

# PREMIUM SPIRITS WITH AN AUSTRALIAN ACCENT

**Investor Briefing – 8 March 2023**

Investor Note: all information contained in this presentation has been taken from the *Capital Placement Investor Presentation* (ASX Announcement 27 February 2023).  
No new information is presented within this presentation.



# 1H FY23 RESULTS DASHBOARD



## #1

Australian Whisky Brand  
Value<sup>3</sup> & Growth<sup>4</sup>

## \$29.9m

Revenue LTM  
Dec-22<sup>1</sup>

Brand LTM  
\$23.3m

## 60%

Distribution Point  
Growth

+4744 increase  
1H FY23

## 208%

Branded Revenue  
Growth PCP<sup>2</sup>

Pro Forma Revenue  
\$14.2m 1H FY23

## \$16.7m

Available Funding  
31 Dec 22

Cash: \$6.7m  
Undrawn facility: \$10.0m<sup>6</sup>

## 95%

Group Revenue  
Growth PCP<sup>2</sup>

Pro Forma Revenue  
\$17.1m 1H FY23

## \$8.6m

Business  
Investment

Brand \$4.0m; Whisky  
\$1.5m; Agave \$3.1m



## #1

Fastest Growing Australian  
Vodka Brand<sup>5</sup>

Notes 1. Last 12 Months revenue to 31 December 2022, 2. The Pro Forma Revenue adjustment reflects the excise gross up for CLG sales for consistency with all other domestic channels, 3. Coles Liquor Group and Australian Liquor Marketers AU Liquor (CLG & ALM) Dollars MAT 1/1/23 and Dollars Growth 4 Weeks 1/1/23 (NED Glass & RTD), 4. Coles Liquor Group and Australian Liquor Marketers AU Liquor Dollars Growth % 4 Weeks 1/1/23, Brands >\$0.25m RSV (NED Glass & RTD), 5. AU Liquor (CLG and ALM) Dollars Growth MAT 29/1/23 (Glass Vodka Brands >\$0.35m RSV, 6. TSI's available funding reflects the undrawn, conditional tranches (totalling \$10 million) in accordance the amendment deed to the funding agreement with Longreach Credit Investors (LCI) dated August 2022. The funding agreement has an asset borrowing base structure (inclusive of trade receivable, whisky and agave assets) which must exceed drawn amounts of the facility. TSI expects to sign a binding variation with LCI in the coming weeks to amend the condition attaching to a \$5 million tranche of the undrawn funds (Tranche B) such that it will be available in March 2023 subject to the satisfactory results of a bi-annual business review by LCI (to LCI's discretion. The second \$5 million tranche is conditional on achievement of an agreed revenue target and practical completion of the agave distillery project.

# EXECUTIVE SUMMARY

## TIPPING POINT

- Deployment of brand portfolio with launch of Act of Treason Australian Agave Spirit expected in November 2023.
- Australian Agave - included in the Spirits Business' Top 10 Spirits Stories for 2021.<sup>1</sup>
- 3 new NED Glass SKUs accepted in major retail from July 2023.
- Executed Chinese distribution contract; purchase order received and shipped.
- Establishing relationships with US importer Turquoise Life and distributor Southern Glazer's.

## FAST GROWING BRANDS

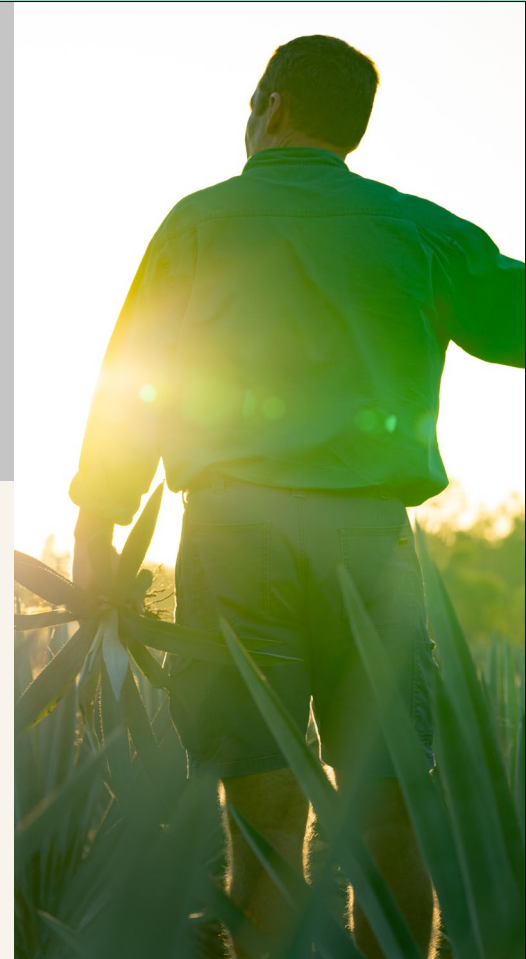
- Compelling portfolio of on-trend and distinctive premium Australian spirit brands.
- NED 700ml is the 8<sup>th</sup> largest selling American / Australian whisky SKU.<sup>2</sup>
- NED Whisky and Grainshaker Vodka are both multi-award winning brands.
- Proforma branded revenue 1H 23 \$14.2m; growth pcp 208%.

## CAPITAL PATHWAY

- Production at Australian Agave distillery expected to commence mid 2023.
- Production commenced on non-alcoholic energy drink with major contract packaging partner. Simplifies business model and reduces operating variability.<sup>3</sup>
- Assets and available inventory, including Agave, support rapid domestic and international scaling.
- Planned revenue and margin growth, the realisation of operating leverage from the benefits of scale, together with capital / operating disciplines provide the pathway to positive operating cashflows.

