

## Appendix 4E Preliminary final report

### 1. Company details

Name of entity:	Top Shelf International Holdings Ltd
ABN:	22 164 175 535
Reporting period:	For the year ended 30 June 2024 ("FY24")
Previous period:	For the year ended 30 June 2023 ("FY23")

### 2. Results for announcement to the market

\$'000	FY24	FY23	Mvmt	Mvmt %
Revenue				
Reported	26,645	27,547	(903)	(3.3%)
Net excise	18,893	17,114	1,779	10.4%
Gross profit				
Reported	7,171	6,080	1,091	17.9%
Underlying <sup>1</sup>	9,112	7,583	1,529	20.2%
Gross profit %				
Reported	26.9%	22.1%	n/a	4.8%
Underlying <sup>1</sup>	48.2%	44.3%	n/a	3.9%
EBITDA <sup>2</sup>				
Reported	(13,970)	(27,539)	13,569	49.3%
Underlying	(10,143)	(20,150)	10,008	49.7%
Loss after income tax	(21,171)	(48,291)	27,120	56.2%

<sup>1</sup> Underlying gross profit excludes noncash items from reported COGS - depreciation (FY24: \$1.3 million; FY23: \$0.8 million), whisky liquid cost (FY24: \$0.6 million; FY23: \$0.7 million) and agave liquid cost (FY24: \$0.1 million; FY23: \$nil).

Underlying gross profit is calculated by dividing underlying gross margin by net excise revenue.

<sup>2</sup> A reconciliation of reported EBITDA to underlying EBITDA has been set out in the Review of Operations accompanying this Appendix 4E.

### 3. Net tangible assets

\$	30 June 2024	30 June 2023
Net tangible assets per ordinary security	0.12	0.26

Net tangible assets include right of use assets and the corresponding lease liabilities. Intangible and deferred tax assets have been excluded from the net tangible assets per ordinary share calculation.

### 4. Control gained over entities

Not applicable.

### 5. Loss of control over entities

Not applicable.

---

## 6. Dividends

*Current period:*

There were no dividends paid, recommended or declared during the current financial period.

*Previous period:*

There were no dividends paid, recommended or declared during the previous financial period.

---

## 7. Dividend reinvestment plans

Not applicable.

---

## 8. Details of associates and joint venture entities

Not applicable.

---

## 9. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

---

## 10. Audit qualification or review

*Details of audit / review dispute or qualification (if any):*

The financial statements of Top Shelf International Holdings Ltd for the year ended 30 June 2024 are in the process of being audited. The audit report could be subject to a modified opinion, an emphasis of matter and/or other matter which is subject to the completion of audit procedures.

---

## 11. Attachments

*Details of attachments (if any):*

The preliminary final report of Top Shelf International Holdings Ltd for the year ended 30 June 2024 is attached.

---

## 12. Signed

Approved for lodgement by the Chairman of the Board of Top Shelf International Holdings Ltd.



**Corporate Directory**

**30 June 2024**

Directors	Julian Davidson – Non-Executive Chairman Adem Karafili – Non-Executive Director Peter Cudlipp – Non-Executive Director (resigned effective 27 October 2023) Lynette Mayne – Non-Executive Director (resigned effective 31 July 2023) Stephen Grove – Non-Executive Director (appointed effective 31 July 2023) <sup>1</sup> Phil Baldock – Non-Executive Director (appointed effective 31 January 2024) John Selak – Non-Executive Director (appointed effective 1 June 2024) <sup>1</sup> <sup>1</sup> Subsequent to 30 June 2024, the Company announced that John Selak and Stephen Grove have resigned effective 16 August 2024 and 19 August 2024 respectively.
Company secretary	Carlie Hodges Harry Pratt
Registered office	16-18 National Boulevard Campbellfield VIC 3061 Telephone: +61 3 8317 9990
Share register	Boardroom Pty Limited Level 12 225 George Street Sydney, NSW 2000 Telephone: +61 2 9290 9600
Auditor	BDO Audit Pty Ltd Collins Square, Tower Four Level 18, 727 Collins Street Melbourne VIC 3008
Securities exchange listing	Top Shelf International Holdings Ltd shares are listed on the Australian Securities Exchange (ASX)



