
Top Shelf International Holdings Limited

ABN 22 164 175 535

Prospectus

For the offer of up to 69,600,000 Attaching Options to the Eligible Participants (**Offer**) in connection with the Entitlement Offer.

IMPORTANT NOTICE

This Prospectus under section 713 of the Corporations Act contains important information and requires your immediate attention. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your legal, accountant or other professional adviser before deciding to apply for Attaching Options under the Offer.

Contents

Page

	Important Notes	2
	Offer overview	6
1	Details of the Offer	9
2	Effect of the Offer on the Company	13
3	Risk Factors	14
4	Additional Information	18
5	Directors' Authorisation	25
6	Defined Terms	26

Important Notes

This Prospectus relates to an offer of Attaching Options in Top Shelf International Holdings Limited ACN 164 175 535 (**TSI** or **Company**).

This Prospectus is dated 29 May 2024 and was lodged with the ASIC on that date. Neither the ASIC nor ASX, nor any of their respective officers, take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Attaching Options will be issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. Attaching Options issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

This Prospectus does not purport to contain all the information that you may require before deciding whether to participate in the Offer and does not take into account the investment objectives, financial situation or needs of you or any particular investor. You should conduct your own independent review, investigation and analysis of the Attaching Options. The Attaching Options the subject of this Prospectus should be considered as speculative.

An application for Attaching Options by the Eligible Participants under the Offer will only be accepted by following the instructions within the Application Form issued to the Eligible Participants.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

Transaction-specific prospectus

This Prospectus is a 'transaction-specific' prospectus to which the special content rules under section 713 of the Corporations Act apply. Section 713 allows the issue of a more concise prospectus in relation to an offer of securities, or options to acquire securities, in a class which has been continuously quoted by the ASX in the three months prior to the date of the prospectus. In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus does not include all information that would be included in a prospectus for an initial public offering.

This Prospectus is important and requires your immediate attention. You should read the entire Prospectus carefully before deciding whether to invest in Attaching Options. In particular you should consider the risk factors that could affect the performance of TSI or the value of an investment in TSI, some of which are outlined in section 3.

The information provided in this Prospectus is not investment advice or financial product advice and has been prepared without taking into account your individual investment objectives, financial situation, tax position or particular needs. Before deciding whether to apply for Attaching Options, you should consider whether they are a suitable investment for you in light of your own investment objectives, financial situation, tax position and particular needs and having regard to the merits and risks involved. If, after reading this Prospectus, you have any questions about the Entitlement Offer, you should contact your stockbroker, solicitor, accountant and/or other professional financial adviser. The Company is not licensed to provide financial product advice in relation to the Attaching Options or any other financial products.

Target Market Determination

The Company has specified a target market for investors under the Offer, which is set out in the Target Market Determination available at <https://www.topshelfgroup.com.au/investors>.

On-sale restrictions and this Prospectus

This Prospectus has been prepared, in part, to ensure that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 (**Instrument 2016/80**) is available in respect of the Attaching Options.

Instrument 2016/80 provides relief from the on-sale provisions of subsections 707(3) and (4) of the Corporations Act and will relieve the need for any further disclosure to be made under subsection 707(3) of the Corporations Act to enable the on-sale of Shares issued upon the exercise of options, within 12 months of the date of issue of those Shares. That will enable the Shares issued upon exercise of the options to be traded on ASX (subject to the grant of quotation by ASX).

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not

constitute an offer or invitation in any jurisdiction where, or to any person to whom, it would not be lawful to make such an offer or invitation.

Neither this document nor the Attaching Options subject of the Offer have been, nor will be, registered under the United States Securities Act of 1933, as amended or under the securities legislation of any state of the United States of America, or any applicable securities laws of a country of jurisdiction outside of Australia and New Zealand. Accordingly, subject to certain exceptions, the Attaching Options the subject of the Offer may not, directly or indirectly, be offered or sold within a country or jurisdiction outside of Australia and New Zealand or to or for the account or benefit of any national resident or citizen of, or any person located in a country or jurisdiction outside of Australia and New Zealand.

New Zealand

The Entitlements and 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. The offer of New Shares is non-renounceable in favour of members of the public.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Exposure period and cooling off rights

No exposure period applies to this Prospectus by operation of ASIC Corporations (Exposure Period) Instrument 2016/74.

