



LARK DISTILLING CO. LTD

FY24 INVESTOR BRIEFING

27 AUGUST 2024

LARK WILL BE A
LEADER IN NEW
WORLD WHISKY.



LARK WILL LEAD TASMANIAN WHISKY...

LARK is best positioned to lead the rise:

LARK IS PROUDLY
AUSTRALIA'S
NO. 1 LUXURY
SINGLE MALT



UNPARALLELED
STORY,
CLIMATE AND
PROVENANCE

30 YEARS OF
HISTORY AS
TASMANIA'S 1ST
AND OLDEST
SINGLE MALT

ABILITY TO
SCALE NOW,
AND INTO THE
FUTURE

FREEDOM TO
INNOVATE
AND PUSH
BOUNDARIES

ACCESS TO
SOME OF THE
BEST CASKS IN
AUSTRALIA

CATEGORY
LEADER IN A
BURGEONING
INDUSTRY

GREAT
TEAM OF
EXPERIENCED
EXECUTIVES

SOLE RIGHTS
TO CENTRAL
HIGHLANDS
TASMANIAN
PEAT BOG



FY24 HIGHLIGHTS, SEPPELTSFIELD WINES PARTNERSHIP AND STRATEGIC PRIORITIES

SATYA SHARMA - CEO

FY24 INVESTOR BRIEFING

FY24 | KEY HIGHLIGHTS



Net sales of \$14.0 million¹ in line with prior market update²

(down \$3.1m on FY23)

Impact of legacy indirect Chinese exports & older limited releases in FY23, with focus on scalable core range delivering underlying growth



Operating EBITDA of \$(2.8) million

Gross margin of 68%

(down ~100bps on FY23 of 69% through channel / product mix)



Whisky bank of 2.5 million litres* underwriting future sales growth

*(at 43% ABV) as at 30 June 2024 (FY23: 2.4m litres)



Operating Cashflow

Disciplined cost control delivers +\$1.2m improvement vs FY23 in net cash used in operating activities



Cash Position

Cash position of \$2.4 million (proforma cash post Placement of ~\$27m) + undrawn committed bank facility of \$15 million available to January 2028; full facility available to be drawn



Good progress of Asia export business & GTR

LARK is well positioned for export growth and growing GTR channel - underpinned by high quality whisky bank

EQUITY RAISE AND ANNOUNCEMENT OF STRATEGIC PARTNERSHIP WITH SEPPELTSFIELD WINES

Overview of Seppeltsfield Strategic Partnership

- Formal long-term barrel supply agreement with Seppeltsfield Wines Pty Limited, an entity associated with Lark Director, Warren Randall
- Partnership will secure access to premium oak barrels for Lark, formalising first right of use and exclusivity arrangements to provide certainty over Lark's future maturation requirements
- Seppeltsfield Wines was established in 1851 and over the next 173 years has developed into Australia's iconic wine estate
- Seppeltsfield Estate has under maturation the estimated largest repository of premium fortified wine and casks in Australia
- Continuity of supply of the highest quality barrels creates a key competitive advantage for Lark, follows notable precedents internationally including Macallan's partnership with Grupo Estevez

Strategic Partnership Key terms

- 10-year agreement with a 10-year option for extension by Lark
- Includes rare fortified Tawny, Muscat, Tokay, PX and Oloroso barrels that will be central to Lark's premium portfolio offering and ongoing expansion strategy, both domestically and internationally.
- Exclusivity with respect to selected fortified barrels over five years old, first Right of Refusal over all other fortified barrels. No minimum purchase requirements
- Exclusivity on naming rights and usage in relation to whisky products
- Joint R&D trials
- Heads of Agreement in place with contract to be signed subject to completion of the Conditional Placement



EQUITY RAISE AND ANNOUNCEMENT OF STRATEGIC PARTNERSHIP WITH SEPPELTSFIELD WINES(*cont'd*)

Equity Raise

Equity raising of ~\$25m comprising a ~\$15m conditional placement, ~\$6.5m institutional placement and a Share Purchase Plan:

- Institutional placement completed on 30th July, with new shares issued on 2nd August.
- Share Purchase Plan almost 5X oversubscribed vs original target, with scale back of applications to a total amount of \$3.5m. New shares scheduled to be issued 27th August.
- Conditional placement subject to shareholder approval at EGM to be held on 30th August.

Use of Proceeds

Proceeds will provide Lark with balance sheet flexibility to invest in the brand and facilities to drive the export strategy and accelerate growth, with distilling production scaled up to support this.

