



Top Shelf International Holdings Ltd

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

10 December 2020

ASX ANNOUNCEMENT (ASX:TSI)

Top Shelf International Holdings Limited ('Top Shelf' or the 'Company'), an Australian multi-branded spirits company and owner of the NED Whisky and Grainshaker Vodka brands, lists today on the ASX with a market capitalisation at listing of \$110 million at the IPO price

Highlights

- Top Shelf lists today on the ASX following its successful initial public offering ('IPO') to raise \$47.2 million, with strong support from institutional and sophisticated retail investors.
- Strong sales momentum continued in November and for the key December quarter, with sales growth on track to achieve Top Shelf's FY21 revenue forecast of \$20.0 million driven by:
 - the successful ongoing rollout of NED branded Australian Whisky ('NED') across the Independent Brands Australia network of retail stores which includes Celebrations, IGA, Porters and Bottle-O; and
 - the successful initial release of Grainshaker Australian Vodka ('Grainshaker') on-premise and online.
- Grainshaker is now available for sale in over 190 on-premise venues, and production of the Grainshaker Ready to Drink ('RTD') and on-premise kegs has commenced with the first sales of these products expected in December 2020.
- The NED whisky inventory on hand continues to grow and is now equivalent to over \$50 million in net sales value at maturation.¹
- Production capacity of Whisky at the Campbellfield facility is expected to double by January 2021, following the delivery and installation of a second whisky lauter tun.
- 150,000 Agave plants have now been planted at the Eden Lassie Agave Farm. A further 100,000 plants are in the nursery available for planting. Scaling of commercial production of our Agave spirit has commenced at Top Shelf's development hub.

A Melbourne based producer and marketer of high-quality Australian spirit-based beverage brands, Top Shelf (ASX:TSI), will commence trading on the ASX at 11:00am today following the completion of its successful A\$47.2 million² IPO.

The IPO was well supported by a range of institutional and sophisticated retail investors.

The successful listing positions Top Shelf for future growth, with the capital raised being deployed by Top Shelf to:

- make further investment in sales and marketing initiatives to support its growth strategies (including brand investment and sales labour costs);
- make further investments in capital assets, including inventory and related storage assets and to fund completion of the acquisition of the Eden Lassie agave farm; and
- provide Top Shelf with balance sheet flexibility and to repay down existing debt.

¹ The litres of whisky on hand at the end of November 2020 multiplied by the anticipated wholesale sales value per 700 mL bottle of \$40, is used by Top Shelf as an indicator of future wholesale revenue when the whisky has matured.

² Comprises \$35 million for the issue of new shares by the Company and \$12.2 million for the sale of shares by selling shareholders.

Top Shelf Managing Director and co-founder, Drew Fairchild, said: "Today commences the exciting next phase in the Top Shelf's growth journey, delivering the funds needed to accelerate the distribution and growth of our portfolio of distinctive, Australian spirits brands. Our ambition is to build Australia's only global, multi-branded spirits business, and to contribute to the development of a thriving Australian spirits industry."

"We create high quality, authentic Aussie spirit brands, where each brand in its own distinctive way embodies an unmistakably Aussie taste, attitude and social experience."

Commenting on the IPO, Mr Drew Fairchild said: "We are delighted with the support of our existing long term and new shareholders, and are particularly excited to welcome new institutional and retail investors to our company."

"As we head into the summer months and see the easing of COVID related restrictions accelerating, we are well positioned to take advantage of this opportunity to further build out our on-premise and festival / events strategies."

Operational Update

NED whisky

The Company's flagship NED Whisky continues to benefit from its positioning in key independent retailers nationally. The NED Whisky Premium range has been launched to the 9,200 registered members of Top Shelf's loyalty program "Join the Gang" in advance of public release expected in December 2020.

Grainshaker vodka

The roll out of Grainshaker Vodka through hospitality channels, which commenced in October 2020, continues to reveal strong support for the brand from bartenders and venue owners, as well as pull-through from customers. Grainshaker is now available in over 190 on-premises venues, with further success of the Grainshaker brand expected from the imminent launch of its RTD range.

Third party canning and bottling

Demand for our third party canning and bottling services continues to grow, providing further validation of the Company's state of the art canning and bottling facility in Campbellfield, Victoria.

Financial Reporting

Top Shelf's first statutory reporting as an ASX listed company will comprise its interim results for the 6-month period to 31 December 2020, scheduled for release in February 2021.

Advisers

Ord Minnett Limited and Wilsons Corporate Finance Limited acted as Joint Lead Managers and Underwriters to the IPO and Herbert Freehills Smith acted as legal advisor.

This announcement was approved by the Company's Managing Director Drew Fairchild, on behalf of the Top Shelf Board.

For more information (investors and media):

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About Top Shelf

Top Shelf is a Melbourne based producer and marketer of high-quality Australian spirit-based beverage brands, with an ambition to create high quality, authentic Aussie spirit brands, where each brand in its own distinctive way embodies an unmistakably Aussie taste, attitude and social experience.

Top Shelf has expertise in the development and production of distilled spirits, access to research and development expertise and modern, fully commissioned and operational fermentation, distillation and packaging facilities in Campbellfield, Victoria. In addition to distilling and manufacturing its own range of spirituous products, Top Shelf also provides canning, bottling and packaging services to a range of customers. Top Shelf operates a farm near Bowen in Queensland where it is planting agave plants to support Australia's only Agave spirits business in coming years.