for the quarter
- Significant operating cash improvement to (\$1.4)m for the quarter (versus (\$6.3)m in the previous quarter)
- Cash balance remains strong with \$11.7m of cash on hand

Growth strategy gaining momentum

- Spirit's / RTD's business rapidly growing at +193% vs Q3 20 and now representing 34% of wholesale sales (Q3 spirits category growth ~18%)
- Beer continues to outperform the market with +74% growth vs Q320 (Q3 beer category growth ~7%)
- Official launch of Seven Seasons – an Indigenous backed brand featuring unique Australian native ingredients (Green Ant Gin, Bush Apple Gin and Native Yam Vodka)
- Brand specific retail venues performing well, back to pre-covid levels and profitable; Mighty venues trading at ~70% of capacity
- Path to profit initiative's underway (Spirits / RTD growth, venues returning to pre-COVID levels, overheads investment largely complete)

Outlook

- Macro theme is strong – craft spirits / RTD's are driving the growth and this trend will continue in FY22
- Robust beer growth rates will be maintained into FY22
- Disciplined acquisition strategy remains
- On track to break even in H2 2022

¹ All financial numbers quoted are unaudited Q3 results



FINANCIAL SUMMARY – Q3 FY21 PROFIT AND LOSS

Profit & Loss¹

AU\$ million	Q3 21	Q3 20	% Change	
Total Income	9.6	2.5	279%	Strong growth across the business lead by Spirits / RTDs
Revenue from ordinary activities	9.5	2.5	277%	
Gross Profit	3.7	1.1	218%	
Gross margin	39%	46%	-7pp	Margins impacted by the change in distribution model
Operational expenses	(5.8)	(3.3)	-78%	Investment in commercial capability and brand investment
EBITDA	(2.2)	(2.1)	-5%	

¹ Unaudited 3rd quarter profit & loss

² Earnings before interest, tax, depreciation, and amortisation (EBITDA) is a non-GAAP measure. The company believes that it assists in providing an understanding of the underlying performance of the business

MIGHTY CRAFT – WHAT WE CONTINUE TO CREATE AND OFFER

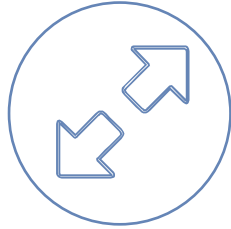
Large, profitable and growing market that is fragmented and ripe for Mighty Craft consolidation



Unique brand acceleration model providing growth capital and **cost effective business solutions**



Nationally diversified portfolio of craft beverages, featuring local celebrated brands



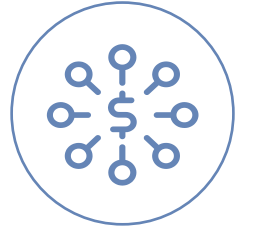
Economies of scope and scale to capture synergistic value across the group



Industry leading team, with combined 100+ years' experience in the beverage and hospitality industries



Opportunity for **high value divestments**



Multiple revenue streams, strong balance sheet, growth assets





WHAT WE DO AND WHY

MIGHTY CRAFT SOLVES CRAFT INDUSTRY ISSUES






CRAFT OVERVIEW¹

**1000+ Independent
Breweries**

**700+ Independent
Distilleries**

- Fragmented
- Sub-optimal scale
- Inefficient
- Loss making

WE SOLVE THE FOLLOWING PROBLEMS

- **Limited market access:**  **> 11,750 Distribution points, entrenched retail relationships**
- **Capital constraints:**  **> \$11M cash on hand**
- **High cost base:**  **Efficiency through scale, Bevchain partnership**
- **Limited category awareness:**  **Category leader, retail Joint Business Plans**
- **Supply chain vulnerabilities:**  **Investment and stock solutions**
- **Skills & knowledge gaps:**  **> 150 years of commercial experience**

Source: (1) Frost & Sullivan, 'Market Report on Craft Beer and Craft Spirits Markets in Australia', (dated 24 October 2019), commissioned by Mighty Craft

Stronger together. For the love of Craft.



