



## Lark Distilling Co. Ltd

### Appendix 4E

### Preliminary Final Report

#### 1. COMPANY DETAILS

Name of entity:	Lark Distilling Co. Ltd
ABN:	62 104 600 544
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

#### 2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

\$000

Revenues from ordinary activities	up	2.6% to	17,169
Loss from ordinary activities after tax attributable to the owners of Lark Distilling Co. Ltd	up	147.8% to	(11,319)
Loss for the year attributable to the owners of Lark Distilling Co. Ltd	up	147.8% to	(11,319)

##### Dividends

There were no dividends paid, recommended or declared during the current financial period.

##### Comments

Refer to the attached review of operations for commentary over the results for the period.

#### 3. NET TANGIBLE ASSETS

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	88.03	102.91

Net tangible assets excludes intangible assets, and right-of-use assets recognised under AASB 16 Leases.

#### 4. CONTROL GAINED/LOST OVER ENTITIES

Not applicable.



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## 5. DIVIDENDS

### *Current period*

There were no dividends paid, recommended or declared during the current financial period.

### *Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

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## 6. DIVIDEND REINVESTMENT PLANS

Not applicable.

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## 7. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Not applicable.

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## 8. FOREIGN ENTITIES

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

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## 9. AUDIT QUALIFICATION OR REVIEW

*Details of audit/review dispute or qualification (if any):*

The financial statements have been audited and an unmodified opinion has been issued.

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## 10. ATTACHMENTS

*Details of attachments (if any):*

The Annual Report of Lark Distilling Co. Ltd for the year ended 30 June 2025 is attached.

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## 11. SIGNED

**Domenic Panaccio**  
**Non-Executive Chair**

Date: 21 August 2025

The background of the cover features a large, polished copper still on the left and a vibrant, colorful parrot with blue, red, and yellow feathers on the right. A dark blue rectangular box is positioned in the upper left, containing the company logo and report title. In the foreground, a circular metal hatch with a handle and the text 'EST 1992' is visible on the copper still.

# LARK

TASMANIAN SINGLE  
MALT WHISKY 

## Annual Report 2025

Lark Distilling Co. Ltd

ABN 62 104 600 544







# Corporate Directory

## DIRECTORS

Mr Domenic Panaccio  
Non-Executive Chair

Mr David Dearie  
Non-Executive Director

Mr Stuart Gregor  
Non-Executive Director -  
appointed Non-Executive  
Director on 1 October 2024

Mr Warren Randall  
Non-Executive Director

## CHIEF EXECUTIVE OFFICER

Mr Satya Sharma

## COMPANY SECRETARIES

Mr Michael Sapountzis -  
appointed as Joint Company  
Secretary on 21 November  
2024, Sole Company Secretary  
from 26 June 2025

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 1, 91-93 Macquarie  
Street, Hobart TAS 7000

## AUDITOR

RSM Australia Partners  
Level 27, 120 Collins Street  
Melbourne, VIC 3000

## STOCK EXCHANGE LISTING

Lark Distilling Co. Ltd  
shares are listed on the Australian  
Securities Exchange  
(ASX code: LRK)

## CORPORATE GOVERNANCE STATEMENT

The Company's 2025 Corporate  
Governance Statement has been  
released to ASX on this day and is  
available on the Company's  
website at: [https://larkdistillery.com/  
investor-centre/](https://larkdistillery.com/investor-centre/)

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# Message from the Chair

DOMENIC PANACCIO  
CHAIR



Dear Fellow Shareholders,

It is with great pleasure that I present my second annual report as Chair of Lark Distilling Co Ltd. FY25 has been a transformative year for the company, marked by strategic execution, foundational investment, and a return to revenue growth in a challenging market. These achievements reflect the strength of our team and operational platform, and the clarity of our long-term strategy.

The Board is proud of the significant milestones achieved this year. The strategic partnership with Seppeltsfield Wines and the successful equity raising - enjoying strong shareholder support - have provided the financial flexibility to invest in brand development, infrastructure, and market expansion. These initiatives are already delivering results and positioning Lark for scalable growth.

While share price performance has been disappointing, the Board is confident that the Company has never been in better shape operationally, with compelling plans in place to drive future growth. We believe the strategic initiatives underway, combined with our strong operational platform, will deliver sustainable value for shareholders over the long term.

We have seen meaningful progress across our strategic priorities:

- **Building Long-Term Brand Value**, with the completion of the Lark brand restage, which we

believe will be transformational for the brand and unlock significant future potential;

- **Driving International Sales Momentum**, with expanded distribution across Asia and continued success in Global Travel Retail;
- **Maintaining Domestic Leadership**, supported by our transition to Spirits Platform and growth in Direct-to-Consumer channels, which continue to play a vital role in brand advocacy and consumer engagement;
- **Exercising Cash & Capital Discipline**, with a strengthened balance sheet and debt-free operations.

I would also like to acknowledge the transition in our Board during the year. On behalf of the Board and shareholders, I extend our sincere thanks to Laura McBain for her service as a Non-Executive Director and her leadership as Interim CEO during a turbulent period for the Company. Her contribution was instrumental in guiding Lark through a critical phase. We also warmly welcome Stuart Gregor to the Board. Stuart brings a wealth of experience in spirits and marketing, having successfully built and scaled the Four Pillars Gin brand both domestically and internationally. His insights and expertise are already proving valuable as we continue to execute our growth strategy.

The development of our Pontville site into Lark's long-term brand home is a testament to our commitment to operational excellence and brand experience. This facility will house all core functions - from distilling to hospitality - on a single site, enabling efficiency and capacity to scale.

On behalf of the Board, I would like to thank our CEO, Sash, and the entire leadership team for their vision, dedication, and execution. We remain confident in the strategy and the team's ability to deliver long-term value for shareholders.

Thank you for your continued support and our shared belief in Lark's journey.

DOMENIC PANACCIO  
CHAIR



# Chief Executive Officer's report

SATYA SHARMA  
CEO



Dear Shareholders,

FY25 has been a year of transformation and momentum for Lark Distilling Co Ltd. Despite a challenging external environment, we have made significant progress in executing our strategy and laying the foundations for scalable, long-term growth.