- **Brand & Marketing investment** to be targeted at restaging the brand to drive increased cut-through as a luxury brand internationally, and upweighted investment in key markets and channels
- **Capital Investment** in development of the Pontville site which will see increased production and storage capacity, along with enhancements to Lark's cellar door offering in Hobart
- **Working Capital** and general corporate costs includes future inventory laydown through to cashflow breakeven in FY27

Additional funds through increased SPP subscription provide further flexibility and platform for long term brand and sales growth.



STRATEGIC PRIORITIES



GOOD PROGRESS BEING MADE IN EXECUTING STRATEGY – IN LINE WITH STATED MILESTONES



BUILD LONG TERM BRAND VALUE

- Continued awards recognition & brand partnerships
- Innovation to drive halo and brand equity
- Commenced work on portfolio restage, including appointment of creative design agency

INTERNATIONAL SALES MOMENTUM & DOMESTIC LEADERSHIP POSITION

- Asian export strategy progress, Distributors appointed with initial sales of \$0.9m in H2
- Nascent Global Travel Retail business delivers \$1.1m sales in FY24
- Appointment of Spirits Platform, Australia's leading independent Spirits Distributor from 1 August 2024

CASH & CAPITAL DISCIPLINE

- Operating Cashflow savings of \$1.2m vs. FY23
- Cash of \$2.4m, proforma cash post equity raise of ~\$27m
- Committed NAB \$15m facility in place to January 2028



BUILD LONG TERM BRAND VALUE

CEMENTING LARK'S POSITION AS

AUSTRALIA'S NO.1 LUXURY SINGLE MALT WHISKY



Continuing to grow LARK's reputation with gold medal and category wins across leading international awards programs.



WORLD WHISKIES AWARDS

LARK Symphony No.1 - Blended Malt Whisky
AUSTRALIA'S BEST - CATEGORY WINNER

LARK Garage Project XPA - Single Malt Whisky
AUSTRALIA'S BEST - CATEGORY WINNER



GLOBAL SPIRITS MASTERS

LARK Classic Cask - Single Malt Whisky
GOLD MEDAL

LARK Chinotto Citrus Cask - Single Malt Whisky
GOLD MEDAL

LARK Tasmanian Peated - Single Malt Whisky
GOLD MEDAL

LARK Dark Lark - Single Malt Whisky
GOLD MEDAL

MEANINGFUL BRAND PARTNERSHIPS

CONTINUING TO GROW LARK'S AWARENESS, REINFORCING CREDIBILITY WITH TRADE, CONSUMERS & REACHING HNWI





Why Tasmania might be better suited to whisky than Scotland

Tasmania's whisky industry is evolving from its craft origins to a globally renowned business – and inspiring part of the state in the process. From the pioneering industry pioneers to the present.

Story by Nola Jones

"You can't send tourists to grain territory and expect them not to make whisky," says Peter Gilmore, co-owner of Lark Distillery in Tasmania, who is a well-known figure in the industry. He is a former chef and now a distiller, and he is the founder of Lark Distillery. He is a former chef and now a distiller, and he is the founder of Lark Distillery. He is a former chef and now a distiller, and he is the founder of Lark Distillery.

Callaghan Mill Distillery

This is the first distillery in Tasmania, and it is the first distillery in Tasmania. It is the first distillery in Tasmania, and it is the first distillery in Tasmania. It is the first distillery in Tasmania, and it is the first distillery in Tasmania.

Overland Brewery & Distillery

For now, it's a small distillery, but it is a distillery. It is a distillery, and it is a distillery. It is a distillery, and it is a distillery. It is a distillery, and it is a distillery. It is a distillery, and it is a distillery.

The drinks

Lark Distillery is a distillery, and it is a distillery. It is a distillery, and it is a distillery. It is a distillery, and it is a distillery. It is a distillery, and it is a distillery. It is a distillery, and it is a distillery.

Spring Bay Distillery

If you are a distiller, you are a distiller. You are a distiller, and you are a distiller. You are a distiller, and you are a distiller. You are a distiller, and you are a distiller. You are a distiller, and you are a distiller.

The state

It's a distillery, and it is a distillery. It is a distillery, and it is a distillery. It is a distillery, and it is a distillery. It is a distillery, and it is a distillery. It is a distillery, and it is a distillery.



Why Tasmania might be better suited to whisky than Scotland

Tasmania's whisky industry is evolving from its craft origins to a globally renowned business – and inspiring part of the state in the process. From the pioneering industry pioneers to the present.

Bill Lark and Lyn, co-founders of Lark Distillery, stand in the field.

Miss Hest

This is a distillery, and it is a distillery. It is a distillery, and it is a distillery. It is a distillery, and it is a distillery. It is a distillery, and it is a distillery. It is a distillery, and it is a distillery.