**Contents**  
**30 June 2024**

Review of operations	5
Consolidated statement of profit or loss and other comprehensive income	7
Consolidated statement of financial position	8
Consolidated statement of changes in equity	9
Consolidated statement of cash flows	10
Notes to the consolidated financial statements	11

**Review of operations  
30 June 2024**

*Key Highlights*

The key operational highlights of Top Shelf International Holdings Ltd (Top Shelf or the Group) during the financial year ended 30 June 2024 (FY24) included:

- commissioning of the agave distillery at the Eden Lassie agave farm in December 2023 marking the end of the Group's intensive capital expenditure program. The Group has subsequently been focused on plant harvest and agave spirit production in preparation for on premise and retail ranging during 2024;
- announcement of the nationwide ranging of Act of Treason Australian Agave with Endeavour Group (Dan Murphy's and BWS) from July 2024 building on the initial ranging of NED Australian Whisky with Endeavour Group in 2023; and
- Top Shelf's brand portfolio continued to be recognised at prestigious industry awards including Grainshaker Australian Vodka being awarded as the IWSC Spirits Producer of the Year in London UK in October 2023 and Gold medals for Act of Treason Australian Agave at three prestigious international spirit competitions (San Francisco World Spirits Competition, the International Wine and Spirit Competition and World Drinks Awards).

*Unaudited Financial Performance*

In FY24, Top Shelf delivered on a focus of:

- brand portfolio distribution expansion and margin improvement;
- delivery of contract packaging services to its multinational beverage customer; and
- reducing the scale of the Group's cost base.

This focus is reflected in the following financial performance outcomes for FY24 relative to the previous corresponding period of FY23:

- underlying gross profit improvement of \$1.5 million or 20%;
- margin improvement (on a net excise basis) in absolute terms of 3.9% from 44.3% to 48.2%;
- a reduction in the underlying cost base of \$8.2 million or 30%;
- underlying EBITDA performance improvement of \$10.0 million or 50% (and also an improvement in reported EBITDA of \$13.6 million or 49%); and
- business cash flow (operating and investing activities) improvement of \$12.5 million or 41%.

Reported to Underlying EBITDA reconciliation:

The following table reconciles reported EBITDA to underlying EBITDA for FY24 and the previous corresponding period, FY23:

<b>\$ millions</b>	<b>FY24 (unaudited)</b>	<b>FY23</b>
<b>Reported</b>	<b>(14.0)</b>	<b>(27.5)</b>
Biological asset fair value loss / (gain)	0.3	(2.3)
Share based payments	0.6	1.0
Whisky and agave liquid cost	0.6	0.7
Non-recurring costs <sup>1</sup>	1.5	2.3
Non-recurring asset write downs	0.8	5.6
<b>Underlying</b>	<b>(10.2)</b>	<b>(20.2)</b>

Note 1: In FY24 the Group recognised costs in relation to employee terminations and non-recurring corporate projects.



## Top Shelf International Holdings Ltd

### *Unaudited Financial Position*

The Group's net tangible asset position of \$38.9 million at 30 June 2024 included:

- Property, plant and equipment (\$33.8 million)
- Maturing whisky inventories (\$9.7 million)
- Agave biological assets (\$19.7 million)

As of the date of this Preliminary Final Report, the Group has not yet completed an audited impairment assessment of the carrying values of its property, plant & equipment and intangibles assets as of 30 June 2024. On this basis, the carrying values of these assets may be altered in the Group's audited annual report.

The Group's net debt position improved to \$16.7 million at 30 June 2024 (30 June 2023: \$30.0 million) with debt reduced by \$10.0 million during FY24.

At 30 June 2024, the Group's cash position was \$7.0 million with a subsequent debt principal repayment of \$2.8 million made in July 2024. Top Shelf has an in-principle agreement with its major financier, Longreach Credit Investors, in relation to the use of proceeds from the Eden Lassie sale and leaseback transaction and potential additional measures to preserve cash.