Highlights included the pivotal capital raise which fortified our balance sheet, moving our domestic B2B route-to-market to Spirits Platform, onboarding new, credentialed, export partners, consolidation of our distilling and production sites to the historic Pontville estate (along with the divestment of our Bothwell site), the launch of our blended malt, Kurio, and the conclusion of our critical brand restage. This was further supported by the embedding of robust systems and processes which will support and help accelerate growth.

In addition to the delivery of the significant milestones above, I'm pleased to report that, despite the ongoing challenging marketplace still seeing correction post-COVID, this year saw a return to revenue growth, with Net Sales growth against prior comparative period in every quarter, reflecting the impact of our operational

improvements and continued focus on delivering key strategic initiatives. Importantly, operating cash outflows improved year-on-year, despite a step-up in marketing investment to support brand and growth objectives.

Our ambition to position Lark as a leader in New World Whisky remains firmly anchored in three strategic priorities:

- Building Long-Term Brand Value
- Driving International Sales Momentum & Domestic Market Leadership
- Maintaining Cash & Capital Discipline

We've made outstanding progress across each of these areas, resulting in a company which has never been stronger.

## Build Long-Term Brand Value

The completion of the Lark brand restage is a landmark moment for the Company. This transformational initiative redefines our brand architecture, product portfolio, and marketing assets, unlocking the potential of our Whisky Bank and sets the stage for accelerated growth. The restage has been supported by strong consumer testing and overwhelming positive feedback from trade and distributor partners, reinforcing our confidence in its market impact. The launch of Kurio blended malt has further diversified our offering and driven strong uptake in key channels.

## International Sales Momentum & Domestic Market Leadership

Internationally, we've expanded our footprint across Asia through new credentialed distributor partnerships, growing trade and consumer awareness ahead of upweighted brand investment behind the updated





brand positioning and portfolio with the launch of the restaged brand. Global Travel Retail continues to deliver exceptional performance and remains a key channel for brand visibility and commercial success.

Domestically, our transition to Spirits Platform has significantly increased market coverage and improved financial delivery, with stronger distribution reach and cost efficiencies contributing to enhanced performance. Direct-to-Consumer channels have also continued to flourish, playing a vital role in brand advocacy and consumer engagement.

#### Cash & Capital Discipline

Operationally, the development of our Pontville site is nearing completion. This facility will serve as our long-term brand home and central production hub, enabling scale, consistency, and immersive brand experiences. It will house distilling, coopering, maturation, blending, bottling, hospitality, and back-office operations on a single site - an important step in building a world-class spirits business.

Financially, we remain disciplined. The equity raising, which enjoyed overwhelmingly strong shareholder support, and our strategic partnership with Seppeltsfield Wines have strengthened our balance sheet and provided the flexibility to invest in growth. We continue to operate debt-free and remain confident in our path to positive operating cashflows, with sufficient capital in place to see us through to this milestone.

#### FY26 Perspectives

Looking ahead to FY26, we are excited to begin shipping the updated portfolio in the first half of the year, with domestic sales commencing and a global launch planned for the second half. With strong

foundations now in place, we are well-positioned to deliver on our growth ambitions and create long-term and sustainable shareholder value.

#### Acknowledgement and Appreciation

FY25 was a year of transformation, with many milestones, as we solidified the foundations of our business. A lot was asked of our team, and they responded incredibly positively. Our partners both domestically and abroad have shown their support and enthusiasm, for our company, brand direction and its bright future. We also thank our valued shareholders for their patience, trust and continued investment.

We are building something truly remarkable and now have the platform to grow substantially, and achieve our potential of making Lark a leader in New World Whisky.

**SATYA SHARMA**  
CEO

*FY25 has been a year of transformation and momentum for Lark Distilling Co Ltd. Despite a challenging external environment, we have made significant progress in executing our strategy and laying the foundations for scalable, long-term growth.*

- SATYA SHARMA, CEO









# A Year in Review









# Pontville Development







*The development of our Pontville site into Lark's long-term brand home is a testament to our commitment to operational excellence and brand experience. This facility will house all core functions - from distilling to hospitality - on a single site, enabling efficiency and capacity to scale.*

- DOMENIC PANACCIO, CHAIR



# Brand Restage







# Whisky

Australia's  
No.1 Luxury  
Single Malt  
Whisky



42.66v422

147.26890

# from



# another

TASMANIAN SINGLE MALT WHISKY 

# world





DARK  
LARK

TASMANIAN SINGLE MALT WHISKY

43%ABV 500mL



# 2024/2025 Lark Awards Portfolio

## International Wine and Spirits Awards



MIZUNARA RARE CASK RELEASE



CHRISTMAS CASK 2024 RELEASE



TASMANIAN PEATED  
CHINOTTO CITRUS



CLASSIC CASK

## World Whisky Awards



1911 PARA VINTAGE TAWNY  
CASK RELEASE



SYMPHONY NO.1 (BLENDED MALT)



TASMANIAN PEATED

## San Francisco Awards



TASMANIAN PEATED  
WILDERNESS COLLECTION  
MOSS HOPPER  
CHINOTTO CITRUS



CLASSIC CASK  
DARK LARK 2025 RELEASE

## China Wine and Spirits Awards



1911 PARA VINTAGE TAWNY  
CASK RELEASE



SYMPHONY NO.1 (BLENDED MALT)



CLASSIC CASK  
CHINOTTO CITRUS  
TASMANIAN PEATED  
LUNAR NEW YEAR DRAGON RELEASE

## Global Spirits Masters Competition



CLASSIC CASK  
CHINOTTO CITRUS  
TASMANIAN PEATED  
DARK LARK 2024 RELEASE



SYMPHONY NO.1 (BLENDED MALT)  
LUNAR NEW YEAR DRAGON RELEASE



TASMANIAN  
BLENDED  
MALT WHISKY



CRIMSON JAM

KURIO

BY LARK DISTILLING CO.