THE MIGHTY CRAFT BUSINESS MODEL



PROPRIETARY ASSETS

Complimentary Brand Portfolio	National Logistics Network	Licensed Venues	Data & Insights
Customer Relationships	Export	Consumer Database	Supplier Agreements



THE COMPANY AMBITION

Breakeven Target – H2 2022

4M Litres of beer

~7-8 Beer brands

150,000 Bottles of spirits

~5 Spirits / RTD brands

500+ Barrels of aged whisky stock

~10 venues

2025 Ambition

12M Litres of beer

10-12 Beer brands

500,000 Bottles of spirits

5-6 Spirits brands

2,000+ Barrels of aged whisky stock

20+ venues

We aim to become Australia's strongest Independent Craft drinks collective.

Unleashing the growth of great local beer, spirits and ready to drink brands.

By providing leadership, growth capital and operational expertise.

Together we grow and thrive.



MIGHTY CRAFT'S ECONOMIC MODEL

MULTIPLE PROFIT STREAMS AND APPRECIATION IN BRAND PORTFOLIO VALUE



Consolidated profit on sale of products
Scale fast and optimise – volume growth is key



Consolidated profit through licensed venue operations
Drive foot traffic and conversion - onsite & offsite consumption



Net revenue growth through delivery of industry solutions
Aggregate and leverage scale – wholesale, digital, venue



Appreciating market value of brand portfolio
Balance risk/reward – prudential investment; industry multiples

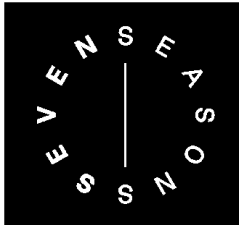


EMERGING, WORLD CLASS SPIRITS PORTFOLIO

Mighty Craft is becoming one of the largest craft spirit producers in Australia

- Mighty Craft is leveraging its ability to scale and its **expertise to launch/relaunch of a number of brands in the existing Mighty Craft portfolio, as outlined below:**
 - Official launch of **Seven Seasons** 'the World's oldest new flavours' (FY22 \$5m revenue target)
 - Relaunch of **Kangaroo Island Spirits** and upgrading of the Kangaroo Island Distillery into a destination craft distillery/cellar door and into one of Australia's largest distillery producers (FY22 \$7m revenue target)
- Mighty Craft is providing a **greater national geographic and product footprint across the broader spirits category** with a market leading, and award winning, product portfolio focussing on growth segments such as gin, whisky and vodka to strengthen its relationship, and opportunities, with large spirit market wholesalers
- **Differentiating Mighty Craft from other listed peers** as a combined craft spirits, RTD and beer business





OFFICIAL LAUNCH OF SEVEN SEASONS – THE WORLDS OLDEST NEW FLAVOURS

Seven Seasons – a unique Indigenous backed spirits brand with a compelling product pipeline

- Major brand launch in April 2021 with three products (**Green Ant Gin, Bush Apple Gin and Native Yam Vodka**), each representing one of the Seven Seasons of the Larrakia people, being rolled out nationally via Mighty Craft's distribution network during Q4
- The business was founded by Daniel Motlop, an Indigenous Larrakia Australian rules footballer, and uses native ingredients harvested by the Larrakia people
- Major brand launch reaching ~ **19 million consumers**
- Product pipeline to extend to 7 products, one for each of the Seven Seasons
- Initial distribution ~ 2,000 stores nationally with **Native Yam Vodka** in the market in June 2021





RELAUNCH OF THE KIS BRAND IN JUNE 2021 INCLUDING A \$3.5M INVESTMENT IN THE DISTILLERY

Kangaroo Island Spirits relaunch planned for June 2021

- \$3.5 million investment in the redevelopment of the Kangaroo Island distillery into a destination craft distillery / cellar door and significant production facility. \$500,000 contribution from the South Australian Tourism Commission
- Resulting production capacity ~300,000 bottles of Gin and ~ 200,000 bottles of Whisky per annum – will support up to **\$35 million in sales**
- Rebrand - establish the masterbrand as **Kangaroo Island Spirits**, evolving the brand beyond KIS to ensure a strong link back to the prominence of the island while leveraging on the unique location as a driver for **differentiation, local provenance and growth internationally**.
- **Launch a Kangaroo Island Whisky Q122**
- Invest in broad reach brand awareness campaign through visual storytelling, bringing the unique story of the distillery and Island to life-





