

TOP SHELF INTERNATIONAL HOLDINGS LTD

Capital Raising Presentation
TSI funded to deliver strategic growth objectives

20 October 2021
ASX: TSI



Australian Agave Spirit Farm
The Whitsundays, Queensland

IMPORTANT NOTICE AND DISCLAIMER

This investor presentation (**Presentation**) is dated 20 October 2021 and has been prepared by Top Shelf International Holdings Ltd (ACN 164 175 535) (**Top Shelf** or **TSI**). By attending an investor presentation or briefing, or accepting, accessing or reviewing this Presentation, you acknowledge and agree to the terms set out below.

This Presentation has been prepared in relation to:

- an accelerated non-renounceable entitlement offer of new fully paid ordinary shares in Top Shelf (**New Shares**) to be made to eligible institutional shareholders of Top Shelf (**Institutional Entitlement Offer**) and eligible retail shareholders of Top Shelf (**Retail Entitlement Offer**) under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73* (**Entitlement Offer**); and
- a placement of New Shares to institutional investors and certain existing institutional shareholders under section 708A of *Corporations Act* as modified by *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73* (**Placement**), the Entitlement Offer and Placement together, the **Offer**.

Summary information

This Presentation is for information purposes only and is a summary only. It should be read in conjunction with Top Shelf's most recent financial report and Top Shelf's other periodic and continuous disclosure information lodged with the Australian Securities Exchange (**ASX**), which is available at www.asx.com.au. The content of this Presentation is provided as at the date of this Presentation (unless otherwise stated). Reliance should not be placed on information or opinions contained in this Presentation and, subject only to any legal obligation to do so, Top Shelf does not have any obligation to correct or update the content of this Presentation.

Certain market and industry data used in this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither Top Shelf nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications.

Not financial product advice or offer

This Presentation does not, and does not purport to, contain all information necessary to make an investment decision, is not intended as investment or financial advice (nor tax, accounting or legal advice), must not be relied upon as such and does not and will not form any part of any contract or commitment for the acquisition of New Shares. Any decision to buy or sell securities or other products should be made only after seeking appropriate financial advice.

This Presentation is of a general nature and does not take into consideration the investment objectives, financial situation or particular needs of any particular investor.

Any investment decision should be made solely on the basis of your own enquiries. Before making an investment in Top Shelf, you should consider whether such an investment is appropriate to your particular investment objectives, financial situation or needs. Top Shelf is not licensed to provide financial product advice in respect of its shares.

This Presentation is not a prospectus, product disclosure statement or other offering document

under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission (**ASIC**) or any other foreign regulator). This Presentation is not, and does not constitute, an invitation or offer of securities for subscription, purchase or sale in any jurisdiction.

The distribution of this Presentation in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. In particular, this Presentation may not be distributed or released in the United States. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act (which Top Shelf has no obligation to do or procure) or are offered or sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws. The distribution of this Presentation in the United States and elsewhere outside Australia may be restricted by law. Persons who come into possession of this Presentation should observe any such restrictions as any non-compliance could contravene applicable securities laws. Refer to Section 5 of this Presentation for further details about international offer restrictions.

The retail offer booklet for the Retail Entitlement Offer will be available following its lodgement with ASX. Any eligible retail shareholder in Australia or New Zealand who wishes to participate in the Retail Entitlement Offer should consider the retail offer booklet before deciding whether to apply under that offer.

Investment risk

An investment in Top Shelf shares is subject to known and unknown risks, some of which are beyond the control of Top Shelf and its directors. Top Shelf does not guarantee any particular rate of return or the performance of Top Shelf nor does it guarantee any particular tax treatment. You should have regard to the risk factors outlined in Section 4 of this Presentation when making your investment decision. Cooling off rights do not apply to the acquisition of New Shares.

Financial information

All financial information in this Presentation is in Australian dollars (\$) or AUD) unless otherwise stated. This Presentation includes certain pro forma financial information. Any such pro forma financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Top Shelf's views on its, nor anyone else's, future financial position and/or performance.

Any pro forma financial information has been prepared by Top Shelf in accordance with the measurement and recognition principles, but not the disclosure requirements, prescribed by the Australian Accounting Standards (**AAS**). In addition, the pro forma financial information in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission. Investors should be aware that

IMPORTANT NOTICE AND DISCLAIMER

certain financial measures included in this Presentation are ‘non-IFRS financial information’ under ASIC Regulatory Guide 230: ‘Disclosing non-IFRS financial information’ published by ASIC and also ‘non-GAAP financial measures’ within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under AAS and International Financial Reporting Standards (IFRS). Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information /non-GAAP financial measures may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although Top Shelf believes these non-IFRS financial measures /non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this Presentation.

Certain figures, amounts, percentages, estimates, calculations of value and fractions provided in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

Past performance

Past performance, including past share price performance of Top Shelf and pro forma financial information given in this Presentation, is given for illustrative purposes only and should not be relied upon as (and is not) an indication of Top Shelf’s views on its future financial performance or condition. Past performance of Top Shelf cannot be relied upon as an indicator of (and provides no guidance as to) the future performance of Top Shelf. Nothing contained in this Presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

Future performance and forward-looking statements

This Presentation contains certain “forward-looking statements”. The words “expect”, “anticipate”, “estimate”, “intend”, “believe”, “guidance”, “should”, “could”, “may”, “will”, “predict”, “plan” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Top Shelf, its directors and management including any further impacts of COVID-19 on Top Shelf’s continued trading and operations. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of

Top Shelf’s business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of Top Shelf, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this Presentation. The forward-looking statements are based on information available to Top Shelf as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), none of Top Shelf, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise.

Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Disclaimer

Canaccord Genuity (Australia) Limited (ABN 19 075 071 466) and Shaw and Partners Limited (ABN 24 003 221 583) are acting as joint lead managers and underwriters (**Underwriters**) to the Offer. A summary of the key terms of the underwriting agreement between Top Shelf and the Underwriters is provided in Section 6.

To the maximum extent permitted by law, Top Shelf, the Underwriters and the Underwriters’ respective related bodies corporate and affiliates, and their respective officers, directors, employees, agents and advisers:

- disclaim all responsibility and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any loss arising from this Presentation or reliance on anything contained in or omitted from it or otherwise arising in connection with this Presentation;
- disclaim any obligations or undertaking to release any updates or revisions to the information in this Presentation to reflect any change in expectations or assumptions; and
- do not make any representation or warranty, express or implied, as to the accuracy, reliability, completeness of the information in this Presentation or that this Presentation contains all material information about Top Shelf or that a prospective investor or purchaser may require in evaluating a possible investment in Top Shelf or acquisition of shares in Top Shelf, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement.

You acknowledge and agree that determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal requirements and the discretion of Top Shelf and the Underwriters and each of Top Shelf and the Underwriters disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

TABLE OF CONTENTS



	Executive Summary	5
Section 1	Overview of Top Shelf International	6
Section 2	Strategic Growth Objectives	13
Section 3	Capital Raising Summary	19
Section 4	Risks	23
Section 5	International Offer Restrictions	28
Section 6	Underwriting Agreement Summary	31
Section 7	Appendices	33

EXECUTIVE SUMMARY

FUNDING TO ACCELERATE GROWTH

Strategic Growth Objectives

Undertaking A\$35m capital raise to accelerate strategic growth and achieve five-year net sales ambition:

1. **Deliver Australia's first branded agave spirit portfolio and integrated distillery and production facility** – to support \$100m net sales ambition and capacity to produce more than 1.5m bottles of Australian Agave spirit p.a.
2. **Aggressively expand route to market strategy for NED Whisky & Grainshaker Vodka** - accelerate distribution and velocity, including expansion of international strategy
3. **Build best in class digital and data technologies** - investment in digital, data and direct-to-consumer channels to drive velocity, distribution and new product development differentiation
4. **Increase efficiencies and utilisation** - investment in supply chain and warehousing solutions to drive revenue and margin growth

Capital Raising

- Fully underwritten A\$35m capital raising, comprising:
 - institutional placement to raise A\$9.3m
 - 1 for 3.1 accelerated non renounceable entitlement offer to raise A\$25.7m
- New Shares to be offered at A\$1.60 per New Share

FY21 Highlights

- Delivered on IPO Prospectus forecasts – FY21 pro forma revenue of A\$20m
- NED Whisky and Grainshaker Vodka are the fastest growing whisky¹ and vodka² brands in Australia.
- Continued investment in maturing whisky and agave assets – total net sales value of A\$272 million at 30 June 2021³
- Key executive appointments across multiple business functions – includes Trent Fraser as President to lead the agave and international growth strategy

Notes: 1. IRI AU Liquor Data (CLG and ALM ww), Dollars Growth vs. pcp, MAT to 25/07/21. 2. Management estimate based on comparison between Australian Vodka brands sales data, IRI AU Liquor Data (CLG and ALM) \$ Growth vs. pcp MAT 29/7/21 and TSI net revenue data. 3. TSI ASX Announcement Net Sales Value of Maturing Spirit July 2021.



