PREMIUM SPIRITS WITH AN AUSTRALIAN ACCENT

CAPITAL RAISING PRESENTATION
MAY 2024

TOP SHELF
INTERNATIONAL

DISCLAIMER

This document dated 22 May 2024 has been prepared by Top Shelf International Holdings Ltd ACN 164 175 535 (**Company**) and is provided for information purposes only. This document does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any security in the Company nor does it constitute financial product advice. This document is not a prospectus, product disclosure statement or other offer document under Australian law or under any other law. This document has not been filed, registered or approved by regulatory authorities in any jurisdiction.

By reading this document you agree to be bound by the limitations set out in this document.

This document and the information contained within it is strictly confidential and is intended for the exclusive benefit of the persons to whom it is given. It may not be reproduced, disseminated, quoted or referred to, in whole or in part, without the express written consent of the Company. By receiving this document, you agree to keep the information confidential, not to disclose any of the information contained in this document to any other person and not to copy, use, publish, record or reproduce the information in this document without the prior written consent of the Company, which may be withheld in its absolute discretion.

The information contained in this document is not intended to be relied upon as advice or a recommendation to investors and does not take into account the investment objectives, financial situation, taxation situation or needs of any particular investor. An investor must not act on the basis of any matter contained in this document but must make its own assessment of the Company and conduct its own investigations and analysis. Investors should assess their own individual financial circumstances and consider talking to a financial adviser, professional adviser or consultant before making any investment decision.

Statements and information in this document are current only as at the date of this document and the information in this document remains subject to change without notice. The information contained in this document is for information purposes only and is an overview and does not contain all information necessary to make an investment decision or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act 2001 (Cth) (**Corporations Act**). The information contained in this document is of a general nature and does not purport to be complete or verified by the Company or any other person. Neither the Company nor its officers, employees, consultants, representatives or agents have any responsibility or obligation to inform you of any matter arising or coming to their notice, after the date of this document, which may affect any matter referred to in this document.

While reasonable care has been taken in relation to the preparation of this document, none of the Company, its subsidiaries, or its directors, officers, employees, contractors, agents, or advisers nor any other person (**Limited Party**) guarantees or makes any representations or warranties, express or implied, as to or takes responsibility for, the accuracy, reliability, completeness or fairness of the information, opinions, forecasts, reports, estimates and conclusions contained in this document. No Limited Party represents or warrants that this document is complete or that it contains all information about the Company that a prospective investor or purchaser may require in evaluating a possible investment in the Company or acquisition of shares in the Company. To the maximum extent permitted by law, each Limited Party expressly disclaims any and all liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of or reliance on information contained in this document including representations or warranties or in relation to the accuracy or completeness of the information, statements, opinions, forecasts, reports or other matters, express or implied, contained in, arising out of or derived from, or for omissions from, this document including, without limitation, any financial information, any estimates or projections and any other financial information derived therefrom.

Certain statements in this document constitute forward looking statements and comments about future events, including the Company's expectations about the performance of its businesses. These can be identified by words such as "may", "should", "anticipate", "believe", "intend", "estimate", and "expect". Statements which are not based on historic or current facts may be forward-looking statements. Forward-looking statements are based on:

a) assumptions regarding the Company's financial position, business strategies, plans and objectives of management for future operations and development and the environment in which the Company will operate; and
b) current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties.

The forward-looking statements contained within the presentation are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by forward-looking statements. For example, the factors that are likely to affect the results of the Company include: general economic conditions in Australia and globally; exchange rates; competition in the markets in which the Company does and will operate; weather and climate conditions; technology and infrastructure; conduct of contracted counterparties; and the inherent regulatory risks in the businesses of the Company. The forward-looking statements contained in this presentation should not be taken as implying that the assumptions on which the projections have been prepared are correct or exhaustive. The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement. The Company disclaims any responsibility to update or revise any forward-looking statement to reflect any change in the Company's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. The data, projections or forecasts included in this presentation have not been audited, examined or otherwise reviewed by the independent auditors of the Company. Past performance is not indicative of future performance and no guarantee of future returns is implied or given. Nothing contained in this document nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of the Company. No Limited Party or any other person makes any representation, or gives any assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this document will occur. Subject to any continuing obligations under applicable law the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in this document to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any such statement is based. You must not place undue reliance on these forward-looking statements.

EXECUTIVE SUMMARY

INVESTMENT HIGHLIGHTS

Premium Brand Portfolio

- Australia's first agave spirit range – first release in January 2024
- Portfolio of award-winning, distinctive, well-balanced brands: NED Whisky, Grainshaker Vodka and Act of Treason Australian Agave
- Unrivalled integrated operating platform and capability – capital investment complete in 2023 with commissioning of agave distillery

Right team in place

- Julian Davidson (ex-Lion and Independent Liquor) appointed Chairman and Phil Baldock (ex-Beam Suntory) appointed Non-Executive Director
- Team with significant industry experience and capability to lead the company through the next phase of growth and to profitability

Executing pivot to margin and profit focus

- Focus on brand margin improvement initiatives including brand innovation and New Product Development ('NPD'), channel mix, product premiumisation, and operational excellence including input cost efficiencies, reflected in increased gross margin from 44.1% for 12 months to June 2023 to **47.4%** for 12 months to March 2024
- Controllable cost base reduction of **$6.4m** in FY24 YTD March 2024 (**31%** lower vs Prior Comparable Period ('PCP'))
- Underlying EBITDA loss improvement of **46%** in FY24 YTD March 2024 period relative to PCP

Primed and funded for profitability

- Australian spirits platform with ample capacity to enable future growth including 2.0m litres of whisky and 0.6m agave plants
- Successful onboarding of Australia's largest national liquor retailer, Endeavour Group (Dan Murphy's and BWS) and expanded ranging with Coles Liquor Group (Liquorland, First Choice and Vintage Cellars) in FY24 1H
- FY25 focus with three brand portfolio on major retail partnership acceleration, on premise expansion and entry into international markets
- **Positive EBITDA and operating cash flow breakeven expected by FY25 4Q quarter**

Enhanced Balance Sheet

- TSI is undertaking a series of transactions to generate a minimum of **$15.0m of gross proceeds** to the Company, comprising a **$13.9m** accelerated non-renouncement entitlement offer (subject to minimum of $10.0m) in conjunction with a sale (& leaseback) of land and related assets for **$5.0m**, concurrent with an amendment and extension of its debt facility (together the 'Capital Transactions')
- Proceeds of the Capital Transactions to be used to reduce debt with Longreach Credit Investors by $5.0m to $6.0m (**maturity extended to 15 December 2025**) and provide sufficient working capital to fund the company to profitability