The revival of Tasmanian whisky as a craft industry began in 1992 when Bill Lark, a former land surveyor, and his wife, Lyn, set up a \$65 second-hand copper pot still on his kitchen table. In those days distilling bottles were reserved for large operations and Lark had to get the legislation changed – customised bottles Barry Jones was happy to oblige – to liberate craft operators like himself. Armed with his licence, Lark approached Cascade Brewery for barley and yeast – whisky, in essence, is distilled ale – and got to work. "By 2000 I reckon there were six distillers on the island," Lark tells me. "All of us mates."



1508/2024, 22/14

Chief Peter Gilmore's Father's Day recipes | Gourmet Traveller

July 11, 2024

Chef Peter Gilmore's Father's Day recipes

How chef Peter Gilmore celebrates Father's Day with his sons.

Anna McCow **Peter Gilmore**

Print

Peter Gilmore, executive chef at Quay and Bennelong, is off-duty at home, no chef's whites, no kitchen brigade. His two sons, Isaac and Joe, have joined him around the island bench to prep for a long afternoon of feasting. "It's lovely hanging out with the boys as adults, cooking and sharing a drink is wonderful as well," says the Lark Distillery ambassador. "So, my ideal Father's Day is spending the day with them."





DEL KATHRYN BARTON X LARK X CAPELLA SYDNEY

Valued at \$18,000

Del Kathryn Barton in partnership with LARK Distilling, exclusively limited release single cask signed bottle #1, and a private VIP dining experience with LARK Founder Bill Lark at Capella Hotel Sydney for 8 Guests.

Celebrating two Australian icons, Del Kathryn Barton X bottle #1 of a limited release of LARK 208 'Tasmanian Single Cask LC2391. Single Malt Whisky finished in Oloroso Sherry. Signed by LARK Distillery's founding father Bill Lark and iconic Australian artist Del Kathryn Barton.

This exquisite whisky captures the essence of Tasmania's rich Single Malt heritage, offering a symphony of flavours from fresh cherries and chocolate to buttery toffee and luscious orchard fruits, all delicately balanced with a hint of floral honey. This meticulous single cask promises an unparalleled depth and complexity, and is made even more special by its collaboration with renowned Australian artist, Del Kathryn Barton. Known for her whimsical, psychedelic style and being a recipient of the prestigious Archibald Prize.

Enjoy a private dining and an intimate luxury whisky tasting experience for eight guests, at the exclusive Capella Sydney, hosted by Bill Lark. You will experience a selection of LARK's finest Luxury Single Malt Whiskies, from archive through to present day, all whilst enjoying exclusive dining from Capella Sydney's top chefs.

GENEROUSLY DONATED BY LARK DISTILLING CO. X DEL KATHRYN BARTON X CAPELLA SYDNEY

*Terms: Offer to be exclusively spent upon. Expiry date to be released by 20 June 2025.




CREATING BRAND FAME THROUGH ANNUAL NPD RELEASE DARK LARK

DRIVING NEW OCCASIONS, BRAND NEWS AND RECRUITMENT

MELBOURNEEN

TimeOut

NewsThings to DoFood & DrinkCultureTravelRoad Trips



Photograph: Supplied/Lark Distillery

Craft your own bespoke whisky cocktails with Lark Distillery's winter-inspired recipes

Your favourite cocktails with a chilly twist

By Saskia Morrison-Thiagu for Time Out in association with Lark Distillery Wednesday 29 May 2024

BARS AND CLUBS

Dark Lark



TASTE UNEXPECTEDLY SMOOTH SINGLE MALT NEAT OR ON THE ROCKS.



DARK LARK INVITES YOU TO STEP INTO THE NEW WORLD OF WHISKY AND SAVOUR THE UNEXPECTED AFTER DARK.

Crafted under moody Tasmanian skies, Dark Lark Single Malt Whisky combines the smoothness of a classic Highland Malt with warming mocha and buttery caramel.



TASMANIAN SINGLE MALT WHISKY



DARK LARK

CARAMELISED PINEAPPLE HONEYCOMB

MUGNA

CREME BOULE

LARK



TASTE UNEXPECTEDLY SMOOTH SINGLE MALT NEAT OR ON THE ROCKS.