1. OVERVIEW OF TOP SHELF INTERNATIONAL

SNAPSHOT OF TOP SHELF INTERNATIONAL

AUSTRALIA'S MULTI-BRANDED INTERNATIONAL SPIRITS COMPANY

Australia's largest and fastest growing premium Australian spirits company, and largest distiller of whisky

Our ambition is to create high quality, authentic and accessible Australian spirit brands

Our brands



NED Whisky

5-Year Net Sales Ambition >\$100m



Grainshaker Vodka

5-Year Net Sales Ambition >\$50m



Agave

5-Year Net Sales Ambition >\$100m

Assets

Vertically-integrated, state-of-the-art production and manufacturing facility

Maturation and bond stores

Capability to accelerate and execute

One-of-a-kind agave farm

Agave distillery and production facility

In development

FUNDAMENTALS IN PLACE

INVESTMENT IN SCALE, CAPACITY AND BRAND TO REALISE SIGNIFICANT GROWTH OPPORTUNITIES



STRUCTURAL TAILWINDS

RECORD RETAIL GROWTH DRIVING SPIRITS AND RTD SALES GROWTH IN AUSTRALIA

Spirits¹

Total Size (\$)
\$5.1b

Growth (\$)
\$501m

Growth (\$)
+10.8%

RTD¹

Total Size (\$)
\$3.7b



Growth (\$)
\$701m

Growth (\$)
+23.3%

There are significant opportunities for Australian spirits to further outperform the overall spirits market in Australia

~8%

Only 8% of spirits consumed in Australia are Australian by provenance²

 Beer 80%  Wine 75%

\$4

Australia currently exports only \$4 per capita in spirits³
NZ \$14, Sweden \$80
Estonia \$85, UK \$120
Ireland \$171

1. IRI Liquor Outlook Report August 2021 – MAT to August 2021

2. Euromonitor Alcohol in Australia May 2021. 3. Spirits & Cocktails Australia, <https://www.spiritsandcocktailsaustralia.com.au/advocating-for-a-fair-and-sustainable-spirits-tax/>

Macro Trends
driving growth

Premiumisation /
Trading Up

Supporting
local

The at-home
occasion

e-commerce
expansion

KEY HIGHLIGHTS

Achieved IPO Prospectus Forecast

Pro Forma Revenue

\$20m

FY21
+160% on pcp
Delivered on
prospectus forecast

Whisky Price/Litre

\$71.4

+23% on H1 FY21¹

Gross Margin

23.9%

FY21
21.6% to 25.2% HOH
+1.1% ahead of
prospectus forecast

EBITDA

-\$6.1m

At end FY21
Result ahead of
prospectus forecast

Brand

#1

NED Fastest
Growing Whisky²
Grainshaker Fastest
Growing Australian
Vodka³

NSV Maturing Spirits

\$290m

Agave \$167m
Whisky \$123m
at end Q1 FY22¹

Available Funding

\$13.3m

Cash reserves \$4.5m
plus borrowing base
extension \$8.8m⁴

Capability

\$63.6m

- Tangible Assets
- Our People
- Operating Model

Award Winning Spirits⁵

TSI's portfolio of spirits picked up **8 MEDALS** at the 2021 Tasting Australia Spirit Awards announced on Saturday 16 October.

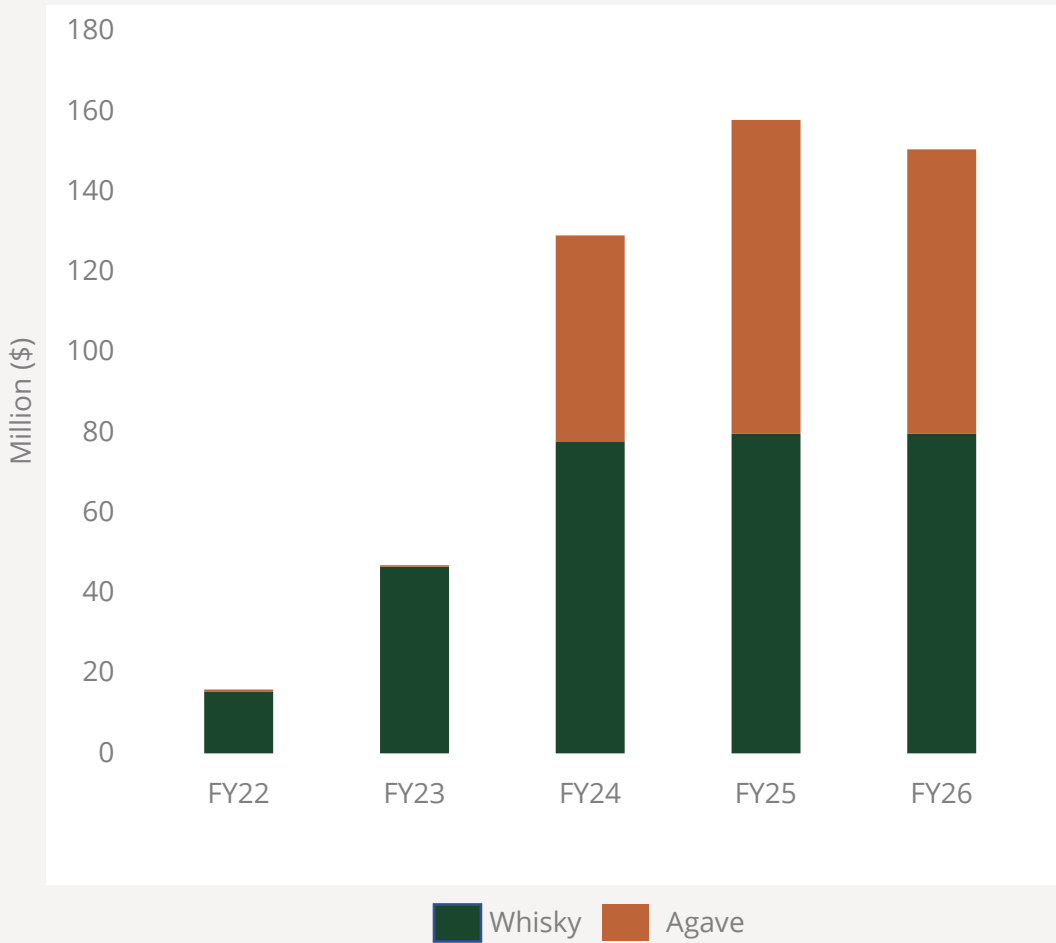
- NED Whisky was awarded **5 MEDALS**; a SILVER for the 700ml core spirit, and 3 x SILVERS for The Wanted Series #2, #3, #4, and 1 x BRONZE for The Wanted Series #5.
- Grainshaker Vodka was awarded **3 MEDALS**; the Wheat, Corn and Rye varieties all receiving SILVER medals, following the GOLD medal for Grainshaker Wheat at the 2021 Melbourne International Spirits Competition earlier in the year

1. Applying the valuation methodology set out in TSI ASX Announcement Net Sales Value of Maturing Spirit July 2021. 2. IRI AU Liquor (CLG and ALM ww), Dollars Growth vs. pcp, MAT to 25/07/21. 2. Management estimate based on comparison between Australian Vodka brands sales data, IRI AU Liquor \$ Growth vs. pcp MAT 29/7/21 and TSI net revenue data. 4. TSI executed an Amendment Deed with Longreach Credit on 19 October 2021 to extend the existing facility limit from \$15m to \$25m. TSI has immediate access to additional funding of \$5.4m (net of transaction costs) with access to a further \$3.5m upon execution of an insurance policy in relation to Top Shelf's Eden Lassie agave farm. 5. <https://tastingaustralia.com.au/about/spirit-awards/2021-spirit-award-winners>