CAPITAL TRANSACTIONS PROVIDE FUNDING TO PROFITABILITY

Equity Raise

- Capital Raising to raise up to $13.9m via a 2 for 3 accelerated non-renounceable entitlement offer (‘ANREO’) at $0.10/ per share (minimum $10.0m)
- Attaching 1-for-2 option at a strike price of $0.12/share, with a 3-year term (‘Attaching Options’)
- The Attaching Options issued under the Entitlement Offer will seek quotation subject to meeting ASX’s minimum listing requirements
- Funds will be used to repay the Longreach Financing Facility by $5.0m to $6.0m, pay transaction costs and provide working capital

Agave Land Sale

- Sale (and leaseback) of farmland and structural improvement assets at TSI’s agave farm)
- TSI retains ownership of the agave plants and distillery production assets
- Total gross proceeds of $5.0m to be used for working capital purposes
- Commencing lease cost of $0.5m per annum
- 10-year term with option to extend for further 5 years
- Right for the Company to repurchase the assets at any future date for a minimum of $6.5m
- Completion subject to contractual document finalisation and shareholder approval at extraordinary general meeting which is set to occur towards end of June

Equity Raise and Agave Land Sale will deliver a minimum of $15.0m of aggregate cash proceeds, with $5.0m used to reduce debt and the remainder for working capital purposes

Financing Facility Amendment

- Committed term sheet executed on 22 May 2024 with existing lender, Longreach Credit Investors, to amend terms of financing facility
- Reduction in facility size to $19.0m (from $25.0m) [1]
- Maturity date extended to 15 December 2025
- Completion is subject to contractual document finalisation, completion of the equity raise and is expected in early June

High level terms	Old Facility	New Facility
Facility Size	$25.0m	$19.0m[1]
Cash Interest Rate	10.25%	12.25% [2]
Maturity Date	15 Dec 2024	15 Dec 2025

[1] Assuming 100% participation in the Entitlement Offer
[2] The new facility also includes paid in kind interest of 2.75%

A MODERN AUSTRALIAN SPIRITS COMPANY

Company Snapshot

- Leading producer and marketer of high-quality premium spirits
- Portfolio of award-winning, distinctive, well-balanced brands: NED Whisky, Grainshaker Vodka and Act of Treason Australian Agave
- Vertically-integrated Australian spirts platform across distillation, maturation, production, packaging and agave assets in Victoria and Queensland:
    - Whisky distillation installed capacity of 500k Lal or 140k 9LE p.a
    - Vodka distillation installed capacity of 500k LaL or 140k 9LE p.a
    - Agave distillation installed capacity of 90k LaL or 25k 9LE p.a
- **Significant asset base provides supply for long-term sales targets**
    - 600k Agave tequilana plants in ground
    - 2.0m litres whisky under maturation (at 43% ABV) – representing c. $31.0m of future realisable gross margin (using FY24 H1 results)
- Expanded distribution and significant inventory supports future scaling
- Major capital investment completed with commissioning of agave distillery in December 2023

Company Platform

Our well-invested Australian spirits platform has ample capacity to support future growth and includes one of the few agave plant-to-bottle platforms outside Mexico

Premium Brand Portfolio

We are distilling the world's favourite spirits, each with a distinctly Australian character that captures the best of our ingenuity, craftsmanship and daring spirit

STRATEGIC VISION

A modern spirits company charged to transcend and transform Australian spirits culture

A NEW MODEL BASED ON VALUE CREATION

- Pivot to margin and profit focus
- Brand premiumisation

CUSTOMER OBSESSED

- Accelerate major retail and range expansion
- Joint venture planning
- Power of portfolio

DRIVE BRAND DESIRABILITY

- Being bold and brave in all we do
- Consumer resonance and disruption
- Exciting AOT launch and roll out

OPERATIONAL EXCELLENCE AT SCALE

- Streamlined business to optimise efficiency and asset utilisation
- Award winning liquids and craftsmanship
- Speed and agility to drive innovation

STRATEGIC PARTNERSHIPS

- Ongoing discussions to accelerate international exposure and support the strategic pillars

SIGNIFICANT ASSET BASE SUPPORTED BY INTEGRATED OPERATIONAL PLATFORM

Investment phase completed with commissioning of agave distillery; book value of tangible assets of ~$58m (i.e. excluding brands)[1]




Whisky Assets - VIC

Whisky under maturation:
2.0m litres @43% ABV

Installed Distillation Capacity
Whisky 500k LAL or 140k 9LE p.a.
Vodka 500k LAL or 140k 9LE p.a.

Whisky Maturation
2 x Barrel houses
50% of whisky liquid at maturity

Book value: $19m

Agave Assets - QLD

Biological and Distillery assets

Agave Farm
600k plants in ground
160k plants reaching 4-year maturity in 2024

Installed Distillation Capacity
Agave 90k LAL or 25k 9LE p.a.

Book value: $27m

Production Assets - VIC

10,000 cans/hour, 7,000 bottles/hour; multi-pack formats

Management Systems
Flavour Development, Quality Assurance; HACCP & FDA Certifications

Book value: $12m

Brand Assets

[1] 'Book value' as at 31 March 2024

BOTTLING UP THE BEST OF THE AUSTRALIAN SPIRIT

THE PLEDGE

Delivery of a world-class premium spirits portfolio

THE PLAYERS

FEARLESS

Breaking free from tired conventions.

EXUBERANT

Celebrating the character and warmth of Australian grain.

ROGUE

An ancient process meets Aussie know how.

THE PLAYING FIELDS

WHISKY

VODKA

AGAVE / TEQUILA

GOLDEN GRAINSHAKER

INTERNATIONAL VODKA PRODUCER OF THE YEAR

The first time an Australian brand has been named world's best vodka

OUTSTANDING GOLD

London
2023 International Wine & Spirit Competition
Shortlist – Global Vodka Producer Trophy

GOLD

San Francisco
2023 World Spirits Competition

GOLD

2023 World Vodka Awards

EXECUTIVE TEAM

Trent Fraser

Chief Executive Officer

Trent joined TSI in August 2021 to lead the company's Australian Agave Project and international expansion.

Trent has over two decades of experience in wine and spirits commencing with Penfolds and Treasury Wine Estates in Australia and spending nine years with Moet Hennessy Louis Vuitton (LVMH) as Vice President of iconic Champagne producer, Dom Perignon.

With the backing of the Moet Hennessy wine and spirits family over a six-year period, Trent was responsible for the highly successful build and launch of the tequila brand, Volcan De Mi Tierra.

Ben Kennare

Chief Financial Officer

Ben joined TSI as CFO in January 2021 to lead the company into its next stages of growth following the Company's IPO in December 2020.

Ben is a Chartered Accountant of Australia and New Zealand and has two decades of professional services experience in transaction services and audit while working for EY and Deloitte.

Ben has gained significant experience in M&A, IPO and Strategy advisory services across a range of industries and has the skillset required to help support TSI's strategic initiatives to help lead TSI into its next stages of growth.

Richard Bryant

Sales Director

Richard joined TSI in February 2023 as a sales director leading Global and Domestic sales.