Cooling-off rights do not apply to an investment in Attaching Options pursuant to this Prospectus. This means that, in most circumstances, you cannot withdraw your Application Form once it has been accepted.

Forward looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and such other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions,

and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and the Directors.

You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this Prospectus speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward looking statements contained in this Prospectus are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of TSI, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the key risks outlined in Section 3 of this Prospectus for a non-exhaustive summary of certain general and specific risk factors that may affect TSI. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the key risk factors outlined in Section 3 of this Prospectus.

Investors should consider the forward looking statements contained in this Prospectus in light of those risks and disclosures.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward looking statements. The Company has no intention of updating or revising forward looking statements, or publishing prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law. To the maximum extent permitted by law, the Company and its officers, employees, agents, associates and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of such forward looking statements, or likelihood of fulfilment of any forward looking statement, and disclaim all responsibility and liability for these forward looking statements (including, without limitation, liability for negligence).

The forward looking statements are based on information available to the Company as at the date of this Prospectus. Except as required by law or regulation (including the ASX Listing Rules), the Company has no obligation to supplement, revise or update any forward looking statements, regardless of whether new information, future events or results or other factors affect the information contained in this Prospectus.

This Prospectus may include information regarding the past performance of TSI. Investors should be aware that past performance of the Company, the price of the Company's Shares or other securities provides no guidance or indication as to how the price of the Attaching Options will perform in the future.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website www.asx.com.au). This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to publicly available information in relation to the Company before making a decision whether or not to invest in Attaching Options or the Company.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus and any such information may not be relied on as having been authorised by the Directors.

Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the application and, if the application is successful, to administer the Applicant's security holding in the Company.

By completing an Application Form each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Company's related bodies corporate, agents, contractors and third-party service providers (including mailing houses), the ASX, the ASIC and other regulatory authorities.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

The Corporations Act requires the Company to include information about the security holder (including name, address and details of the securities held) in its public Register. This information must remain in the Register even if that person ceases to be a security holder of the Company. Information contained in the Company's Registers is also used to facilitate corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your application. An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered offices.

Definitions

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion. Please refer to section 6 of this Prospectus for a list of defined terms.

Key risks

Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the assumptions underlying the prospective financial information and the risk factors that could affect the performance of the Company. Potential investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, accountant or other independent financial adviser before deciding to invest. No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the Shares.

A description of the key risks is set out in section 3.

Rounding

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

Important dates

Event	Date
Lodgement of Prospectus with ASIC and ASX	Wednesday, 29 May 2024
Opening Date	Wednesday, 29 May 2024
Closing Date	Monday, 24 June 2024
Issue of Attaching Options	Monday, 1 July 2024
Attaching Options Expiry Date	Thursday, 1 July 2027 (being the third anniversary of the Attaching Options grant date)

The dates and times in this Prospectus, including the above table (except the date of this Prospectus), are indicative only and subject to change. Any material changes will be notified to ASX. The Company reserves the right to amend any or all of these dates and times without prior notice subject to the Corporations Act, the Listing Rules and other applicable laws.

Offer overview

This section provides a summary of information that is key to a decision to apply for Attaching Options. This is a summary only. The Eligible Participants should read this entire Prospectus carefully.

If you are unclear in relation to any aspect of the Offer, or if you are uncertain whether Attaching Options are a suitable investment for you, you should consult your financial or other professional adviser.