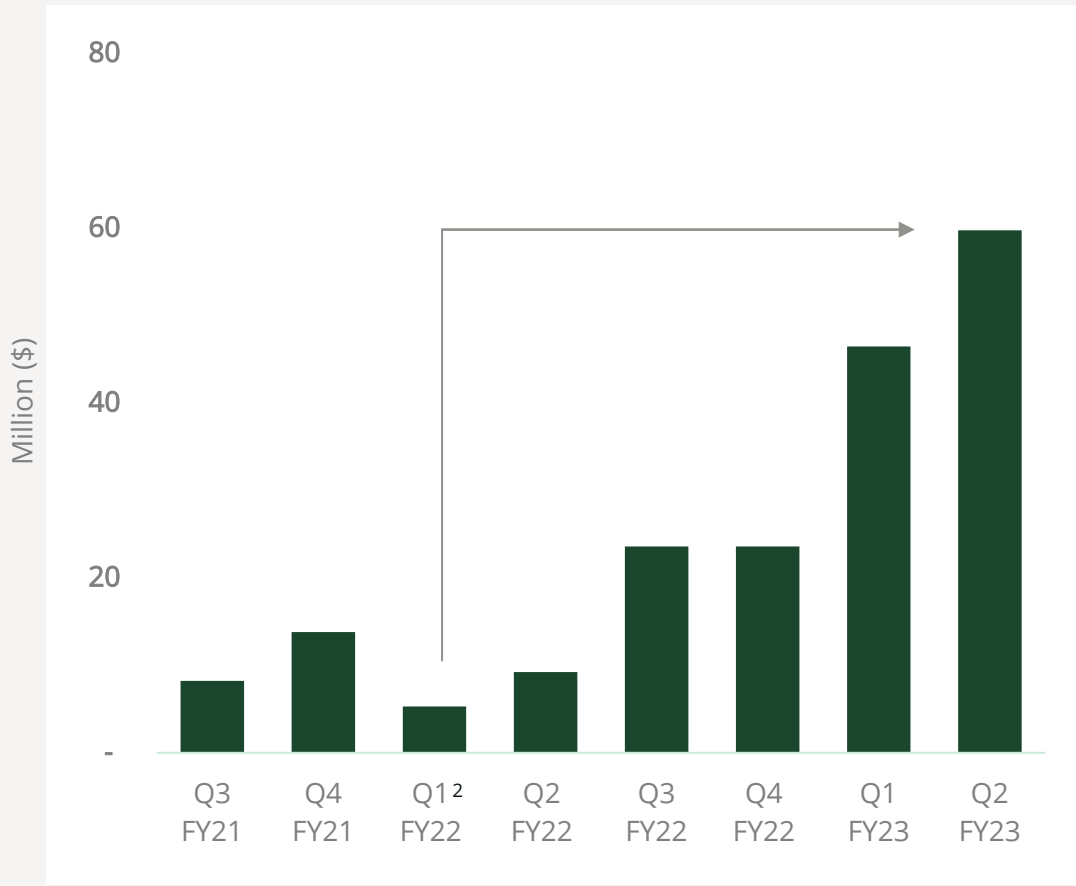
NET SALES VALUE OF MATURING SPIRIT

\$500M IN NET SALES VALUE OF MATURING SPIRIT OVER NEXT FIVE YEARS ¹

NET SALES VALUE OF MATURING SPIRIT (\$M)¹



ANNUALISED RUN RATE OF WHISKY AVAILABLE FOR SALE (\$M)¹

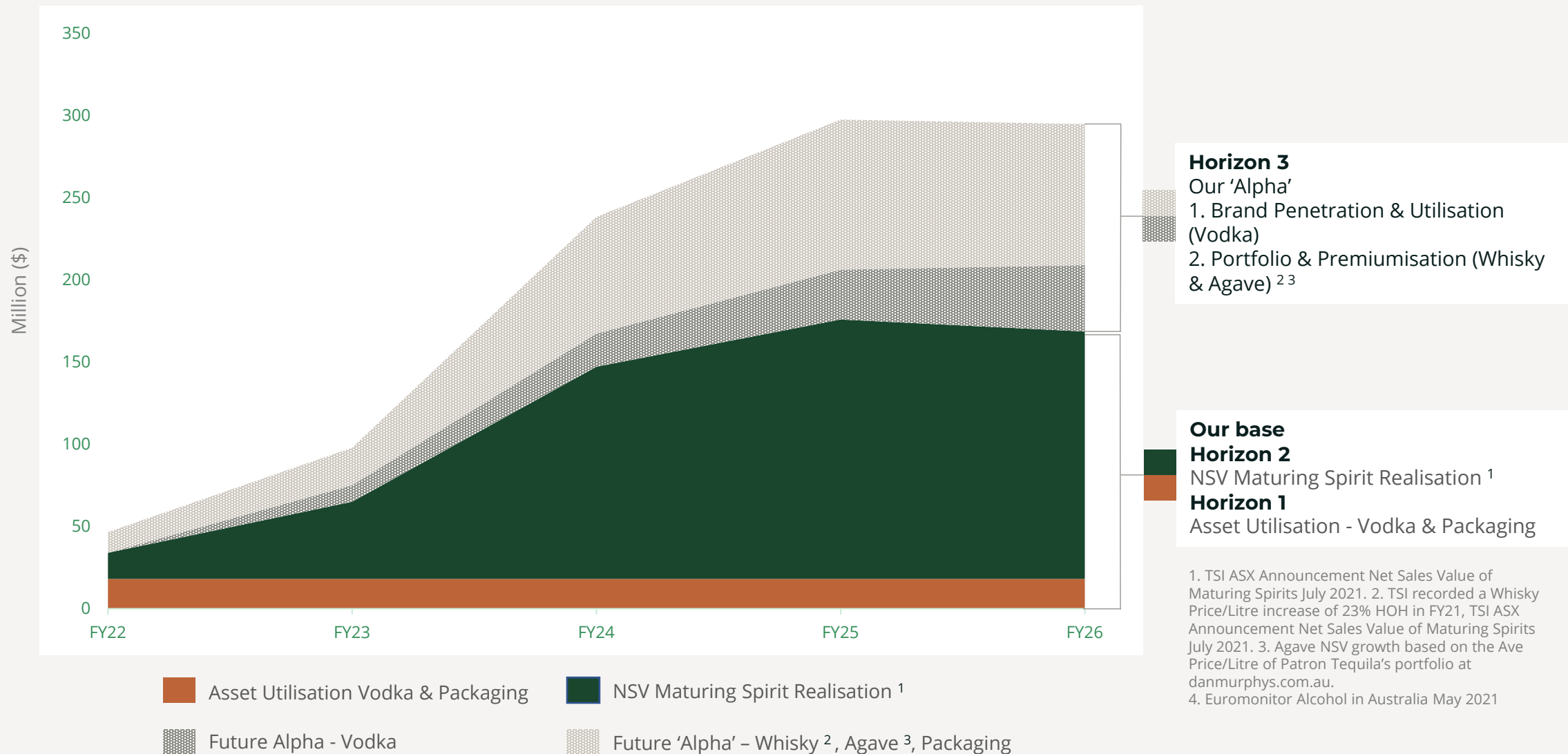


1. TSI ASX Announcement Net Sales Value of Maturing Spirit July 2021. 2. Q1 FY22 inventory impacted by commissioning of Campbellfield distillery



DELIVERING OUR FIVE-YEAR AMBITION

OUR AMBITION REPRESENTS APPROX 2.7% OF CURRENT \$11.2B ⁴ AUSTRALIAN SPIRITS MARKET



2. STRATEGIC GROWTH OBJECTIVES



NED The Wanted Series #4 - Daring
SILVER - 2021 Tasting Australia Spirit Awards

STRATEGIC GROWTH OBJECTIVES

TSI TO BE FUNDED TO EXECUTE NEAR TERM GROWTH OBJECTIVES



Deliver Agave distillery and production facility

- Build one-of-a kind agave distillery and production facility in north Queensland
- Capacity to harvest, distil and package over 1.5m bottles of Agave spirit p.a.
- Australia's first integrated agave spirit production facility at scale
- Facility scheduled to open in mid 2023



Aggressively scale award-winning NED Whisky and Grainshaker Vodka

- Aggressively scale spirit distribution and velocity through investment in key partnerships, international expansion and consumer-facing activity
- Value of NED Whisky inventory due to reach maturation – Net Sales of \$111m maturing at end FY21 increasing to \$180m at end FY22
- Grainshaker Vodka distillation and production capacity be can significantly scaled



Build best-in-class digital / data technologies

- Investment in scaling direct-to-consumer channels – leads to increased margins and supports new product development
- Launch Agave Consumer Program via Non Fungible Token
- Differentiate TSI from its peers



Increase efficiencies and utilisation

- Investment in supply chain and warehousing solutions at Campbellfield and Somerton
- Optimise production efficiencies and utilisation (increase plant uptime) of the facilities driving increased revenue and margins
- Provide flexibility to contract packaging partners to meet demand

AUSTRALIAN AGAVE

DISTILLERY, PRODUCTION FACILITY & ROUTE TO MARKET



TSI to build and commission Australia's first integrated agave spirit production at scale

The Facility

- Agave Distillery and Production Facility to produce **100% Australian Agave Spirit**
- To be located at TSI's one of a kind Agave spirit farm in north Queensland
- Capacity to harvest, distil and package **over 1.5m bottles p.a.**
- Facilities will include cooking, extraction, fermentation, distillation and packaging, as well as a limited visitor experience in its initial stage

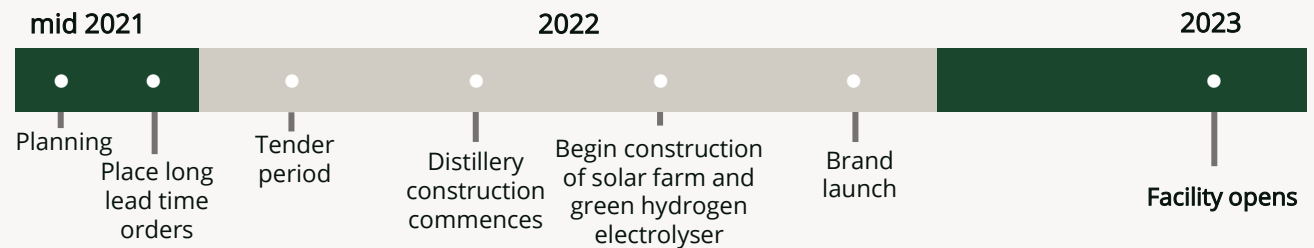
Route to Market

- Investment will also support the brand's **initial route to market strategy** in Australia and international markets

