



# LARK DISTILLING CO. LTD

## HY25 INVESTOR BRIEFING

25 FEBRUARY 2025



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 1<sup>ST</sup>  
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



# HY25 HIGHLIGHTS & PROGRESS AGAINST STRATEGIC PRIORITIES

SATYA SHARMA - CEO

HY25 INVESTOR BRIEFING

# HY25 | KEY HIGHLIGHTS



**Net sales of \$7.9 million<sup>1</sup>, up 7% or \$0.5m on HY24**

Growth driven by D2C, GTR, direct export sales more than offsetting the impact of B2B which includes change in sales model



**Operating EBITDA loss of \$1.2 million**

**Gross margin of 63.6%** down ~250bps on HY24 of 66% primarily through channel mix, including impact of new domestic B2B sales model from 1 August 2024



**Whisky bank of 2.5 million litres\* underwriting future sales growth**

\*(at 43% ABV) as at 31 December 2024 (FY24: 2.5m litres)



## Operating Cashflow

HY25 Operating Cashflow outflow of \$2.6m reflects the planned step up in marketing investment to support Lark Brand restage, and timing of receipts

Operating costs of \$4.9 million, down \$0.2 million vs HY24



## Cash & Capital Discipline

Cash position of \$23.6 million + undrawn committed bank facility of \$5 million available to January 2028

Sale of Bothwell \$4.1 million



## Lark Portfolio & Brand Restage

Brand Restage on track for completion by end of FY25

House of Lark Blended Malt release ("KURIO") in H2FY25

<sup>1</sup>Net Sales = sales after excise

# STRATEGIC PRIORITIES

## BUILD LONG TERM BRAND VALUE

LARK will build a globally  
recognised and  
differentiated luxury brand

## INTERNATIONAL SALES MOMENTUM & DOMESTIC LEADERSHIP POSITION

Creation of repeatable and  
diversified (geography and channel)  
revenue streams

## CASH & CAPITAL DISCIPLINE

LARK will prioritise cash generation to underpin growth  
while exercising capital discipline



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



## BUILD LONG TERM BRAND VALUE

- LARK Brand Restage on track for completion in late FY25
- Awareness growth through meaningful partnerships in Australia and Brand advocacy in Asia
- Occasion led and repeatable innovation driving brand and commercial outcomes

## INTERNATIONAL SALES MOMENTUM & DOMESTIC LEADERSHIP POSITION

- For Asian export business, focus is on activation initiatives to drive depletions
- Transition to Spirits Platform for domestic B2B sales model from 1 August 2024
- Domestic GTR continues solid growth trajectory in second year of operations

## CASH & CAPITAL DISCIPLINE

- Operating Cash outflow of \$2.6m; HY25 cashflow reflects the planned step up in marketing investment in line with strategic priorities, and the timing of receipts
- Sale of Bothwell land and buildings ~\$4.1m (approximate BV), expected to settle March 2025
- Cash (including Term Deposit) of \$23.6m & Committed NAB \$5m facility in place to January 2028





# BUILD LONG TERM BRAND VALUE

HY25 INVESTOR BRIEFING



CEMENTING LARK'S POSITION AS

# AUSTRALIA'S NO.1 LUXURY SINGLE MALT WHISKY

Continuing to grow LARK's reputation with gold medals across leading international awards programs in FY25.



## WORLD WHISKY AWARDS

LARK 1911 – Single Malt Whisky - GOLD MEDAL  
LARK Symphony - Blended Malt Whisky – GOLD MEDAL & CATEGORY WINNER!  
LARK Chinotto Citrus Cask - Single Malt Whisky – BRONZE MEDAL  
LARK Tasmanian Peated - Single Malt Whisky – SILVER MEDAL  
LARK TWC - Single Malt Whisky – SILVER MEDAL



## CWSA

LARK 1911 – Single Malt Whisky - DOUBLE GOLD MEDAL  
LARK Classic Cask - Single Malt Whisky – SILVER MEDAL  
LARK Chinotto Citrus Cask - Single Malt Whisky – SILVER MEDAL  
LARK Tasmanian Peated - Single Malt Whisky – SILVER MEDAL  
LARK Symphony No.1 - Blended Malt Whisky – GOLD MEDAL



## 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  
LARK 1911 – Single Malt Whisky - SILVER MEDAL  
LARK Lunar New Year - Single Malt Whisky – SILVER MEDAL