**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2024 (unaudited)**

		<b>Consolidated</b>	
		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>(unaudited)</b>	<b>\$'000</b>
		<b>\$'000</b>	<b>\$'000</b>
Revenue from contracts with customers	2	26,645	27,547
Cost of sales			
Product cost of sales	3	(11,722)	(11,034)
Excise	3	(7,752)	(10,434)
Cost of sales – total		(19,474)	(21,467)
Gross Profit		7,171	6,080
Other Income		127	269
Fair value gain / (loss) on biological assets	13	(295)	2,277
Expenses			
Distribution expense		(567)	(983)
Selling expenses		(4,339)	(5,820)
Marketing expense		(4,517)	(6,828)
Operating, general & administration expenses		(12,252)	(22,296)
Share based payments		(593)	(995)
Depreciation & amortisation	4	(949)	(960)
Finance income		94	85
Finance costs	5	(5,074)	(4,672)
<b>Loss before income tax benefit</b>		<b>(21,194)</b>	<b>(33,841)</b>
Income tax (expense) / benefit		24	(14,450)
<b>Loss after income tax benefit for the year attributable to the owners of Top Shelf International Holdings Ltd</b>		<b>(21,171)</b>	<b>(48,291)</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income / (loss) for the year attributable to the owners of Top Shelf International Holdings Ltd</b>		<b>(21,171)</b>	<b>(48,291)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings / (loss) per share		(10.05)	(63.81)
Diluted earnings / (loss) per share		(10.05)	(63.81)

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

**Consolidated statement of financial position**  
**As at 30 June 2024 (unaudited)**

<b>Assets</b>	<b>Note</b>	<b>Consolidated</b>	
		<b>2024</b> <b>(unaudited)</b> <b>\$'000</b>	<b>2023</b> <b>\$'000</b>
<b>Current assets</b>			
Cash and cash equivalents	6	6,957	2,855
Trade and other receivables	7	3,277	3,958
Inventories	8	11,271	11,857
Biological assets	13	2,760	1,238
Other assets	9	791	624
<b>Total current assets</b>		<b>25,055</b>	<b>20,531</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	33,751	32,355
Right-of-use assets	11	5,059	5,694
Intangible assets	12	2,722	2,330
Biological assets	13	16,988	18,182
Other assets	9	357	354
<b>Total non-current assets</b>		<b>58,877</b>	<b>58,914</b>
<b>Total assets</b>		<b>83,932</b>	<b>79,446</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	14	10,874	14,016
Borrowings	15	23,657	32,904
Lease liabilities	16	460	387
Provisions	17	656	854
<b>Total current liabilities</b>		<b>35,647</b>	<b>48,161</b>
<b>Non-current liabilities</b>			
Lease liabilities	16	6,159	6,550
Provisions	17, 18	510	363
Deferred tax liabilities		1,098	1,698
<b>Total non-current liabilities</b>		<b>7,767</b>	<b>8,611</b>
<b>Total liabilities</b>		<b>43,415</b>	<b>56,772</b>
<b>Net assets</b>		<b>40,517</b>	<b>22,674</b>
<b>Equity</b>			
Issued capital	19	143,447	105,026
Reserves		3,724	3,131
Accumulated losses		(106,654)	(85,483)
<b>Total equity</b>		<b>40,517</b>	<b>22,674</b>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

**Consolidated statement of changes in Equity**  
**For the year ended 30 June 2024 (unaudited)**

	<b>Issued capital \$'000</b>	<b>Reserves \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Total Equity \$'000</b>
Balance as at 1 July 2022	95,569	2,136	(37,193)	60,512
Loss after income tax benefit for the year	-	-	(48,291)	(48,291)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income / (loss) for the year	-	-	(48,291)	(48,291)
Transactions with owners in their capacity as owners:				
Contributions of equity	10,000	-	-	10,000
Share issue transaction costs (net of tax)	(543)	-	-	(543)
Share-based payments	-	995	-	995
Balance at 30 June 2023	<b>105,026</b>	<b>3,131</b>	<b>(85,484)</b>	<b>22,674</b>
Balance as at 1 July 2023	105,026	3,131	(85,484)	22,674
Loss after income tax benefit for the year	-	-	(21,171)	(21,171)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income / (loss) for the year	-	-	(21,171)	(21,171)
Transactions with owners in their capacity as owners:				
Contributions of equity	41,635	-	-	41,635
Share issue transaction costs (net of tax)	(3,214)	-	-	(3,214)
Share-based payments	-	593	-	593
Balance at 30 June 2024	<b>143,447</b>	<b>3,724</b>	<b>(106,655)</b>	<b>40,517</b>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

