

PREMIUM SPIRITS WITH AN AUSTRALIAN ACCENT

FY23 RESULTS

TOP SHELF
INTERNATIONAL



MESSAGE FROM THE CEO

Dear Shareholders,

I am pleased to share there has been a significant reset of the Company in the last five months.

The strategic review highlighted the urgent need for transformation to the business model while continuing to focus on Brands, Customers and Consumers.

The last several months have been about action and delivery:

1. Leadership Change (new CEO & Chair, Non Executive Directors with further changes at the AGM)
2. Organisation restructuring and rightsizing
3. Expansion of major retail footprint (+5000 new points of distribution across Endeavour & Coles)
4. Strategy to deliver margin growth via:
 - SKU rationalisation with prioritisation of margin over volume (deletion of low margin SKUs)
 - COGs improvement (executed with further opportunities with scale)
 - Channel & mix evolution, including premiumisation
5. \$7.5m annualised cost out across departments
6. Transition from investment to imminent harvesting and distillation of Agave ahead of launch in December 2023
7. Review of non-core assets
8. Strategic distribution partner discussions commenced

The Company has a sustainable business model and pathway to profitability which I am pleased to share with shareholders via this presentation. Trading performance in the first 60 days of FY24 is on track and in line with this pathway.

Our brands also continue to shine in market with the Act of Treason Australian Agave launch imminent.

Trent Fraser
Top Shelf International CEO



FY23 RESULTS DASHBOARD



\$30.8m

FY23 Pro Forma
Group Revenue ¹

74%

Branded Revenue
growth pcp
FY23 Pro Forma Brand
Revenue ¹ \$23.4m

44.3%

Group Net Excise
Gross Margin ²

\$14.7m

Business
Investment

Brand \$5.7m; Whisky \$2.0m;
Agave \$7.0m

\$7.5m

Annualised
Cost Out ³

\$30.0m

Capital Raise ⁴

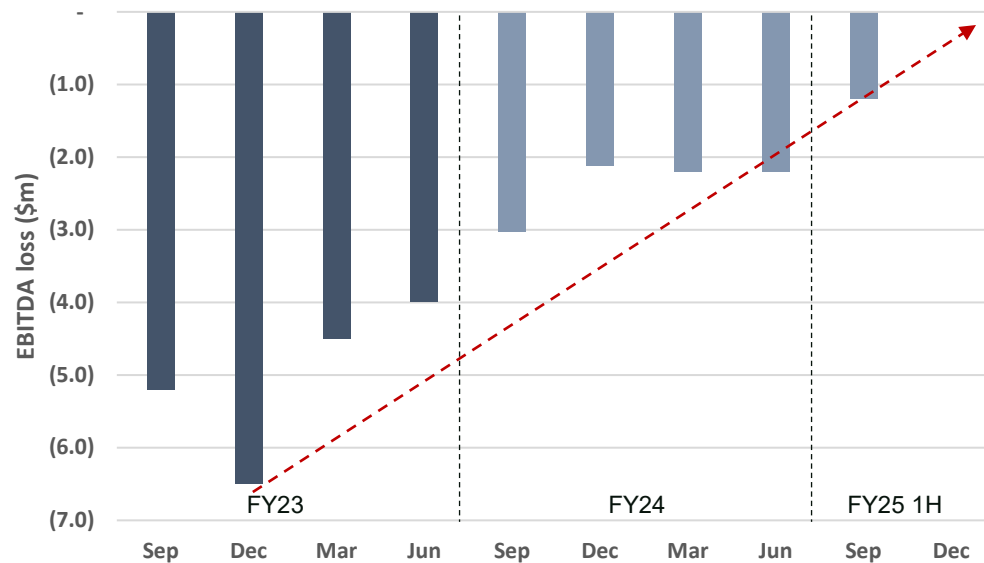


Notes: 1. The Pro Forma Revenue adjustment (Group and Brand) reflects the excise gross up for Coles Group sales for consistency with all other domestic channels (FY23 adjustment: \$3.3m). 2. Group gross margin is presented on a net excise basis calculated as gross margin divided by statutory revenue less excise. Product COGS excludes direct depreciation and whisky liquid cost to present margin on a cash like basis. FY23 gross margin on a gross excise basis: 27.5%. 3. Annualised cost out reflects labour headcount reductions and discontinued expenditure enacted during FY23 or as part of the Company's strategic review undertaken in May – June 2023. 4. As announced in May 2023, the Group commenced a capital raise to recapitalise the business and reduce debt. The \$30m raise was completed in July and August. The capital raise was undertaken as an alternative capital pathway to the previously considered sale & leaseback transaction of the Australian Agave farm and production assets.