INTERNATIONAL SALES MOMENTUM & DOMESTIC LEADERSHIP POSITION

ASIA EXPORT BUSINESS

- Growing LARK in international markets with key distributor partners is a strategic priority
- Good progress made in 2HFY24 in growing our new sustainable direct Export Business via in-market distributors
- Distribution Agreements now in place for
 - Singapore – Velocity Wines Spirits
 - Indonesia – Pelita Makmur Perkasa
 - Malaysia – Luen Heng
 - Philippines – Booze On-line
- Stock has cleared customs in all four SEA markets, with Bill Lark supporting key trade launch events in Singapore & Indonesia in July
- 2HFY24 direct export sales of \$0.9 million, with planned re-order from Indonesia shipped in Q1 FY25





INTERNATIONAL SALES MOMENTUM

GLOBAL TRAVEL RETAIL (GTR)

- GTR provides a unique opportunity to engage with our target audience and drive brand discovery & awareness
- As Australia's Number 1 Luxury Single Malt Whisky – the GTR channel is important in the seeding of LARK to international consumers – as they discover and dwell as part of their travel ritual
- GTR presence continues to grow at key Australian Airports, with net sales of \$ 1.1 million in FY24 as first full year in channel
- Permanent visibility for LARK in Sydney & Melbourne Airports
- Major activation ongoing supporting trial of Dark Lark, with other key activations supporting key selling periods including Lunar New Year (Feb) & World Whisky Day (May)
- Launch of Lark Tawny 1911 driving 'halo' for portfolio cementing Lark's luxury credentials, with channel exclusive Chinotto variant launch in March 24
- Qantas partnership – Lark Classic Cask the exclusive Australian Single Malt whisky served on Qantas 1st Class flights, and in 1st Class Lounges.

DOMESTIC LEADERSHIP POSITION

MOVE TO SPIRITS PLATFORM FOR B2B DISTRIBUTION

- Australia's leading independent spirits distributor, Spirits Platform (SP), appointed as Lark & Forty Spotted domestic B2B distribution partner effective 1st Aug 2024.
- SP are the market leader in Ultra-Premium and above Single Malt, and strong portfolio fit as the only Australian brands alongside prominent global brands such as The Macallan and Remy Martin.
- Access to enhanced sales opportunity in time through accessing SP's scale commercial team; more than 5X larger than Lark's previous team providing increased coverage in wholesale / independents channel.
- SP's distribution margin included in selling price, with improved channel financial position (EBITDA & Cash) from B2B channel following cost savings including internal restructure.
- Partnership provides platform for growth over initial 5-year term and beyond, solidifying and building Lark's leadership position as Australia's #1 Luxury Single Malt.
- Lark continue to internally manage the domestic Hospitality, Ecommerce, and Australian GTR channels post transition.





CASH & CAPITAL DISCIPLINE

FY24 INVESTOR BRIEFING

BALANCE SHEET STRENGTH AND CAPITAL FLEXIBILITY

CASH POSITION

CASH POSITION OF \$2.4M;
PROFORMA CASH POST
EQUITY RAISE OF ~\$27M

NAB FACILITY

\$15M UNDRAWN
COMMITTED FACILITY
AVAILABLE TO JAN 28

CAPITAL FLEXIBILITY

WHISKY BANK ENABLES
FLEXIBILITY ON DISTILLING
PRODUCTION

AGENT APPOINTED IN
JULY FOR BOTHWELL SITE

OPERATING CASHFLOWS

- Disciplined cost control drove a YOY \$1.2 million reduction in net cash used in operating activities
- Whisky continues to be laid down for maturation - whilst balancing our working capital requirements
- Entry in new markets will see requirement for brand investment, underpinned by recent equity raise, to launch and drive growth
- NAB \$15 million committed debt facility, available to January 2028
- Cash position of \$2.4 million; proforma cash post equity raise of ~\$27 million
- Equity raise as platform for investment, enabling high confidence of positive operating cashflows during FY27

STABLE OF ASSETS – A CLEAR ROADMAP

- Pontville will be the home of Lark into the future, one which is reflective of Australia's Number 1 Luxury Single Malt
- Will see increased distilling, bottling, and maturation capacity at Pontville, at a site we can delight consumers, trade partners and distributors
- Modular development approach – allows for longer term full site masterplan
- We will migrate away from Cambridge as our primary production facility as we set ourselves up for the next stage of growth
- Transition from Cambridge will see key equipment and processes transferred, providing continuity of new make house style for our award-winning whisky
- Bothwell surplus to requirements – anticipate marketing Spring 2024





FY24 FINANCIAL HIGHLIGHTS

IAIN SHORT- CFO

FY24 INVESTOR BRIEFING

Profit & Loss

A\$'000	FY24	FY23	vs LY \$	vs LY %
Net Sales *	13,954	17,023	(3,069)	-18%
Cost of sales	(4,499)	(5,297)	799	-15%
Gross Profit	9,455	11,726	(2,271)	-19%
Gross Profit %	67.8%	68.9%	-1.1%	
Other Income	829	383	445	116%
Selling and distribution	(2,980)	(3,088)	107	-3%
Operating Costs	(10,064)	(11,036)	973	-9%
Administration expenses	(3,781)	(5,196)	1,415	-27%
Employee benefit expense	(6,282)	(5,840)	(442)	8%
Operating EBITDA	(2,759)	(2,014)	(745)	37%
Share based payments	(1,254)	(793)	(461)	58%
One-off Costs	(173)	(2,285)	2,111	-92%
Costs relating to acquisition	0	(347)	347	-100%
Obsolete Stock expense	0	(891)	891	-100%
Recruitment & Restructuring	(173)	(733)	560	-76%
Other one offs	0	(314)	314	-100%
Statutory EBITDA	(4,187)	(5,092)	905	-18%

* Net Sales = sales after excise.

