PREMIUM SPIRITS WITH AN AUSTRALIAN ACCENT

Strategic Review Update - June 2023

TOP SHELF INTERNATIONAL

Disclaimer

Forward-looking statements

This release contains forward-looking statements, including statements regarding demand for products, medium-term guidance, EBITDA and cashflow forecasts, operational performance, expectations, plans, strategies and objectives of management, closure or divestment of certain assets, operations or facilities (including associated costs), anticipated construction completion dates, capital expenditure or costs and scheduling, operating costs, anticipated product launches, and tax and regulatory developments.

Forward-looking statements may be identified by the use of terminology, including, but not limited to, ‘prospect’, ‘target’, ‘intend’, ‘aim’, ‘goal’, ‘anticipate’, ‘estimate’, ‘plan’, ‘believe’, ‘expect’, ‘may’, ‘should’, ‘will’, ‘would’, ‘continue’ or similar words. These statements discuss future expectations concerning the results of assets or financial conditions, or provide other forward-looking information.

These forward-looking statements are based on the information available as at the date of this release and are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release. Top Shelf cautions against reliance on any forward-looking statements or guidance, particularly in light of the current economic climate.

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STRATEGIC REVIEW UPDATE

Executive Summary

The analysis and interrogation of the strategic review has been a thorough and intensive process. The overall findings show an array of opportunities, many of which we can enact on immediately, and others that will require more thoughtful construction. Most importantly, the identified areas provide Top Shelf with a clear path to profitability. Among the key areas addressed:

- Urgent streamlining of business activities and cost base
  - Focus on core business activities, leaner labour force, vendor rationalisation
- Optimisation of whisky and agave maturation programs & supply chain processes
  - Reduced current cash investment in long term asset creation and holdings (ie. new make whisky, immature agave plants)
- Brand business model pivot
  - Focus on improved channel mix, product mix, margin & profitability (less revenue chasing)
- Establish realistic and sustainable reinvestment model
  - Redeploy brand spend to tactical sales support and media, reduce sponsorship concentration
- Strategic distribution partner
  - Identification of partner to accelerate Brands in new channels and markets
- Evaluation of asset realisation opportunities
  - Review of asset base and opportunities relating to distillery utilisation, copacking capability, bulk whisky sales, maturation oak sales, and agave spirit offtake

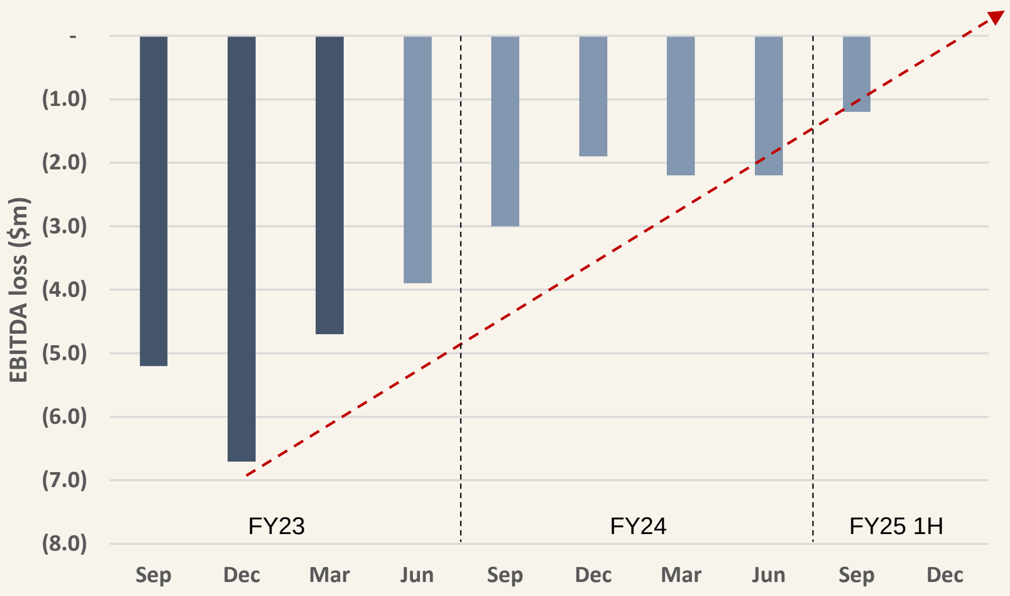
Trent Fraser
Chief Executive Officer

- CEO since May 2023
- Previously President since September 2021
- Prior to joining Top Shelf, Trent has had over 20 years experience in the wines & spirits industry
- The previous 13 years at Moët Hennessy based in New York
- Several Senior positions within LVMH included CEO and President of Volcan De Mi Tierra Tequila (2015-2021) and Vice President for Dom Perignon (2008-2016)

PATHWAY TO PROFITABILITY

Projected gross margin improvement and a reduction in the cost base in FY24 is anticipated to accelerate the pathway towards EBITDA breakeven.
A 30% reduction in controllable costs ($7.5m - $8.5m) includes $5m already actioned.