Question	Response	Where to find more information
What is being offered and at what price?	<p>The Company is offering to issue up to a maximum of 69,600,000 Attaching Options to the Eligible Participants. The Attaching Options are offered on the basis of 1 free Attaching Option for every 2 Shares purchased under the Entitlement Offer.</p> <p>No consideration is payable for the issue of the Attaching Options by Eligible Participants.</p>	Section 1.1 and 2.2
What is the purpose of the Offer?	<p>The primary purpose of this Prospectus and the Offer is to permit the issue of Attaching Options to retail shareholders and to facilitate secondary trading of New Shares issued upon exercise of the Attaching Options issued under the Offer. No funds will be raised from the Offer.</p>	Section 1.1
Who is eligible to participate in the Offer as an Eligible Participant?	<p>The Attaching Options are offered on the basis of 1 free Attaching Option for every 2 Shares purchased under the Entitlement Offer. Each shareholder who is eligible to receive Shares under the Entitlement Offer is also an Eligible Participant under the Offer.</p> <p>The allocation for each shareholder is calculated on the basis of their subscription under the Entitlement Offer, and an Eligible Participant who did not take up any of their entitlement under the Entitlement Offer will not receive any Attaching Options.</p>	Section 6
What is the maximum amount of money that could be raised if all Attaching Options are exercised?	<p>As the Exercise Price for each Attaching Option is \$0.12, the Company may raise a maximum of \$8,352,000 if the maximum number of Attaching Options are issued and all Attaching Options are exercised.</p>	Section 2.3
How does the Company intend to use the proceeds raised through the potential exercise of Attaching Options?	<p>Capital raised through the potential exercise of Attaching Options will be used for general working capital purposes.</p>	N/A
How will the Offer impact existing	<p>All Attaching Options offered under the Prospectus will be issued on the terms and conditions set out in section</p>	Section 1.2

Question	Response	Where to find more information
securities?	<p>1.2. All New Shares issued on conversion of the Attaching Options will rank equally with the Shares on issue as at the date of conversion of the Attaching Options.</p> <p>The Attaching Options are being issued out of the Company's current Listing Rule 7.1 placement capacity.</p>	
Will the Attaching Options be quoted on ASX?	Yes. Subject to the approval of the ASX, the Attaching Options will be quoted and are transferrable.	Section 1.2
What is the Exercise Price of the Attaching Options?	The Exercise Price for each Attaching Option is \$0.12.	Section 1.2
When do the Attaching Options expire?	The Attaching Options expire on the third anniversary of their grant date.	Section 1.2
How do I apply for my Attaching Options?	Under the Offer, the Eligible Participants will have received instructions on how to apply for Attaching Options under the Offer through an online Application Form.	Section 1.5
What are the key risks of investing in the Company?	<p>The Eligible Participants should be aware that applying for Attaching Options and the underlying New Shares issued upon exercise of the Attaching Options in the Company involves a number of risks. Some of the more significant risks which affect an investment in the Company are summarised below. Please refer to section 3 for further details of both the risks set out below and other risks that are relevant to a decision to apply for Attaching Options.</p> <ul style="list-style-type: none"> • Marketing and sales strategies risks: The Company's costs of developing and expanding the business will continue to increase as its business and product range grow. There is a risk that the 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. • Growth risks: The Company may not be able to maintain competitive prices for its products and services, and may not succeed in implementing its growth strategies. 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 	Section 3

Question	Response	Where to find more information
	<p>business or meet customer demands, such as the failure to produce whisky products due to time constraints involved in its production.</p> <ul style="list-style-type: none"> • 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 on the Company's operating and financial performance. 	
<p>What is the potential dilutionary impact of the Offer and the effect on control of the Company?</p>	<p>As no New Shares are being offered pursuant to the Offer, there will be no immediate dilutionary effect of the Offers on Shareholders.</p> <p>If all Attaching Options that are capable of being issued under the Offer are exercised (which must occur on or before the third anniversary of their grant date) up to 69,600,000 New Shares will be issued by the Company and current Shareholders will be diluted by approximately 16.67%. This equates to approximately 20.00% of all the issued Shares in the Company following completion of the Offer.</p>	<p>Section 2.3</p>

1 Details of the Offer

1.1 Background and purpose of the Offer

On 22 May 2024, the Company announced an accelerated non-renounceable entitlement offer to raise up to \$13.9 million (**Entitlement Offer**). In connection with the Entitlement Offer, the Attaching Options are offered on the basis of 1 free Attaching Option for every 2 Shares purchased under the Entitlement Offer. Each Attaching Option confers upon the holder the right to subscribe for 1 Share at an exercise price of \$0.12.

Based on the capital structure of the Company as at the date of this Prospectus, up to 69,600,000 Attaching Options will be issued pursuant to this Offer.

The primary purpose of this Prospectus and the Offer is to permit the issue of Attaching Options to retail shareholders and to facilitate secondary trading of any New Shares issued upon exercise of the Attaching Options issued under the Offer.

Section 707(3) of the Corporations Act generally requires that a prospectus be issued to allow those persons to on-sell those securities within 12 months of the date of their issue.