PROFIT & LOSS HIGHLIGHTS

- Reported Net Sales of \$14.0 million was down \$3.1m or -18% vs FY23
- Foreseen impacts of the slowdown of the Chinese Indirect Export (\$2.3 million), and sales of old one-off releases in other channels of (\$1.2 million) in FY23 comparatives as well as softer trading conditions in Domestic B2B and hospitality, partially offset by positive performance in Direct Export, GTR and Ecommerce.
- Direct exports under Distribution Agreements commenced in H2 with initial shipments to new launch markets of Singapore, Indonesia, Malaysia & Philippines, delivering Net Sales of \$0.9m. Lark's nascent Global Travel Retail presence continues to grow in key Australian airports, with Net Sales of \$1.1m for FY24.
- Gross profit margins remained strong at 67.8%, down from 68.9%. Net Sales per Litre reducing from \$280 to \$255 primarily through channel mix with lower contribution from hospitality venues. Lower Gross Margins from FY25 in Domestic Australia B2B (offset by lower overheads) following route to market model change¹.
- Marketing investment (Selling & Distribution expense) as a % of net sales increased from 18% to 21% YOY as Lark continues to build long term brand equity to support both domestic sales and provide a strong platform for international market expansion.
- Switch in cost from administration to employee benefit expense, with roles being filled by employees rather than consultants.
- The change in domestic B2B sales model to Distributor led (Spirits Platform) from 1 August 2024, resulted in a non-recurring \$0.2m restructuring provision in FY24.

BALANCE SHEET HIGHLIGHTS

Balance Sheet

A\$'000	June-24	June-23	vs LY \$
Cash and cash equivalents	2,355	7,160	(4,805)
Trade and other receivables	1,096	1,995	(899)
Inventories	14,773	15,993	(1,220)
Prepaid assets	97	117	(20)
Total current assets	18,322	25,265	(6,943)
Inventories	49,360	45,917	3,443
Property, plant and equipment	14,625	15,201	(577)
Right-of-use assets	2,102	4,522	(2,420)
Intangibles	21,317	21,239	78
Deferred tax	4,902	3,994	908
Total non-current assets	92,306	90,873	1,433
Total assets	110,627	116,138	(5,510)
Trade and other payables	(2,487)	(2,677)	190
Financial liabilities	(506)	(370)	(136)
Employee benefits	(537)	(463)	(73)
Deferred government grants	(3,975)	(3,675)	(300)
Total current liabilities	(7,505)	(7,185)	(319)
Borrowings	0	0	0
Financial liabilities	(1,684)	(4,216)	2,532
Employee benefits	(76)	(60)	(16)
Total non-current liabilities	(1,760)	(4,276)	2,516
Total liabilities	(9,264)	(11,461)	2,197
Net assets	101,363	104,677	(3,314)

- Lark ended FY24 with a cash balance of \$2.4 million with a further \$15 million undrawn committed bank facility; full facility available to be drawn to January 2028.
- Following the placement announced in July 24, Lark expects pro-forma 30 June 2024 cash balance of ~\$27m.
- Total inventory at cost of \$64.1 million, up \$2.2 million or 3.6% versus June 23, providing strong asset backing, and also underpinning future growth. Maturing inventory in Barrel at cost of \$57.7m, +3.8% vs. June 23
- Property, plant and equipment of \$15.6m includes assets across 3 production sites.
- Reduction in Right of Use Assets and Financial Liabilities reflects cancellation of a Bond Store Lease, subsequently replaced by a new lease in FY24.
- Increase in Deferred government grants of \$0.3m relates to payment under Tourism Innovation Grant to enhance visitor experience at Pontville site.
- Lark remains debt free, with an undrawn \$15m committed bank facility with NAB.