The Market

- The tequila/mezcal category grew 32% MAT in 2020 in Australia¹
- Tequila is the third largest spirits category in the US, representing 14% of the US Spirits Market (vs 7% in 2000)². In 2020 it had a value of US\$9.4b³

Key Timeline for Facility Construction



Notes: 1. IRI AU Liquor (CLG and ALM ww), Dollars Growth vs. pcp, MAT to 04/04/21. 2 Barclays Global Consumer Staples US Tequila - Equity Research July 2021. 3. Forbes Business Insights <https://www.fortunebusinessinsights.com/tequila-market-104172>

BRAND SCALING

AGGRESSIVELY SCALE AND ACCELERATE NED WHISKY & GRAINSHAKER VODKA



Aggressively scale NED Whisky & Grainshaker Vodka in Australia and Internationally

Scalability

- Award-winning NED Whisky and Grainshaker Vodka are the **fastest growing spirits** in their respective categories in Australia
- Opportunity to aggressively scale NED Whisky sales due to **increased inventory scheduled to reach maturation** → allows NED to compete at scale for the first time
- Grainshaker Vodka distillation and production capacity can be significantly scaled
- Scale through growing distribution channels in key geographic areas

Priorities

Priorities:

1. **Domestic distribution:** Enter long term strategic relationships with major domestic retailers
 2. **International expansion:** Via China & Hong Kong
 3. **Brand activation:** Build domestic and international brand awareness through experience-focused marketing (in-store and events)
- Long-term partnerships with retailers removes distribution executional risk and allows TSI to invest at scale in marketing activities → leads to efficiencies in execution and optimisation

International expansion strategy

- Continue building sales resources in China to leverage exposure from Alibaba's Global Discovery Mall
- Expansion of On-Premise and Off-Premise distribution in Hong Kong is a gateway into greater China
- Sign new distribution agreements in prioritised global markets

Notes: 1. IRI AU Liquor (CLG and ALM ww), Dollars Growth vs. pcp, MAT to 25/07/21. 2. Management estimate based on comparison between Australian Vodka brands sales data, IRI AU Liquor \$ Growth vs. pcp MAT 29/7/21 and TSI net revenue data. 3. TSI ASX Announcement Net Sales Value of Maturing Spirit July 2021.

DIGITAL, DATA & DIRECT TO CONSUMER

BUILD BEST-IN-CLASS DIGITAL AND DATA TECHNOLOGIES



Utilising existing and emerging technologies to grow brand and differentiation

Approach

- Deploy newly-created digital capability in e-commerce and DTC channels
- Utilise data and technology to map and target key demographics
- Initial focus on leveraging digital technologies to help build deeper relationships with retail partners
- Agave Consumer Program: leverage our agriculture technology at our Agave spirit farm (use of drones to geo-code a plant, watch it grow, tailor your production and maturation choices, and receive your very own one of a kind world class Australian Agave spirit)
 - Utilising smart contracts on a block chain platform

Benefits

1. Best-in-class quality and efficiency of decision making through on demand access to business intelligence
2. A scalable direct to consumer channel that positively contributes to the company's margin profile while also supporting new product development
3. Rapid access to new technologies that can deliver advantage in the category and accelerate brand, scale, margin and customer engagement

Upcoming milestones

- | | |
|---------|---|
| Q4 2021 | Launch of Agave Consumer Program via Non Fungible Token |
| Q4 2021 | Scaling of TSI DTC channels |

SUPPLY CHAIN

INCREASE EFFICIENCIES AND UTILISATION



Additional investment in supply chain and warehousing solutions from Q4 2021

Key areas of investment

- Additional investment in TSI's supply chain and warehousing solutions at Campbellfield and Somerton
- Investment will be made in three key areas:
 1. Equipment & Critical Spares
 2. Multipacker
 3. Warehousing
- Complement TSI's significant previous investment in supply and chain and warehousing capabilities

Outcome

- Targeted at increasing plant uptime, utilisation and production efficiency
- Realise revenue and margin benefits
- Provides the opportunity to leverage additional growth opportunities now and into the future
- Allow TSI to provide flexibility to contract packaging partners and its own brands to meet category and market demand

A silhouette of a person working in a field of agave plants at sunset. The person is bent over, possibly harvesting or tending to the plants. The sky is a mix of blue and orange, with scattered clouds. The agave plants are large and spiky, framing the scene.

3. CAPITAL RAISING SUMMARY

CAPITAL RAISING OVERVIEW

INSTITUTIONAL PLACEMENT AND ACCELERATED NON RENOUNCEABLE ENTITLEMENT OFFER

Offer Size & Structure

- A\$35m fully underwritten capital raise comprising:
 - A\$9.3m institutional placement (**Placement**)
 - A\$25.7m, 1 for 3.1 pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**)
- Approximately 21.9 million New Shares to be issued under the Offer, representing approximately 44% of current issued capital
- New Shares will rank equally in all respects with existing TSI ordinary shares from the date of their issue
- Under the Retail Entitlement Offer, Eligible Retail Shareholders who take up their full entitlement may also apply for additional New Shares in excess of their entitlement at the Offer Price (subject to scale-back, at Top Shelf's discretion). The maximum amount of additional New Shares that an Eligible Retail Shareholder can apply for is 50% of their entitlement.

Offer Price

- All New Shares under the Placement and Entitlement Offer to be offered at \$1.60 per New Share (**Offer Price**)
 - 12.1% discount to last close of A\$1.82 on 19 October 2021
 - 8.7% discount to the Theoretical Ex-Rights Price (TERP) of A\$1.75¹

Use of Proceeds

- To execute growth strategy:
 - Deliver Australia's first integrated agave spirit production facility at scale
 - Aggressively scale and accelerate the NED Whisky & Grainshaker Vodka brands
 - Build best in class digital and data technologies
 - Increase efficiencies and utilisation

Lead Manager & Underwriting

- The Offer will be fully underwritten by Canaccord Genuity (Australia) Limited and Shaw and Partners Limited (**Underwriters**)
- A summary of the underwriting agreement is set out in Section 6.

Note: 1. The theoretical ex-rights price (TERP) is the theoretical price at which Top Shelf shares should trade after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Top Shelf shares trade at that time will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Top Shelf's closing price on ASX on 19 October 2021 of \$1.82.

USE OF FUNDS

FUNDS USED TO EXECUTE GROWTH STRATEGY

Source of funds	\$m
Placement	9.3
Entitlement Offer	25.7
Total	35.0

Use of funds	\$m
Deliver Australia's first integrated agave spirit production facility at scale	18.0
Aggressively scale and accelerate the NED Whisky & Grainshaker Vodka brands	10.5
Build best in class digital and data technologies	2.5
Increase efficiencies and utilisation	2.1
Offer costs	1.9
Total	35.0

Capital structure	Shares	%
Existing Shares on issue	49.7m	69.4%
Placement Shares	5.8m	8.2%
Entitlement Offer Shares	16.0m	22.4%
Total	71.6m	100%

TIMETABLE

Event	Date
Announcement of the Entitlement Offer	Wednesday, 20 October 2021
Placement and Institutional Entitlement Offer opens	Wednesday, 20 October 2021
Placement and Institutional Entitlement Offer closes	Thursday, 21 October 2021
Announcement of results of Placement and Institutional Entitlement Offer	Friday, 22 October 2021
Shares recommence trading on an ex-entitlement basis	Friday, 22 October 2021
Entitlement Offer Record Date	7:00pm (AEDT) Friday, 22 October 2021
Retail offer booklet dispatched to Eligible Retail Shareholders and Retail Entitlement Offer opens	Wednesday 27 October 2021
Settlement of New Shares issued under the Institutional Entitlement Offer	Wednesday, 27 October 2021
Issue and commencement of trading of New Shares under the Institutional Entitlement Offer	Thursday, 28 October 2021
Retail Entitlement Offer closes	Friday, 5 November 2021
Announcement of results of Retail Entitlement Offer	Tuesday, 9 November 2021
Settlement of New Shares issued under the Retail Entitlement Offer	Thursday, 11 November 2021
Issue of New Shares under the Retail Entitlement Offer	Friday, 12 November 2021
Commencement of trading of New Shares issued under the Retail Entitlement Offer	Monday, 15 November 2021
Holding statements in respect of New Shares issued under the Retail Entitlement Offer dispatched	Wednesday, 17 November 2021

Note: Timetable is indicative only and subject to change

4. RISKS



KEY RISKS

This Section 4 identifies some, but not all, of the major risks associated with an investment in the Company.

