

Caitlin James

From: Johan du Plessis <johan@abilitymade.com>
Sent: Thursday, 5 August 2021 10:58 AM
Cc: Michael Graf; Melissa Fuller; Kartik Iyer
Subject: AbilityMade - Investor Note - August 2021 - Funding

Dear AbilityMade Investor,

At the end of last week we heard back from Sefa's Investment Committee (IC) about our Impact Debt proposal. While we worked closely with Sefa's Management Team to develop a robust proposal that would fit within their investment mandate, their IC has ultimately decided that this does not fall in their mandate.

They stressed that this was not a reflection on AbilityMade's growth plans, its forecasts or the proposed social impact, but rather a limit on the type of debt they are able to provide early stage start-ups. Whilst we were advised that the IC would factor in the Federal Government's 80% guarantee into their decision-making to de-risk the proposal, unfortunately this was not the case, and it was not considered as part of their final decision.

While this is a disappointing outcome, we were aware of this risk and deliberately structured the process to ensure we found out earlier rather than later about the viability of our impact debt proposal.

The Board and Management Team have spent the last few days reviewing our funding options and believe that a bridging round using a SAFE/Convertible Note (\$800,000 to \$1,000,000) will provide us with the runway required to get AbilityMade to break-even. It is important to note that this was our original plan before we came across the unique impact debt opportunity with Sefa.

Fortunately with access to the NSW COVID stimulus grants we have been able to extend our cash runway from the end of September till the end of October 2021.

We will reach out to you all separately in the next day or so to organise a follow-up conversation next week and are, as always, happy to answer any of your questions or take your suggestions.

Warm regards

Michael Graf Johan du Plessis Melissa Fuller
Chairperson Executive Director Executive Director