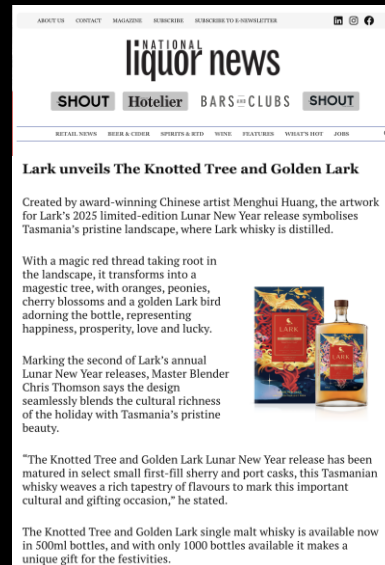
## HKIWSC

LARK 1911 – Single Malt Whisky - SILVER MEDAL  
LARK Classic Cask - Single Malt Whisky – BRONZE MEDAL  
LARK Chinotto Citrus Cask - Single Malt Whisky – SILVER MEDAL  
LARK Tasmanian Peated - Single Malt Whisky – SILVER MEDAL  
LARK Dark Lark - Single Malt Whisky – SILVER MEDAL  
LARK Lunar New Year - Single Malt Whisky – SILVER MEDAL



## IWSC

LARK Classic Cask - Single Malt Whisky - BRONZE MEDAL  
LARK Chinotto Citrus Cask - Single Malt Whisky – SILVER MEDAL  
LARK Tasmanian Peated - Single Malt Whisky – SILVER MEDAL  
LARK Lunar New Year - Single Malt Whisky – SILVER MEDAL





# LUXURY & GIFTING



- OCCASION-LED AND REPEATABLE NPD
- GIFTING REMAINS A KEY DRIVER
- EACH RELEASE DELIVERS DEPTH, STORYTELLING, AND MEANING
- CONTINUING TO DEMONSTRATE OUR ABILITY TO INNOVATE AND DELIGHT
- ELEVATING PACKAGING TO MATCH THE QUALITY OF OUR WHISKY





# INTERNATIONAL SALES MOMENTUM & DOMESTIC LEADERSHIP POSITION



# ASIA EXPORT BUSINESS



- Growing Lark in **international markets** through a sustainable **direct export** business with in-market distributor partners is a **key strategic priority**.
- In FY24, Lark signed its first distribution agreements in Asia, onboarding partners in **Singapore, Indonesia, Malaysia, and the Philippines**. FY25 is focused on driving **awareness, distribution, and depletion momentum** to secure reorders.
- Trade activation programs have been **upweighted for H2**, with distributor partners committed to driving engagement. In Q2, a **Regional Brand Ambassador for Asia** was appointed to strengthen trade and consumer connections across key markets.
- H1 FY25 direct export sales reached **\$0.5 million**, with reorders from Indonesia, Singapore, and the Philippines, bringing total first-year direct export sales to **\$1.4 million**.
- Discussions continue with partners in new markets, with **modest shipments expected in H2 FY25** to seed brand ahead of an **accelerated entry in FY26**, supported by increased marketing investment behind the restaged Lark brand.

# GLOBAL TRAVEL RETAIL (GTR)



- GTR provides a **unique opportunity** to engage with Lark's target audience, driving **brand discovery and awareness**.
- As **Australia's Number 1 Luxury Single Malt Whisky** – the GTR channel is important in the seeding of LARK to both domestic and international consumers –as they discover and dwell as part of their travel ritual.
- Now in its second year, Lark's **domestic GTR presence continues to expand**, with Adelaide added in Q2 resulting in presence in all major Australian airports.
- HY25 net sales reached \$0.8 million, up 18%, with **permanent visibility** now in place in **Sydney, Melbourne, Adelaide, and Hobart** airports.
- The Q1 Dark Lark tasting bar activation at Heinemann Sydney successfully drove sales and brand awareness, sampling over 5,000 consumers. **Lunar New Year activations** are live in Sydney, with a **Melbourne tasting bar activation** planned for Q3.
- Looking ahead, planning is underway for **international airport expansion** as Lark's export markets grow, supported by the brand's **upcoming restage**.