Cashflow

	FY24	FY23	vs LY \$	vs LY %
Operating activities				
Receipts from customers	19,232	24,192	(4,960)	-21%
Payments to suppliers, employees and others	(18,242)	(19,700)	1,458	-7%
Purchase of inventory	(5,870)	(10,163)	4,292	-42%
Interest paid	(210)	(203)	(7)	3%
Interest received	42	42	(1)	-1%
Government grants and tax incentives received	829	380	449	118%
Net cash flows from operating activities	(4,219)	(5,452)	1,233	-23%
Investing activities				
Acquisition of subsidiary	0	(1,120)	1,120	-100%
Proceeds from fixed assets	37	9	28	307%
Payments for fixed assets	(436)	(610)	174	-29%
Payments for Intangibles	(138)	(204)	66	-32%
Government Grants towards purchase of equipment	300	3,675	(3,375)	-92%
Net cash flows from investing activities	(237)	1,750	(1,987)	-114%
Financing activities				
Proceeds from issue of Shares	0	38	(38)	-100%
Repayment of borrowings	0	(5,000)	5,000	-100%
Payment of lease liabilities under AASB 16	(349)	(273)	(76)	28%
Net cash flows from financing activities	(349)	(5,235)	4,886	-93%

CASHFLOW HIGHLIGHTS

- Disciplined focus on cash & capital discipline sees improvement in net cashflows from Operating Activities year on year. Projecting positive operating cashflows during FY27.
- Operating Cashflows for FY24 reflects lower receipts from customers (-\$5.0 million vs FY23) primarily due to foreseen lower limited release and indirect export sales, more than offset by:
 - One-off staff, administration and corporate costs in FY23 comparatives (+\$1.2 million), and
 - Savings in other operating and production cashflows (+\$5.0 million vs. FY23) through renewed focus on cost control and exercising capital discipline on distilling production levels.
- Investing Cashflows include \$0.3 million Tasmanian Tourism Innovation Grant for Pontville, received in Q4FY24.



HIGH QUALITY WHISKY BANK– Underwriting Future Sales Growth

- LARK's whisky under maturation at 2.5 million litres at 43% ABV at 30 June 2024 (FY23: 2.4m litres), with book value (at cost) of \$57.7m
- More modest growth than previous years, with existing Whisky Bank allowing us to optimise production in the short term, more closely aligning current sales.
- Varied age profile of Whisky Bank, with most significant volume at younger age to support future growth and provides:
 - Sufficient volumes in short term to meet growth aspirations,
 - Stock availability for future export growth, and
 - Flexibility to consider age statement releases in time
- Continued Whisky Bank alignment to long-term future portfolio requirements, with Brand restage firming up scale product propositions to ensure optimal commercialization over time.
- Segmentation within Whisky Bank, with ringfencing of stock for further aging and longevity of restaged portfolio.



STRATEGIC PRIORITIES, BRAND RESTAGE, GROWTH PLANS

SATYA SHARMA - CEO

FY24 INVESTOR BRIEFING

STRATEGIC PRIORITIES

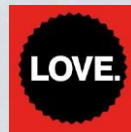


BUILD LONG TERM BRAND VALUE

LARK BRAND RESTAGE



LARK MARKETING
BLENDING
SALES
STRATEGY
FINANCE



LOVE.

We See What You Won't.



POSITIONING

PORTFOLIO

PRODUCT

BRAND IDENTITY & PACK

RANGE, PRICING, PHASING PLAN

GTM TOOLS & ASSETS

LARK PORTFOLIO RESTAGE

POSITIONING



BRAND HOOK & CENTRE POINT



Clear positioning and brand hook with Relevance for International Expansion & Domestic Audience:

- Who (Consumer)
- What (Product offering)
- Where (Channels)
- When (Occasion)
- Why (Emotional & functional)
- Wow (Hook / Why LARK)

PORTFOLIO



A UNIQUE PORTFOLIO PLAY



- Clear simple navigation
- Assurance for consumers & customers
- Identifies hero products
- Defines tiering and occasion
- Establishes role of innovation & pinnacle

PRODUCT



PRODUCT & VARIANT MIX



- Role & price point
- 700ml transition (key export markets initially)
- Optimal commercialization of Whisky Bank
- Long Term wood program supported by Seppeltsfield Strategic Partnership
- Aging requirements

LARK PORTFOLIO RESTAGE

BRAND IDENTITY & PACK



BOLD IDENTITY,
TRUE TO BRAND POSITIONING



- Represent LARK as a modern leader in luxury
- Clear guidelines for all stakeholders, including distribution partners, export and domestic

RANGE, PRICING & PHASING STRATEGY



PLANNED DOMESTIC,
EXPORT & GTR ROLE OUT



- A clear plan and strategy to support range, pricing and phasing in domestic, GTR & Export
- Establish clear product and phasing strategy for each channel – with Distributor Partners & Lark's DTC channels

TOOLS & ASSETS



GO TO MARKET
TOOLS & ASSETS



- Clear launch program – by market / by channel
- Launch by the end of FY25
- Growth driver clarity
- Go to market tools & assets

OUR GROWTH PLAN

PHASE 1: ESTABLISH BEACHHEADS (FY24 – FY27)