Section 708A(5) of the Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing notice,' to among other things, cleanse the market of any materially price sensitive information that was being withheld pursuant to a carveout under the Listing Rules. However, in this instance the Company is precluded from using a 'cleansing notice' in respect of the issue of Attaching Options as the Attaching Options are not in a class of securities that were quoted at all times in the past 3 months.

Consequently, the Company has issued this Prospectus in connection with the Offer to enable the Eligible Participants to on-sell any New Shares on exercise of the Attaching Options without further disclosure pursuant to *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/73*. This also means that there will not be any need for the Company to issue a 'cleansing notice' at the time of issue of any New Shares on the exercise of Attaching Options.

1.2 Terms and conditions of Attaching Options

The terms and conditions of the Attaching Options are as follows:

(a) Entitlement

The exercise price for each Attaching Option is \$0.12.

(b) Expiry

Each Attaching Option will lapse on the third anniversary of their grant date (**Expiry Date**).

(c) Transfer/transmission

The Attaching Options are transferrable.

(d) Exercise

The Attaching Options shall be exercisable at any time before the Expiry Date (**Exercise Period**) by the delivery to the registered office of the Company a duly completed option exercise form (**Exercise Form**) signed by the registered holder(s) of the Attaching Option.

(e) ASX quotation

The Company intends to apply for the Attaching Options to be quoted on the ASX.

(f) Issue of New Shares

The Company shall issue New Shares and deliver a statement of shareholdings with a holders' identification number within 5 Business Days of the date on which an Attaching Option exercise took effect.

New Shares issued shall rank, from the date of issue, equally with existing Shares in the Company in all respects.

(g) Voting rights

The Attaching Options do not confer a right to receive notices of general meetings (except as may be required by law), nor any right to attend, speak at or vote at general meetings of the Company.

(h) Participating rights

An Attaching Option holder may only participate in new issues of securities that may be offered to holders of Shares in the Company, if the Attaching Option has been exercised and New Shares allotted in respect of the Attaching Option before the record date for determining entitlements to the issue.

(i) Dividend entitlement

The Attaching Options will not give any right to participate in dividends until New Shares are issued pursuant to the exercise of the relevant Attaching Options.

(j) Re-organisation of capital

In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Attaching Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.

(k) Adjustments

If there is a bonus share issue to the holders of Shares, the number of New Shares over which an Attaching Option is exercisable will be increased by the number of New Shares which the Attaching Option holder would have received if the Attaching Option had been exercised before the record date for the bonus issue.

1.3 Rights attaching to Shares

The underlying New Shares to be issued upon exercise of the Attaching Options, will rank equally in all respects with existing Shares in the Company.

Full details of the rights attaching to the Company's Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office and is available on the Company's website at <https://www.topshelfgroup.com.au/investors>.

The following is a summary of the principal rights which attach to the Company's Shares:

(a) Voting

Every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every fully paid Share held by him or her, and a proportionate vote for every partly paid Share, registered in such Shareholder's name on the Company's share register.

A poll may be demanded by the Chair of the meeting, by any five Shareholders entitled to vote on the particular resolution present in person or by proxy, attorney or representative, or by any one or more Shareholders who are together entitled to not less than 5% of the total voting rights of, or paid up value of, the Shares of all those Shareholders having the right to vote on the resolution.

(b) Dividends

Dividends are payable out of the Company's profits and are declared by the Directors.

(c) Transfer of Shares

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by the Listing Rules or the Corporations Act for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors of the Company may refuse to register any transfer of Shares, (other than a market transfer) where the Company is permitted or required to do so by the Listing Rules or the ASX Settlement Operating Rules. The Company must not prevent, delay or interfere with the registration of a proper market transfer in a manner which is contrary to the provisions of any of the Listing Rules or the ASX Settlement Operating Rules.

(d) Meetings and Notice

Each Shareholder is entitled to receive notice of and to attend general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution of the Company, the Corporations Act or the Listing Rules.

(e) Liquidation Rights

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as it considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(f) Shareholder Liability

As the Shares issued on exercise of the Attaching Options issued under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(g) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least 75% of votes cast at a meeting of members of the Company entitled to vote on the resolution. At least 28 days' written notice, specifying the intention to propose the resolution as a special resolution must be given.