# DOMESTIC AUSTRALIA – D2C

- Lark's internally managed **Direct-to-Consumer (D2C) channels** performed strongly in HY25, with Net Sales growth of \$0.6 million driven by strong results in both **Lark's Ecommerce channel** and **Lark Hospitality venues**.
- In addition to being a sales driver our DTC channels play a crucial advocacy role, enabling us to offer exclusive products that complement B2B ranges. Our **Hospitality and Distillery sites** engage and delight consumers, as well as trade and distributor partners, creating an immersive Lark brand experience.
- Lark's **Hospitality venues** continue to perform well, with H1 Sales growth reflecting an increase in tour offerings and enhanced visitor experiences at the Pontville Distillery, contributing to a **9% increase in consumers engaged** across all sites, reaching ~26k visitors in H1 FY25.
- The lease for the Forty Spotted Gin Bar in Hobart has not been renewed - activity successfully transferred to "The Still" with no impact to visitor numbers or revenues.
- Our **Ecommerce** channel benefited from initiatives to drive traffic to our site (visit sessions up 36% vs. pcp), and the extension of channel exclusives including through **Christmas Cask personalisation** and the introduction of the **Wilderness Single Cask Program**.
- In addition to Lark's own Ecommerce DTC channel, work has been ongoing with The **Whisky Club** to develop Lark Rare Seppeltsfield Tawny Cask, the first in a range of Seppeltsfield releases.



# DOMESTIC AUSTRALIA – B2B

- Change in sales model and **transition to Spirits Platform (SP)** for Domestic B2B sales **completed on 1 August 2024**. As Australia's leading independent spirits distributor and the market leader in Ultra-Premium and above Single Malt, SP **provides a strong platform for Lark's future growth**.
- SP's distribution margin is embedded in Lark's selling price, reducing **Net Sales Revenue**, but this is more than offset by internal cost savings, improving channel profitability (**EBITDA and cash**). Despite challenging retail conditions, the transition was smooth, with performance and sell-in broadly in line with expectations.
- The benefit of SP's enhanced commercial coverage was seen in the December quarter, with **depletions growth in wholesale** channel where Lark historically under indexed following distribution drives in Independent retail.
- Strike action at Endeavour Group's distribution centres in December **impacted important depletions to trade** – leading to in-store out of stocks on key SKUs over the crucial Christmas selling period; this event led to reduced depletions into trade (vs pcp) **despite strong consumer and promotional programs in trade** - will impact Lark shipments / sales in Q3.
- Lark is a **core brand within SP's portfolio**, ensuring strong distributor focus. Working collaboratively, Lark and SP will continue leveraging **SP's portfolio strength and commercial reach** to drive both brand equity and sales growth across the current and future range.







# CASH & CAPITAL DISCIPLINE

HY25 INVESTOR BRIEFING

# BALANCE SHEET STRENGTH AND CAPITAL FLEXIBILITY

## CASH POSITION

CASH & TERM DEPOSITS  
OF \$23.6M

## NAB FACILITY

\$5M UNDRAWN  
COMMITTED FACILITY  
AVAILABLE TO JAN 28

## CAPITAL FLEXIBILITY

WHISKY BANK ENABLES  
FLEXIBILITY ON DISTILLING  
PRODUCTION

SALE OF BOTHWELL SITE  
(LAND & BUILDINGS)

- Strong Balance Sheet & Cash Position to support growth ambitions
- Cash & Term Deposits of \$23.6 million, with further funds from the Bothwell sale in March 2025
- NAB \$5 million committed debt facility, available to January 2028
- Measured capital allocation to support our growth plan through to positive operating cashflow target during FY27:
  - Lark restage completion and deployment
  - Current & new export markets; investment behind restaged brand, including GTR expansion;
  - Pontville Distillery developments as required to support growth;
  - Cellar door investment to drive brand experience; and
  - Continuing to lay down Whisky for maturation to support growth while utilising existing Whisky Bank.

# STABLE OF ASSETS – CLEAR ROADMAP

- Work ongoing to develop **Pontville as the home of Lark**, one which is reflective of Australia's Number 1 Luxury Single Malt.
- Key **equipment and processes transferred from Cambridge**, providing continuity of new make house style for our award-winning whisky. **Development sees Distilling, Coopering, Maturing Whisky Storage, Blending & Finishing, Bottling, Tourism, and back office all on one site.**
- Current upgrades in FY25, supported by existing **Government Grant** include:
  - Site **capacity increase to ~520k L@43%**
  - **Transfer and install of key Cambridge assets**, automation & equipment upgrades **increase efficiency** of new make production
  - **Blending, filtration, and cooperage** equipment and installs, as well as safety and aesthetic upgrades across site
- **Current phase** anticipated to be completed and commissioned in the coming months, with a further ~\$2.5m - \$3m Capex, the majority of this in Q3FY25.
- **Modular approach** will allow **expansion to ~0.8m L@43%** with modest additional capex when required, as well as **Bond Store expansion**, with options for either further capacity expansion or full redevelopment possible in long term.
- **Bothwell** site excess to requirements with the **sale process to complete in Q3FY25**, with Cambridge continuing to be utilised for maturation.