Richard has over 15 years' experience within the retail sector, working on both the supplier and retailer sides across a wide range of product categories and countries. Richard started his career in 2008 at Kellogg's in the UK and then moved to Australia to work for Coles Supermarkets in 2015.

Prior to joining TSI he worked for the Scharwz Group (Germany), ran the buying teams for Coles Liquor Group across the Beer, Spirits & RTD's, Non-Liquor & Tobacco categories.

Michael Hennessy

Commercial Director

Michael joined TSI in January 2021, he is an experienced commercial leader with over 20 years commercial and technical experience in manufacturing and energy in Australia and internationally with the likes of Origin Energy, Questus Energy and Santos.

As a Commercial Director, Michael is the project lead of TSI's agave distillery and equipment plan.

Michael holds an MBA and a Master's degree in petroleum engineering.

BOARD OF DIRECTORS

Julian Davidson

Non-Executive Director

Julian has more than 30 years' experience in leadership roles in Australia, New Zealand and North America. He was formerly the Managing Director of Tooheys Brewery and Lion New Zealand and is currently the Chairman of Behemoth Brewing Company.

Julian has deep financial capability, business leadership skills, capital markets experience, and a history of governance of small private companies through to listed Australian and US companies. He has worked with large corporations, private equity ventures, and start-ups.

He has a PMD from Harvard Business School and is a 30+ year member of Chartered Accountants Australia and New Zealand.

Adem Karafili

Non-Executive Director

Adem spent 7 years establishing Swisse Wellness before its sale to Biostime International for nearly $1.7 billion USD in 2015. Adem held senior positions of CFO, COO and MD at Swisse Wellness.

Adem currently chairs his investment vehicle ANGLKorp and also chairs the National Institute of Integrated Medicine (NIIM).

Stephen Grove

Non-Executive Director

Stephen Grove is Executive Chairman of the Grove Group of Companies which operates in the hire of relocatable buildings in the manufacturing and construction sector.

The Grove Group also operates businesses in the food & beverage sector, property development, motorsport and private investment. Stephen founded the group in 1997 and owns 100% through related entities.

Stephen has considerable experience growing and scaling successful businesses; and brings his strategic and management expertise to the Board.

Phil Baldock

Non-Executive Director

Phil Baldock has extensive spirits global experience, notably as President & CEO Asia Pacific, China, India & South America for Beam Suntory. During a 30-year career, he has held a range of CEO, senior management and marketing roles across 25 different countries in FMCG and alcohol categories.

In addition to his role as Non Executive Director, Phil also provides additional advisory services to the Company to support the Board and executive team on strategy, process, analysis and business performance improvement.

GROWTH DRIVERS

ACT OF TREASON

- National retail and high image on premise ranging for market launch[1]
- Accelerated distribution across Australian summer

RANGING EXPANSION [2]

- Brand portfolio expansion in retail channels [3] through joint venture planning
- Brand extension partnerships

INNOVATION

- Flavoured NED Whisky and Grainshaker Vodka [4]
- Whisky portfolio premiumisation with NED Grand Reward and Green Sash

INTERNATIONAL MARKETS

- Targeted plan in dedicated International markets
- NED - US, Korea and Japan Grainshaker - Europe.
- Act of Treason - US

MARGIN ENHANCEMENT

- Brand input cost improvement initiative program [5]
- Efficient contract packaging service business model

WHISKY RESERVE OPTIMISATION

- Private label opportunities

Notes: 1. Act of Treason market launch through 2024 inclusive of blanco and reposado (aged expression) Australian Agave product offerings. 2. In FY24, initial ranging with Endeavour Group reflected new distribution points of over 2,300 of NED Whisky product. 3. National retail and independent retail channels. 4. Grainshaker Vodka flavoured product has added an incremental 640 distribution points through the Coles Liquor Group store network. 5. In FY24, COGS improvement per case improvement of above 50% was realised through input and supplier changes. Business priority to realise similar input cost improvements across core brand product range.

ACT OF TREASON – SUCCESSFUL LAUNCH (PHASE 1)

Win industry influencers and early adopters via high impact activity supporting marquee on-premise and retail accounts

Retail

- National ranging partnership with major retailer launching by June 2024
- Mutually constructed launch plans that consist of consumer database targeting, in store promotion and education, tastings and paid and organic social media

Direct to Consumer

- First three batches sold out online

On Premise

- Sydney, Melbourne, Brisbane, Whitsundays high image accounts
  - Centro 86, Sydney's newest tequila bar with bar and menu support
  - Hayman Island, Hamilton Island, Airlie Beach Hotel. Back bar, menu support, glassware, collateral
- Intercept consumer through ritual and cocktail programming, including the All Australian Margarita

PR LAUNCH – JANUARY 2024

National media coverage across all mediums; sold out first batch of product

Innovator declares Mexican shot across bow an Act of Treason

Nothin's going Tequila their Aussie spirit

CEO Trent Fraser with his Act of Treason agave spirit.

Anooska Tucker-Evans

A Queensland farm has created Australia's first tequila – grown and produced here in the Sunshine State – you just can't call it tequila.

Top Shelf International took over the 450ha plot of land in the Whitsundays, between Bowen and Airlie Beach, five years ago in the hope of making Australia's answer to the hugely popular white spirit.

They planted a whopping 600,000 agave plants – the main ingredient in tequila – and with the climate and conditions precisely mimicking those of tequila's homeland Mexico, the plants took off.

The result is the company's first tequila-style product Act of Treason, called as such because Mexico's Tequila Regulatory Council prohibits any other region outside the Central American country from calling the agave spirit "tequila".

While it may not be able to be called as such, Act of Treason is tequila in every sense of the word said Top Shelf International CEO Trent Fraser.

"The spirit that we have put in the bottle is of exceptional quality and I'm really proud and confident that it will stack up against some of the best in the world," said Mr Fraser, who previously established tequila brands overseas.

In fact it already has with the trial version of the product receiving a gold medal and trophy for Alternative Spirit of the Year at the Australian Distilled Spirit Awards in Melbourne, as well as bronze medals at the San Francisco and London international spirits competitions.

"I do see this beautiful lifted pear and pineapple but a real grassiness," said Mr Fraser. "It has this soft minerality and balance and elegance to it and I think people will be surprised by the approachability of it and I have to put it down to the terroir."