Projected quarterly EBITDA trajectory | Sep-22 – Dec-24



Note 1: EBITDA disclosed on a normalised basis excluding non recurring and one off costs and non-cash fair value gain / loss of agave plant biological assets.
Note 2: Projected improvement does not reflect business model changes inclusive of asset divestments or go-to-market strategy changes.

Focus on gross margin growth and disciplined management of the controllable cost base.

Margin growth – FY24 target: **Minimum gross margin % of 30%**

- New and expanded retail ranging
- Product and channel mix prioritisation
- Act of Treason market entry in November 2023
- COGS improvements via automation, efficiency, quality
- Improved contract packing margin

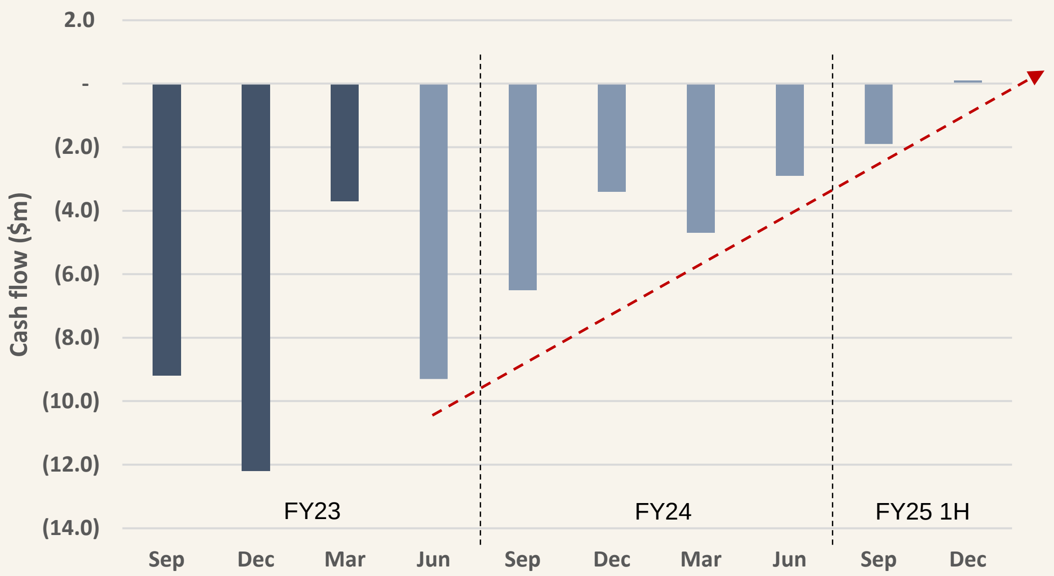
Controllable cost base contraction – FY24 target: Minimum of 30% of FY23 cost base (approx. $25m) or **$7.5m - $8.5m.** As of June 2023, **$5.0m** assumed in the FY24 target had been implemented.

- Labour resource right sizing across Brands, Operations, and Corporate business areas
- Brand launch investment expiry inclusive of discontinued sponsorship arrangements
- Disciplined and focused deployment of selling and marketing activities
- Operational improvements and focus on cost efficiencies
- Other discretionary and non-core expenditure removed

CASH PRESERVATION

The projected gross margin improvement, reduction in controllable cost base (30% or $7.5m - $8.5m) and transition to steady state capital investment is anticipated to result in a $12.0m - $15.0m improvement to cash flows in FY24 relative to FY23.

Projected quarterly cash flow trajectory [1] | Sep-22 – Dec-24



Cash flows representing operating cash flows (EBITDA and working capital investment), capital expenditure inclusive of agave biological assets, and lease and debt interest costs.

Note 1: Cash flows excludes equity and debt funding activities.

Note 2: Asset realisation opportunities not reflected in chart above.

Prioritisation on cash preservation to ensure business model is fully funded from the Offer through to profitability.

Capital platform build expected to be complete in 2023 with commissioning of the agave distillery.