(h) Listing Rules

As the Company is admitted to the Official List, then despite anything in the Constitution of the Company, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

1.4 Opening and Closing Dates

The Offer will open for receipt of acceptances on Wednesday, 29 May 2024 and will close at 5:00pm (Sydney time) on Monday, 24 June 2024, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules.

1.5 Applications under the Offer

Under the Offer, Eligible Participants will have received instructions on how to apply for Attaching Options under the Offer through the online Application Form. No payment will be required to complete your online Application Form.

Eligible Participants are encouraged to review and complete their online Application Form as early as possible.

If you do not wish to apply for any Attaching Options under the Offer, you are not required to take any action.

If you have any queries regarding the Offer or your Application Form, please contact the share registry on 1300 737 760 (callers within Australia) or +61 2 9290 9600 (callers outside Australia) at any time between 8.15am to 5.30pm (Sydney time) Monday to Friday. Alternatively contact your legal, financial or other professional adviser.

1.6 Overseas Investors

The Company is not required to, and does not, make offers under the Prospectus to Eligible Participants outside of Australia and New Zealand.

Completing an Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained and that you are able to apply for, and be issued, the Attaching Options and New Shares (on exercise of the Attaching Options) under all applicable laws, including foreign investment takeover laws.

2 Effect of the Offer on the Company

2.1 Effect of the Offer on the Company

No funds will be raised under the Offer, and accordingly there will be no impact on the Company's financial position.

2.2 Effect on capital structure

The anticipated effect of the Offer on the capital structure of the Company, assuming all Attaching Options are applied for by Eligible Participants is set out below.

	As at the date of this Prospectus	On completion of the Offer
Shares on issue	208,675,861	347,875,861
Attaching Options issued under the Offer	Nil	69,600,000*

** Assumes maximum possible participation under the Offer*

2.3 Potential impact of the Offer on the control and cash reserves of the Company

As no New Shares are being offered pursuant to the Offer, there will be no immediate dilutionary effect of the Offer on the Shareholders.

If the maximum 69,600,000 Attaching Options (as stated in the table in section 2.2 above) that could be issued under the Offer are granted and subsequently exercised (which must occur by the Expiry Date), an additional 69,600,000 New Shares will be issued by the Company and current Shareholders will be diluted by approximately 16.67%. This equates to approximately 20.00% of all the issued Shares in the Company following the completion of the Offer.

As the Attaching Options have a \$0.12 Exercise Price, the Company may raise a maximum of \$8,352,000 if all Attaching Options are exercised.

3 Risk Factors

3.1 Introduction

This section identifies the areas that the Directors regard as the major risks associated with an investment in the Company. Eligible Participants should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Eligible Participants should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for Attaching Options.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There are also a range of specific risks associated with the Company's business. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the business of the Company. The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

3.2 Risks specific to the Company's operations and industry in which it operates

(a) Marketing and sales strategies risks

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 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.

(b) Legal, regulatory and safety requirement risks

Ingredients involved in the production of final products are susceptible to deterioration, contamination, tampering or adulteration throughout all stages of the supply chain, and may become unsafe or unfit for sale or consumption. Increased sales volumes for the Company's products may exacerbate this risk as new suppliers may need to be sourced. Failure to comply with the relevant laws and regulations around product standards may result in a monetary fine or other penalty, additional costs, adverse publicity or a loss of consumer confidence. New laws, or the alteration of current laws, could impact the Company's ability to successfully implement its business strategy.

(c) Consumer trends risks

The Australian alcoholic beverages market in which the Company operates is subject to changing trends, 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. 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.

(d) Customer and distribution partner support risks

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.

(e) Reputation risks

The reputation of the Company's products and brands, and their associated values could be impacted by factors such as 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.

(f) Growth risks

Operating in a highly competitive market, the Company may not be able to maintain competitive prices for its products and services, and may not succeed in implementing its growth strategies. 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.

(g) 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.

(h) Key personnel risk

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, its respective operations and financial performance could be adversely affected.

(i) Litigation risk

Legal and other disputes (including industrial disputes and class actions) may arise from time to time in the ordinary course of operations. 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.

(j) 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.

(k) Current and future debt levels

The Company incurs a significant amount of debt from time to time. The material consequences of having a significant amount of debt are the following:

- (i) the Company will need to use a substantial portion of cash from its operating activities to pay interest on its debt;
- (ii) 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;
- (iii) 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;
- (iv) 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
- (v) 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.