DISCOVER DEPTHS OF FLAVOUR

TASMANIAN  
BLENDED  
MALT WHISKY

700mL 40%ABV

CRIMSON JAM

ARTFULLY FINISHED IN CASKS  
SEASONED WITH TASMANIAN  
CHERRIES AND SPARKLING WINE







# Forty Spotted Gin Awards Portfolio

## World Gin Awards



PINOT NOIR



CLASSIC

## Global Spirits Masters Competition



CITRUS & PEPPERBERRY



CLASSIC

## San Francisco Awards



CLASSIC



CITRUS & PEPPERBERRY



# Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Lark Distilling Co. Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

## DIRECTORS

The following persons were directors of Lark Distilling Co. Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Domenic Panaccio - Non-Executive Chair

Mr David Dearie - Non-Executive Director

Mr Stuart Gregor - Non-Executive Director  
(appointed as Non-Executive Director on 1 October 2024)

Mr Warren Randall - Non-Executive Director

Ms Laura McBain - Non-Executive Director  
(resigned as Non-Executive Director on 1 October 2024)

## PRINCIPAL ACTIVITIES

The principal activities of the Group during the year ended 30 June 2025 were in the production, marketing, sale, and distribution of Australian craft spirits.

## DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

## REVIEW OF OPERATIONS

Lark Distilling Co Ltd is a Tasmanian-based distiller and marketer of premium and luxury Australian spirits. The Group's flagship Lark Single Malt Whisky played a pivotal role in establishing the Tasmanian Whisky category, having been founded in 1992 by Bill and Lyn Lark as the first licensed distillery in the state in 154 years. In addition to whisky, the Group handcrafts a range of award-winning Tasmanian gins under the Forty Spotted trademark.

The Group has strategically invested in building a 'Whisky Bank' of maturing inventory in barrel, stored across multiple sites in Tasmania. Supported by recent brand development and portfolio work, this inventory provides a strong foundation for future growth in both domestic and international markets.

With expertise spanning development, production, sales, and marketing, the Group has now consolidated distilling and operations at its Pontville Distillery, establishing it as the long-term home of Lark. Beyond domestic and international business-to-business (B2B) sales, the Group engages consumers directly through its cellar door style hospitality venues in Tasmania and an owned e-commerce platform.

## OPERATIONAL HIGHLIGHTS

The Group's strategic priorities remain focused on building long-term brand value and driving international sales momentum and domestic leadership, underpinned by cash and capital discipline. FY25 marked a year of strategic transformation, with key investments in brand, infrastructure, and route-to-market, positioning Lark for scalable growth across both domestic and international markets.

### Capital and Debt:

In July 2024, the Group announced a strategic partnership with Seppeltsfield Wines Pty Ltd, an entity associated with non-executive director Warren Randall, followed by a successful equity raising. The placement generated \$24.4 million net of transaction costs, providing balance sheet flexibility to invest in brand development and facilities to accelerate growth.





# Directors' Report, Cont'd

Following the equity raise, the Group reduced its existing NAB bank facility to \$5 million. This remains undrawn, with the Group operating debt-free throughout the year.

## Brand Investment:

Marketing investment of \$5.3 million (34% of Net Sales), increased by \$2.4 million versus the prior year. This increase, as outlined in the equity raising process during the year, supported:

- Lark brand restage: brand positioning, product and portfolio development, and asset creation to underpin Lark's next phase of growth.
- KURIO: brand development and launch of the Group's new blended malt proposition.
- Channel and market activation: driving consumer and trade awareness in both new and existing channels.

The Lark brand restage is now complete with this transformational initiative redefining the brand positioning and product architecture for success in export markets and Australia, while unlocking the commercial potential of our Whisky Bank. The restage has been supported by strong consumer testing and overwhelming positive feedback from trade and distributor partners, reinforcing our confidence in its market impact.

## Market and Channel Expansion:

Direct Export: Sales through distributors in Asian launch markets of \$1.1 million, up 16% vs. prior year, with a focus on growing awareness and brand momentum in these new markets, with seeding of the brands supported by marketing investment, and a dedicated regional Brand Ambassador, ahead of the launch of the restaged portfolio from FY26.

Global Travel Retail (GTR): Net Sales of \$1.5 million, up 18% vs. prior year, supported by increased activations and expanded listings. Lark is now present in all major Australian international airports.

## Domestic Sales Model Transition and Organisational Changes

On 1 August 2024, Lark transitioned domestic B2B sales to Spirits Platform, Australia's leading independent spirits distributor, delivering:

- Broader commercial reach and coverage, particularly in the independents channel where Lark historically under-indexed, providing a strong platform for future growth.
- Improved financial performance, with the removal of internal sales roles more than offsetting the distributor margin impact to Net Sales.

Impact on statutory revenue and cost of sales: following the transition, excise on these sales is now collected and paid by Spirits Platform rather than Lark. As a result, statutory revenue and cost of sales no longer include excise for these transactions, which affects year-on-year comparability but has no impact on gross profit.

## Direct to Consumer (DTC) Development:

The Group's owned DTC channels, as well as driving commercial delivery, play a key brand advocacy role by providing immersive consumer and trade experiences.

- Hospitality venues engaged more than 57 thousand visitors across all sites, an increase of 10% YoY even with the closure of the Forty Spotted Gin Bar in the year. A long-term lease was signed for Lark's Davey Street Cellar Door in Hobart, enabling the start of development on the site to reflect the brand's luxury positioning.
- The Group's owned e-commerce site continued to perform strongly, with growth in the year through exclusive and personalised offerings.

FY25 also saw the first of a range of Seppeltsfield releases through The Whisky Club, with the Lark Rare Seppeltsfield Tawny Cask being well received by members and fully selling out.

# Directors' Report, Cont'd

## Production Operations:

Significant progress was made in future-proofing Lark's distilling operations, with the consolidation of distilling operations to Pontville, now established as the long-term home of Lark.

The Pontville site now houses distilling, coopering, maturation, blending, bottling, tourism, and back-office functions on a single site, following the transfer of key distilling equipment from Cambridge.