# HY25 FINANCIAL HIGHLIGHTS & WHISKY BANK

IAIN SHORT- CFO

HY25 INVESTOR BRIEFING



## Profit & Loss

A\$'000	H1 FY25	H1 FY24	vs LY \$	vs LY %
<b>Net Sales <sup>1</sup></b>	<b>7,880</b>	<b>7,386</b>	<b>494</b>	<b>7%</b>
<b>Cost of sales</b>	<b>(2,871)</b>	<b>(2,510)</b>	<b>(362)</b>	<b>14%</b>
<b>Gross Profit</b>	<b>5,009</b>	<b>4,876</b>	<b>132</b>	<b>3%</b>
<i>Gross Profit %</i>	63.6%	66.0%	-2.5%	
<b>Other Income</b>	<b>876</b>	<b>830</b>	<b>46</b>	<b>6%</b>
<b>Marketing Expenses</b>	<b>(2,159)</b>	<b>(1,002)</b>	<b>(1,156)</b>	<b>115%</b>
<b>Operating Costs</b>	<b>(4,897)</b>	<b>(5,116)</b>	<b>219</b>	<b>-4%</b>
<i>Administration and operating expenses</i>	(1,984)	(1,813)	(170)	9%
<i>Employee benefit expense</i>	(2,913)	(3,302)	389	-12%
<b>Operating EBITDA</b>	<b>(1,171)</b>	<b>(412)</b>	<b>(759)</b>	<b>184%</b>
<b>Share based payments</b>	<b>(1,117)</b>	<b>(678)</b>	<b>(440)</b>	<b>65%</b>
<b>Statutory EBITDA</b>	<b>(2,288)</b>	<b>(1,090)</b>	<b>(1,199)</b>	<b>110%</b>

# PROFIT & LOSS HIGHLIGHTS

- Net Sales Revenue for HY25 was \$7.9m, up 7% or \$0.5 million vs pcp
- Increase in Net Sales driven by growth in D2C, export sales via in market distributors and GTR, partially offset by lower net sales from domestic B2B and legacy indirect export.
- Domestic B2B comparatives impacted by change to sales model, with Distributor margin now included in Net Sales price. This Distributor margin impact has been fully offset by overhead savings from removal of internal sales team in Q1.<sup>2</sup>
- As anticipated, the shift towards a Distributor led sales model in both Domestic and Export markets contributed to a decline in Gross Profit %, with a reduction of 2.5ppts to 63.6% for the half year<sup>2</sup>
- Investment in marketing expenses increased to \$2.2 million, 27% of Net Sales in HY25, up \$1.1 million vs. pcp, this reflects the planned strategic investment made on the Lark Brand restage (~\$0.5 million in H1) and increased brand activity including Ecommerce DTC advertising spend as part of the successful Christmas gifting period.
- Operating costs of \$4.9 million, down \$0.2 million, supported by savings from the removal of the domestic B2B sales team.

# BALANCE SHEET HIGHLIGHTS

## Balance Sheet

A\$'000	December-24	June-24	vs LY \$
Cash and cash equivalents	16,566	2,355	14,211
Short-term investments	7,000	0	7,000
Trade and other receivables	2,069	1,096	973
Inventories	14,059	14,773	(714)
Prepaid assets	510	97	413
Assets held for sale	3,961	0	3,961
<b>Total current assets</b>	<b>44,165</b>	<b>18,322</b>	<b>25,844</b>
Inventories	50,713	49,360	1,353
Property, plant and equipment	10,534	14,625	(4,091)
Right-of-use assets	1,837	2,102	(264)
Intangibles	21,188	21,317	(129)
Deferred tax	5,248	4,902	346
<b>Total non-current assets</b>	<b>89,521</b>	<b>92,306</b>	<b>(2,785)</b>
<b>Total assets</b>	<b>133,686</b>	<b>110,627</b>	<b>23,059</b>
Trade and other payables	(2,542)	(2,487)	(56)
Financial liabilities	(480)	(506)	26
Employee benefits	(517)	(537)	20
Deferred government grants	(3,975)	(3,975)	0
<b>Total current liabilities</b>	<b>(7,514)</b>	<b>(7,505)</b>	<b>(9)</b>
Borrowings	0	0	0
Financial liabilities	(1,449)	(1,684)	235
Employee benefits	(99)	(76)	(23)
<b>Total non-current liabilities</b>	<b>(1,548)</b>	<b>(1,760)</b>	<b>212</b>
<b>Total liabilities</b>	<b>(9,062)</b>	<b>(9,264)</b>	<b>203</b>
<b>Net assets</b>	<b>124,624</b>	<b>101,363</b>	<b>23,262</b>

