



Top Shelf International Holdings Ltd

Principal Place of Business:
16-18 National Boulevard
Campbellfield
Victoria
Australia 3061

14 December 2021

ASX ANNOUNCEMENT (ASX:TSI)

Australian Agave Non-Fungible Token (NFT) Program – Sold Out

Top Shelf International Holdings Limited (“Top Shelf” or “the Company”), Australia’s leading premium spirits company, provides a market update on its Australian Agave Project.

Top Shelf advises that the first release Australian Agave NFT program announced to the public on 7 December 2021 is now sold out.

The initial sale of Australian Agave NFT enabled token holders to secure a unique and bespoke offering inclusive of providing access to spirit from the Company’s very first harvest of agave plants, forming part of Top Shelf’s strategy of creating and delivering a premium Australian agave spirit to the world.

The release of the Australian Agave NFT represents the first sale of Australian agave spirit from Top Shelf’s Eden Lassie agave farm in the Whitsundays. The sold out first NFT reflected 100 tokens at A\$10,000¹ each.

Each token holder has the exclusive rights to the handmade micro distilled agave spirit from 10 geo-tagged agave plants on a plot that they have selected (equivalent of approximately 35 litres) to be harvested and distilled from August 2023. In addition, token holders will enjoy circumscribed experiences and have exclusive access to personalised updates on their agave plants. Like all NFTs, the Australian Agave NFT maybe traded on any NFT marketplace.

The first release Australian Agave NFT program price of A\$10,000 is reflective of a bespoke opportunity inclusive of unique products and experiences. The price demonstrates a potential net sales value for premium Australian agave spirit of up to \$285 per litre.

As of 30 November 2021, Top Shelf had over 440,000 agave plants in ground with over 580,000 plants maturing inclusive of nursery stock. 580,000 plants represents the equivalent of 2.17 million litres of agave spirit at 43% ABV (30 June 2021: 1.9 million litres)². Production is planned to commence from July 2023.

In Top Shelf’s July 2021 maturing spirit inventory net sales value market update, maturing agave on hand was assessed to have a net sales value of \$161 million. In this valuation, the Company applied a category average net sales price of \$83.5 per litre sourced from Australian retail IRI scan data for all tequila and mezcal sales.

Top Shelf plans to formally update its maturing spirit inventory valuation on an annual basis.

Technology-led strategy

Further to the Company’s investor presentation dated 20 October 2021, wherein best-in-class technology was identified as a strategic growth objective, the Australian Agave NFT is the first demonstration of TSI’s technology strategy in action, which has involved the development of proprietary technology infrastructure and knowledge to extend the Australian Agave NFT offering to the Company’s portfolio of brands.

The effective use of existing and emerging technologies is at the core of the Company’s plans to scale and ultimately unlock the opportunity for category leadership.

¹ A\$10,000 excludes goods & services tax.

² Refer to the Company’s maturing spirit inventory market update presentation, dated 22 July 2021, for detail of agave plant to spirit conversion process and assumptions.

CEO comment

"The Australian Agave NFT was launched to the public last week and we are extremely pleased with the response to the offer and interest in our Australian Agave opportunity," Top Shelf CEO Drew Fairchild said.

"Most significantly the Australian Agave NFT program represents the first sales of our future 100% grown Australian agave spirit and provides a signal of the opportunity that exists in the creation of this category.

"The Australian Agave NFT is a genuine world-first opportunity that will deliver a bespoke spirits in a single micro-batched distilling process.

"No other spirits company in the world is connecting technology, bespoke distillation and cutting-edge plant-to-bottle production in this way.

"NFT holders will receive access to an exclusive dashboard where they will receive individualised updates on the growth of plants allocated to their token. The dashboard, as well as the benefits attached to a token throughout the course of the program will deliver an immersive, highly-personalised experience and pioneer a new era of agave spirits.

"We are leveraging blockchain and token technology, the most sophisticated technology available today, for managing digital assets and to provide an opportunity for the simple transfer of the rights associated with each Australian Agave NFT to others via any relevant NFT marketplace.

"As well as connecting consumers with our brands, blockchain technology and NFTs will also be utilised to leverage the significant opportunity in a business-to-business context to build partnerships with major retail and marquee on premise customers."

End

This announcement was approved by the Company's Chief Executive Officer Drew Fairchild, on behalf of the Top Shelf Board.

For more information (investors and media):

For further information, please visit our investor website <https://www.topshelfgroup.com.au/investors> or contact investor relations at info@topshelfgroup.com.au or on (03) 8317 9990.

Media enquiries, please contact Mark Hawthorne, Civic Financial on 0418 999 894.

About Top Shelf

Top Shelf International is a Melbourne based distiller and marketer of premium Australian spirits, with distinctive brands in NED Australian Whisky and Grainshaker Hand Made Australian Vodka. The Company has a track record of success creating high quality, premium Australian products and brands; each in its own way encapsulating a distinctive Aussie attitude, social experience and flavour profile.

The Company has expertise in the development and production of distilled spirits, undertakes a significant level of research and development and operates modern fermentation, distillation and packaging facilities in Campbellfield, Victoria.

The Company is creating Australia's first agave spirit range from its magnificent Agave farm in The Whitsundays region of Queensland. This location has been specifically chosen for its climatic suitability for growing tequilana blue agave. The farm is being developed using the most up-to-date and innovative horticultural practices.

In addition to distilling and manufacturing its own portfolio of spirit brands, Top Shelf also provides canning, bottling and packaging services to a range of customers.