- Capital investment of \$3.9 million during the year has delivered distilling and blending capacity to support the next stage of growth.
- The Pontville development enhances efficiency, scalability, and safety, with commissioning to take place in early FY26.

The surplus Bothwell Distillery was sold in March 2025 for \$4.1 million, generating a \$39k gain.

A non-recurring fixed asset write-off of \$0.99 million was recognised predominantly in relation to legacy Cambridge site assets and early-stage costs relating to the 2021 design concepts for Pontville.

## Government Grant Recognition (non-recurring impact):

As at 31 December 2024, Lark reported \$3.975 million in Deferred government grants, including \$3.375 million from the Modern Manufacturing Initiative.

Following submission of final audited expenditure reports and Departmental correspondence in Q4 FY25:

- \$1.3 million has been recognised as non-recurring Other Income in FY25
- \$0.65 million has been repaid in July 2025
- \$1.4 million remains deferred to be amortised over the useful life of related assets in line with AASB 120

## Inventory Under Maturation

The Group's high quality Whisky Bank comprises 2.5 million litres under maturation at 43% ABV (FY24: 2.5 million litres).

This inventory supports future revenue growth and provides operational flexibility in both production and working capital management.

FY25 brand development initiatives focused on the optimum commercialisation of the Whisky Bank to maximise future value.

## FINANCIAL HIGHLIGHTS

Revenue from ordinary activities for the year ended 30 June 2025 was \$17.2 million, up 3% on the prior year.

Reported revenue was impacted by the change in excise treatment following the shift in the domestic sales model. Underlying Net Sales (no impact from excise treatment change) increased 12% year-on-year.

As anticipated, the transition to a distributor-led sales model in both domestic and export markets contributed to a 3.5pp reduction in gross profit margin (as a % of Net Sales). This impact was most pronounced in the domestic business from 1 August 2024, with the effect on Net Sales more than offset by associated cost savings.

Marketing expenses increased to \$5.3 million, reflecting the upweighted investment following the equity raise, supporting the Lark brand restage, KURIO development, and awareness-driving activity across all channels.

Employee benefits expense decreased by \$0.5 million, driven by the removal of the domestic sales team following the move to Spirits Platform, partially offset by inflationary impacts.

Results also include one-off, non-recurring items being the write-off of legacy fixed assets and the recognition of Government grant income.





# Directors' Report, Cont'd

	30 Jun 2025 \$'000	30 Jun 2024 \$'000	Movement \$'000	Movement %
Gross Sales	17,169	16,731	438	3%
Excise	(1,536)	(2,777)	1,241	(45%)
<b>Net Sales (after Excise)</b>	<b>15,633</b>	<b>13,954</b>	<b>1,679</b>	<b>12%</b>
Cost of sales (after Excise)	(5,584)	(4,499)	(1,085)	24%
<b>Gross Profit</b>	<b>10,049</b>	<b>9,455</b>	<b>594</b>	<b>6%</b>
Gross Profit % Net Sales	64.3%	67.8%		(3.5pp)
Other Income	922	829	93	11%
Marketing expenses	(5,342)	(2,981)	(2,361)	79%
Administration and operating expenses	(3,886)	(3,781)	(105)	3%
Employee benefits expense	(5,934)	(6,456)	522	(8%)
<b>Operating EBITDA*</b>	<b>(4,191)</b>	<b>(2,934)</b>	<b>(1,257)</b>	<b>(43%)</b>
Share based payments	(2,046)	(1,254)	(792)	63%
Government grant income	1,298	0	1,298	0%
Write-off of fixed assets	(985)	0	(985)	0%
<b>Statutory EBITDA</b>	<b>(5,924)</b>	<b>(4,188)</b>	<b>(1,736)</b>	<b>(41%)</b>

\* Operating EBITDA is a non-IFRS measure not defined by Australian Accounting Standards. It excludes items such as non-recurring costs and share-based payments to reflect underlying performance and assist users in understanding the Group's operating result.

## Excise and Product Mix Impact

The change in excise treatment following the transition to Spirits Platform affects all product categories but has a disproportionate impact on reported Gin revenue due to channel mix and the higher proportion of excise in Gin's selling price.

As shown below, underlying Net Sales after Excise for Whisky grew +16% year-on-year, while Gin declined 11%.

Financial Year	Metric	Whisky \$'000	Gin \$'000	Other \$'000	Total \$'000
2025	Gross Sales	14,653	1,542	974	17,169
2024	Gross Sales	13,025	2,678	1,028	16,731
	<b>Movement \$</b>	<b>1,628</b>	<b>(1,136)</b>	<b>(54)</b>	<b>438</b>
	<b>Movement %</b>	<b>12%</b>	<b>(42%)</b>	<b>(5%)</b>	<b>3%</b>
2025	Excise	(1,212)	(284)	(40)	(1,536)
2024	Excise	(1,443)	(1,262)	(72)	(2,777)
	<b>Movement \$</b>	<b>231</b>	<b>978</b>	<b>32</b>	<b>1,241</b>
	<b>Movement %</b>	<b>16%</b>	<b>77%</b>	<b>44%</b>	<b>45%</b>
2025	Net Sales	13,441	1,258	934	15,633
2024	Net Sales	11,582	1,416	956	13,954
	<b>Movement \$</b>	<b>1,859</b>	<b>(158)</b>	<b>(22)</b>	<b>1,679</b>
	<b>Movement %</b>	<b>16%</b>	<b>(11%)</b>	<b>(2%)</b>	<b>12%</b>

# Directors' Report, Cont'd

## Deferred Tax Asset Reassessment (Non-Cash)

The Group reassessed the recoverability of its deferred tax asset (DTA), recorded at \$5.2 million as at 31 December 2024 (30 June 2024: \$4.9 million). Given the Group's loss-making position and near-term forecasts - reflecting a period of planned, investment-led growth as outlined in the \$24.4 million equity raise - the Group derecognised the DTA as at 30 June 2025 in line with applicable accounting standards. The adjustment is reflected as an income tax expense in the FY25 financial statements.