## UNIQUE AGAVE POSITION

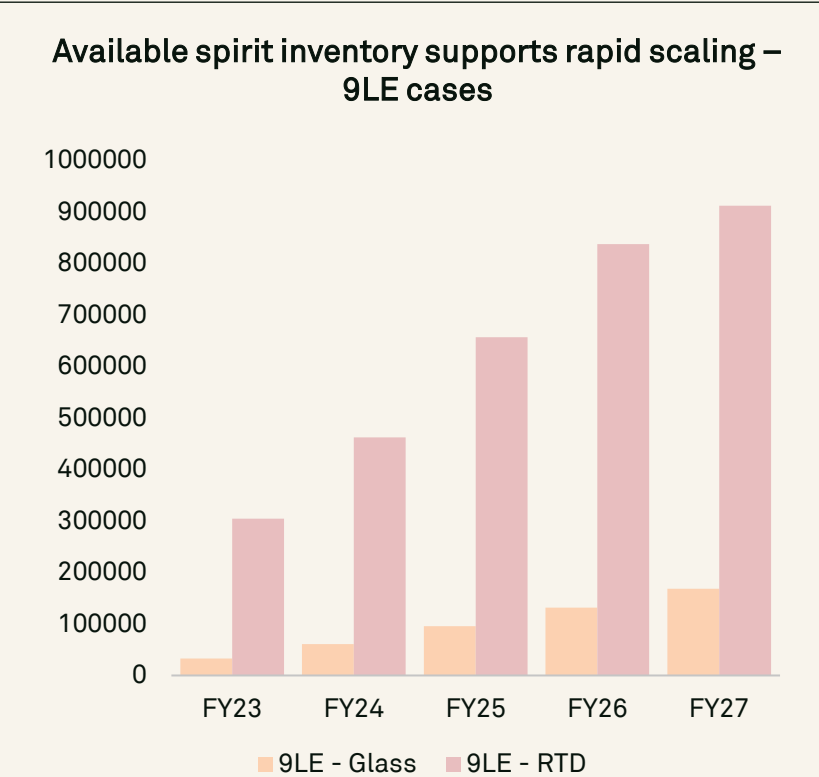
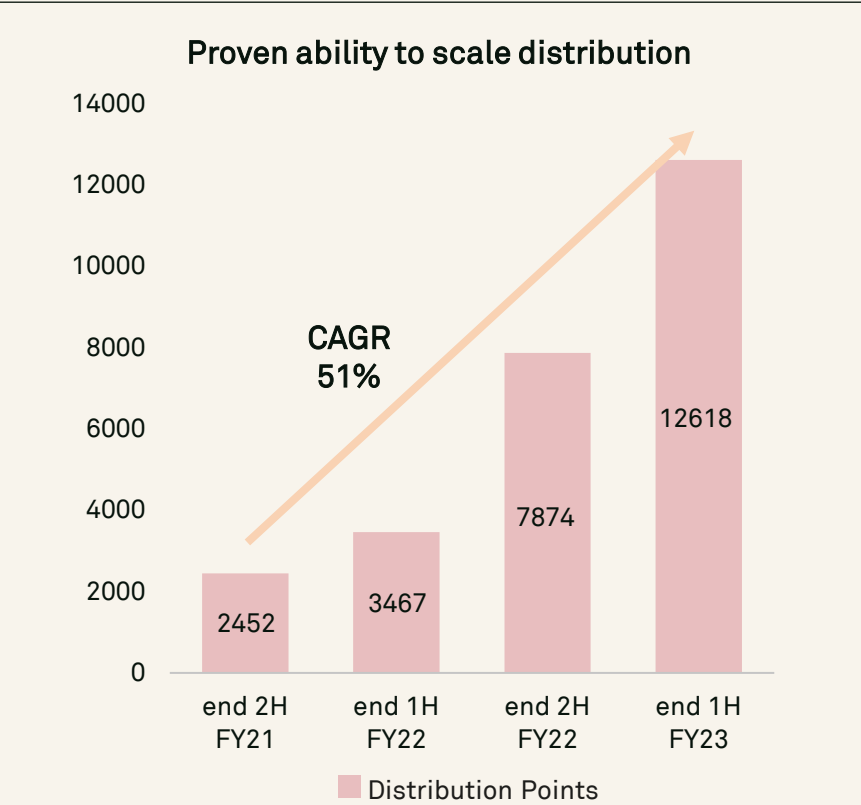
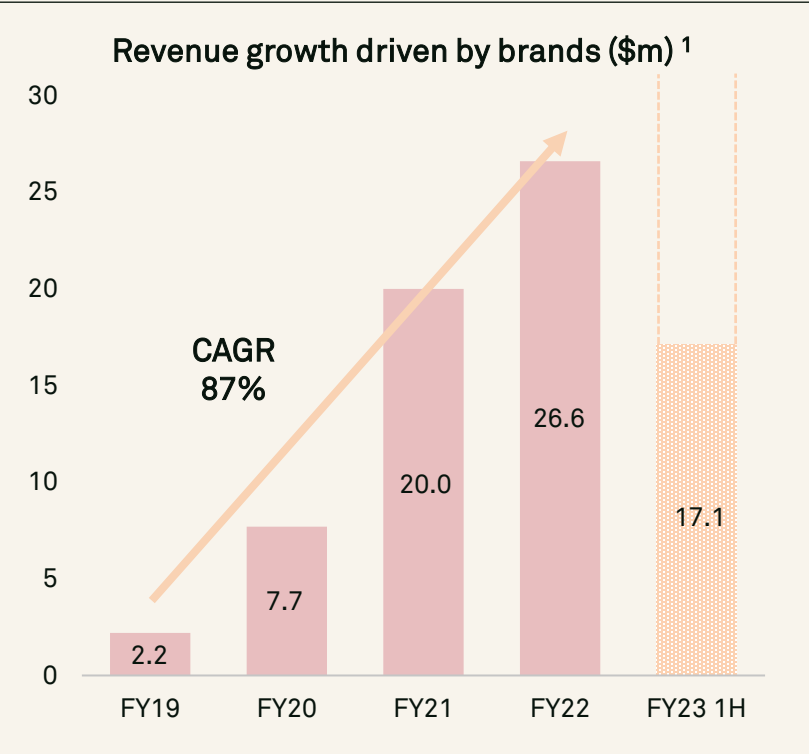
- Planned capacity of >120k 9LE (glass spirits) per year, underpinning the launch of a new agave region.
- Premium Tequila US Sales Average Yearly Growth 2017-2023 - 45%.<sup>4</sup>
- Australian Agave farm value of A\$60 million applying a farm gate price and available harvest offtake methodology.<sup>5</sup>
- De-risking of Agave project may enable release of capital. The Company is exploring opportunities for a sale and leaseback of the Agave assets



1. <https://www.thespiritsbusiness.com/2021/12/the-biggest-spirits-stories-of-2021>, 2. NED Whisky 700ml - \$ FYTD to 01/01/23 Coles Liquor Group, 3. Binding contract expected to be signed in the coming weeks, 4. <https://www.distilledspirits.org/news/luxury-brand-index-2022-second-quarter-report-premiumization-trend-continues-to-grow-at-remarkable-rate-despite-economic-downturn>. 5. Management estimate – refer page 23 for methodology and assumptions.

# A PROVEN TRACK RECORD AND READY TO SCALE

Proven revenue and distribution growth, and significant available inventory, support rapid domestic scaling



Note 1: FY21 – FY23 1H revenue presented inclusive of pro forma gross for consistent disclosure of excise. Pro forma adjustment – FY21: \$0.8 million; FY22: \$1.4 million; FY23 1H: \$1.4 million



# INVESTMENT IN PLATFORM NEARS COMPLETION

Placement enables entry and growth of TSI's brand portfolio into domestic and strategic international markets

\$120m invested across asset base from CY 2015 to CY 2022 (debt and equity)

~ \$10m placement + debt tranche<sup>4</sup>

2015

2022

2023



**\$13m**

## Production Assets

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

## Management Systems

Flavour Development, Quality Assurance; HACCP, Organics, Endeavour, Nestle, Frucor Suntory & FDA Certifications



**\$40m**

## Whisky Assets

Future margin of whisky under maturation  
2.1m litres @43% ABV

## Distillation

Whisky 500k LaL or 140k 9LE p.a.  
Vodka 500k LaL or 140k 9LE p.a.  
Further capacity available

## Whisky Maturation

2 x Barrel houses  
558kl available in CY23  
(43% ABV)



**\$25m**

## Agave Assets

Inclusive of Land, Biological and Infrastructure assets

## Agave Farm

520k plants in ground and 225k  
in Nursery, target 1000k by FY24

## Distillation Capacity

Agave 420k LaL or  
120k 9LE p.a.  
(at 43% ABV)



**\$39m**

## Brand Assets

Implied value of brands and other  
intangible assets<sup>1</sup>

**NED #1**  
Australian  
Whisky<sup>2</sup>

**Grainshaker #1**  
Fastest Growing  
Australian  
Vodka<sup>3</sup>

**Act of Treason**  
Australian  
Agave launch  
expected in Nov 23

**Tangible Assets \$78.0m** 31 DEC 22

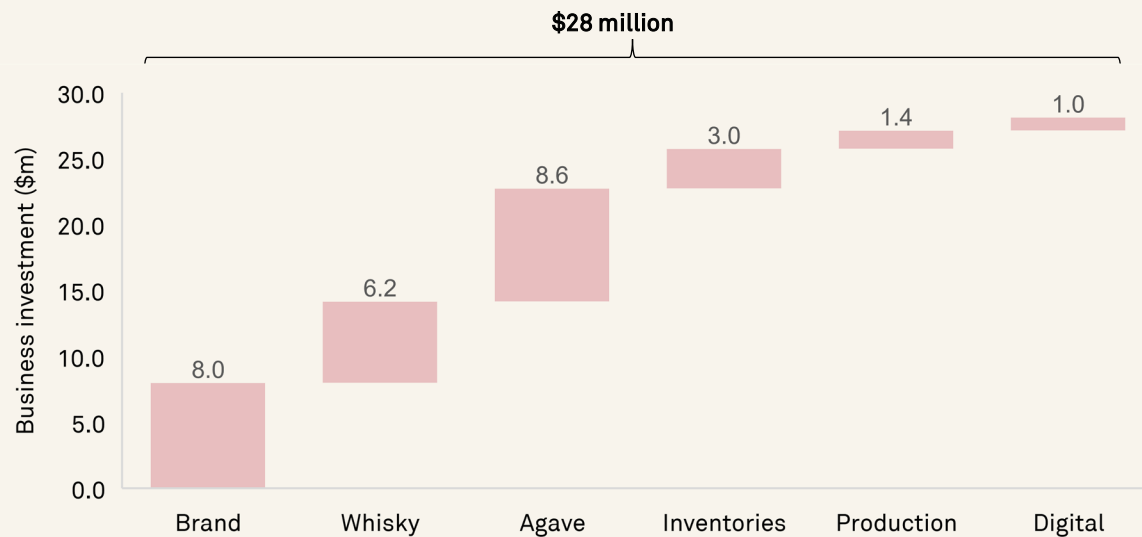
**Intangible Assets \$39.0m** 31 DEC 22

1. Tangible asset value and implied value of brands, business relationships, business model, capabilities and knowhow at 31 December 2022 based on market capitalisation, net debt and enterprise value, 2. Coles and Australian Liquor Marketers AU Liquor (CLG & ALM) Dollars MAT 1/1/23 and Dollars Growth 4 Weeks 1/1/23 (NED Glass & RTD), 3. AU Liquor (CLG and ALM) Dollars Growth MAT 29/1/23 (Glass Vodka Brands > \$0.35m RSV), 4. Refer note 1 of page 8.