(l) 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.

(m) 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 Taxation Office in relation to its existing excise obligations. The outcome of this request may adversely include the timing of future cash flows.

The above list of risk factors is not exhaustive. The above risks, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of

the Attaching Options issued under this Prospectus and any Share which is issued as a result of the exercise of an Attaching Option.

If you have any doubts as to whether you should apply for or exercise Attaching Options, you should consult with your legal, financial or other professional adviser immediately.

4 Additional Information

4.1 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically, as a listed company, the Company is subject to the Listing Rules which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its Shares and Attaching Options. The Board has adopted a policy on compliance with the Listing Rules which sets out the obligations of the Directors, officers and employees to ensure the Company satisfies the continuous disclosure obligations imposed by the Listing Rules and the Corporations Act. The policy provides information as to what a person should do when they become aware of information which could have a material effect on the Company’s securities and the consequences of non-compliance.

4.2 Legal framework of this Prospectus

This Prospectus is a “transaction specific prospectus” issued in accordance with section 713 of the Corporations Act. In general terms, a transaction specific prospectus is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Eligible Participants should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest. Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the requirements of ASX as applicable to disclosing entities from time to time, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 3 months before the issue of this Prospectus. Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

4.3 Information available to the Eligible Participants

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Sydney during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC. The Company will provide a copy of each of the following documents, free of charge, to any Eligible Participant who so requests during the application period under this Prospectus:

- (a) the annual financial report for the Company for the year ended 30 June 2023 (**Annual Financial Report**);
- (b) the half-year financial report of the Company for the half-year ended 31 December 2023; and
- (c) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Financial Report of the Company for the year ended 30 June 2023 and before the issue of this Prospectus:

Date	Announcement
31 August 2023	Appendix 4G and Corporate Governance Statement

Date	Announcement
31 August 2023	FY23 Results Presentation
31 August 2023	Response to ASX Query
1 September 2023	FY23 Annual Results Briefing
5 September 2023	Ceasing to be a substantial holder
14 September 2023	Material terms of Board and Management agreements
20 September 2023	Notification regarding unquoted securities – TSI
22 September 2023	Prospectus
26 September 2023	Notice of Annual General Meeting
28 September 2023	Change of Director's Interest Notice
6 October 2023	Update on breach of ASX Listing Rule 10.11
6 October 2023	Notification regarding unquoted securities - TSI
19 October 2023	Change of Director's Interest Notice
23 October 2023	Quarterly Activities/Appendix 4C Cash Flow Report
24 October 2023	Application for quotation of securities -
25 October 2023	Update on breach of ASX Listing Rule 10.11
25 October 2023	Change in substantial holding
27 October 2023	Chairman Address to Annual General Meeting
27 October 2023	CEO Presentation to Annual General Meeting
27 October 2023	Results of Meeting
27 October 2023	Final Director's Interest Notice
30 October 2023	TSI announces Board Changes
3 November 2023	Issue and Exercise of Options
3 November 2023	Application for quotation of securities - TSI
3 November 2023	Notification regarding unquoted securities - TSI
17 November 2023	Application for quotation of securities - TSI
17 November 2023	Notification regarding unquoted securities - TSI
30 November 2023	Appointment of Independent Expert
1 December 2023	Application for quotation of securities - TSI
14 December 2023	Upcoming release of securities from escrow

Date	Announcement
22 December 2023	Appointment of Joint Company Secretary
19 January 2024	Application for quotation of securities - TSI
19 January 2024	Expert Report on LR 10.11 Breach and LR 10.11 Policy
19 January 2024	Corrected Director's Interest Notice
31 January 2024	Appointment of Highly-Credentialed Director
31 January 2024	Notification regarding unquoted securities - TSI
31 January 2024	FY24 Q2 Quarterly Activities Report and Appendix 4C
29 February 2024	Appendix 4D and Interim Financial Report
12 March 2024	Investor Presentation
2 April 2024	Application for quotation of securities - TSI
3 April 2024	Change of Director's Interest Notice
12 April 2024	TSI executes binding term sheet for \$5m sale of land assets
29 April 2024	FY24 Q3 Quarterly Activities Report and Appendix 4C
22 May 2024	Trading Halt
22 May 2024	TSI Announces Capital Raising to Raise up to \$13.9M
22 May 2024	Proposed issue of securities - TSI
22 May 2024	Capital Raise Investor Presentation
22 May 2024	Cleansing Notice
24 May 2024	Completion of Institutional Component of Entitlement Offer

4.4 Corporate Governance

To the extent that they are applicable to the Company, the Board has adopted the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (4th edition) where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has disclosed the reasons for the departure in its Corporate Governance Statement. This can be found at <https://www.topshelfgroup.com.au/investors>.