This was a non-cash accounting adjustment and does not affect the Group's operational performance, funding position, or the availability of tax losses for future use. The tax losses remain available to offset future taxable profits, and the DTA is expected to be re-recognised in future periods once sufficient taxable profit arises.

## Cashflow

Operating cash outflows in FY25 were \$2.9 million, reflecting an improvement of \$1.3 million versus the prior year. Working capital benefited from the timing of purchases and payments, with elevated payables at year end, as well as with improved sales performance and moderated production as distillery sites are developed partially offset by upweighted marketing spend. Cash inflows from investing activities were \$0.1 million, with the proceeds from the sale of the Group's Bothwell site more than offsetting capital expenditure primarily in relation to the developments at the Pontville site, while inflow from financing activities primarily reflects proceeds of the equity raise during the year.

## FINANCIAL POSITION

The Group ended the year with a strong balance sheet and sufficient capital to execute its growth strategy:

- \$23.1 million cash at year-end to support brand investment and growth
- Whisky Bank inventory: 2.5 million litres under maturation, balance sheet value \$57.2 million
- Working capital is lower than prior periods due to high payables through timing of both purchases and government grant repayment.

## BUSINESS STRATEGIES AND PROSPECTS FOR FUTURE FINANCIAL YEARS

The Group's ambition of positioning Lark as a leader in New World Whisky continues to be underpinned by the following strategic priorities:

- Long-Term Brand Value: Establishing Lark as a globally recognised and differentiated luxury whisky brand.
- International Sales Momentum and Domestic Leadership: Creating repeatable and diversified revenue streams across domestic and export markets, supported by strategic distributor partnerships and channel expansion.
- Cash and Capital Discipline: Prioritising cash generation to support growth while exercising capital discipline, ensuring efficient use of capital and maintaining a strong balance sheet.

The brand restage launch in FY26, combined with Group's Whisky Bank and scalable Pontville operations, positions Lark for sustainable commercial growth in both domestic and international markets.





# Directors' Report, Cont'd

## BUSINESS RISKS

RISK	DESCRIPTION	MITIGATION STRATEGIES
Health, Safety and Wellbeing	<p>The production and sale of spirits and operation of hospitality venues involves the handling of hazardous goods and the use of complex equipment and processes that pose a risk of death, injury, or illness. An incident could lead to significant financial, operational and reputational impact to Lark.</p> <p>Lark recognises the importance of managing existing risks and monitoring emerging risks that have potential to cause harm to employees, contractors or visitors.</p>	<p>The health, safety and wellbeing of the Lark team remains our highest priority. Key mitigation strategies include:</p> <ul style="list-style-type: none"> <li>Formally defined, and periodically reviewed Health, safety, and well-being policies, standards, procedures and tools.</li> <li>Induction and ongoing training programs.</li> <li>Regular cleaning and maintenance schedule, with inspections and preventative repairs and maintenance.</li> <li>Reporting and monitoring of health and safety practices and performance with periodic reviews to identify areas of improvement.</li> <li>Distillery upgrade completed during the year has significantly enhanced site safety and compliance across distillery and blending operations including improved hazardous area management, fireproofing, and firefighting infrastructure, and reduced manual handling delivering substantial improvements in operator safety.</li> </ul>
Incident leading to reputational damage to company and/or brand(s)	<p>Lark has built its reputation from the award-winning quality of its whisky. The reputation of the Lark brand is key to the success of the business. Risks to Lark's reputation include both internal and external activity including quality incident, counterfeited product, black market trade, and negative media coverage.</p> <p>A significant incident could have a material adverse effect on financial and operating performance.</p>	<ul style="list-style-type: none"> <li>Code of Conduct, Responsible Marketing Guidelines, Responsible Consumption Program, Responsible Procurement Code, Environment Policy and Standard, Media Policy and Social Media Policy and incident management procedures.</li> <li>Quality control measures and processes to mitigate risk to Brand reputation through product quality incident.</li> <li>Brand and intellectual property protection strategies.</li> </ul>

# Directors' Report, Cont'd

RISK	DESCRIPTION	MITIGATION STRATEGIES
Storage and Management of Maturing Whisky	Lark has a significant amount of maturing whisky stored in several facilities. Lark's storage facilities may be impacted by a fire or major weather event or subject to malicious attack, which may result in loss, damage, contamination or destruction of inventory. If inventory is not adequately managed, it could result in unfavourable whisky profiles or a mismatch between consumer demand and available inventory.	<ul style="list-style-type: none"> <li>Multiple storage locations that are geographically separated, with ongoing site security and safety checks.</li> <li>Insurance coverage in place.</li> <li>Regular stocktakes, with barrel management and tracking utilising RFID tagging, for both filled and empty barrels, allowing automation of monitoring and reporting.</li> <li>Regular sampling and audits of inventory under maturation.</li> <li>Scale and quality of Whisky Bank provides flexibility and optionality for future releases.</li> <li>Long Term modelling utilising industry data to identify whisky requirements and appropriately manage stock model.</li> <li>The brand restage has further addressed this risk through a strategic portfolio alignment with a deeper utilisation of the Whisky Bank. The restage provides enhanced flexibility across a broader range of styles, better matching future demand and consumer expectations. No-Age Statement releases continue to offer the ability to marry whiskies from different years, while Tasmania's climate supports extended maturation, allowing for a wider spectrum of future range profiles.</li> </ul>
Failure to attract and retain talent	The Company is heavily reliant on key personnel. Loss of key personnel could cause significant disruption to operational and financial performance.	<ul style="list-style-type: none"> <li>Market competitive remuneration and benefits offering.</li> <li>Talent review and succession planning processes.</li> <li>Flexible working practices where roles allow.</li> <li>Incentive and reward programs aligned to the achievement of Lark's financial and business goals, with Long Term Incentive plans in place for key roles.</li> </ul>
Changes in consumer preferences and/or Competitive landscape may have an adverse impact on sales and growth	Unforeseen changes to consumer preferences from factors including health, economic conditions, and market trends could have a material adverse impact on operating and financial performance.	<ul style="list-style-type: none"> <li>History and Brand equity of Lark supporting position in Australia, with expansion into export markets (including Global Travel Retail) underway to diversify revenue streams.</li> <li>Size and profile of Whisky Bank gives flexibility to consider offerings across multiple price tiers, with wood and finishing program allowing adaptation of profile in time.</li> <li>Monitoring of brand health, consumer insights and trends informing brand product and portfolio strategy.</li> <li>Representation on key industry bodies.</li> </ul>