- The successful placement announced in July 24 raised \$24.4 million net of transaction costs. Total **Cash** \$23.6 million, comprising **Cash** (\$16.6 million) and **Cash term deposit** (\$7 million) at December 2024. Unmarketable Parcel Campaign to modestly reduce cash position in 2H FY25 (~\$0.3 million).
- Trade receivables** were impacted by the transition to a Distributor-based sales model which has changed the timing of receipts through changes in order patterns and payments terms. This change resulted in the historical increase in Q2 receipts from sales across the Christmas period being pushed into Q3, with receipts of \$0.9 million collected in the first week of January as receivables became due.
- Prepaid assets** at the half include Insurance and other annual costs that are expected to substantially unwind across H2.
- Total inventory** at cost of \$64.8 million, up \$0.6 million or 1% versus June 24, providing strong asset backing, underpinning future growth. Maturing inventory in Barrel at cost of \$59.0 million, +2.2% vs. June 24
- Property, plant and equipment** included \$0.2 million of additions relating to the ongoing development of Pontville as the primary Lark production facility. Land, buildings, plant and equipment at the Bothwell site have been classified as held for sale at 31 December 2024.
- Lark remains debt free, with an undrawn \$5 million committed bank facility with NAB.

## Cashflow

A\$'000	H1 FY25	H1 FY24	vs LY \$
<b>Cash flows from operating activities</b>			
Receipts from customers	8,488	10,661	(2,173)
Payments to suppliers and employees	(9,410)	(8,780)	(630)
Purchase of inventory	(2,691)	(3,318)	626
Interest received	185	28	157
Interest and other finance costs paid	(82)	(82)	(1)
Government grants and tax incentives received	880	385	495
<b>Net cash used in operating activities</b>	<b>(2,630)</b>	<b>(1,104)</b>	<b>(1,525)</b>
<b>Cash flows from investing activities</b>			
Payments for short-term investments	(7,000)	0	(7,000)
Payments for property, plant and equipment	(257)	(309)	52
Payments for intangibles	(28)	(96)	68
Proceeds from disposal of property, plant and equipment	10	0	10
<b>Net cash used in investing activities</b>	<b>(7,275)</b>	<b>(405)</b>	<b>(6,870)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	24,983	0	24,983
Share issue transaction costs	(564)	0	(564)
Repayment of lease liabilities	(304)	(125)	(178)
<b>Net cash from/(used in) financing activities</b>	<b>24,115</b>	<b>(125)</b>	<b>24,241</b>
Net increase/(decrease) in cash and cash equivalents	14,211	(1,635)	15,845
Cash and cash equivalents at the beginning of the half	2,355	7,160	
Cash and cash equivalents at the end of the financial half-year	16,566	5,525	

## CASHFLOW HIGHLIGHTS

- HY25 net operating cash outflows of \$2.6 million vs \$1.1 million in pcg
- Focus on cash & capital discipline continues in the business, with HY25 net operating cash outflows reflecting the planned acceleration in marketing investment in line with our strategic priorities, and the timing of receipts following the transition to a Distributor based sales model (\$0.9 million collected in first week of January).
- Under the revised Domestic sales model, Alcohol Excise payments are now the responsibility of Spirits Platform. This has reduced Excise collected within customer receipts (~\$1 million P&L impact vs. pcg), with a corresponding offset in payments.
- Government Grants & Tax Incentives received relate to Excise rebate and Australian Government R&D Tax Incentive, with increase vs. pcg due to timing with R&D payment received in Q3FY24.
- Investing Cashflows includes \$7.0 million of equity proceeds invested in a six-month cash term deposit.
- Payments for PP&E were \$0.2 million in Q2, relating to the ongoing development of Pontville as the primary Lark production facility, with cash impact primarily being in Q3, in lead up to commissioning.
- Financing cashflows driven by the successful placement announced in July 2024, which raised \$24.4 million (net of transaction costs).