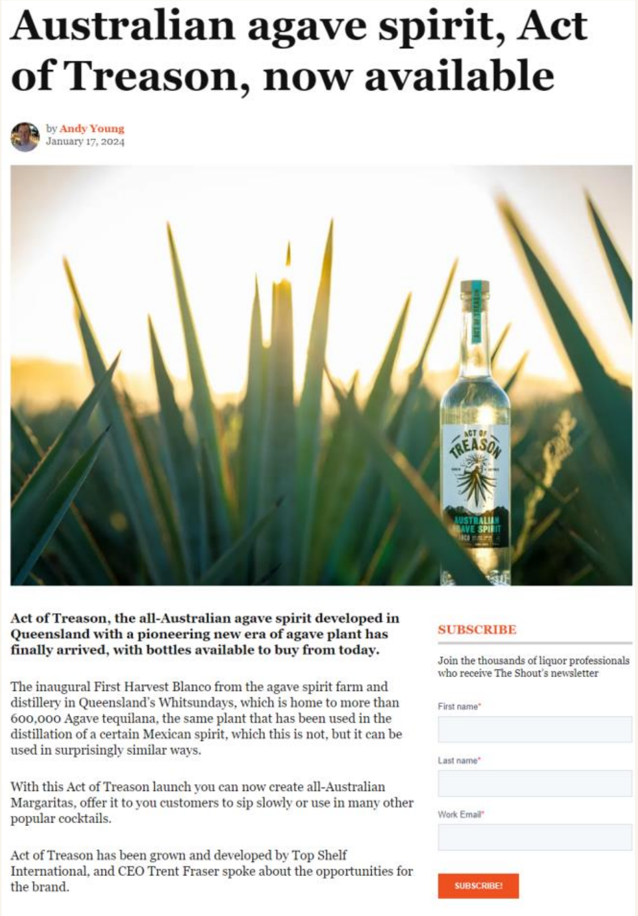
The first official release of the agave spirit will go on sale on January 17 through the company's website, before being available at top-end tequila bars and restaurants throughout Australia, ahead of its launch into Endeavour Group bottle shops in a few months.

"We're only doing a few 100 bottles [initially]. It's a small run and a small harvest while we get our sea legs," said Mr Fraser.

Once fired up though, the farm has the capacity to be one of the largest agave spirit producers in the world.

SO WHAT IS TEQUILA?

THE OFFICIAL VERSION
Regional alcoholic beverage distilled from must, directly and originally prepared from the material extracted in the factory premises of an Authorized Manufacturer



Australian agave spirit, Act of Treason, now available

by Andy Young
January 17, 2024

Act of Treason, the all-Australian agave spirit developed in Queensland with a pioneering new era of agave plant has finally arrived, with bottles available to buy from today.

The inaugural First Harvest Blanco from the agave spirit farm and distillery in Queensland's Whitsundays, which is home to more than 600,000 Agave tequilana, the same plant that has been used in the distillation of a certain Mexican spirit, which this is not, but it can be used in surprisingly similar ways.

With this Act of Treason launch you can now create all-Australian Margaritas, offer it to you customers to sip slowly or use in many other popular cocktails.

Act of Treason has been grown and developed by Top Shelf International, and CEO Trent Fraser spoke about the opportunities for the brand.

SUBSCRIBE

Join the thousands of liquor professionals who receive The Shout's newsletter

First name*

Last name*

Work Email*

SUBSCRIBE!

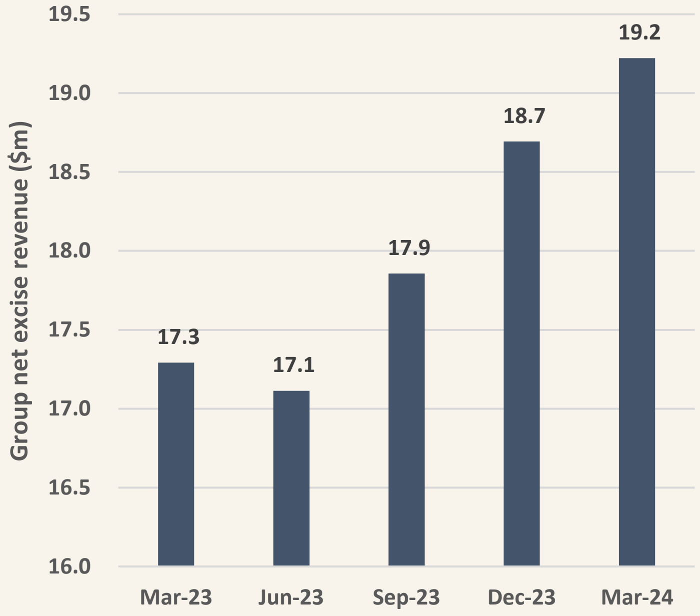
A UNIQUE AUSTRALIAN AGAVE ASSET

Purpose built agave spirit distillery and production facility powered by renewable energy

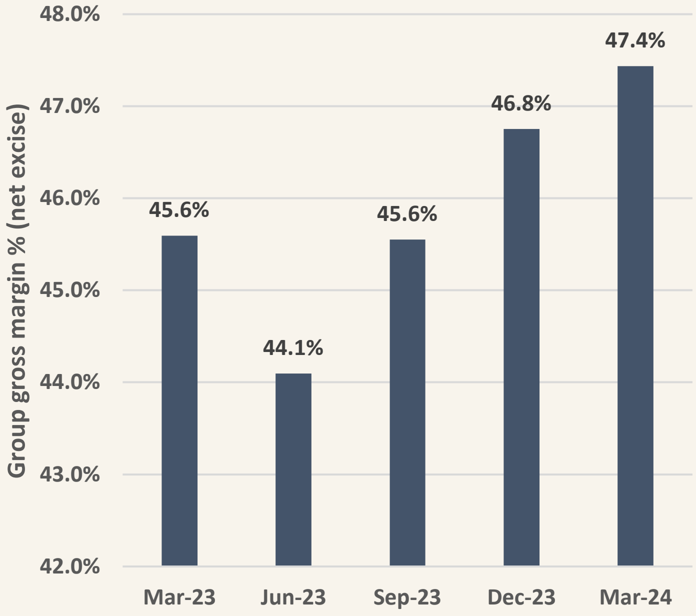
FINANCIAL INFORMATION

PERFORMANCE TRENDS - YTD MAR-24

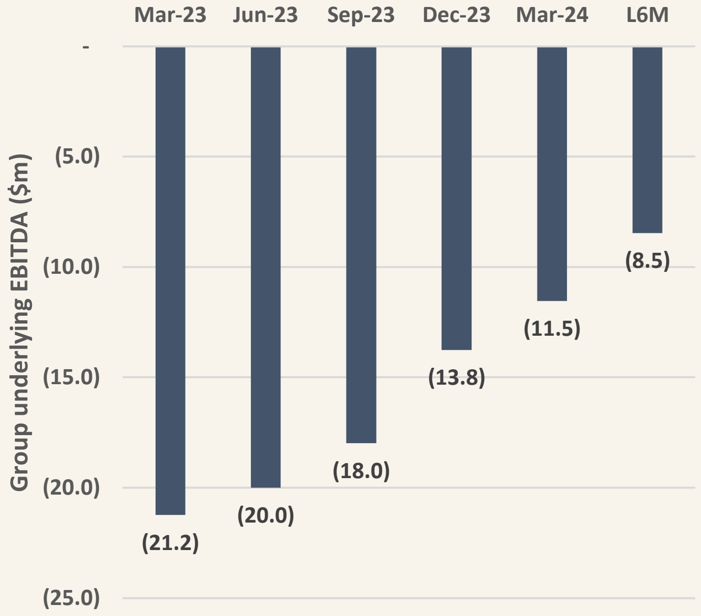
Net excise revenue [1,2]