# Directors' Report, Cont'd

RISK	DESCRIPTION	MITIGATION STRATEGIES
Quality standards	Sale of defective products due to non-compliance with Lark operational quality processes could result in damage to Lark's brand reputation. This could also lead to additional costs from product recall, penalties and litigation.	<ul style="list-style-type: none"> <li>• Maintenance of appropriate policies, standards and procedures relating to Production and Operations, including strict quality control measures.</li> <li>• HACCP Accreditation.</li> <li>• Regular auditing program.</li> </ul>
Supply Chain	Disruptions or delays within Lark's supply chain may impact the production of new make whisky and/or bottling of finished goods, which may impact future and/or current sales volumes.	<ul style="list-style-type: none"> <li>• Rolling Sales &amp; Operations Planning Process (S&amp;OP) embedded within business providing future demand signal for raw materials.</li> <li>• Risk assessments undertaken on key suppliers.</li> <li>• Multi-regional and diversified supplier base, with broad range of potential suppliers.</li> <li>• Supply agreements in place with key supply partners.</li> <li>• Joint business planning processes to support and align internal and partner incentives.</li> </ul>
Route To Market and New Market Entry	<p>Appropriate Route to Market is required to ensure long term sales development and sustainability for Lark, with portfolio size and scale requiring Lark to work with in-market distributors. Risks exist which must be managed including finding and appointing appropriate quality distributors and ensuring sufficient focus on Lark's brands. Lack of availability of appropriate quality distributors may disrupt or slow new market entry.</p> <p>Entry to international markets may be disrupted or slowed based on factors beyond Lark's control including local laws and regulations on alcohol products, product registrations, and other Government actions including changing duties tariffs and quotas. Entry may also be disrupted or slowed based on speed of ensuring appropriate brand protections including trademark coverage, with objections and speed of registrations potentially slowing or disrupting market entry.</p>	<ul style="list-style-type: none"> <li>• In August 2024, Spirits Platform commenced its role as Lark's domestic distributor under a five-year agreement, marking a strategic partnership to enhance national market reach and distribution capabilities.</li> <li>• Direct to consumer / Hospitality business provides diversification of Domestic sales business.</li> <li>• Management team experienced working with international distributors in Luxury spirits.</li> <li>• Selectively targeting which export markets are entered and diversifying across multiple markets to mitigate loss from barriers to entry.</li> <li>• Due Diligence on new Distributors in Export markets, including references in trade as required.</li> <li>• Distribution Agreements in place with Export distributors, with appropriate distributor margins to ensure aligned incentives.</li> <li>• Relationships and engagement (where relevant) with key government, industry advocacy and regulatory bodies.</li> <li>• Engagement with external subject matter experts as required.</li> </ul>

# Directors' Report, Cont'd

RISK	DESCRIPTION	MITIGATION STRATEGIES
Capital Management and access to funding	Insufficient funding may restrict Lark's ability to trade, including appropriate brand investment for entry to new markets, or volume of whisky production, restricting future sales growth. Lark is currently loss making and is not cash flow positive which may adversely impact Lark's access to funding.	<p>This risk has been addressed through the successful capital raise completed during the year, which has strengthened the balance sheet and enabled investment in brand development, infrastructure, and export market expansion.</p> <p>The following mitigation strategies remain in place:</p> <ul style="list-style-type: none"> <li>• Continued access to capital markets to support strategic initiatives.</li> <li>• Long-range corporate planning with ongoing assessment of cash position, supported by the flexible production capacity of the Whisky Bank.</li> <li>• Banking facility in place to January 2028.</li> <li>• Flexibility on balance sheet, including land and buildings that could be sold.</li> </ul>
Data and cyber security	The business relies on IT infrastructure, systems and processes to support ongoing business growth. The use of these systems poses risk (including through cyber-attack) of error and loss of access to systems and data, which includes increased cost and processing times or damage to business reputation, or decision making based on inaccurate information. The storage of information poses risk of data theft which may impact Lark's ability to trade, and/or give rise to reputational risk.	<ul style="list-style-type: none"> <li>• Independent external IT Security Assessments performed to maintain IT maturity level.</li> <li>• Information User Policy, supporting framework and specialised resources.</li> <li>• Restricted and segregated management of sensitive business/supplier/customer data.</li> <li>• Documented crisis, business continuity and disaster recovery plans.</li> <li>• Periodic employee training and alerts to ensure secure handling of sensitive data.</li> <li>• Outsourced IT experts bringing best practice processes to supplement internal resource.</li> </ul>
Non-compliance with laws and regulations	Lark operates in a highly regulated industry in the production of spirits and selling in various overseas markets. Each of these markets have differing regulations that govern many aspects of Lark, including privacy, taxation, production, manufacturing, pricing, marketing, advertising and distribution, and ASX reporting requirements. Remaining compliant with regulations, including changes to existing, or new regulations, requires ongoing monitoring by the business.	<ul style="list-style-type: none"> <li>• Compliance framework.</li> <li>• Specialised and experienced resources and teams (including external subject matter experts as required).</li> <li>• Company-wide policies, standards and procedures.</li> <li>• Relationships and engagement with key government, industry advocacy and regulatory bodies.</li> </ul>
Climate Change and Environmental Risks	<p>Lark faces climate change risks across both the production and distribution of whisky. Risks include adverse impact to whisky maturation time and process, and distribution to supply chain including Agri-risk.</p> <p>Consumer awareness and retailer requirements on environmental impact may require amendments to packaging and labelling in certain markets.</p>	<ul style="list-style-type: none"> <li>• Maturation and wood program can be tailored over time.</li> <li>• R&amp;D work on maturation including impact of climate.</li> <li>• Regular risk assessments to identify and address potential climate-related impacts, such as floods, on production and distribution.</li> <li>• Relationships and engagement with key government, industry advocacy and regulatory bodies.</li> </ul>





# Directors' Report, Cont'd

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

## MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstances has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group expects to drive sales growth through expansion to international markets. Additional information on the operations and financial position of Lark is set out in the Review of Operations accompanying this Director's report.