# HIGH QUALITY WHISKY BANK– Underwriting Future Sales Growth

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- LARK's whisky under maturation at 2.5 million litres at 43% ABV at 31 December 2024 (FY24: 2.5m litres), with book value (at cost) of \$59.0m
- Whisky Bank allows us to optimise production in the short term, more closely aligning with current sales than historic levels
- Well balanced Whisky Bank, where younger stock represents the largest volume, providing:
  - Sufficient short-term supply to support growth aspirations,
  - Stock availability to drive future export expansion, and
  - Flexibility for potential age-statement releases over time.
- A core component of the **Lark Brand Restage** is strategic portfolio alignment, ensuring long-term whisky supply matches future demand. This includes:
  - Scalable, consumer-driven expressions of LARK Single Malt
  - New fillings and versatile wood program to sustain future growth, and
  - Whisky for House of Lark products leveraging a mix of in-house and white-label production, driving cash generation





# STRATEGIC PRIORITIES, BRAND RESTAGE, GROWTH PLANS

SATYA SHARMA - CEO

HY25 INVESTOR BRIEFING

# STRATEGIC PRIORITIES

## BUILD LONG TERM BRAND VALUE

LARK will build a globally recognised and differentiated luxury brand

## INTERNATIONAL SALES MOMENTUM & DOMESTIC LEADERSHIP POSITION



Creation of repeatable and diversified (geography and channel) revenue streams

## CASH & CAPITAL DISCIPLINE

LARK will prioritise cash generation to underpin growth while exercising capital discipline



# LARK BRAND RESTAGE

POSITIONING	COMPLETE 
PORTFOLIO	COMPLETE 
PRODUCT	ON-TRACK
BRAND IDENTITY & PACK	ON-TRACK
RANGE, PRICING, PHASING PLAN	ON-TRACK
GTM TOOLS & ASSETS	ON-TRACK

## THE RESTAGE DELIVERS:

- CLEAR POSITIONING & PROPOSITION
- DEPTH OF STORY & DISCOVERY. LEADING WITH A SENSE OF PLACE
- APPEAL TO A BROADER AUDIENCE WITH STANDOUT
- DELIVERS AGAINST EXPORT CONSUMER FORMAT EXPECTATIONS (700ML)
- NAVIGATION & CLEAR ARCHITECTURE
- ARMING PARTNERS WITH THE TOOLS TO TAKE TO MARKET

## CURRENT STATUS:

- ON-TRACK FOR COMPLETION END FY25, WITH FIRST SHIPMENTS EARLY FY26 INTO EXPORT MARKETS
- CONSUMER TESTING OF PROPOSITION HAS DELIVERED OUTSTANDING RESULTS
- STARTING ENGAGEMENT WITH CUSTOMERS IN AUSTRALIA AND ABROAD
- BUILDING ASSETS AND TOOLS FOR DISTRIBUTOR PARTNERS TO EXECUTE IN MARKET



# LARK FUTURE BRAND PROPOSITIONS



TASMANIAN  
SINGLE MALT WHISKY



HOUSE OF LARK  
TASMANIAN WHISKIES

FORTY SPOTTED  
TASMANIAN GIN



Not to scale

\*NOT TO SCALE

# KURIO, WHISKY FOR THE CURIOUS

- KURIO, Tasmanian blended malt whisky, 700ml, 40% ABV, RRP \$120
- From the original creators of Tasmanian whisky, Lark
- Whisky for the curious, by the curious – for those in search of the new & exciting
- KURIO, Crimson Jam, blends exceptional Tasmanian single malts, uniquely finished in Tasmanian cherry & sparkling wine-seasoned casks.
- Initial launch in April 2025 through Endeavour Drinks and Independents, with full national ranging confirmed in Dan Murphy's and Tasmanian BWS stores.
- Expands audience and consumer occasions
- Commercialises Whisky Bank, driving cash generation
- Flexible production provides scalability through both own and 3<sup>rd</sup> party distilled whisky