**Consolidated statement of cash flows**  
**For the year ended 30 June 2024 (unaudited)**

		<b>Consolidated</b>	
		<b>2024</b>	<b>2023</b>
		<b>(unaudited)</b>	
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		32,077	33,744
Payments to suppliers and employees (inclusive of GST)		(45,253)	(56,582)
Government grants received		-	37
Net cash used in operating activities		<u>(13,176)</u>	<u>(22,800)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(3,775)	(6,274)
Receipts from disposal of property, plant and equipment		200	20
Payments for intangibles		(435)	(119)
Payments for biological assets		(978)	(1,474)
Payments for security deposits		(3)	-
Net cash used in investing activities		<u>(4,990)</u>	<u>(7,848)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issues of shares	19	40,071	10,000
Share issue transaction costs	19	(3,207)	(679)
Proceeds / (Repayments) from borrowings – external financier		(10,000)	10,000
Interest and finance costs on borrowings		(3,666)	(4,831)
Repayment of lease liabilities – buildings & equipment		(375)	(327)
Interest on lease liabilities		(555)	(753)
Net cash from financing activities		<u>22,268</u>	<u>13,410</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>4,102</u>	<u>(17,274)</u>
Cash and cash equivalents at the beginning of the financial year		<u>2,855</u>	<u>20,129</u>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>6</b>	<u><b>6,957</b></u>	<u><b>2,855</b></u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

### Note 1. Basis of preparation

The preliminary final report covers Top Shelf International Holdings Ltd as a Group consisting of Top Shelf International Holdings Ltd ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (referred to hereafter as the 'Group' or 'Top Shelf'). The financial statements are presented in Australian dollars, which is Top Shelf International Holdings Ltd's functional and presentation currency.

There have been no changes to the corporate structure of the group during the financial year ended 30 June 2024. All entities of the group are party to a deed of cross guarantee under which each company guarantees the debts of the others.

Top Shelf International Holdings Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. The Company listed on the Australian Securities Exchange ('ASX') on 9 December 2020.

This preliminary final report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

This preliminary final report has been prepared in accordance with ASX Listing Rules as they relate to the Appendix 4E and in accordance with the recognition and measurement requirements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001. As such, this preliminary final report does not include all the notes of the type included in an annual financial report and accordingly should be read in conjunction with the annual report for the year ended 30 June 2023 and any ASX announcements made by the Company during the year. The principal accounting policies adopted in the preparation of the financial report are consistent with those of the previous financial year.

In preparing this preliminary final report, the board of directors made an assessment of the ability of Top Shelf to continue as a going concern, which contemplates the continuity of business operations, realisation of assets and settlement of liabilities in the ordinary course of business.

As stated in the 'Review of operations' section above, Top Shelf has an in-principle agreement with its major financier, Longreach Credit Investors, in relation to the use of proceeds from the Eden Lassie sale and leaseback transaction and potential additional measures to preserve cash. The board of directors is considering which of those measures it will seek to implement.

Based on budgeted trading results and cash flows, the directors believe that Top Shelf will continue to meet its debt covenants. However, the trading and cash flow budgets are necessarily based on best-estimate assumptions that may or may not occur as expected and are subject to influences and events outside the control of the Group.

Should the ability of the Group to realise sufficient cash flows from trading operations be restricted, the Eden Lassie sale and leaseback not proceed and/or the in-principle agreement with its major financier lapse, Top Shelf will institute additional measures to preserve cash. These may include (but are not limited to) raising additional capital, further negotiations with creditors, asset sales, and restriction of capital and operating expenditures.

After making enquiries, and considering the uncertainties described above, subject to agreement and negotiations with key stakeholders, the directors have a reasonable expectation that the Group has adequate resources to continue to operate and meet its obligations as they fall due for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing this preliminary final report.

**Note 2. Revenue from contracts with customers***Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	<b>Consolidated</b>	
	<b>2024 (unaudited) \$'000</b>	<b>2023 \$'000</b>
<i>Major product lines</i>		
Branded (net of discounts and rebates)	16,969	20,044
Contract Packaging	9,676	7,503
	26,645	27,547

Spirit beverage product manufactured in Australia is an excisable product payable when the product is removed from a bonded premise. The Group has customer arrangements wherein excise duty is incurred by the Group at the point of despatch of product to the customer or the excise duty obligation is transferred to the customer in an under bond arrangement. The mix of these customer arrangements influences the Group's recognition and presentation of branded revenue.