Gross margin [1,3]



Underlying EBITDA [1,4,5]



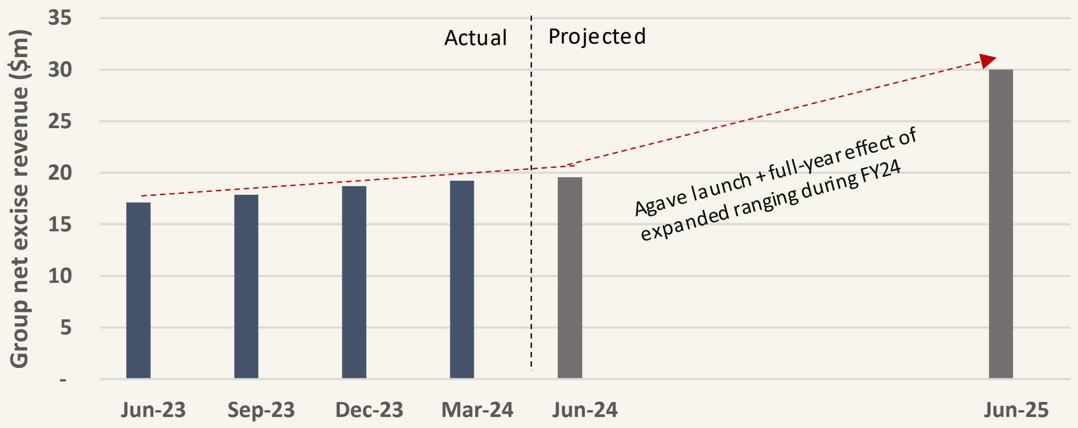
- **Revenue growth** delivered through brand distribution expansion (including national retail and on premise channels) and focused contract packaging service business model
- Business focus on **margin expansion** through channel and product optimisation, brand premiumisation and realisation of asset base efficiencies
- **EBITDA improvement** realised through margin gains and streamlined cost base

Notes: 1. Financial metrics are presented on a rolling twelve month basis inclusive of performance of the March 2024 quarter. Refer to the separately disclosed Appendix 4C for additional financial information pertaining to the March 2024 quarter. 2. Net excise revenue is derived from the Company's statutory revenue net of excise (noting the Company discloses excise within COGS on a statutory basis). 3. Gross margin is presented on a net excise cash basis (statutory gross margin excluding depreciation and whisky liquid cost divided by net excise revenue). 4. Underlying EBITDA reflects EBITDA excluding statutory items (gain or loss on biological assets, share based payment expense) and items considered by management to be one off and non-recurring in nature (examples include employee redundancy costs and corporate project expenditure). 5. L6M reflects the last six months of trading performance (i.e. October 2023 to March 2024) and is a representation of recent trading performance on an annualised basis.

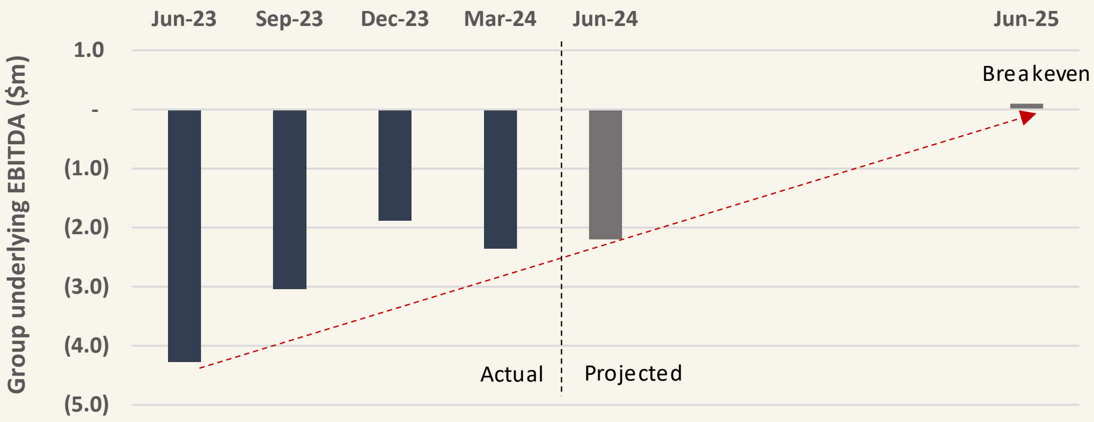
OUTLOOK

Forecast FY25 net excise revenue of $30m
Underlying EBITDA and breakeven operating cash flows by FY25 Q4

Net excise revenue [1]



Underlying EBITDA [2]



- Accelerated growth forecast in FY25 underpinned by Act of Treason Australian Agave in market, expanded retail ranging and on premise distribution, and entry into targeted International markets after business reset and stabilisation during FY24.
- Underlying EBITDA trajectory to breakeven by FY25 Q4 reflects brand margin growth supported by sustained contract packaging operation and cost base right sized during FY24.

Notes: 1. Net excise revenue is presented on a rolling twelve month basis. Actual to March 2024 and projected to June 2024 (i.e. inclusive of forecast FY24 Q4) and June 2025 (i.e. reflective of forecast FY25). 2. Underlying EBITDA is presented on a quarterly basis. Actual to March 2024 and projected to June 2024 and June 2025.

FY24 1H | PROFIT OR LOSS AND CASH FLOWS

Underlying EBITDA

A$m	FY24 1H	FY23 1H	*Change %*
Revenue – gross excise	15.2	14.7	*3.6%* ↑
Revenue – net excise	10.6	9.0	*18.5%* ↑
Gross margin [1]	**5.4**	**4.2**	***28.2%*** ↑
Cash gross profit %	*35.7%*	*28.8%*	*n/a*
Net excise gross profit %	*51.1%*	*47.3%*	*n/a*
Other income	-	0.2	*n/a*
Distribution	(0.3)	(0.6)	*(43.4%)* ↑
Selling	(1.9)	(2.9)	*(34.1%)* ↑
Marketing	(0.8)	(0.6)	*27.9%* ↓
Operating	(2.4)	(3.3)	*(29.2%)* ↑
Operating contribution	**0.1**	**(3.0)**	***(103.3%)*** ↑
Business and brand investment	(2.1)	(4.6)	*(53.5%)* ↑
Contribution margin	**(2.0)**	**(7.6)**	***(73.1%)*** ↑
Group support	(2.9)	(3.7)	*(20.6%)* ↑
Underlying EBITDA [2]	**(4.9)**	**(11.2)**	***(56.0%)*** ↑

↑ Improvement in Revenue or Costs ↓ Decline in Revenue or Costs

Note 1: Gross margin is disclosed on a cash basis excluding depreciation (FY24 1H: $0.6 million; FY23 1H: $0.3 million) and whisky liquid cost (FY24 1H: $0.4 million; FY23 1H: $0.5 million).
Note 2: A reconciliation from reporting to underlying EBITDA inclusive of adjusted statutory and non-recurring items is set out in TSI's Interim Financial Report – 31 December 2023 lodged with the ASX on 29 February 2024.