PATHWAY TO PROFITABILITY

The Company is committed to delivering the 18 month pathway to profitability as set out in the Strategic Review update ASX announcement dated 16 June 2023

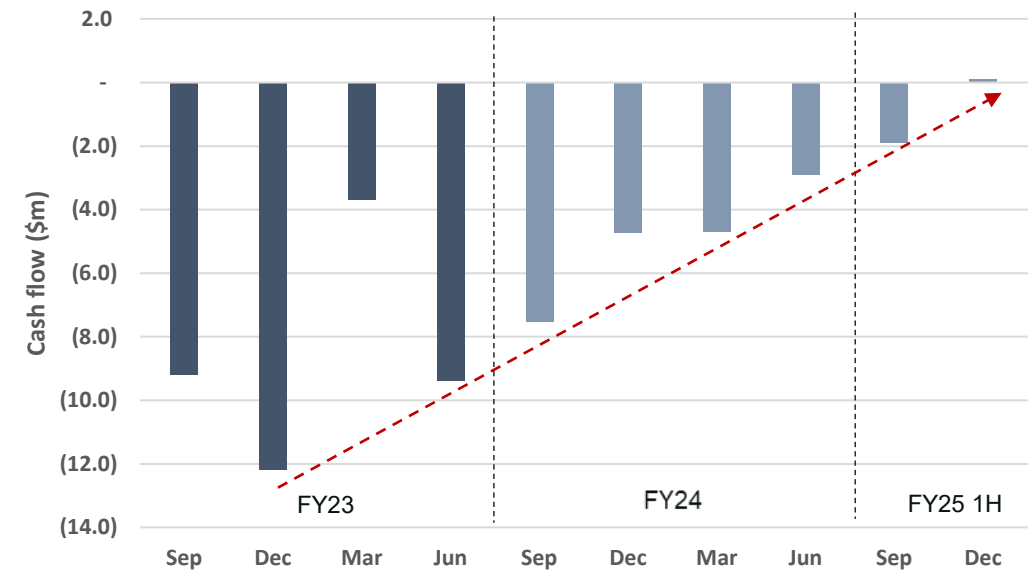
Projected quarterly EBITDA trajectory | Sep-22 – Dec-24



Note 1: EBITDA disclosed on a normalised basis excluding non recurring and one off costs and non-cash fair value gain / loss of agave plant biological assets.

Note 2: Projected improvement does not reflect business model changes inclusive of asset divestments or go-to-market strategy changes.

Projected quarterly cash flow trajectory | Sep-22 – Dec-24



Cash flows representing operating cash flows (EBITDA and working capital investment), capital expenditure inclusive of agave biological assets, and lease and debt interest costs.

Note 1: Cash flows excludes equity and debt funding activities.

Note 2: Asset realisation opportunities not reflected in chart above.

BOTTLING UP THE BEST OF THE AUSTRALIAN SPIRIT

THE PLEDGE

Delivery of a world-class premium spirits portfolio

THE PLAYERS

THE PLAYING FIELDS



FEARLESS

Breaking free from tired conventions.

WHISKY



EXUBERANT

Celebrating the character and warmth of Australian grain.

VODKA



ROGUE

An ancient process meets Aussie know how.

AGAVE

GOLDEN GRAINSHAKER

FY23 AWARDS

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



FY24 PRIORITIES

LAUNCH AGAVE

Complete the Australian Agave distillery project and launch Act of Treason in the December 2023 quarter.