# PLATFORM INVESTMENT

## Strategic capital deployment

Capital Deployment | July 2021 – December 2022



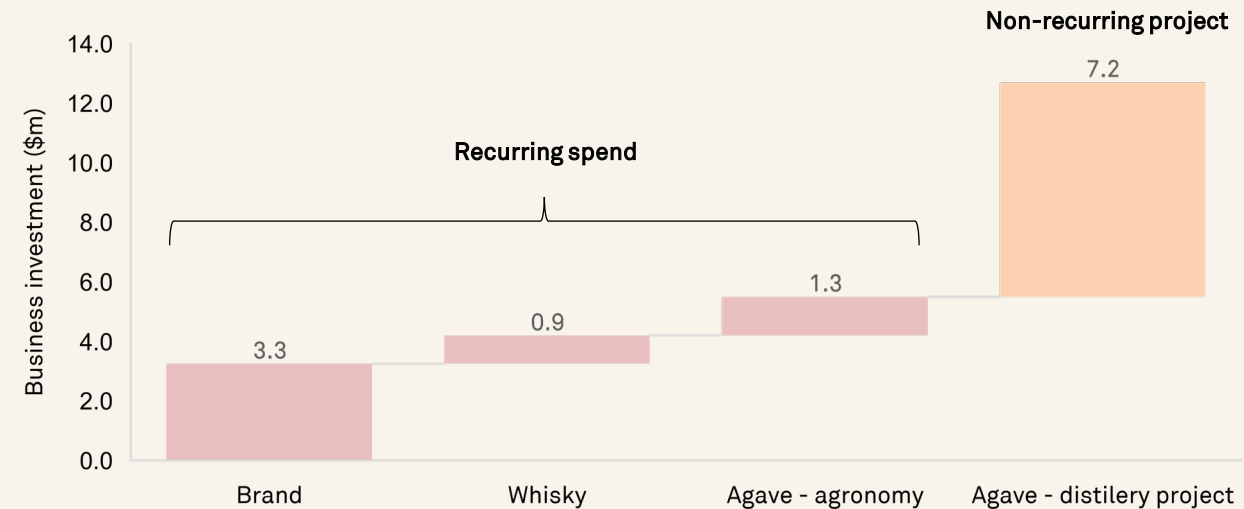
### Capital deployment

TSI has deployed \$28 million of capital in strategic growth initiatives in the 18 months to 31 December 2022. This strategic capital deployment excludes ordinary course expenditure from selling and operational activities.

Brand being inclusive of brand building marquee sponsorships and media advertising.

The investment in agave reflects the brand development, agronomy activities to establish the largest agave operation in the southern hemisphere and advancement of the onsite distillery.

Committed Capital | January 2023 – December 2023



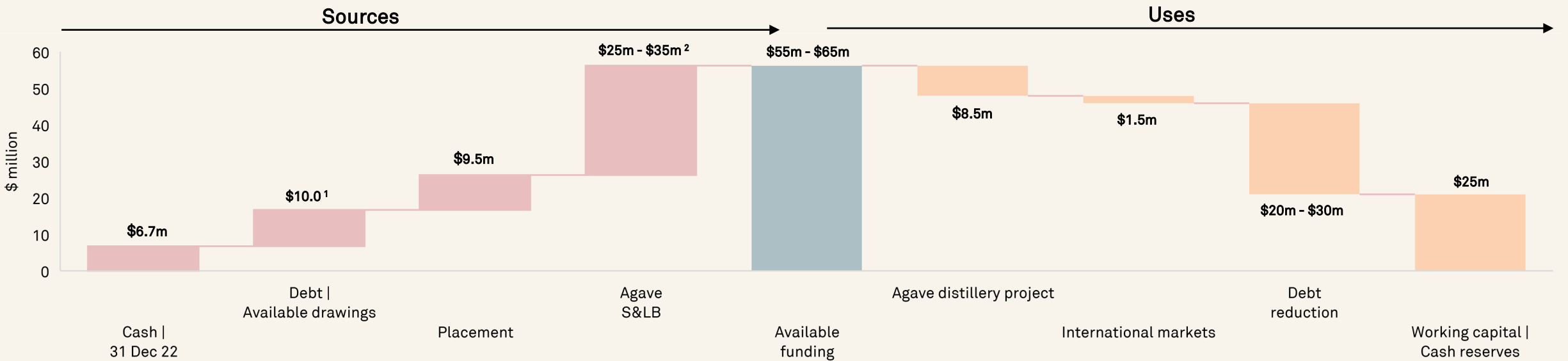
### CY23 committed capital

Sustainable brand investment in TSI's portfolio to continue to build brand awareness inclusive of marquee sponsorships and television media advertising. This excludes ordinary course selling, activation and operational activities.

Agave distillery project reflects the non-recurring remaining expenditure to complete the agave distillery project with commissioning anticipated in June 2023.

# EXPECTED CAPITAL PATHWAY

## TSI business funding strategy



### Sources

*Placement:* \$10.0 million institutional placement net of expected transaction costs.

*Sale & leaseback (S&LB) transaction:* Proceeds estimate (net of transaction costs) of the agave agricultural and associated infrastructure assets at Eden Lassie. With the demonstrated value of Australian Agave agronomy and associated infrastructure assets, a S&LB transaction is an effective funding option and enables TSI to redeploy capital for other purposes.

### Uses

*Agave distillery project:* Budgeted remaining expenditure to complete the agave distillery project with commissioning anticipated in June 2023.

*International market:* Projected investment to execute the entry and growth in strategic markets set out in this presentation.

*Senior debt facility:* Projected leverage reduction with proceeds from the S&LB transaction.

Note 1: TSI's available funding reflects the undrawn, conditional tranches (totalling \$10 million) in accordance the amendment deed to the funding agreement with Longreach Credit Investors (LCI) dated August 2022. The funding agreement has an asset borrowing base structure (inclusive of trade receivable, whisky and agave assets) which must exceed drawn amounts of the facility. TSI expects to sign a binding variation with LCI in the coming weeks to amend the condition attaching to a \$5 million tranche of the undrawn funds (Tranche B) such that it will be available in March 2023 subject to the satisfactory results of a bi-annual business review by LCI (to LCI's discretion). The second \$5 million tranche is conditional on achievement of an agreed revenue target and practical completion of the agave distillery project.

Note 2: The proceeds of a sale and leaseback transaction illustrated above have been estimated by management with reference to the current book value of the Australian Agave assets. As at the date of this document, TSI has engaged Findex to explore potential sale and leaseback opportunities. TSI is not currently in discussions or negotiations with any prospective acquirers and there is no guarantee that any transaction can be secured within the expected timeframe, or at all, or that any sale and leaseback agreement will be on the terms TSI currently anticipates (including purchase price and lease terms).

# OPERATING AND CAPITAL DISCIPLINES

## Capital & Operating Disciplines to Realise Operating Leverage

TSI is managing its cost base and preserving cash through capital and operating disciplines including:

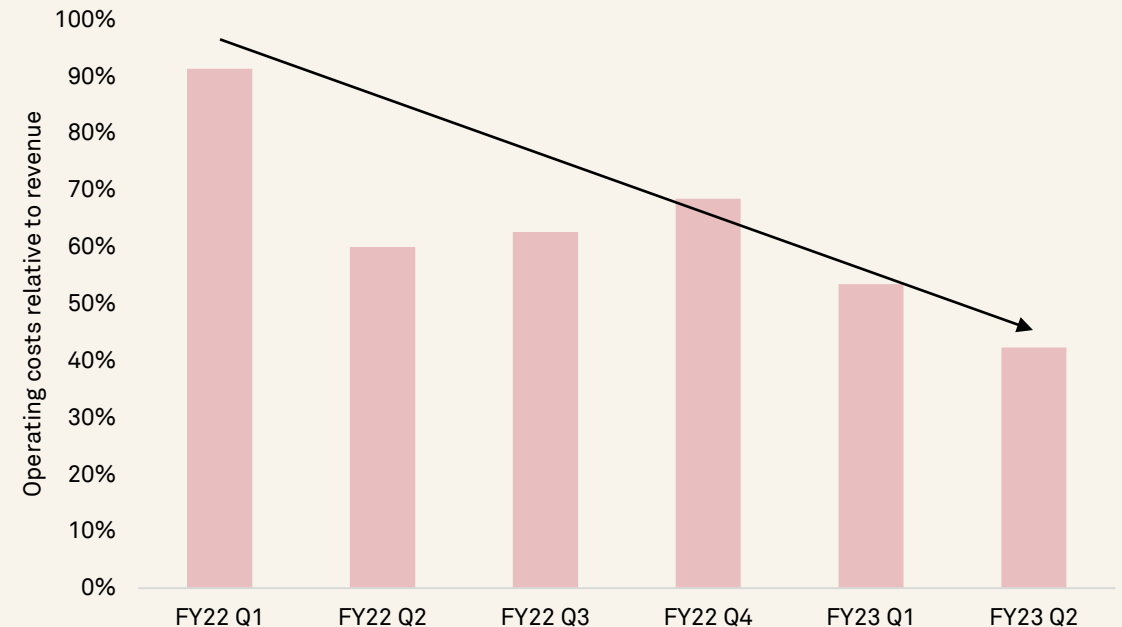
- terms of major brand sponsorship contracts coming to an end. Active assessment and prioritisation of all marketing spend ongoing;
- optimising investment in core assets - whisky and agave - with:
  - TSI's oak investment in 2023 to satisfy the 2024 new make whisky production requirement already complete;
  - TSI's agave planting program reaching a point of self sufficiency wherein third party supply of plants is minimised;
- the streamlining of TSI's brand inventory management, warehousing and distribution model;
- right-sizing organisation;
- planned group and support function overhead expenditure rationalisation; and
- reduced capital expenditure (outside of the agave distillery capital project).