The presentation of branded revenue net of excise for the period ended 30 June 2024 and comparative period is as follows:

Branded (net of discounts and rebates)	16,969	20,044
Excise (as recognised in COGS – refer to note 3)	(7,752)	(10,434)
Branded revenue (net of excise)	9,217	9,611

**Note 3. Cost of sales**

	<b>Consolidated</b>	
	<b>2024 (unaudited) \$'000</b>	<b>2023 \$'000</b>
Raw materials	9,395	9,137
Employee benefits expense	1,662	1,381
Excise	7,752	10,434
Manufacturing overhead	664	516
	19,474	21,467

**Note 4. Depreciation and amortisation**

Loss before income tax includes the following specific expenses:

	<b>Consolidated</b>	
	<b>2024 (unaudited) \$'000</b>	<b>2023 \$'000</b>
<i>Depreciation</i>		
Leasehold improvements	90	50
Plant and equipment – production infrastructure	380	394
Other assets	81	91
Right-of-use asset	355	383
Total depreciation	906	917

*Amortisation*

Software	43	43
Total amortisation	43	43
Total depreciation and amortisation	949	960

**Note 5. Finance Costs**

	Consolidated	
	2024 (unaudited) \$'000	2023 \$'000
Interest and finance charges paid/payable on borrowings	2,916	2,900
Interest and finance charges paid/payable on lease liabilities	737	759
Fees on borrowings	1,421	1,013
Total finance costs	5,074	4,672

**Note 6. Cash and cash equivalents**

	Consolidated	
	2024 (unaudited) \$'000	2023 \$'000
<i>Current Assets</i>		
Cash at bank	6,957	2,855

Cash at bank earns interest at floating rates based on daily bank deposit rates.

**Note 7. Trade and other receivables**

	Consolidated	
	2024 (unaudited) \$'000	2023 \$'000
<i>Current Assets</i>		
Trade Receivables	2,995	5,796
Less: Allowance for expected credit losses	(202)	(1,717)
Less: Allowance for expected customer rebates	(200)	(198)
	2,593	3,881
Other receivables	683	-
GST recoverable	1	77
	3,277	3,958

*Allowance for expected credit losses*

The Group has recognised a loss of \$9,000 (2023: \$1,968,000) in profit or loss in respect of the expected credit losses for the year ended 30 June 2024.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Expected Credit Loss Rate		Carrying Amount		Allowance for Expected Credit Losses	
	2024 (unaudited) %	2023 %	2024 (unaudited) \$'000	2023 \$'000	2024 (unaudited) \$'000	2023 \$'000
Not overdue	0.7%	1.7%	2,369	3,240	16	56
0 to 3 months overdue	13.4%	35.8%	476	1,247	64	446
3 to 6 months overdue	60.8%	76.7%	38	259	23	199

Over 6 months overdue	89.1%	96.7%	112	1,051	99	1,016
			<u>2,995</u>	<u>5,797</u>	<u>202</u>	<u>1,717</u>

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	2024 (unaudited) \$'000	2023 \$'000
Opening balance	1,717	198
Additional provisions recognised	9	1,968
Receivables written off during the year as uncollectable	(1,523)	(450)
Closing Balance	<u>202</u>	<u>1,717</u>

**Note 8. Inventories**

	Consolidated	
	2024 (unaudited) \$'000	2023 \$'000
<i>Current Assets</i>		
Raw Materials	846	1,371
Intermediate Inventories – Agave and Vodka	457	120
Maturing Inventories - Whisky	9,735	9,482
Finished Goods	1,567	2,479
Less: Provision for impairment	(575)	(1,082)
Less: Provision for angel share	(759)	(514)
	<u>11,271</u>	<u>11,857</u>

*Intermediate inventories*

Intermediate inventories include produced vodka and agave as at 30 June 2024 that has yet to be packaged into finished goods.