- BUILD BRAND EQUITY FOUNDATIONS IN KEY MARKETS
- ENTER IDENTIFIED INTERNATIONAL MARKETS
- CASH & CAPITAL DISCIPLINE

PHASE 2: EMBED FOUNDATIONS (FY26 – FY32)

- EXPAND CONSUMER RECRUITMENT
- INCREASE INTERNATIONAL FOOTPRINT
- CASH & CAPITAL DISCIPLINE

PHASE 3: ACCELERATE (FY30+)

- EXPLODE BRAND VALUE
- BUILD MASS REACH
- CASH & CAPITAL DISCIPLINE

PHASE 1: ESTABLISH BEACHHEADS (FY24 – FY27) –

PROGRESS AGAINST KPI'S / MILESTONES



PRIORITY	DESCRIPTION	KPI	TIMING	PROGRESS
BUILD LONG TERM BRAND VALUE	LARK will build a globally recognized and differentiated luxury Single Malt brand, and this will be supplemented by House of Lark and FSG	<ul style="list-style-type: none"> LARK Single Malt Restage (architecture, format etc) 	By FY25	<ul style="list-style-type: none"> Work commenced on portfolio restage, appointment of creative design agency. On track for delivery by end FY25 to accelerate export expansion.
		<ul style="list-style-type: none"> House of Lark Developed FSG Restage 	By FY25	
INTERNATIONAL SALES MOMENTUM & DOMESTIC LEADERSHIP POSITION	Creation of repeatable and diversified (geography and channel) revenue streams	<ul style="list-style-type: none"> Completion of top 10 target market entry GTR Growth (following market entry) Sustain domestic position and revenues 	By FY26 Ongoing Ongoing	<ul style="list-style-type: none"> First phase of Export launches. 4X SEA markets under Distribution Agreement. Strong year 1 in GTR through AU airports Change in domestic route to market as platform for future growth
		<ul style="list-style-type: none"> 50% of Net Sales from shipments to Export / GTR customers 	By FY27	<ul style="list-style-type: none"> On track: ~\$0.9m of initial Export shipments in 2HFY24 to new markets, First full year in GTR delivering >\$1m in FY24 Accelerated marketing investment post equity raise to commence from FY25
CASH & CAPITAL DISCIPLINE	Prioritisation of Cash Generation to allow increased re-investment. Ensure funding optimization and appropriate capital deployment	<ul style="list-style-type: none"> Working Capital funding Renewed / Secured Maintain subsequent rolling min age to maturity of 18 months 	FY24 Ongoing	<ul style="list-style-type: none"> NAB \$15m committed debt facility maturity date extended to January 2028
		<ul style="list-style-type: none"> Assessment and use of stable of assets 	By FY24	<ul style="list-style-type: none"> Work underway to transition to Pontville as long-term home of Lark Bothwell identified as surplus.
		<ul style="list-style-type: none"> Positive Operating Cashflows 	By 26-FY27 period	<ul style="list-style-type: none"> Equity raise as platform for investment in FY25/FY26. High confidence of positive operating cashflow during FY27



PERSPECTIVES FOR FY25

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BUILD LONG TERM BRAND VALUE

- Portfolio & positioning development through restage to be launched by the end of FY25
- Increased investment in A&P in short term to >30% of Net Sales to support Asian Export growth and build brand awareness in all markets
- Enhancements to Lark's cellar door offering in Hobart

INTERNATIONAL SALES MOMENTUM & DOMESTIC LEADERSHIP

- Trading conditions remain challenging – consumers remain cautious
- Net Sales growth projected in FY25 despite P&L shift from domestic distribution change, with Spirits Platform providing platform to grow in time. FY25 growth weighted to H2 including expansion through Export, GTR, DTC & Whisky Club.
- Export focussed on driving awareness and depletions in newly launched markets, while readying further market expansion for post brand restage

CASH & CAPITAL DISCIPLINE

- Modest development of our Pontville site as we transition this site to being Lark's long-term home
- Bothwell – agent appointed, anticipate marketing in Spring 2024
- Continued capital discipline utilising proceeds from equity raising. Accelerated marketing to impact operating cashflows before moving to positive during FY27