A summary of the Company's corporate governance policies and procedures is available on the Company's website at <https://www.topshelfgroup.com.au/investors>.

4.5 Legal proceedings

The Company may, from time to time, be party to litigation and other claims and disputes incidental to the conduct of the Company's business. Such litigation, claims and disputes, including the costs of settling claims and operational impacts, could materially adversely affect the Company's business,

operating and financial performance. As far as the Directors are aware however, there is no current or threatened litigation, claim or dispute of a material nature in which the Company is directly or indirectly involved, which is likely to have a material adverse impact on the business or financial position of the Company.

The Company has paid insurance premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings while acting in the capacity of a Director.

4.6 Interests of Directors

(a) Directors' holdings

At the date of this Prospectus, the Relevant Interest in which the Directors and their Associates have in the securities of the Company is as follows:

Director	Number of Shares		Number of Service Rights or Options		Number of Performance Rights	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
Adem Karafili	-	7,245,812	118,991	1,238,093	142,963	-
Stephen Grove	-	29,064,003		-	-	-
Julian Davidson	-	-	-	-	-	-
Phil Baldock	-	-	2,250,000	-	-	-

Notes:

1. As at the date of this Prospectus, Adem Karafili has a direct interest in 118,991 Service Rights and 142,963 Performance Rights, and indirect interests in 1,959,416 Fully Paid Ordinary Shares and 1,238,093 Premium Priced Options held by Ankara Holdings Pty Ltd as trustee for A&N Karafili Family, 2,685,646 Fully Paid Ordinary Shares held by Glankara Investments Pty Ltd as trustee for Glankara Super Fund, 1,959,416 Fully Paid Ordinary Shares held by HSBC Custody Nominees (Australia) Limited on behalf of Ankara Holdings Pty Ltd as trustee for the A&N Karafili Family Trust and 641,334 Fully Paid Ordinary Shares held by HSBC Custody Nominees (Australia) Limited on behalf of Glankara Investments Pty Ltd as trustee for the Glankara Super Fund.
2. As at the date of this Prospectus, Stephen Grove has an indirect interest in 29,064,003 Fully Paid Ordinary Shares held by Grove Investment Group Pty Ltd.
3. As at the date of this Prospectus, Phil Baldock has a direct interest in 2,250,000 Service Rights.

(b) Remuneration of Directors

The Constitution of the Company provides that the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting (which is currently \$350,000 per annum).

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Details of remuneration provided to Directors and their associated entities during the past two financial years is as follows:

Financial Year ended 30 June 2023

Directors	Fees/salaries \$	Other \$	Annual leave \$	Share benefits \$	Non-monetary benefits \$	Total \$
Adem Karafili*	316,526	34,708	14,028	195,319	28,995	589,574
Drew Fairchild (resigned 21 April 2023)	547,115	58,643	197,777	216,710	29,607	1,049,851
Michael East (resigned 10 May 2023)	55,000	5,775	-	1,605	-	62,380
Lynette Helen Mayne (resigned 31 July 2023)	60,000	6,300	-	-	-	66,300
Peter Cudlipp	60,000	6,300	-	2,094	29,524	97,918
Julian Davidson (appointed 24 April 2023)	-	-	-	-	-	-

Financial Year ended 30 June 2022

Directors	Fees/salaries \$	Other \$	Annual leave \$	Share benefits \$	Non-monetary benefits \$	Total \$
Adem Karafili*	268,536	29,204	20,603	(19,652)	31,453	330,144
Drew Fairchild	340,906	34,091	26,128	(19,652)	-	381,473
Michael East	42,772	4,277	-	(3,518)	-	43,531
Lynette Helen Mayne (appointed 28 April 2022)	10,476	1,048	-	-	-	11,524
Peter Cudlipp	42,772	4,390	-	(3,518)	1,127	44,771
Ken Poutakidis (resigned 28 April 2022)	32,772	3,277	-	(12,898)	-	23,151

Other than set above or elsewhere in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the two-year period ending on the date of this Prospectus, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (iii) the Offer.