ACCELERATE MAJOR RETAIL

Accelerate major retail in Endeavour Group (Dan Murphy's, BWS) in Coles Liquor Group (Liquorland, First Choice, Vintage Cellars).
+5000 new points of distribution.

COST CONTROL

Maintain a focus of cost control and cash preservation.

STRATEGIC PARTNERS

Secure a strategic distribution partner to accelerate growth in new domestic and international channels and local.

BUSINESS MODEL

Improved business model to improve margin (minimum of 30% - gross excise basis) and profitability - distribution growth, channel and product mix, trade focussed brand spend.

ASSETS

Explore sale of non core assets.



FY23 FINANCIALS



FY23 | PROFIT OR LOSS

Group Profit or Loss (\$m)

	FY22	FY23		FY23 PF ²
Revenue (statutory)	20.2	27.5		27.5
Gross margin	6.2	7.6		7.6
Other income	0.1	0.3		0.3
Distribution	(1.0)	(1.0)		(1.0)
Selling	(5.9)	(5.8)		(5.2)
Marketing	(1.5)	(1.1)		(1.0)
Operating	(4.5)	(5.6)		(5.1)
Operating contribution	(6.6)	(5.7)		(4.4)
Business investment	(6.2)	(6.6)		(3.5)
Contribution margin	(19.9)	(12.3)		(7.9)
Group support	(7.1)	(7.9)		(5.8)
Underlying EBITDA ¹	(19.9)	(20.2)		(13.7)
Operating leverage % ³	64.1%	49.1%		44.9%

1.Underlying EBITDA excludes non-cash and non-recurring items. Refer appendix for a reconciliation from underlying to statutory EBITDA.
2. FY23 pro forma profit or loss presented excluding of labour headcount reductions and discontinued expenditure enacted during FY23 or as part of the Company’s strategic review undertaken in May – June 2023 (\$6.5m).
3.Operating leverage calculated as operating costs above the Operating contribution line divided by revenue.

Revenue and Margin (\$m)

	FY22	FY23
Revenue ⁴		
Brand	12.4	20.0
Contract packaging services	7.8	7.5
Revenue – total (statutory)	20.2	27.5
COGS		
Product COGS ⁵	(8.1)	(9.5)
Excise	(5.9)	(10.4)
COGS - total	(14.0)	(20.0)
Gross margin	6.2	7.6
Net excise gross profit % ⁶	43.4%	44.3%

4. Revenue is presented on a statutory basis. The pro forma revenue presented in the FY23 results dashboard is adjusted to present all brand domestic sales channels consistently on a gross excise basis (FY23 pro forma adjustment: \$3.3m; FY22: \$1.3m)
5. Product COGS excludes direct depreciation and whisky liquid cost to present gross margin on a cash like basis (FY23: \$1.5m; FY22: \$0.8m).
6. Net excise gross profit % is calculated by gross margin divided by statutory revenue net of excise.

FY23 | CASH FLOWS AND NET ASSET POSITION

Group Cash Flows (\$m)

	FY22	FY23
Operating and investing activities ¹		
Business investment		
Brand	(4.0)	(5.7)
Whisky	(3.7)	(2.0)
Australian Agave	(4.0)	(7.0)
Business investment – sub-total	(11.7)	(14.7)
Trading and BAU activities	(16.4)	(16.0)
Net cash flow before financing activities	(28.1)	(30.7)
Lease payments	(1.1)	(1.1)
Net financing costs	(1.4)	(2.9)
Net proceeds from borrowings	8.6	8.0
Net proceeds from capital raising activities	32.6	9.3
Net cash flow	10.7	(17.3)
Closing cash position	20.1	2.9
PF closing cash position ²	n/a	25.4

1. The presentation of operating and investing activity cash flows is set out in the EBITDA to cash flow reconciliation structure in an appendix to this presentation.
2. The presentation of a Group pro forma closing cash position reflects the capital raise net of debt principal repayment completed subsequent to 30 June 2023 as summarised opposite.