*Maturing inventories*

Maturing inventories include whisky in barrels and vats. As at 30 June 2024, the Group recorded \$8,082,000 (2023: \$7,833,000) of maturing inventories that are expected to be utilised after more than one year.

*Provision for angel share*

Provision for the estimated loss of spirit liquid from evaporation during the oak maturation process.

**Note 9. Other Assets**

	Consolidated	
	2024 (unaudited) \$'000	2023 \$'000
<i>Current Assets</i>		
Prepaid expenses and other current assets	682	477
Deposits with suppliers	108	146
	<u>790</u>	<u>624</u>
<i>Non Current Assets</i>		
Security Deposits	<u>357</u>	<u>354</u>

**Note 10. Property, Plant and Equipment**

*Non-current assets*

	Consolidated	
	2024 (unaudited) \$'000	2023 \$'000
Land – at cost	<u>2,817</u>	<u>2,817</u>

Leasehold improvements - at cost	1,750	1,677
Less: Accumulated depreciation	(381)	(291)
	1,369	1,386
Plant and equipment - production assets - at cost	19,937	15,268
Less: Accumulated depreciation	(2,388)	(1,761)
	17,550	13,507
Plant and equipment – production infrastructure – at cost	8,625	4,076
Less: Accumulated depreciation	(1,238)	(930)
	7,387	3,146
Plant and equipment – maturation assets – at cost	5,949	5,949
Less: Accumulated depreciation	(2,417)	(1,557)
	3,531	4,392
Other Assets – at cost	802	654
Less: Accumulated depreciation	(352)	(271)
	450	383
Assets under construction	647	6,723
	33,751	32,355

*Reconciliations*

Reconciliations of the carrying values at the beginning and end of the current and previous financial year are set out below:

	Land	Leasehold Improvements	P&E - Production	P&E - Infrastructure	P&E - Maturation	Other assets	Assets Under Construction	Total
Balance at 30 June 2022	2,817	1,553	13,839	3,232	4,376	643	2,477	28,938
Additions	-	48	63	193	249	10	6,111	6,674
Disposals	-	-	(75)	-	-	-	-	(75)
Impairment	-	(165)	(227)	-	-	(178)	(827)	(1,397)
Transfers	-	-	481	-	558	-	(1,039)	-
Depreciation Expense	-	(50)	(574)	(279)	(792)	(91)	-	(1,785)
Balance at 30 June 2023	2,817	1,386	13,507	3,146	4,392	384	6,723	32,356
Additions	-	73	939	2,652	-	84	75	3,823
Disposals	-	-	-	-	-	-	(460)	(460)
Impairment	-	-	-	-	-	-	-	-
Transfers	-	-	3,730	1,897	-	64	(5,691)	-
Depreciation Expense	-	(90)	(627)	(308)	(861)	(81)	-	(1,967)
Balance at 30 June 2024 (unaudited)	2,817	1,369	17,550	7,387	3,531	450	647	33,751

As of the date of this Preliminary Final Report, the Group has not yet completed an audited impairment assessment of the carrying values of its property, plant & equipment assets as of 30 June 2024. On this basis, the carrying values of these assets may be altered in the Group's audited annual report.

**Note 11. Right-of-use assets**

	Consolidated	
	2024 (unaudited) \$'000	2023 \$'000
Equipment	882	882
Less: Accumulated Depreciation	(573)	(362)
	309	520
Buildings	6,501	6,501
Less: Accumulated Depreciation	(1,751)	(1,326)
	4,750	5,175
	5,059	5,694

*Reconciliations*

Reconciliations of the carrying values at the beginning and end of the current and previous financial year are set out below:

	<b>Buildings \$'000</b>	<b>Equipment \$'000</b>	<b>Total \$'000</b>
Balance at 30 June 2022	5,655	572	6,227
Additions	-	149	149
Depreciation Expense	(480)	(202)	(682)
Balance at 30 June 2023	5,175	519	5,694
Additions	-	-	-
Depreciation Expense	(425)	(210)	(635)
Balance at 30 June 2024 (unaudited)	4,750	309	5,059

**Note 12. Intangible assets**

<i>Non Current Assets</i>	<b>Consolidated</b>	
	<b>2024 (unaudited) \$'000</b>	<b>2023 \$'000</b>
Intellectual property - at cost	1,668	1,269
Trademarks – at cost	990	954
Software – at cost	214	214
Less: Accumulated amortisation	(150)	(107)
	64	107
	2,722	2,330