The COVID-19 pandemic may adversely impact Top Shelf's business

There is continuing uncertainty as to the duration and further impact of the COVID-19 pandemic, including in relation to the timing and nature of government imposed restrictions and advice or guidance as to business operations and community movements, and the depth and length of the negative and positive impacts on domestic and global economic activity and certain segments of the domestic economy. Given the high degree of uncertainty surrounding the extent and duration of the COVID-19 pandemic and its potentially lasting impacts on consumer attitudes, preferences and spending, it is not currently possible to assess the full impact of the COVID-19 pandemic on Top Shelf's business, operations and prospects. However, continued periods of social distancing (including restrictions on social gatherings, such as density restrictions that may apply to pubs, bars, restaurants and other public licensed venues), vaccination mandates, quarantines, travel restrictions, work stoppages, health authority actions, lockdowns and other related measures within Australia and internationally, or an escalation of existing measures, may directly and indirectly impact a number of aspects of Top Shelf's business. For instance, these measures may have a material adverse impact on Top Shelf's ability to ensure supply chain and distribution continuity, which may in turn limit Top Shelf's ability to produce its products and provide its bottling and packaging services and service customers as expected. These measures may also disrupt or curtail Top Shelf's marketing and sales initiatives. Internationally, overseas responses to and impact of the pandemic may adversely affect timely delivery of plant and equipment and new oak maturation barrels.

Top Shelf's brands and marketing and sales strategies may not be successful

Top Shelf's future success is partly dependent on the realisation of benefits from investment in its brands and sales and marketing strategies, initiatives and campaigns. Top Shelf expects that the costs of developing its existing NED and Grainshaker brands and any new brands, such as its agave brand, and associated marketing strategies, initiatives and campaigns will continue to increase as Top Shelf's business and product range grow. However, there is no guarantee that Top Shelf will realise any benefits from such brand investments, marketing strategies, initiatives and campaigns, for example, if such brands, marketing strategies, initiatives or campaigns do not resonate with potential consumers or fail to capture market share. Failure to realise the benefits of investment in its brands, marketing strategies, initiatives and campaigns may adversely impact Top Shelf's ability to attract new customers and as a result Top Shelf's operating and financial performance.

Top Shelf may fail to comply with safety and quality standards and other legal and regulatory requirements

Raw ingredients (such as grains required for the production of whisky and vodka) as well as final products are susceptible to deterioration, contamination, tampering or adulteration

throughout all stages of the supply chain (including storage) or may otherwise be unsafe or unfit for sale or consumption. This may result from various factors, including human error, equipment failure and other external factors that may impact Top Shelf and its suppliers and service providers. Increased sales volumes of Top Shelf's products, which may necessitate sourcing raw ingredients from new suppliers, multiple product and increased production runs and new product development, may also amplify the risk of non-compliance. Non-compliance with safety regulations and quality standards that apply to Top Shelf's products or the products Top Shelf bottles and packages for customers, and associated adverse publicity, could damage Top Shelf's brand and reputation, reduce demand for Top Shelf's products or services and result in other adverse consequences for Top Shelf, including regulatory penalties or other litigation, product recall and disposal costs, loss of inventory and delayed supply of Top Shelf's products or demand for Top Shelf's services.

Top Shelf must comply with a range of laws and regulations. These laws and regulations include but are not limited to liquor licensing, beverage standards and product content requirements, labelling and packaging (including mandatory dietary content disclosures), biosecurity, fair trading and consumer protection, employment, health and safety, property and the environment (including climate change and environmental protection), customs and tariffs and direct and indirect taxation and excise duties. Compliance with these laws and regulations, and the ability to comply with any change to these laws and regulations, is material to the success of Top Shelf's business. Failure to comply may result in a monetary fine or other penalty (such as loss of liquor or manufacturing licences or the ability to operate), additional costs, adverse publicity or a loss in consumer confidence in Top Shelf's products, which could have a material adverse effect on Top Shelf's operating and financial performance and reputation. Furthermore, new laws or regulations may be introduced, there may be a change to the existing laws or regulations or revised interpretations of those laws or regulations. These, as well as other regulatory changes, could impact Top Shelf's ability to successfully implement its business strategy and result in increased costs, damage to Top Shelf's reputation and loss of consumer confidence in the Company's products.

Changes in consumer trends and preferences may adversely impact sales of Top Shelf's products

The Australian alcoholic beverages market that Top Shelf operates in is subject to changing consumer trends, demands, preferences and attitudes, including as a result of shifting and evolving beliefs, tastes and dietary habits of end consumers, views advanced by celebrities and social media influencers, socioeconomic development and other economic conditions. Failure by Top Shelf to anticipate, identify and react to changing consumer trends in a timely manner in respect of some or all of Top Shelf's target end consumers could lead to reduced demand and price reductions for Top Shelf's products. Further, Top Shelf's current branded product and distribution mix are concentrated on whisky and vodka, which means that Top Shelf's revenue could be materially impacted by adverse changes in end consumer demand for those types of products.

KEY RISKS

Top Shelf may lose a key customer or customer support more generally

Top Shelf's distribution arrangements with Australian Liquor Merchants (ALM) and Independent Brands Australia (IBA) operate under ALM's and IBA's standard trading terms and conditions, which can be terminated by ALM or IBA on short notice and without penalty. Further, ALM and IBA are under no obligation to purchase a particular volume of Top Shelf's products or to continue purchasing Top Shelf's products at all. Any of Top Shelf's key customer relationships (including ALM or IBA) may be lost or impaired, for example if customers experience any dissatisfaction with Top Shelf's products or services or end consumers fail to purchase Top Shelf's products. This may (either temporarily or for a prolonged period of time) decrease the volume of products that Top Shelf is able to sell, and services Top Shelf is able to provide, to its customers. There can be no guarantee that customers will continue to purchase the same, similar or greater quantities of Top Shelf's products or services as they have historically. The loss of any of Top Shelf's key customers (including ALM or IBA), or a significant reduction in the volume of products purchased or services required by one or more key customers (including ALM or IBA), may adversely impact Top Shelf's operating or financial performance.

Top Shelf may suffer reputation or brand damage

The reputation of Top Shelf's products and brands and the value associated with them could be impacted by a number of factors including:

- quality issues (perceived or actual) with Top Shelf's products or services;
- a failure or delay in supplying products or services;
- the actions of Top Shelf's third party suppliers and Top Shelf's customers (including their employment practices or treatment of staff);
- a regulatory breach;
- adverse media coverage (including social media) or publicity about Top Shelf's products, services or practices (whether valid or not) or changes in the public perception of the alcoholic beverage product industry; or
- workplace incidents or disputes with Top Shelf's workforce.

A material adverse impact to the reputation of Top Shelf's products, services or brands could adversely affect customer relationships, resulting in loss of business, loss of contract and loss of market share, and have a material adverse effect on Top Shelf's financial and operating performance.

Top Shelf operates in a highly competitive industry and it may fail to implement its growth strategy or manage growth

Top Shelf is a relatively small participant in the highly competitive Australian alcoholic beverage market and is subject to existing and growing competition from domestic and international producers of alcoholic beverages with greater market share and well established operations. Top Shelf may not successfully compete with its competitors, including by being able to maintain competitive prices for its products and services. Top Shelf may not succeed in implementing its growth strategies for a variety of reasons, including being unable to compete with existing domestic and international producers, an inability to access debt or equity capital, overall economic or market conditions or a failure to adapt its strategy over time where

required. Such failure, and the costs incurred in seeking to implement its strategy, may materially and adversely affect the financial performance and future prospects of Top Shelf. There is also a risk that Top Shelf is unable to scale supply of its product in a timely manner to grow its business or to meet increases in demand. For example, the production of Top Shelf's whisky products may be constrained by the time required for its whisky to mature. If Top Shelf is not in a position to grow its business or meet increases in demand on a timely basis, customers may instead choose to purchase alternative products and this may adversely impact Top Shelf's financial performance and ability to grow its business successfully.

Top Shelf may fail to attract and retain key management personnel

The successful operation of Top Shelf is dependent on its ability to attract and retain experienced, skilled and high performing key management and operating personnel. Failure to attract and retain certain personnel may adversely affect Top Shelf's ability to execute its business strategy and may result in a material increase in the cost of obtaining appropriately experienced personnel. This could also have a materially adverse impact on Top Shelf's operating and financial performance and growth prospects.

Top Shelf may experience issues with its manufacturing or storage facilities

The equipment and management systems necessary for the operation of Top Shelf's manufacturing facilities may break down, perform poorly, fail, or be impacted by a fire or major weather event (such as a storm), resulting in manufacturing delays, increased manufacturing costs or an inability to meet customer demand. Furthermore, Top Shelf has a significant amount of product inventory stored in a number of facilities, including whisky that must be laid down for a statutory minimum of two years. Top Shelf's storage facilities may be impacted by a fire or major weather event (such as a storm) or subject to malicious attack, which may result in the loss, damage, contamination or destruction of all or some of its stored product inventory. Supplies of oak maturation barrels from overseas suppliers may also be adversely affected by interruptions to the supply chain.