Cash Flows

A$m	FY24 1H	FY23 1H
Operating		
Business investment [3]	(2.7)	(5.3)
Trading activities	(6.1)	(10.9)
Operating – total	**(8.7)**	**(16.2)**
Investing		
Business investment [3]	(4.1)	(2.8)
Other	(0.2)	(0.6)
Investing – total	**(4.3)**	**(3.4)**
Operating and investing – total	**(13.0)**	**(19.6)**
Financing		
Equity	25.0	-
Debt and financing costs	(12.1)	6.2
Financing – total	**13.0**	**6.2**
Net cash flows	**(0.1)**	**(13.4)**
Closing cash position	**2.8**	**6.7**

Note 3: Business investment includes investment in brand, whisky and Australian agave assets. Brand and whisky inventory investment is reflected as operating cash flow and capital expenditure including oak barrel pool investment is reflected as investing cash flow. Significant expenditure in FY24 1H included the completion of the agave distillery ($4.1 million).

PRO FORMA FINANCIAL POSITION

Pro Forma Net Tangible Assets - 31 Dec 2023

A$m	Statutory Jun-23	Statutory Dec-23	Minimum $10.0m PF adj.	Minimum $10.0m Pro forma	Maximum $13.9m PF adj.	Maximum $13.9m Pro forma
Cash	2.9	2.8	8.5	11.3	11.2	14.0
Trade and other receivables	4.0	6.1	-	6.1	-	6.1
Inventories [2]	11.9	12.1	-	12.1	-	12.1
Property, plant & equipment	32.4	34.9	-	34.9	-	34.9
Agave biological assets	19.4	20.0	-	20.0	-	20.0
Right-of-use assets	5.7	5.3	-	5.3	-	5.3
Other	1.0	1.0	-	1.0	-	1.0
Tangible assets – total	**77.1**	**82.1**	**8.5**	**90.6**	**11.2**	**93.3**
Trade and other payables	(14.0)	(10.9)	-	(10.9)	-	(10.9)
Provisions	(1.2)	(1.1)	-	(1.1)	-	(1.1)
Lease liabilities	(6.9)	(6.8)	(5.0)	(11.8)	(5.0)	(11.8)
Borrowings [1]	(32.9)	(23.6)	3.6	(20.0)	4.6	(19.0)
Liabilities – total	**(55.1)**	**(42.4)**	**(0.4)**	**(43.8)**	**(0.4)**	**(42.8)**
Net tangible assets [3]	**22.0**	**39.7**	**7.1**	**46.8**	**10.8**	**50.5**

The pro forma net tangible assets represents the illustrative impact of the three Capital Transactions inclusive of the proposed capital raise as at 31 December 2023:

- *Equity raise*: Gross proceeds of minimum of $10.0m and up to $13.9m;
- *Agave asset sale & leaseback*: Gross proceeds of $5.0m; and
- *Debt facility amendment and extension*: Reduction in senior debt facility of $5.0m and up to $6.0m with proceeds from the S&LB and equity raise;
- Total transaction costs associated with the Capital Transactions is expected to be approximately $2.8m - $3.0m.

Note 1:TSI's financing facility was drawn to $25.0 million at 31 December 2023 (30 June 2023: $35.0 million). The extinguishment of the existing debt facility will include the non-cash write-off of previously capitalised borrowing costs ($1.4 million).

Note 2: TSI's inventories are recognised at cost for accounting purposes. At 31 December 2023, TSI's maturing inventories held at cost of $9.8 million represented a future gross margin of approximately $31.0 million (applying margins recognised in FY24 1H).

Note 3: TSI's net asset position of $40.1 million at 31 December 2023 as per TSI's Interim Financial Report includes intangible assets ($2.5 million) and deferred tax liabilities ($2.1 million) in addition to the net tangible assets summarised opposite.

CAPITAL RAISING OVERVIEW

CAPITAL RAISING OVERVIEW

Accelerated non-renounceable entitlement offer to raise up to $13.9m

Offer & Structure	• Capital raising comprising: - 2 for 3 non-underwritten pro-rata accelerated non-renounceable entitlement offer (**ANREO**) to raise up to $13.9m (**Entitlement Offer**), subject to a minimum of $10.0m - The offer also includes a 1:2 free attaching option with an exercise price of A$0.12, expiring 3 years from date of issue. The Company intends to list the options subject to shareholder approval and meeting ASX minimum listing requirements (**Attaching Options**) (together the **Offer**) • Up to 139.1m new Shares to be issued under the Entitlement Offer, with up to 69.6m new Attaching Options • New Shares will rank equally in all respects with existing TSI ordinary shares from the date of their issue
Offer Price	• All New Shares under the Entitlement Offer to be offered at $0.10 per New Share (**Offer Price**) - 42.9% discount to last close of A$0.175 on 21 May 2024 - 31.0% discount to the Theoretical Ex-Rights Price (**TERP**) of A$0.145[1]
Lead Managers	• PAC Partners and Salter Brothers Capital are acting as Joint Lead Managers to the Offer.

Note 1: The theoretical ex-rights price (**TERP**) is the theoretical price at which TSI shares should trade after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which TSI shares trade at that time will depend on many factors and may not be equal to TERP. TERP is calculated by reference to TSI's closing price on ASX on 21 May 2024 of $0.175

USE OF FUNDS

Minimum $15.0m of gross proceeds provides $10.0m of working capital and reduces loan balance by $5.0m

Source of funds	Minimum A$10.0m	Maximum A$13.9m
Entitlement Offer	10.0	13.9
Agave Asset Sale and Leaseback	5.0	5.0
Cash (as at 31 March 2024)	2.0	2.0
Total	**17.0**	**20.9**

Use of funds	Minimum A$10.0m	Maximum A$13.9m
Reduction of Longreach Financing Facility	5.0	6.0
Working Capital (incl. costs of the Capital Transactions)	12.0	14.9
Total	**17.0**	**20.9**

	Minimum A$10.0m		Maximum A$13.9m	
Share Capital Structure	**Shares**	**%**	**Shares**	**%**
Shares:				
Existing Shares on Issue	208.7	67.6%	208.7	60.0%
New Entitlement Offer Shares	100.0	32.4%	139.1	40.0%
Total Shares – Post Offer	**308.7**	**100.0%**	**347.8**	**100.0%**
Options:				
Existing Options & Performance Rights	**17.3**		**17.3**	
Attaching Options	**50.0**		**69.6**	

INDICATIVE TIMETABLE

Event	Date
Announcement of Offer	22 May 2024
Institutional Entitlement Offer opens	22 May 2024
Institutional Entitlement Offer closes	23 May 2024
Entitlement Offer Record Date	24 May 2024
Announcement of results of Institutional Entitlement Offer	24 May 2024
Shares commence trading on an ex-entitlement basis	24 May 2024
Retail offer booklet dispatched to Eligible Retail Shareholders and Retail Entitlement Offer Opens	29 May 2024
Settlement of New Shares issued under the Institutional Entitlement Offer	29 May 2024
Issue and commencement of trading of New Shares under and Institutional Entitlement Offer	30 May 2024
Retail Entitlement Offer closes	17 June 2024
Announcement of results of Retail Entitlement Offer	20 June 2024
Issue of New Shares under the Retail Entitlement Offer	25 June 2024

Note: Timetable is indicative only and subject to change

INTERNATIONAL OFFER RESTRICTIONS

This document does not constitute an offer of 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 2021.