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	<b>Intellectual Property \$'000</b>	<b>Trademarks \$'000</b>	<b>Software \$'000</b>	<b>Total \$'000</b>
Balance at 30 June 2022	1,256	806	149	2,211
Additions	14	148	-	162
Amortisation expense	-	-	(43)	(43)
Balance at 30 June 2023	1,270	954	106	2,330
Additions	399	36	-	435
Amortisation expense	-	-	(43)	(43)
Balance at 30 June 2024 (unaudited)	1,668	990	64	2,722

As of the date of this Preliminary Final Report, the Group has not yet completed an audited impairment assessment of the carrying values of its intangibles assets as of 30 June 2024. On this basis, the carrying values of these assets may be altered in the Group's audited annual report.

**Note 13. Biological assets**

<i>Current assets</i>	<b>Consolidated</b>	
	<b>2024 (unaudited) \$'000</b>	<b>2023 \$'000</b>
Agave plants - at fair value	2,760	1,193

*Non-current assets*

Agave plants - at fair value

16,988

18,227

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	<b>Agave plants \$'000</b>
Balance at 30 June 2022	15,669
Expenditure	1,474
Fair value gain during the financial year ended 30 June 2023	<u>2,277</u>
Balance at 30 June 2023	19,420
Expenditure	978
Inventory – harvested agave plants	(355)
Fair value loss during the financial year ended 30 June 2024	(295)
Balance at 30 June 2024 (unaudited)	<u><u>19,748</u></u>

Agave plants growing in the ground are accounted for as biological assets until the point of harvest. Biological assets are measured on initial recognition at the end of each reporting period at fair value less costs to sell. Changes in the fair value of growing plants are recognised in the profit or loss. Costs related to growing the plants and harvesting are capitalised into the carrying value in the statement of financial position. At the time of harvest, agave plants (pina) are measured at fair value less costs to sell and transferred to inventories.

The Group has determined the fair value less costs to sell of the agave plant estate as at 30 June 2024 with reference to the following assumptions:

- the plant population in ground as at 30 June 2024 (555,000 plants) and the regenerative nature of the agave plant (assumption of one plant pup in ground with a parent plant)
- an in-ground growing cycle of 5 years from planting date with the pina weight of a harvested plant of 22 kilograms;
- anticipated farm operating and plant harvesting costs
- farmgate price of \$1.75 per agave kilogram
- discount rate pre-tax of 13.0%

*Asset Security*

The Group's agave plants are pledged as security for the Group's secure financing with Longreach Credit.

**Note 14. Trade and other payables**

	<b>Consolidated</b>	
	<b>2024 (unaudited) \$'000</b>	<b>2023 \$'000</b>
<i>Current liabilities</i>		
Trade payables (including excise payable)	8,618	9,380
Accrued expenses and employee related payables	1,864	4,268
Customer deposits received in advance	393	368
	<u>10,874</u>	<u>14,016</u>

**Note 15. Borrowings**

	<b>Consolidated</b>	
	<b>2024 (unaudited) \$'000</b>	<b>2023 \$'000</b>
<i>Current liabilities</i>		
Loan from Longreach Direct Lending Fund - interest bearing	25,000	35,000
Borrowing Costs	(1,343)	(2,096)
	23,657	32,904
<i>Non-current liabilities</i>		
Loan from Longreach Direct Lending Fund - interest bearing	-	-
Borrowing Costs	-	-
	-	-

*Total secured liabilities*

The total secured liabilities are as follows:

	<b>Consolidated</b>	
	<b>2024 (unaudited) \$'000</b>	<b>2023 \$'000</b>
Loan from Longreach Direct Lending Fund	25,000	35,000

*Assets pledged as security*

The Group's tangible assets are pledged as security with the secured financing facility with Longreach Direct Lending Fund.