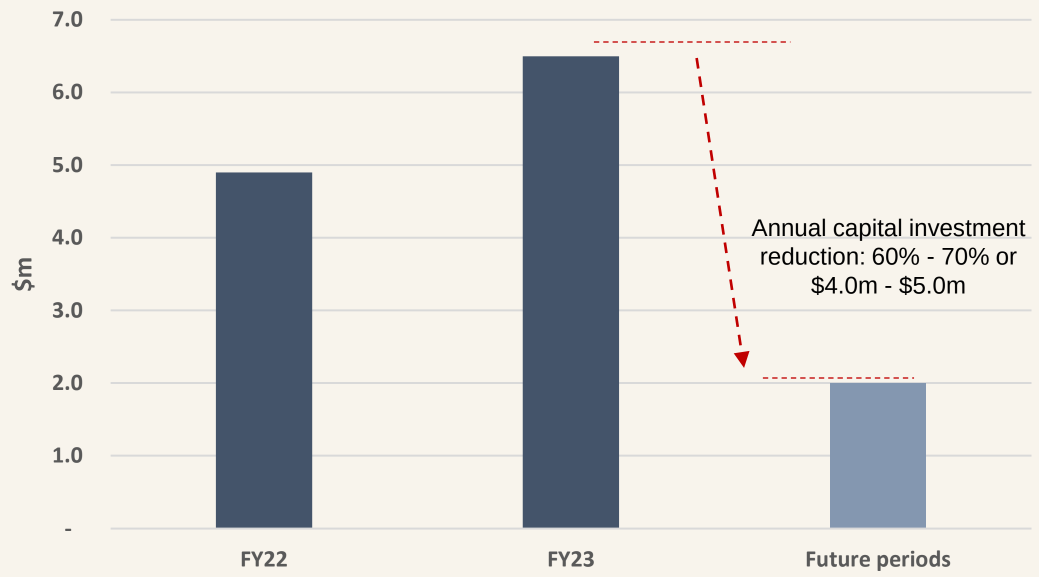
Prudent management of new make whisky, maturation oak and agave plants with demand catalysts to inform future investment.

Ongoing evaluation of opportunities to realise cash generation from Top Shelf's asset base inclusive of distillery utilisation, copacking capability, bulk whisky sales, maturation oak sales, and agave spirit offtake [2].

Funds from the Offer are planned to reduce Top Shelf's borrowings by approx. $15m. Management has commenced a process with debt adviser, Findex Corporate Finance, to refinance the balance of the Longreach Credit facility.

CAPITAL INVESTMENT PHASE COMPLETE

Capital investment | Projected transition to steady state



Top Shelf is close to completing the intensive phase of capital investment to build a platform inclusive of:

- End to end production facility
- Whisky maturation capability in excess of 2.0m litres
- Agave distillery

This capital building phase is expected to be complete by August 2023.

Transition to asset utilisation and execution phase is anticipated to result in a **60% - 70% reduction** in the ongoing capital expenditure requirement.

Sustaining capital expenditure is expected to normalise at c. $1.5m-$2.5m per annum.

FORWARD LOOKING STATEMENTS

Forward looking statements | Material assumptions and qualifications

The forward looking statements set out in this document have been prepared with the following assumptions adopted by management:

- There are no material changes in the competitive and operating environment in which Top Shelf operates. In addition, there are no significant deviations from current market expectations of economic or market conditions in which Top Shelf operates;
- Top Shelf continues to grow and enhance trading relationships with retailers, wholesalers and distributors, and direct customers in the alcoholic beverage sector;
- Top Shelf commission the agave distillery project and the Act of Treason market entry occurs as envisaged in 2023;
- Top Shelf's brand portfolio – NED Australian Whisky, Grainshaker Australian Vodka, and Act of Treason Australian Agave – continues to grow and develop brand awareness and consumer engagement;
- Top Shelf's vertically integrated production and supply chain capability continues to derive scalable operating efficiencies;
- There are no material changes in key employees and Top Shelf's organisational structure can execute the next phase of business growth and improvement;
- There are no material changes in government legislation, regulatory environment or government policy (most notably the Australian excise duty regime) in relation to the alcoholic beverage and beverage production sectors;
- Top Shelf's capital expenditure requirement in future periods will reflect sustainment of existing infrastructure and plant and equipment and recurring expenditure in support of whisky maturation and agave agronomy programs;
- Top Shelf's capital structure and borrowings position does not materially change after partial repayment with funds from the Offer;
- None of the risks listed in the capital raise investor presentation dated 29 May 2023 have a material adverse impact on the operations of the business.