The transition of contract packaging to two key partners is anticipated to:

- cover fixed cost base of production business;
- reduce operating variability and risk; and
- facilitate the marginal cost of production for its branded business

Planned revenue growth and the realisation of operating leverage from the benefits of scale and capital / operating disciplines underpin pathway to positive operating cashflows.

## Operating Cost Base Relative to Revenue

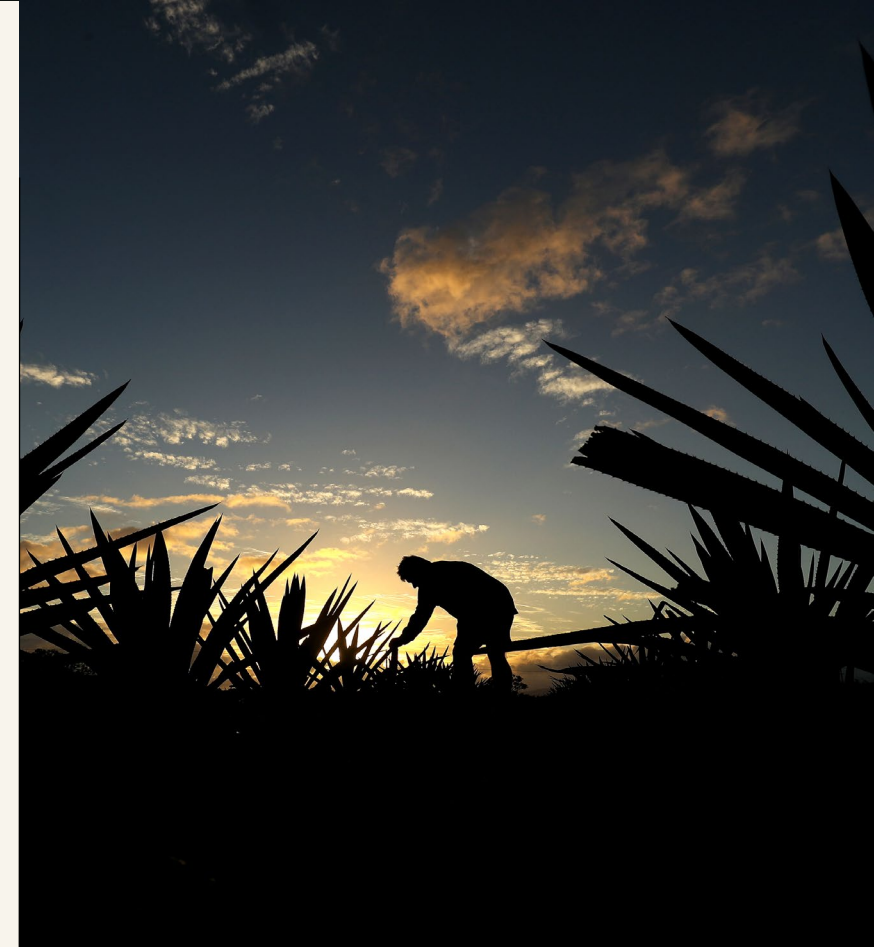


The chart above illustrates TSI's increasing scale and operating leverage, calculated as business operating costs (excluding strategic brand investments and group support) relative to revenue.



# PLACEMENT SUMMARY

|                             |  |
|-----------------------------|--|
| <b>Capital raising</b>      | <p>A\$10 million institutional placement</p> <p>New shares offered at A\$0.80 per share</p> <p>Shares on offer after completion of the placement: 84,169,533 million</p>   |
| <b>Debt drawdown</b>        | <p>Upon successful completion of the placement, TSI to draw down \$5.0m from the existing borrowing base loan facility<sup>1</sup></p>   |
| <b>Strategic objectives</b> | <p>TSI's strategic objectives in CY 2023 are:</p> <ul style="list-style-type: none"> <li>• Commercialise Australian Agave project <ul style="list-style-type: none"> <li>• Complete agave distillery</li> <li>• Execute go to market strategy for Act of Treason</li> </ul> </li> <li>• Continued domestic market distribution growth in on-trade and retail channels</li> <li>• Entry into strategic international markets</li> </ul>   |
| <b>Sources and Uses</b>     | <p>Funds from the A\$10 million placement:</p> <ul style="list-style-type: none"> <li>• Completion of the agave distillery project with commissioning anticipated in June 2023</li> <li>• Entry and growth into domestic and strategic international markets</li> <li>• Working capital</li> <li>• Cost of the Offer</li> </ul>  |
| <b>TSI Board Change</b>     | <ul style="list-style-type: none"> <li>• As per TSI's ASX announcement on 13 February 2023, Julian Davison will be appointed to the TSI Board upon receipt of his Director ID. Following Julian's appointment and a transition, Michael East will resign from the Board. Michael has played an instrumental role since IPO leveraging his extensive experience within liquor industry. We will welcome Julian who also has extensive experience in the liquor industry, while also noting his M&amp;A and finance background.</li> </ul> |



1. TSI's available funding reflects the undrawn, conditional tranches (totalling \$10 million) in accordance the amendment deed to the funding agreement with Longreach Credit Investors (LCI) dated August 2022. The funding agreement has an asset borrowing base structure (inclusive of trade receivable, whisky and agave assets) which must exceed drawn amounts of the facility. TSI expects to sign a binding variation with LCI in the coming weeks to amend the condition attaching to a \$5 million tranche of the undrawn funds (Tranche B) such that it will be available in March 2023 subject to the satisfactory results of a bi-annual business review by LCI (to LCI's discretion. The second \$5 million tranche is conditional on achievement of an agreed revenue target and practical completion of the agave distillery project.

# 1. OVERVIEW OF TOP SHELF INTERNATIONAL

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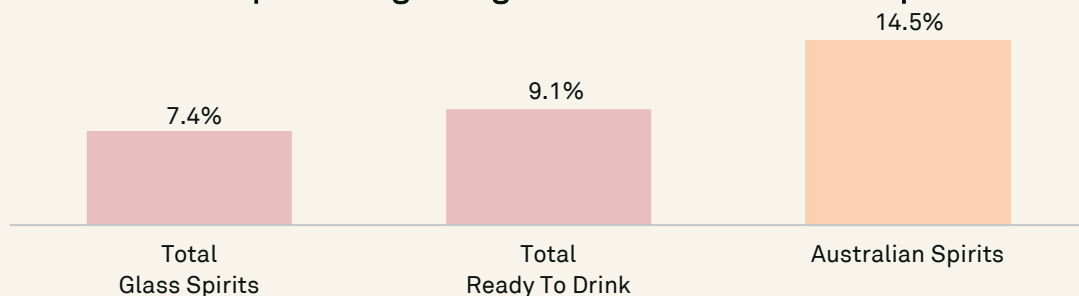


# A MODERN AUSTRALIAN SPIRITS COMPANY

## Company Snapshot

- A leading producer and marketer of high-quality premium spirits
- Portfolio of award-winning, distinctive, well-balanced brands:
  - NED Whisky and Grainshaker Vodka
- \$120m (debt and equity) invested in a vertically-integrated Australian spirits platform across distillation, maturation, production, packaging and agave assets
- Maturing Spirit Holdings and production capacity to support domestic and global ambitions
  - Whisky 2.1m litres, Agave 2.6m litres, Vodka 1.2m litres (capacity per year)
- Capacity to grow plants supporting production of 120k 9L per year
- 87% CAGR Revenue Growth FY19-FY22
- 51% CAGR Distribution Growth 2H FY21-1H FY23
- Both NED and Grainshaker are the fastest growing Australian brands in their respective categories<sup>1 2</sup>

Australian Spirits are growing at twice the rate of Total Spirits<sup>3</sup>



## Company Platform



Underpinned by our people and assets,  
and the growth of the Australian  
spirits industry

We are participating in the world's largest, most popular and fastest growing spirits categories, positioning brands to be in the premium segments of the market.