## ENVIRONMENTAL REGULATION

The Group's operations are not subject to significant environmental regulation under a law of the Commonwealth or of any State or Territory of Australia, nor in the international jurisdictions to which the Group exports its products. However, the Group recognises the importance of operating in an environmentally responsible manner and is committed to minimising its environmental footprint across its operations.

Management routinely monitors compliance with applicable environmental regulations and has implemented internal controls and procedures designed to ensure adherence to both existing and emerging environmental requirements.

During the financial year, the Directors have not been notified, nor are they otherwise aware, of any breaches of environmental regulations by the Group.

While not subject to significant regulation, the Group remains conscious of its broader environmental impact and continues to seek opportunities to improve sustainability outcomes. The Group is also monitoring the evolving regulatory landscape, particularly in relation to climate-related disclosures and reporting, to ensure ongoing compliance and readiness for future requirements.

The Board and management are committed to continuous improvement in environmental performance, reflecting the Group's values and responsibilities as a leading Australian whisky producer.

# Directors' Report, Cont'd

## INFORMATION ON DIRECTORS



### MR DOMENIC PANACCIO

**Title:** Non-Executive Chair

**Qualifications:** Certified Public Accountant and member of the Australian Institute of Company Directors.

**Experience and expertise:** Domenic has had a long and distinguished career in senior management of large public companies including 20 years at Fosters Group and 10 years at Westfield. From 2010 to 2014, Domenic was Chief Executive Officer of Westfield Retail Trust, one of the largest ASX listed property trusts in Australia at that time. Domenic previously held a number of senior positions including Deputy Chief Financial Officer of Westfield Group, Chief Financial Officer of Westfield America and Chief Financial Officer for the Foster's Group Wine Division, Beringer Blass Wine Estates.

**Other current directorships:** None

**Former directorships (last 3 years):** None

**Special responsibilities:** Member of the Audit and Risk Committee, and Chair of the Remuneration and Nomination Committee.

**Interests in shares:** 529,366  
fully paid ordinary shares

**Interests in rights:** None



### MR DAVID DEARIE

**Title:** Non-Executive Director

**Qualifications:** MHCIMA, Glasgow College of Food and Technology, Institute of Marketing Diploma, University of Hull.

**Experience and expertise:** A global beverage industry leader with over 30 years' experience in alcohol retailing, distribution and brand building. Founding CEO of Treasury Wine Estates Ltd (TWE), and senior executive positions with Fosters Group Ltd and Brown-Forman.

**Other current directorships:** None

**Former directorships (last 3 years):** None

**Special responsibilities:** Chair of the Audit and Risk Committee, and member of the Remuneration and Nomination Committee.

**Interests in shares:** 879,582  
fully paid ordinary shares

**Interests in rights:** 420,000 performance rights





# Directors' Report, Cont'd



## MR STUART GREGOR

**Title:** Non-Executive Director  
(Appointed as Non-Executive Director on 1 October 2024)

**Qualifications:** Diploma of Wine Marketing (Adelaide University), Masters of Marketing (Melbourne Business School) and Graduate of the Australian Institute of Company Directors.

**Experience and expertise:** Over 30 years in the drinks industry, including co-founding Four Pillars Gin in 2013 and serving as its Global Trade Director and Co-CEO until its sale to LION in July 2023. Under his leadership, Four Pillars was named International Gin Producer of the Year in 2019, 2020, and 2023. He served as President of the Australian Distillers Association (2014–2022) and was inducted into the Australian Distillers Hall of Fame in 2023. In 2024, he was the inaugural Chair of Judges at the Sydney Royal Distilled Spirits Show. He founded communications consultancy Liquid Ideas in 2000 and also contributed to not-for-profit initiatives such as RUOK? Day and OzHarvest, serving on the board of the latter for eight years.

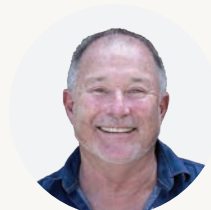
**Other current directorships:** None

**Former directorships (last 3 years):** None

**Special responsibilities:** Member of Audit and Risk Committee, member of the Remuneration and Nomination Committee.

**Interests in shares:** 176,470  
fully paid ordinary shares

**Interests in rights:** None



## MR WARREN RANDALL

**Title:** Non-Executive Director

**Qualifications:** Bachelor of Agricultural Science and Wine Science (Adelaide), Bachelor of Oenology (Wine Science) (Charles Sturt).

**Experience and expertise:** Over 40 years in the Australian Wine Industry graduating from Adelaide University in Agricultural Science and Charles Sturt University in Wine Science, with experience working for Seppelt Great Western Winery, Andrew Garrett Wines, Tinlins Wines, Wynns Winegrowers, Seaview Champagne Cellars and Lindemans Wines. Warren has also served as a director of the board at the Adelaide Football Club.

**Other current directorships:** None

**Former directorships (last 3 years):** None

**Special responsibilities:** None

**Interests in shares:** 20,355,095  
fully paid ordinary shares (shares are all held by Seppeltsfield Pty Ltd (Seppeltsfield Estate A/C))

**Interests in rights:** 300,000 performance rights

# Directors' Report, Cont'd

## NON-EXECUTIVE DIRECTOR

(Resigned as Non-Executive Director on 1 October 2024)

**Ms. Laura McBain — BCom**

Ms McBain is a brand, marketing and strategy leader for Asia-Pacific FMCG businesses with an accounting background. Managing Director/Chief Executive Officer of Bellamy's Australia from 2007 to 2017 pioneering Australia's infant formula brands in China. Managing Director of Maggie Beer Holdings Ltd 2017 to 2019, leading several acquisitions and integrations of premium food businesses into public company. Strategic advisor to nutrition businesses and former director of Export Finance Australia (Australia's government export credit agency). 2013 Telstra Australian Businesswoman of the Year (Private and Corporate) and Telstra Tasmanian Businesswoman of the year. Laura resigned as Non-Executive Director on 1 October 2024.