Interruptions and delays to production and delivery of locally and internationally manufactured equipment to be installed in the agave distillery may delay construction and commissioning of the distillery and the timing and rate of production of agave spirit. This could result in delays in the release of product for sale, which may have a material adverse effect on Top Shelf's financial performance.

Any significant or sustained interruption to Top Shelf's manufacturing processes, or the loss, damage, contamination or destruction of stored product inventory, may materially adversely impact Top Shelf's production capacity and available inventory and, as a result, Top Shelf's sales. Top Shelf leases the properties at which its Victorian manufacturing and storage facilities are located. While Top Shelf has entered into long term leases where possible, there is a risk that any of these leases may be terminated or not renewed. In these circumstances, Top Shelf would need to establish its operations (or part of its operations) at another property, which would cause Top Shelf to incur significant financial cost and result in material interruption to its business.

KEY RISKS

There may be an interruption in Top Shelf's supply chain

Top Shelf's relationships with its existing suppliers are not always formally documented nor exclusive, and some of these third party providers also have relationships with Top Shelf's competitors. Therefore, Top Shelf may not be able to retain its relationship with its third party suppliers. Further, the quantity and quality of Top Shelf's products may be adversely affected by weather or climatic conditions (including climate change). Any adverse change to weather or climatic conditions may impact the availability and sustainability of raw ingredients used by Top Shelf, including the grains required to produce whisky and vodka, as well as the agave plants planted at the Eden Lassie agave farm, components of which Top Shelf expects to use as ingredients in its agave products. If a weather or climatic condition disrupts Top Shelf's supply chain, Top Shelf may not be able to source suitable raw ingredients and this may have a material adverse impact on Top Shelf's operations and financial performance.

The incidence of a biosecurity event such as a disease outbreak in the agave crop at the Eden Lassie agave farm or in crops of key producers of the grains required to produce whisky or vodka could lead to a reduction in available raw ingredient supply to Top Shelf, which may in turn materially and adversely impact Top Shelf's operations, financial performance and reputation. Other biosecurity risks may arise from inadvertent actions such as use of contaminated ingredients or from deliberate actions. The incidence of such events could erode consumer confidence in Top Shelf's products. This may adversely impact demand for Top Shelf's products and have an adverse effect on the Company's financial performance.

Top Shelf may fail to manage its inventory effectively

Top Shelf may fail to accurately forecast or manage its inventory levels. For example, if Top Shelf produces excess product that it cannot sell in a timely manner, the excess product may need to be sold at a discount and Top Shelf may be required to bear the costs of the surplus product and recognise inventory write-down costs. This may have a material adverse impact on the financial position of Top Shelf and its operating results.

Top Shelf may experience significant increases in manufacturing costs

Top Shelf may be adversely impacted by increases in manufacturing costs, including material increases in key ingredient prices such as grains required to produce whisky and vodka. The availability and price of key ingredients used in Top Shelf's products are influenced by global demand and supply factors outside of Top Shelf's control, and may be impacted by, amongst other things, climatic or environmental conditions or biosecurity events and Top Shelf's relationship with its key suppliers. Weather and climatic conditions such as droughts or other unforeseen weather patterns could impact supply and cause significant fluctuations in the availability of key ingredients, which may have flow-on price implications for Top Shelf. If there is a significant increase in the cost of the inputs of Top Shelf's products, this may have a material adverse effect on Top Shelf's operating and financial performance.

Top Shelf's confidential information may be lost or compromised

Top Shelf's finished products and the recipes and processes to produce them are confidential to Top Shelf and are of significant value to Top Shelf. There is a risk that the value of Top Shelf's confidential information may be compromised for a number of reasons, including:

- Top Shelf employees may breach operational procedures or employees or third parties may breach confidentiality obligations or infringe or misappropriate Top Shelf's confidential information;
- Top Shelf's third party suppliers may gain insights into Top Shelf's confidential information, including its confidential product specifications, and use these findings to develop alternative products that compete with Top Shelf; and
- third parties may develop non-infringing competitive products.

Any such breaches or competitive products could erode Top Shelf's market share. This could have a materially adverse impact on Top Shelf's operating and financial performance and growth prospects.

Top Shelf may be involved in litigation or other disputes

Top Shelf may, from time to time, be subject to litigation and other claims or disputes in the ordinary course of its business or otherwise, including product liability claims, intellectual property disputes, contractual disputes, indemnity claims, occupational health and safety claims and employment disputes. The outcome of litigation cannot be predicted with certainty and adverse litigation outcomes could adversely affect Top Shelf's business, financial condition and reputation.

Top Shelf may be unable to access funding

Top Shelf is currently loss making and is not cash flow positive, meaning it is reliant on raising funds from investors to continue to fund its operations. Top Shelf may seek to raise additional debt finance or new equity in the future to continue to grow its business. If there is a deterioration in the level of liquidity in the debt and equity markets, or the terms on which debt or equity is available, this may prevent Top Shelf from being able to raise the relevant debt or equity. Consequently, if Top Shelf is unable to access funding when required, this may have a material adverse effect on Top Shelf's financial position and hinder its ability to execute its growth strategy effectively.

Risks associated with an investment in shares

There are general risks associated with investments in equity capital such as Top Shelf shares. The trading price of Top Shelf shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for New Shares being less or more than the Offer Price. Generally applicable factors that may affect the market price of Top Shelf shares (over which Top Shelf and its directors have no control) include:

- general movements in Australian and international stock markets;
- investor sentiment;
- Australian and international economic conditions and outlook;
- changes in interest rates and the rate of inflation;
- change in government regulation and policies; and
- geopolitical instability, including international hostilities and tensions and acts of terrorism, which may also in turn impact global trade flows.

KEY RISKS

No assurance can be given that the New Shares will trade at or above the Offer Price. None of Top Shelf, its directors or any other person guarantees the market performance of the New Shares.

There have been significant fluctuations and volatility in the prices of equity securities in recent times, which may have been caused by general rather than company-specific factors, including the general state of the economy, the response to the COVID-19 pandemic, investor uncertainty, geopolitical instability and global hostilities and tensions. In particular, the COVID-19 pandemic has resulted in significant market falls and volatility both in Australia and overseas, including in the prices of equity securities. As detailed above, there continues to exist considerable uncertainty as to the further impact of COVID-19 on the Australian and global economy and share markets including in relation to governmental action, work stoppages, university and school stoppages, lockdowns, quarantines, travel restrictions and the impact on the economy and share markets. Any of these events and resulting fluctuations may materially adversely impact the market price of Top Shelf shares.

Risk of shareholder dilution If shareholders do not participate in the Offer then their percentage shareholding in Top Shelf will be diluted as a result of the issue of New Shares under the Offer. Even if a shareholder does take up all of their entitlement under the Entitlement Offer, their percentage shareholding in Top Shelf may be diluted by the Placement.

In the future, Top Shelf may also elect to issue new shares to fund or raise proceeds for acquisitions Top Shelf may decide to make. While Top Shelf will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capacity it is able to issue within a 12-month period (other than where exceptions apply), shareholders may be diluted as a result of such issues of shares and fundraisings.

Changes in taxation laws and their interpretation

Changes in tax law or changes in the way tax laws are interpreted may impact the level of tax that Top Shelf is required to pay or collect, shareholder returns, the level of dividend imputation or franking or the tax treatment of a shareholder's investment. In particular, both the level and basis of taxation may change. Tax law is frequently being changed, both prospectively and retrospectively. Further, the status of some key tax reforms remains unclear at this stage. Additionally, tax authorities may review the tax treatment of transactions entered into by Top Shelf. Any actual or alleged failure to comply with, or change in the application or interpretation of, tax rules applied in respect of such transactions, may increase Top Shelf's tax liabilities or expose it to legal, regulatory or other actions.

Changes in accounting standards and their interpretation

Changes to accounting or financial reporting standards or changes to the interpretation of those standards could materially adversely impact the reported financial performance and position of Top Shelf.

No guarantee of future dividends

Top Shelf currently has no plans to pay a dividend. There is no guarantee that Top Shelf will generate sufficient cash flow from its operations in the future to pay dividends.

Force majeure events

Events may occur within or outside Australia that could impact upon the global and Australian economies, the operations of Top Shelf and the price of Top Shelf shares. These events can have an adverse impact on the demand for Top Shelf's goods and services and its ability to conduct its business. Top Shelf has only a limited ability to insure against some of these risks. If any of these event occur, there may be a material adverse impact on Top Shelf's operations, financial performance and viability.

An aerial photograph of a tropical agricultural landscape during sunset. The foreground shows large, rectangular fields with rows of crops, some covered in white plastic mulch. A small pond or irrigation channel is visible in the lower right. In the middle ground, there are several farm buildings, including a large white barn and smaller structures, surrounded by trees and more fields. The background features a range of dark, silhouetted mountains under a sky filled with dramatic, golden clouds. The sun is low on the horizon, creating a strong golden glow across the entire scene.