Our Australian Spirits Platform has been designed to compete at scale with international competitors, positioned to be able to take advantage of global macro trends that are driving growth.

## Premium Brand Portfolio



We are crafting the world's favourite spirits with a distinctly Australian character, capturing the very best of Aussie daring spirit with every sip. A portfolio of generational premium spirit brands that share a common DNA and the best of Australia's ingenuity and craftsmanship.

1. IRI AU Liquor (CLG and ALM) Dollars Sales & Growth Fin YTD 29/1/23 (Brands greater \$0.25m in RSV, NED Glass + RTD), 2, 4. AU Liquor (CLG and ALM) Dollars Growth MAT 29/1/23 (Glass Vodka Brands > \$0.35m RSV), 3. Dollars Growth % FYTD to 01/01/23 AU Liquor (CLG & ALM). Australian Spirits 14.5% Glass only



# BOTTLING UP THE BEST OF THE AUSTRALIAN SPIRIT

## THE PLEDGE

Delivery of a world-class premium spirits portfolio.

## THE PLAYERS

## THE PLAYING FIELDS



WHISKY

### FEARLESS

Breaking free from tired conventions

Born of the high country



VODKA

### EXUBERANT

Celebrating the character and warmth of Australian grain

Born of the sweeping plains



AGAVE

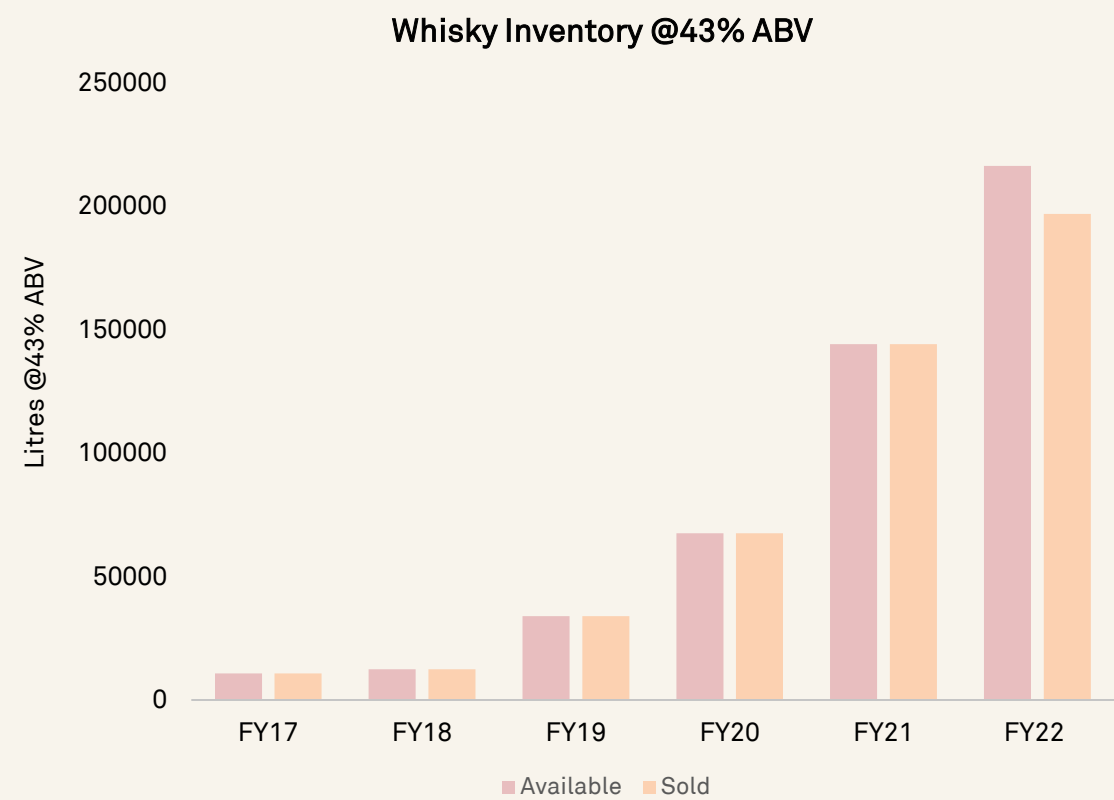
### ROGUE

An ancient process meets Aussie know how

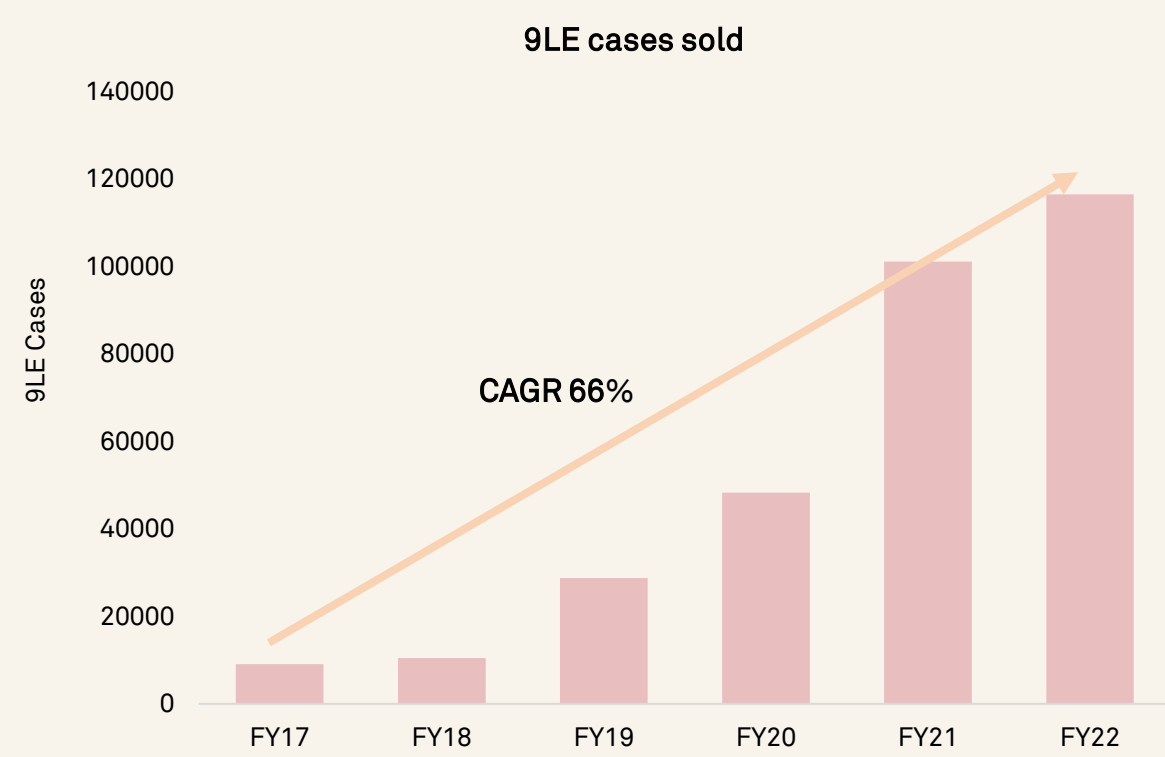
Born of the pristine coast

# CONSISTENTLY DELIVERING SALES AGAINST INVENTORY

More than 90% of available inventory sold every year since 2017



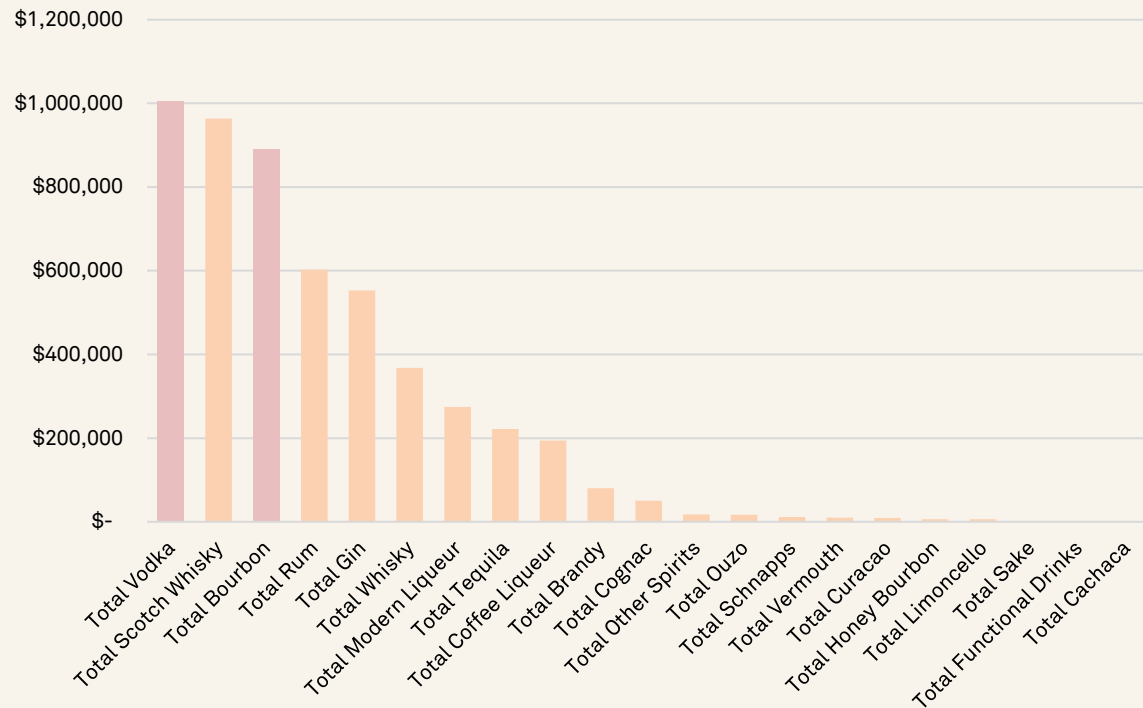
Total 9LE cases sold has grown 66% CAGR since 2017