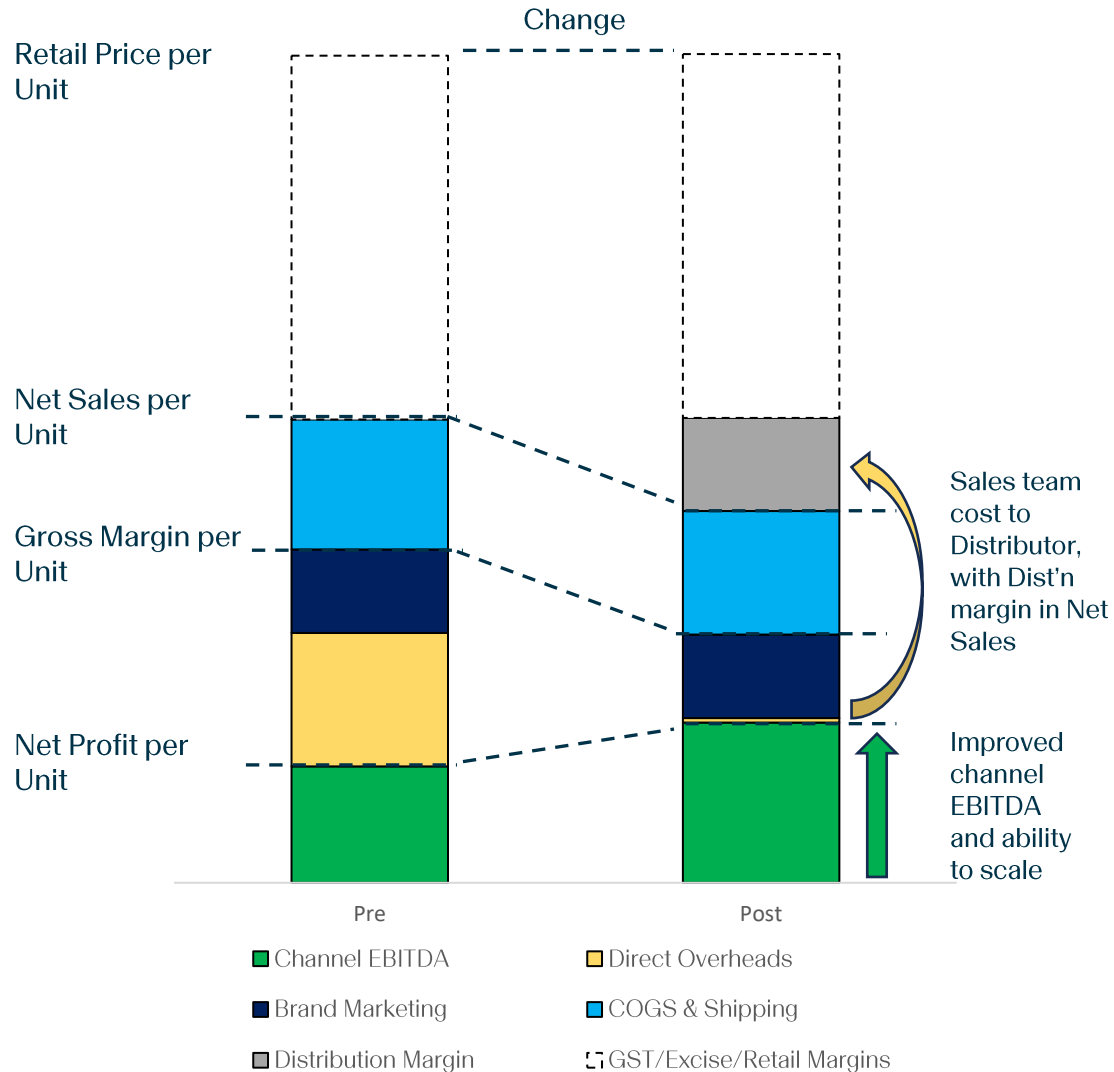


APPENDIX



UNIT ECONOMICS – SHIFT TO IN-MARKET DISTRIBUTION PARTNERS

Illustrative Unit Economics - Domestic RTM



Impact of in-market Distribution Partners

- Lark will deliver growth through working with specialist in market distributors, with Distribution margin in value chain before Net Sales
- Model gives variable cost base for sales team, while unlocking increased commercial coverage. Lower Net Sales per Litre, however ability to deliver absolute \$ Revenue & Gross Margin increase in time.

Domestic

- Change in sales model from 1 August 2024, appointment of Spirits Platform as Lark's domestic Distribution Partner, replacing previous direct sales model.
- Lark will continue to internally manage the domestic Hospitality, Ecommerce and Australian GTR channels.
- >\$1m in annual operating costs savings to fully offset Spirits Platform distribution margin on like for like volumes and see improved profitability from B2B channels for Lark.
- Provides platform for enhanced brand growth and stronger commercial delivery over time through:
 - Complementary fit of Lark & Forty Spotted Gin in Spirits Platform's market leading portfolio
 - Access to sales team more than five times larger than previous Lark team

International

- International direct sales model is all via in-market Distribution Partners
- Business mix to direct export will see Net Sales per Litre and Gross Margin % decline – while delivering absolute dollar revenues and GM growth
- One sales model for all markets will deliver efficiency in go to market brand investment spend.

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