5. INTERNATIONAL OFFER RESTRICTIONS

INTERNATIONAL OFFER RESTRICTIONS

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or

sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities

INTERNATIONAL OFFER RESTRICTIONS

in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Shares will only be offered and sold in the United States to:

- “institutional accredited investors” within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act; and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.



6. UNDERWRITING AGREEMENT SUMMARY

UNDERWRITING AGREEMENT SUMMARY

Canaccord Genuity (Australia) Limited and Shaw and Partners Limited (the **Joint Lead Managers**) are acting as the joint lead managers, brokers, bookrunners and underwriters to the Offer. Top Shelf has entered into an underwriting agreement with the Joint Lead Managers in respect of the Offer (**Underwriting Agreement**).

The Underwriting Agreement contains representations and warranties and indemnities in favour of the Joint Lead Managers. A Joint Lead Manager may, in certain circumstances, terminate its obligations under the Underwriting Agreement on the occurrence of certain termination events including where:

- (a) Top Shelf ceases to be admitted to the official list of ASX or its shares are suspended from trading on, or cease to be quoted on, ASX or it is announced by ASX or Top Shelf that such an event will occur;
- (b) Top Shelf or a material subsidiary is insolvent or there is an act or omission, or a circumstance arises, which is likely to result in Top Shelf or a material subsidiary becoming insolvent;
- (c) Top Shelf withdraws all or any part of the Offer;
- (d) there is an event or occurrence, which makes it illegal for the Joint Lead Managers to satisfy a material obligation of the Underwriting Agreement, or to market, promote or settle the Offer;
- (e) Top Shelf is unable to issue or is prevented from issuing New Shares as contemplated by the Underwriting Agreement by virtue of the ASX Listing Rules, applicable laws, a governmental agency or an order of a court of competent jurisdiction;
- (f) any of the following occurs:
 - (1) a director or the chief executive officer or chief financial officer of Top Shelf is charged with an indictable offence or fraudulent conduct;
 - (2) any director of Top Shelf is disqualified under the Corporations Act from managing a corporation; or
 - (3) any regulatory body commences any public action against Top Shelf, or any director or the chief executive officer or chief financial officer of Top Shelf, or publicly announces that it intends to take any such action;
- (g) there is a change (or a change is announced) in the chief executive officer, chief financial officer or chairman of Top Shelf, other than one which has already been disclosed to ASX or in certain public and other media statements made by or on behalf of Top Shelf or disclosed to the Joint Lead Managers before the date of the Underwriting Agreement;
- (h) except as certain documents in relation to the Offer, there is an alteration to Top Shelf's capital structure without the prior consent of the Joint Lead Managers or as otherwise provided in the Underwriting Agreement or as a result of the Offer;
- (i) the S&P/ASX Small Ordinaries Index falls to a level which is 12.5% or more below the level of that index on the close of trading on the business day before the date of the Underwriting Agreement and closes at or below that level on:

- (1) any two consecutive business days after the date of the Underwriting Agreement and on or before the business day immediately prior to the settlement date for the Retail Entitlement Offer; or
 - (2) at the close of trading on the business day immediately prior to the settlement date for the Institutional Entitlement Offer or the settlement date for the Retail Entitlement Offer;
- (j) ASIC:
- (1) applies for an order under Part 9.5 of the Corporations Act in relation to the Offer, the issue of the New Shares or certain documents in relation to the Offer;
 - (2) holds, or gives notice of intention to hold, a hearing, inquiry or investigation in relation to the Offer, the issue of the New Shares or certain documents in relation to the Offer under the Corporations Act or the *Australian Securities and Investments Commission Act 2001* (Cth);
 - (3) prosecutes or gives notice of an intention to prosecute, or commences proceedings against, or gives notice of an intention to commence proceedings against, Top Shelf or any of its officers, employees or agents in relation to the Offer, the issue of the New Shares or certain documents in relation to the Offer under the Corporations Act or the *Australian Securities and Investments Commission Act 2001* (Cth),
- except in circumstances where the existence of the application, hearing, inquiry, investigation, prosecution or notice has not become public and it has been withdrawn by the date that is the earlier of:
- (4) the business day immediately preceding the settlement date for the Institutional Entitlement Offer or the settlement date for the Retail Entitlement Offer (as applicable); or
 - (5) the date that is 3 business days after the application, hearing, inquiry, investigation, prosecution or notice is commenced or received;
- (k) there is an application to a governmental agency for an order, declaration or other remedy in connection with the Offer, except in circumstances where the existence of the application has not become public and has been withdrawn, discontinued or terminated by the date that is the earlier of:
- (1) the business day immediately preceding the settlement date for the Institutional Entitlement Offer or the settlement date for the Retail Entitlement Offer (as applicable); or
 - (2) the date that is 3 business days after the application, hearing, inquiry, investigation, prosecution or notice is commenced or received;
- (l) ASIC makes a determination under subsection 708A(2) of the Corporations Act or subsection 708AA(3) of the Corporations Act;

UNDERWRITING AGREEMENT SUMMARY

- (m) any:
 - (1) material licence, lease, permit, concession, tenement, authorisation or concession of the Top Shelf group (**Authorisation**) is, or is likely to be, invalid, revoked or unenforceable, including as a result of the introduction of new legislation in the relevant jurisdiction; or
 - (2) Authorisation is breached or not complied with in a material respect;
- (n) certificate which is required to be furnished by Top Shelf under the Underwriting Agreement is not furnished when required, or if furnished is untrue, incorrect or misleading or deceptive in any material respect (including by omission);
- (o) unconditional approval (or conditional approval, provided such condition would not have a material adverse effect on the success or settlement of the Offer) by ASX for official quotation of the New Shares is refused or is not granted by the time required to issue the relevant New Shares in accordance with the timetable for the Offer or, if granted, is modified (in a manner which would have a material adverse effect on the success or settlement of the Offer) or withdrawn; and
- (p) any event specified in the timetable for the Offer is delayed other than in accordance with the Underwriting Agreement.

In addition, a Joint Lead Manager may terminate the Underwriting Agreement if any of the following termination events occurs and a Joint Lead Manager has reasonable grounds to believe and does believe that the event has had, or is likely to have, a material adverse effect on the success or outcome of the Offer, or on the willingness of investors to subscribe for New Shares, or on the ability of the Joint Lead Managers to market or promote or settle the Offer or where the event has given rise to or could reasonably be expected to give rise to a contravention by, or a liability of, the Joint Lead Managers under any applicable law or regulation:

- (a) Top Shelf fails to perform or observe any of its obligations under the Underwriting Agreement;
- (b) Top Shelf commits a breach of the Corporations Act, ASX Listing Rules, its constitution, or other applicable laws;
- (c) in the opinion of either of the Joint Lead Managers (acting reasonably), Top Shelf becomes required to give, or gives, in respect of a cleansing notice issued in relation to the Offer which is defective, a notice in accordance with subsection 708AA(12) of the Corporations Act or subsection 708A(9) of the Corporations Act, as the case may be, to correct that cleansing notice;
- (d) any of the documents required to be provided under the due diligence process outline in relation to the Offer having been withdrawn, or varied without the prior written consent of the Joint Lead Managers;
- (e) the due diligence report of the due diligence committee in relation to the Offer or the information provided by or on behalf of Top Shelf to the Joint Lead Managers in relation to the due diligence and verification procedures in relation to the Offer, certain documents in relation to the Offer or the Offer, is false, misleading or deceptive or likely to mislead or deceive (including by omission);

- (f) a representation or warranty made or given by Top Shelf under the Underwriting Agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive;
- (g) legal proceedings against Top Shelf, any other member of the Top Shelf group or against any director of Top Shelf or any other member of the Top Shelf group in that capacity is commenced or any regulatory body commences any enquiry or public action against a member of the Top Shelf group;
- (h) Top Shelf or any of its directors or officers engages in misleading or deceptive conduct or activity in connection with the Offer;
- (i) a new circumstance arises which is a matter adverse to investors in New Shares and which would have been required by the Corporations Act to be included in the cleansing notice issued in relation to the Entitlement Offer had the new circumstance arisen before that cleansing notice was given to ASX;
- (j) there is an adverse change, or an event occurs that is likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, operations, management, outlook or prospects of Top Shelf or the Top Shelf group (in so far as the position in relation to any entity in the Top Shelf group affects the overall position of Top Shelf);
- (k) any expression of belief, expectation or intention, or statement relating to future matters in certain documents in relation to the Offer or certain public and other media statements made by or on behalf of Top Shelf is or becomes incapable of being met or, in the reasonable opinion of the Joint Lead Managers, unlikely to be met in the projected timeframe;
- (l) any of the following occurs:
 - (1) any statement in certain documents in relation to the Offer is or becomes false, misleading or deceptive or likely to mislead or deceive; or
 - (2) certain documents in relation to the Offer do not contain all information required to comply with all applicable laws;
- (m) Top Shelf:
 - (1) issues certain documents in relation to the Offer without the prior approval of the Joint Lead Managers (such approval not to be unreasonably withheld); or
 - (2) varies or withdraws existing certain documents in relation to the Offer without the prior approval of the Joint Lead Managers (such approval not to be unreasonably withheld);
- (n) there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or prospective law or any new regulation is made under any law, or a governmental agency or the Reserve Bank of Australia adopts a policy, or there is an official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a governmental agency that such a law or regulation will be introduced or policy adopted (as the case may be) (other than a law or policy that has been announced before the date of the Underwriting Agreement), any of which does or is likely to prohibit or regulate the Offer or adversely affects the Top Shelf group;