OUTLOOK

GROWTH ACCELERATION TO CONTINUE

- **Growth acceleration to continue with strong commercial plans in Q4 and FY22**
 - Spirits / RTD's to lead the growth driven by Seven Seasons, Kangaroo Island Spirits and NoSH
 - Beer growth and investment focussed on Jetty Road, Ballistic and Slipstream
 - \$3.5M development of the spiritual home for Kangaroo Island Spirits on the Island
 - NoSH brand investment to increase sales growth coming into Summer 2021
- **Disciplined acquisition approach** – focussed on geographic spread in beer and high growth , high margin spirits/RTD segments
- **Venues** – ongoing growth and profit in retail brand specific venues, optimise trading at Mighty venues
- **Launch of CraftHub** – transforming the supply chain for Independent Craft
- **Launch of whisky acceleration program** - chaired by Chris Malcolm
- **Path to Profit** – improving profit delivery due to the strategic shift of the sales mix towards high margin, high growth spirits/RTD category and controlling overhead costs

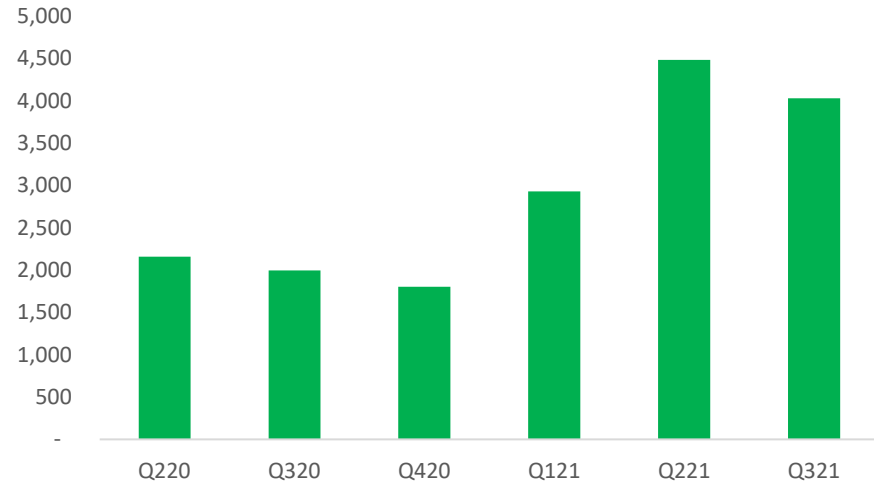


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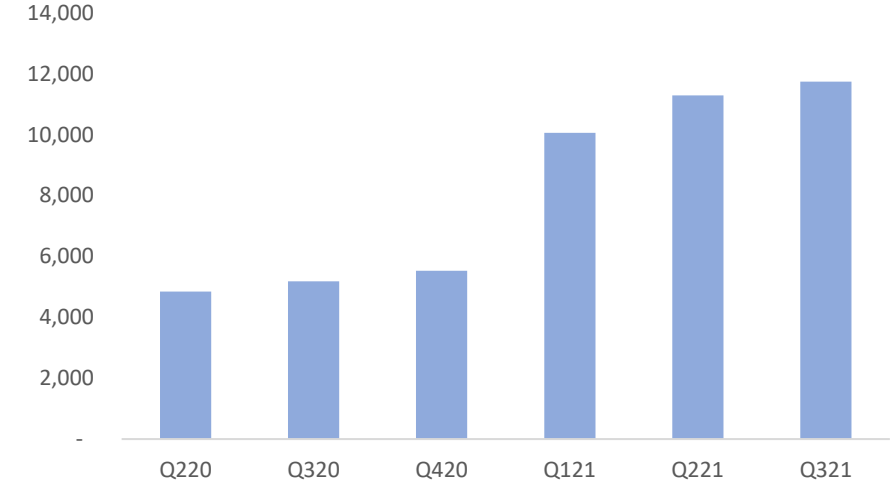


GROWTH STRATEGY GAINING MOMENTUM

WHOLESALE SALES ¹



DISTRIBUTION GROWTH ²



¹ Wholesale growth on a 100% basis sourced from MCL and partner sales order systems

² Unique points of distribution (one distribution point is one store sale for one product)





DISCLAIMER

The presentation dated April 2021 provides additional comment Q3 FY21 results of Mighty Craft Limited (the “Company” or “MCL”) and accompanying information released to the market on the same date. As such it should be read in conjunction with the explanations and view in those documents.

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