Other than set above or elsewhere in this Prospectus, no amounts of any kind (whether in cash, Shares, Options, Performance Rights or otherwise) have been paid or agreed to be paid to any

Director or to any company or firm with which a Director is associated to induce that Director to become, or to qualify as, a Director, or otherwise for services rendered by that Director or their company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offer.

4.7 Interests of professionals

Other than as disclosed in this Prospectus, no promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus, holds, or during the last two years has held, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer,

and no amounts of any kind (whether in cash, Shares, Options, Performance Rights or otherwise) have been paid or agreed to be paid to a promoter or any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Gilbert + Tobin acted as Australian legal adviser to the Company in relation to the Offer. The Company has paid or agreed to pay an amount of approximately \$14,000 (plus disbursements and GST) up to the date of this Prospectus in respect of those services. Further amounts may be paid to Gilbert + Tobin in accordance with its normal time-based charges.

4.8 Consents

Gilbert + Tobin has given, and before lodgement of this Prospectus, has not withdrawn, its consent to be named in this Prospectus as Australian legal adviser of the Company in the form and context in which it is named.

Gilbert + Tobin:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this section; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with its consent as specified in this section.

4.9 Expenses of the Offer

Expenses for the Offer are estimated to be approximately \$15,000 (excluding GST and disbursements).

4.10 Electronic Prospectus

Pursuant to ASIC Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic Prospectus on the basis of a paper Prospectus lodged with ASIC, and the issue of securities in response to an electronic Application Form, subject to compliance with certain provisions. If you have received this Prospectus as an

electronic Prospectus, please ensure that you have received the entire Prospectus. If you have not, please email the Company and the Company will send you either a hard copy or a further electronic copy of this Prospectus, or both. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the relevant electronic Application Form, it was not provided with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

5 Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Dated: 29 May 2024

A handwritten signature in black ink, appearing to read 'Julian Davidson', is positioned above the printed name.

Julian Davidson

Chairman

Top Shelf International Holdings Limited

6 Defined Terms

\$	Australian dollars, unless otherwise stated.
Annual Financial Report	Has the meaning given in section 4.3
Applicant	In relation to the Offer, means an Eligible Participant who completes an Application Form.
Application Form	The application form accompanying this Prospectus, that has been issued to the Eligible Participants in relation to the Offer (including the electronic form provided by an online application facility).
Associate	has the meaning given in section 11 of the Corporations Act.
ASX Settlement	ASX Settlement Pty Ltd (ABN 49 008 504 532).
ASX Settlement Operating Rules	The operating rules of the settlement facility provided by ASX Settlement as amended from time to time.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691) or the financial market operated by it, as the context requires.
Attaching Options	Means each Option offered under the Offer, the terms and conditions of which are set out in section 1.2.
Board	the board of Directors.
Business Day	Every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.
Closing Date	Monday, 24 June 2024.
Company or TSI	Top Shelf International Holdings Limited (ABN 22 164 175 535).
Constitution	The constitution of the Company as at the date of this Prospectus.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Directors	The directors of the Company as at the date of this Prospectus.
Eligible Participant	Shareholders who have subscribed and been issued New Shares pursuant to the Entitlement Offer.
Exercise Form	Has the meaning given to that term in section 1.2.
Exercise Period	Has the meaning given to that term in section 1.2.
Exercise Price	Means \$0.12.
Expiry Date	Has the meaning given to that term in section 1.2.
Instrument 2016/80	Means ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80.
Listing Rules	Means the Listing Rules of ASX.
New Share	A Share issued upon exercise of an Attaching Option.
Offer	The offer of Attaching Options pursuant to this Prospectus.
Official List	The Official List of the ASX.
Option	An option to acquire a Share for a set exercise price (which may be \$nil).
Performance Right	A right to acquire a Share upon satisfaction of prescribed vesting conditions granted under the Company's employee equity plan.
Register	Means the register of Shareholders.
Relevant Interest	has the meaning set out in section 50 of the Corporations Act.
Share	An ordinary fully paid share in the capital of the Company.

Shareholder

A holder of a Share.

**Target Market
Determination**

Has the meaning given in section 994B of the Corporations Act.