*Financing arrangements*

Unrestricted access was available at the reporting date to the following lines of credit:

	<b>Consolidated</b>	
	<b>2024 (unaudited) \$'000</b>	<b>2023 \$'000</b>
<i>Total facilities</i>		
Loan from Longreach Direct Lending Fund	25,000	35,000
<i>Used at the reporting date</i>		
Loan from Longreach Direct Lending Fund	25,000	35,000
<i>Unused at the reporting date</i>		
Loan from Longreach Direct Lending Fund	-	-

The Company has a secured financing facility agreement arranged by Longreach Credit Investors Pty Ltd with AMAL Trustees Pty Ltd as trustee for the Longreach Direct Lending Fund.

The Company executed a facility agreement amendment and restatement deed with its debt provider, Longreach Credit Investors, dated 30 June 2024. In accordance with the amendment and restatement deed, the debt facility maturity was extended by 12 months to December 2025 and the facility interest rate is 15.0% (cash of 12.25% and payment in kind of 2.75%).

**Note 16. Lease Liabilities**

	<b>Consolidated</b>	
	<b>2024 (unaudited) \$'000</b>	<b>2023 \$'000</b>
<i>Current liabilities</i>		



Lease liability - buildings	262	203
Lease liability - equipment	199	184
	<u>460</u>	<u>387</u>

*Non-current liabilities*

Lease liability - buildings	5,993	6,201
Lease liability - equipment	167	350
	<u>6,159</u>	<u>6,550</u>

**Note 17. Employee Benefits**

	<b>Consolidated</b>	
	<b>2024 (unaudited) \$'000</b>	<b>2023 \$'000</b>
<i>Current liabilities</i>		
Annual leave	<u>656</u>	<u>854</u>
<i>Non-current liabilities</i>		
Long service leave	<u>183</u>	<u>42</u>

**Note 18. Other Provisions**

	<b>Consolidated</b>	
	<b>2024 (unaudited) \$'000</b>	<b>2023 \$'000</b>
<i>Non-current liabilities</i>		
Lease make good	<u>327</u>	<u>321</u>

**Note 19. Issued Capital**

	<b>30-Jun-24 (unaudited) Shares</b>	<b>30-Jun-23 Shares</b>	<b>30-Jun-24 (unaudited) \$'000</b>	<b>30-Jun-23 \$'000</b>
Ordinary shares - fully paid	325,107,355	84,169,533	151,660	110,025
Share issue transaction costs, net of tax			<u>(8,213)</u>	<u>(4,999)</u>
	<u>325,107,355</u>	<u>84,169,533</u>	<u>143,447</u>	<u>105,026</u>

*Movements in ordinary share capital*

	<b>Date</b>	<b>Shares</b>	<b>Issue Price</b>	<b>\$'000</b>
Opening Balance	30 June 2023	84,169,533		105,026
Issue of Shares	13-Jul-23	111,381,328	0.25	27,845
Issue of Shares	4-Aug-23	1,525,239	0.25	381
Issue of Shares	28-Aug-23	7,074,761	0.25	1,769
Issue of Shares (conversion of options)	23-Oct-23	1,150,000	-	-
Issue of Shares (conversion of options)	3-Nov-23	1,150,000	-	-
Issue of Shares (conversion of options)	17-Nov-23	965,000	-	-
Issue of Shares (conversion of options)	1-Dec-23	60,000	-	-
Issue of Shares (conversion of options)	19-Jan-24	450,000	-	-
Issue of Shares (conversion of options)	2-Mar-24	750,000	-	-
Issue of Shares	30-May-24	100,466,896	0.10	10,047



## Top Shelf International Holdings Ltd

Issue of Shares (conversion of options)	18-Jun-24	35,000	-	-
Issue of Shares	24-Jun-24	15,929,598	0.10	1,593
Share issue transaction costs, net of tax				(3,214)
		<b>325,107,355</b>		<b>143,447</b>

### Note 20. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

### Note 21. Events after the reporting period

On 16 August 2024, the Company lodged a Notice of Extraordinary General Meeting to be held on 19 September 2024 for shareholder approval of the proposed sale and leaseback transaction of the Group's agave farmland asset. As per a binding term sheet executed on 12 April 2024, Top Shelf has agreed to dispose of the agave farmland for a sale price of \$5.0 million and enter into a 10 year lease on arms' length terms and an option to extend the lease for a further 5 years. Shareholder approval is required for the sale and leaseback transaction as the purchaser is an entity associated with or controlled by Stephen Grove. Stephen Grove is a former non-executive director and has a substantial holding in the Company.