Note: In the July 2021 Net Sales Value of Maturing Spirit Inventory ASX presentation, TSI reported it had 216,263 litres (at 43% ABV) of whisky available for sale in FY22. Of this volume, 91% was allocated for sale as part of the pipe fill for the start of national ranging with Coles Liquor Group and the restocking of the IBA channel following limited whisky supply in 1H FY22.

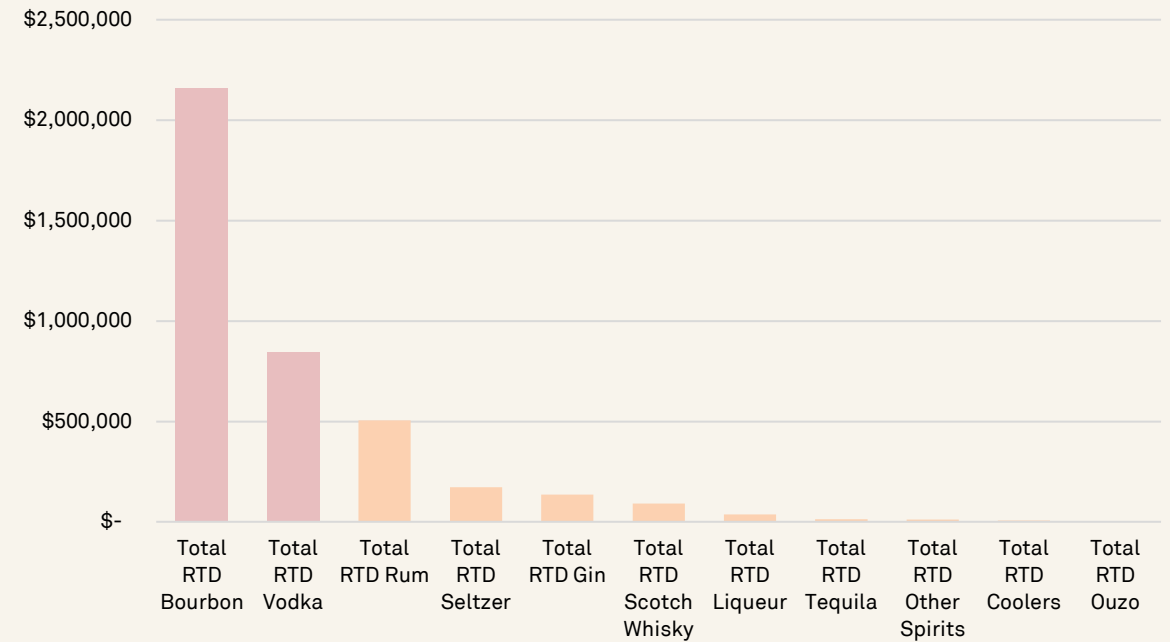
# OUR BRANDS COMPETE IN THE LARGEST AUSTRALIAN SPIRIT CATEGORIES

Australia Retail Sales – Glass Spirits (\$)¹



- Vodka is #1 Glass Spirit category in Australia, followed by Scotch Whisky & Bourbon.
- Tequila is the #1 fastest growing Glass Spirit category.

Australia Retail Sales – RTD (\$)²



- Bourbon is the #1 RTD category in Australia and twice the size of the biggest Glass Spirit category.
- Tequila is the #1 fastest growing RTD category, followed by Seltzers & Vodka.

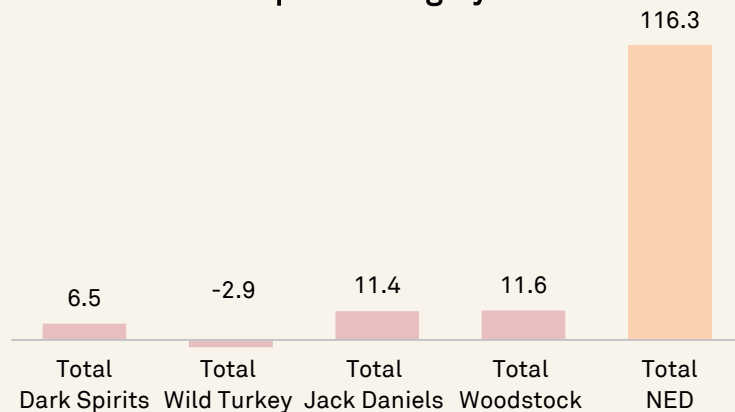


# WITHIN 12 MONTHS, NED WHISKY IS ALREADY TAKING IT UP TO THE GLOBAL GIANTS

## NED Whisky

Revenue and distribution growth, portfolio premiumisation via launch of NED Green Sash Reserve, Gold at the World Whiskies Awards and NED 700ml sitting #8 on list of top selling American / Australian Whisky SKUs in Coles Liquor Group<sup>1</sup>, has the brand primed for domestic and international scaling.

NED is growing 18x faster than Dark Spirits category<sup>2</sup>



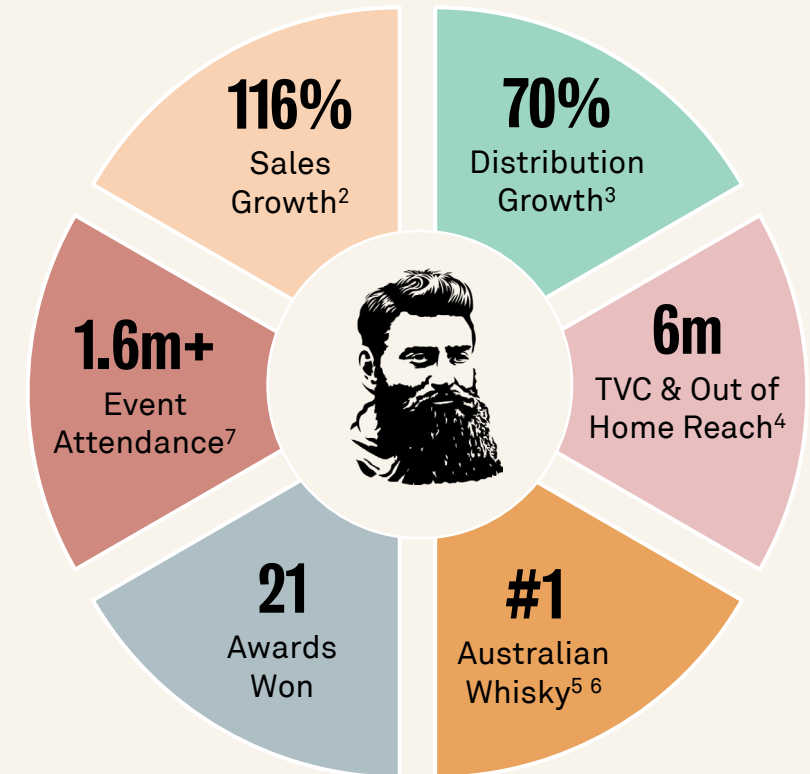
**W<sup>23</sup>ORLD WHISKIES AWARDS GOLD**