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 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, 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 in Singapore. On-sale restrictions in Singapore 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.

RISKS

KEY RISKS

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

Marketing and sales strategies

It is estimated that the costs of developing and expanding the Company's business will continue to increase as its business and product range grow. There is a risk that the brands and sales and marketing strategies, initiatives, and campaigns the Company implements will not resonate with potential customers or fail to capture market share. Such failure may adversely affect the Company's ability to attract new customers, hindering its operating and financial performance.

Legal, regulatory and safety 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), and may become 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 the Company and its suppliers and service providers. Increased sales volumes for the Company's products, which may necessitate sourcing raw ingredients from new suppliers, multiple product and increased production runs and new product development, may exacerbate the risk of non-compliance. Failure to comply with the relevant laws and regulations around product standards may result in a monetary fine or other penalty, litigation, additional costs (such as product recall and disposal costs), loss of inventory, delayed supply of the Company's products or demand for the Company's services, adverse publicity, damaged brand and reputation or a loss of consumer confidence.

The Company 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 the Company's business. New laws, or the alteration of current laws, could impact the Company's ability to successfully implement its business strategy.

Consumer trends

The Australian alcoholic beverages market in which the Company operates is subject to changing trends (such as reduced drinking), demands, preferences and attitudes, tastes and dietary habits of end consumers, views advanced by social media influencers and celebrities, socioeconomic development, and other economic conditions (such as increasing interest rates, cost of living expenses and reduced discretionary spending).

Failure to anticipate, identify and react to these trends in a timely matter may result in reduced demand and price reductions for final products, materially impacting revenue. For example, consumer and customer demand for the Company's Act of Treason Australian Agave product may be lower than anticipated, and/or it may take longer to build market momentum than anticipated.

Customer and distribution partner support

The risk of losing a key customer or distribution partner, including but not limited to Australian Liquor Merchants (ALM), Paramount Liquor (PL), Coles Liquor Group (CLG) and Endeavour Group (EG), or loss of general consumer support may adversely affect the Company's operating or financial performance. Distribution networks with ALM operate under ALM's standard trading terms and conditions, which can be terminated on short notice and without penalty, which may result in a decrease in the volume of products that the Company is able to provide to its customers. Further, ALM is under no obligation to purchase a particular volume of the Company's products or to continue purchasing the Company's products at all.

Any of the Company's key customer and distribution relationships (including ALM, PL, CLG and EG) may be lost or impaired, for example if customers experience any dissatisfaction with the Company's products or services or end consumers fail to purchase the Company's products. The loss of any of the Company's key customers and distribution partners (including ALM, PL, CLG or EG), or a significant reduction in the volume of products purchased or services required by one or more key customers may adversely impact the Company's operating or financial performance.

Brand and reputation

The reputation of the Company's products and brands, and their associated values could be impacted by factors such as perceived or actual quality issues, a delay or failure to supply products, a regulatory breach, adverse media coverage, and workplace incidents or disputes with the Company's workforce. A material adverse impact to the reputation of the Company's products, services or brands could adversely affect customer relationships, resulting in loss of business, contract and market share, negatively impacting the Company's financial and operating performance.

Growth

The Company operates in a highly competitive market and may not be able to maintain competitive prices for its products and services, and may not succeed in implementing its growth strategies (such as building sales velocity in existing channels, expanding retail ranging and accessing new markets). This could be due to the inability 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 when required. There is also a risk that the Company is unable to scale supply of its product in a timely manner to grow its business or meet customer demands, such as the failure to produce whisky products due to time constraints involved in its production.

KEY RISKS CONT'D

General economic conditions

The Company's operating and financial performance is influenced by a variety of general economic and business conditions, including the level of inflation interest rates, commodity prices, ability to access funding, supply and demand conditions and government, fiscal monetary and regulatory policies. Prolonged deterioration in these conditions, including an increase in interest rates, an increase in the cost of capital or a decrease in consumer demand, could have a material adverse impact the Company's operating and financial performance.

Key personnel

The Company's success depends on the continued active participation of its senior management team. These employees are an important part of the Company's business strategy and success as they have extensive industry experience and knowledge of the Company's business. If the Company were to lose any of its senior management team or if it was unable to employ replacement personnel with the requisite level of experience to adequately operate the Company's business, it's respective operations and financial performance could be adversely affected. Further, failure to attract and retain certain personnel may adversely affect the Company'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 the Company's operating and financial performance and growth prospects.

Issues with manufacturing or storage facilities

The equipment and management systems necessary for the operation of the Company'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, the Company 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. The Company'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.

Any significant or sustained interruption to the Company's manufacturing processes, or the loss, damage, contamination or destruction of stored product inventory, may materially adversely impact the Company's production capacity and available inventory and, as a result, the Company's sales.

The Company leases the properties at which its Victorian manufacturing and storage facilities are located, and intends to enter a sale and leaseback agreement for the farmland assets of its Eden Lassie agave farm. While the Company 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, the Company would need to establish its operations (or part of its operations) at another property, which would cause the Company to incur significant financial cost and result in material interruption to its business.

Packaging arrangements

The Company's contract packaging arrangement with its primary contract packaging customer expires on 31 December 2024. Although the Company is currently engaging with the customer in relation to contract packaging opportunities beyond 31 December 2024, there is no guarantee that the arrangement is extended or (where it is not extended) that the Company is able to onboard alternative customers within the necessary timeframe.

Supply chain

The Company's relationships with its existing suppliers are not always formally documented nor exclusive, and some of these third party providers also have relationships with the Company's competitors. Therefore, the Company may not be able to retain its relationship with its third party suppliers.