# 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"> <li>LARK Single Malt Restage (architecture, format etc)</li> </ul>	By FY25	<ul style="list-style-type: none"> <li>Lark Brand restage on schedule for delivery by end of FY25. Customer &amp; distributor engagement H2FY25.</li> <li>"KURIO" – first new launch from the House of Lark to be launched H2FY25.</li> </ul>
		<ul style="list-style-type: none"> <li>House of Lark ("HOL") Developed</li> <li>FSG Restage</li> </ul>	By FY25	
INTERNATIONAL SALES MOMENTUM & DOMESTIC LEADERSHIP POSITION	Creation of repeatable and diversified (geography and channel) revenue streams	<ul style="list-style-type: none"> <li>Completion of top 10 target market entry</li> <li>GTR Growth (following market entry)</li> <li>Sustain domestic position and revenues</li> </ul>	By FY26 Ongoing Ongoing	<ul style="list-style-type: none"> <li>First phase of Export launches, with SEA markets under Distribution Agreements. Ongoing engagement in preparation for next phase of markets.</li> <li>Strong momentum continued in second year in Domestic GTR; target Asian GTR launch</li> <li>Transition complete to domestic B2B sales model to Spirits Platform during HY25</li> </ul>
		<ul style="list-style-type: none"> <li>50% of Net Sales from shipments to Export / GTR customers</li> </ul>	By FY27	<ul style="list-style-type: none"> <li>On track: \$1.4m of Export shipments in first 12 months (to HY25).</li> <li>GTR now in second year – growth of 18% vs HY24. Planning for overseas Airport expansion supported by restaged Lark brand.</li> <li>Accelerated marketing investment post equity raise</li> </ul>
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"> <li>Working Capital funding Renewed / Secured</li> <li>Maintain subsequent rolling min age to maturity of 18 months</li> </ul>	Done	<ul style="list-style-type: none"> <li>NAB \$5m committed debt facility in place to January 2028</li> </ul>
		<ul style="list-style-type: none"> <li>Assessment and use of stable of assets by FY24</li> </ul>	Done	<ul style="list-style-type: none"> <li>Modular transition to Pontville from Cambridge</li> <li>Bothwell sale for ~\$4.1m</li> </ul>
		<ul style="list-style-type: none"> <li>Positive Operating Cashflows</li> </ul>	By 26-FY27 period	<ul style="list-style-type: none"> <li>Accelerated marketing following equity raise to impact operating cashflows before moving to positive during FY27</li> </ul>



# PERSPECTIVES FOR FY25

# PERSPECTIVES FOR FY25

## BUILD LONG TERM BRAND VALUE

- Lark Brand restage to be completed by the end of FY25
- Increased investment in A&P (>30% of Net Sales); finalisation of Lark Brand restage and go-to-market assets to support Asian Export growth, and building 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 2HFY25 (versus pcp) despite P&L shift from domestic distribution change, through GTR, DTC & Whisky Club, with Spirits Platform providing the platform to grow in time
- Upweighted H2 trade activation programs agreed with Export Distributors focussed on driving awareness and depletions in existing SEA markets. Modest shipments to new markets expected in H2FY25 to seed brand prior to accelerated entry in FY26 – with upweighted marketing investment behind restaged Lark brand

## CASH & CAPITAL DISCIPLINE

- Transition to Pontville as we establish this site as being Lark's long-term home
- Continued capital discipline utilising proceeds from recent \$24.4m equity raising
- Investment in marketing activity to support future sales growth will impact operating cashflows before moving to positive during FY27





# APPENDIX



# STATUTORY REVENUE TO NET SALES REVENUE SUMMARY

In accordance with AASB 15 – Revenue from Contracts with Customers, statutory accounts must report both Revenue and Cost of Goods Sold (COGS) on a gross basis, inclusive of excise payments made to the ATO. These excise costs are subsequently recovered from customers.

**Revenue Reporting for Investor Updates:** Consistent with industry practice among alcohol producers, investor presentations and updates will continue to highlight **Net Sales Revenue** (Revenue after Excise) as the primary revenue metric. This approach provides a clearer reflection of sales performance and margins, offering investors a more accurate view of the company's financial performance.

## Excise Treatment Across Lark Sales Channels:

- Direct-to-Consumer (DTC):** Lark is responsible for Excise payments.
- Global Travel Retail (GTR - Duty Free):** Australian Excise not applicable
- Exports:** Australian Excise not applicable
- Domestic B2B:** With the recent change in sales model, **Spirits Platform** now collects and remits Excise for Lark products.

**Impact of Sales Model Change:** The shift in the Domestic B2B sales model results in a notable reduction (~\$1m) in Excise within both Statutory Revenue and COGS compared to the prior period. However, Gross Profit remains unaffected, as detailed in the tables provided.

**Looking Ahead:** As growth is expected to outpace in channels where Excise is not paid by Lark, the percentage variance between **Statutory Revenue** and **Net Sales Revenue** is expected to decrease over time.