**#8**

NED 700ml - #8 American/Australian Whisky SKU in Coles Liquor Group<sup>1</sup>

**3**

New NED Whisky Glass SKUs in Major Retail from July 2023<sup>8</sup>



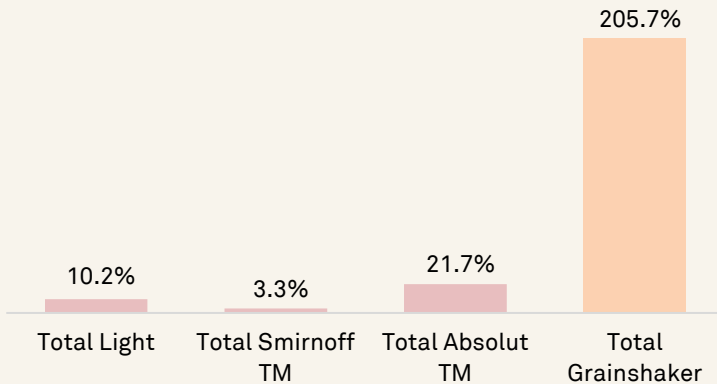
1. NED Whisky 700ml - \$ FYTD to 01/01/23 Coles Liquor Group, 2. Coles and Australian Liquor Marketers AU Liquor (CLG And ALM) FYTD To 01/01/23 Dollars (000s) Growth %, 3. TSI Management Estimate end Q1 FY23 vs. end Q4 FY22, 4. Stratosphere Media Agency NED Whisky Campaign Post Analysis Report 2022, 5. Coles and Australian Liquor Marketers AU Liquor (CLG & ALM) Dollars MAT 1/1/23 and Dollars Growth 4 Weeks 1/1/23 (NED Glass & RTD), 6. Coles and Australian Liquor Marketers AU Liquor (CLG & ALM) Dollars Growth % 4 Weeks 1/1/23, Brands >\$0.25m RSV (NED Glass & RTD), 7. TSI Management estimate of Supercars + Contracted TSI event attendance, 8. Coles Liquor Group Glass Spirits review communicated to TSI Management 17/2/23

# AS OUR BRANDS CHALLENGE LIGHT SPIRIT DOMESTIC AND GLOBAL COMPETITORS

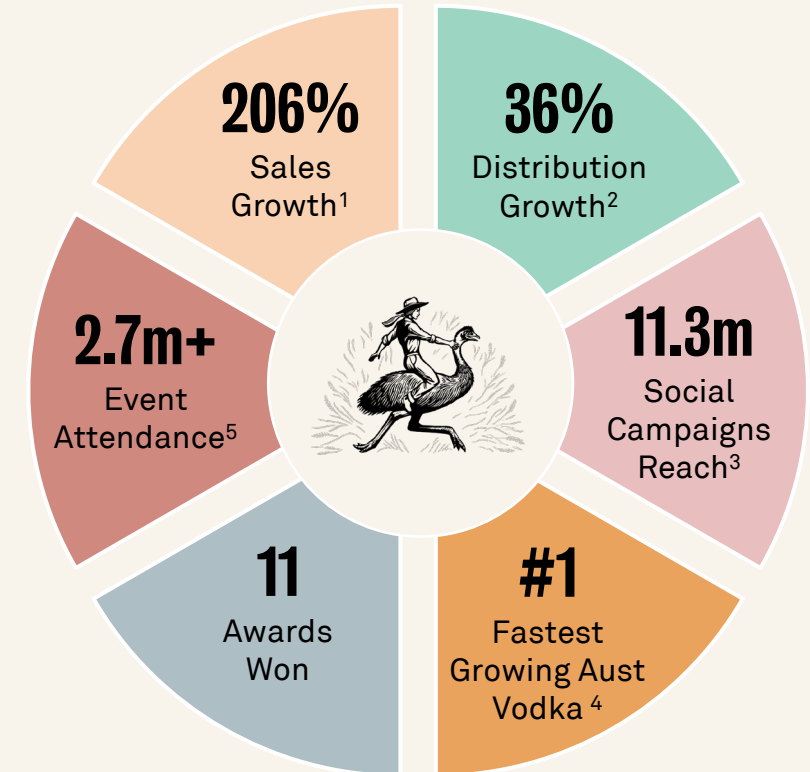
## Grainshaker Vodka

Grainshaker, the Australian Vodka of the Year in 2022<sup>7</sup>, has experienced strong sales and distribution in festivals and events channel during the brand's first Covid uninterrupted summer.

Grainshaker is growing 2-x faster than category<sup>1</sup>



**1.2m**  
TSI branded drinks sold at festivals and events<sup>6</sup>



1. AU Liquor (CLG And ALM) FYTD To 01/01/23 Dollars (000s) Growth % 2. TSI Management Estimate end Q1 FY23 vs. end Q4 FY22, 3. Report by The Pistol – Total Reach Grainshaker Campaigns CY 2022, 4. AU Liquor (CLG and ALM) Dollars Growth MAT 29/1/23 (Glass Vodka Brands > \$0.35m RSV), 5. Attendance and consumption at events and festivals where TSI branded products are sold, including Australian Open and 2022 Supercars, FY23 YTD. 6. Management estimate – total TSI branded drinks sold in festivals and events FY23 TYD. 7. Melbourne International Spirits Competition



# AUSTRALIAN AGAVE

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To unearth and unleash the potential of agave  
from the land Down Under





# AUSTRALIAN AGAVE PROJECT PILLARS



## Scale

At full scale production, ability to produce approx. 1.5m bottles per annum (>120K 9LE cases) at a target retail price from \$75/bottle.



## Plants

Sugar (Brix) levels at 23.3 against target of 25 following latest tests. Plots for the harvest of the first 5,000 plants for commercial harvest and distillation have been identified.



## Location

Provenance located 20 degrees latitude below equator – mirroring Jalisco in Mexico at 20 degrees north.



## Agronomy

Queensland Dry Tropics an ideal location, application of modern agronomic practices and development of innovative mechanised harvesting.



## Distillation

Production at farm expected to commence mid 2023. Completed more than 20 different R&D scenarios across multiple distillations to refine process and taste profile.



**November 2023**

Act of Treason expected to be in market

# AGAVE LAUNCH PLAN – USA

## Hyper focused city strategy

### Precision of execution in the largest & most advanced tequila markets

#### Treason flagships

- Establish influential high profile (image & volume) accounts that become AOT “family” to cut through on menu, education, social,
- Recommendations, in store visibility, incentivised and rewarded

#### Win the cocktail

- Drive cocktail penetration and menu placement
- All Australian Margarita attack, perfect serve (fruit ritual or other), reef water

#### Programming & animation

- Ambassador plan to drive education and cocktail
- Influential bartender programs, partnerships, Australian Venues and consulates, G'day LA/ NY
- M8 Day versus Cinco De Mayo



# AUSTRALIAN AGAVE FARM

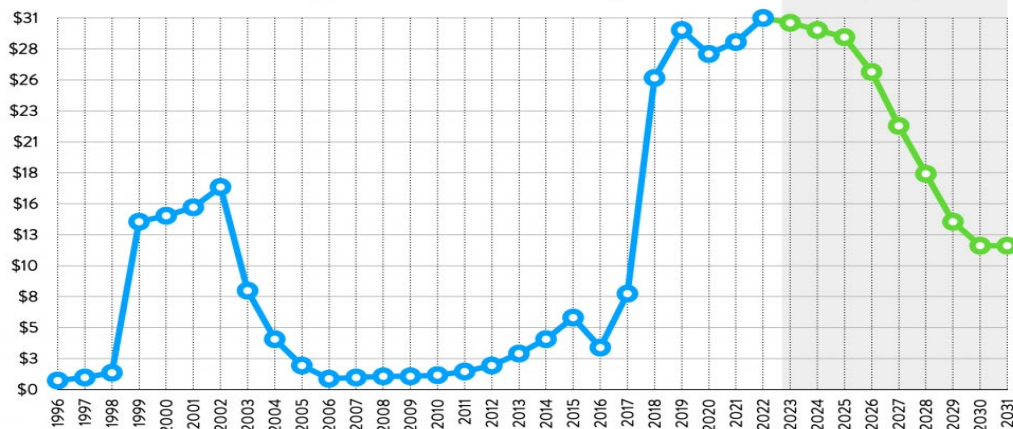
## TSI's Australian Agave Farm has an estimated value of \$60 million

TSI has assessed the present value of the sustainable harvest offtake from TSI's Australian Agave farm to exceed **\$45m**<sup>1</sup>. The valuation reflected farm gate pricing from Mexico (refer chart below), yield based on evidenced plant growth and a sustainable offtake regime relative to the capacity of the farm.

