

Annual General Meeting – Chair Address

Good morning and welcome to the 2023 Lark Distillery Annual General Meeting.

Let me welcome Sash and Iain to their first Lark AGM and I am delighted that we managed to attract luxury whisky and spirits professionals like Sash and Iain to Lark to complement our other extremely talented executives and the whole dedicated Lark team.

I am excited that the newest members of our executive team have chosen to further their careers and enhance their reputations at Lark Distilling, it demonstrates the confidence they and we all have in the long-term success, growth and value creation opportunities for our company.

However, the competitive and economic environment is tough, as Lark competes with many other discretionary items for our consumer's time, attention and money. Lark's overall Net Sales Revenue was down in FY23 and as stated in our annual report, while we experienced a reduction in direct e-commerce sales like many others in the Luxury sector, the more significant impact to our headline performance was cycling several one-off and opportunistic transactions from the prior year rather than the Global economic challenges and reduced consumer confidence. The positive impact is that our underlying sales, excluding the impact of these one-off sales in FY22, generated some 15% growth supported by export purchases and increased hospitality footprint.

Luxury brands, like Lark, while not immune to global macro factors, are in many ways more resilient than more commercially priced brands as consumers continue to find occasion to buy premium and luxury goods either to enjoy now, to share with family and friend or as gifts. It is this resilience and strong consumer demand in the Luxury Spirits sector that gives us great confidence as we work to onboard export distribution partners as we take Lark to the world. It also continues to drive the category leading international brand owners to invest in major infrastructure projects to support growing consumer demand.

And at Lark we are no different, we continue to invest in our people, in building the Lark brand franchise and in building our inventory as we craft, mature and build out our whisky bank. As stated in our ambition so elegantly communicated by Sash and his team in October, you will hear more on this shortly when Sash speaks, we are currently focusing our whisky making at our Cambridge Distillery in Hobart.

Our distillers and production teams are concentrating their efforts and energy on crafting wonderful Lark new make spirit, on selecting only the finest barrels and maturing this liquid to create our award-winning Lark Single Malt. As we consider our long-term brand proposition, we are setting aside whisky specifically for our future aging, while also ensuring we craft our Classic Lark and current range of other Lark whisky to sustainably fuel our export expansions.

Our Cambridge Distillery has the capacity to satisfy our immediate and medium-term whisky production requirements. This focused and balanced approach to managing our whisky bank is of course conducted within our financial, business and capital management mantra.

The board, Sash, your executive team and the whole Lark family are focused on our immediate priorities of building the appropriate foundations for long term success and to generate shareholder value. We will do this by building brand equity, maintaining our domestic leadership position, beginning our export journey with in-market distributors and continuing to create the highest quality whisky from our production sites.

We are well aware of the challenges in our sector and the general economic sentiment, meaning we will continue to invest cautiously, with a variable cost mindset and exercising cash, capital and business discipline. However, considering our limited exposure to international markets to date we continue to see significant opportunity as we take Lark to the global stage.

At a board level we will ensure that Non-Executive Directors have the appropriate skills, experience and mindset to support Sash and the team on the execution of our ambition, and we will look to refresh the board as required.

These actions are all targeted at growing our revenue base, improving the profitability and profile of our company and in generating shareholder returns. We recognise the share price is not reflecting our current value and we are working hard to ensure we implement the actions to grow our revenue base and improve our profitability.

About Lark Distilling Co:

Founded by pioneers Bill and Lyn Lark in 1992, LARK Distilling Co. has been crafting world-class, award-winning Tasmanian whisky for more than 30 years. From humble beginnings on a kitchen table, curiosity and courage bore Tasmania's very first licensed distillery in 154 years. LARK, Australia's No.1 Luxury Single Malt Whisky brand, houses a range of spirits headlined by its Single Malt Signature Collection; Classic Cask 43% ABV, Rebellion Chinotto Citrus Cask 44% ABV, and Tasmanian Lightly Peated 46% ABV, and its unique blended-malt whisky, Symphony No.1 40.2% ABV. The distillery also handcrafts a range of Forty Spotted Gins with native peppercorn, and Tasmanian liqueurs.

LARK is locally and internationally recognised for its quality, innovation, and people; awarded numerous prestigious accolades over the past three decades. At the World Whiskies Awards in August 2023, LARK took home Best Single Malt and Best Blended Malt in the region, as well several gold medals across the portfolio. Bill Lark was recognised and honoured for his life-long dedication to the advancement of Tasmanian whisky with the prestigious 'Lifetime Achievement Award' at the 2022 Spirits Business Awards in London.

At the Australian Whisky Awards in March 2023, LARK was proudly awarded "Distillery of the Year", LARK was crowned "Single Malt of the Year", Bill Lark was named "Personality of the Year", and Master Distiller Chris Thomson was named "Distiller of the Year". In August 2022 LARK received the Master Medal Award, in the World Whisky Masters for its innovative Chinotto II Cask Strength release, alongside a further seven gold medals across the portfolio.

In April 2021, LARK Distillery was named Australia's first carbon-neutral distillery under the Federal Government's Climate Active Program, meaning the activities associated with running Tasmania's first distillery have no net negative impact on the climate. One of the most rigorous and widely recognised carbon-neutral programs in the world, Climate Active certification is only awarded to businesses and organisations that have credibly reached a state of achieving zero net emissions.

LARK can be enjoyed at the iconic Hobart Cellar Door and neighbouring award-winning Whisky & Cocktail Bar The Still, as well as at leading cocktail, whisky and hotel bars across the world. LARK Distilling Co, a fabric of our community, is crafted from grain to glass, using the purest, natural elements from Tasmania. Welcome to the New World of Whisky.

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This announcement has been approved for release by the Board of Directors.