UNDERWRITING AGREEMENT SUMMARY

- (o) any of the following occurs:
 - (1) a general moratorium on commercial banking activities in Australia, New Zealand, the United States, Japan, Singapore the United Kingdom, Germany or the People's Republic of China (including Hong Kong) is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
 - (2) trading in all securities quoted or listed on the ASX, the London Stock Exchange, the New York Stock Exchange, the Shanghai Stock Exchange, the Hong Kong Stock Exchange or the Tokyo Stock Exchange is suspended for at least one day; or
 - (3) the occurrence of any other adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, New Zealand, the United States, Japan, Singapore the United Kingdom, Germany, Hong Kong or any change or development involving such a prospective adverse change in any of those conditions or markets;
- (p) major hostilities not existing at the date of the Underwriting Agreement commence or a major escalation in existing hostilities occurs involving any one or more of Australia, New Zealand, the United States, Japan, Singapore, the United Kingdom, Germany or the People's Republic of China (including Hong Kong) or a national emergency is declared by any of those countries, or a major terrorist act is perpetrated anywhere in the world;
- (q) certain prescribed occurrences under the Corporations Act in respect of Top Shelf occur during the Offer period, other than:
 - (1) as contemplated by the Underwriting Agreement or pursuant to the Offer;
 - (2) in a manner described in the management questionnaire provided to the Joint Lead Managers in connection with the Offer and certain documents in relation to the Offer lodged with ASX on or before the date of the Underwriting Agreement;
 - (3) Top Shelf issuing securities pursuant to:
 - (A) the exercise or conversion of any security on issue as at the date of the Underwriting Agreement;
 - (B) any employee incentive scheme in operation as at the date of the Underwriting Agreement; or
 - (C) any distribution reinvestment plan; or
 - (4) as permitted in writing by the Joint Lead Managers.

If a Joint Lead Manager terminates its obligations under the Underwriting Agreement, it will not be obliged to perform any of its obligations that remain to be performed. Termination of the Underwriting Agreement could have an adverse impact on the amount of proceeds raised under the Offer. If Top Shelf withdraws the Offer, it will not receive any proceeds. In these circumstances, Top Shelf would need to utilise alternative funding options to achieve its objectives as described in this Presentation.



7. APPENDICES

NED AUSTRALIAN WHISKY

FASTEST GROWING WHISKY IN AUSTRALIA¹



NED Portfolio Premiumisation



Top 5

Rate of Sale Bourbon
RTD Brands³



Award Winning

2021 Melbourne International Spirit Competition
2021 Tasting Australia Spirit Awards

Grow Distribution Channels

- 1,849 off-premise accounts (+29% increase on prospectus)
- National IBA ranging (including Cellarbrations, IGA Liquor, The Bottle-O)
- Launch of international exports into China, including Tmall store
- Launch of NED DTC e-commerce platform
- Paramount On-Premise
- Thirsty Camel WA & VIC
- The Wanted Series placed into ALM and Dan Murphy's Marketplace

Grow Channel Velocity

- Top 5 Rate of Sale for Bourbon RTD Brands - Units Sold Per Store Per Week. NED 6% Whisky & Cola matched Wild Turkey 101 6.5% ROS³

Grow Portfolio & Premiumisation

- Ave Price/Litre increase of 23% to \$74.1²
- Launch of The Wanted Series Super Premium series
- Launch of 8% Cola 375ml RTD
- Launch of 20-litre Small Barrel program

Build Brand & Activation

- Silver and Bronze medals at 2021 Melbourne International Spirits Competition
- Silver and Bronze medals at 2021 Tasting Australia Spirit Awards
- Kelly Grove Racing / Supercars partnership
- Special limited / occasion releases and offers to NED direct database

1. IRI AU Liquor (CLG and ALM ww), Dollars Growth vs. pcp MAT to 25/07/21. 2. TSI ASX Announcement Net Sales Value of Maturing Spirit July 2021. 3. IRI ALM Quarterly Rate of Sale to 29/7/21 - RTD Bourbon Brands 6-7% ABV

GRAINSHAKER HANDMADE AUSTRALIAN VODKA

FASTEST GROWING VODKA IN AUSTRALIA¹



Grainshaker 700ml proprietary bottle, new 330mL RTDs and Small Batch Vodka concept



272

Off Premise Accounts



338

On Premise Accounts



Gold

Grainshaker Wheat
Melbourne International
Spirits Competition

Grow Distribution Channels

- Grainshaker now available in more than 600 accounts
- Secured ranging in IGA Liquor Victoria for Grainshaker 700mL Corn
- Confirmation of ranging in IBA Victoria and Queensland in Sep 2021 for RTDs
- Signed major contracts with numerous large on premise groups
- Launch of international exports into China, including Tmall and Taiwan
- Signed terms with distribution partner in Hong Kong
- Discussions with major supermarket ranging commenced

Grow Portfolio

- Launch of bottle with three varieties in Oct 2020
- Launch of RTD portfolio in kegs & cans in Dec 2020
- Launch of 700ml proprietary bottle

Build Brand & Activation

- Gold Medal for Grainshaker Wheat at 2021 Melbourne International Spirits Competition. Silver Medals for Grainshaker Wheat, Corn and Rye at 2021 Tasting Australia Spirit Awards
- Brand launch in Oct 2020
- Official Vodka of the Australian Open
- Partner of major music festivals: Reminiscence & Ministry of Sound
- Commissioned Small Batch Still project at Welcome To Thornbury precinct

1. Management estimate based on comparison between Australian Vodka brands sales data IRI \$ Growth vs. pcg MAT 29/7/21 and TSI net revenue data

BRAND PENETRATION & PREMIUMISATION

FY22 CATALYSTS TO DELIVER BRAND GROWTH

Grow Distribution Channels

- Develop long-term strategic plans with **major domestic retail partners**
- Continue to build strong **on-premise relationships** with hospitality groups and boutique venues
- Accelerate **international expansion** by signing new distributors in prioritised global markets
- Deploy newly-created **digital capability** in e-commerce and DTC channels

Grow Channel Velocity

- Continue to **build sales resource** and capability in key geographic areas
- **Utilise data and technology** to map and target key demographics
- Execute **path to purchase and perfect store model** on blockbuster products

Grow Portfolio & Premiumisation

- **Grow net sales value** per litre and margin via **portfolio expansion and premiumisation**
- **Deliver NED premium portfolio** in line with whisky maturation curve
- **Grow Grainshaker portfolio** through Limited Edition and Small Batch programs

Build Brand & Activation

- **Invest at scale** 'through the line' in selected geographic areas informed by demographic data
- **Activate sponsorships** with limited edition products and instore merchandising tools
- **Drive brand experience** through live music and sporting events
- Launch **Agave brand**

AUSTRALIAN AGAVE PROJECT

A CATEGORY-DEFINING PROJECT SHOWCASING WHAT AN AUSTRALIAN AGAVE SPIRIT IS CAPABLE OF



\$161m

Net Sales Value of Maturing Spirit
at end FY21 ¹



500k

Agave planted or in
nursery



Top 25

Scale that places farm
in top 25 in the world²



Trent Fraser

Built Volcan Tequila into
top 5 premium tequila
brand in the world

Key Highlights

People

- Appointment of Trent Fraser, ex. LVMH President, who in four years built Volcan De Mi Tierra Tequila to be among the top 5 super premium tequila brands in the world
- Building capability at the spirit farm led by agronomist Chris Monsour

Spirit Farm

- When at full capacity, the size of the farm will place TSI in the top 25¹ agave producers in the world and the largest outside Mexico
- 500k agave planted or in nursery
- Best in class approach to ag tech, data analytics, sustainability practices and knowledge transfer to other regional farming enterprises
- Production forecasted to commence in the second half of CY 2023

Government Support

- Received Australian Government Australian Research Council's Linkage Program over 3 years (\$0.76m)
- Application submitted for Australian Government Modern Manufacturing Initiative - Translation Stream - Food and Beverage grant. Application supported by QLD Department of State Development
- Application submitted for Queensland Government Industry Partnership Program

Partnerships

- Executed MOU with H2EC to supply green energy for world first green energy distillery

1. TSI ASX Announcement Net Sales Value of Maturing Spirit July 2021. 2. Based on Management forecast annual spirit production vs Euromonitor International – Alcoholic Drinks in USA, 2020 edition (September 2020)