Group Net Asset Position (\$m)

	Jun-22	Jun-23		Jun-23 PF ³
Cash	20.1	2.9		25.4
Trade and other receivables	8.4	4.6		4.6
Inventories	11.3	11.9		11.9
Property, plant & equipment	28.9	32.4		32.4
Right-of-use assets	6.2	5.7		5.7
Agave plant biological assets	15.7	19.2		19.2
Other	15.2	1.0		1.0
Assets – total	105.8	77.7		100.2
Trade and other payables	(13.1)	(14.0)		(14.0)
Provisions	(1.2)	(1.2)		(1.2)
Lease liabilities	(7.1)	(6.9)		(6.9)
Borrowings	(23.9)	(32.9)		(27.9)
Liabilities – total	(45.3)	(55.1)		(50.1)
Net assets	60.5	22.7		50.2
Net tangible assets ⁴	45.7	22.0		49.5

3. The presentation of the Group net asset position on a pro forma basis as at 30 June 2023 reflects the \$30.0m capital raise completed by the Company in July and August 2023. The presentation reflects proceeds of \$22.5m, which is net of debt repayment and transaction costs as transacted in August 2023.
4. Net tangible assets exclude the Group's intangible and deferred tax liabilities.

FY23 | STATUTORY RECONCILIATIONS

EBITDA to Net Loss after Tax (\$m)

	FY22	FY23
Underlying EBITDA	(19.9)	(20.2)
Biological asset fair value gain	6.3	2.3
Non-cash and non-recurring items	(4.4)	(9.7)
Statutory EBITDA	(18.0)	(27.5)
Depreciation and amortisation	(1.2)	(1.7)
EBIT	(19.1)	(29.4)
Net finance costs	(2.6)	(4.6)
Income tax	5.3	(14.4)
Net loss after tax	(16.4)	(48.3)

Non recurring items

During FY23, the Group recognised the following non cash and non-recurring items that have been excluded from underlying EBITDA:

- Share based payments expense (\$1.0m)
- Corporate costs including employee termination and other non recurring costs (\$2.3m)
- Asset write downs
 - Unrecoverable trade receivables (\$1.7m)
 - Inventory impaired in relation to the transition of the contract packaging business to a preferred customer model and obsolete packaging and expired finished product brand business inventories (\$2.6m)
 - Discontinued use of specifically identified plant & equipment assets (\$1.4m)
- Whisky liquid cost excluded from underlying EBITDA to present COGS on a cash like basis (\$0.7m)

Operating and Investing Cash Flows (\$m)

	FY22	FY23
Operating and investing activities		
Underlying EBITDA	(19.9)	(20.2)
Working capital investment	(2.8)	(2.7)
Capital investment (incl. agave agronomy)	(6.7)	(7.8)
R&D income	1.2	-
Net cash flow before financing activities	(28.1)	(30.7)

WHO WE ARE



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 spirits platform across distillation, maturation, production, packaging and agave assets in Victoria and Queensland:
 - Whisky distillation capacity of 500k LaL or 140k 9LE p.a
 - Vodka distillation capacity of 500k LaL or 140k 9LE p.a
 - Agave distillation capacity of 420k LaL or 120k 9LE p.a
 - >500k Agave tequilana plants in ground and 225k plants in nursery
 - 2.1m litres whisky under maturation (at 43% ABV)
- Expanded distribution and significant inventory supports future scaling
- Capital investment across platform close to completion with agave distillery commissioned before end CY23

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 capture the best of our ingenuity, craftsmanship and daring spirit.



CREDENTIALS TO BE A GLOBAL SUCCESS

PORTFOLIO

Portfolio of on-trend, distinctive premium spirit brands making TSI one of Australia's fastest growing spirits companies.

GLOBAL TRENDS

Well-positioned to benefit from structural changes in global spirits including rising consumer momentum and significant unmet global demand across its key categories.

CONSUMER PREFERENCES

Shifting consumer preferences in the Australian market; significant opportunities to capture market share from incumbent international players.

CAPACITY & PLATFORM

Well-invested footprint with ample capacity to support growth and one of the few agave platforms outside Mexico.

CUSTOMER

Established distribution relationships, significant available inventory and replicable proof of concept enabling rapid domestic and international scaling.

PEOPLE

Experienced and passionate management team with proven track record.