Further, the quantity / yield and quality of the Company's products may be adversely affected by weather or climatic and growing conditions (including climate change). Any adverse change to weather or climatic conditions may impact the availability and sustainability of raw ingredients used by the Company, including the grains required to produce whisky and vodka, as well as the agave plants planted at the Eden Lassie agave farm harvested to produce Australian agave spirit. If a weather or climatic condition disrupts the Company's supply chain, the Company may not be able to source suitable raw ingredients and this may have a material adverse impact on the Company'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 the Company, which may in turn materially and adversely impact the Company'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 the Company's products. This may adversely impact demand for the Company's products and have an adverse effect on the Company's financial performance.

Inventory management

The Company may fail to accurately forecast or manage its inventory levels. For example, if the Company produces excess product that it cannot sell in a timely manner, the excess product may need to be sold at a discount and the Company 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 the Company and its operating results.

KEY RISKS CONT'D

Manufacturing cost increases

The Company 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; and (ii) energy inputs such as electricity, LPG and biodiesel fuel. The availability and price of key ingredients used in the Company's products are influenced by global demand and supply factors outside of the Company's control, and may be impacted by, amongst other things, climatic or environmental conditions or biosecurity events and the Company'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 the Company. If there is a significant increase in the cost of the inputs of the Company's products, this may have a material adverse effect on the Company's operating and financial performance.

Confidential information

The Company's finished products and the recipes and processes to produce them are confidential to the Company and are of significant value to the Company. There is a risk that the value of the Company's confidential information may be compromised. Any such breaches or competitive products could erode the Company's market share. This could have a materially adverse impact on the Company's operating and financial performance and growth prospects.

Litigation risk

Legal and other disputes (including industrial disputes and class actions) may arise from time to time in the ordinary course of operations (including product liability claims, intellectual property disputes, contractual disputes, indemnity claims, occupational health and safety claims and employment disputes). Any such dispute may impact earnings or affect the financial performance and security value of the Company's assets and may have a material adverse effect on the Company's operations and any potential losses to the Company may be significant. Further, the outcome of litigation cannot be predicted with certainty and adverse litigation outcomes could adversely affect the Company's business, financial condition and reputation.

Climate change risk

The Company's failure to mitigate the impact of physical and transitional climate change impacts and associated legislative requirements could result in operations that are not adequately resilient to these impacts and in turn result in reputational harm to the Company. As the climate changes, the Company may experience harvest and / or production challenges in relation to the production of Act of Treason Australian Agave. For example, it may be affected by more frequent extreme weather events and changing temperatures that may restrict the Company's ability to meet market demand.

Current and future debt levels

The Company has a debt facility as part of its capital structure. Although the Company has reduced its debt level over the past 12 months and intends to do so further with proceeds from the Offer, the material consequences are the following:

a) the Company will need to use a portion of cash from its operating activities to pay interest on its debt;
b) the Company's debt facility has covenants in relation to financial performance and minimum cash reserves. A breach of these covenants, if not waived by the Company's debt provider, may result in the need to fund repayment of debt out of its operating cash flow asset dispositions or equity raisings;
c) to the extent that facilities mature and are not replaced, extended or refinanced the Company will need to fund repayment of debt out of its operating cash flow asset dispositions or equity raisings;
d) the Company's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates may be limited because available cash flow after paying principal and interest on debt may not be sufficient to make the capital and other expenditures needed to address these changes;
e) the Company's ability to obtain financing in the future for its development program, working capital, capital expenditures, acquisitions or other purposes may be limited because of the restrictions contained in debt agreements; and
f) the Company's ability to make acquisitions and take advantage of significant business opportunities may be negatively affected if it needs to obtain the consent of its lenders to take any such action or if, because of existing debt levels, it is not able to obtain additional financing for these opportunities.

the Company may not achieve profitability in the envisaged manner and / or timeframe

The Company has an operational plan to deliver profitable financial performance through execution of the key business initiatives set out earlier in this presentation utilising the funds of the Offer. Unforeseen business interruptions or delays may require the Company to alter its operational plan or deliver the plan in a timeframe different from that currently envisaged.

General risk management systems and controls

The Company relies on internal risk management control systems to appropriately manage various risks to which its business is subject. While there is segregation in hierarchy within the risk management systems and processes, there is a risk that these systems will prove ineffective due to human error, fraud, a breach of data security or inadequate processes across its operations. Depending on the nature and scale of a failure to maintain or update and implement an appropriate risk management system, such failures could have a material adverse effect on the Company's operations and as a consequence the losses to the Company may be significant.

KEY RISKS CONT'D

Impact of inflation and associated excise increases

The Australian government indexes the excise duty rates for Spirits and Other Excisable Beverages twice per year, generally on 1 February and 1 August. The index is based on the upward movement of inflation, via the Consumer Price Index (CPI). Under the current system, further increases in inflation will result in further automatic excise increases. Such increases will also increase the price of the Company's products and may have an adverse effect on consumer buying patterns and adversely impact the Company's financial performance. In addition, governments may review and impose additional excise or other taxes on spirits.

Taxation

Future changes in taxation law, including changes in interpretation or application of the law by the courts or taxation authorities, or any changes with respect to franking, may affect the taxation treatment of an investment in the Company's securities or the holding and disposal of those securities. Further, changes in tax law, or changes in the way tax law is expected to be interpreted may impact the future tax liabilities of the Company.

The Company has requested a payment plan with the Australian Tax Office in relation to its existing excise obligations. The outcome of this request may adversely influence the timing of future cash flows.

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 the Company.

Future funding

The Company may require raise additional debt finance or new equity in the future. 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 the Company from being able to raise the relevant debt or equity. Consequently, if the Company is unable to access funding when required, this may have a material adverse effect on the Company's financial position and hinder its ability to execute its operational plan effectively. In addition, the Company's ability to continue as a going concern may be diminished.

General risks associated with an investment in Shares

There are general risks associated with investments in equity capital such as the Company shares. The trading price of the Company 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 the Company shares (over which the Company 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.

No assurance can be given that the New Shares will trade at or above the Offer Price. None of the Company, 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.

Shareholder dilution

In the future, the Company may elect to issue new shares to fund or raise proceeds for (among other things) acquisitions that the Company may decide to make. While the Company 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.

No guarantee of future dividends

The Company currently has no plans to pay a dividend. There is no guarantee that the Company 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 the Company and the price of the Company shares. These events can have an adverse impact on the demand for the Company's goods and services and its ability to conduct its business. The Company 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 the Company's operations, financial performance and viability.

Interconnected transactions

The information presented in this presentation assumes that the other two Capital Transactions complete in accordance with the terms of their respective binding term sheets. The Company is in the process of negotiating definitive long form documentation to give effect to those term sheets, but there is no guarantee that the parties will agree and execute those documents or that the Capital Transactions will ultimately complete (notwithstanding that the terms sheets are expressed to be legally binding). If these transactions do not occur as a result of a failure to satisfy conditions (or otherwise), the financial and other information set out in this presentation would not be accurate and the failure to complete those transactions may have a materially adverse impact on TSI's future operations and financial performance. For example, there will be no guarantee that TSI will be able to repay its debt, including those under the existing Longreach Financing Facility.