## Excise Treatment Across Sales Channels:

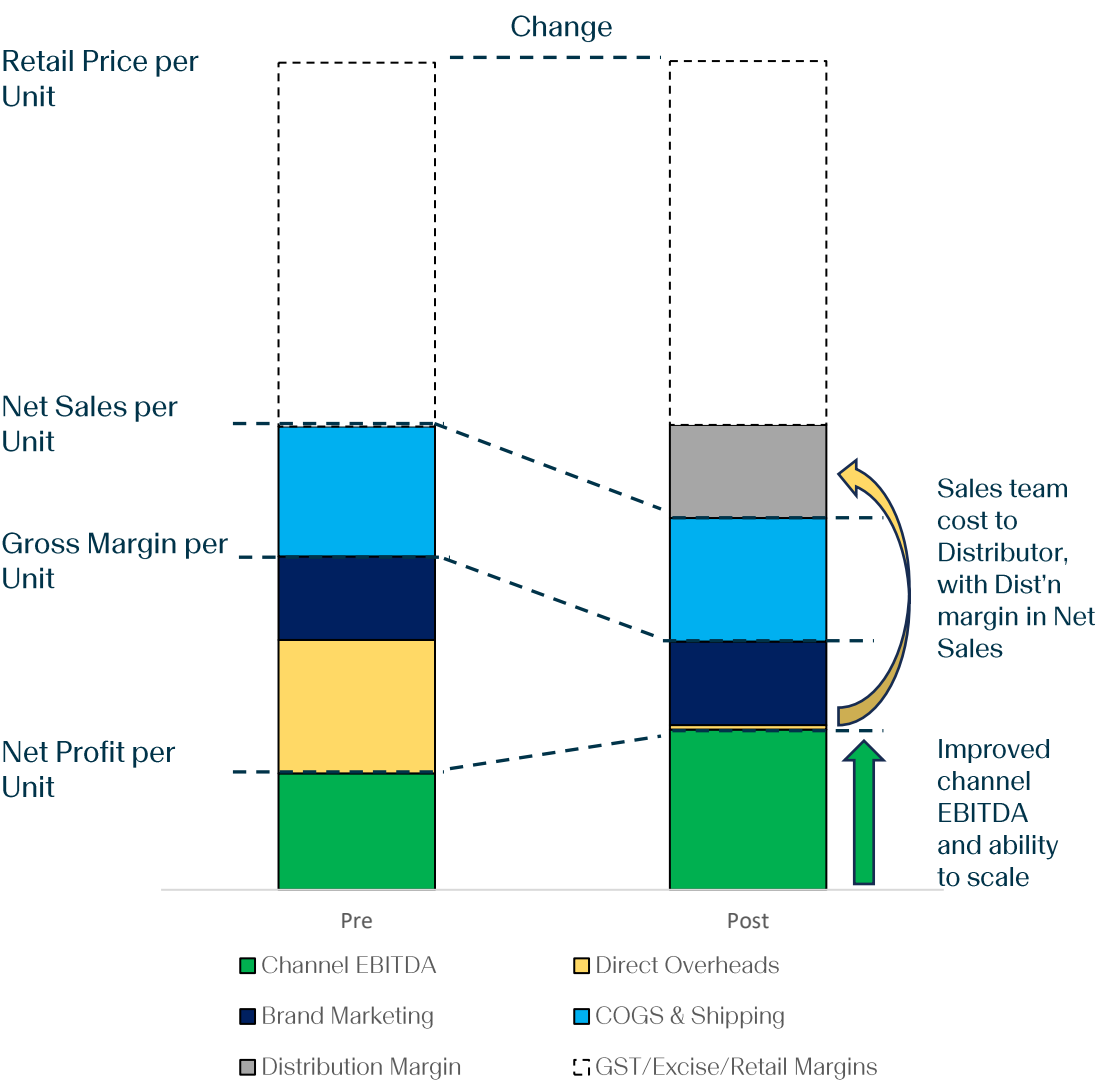
Excise in Stat Revenue / COGS	FY24	FY25
Ecommerce	Yes	Yes
Hospitality	Yes	Yes
Domestic B2B	Yes	No
Export	No	No
Global Travel Retail	No	No

## Statutory vs. Underlying Revenue, COGS, & Gross Profit:

\$'000	H1 FY25	H1 FY24
<b>Statutory Revenue</b>	<b>8,532</b>	<b>9,030</b>
Excise in Revenue	(651)	(1,644)
<b>Net Sales Revenue</b>	<b>7,880</b>	<b>7,386</b>
<b>Statutory Cost of Sales</b>	<b>(3,523)</b>	<b>(4,154)</b>
Excise in Cost of Sales	651	1,644
<b>Underlying Cost of Sales</b>	<b>(2,871)</b>	<b>(2,510)</b>
<b>Statutory Gross Profit</b>	<b>5,009</b>	<b>4,876</b>
<b>Underlying Gross Profit</b>	<b>5,009</b>	<b>4,876</b>

# 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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Approved for release by the Board of Directors.

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