With the land value and distillery and agronomy infrastructure are assets considered, the aggregate value of the Australian Agave project exceeds **\$60m**.

### Historical and projected agave pina farm gate price (MXN pesos per kilogram)

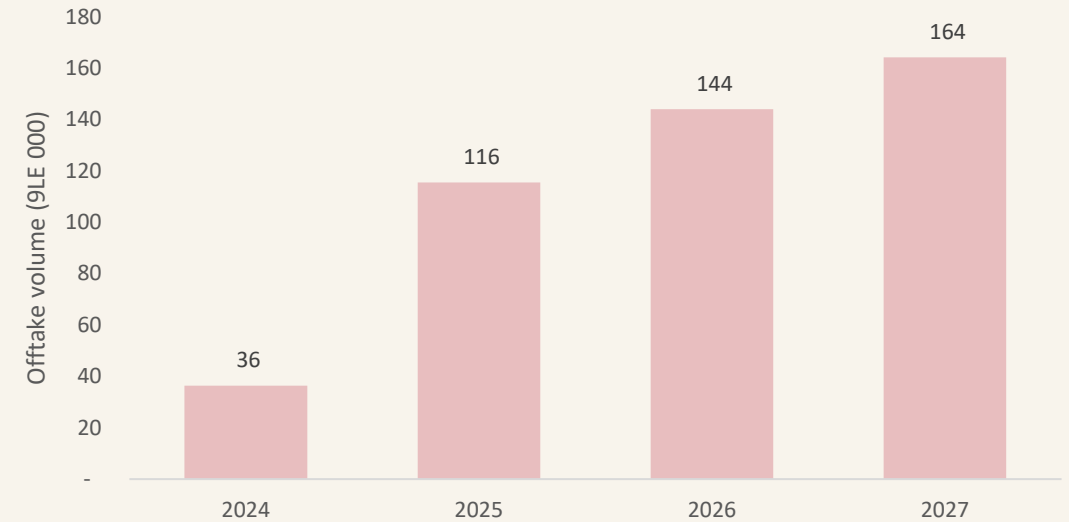
Cost of Weber Blue Agave in MXN Pesos per Kilo\*



Tequila Matchmaker

\*Prices are for non-organic agave cultivated within the denomination of origin.  
Sources: TasteTequila.com + participating tequila brands. (Updated Oct 13, 2022)

Australian Agave farm illustrative offtake profile - 9LE (000)



The offtake profile above (used for valuation purposes) illustrates the available offtake of the Australian Agave farm in the initial years of production from 2024 to 2027.

The farm's offtake capacity exceeds 180,000 9LE per annum on a sustainable basis.

Note 1: TSI management adopted a discounted cash flow approach to determine the value of the Australian Agave project. Yield and conversion assumptions: plant harvest age averaging between 4–5 years, average pina yield per plant of 50 kilograms and 9 kilograms of pina yielding 1 litre of agave spirit. The farm gate price applied of one pina kilogram = Mexican Peso 10.0 (or translated to A\$0.79 per pina kilogram). The modelling assumed demand of TSI's Australian Agave brands incrementally building to c.25% of available yield by FY28 and a strategic partner sourcing between 10 – 15% of available yield annually. The modelling applied a discount rate of 11.5% and a terminal growth factor of 4.0%.



# WHISKY LAUNCH PLAN – USA

|              |  |
|--------------|--|
| Objectives   | Seed and open the USA market as a more craft and bespoke Australian offering<br>Create unique experiences to intercept existing bourbon and whisky drinkers<br>Position the brand in a more craft and edgy position in both on- and off-premise (not to compete with the majors in their home market)<br>Disrupt at POS and social media interface |
| Brands       | NED Green Sash Reserve to play a leading role<br>NED OG a possible on-premise play and cocktail focus given price point  |
| Activations  | Focused launch markets: Southern California and New York. Phase 2: 6 x city approach<br>Target Australian venues to win endorsement  |
| Distribution | Seeding – plan to target:<br>On Premise: Top 50 accounts (Happy hours, Menu and Cocktail listings)<br>Off Premise: Top 50 accounts including e-commerce (tastings, online, possibly barrel program)  |



# 5. FINANCIALS

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# FY23 1H | PROFIT OR LOSS AND CASH FLOWS

## Group Profit or Loss

|   | FY23 1H      | FY22 1H      |
|---|--------------|--------------|
| Revenue                                 | 14.7         | 8.8          |
| Gross margin                            | 3.5          | 2.4          |
| Agave plant fair value gain             | 3.1          | 3.1          |
|   |              |              |
| Other income                            | 0.2          | -            |
| Distribution                            | (0.6)        | (0.6)        |
| Selling                                 | (3.0)        | (2.6)        |
| Marketing                               | (0.7)        | (1.1)        |
| Operating                               | (2.6)        | (2.0)        |
| <b>Operating contribution</b>           | <b>(0.1)</b> | <b>(0.8)</b> |
| Business and brand investment           | (4.5)        | (2.7)        |
| <b>Contribution margin</b>              | <b>(4.6)</b> | <b>(3.5)</b> |
| Group support                           | (3.7)        | (3.3)        |
| <b>Underlying EBITDA <sup>1</sup></b>   | <b>(8.3)</b> | <b>(6.8)</b> |
|   |              |              |
| Cash gross profit %                     | 28.8%        | 28.7%        |
| Net excise gross profit %               | 38.8%        | 38.0%        |
| Product COGS as % of net excise revenue | 61.2%        | 62.0%        |
| Operating costs as % of revenue         | 46.7%        | 71.4%        |

## Group cash flows

|  | FY23 1H       | FY22 1H       |
|--|---------------|---------------|
| <b>Reported EBITDA</b>                           | <b>(9.8)</b>  | <b>(7.8)</b>  |
| Exclude non-cash profit or loss items            | (2.6)         | (2.8)         |
| Working capital investment <sup>2</sup>          | (4.6)         | 0.2           |
| Capital expenditure                              | (2.6)         | (1.6)         |
| Research & development income                    | -             | 0.9           |
| <b>Net cash flow before financing activities</b> | <b>(19.6)</b> | <b>(11.1)</b> |
| Lease payments                                   | (0.4)         | (0.5)         |
| Net financing costs                              | (1.4)         | (0.5)         |
| Net proceeds from borrowings                     | 8.0           | 8.7           |
| Net proceeds from capital raising activities     | -             | 32.6          |
| <b>Net cash flow</b>                             | <b>(13.4)</b> | <b>29.2</b>   |
|  |               |               |
| <b>Closing cash position</b>                     | <b>6.7</b>    | <b>38.7</b>   |

Note 1: Underlying EBITDA excludes non-cash share based payment expense (FY23 1H: \$0.5 million) and other costs considered to be non-recurring in FY23 1H (\$1.0 million.)

Note 2: In FY23 1H, TSI investment in working capital included new make whisky production (\$0.8 million); agave agronomy expenditure (\$0.8 million), investment in trade debtors (\$1.6m) and increased inventory holdings (\$0.7 million) in anticipation of production demands during FY23 Q3.

# GROUP FINANCIAL POSITION – 31 DEC 2022

## Group Net Tangible Assets

|   | Dec-22        | Jun-22        |
|---|---------------|---------------|
| Cash                                    | 6.7           | 20.1          |
| Trade and other receivables             | 8.2           | 6.5           |
| Inventories <sup>1</sup>                | 13.4          | 11.3          |
| Property, plant & equipment             | 31.0          | 28.9          |
| Agave plant biological assets           | 19.6          | 15.7          |
| Right-of-use assets                     | 6.0           | 6.2           |
| Other                                   | 2.0           | 2.3           |
| <b>Tangible assets – total</b>          | <b>86.9</b>   | <b>91.0</b>   |
| Trade and other payables                | (12.5)        | (13.1)        |
| Provisions                              | (1.3)         | (1.2)         |
| Lease liabilities                       | (7.1)         | (7.1)         |
| Borrowings                              | (32.2)        | (23.9)        |
| <b>Liabilities – total</b>              | <b>(53.1)</b> | <b>(45.3)</b> |
|   |               |               |
| <b>Net tangible assets <sup>2</sup></b> | <b>33.8</b>   | <b>45.7</b>   |

Note 1: TSI's inventories are recognised at cost for accounting purposes. At 31 December 2022, TSI's maturing inventories held at cost of \$8.9 million represented a future gross margin of \$29 million (applying margins recognised in FY23 1H).

Note 2: TSI's unaudited net asset position of \$42.0 million at 31 December 2022 includes intangible assets (\$2.2 million) and deferred tax assets (\$6.0 million) in addition to the net tangible assets summarised opposite.