



Top Shelf International Holdings Ltd

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

20 July 2023

Not for release to US wire services or distribution in the United States

NOTICE OF BREACH OF ASX LISTING RULE 10.11

Top Shelf International Holdings Limited (**Top Shelf** or the **Company**) refers to the announcement dated 10 July 2023 in which it announced that it had completed the institutional component of a 1 for 1 non-renounceable entitlement offer (**Entitlement Offer**).

Mr Adem Karafili, a director of Top Shelf, participated in the Entitlement Offer and received an additional allotment above his entitlement through an indirect interest. On the record date for the entitlement offer, Mr Karafili's entitlement was for up to 3,622,906 new TSI shares via two associated entities:

- Ankara Holdings Pty Ltd as trustee for A&N Karafili Family (**Ankara**) (1,959,416 new TSI shares); and
- Glankara Investments Pty Ltd as trustee for Glankara Super Fund (**Glankara**) (1,663,490 new TSI shares).

Mr Karafili was instead allocated a total of 5,800,000 new shares in the institutional component for the Entitlement Offer, and those shares were all mistakenly allocated to Ankara.

Unfortunately, due to an administrative oversight, Mr Karafili's participation in the institutional component of the Entitlement Offer involved a breach of ASX Listing Rule 10.11 on the basis that Mr Karafili is a related party of the Company and, subject to certain exceptions, cannot participate in issues of the Company's securities without prior shareholder approval.

In aggregate, Mr Karafili's associated entity Ankara received 3,840,584 shares (**Excess Shares**) which did not fall within its entitlement, and in respect of which there are accordingly no exceptions to ASX Listing Rule 10.11 that would facilitate this issue.

The Company notes that the Entitlement Offer was conducted at a significant premium to the trading price of the Company's shares prior to launch, and that Mr Karafili subscribed for shares at this premium in order to meet conditions applying to pre-commitments from other investors. The institutional component of the Entitlement Offer was not fully subscribed, and thus Mr Karafili's participation did not limit any other subscriptions for securities.

However, the Company recognises that Mr Karafili ought to have been excluded from that allocation and regrets this oversight.

The Excess Shares have been placed on a temporary holding lock and will be disposed of as soon as reasonably possible and, in any event, no later than 19 August 2023.

- 1,663,490 of the Excess Shares will be transferred from Ankara to Glankara; and
- the remaining 2,177,094 shares will be disposed of to one or more third parties that are not related to or associated with Mr Karafili.

Any profit made on the disposal of the Excess Shares will be donated to an entity that is listed with the Australian Charities and Not-For-Profits Commission as a charity. An Appendix 3Y recording Mr Karafili's change in interests will be published to ASX.

A review of the Company's administrative policy and procedures for ensuring compliance with the ASX Listing Rules is currently being undertaken.

It should be noted that this breach will not impact the outcome of the capital raising.

Ends

This announcement was authorised for release by 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 Matt Slade 0409 916 474.

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 and is developing an Agave farm in The Whitsundays region of Queensland specifically chosen for the suitability of its climate for growing blue agave. In development of the farm the Company has committed to the application of 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.