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

## CHIEF EXECUTIVE OFFICER

**Mr Satya Sharma, CA, B, Law**

Mr Sharma joined Lark in May 2023 from William Grant & Sons Ltd, where he was the Regional Managing Director for Southeast Asia and Australasia. Mr Sharma also had a complementary role as member of the board for that company's Branded Business Unit, which is responsible for the business's brands globally. In this role, Mr Sharma was instrumental in driving the momentum of William Grant & Sons portfolio across Southeast Asia and the broader Asia Pacific region, developing strong distributor relationships, growing brand equity, and accelerating the contribution of luxury to the group through the launch of the world's first "The Distiller's Library" concept.

Over his 10-year career with William Grant & Sons across Singapore, China, and UK, Mr Sharma held roles including Head of Business Strategy & Development, Interim Finance Director APAC, and Head of Commercial. Prior to his time with William Grant & Sons Ltd, Mr Sharma was based in Australia and held various roles with Campbell Arnott's, and was a Senior Manager in Corporate Finance at Pitcher Partners (previously Moore Stephens).

Mr Sharma holds degree in Business and Law from the University of Technology Sydney and is a member of the Institute of Chartered Accountants Australia and New Zealand.





# Directors' Report, Cont'd

## CHIEF FINANCIAL OFFICER

### Mr Iain Short, CA

Mr Short joined Lark in June 2023 from William Grant & Sons Ltd, where he was the Finance Director - Asia Pacific and Global Travel Retail. In this role Mr Short was a key member of the development and implementation of the strategy in the APAC region which has seen significant distribution growth and brand portfolio development for William Grant & Sons.

Mr Short had an extensive career with William Grant & Sons, where he worked in numerous senior finance and strategy roles including Finance and Operations Director for Australia and New Zealand, and Finance Director for UK and Ireland. Mr Short previously worked at PwC in London, holds an economics degree from The University of Edinburgh and is a Chartered Accountant.

## COMPANY SECRETARY

Mr Michael Sapountzis — BCom, LLB(Hons), GDLP, AGIA - appointed as Joint Company Secretary on 21 November 2024, Sole Company Secretary from 26 June 2025

Michael is employed at Vistra Australia, a leading professional advisory and corporate services firm. Michael joined Lark Distilling Co. Ltd as Company Secretary in November 2024. Michael is an experienced company secretary and has over 12 years of professional experience providing company secretarial, governance and compliance support to a variety of boards across a range of industries and sectors including ASX-listed and unlisted companies and not-for-profit organisations. Michael specialises in ASX compliance, corporate governance and board and secretarial support and is currently the company secretary of several ASX listed companies.

# Directors' Report, Cont'd

## MEETINGS OF DIRECTORS

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Directors' Meetings		Remuneration and Nomination Committee**		Audit and Risk Committee**	
	Attended	Held*	Attended	Held*	Attended	Held*
Mr Domenic Panaccio	9	9	3	3	1	1
Mr David Dearie	9	9	3	3	1	1
Mr Stuart Gregor	5	6	3	3	1	1
Mr Warren Randall	7	9	-	-	-	-
Ms Laura McBain	3	3	-	-	-	-

\* Held: represents the number of meetings held during the time the director held office.

\*\* Both the Audit and Risk Committee and the Remuneration and Nomination Committee were re-established during the reporting period, following a period in which their roles and responsibilities had been absorbed by the Board. The 'Meetings held' section reflects meetings held as standalone committees following their re-establishment.

## REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

### Remuneration Policy

The remuneration policy of the Company has been designed to align key management personnel objectives with shareholder and business objectives. The board of the Company believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Consolidated Group, as well as create goal congruence between directors, executives and shareholders.





# Directors' Report, Cont'd

The remuneration report is set out under the following main headings:

- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

The board's policy for determining the nature and amount of remuneration for key management personnel of the Group is as follows:

- The remuneration policy, setting the terms and conditions for the key management personnel, was developed by the remuneration committee and approved by the board after seeking professional advice from independent external consultants.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, with the potential for options and other incentives. Options to be issued at the discretion of the Board.
- The Remuneration and Nomination Committee reviews key management personnel packages annually by reference to the Group's performance and executive performance.

The performance of key management personnel is reviewed annually and is based predominantly on the forecast growth of the Group's profits and shareholders' value. All bonuses and option incentives are issued at the discretion of the Board. Any incentives or bonuses must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of other key management personnel executives and reward them for performance that results in long-term growth in shareholder wealth.

Key management personnel are also entitled to participate in the employee share and option arrangements.

All remuneration paid to key management personnel is valued at the cost to the company and expensed, shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by key management personnel. Options are valued using Monte-Carlo or Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Company's constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The most recent determination, resolved at the 2023 Annual General Meeting, sets fixed directors fees \$400,000 per annum (exclusive of GST), inclusive of superannuation and other fixed benefit oncosts. The current director fees are \$120,000 for Board Chair, \$75,000 for Non- Executive Director and \$5,000 for Committee Chair.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The board considers advice from external parties as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the employee option plan.

# Directors' Report, Cont'd

## *Key Management Personnel Remuneration Policy*

The board seeks to set aggregate remuneration at a level which provides the company with the ability to attract and retain key management of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The remuneration structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts for service between the company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement.

## **DETAILS OF REMUNERATION**

### *Amounts of remuneration*

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Lark Distilling Co. Ltd:


- Mr Domenic Panaccio - Non-Executive Chair
- Mr David Dearie - Non-Executive Director
- Mr Stuart Gregor - Non-Executive Director  
(appointed as Non-Executive Director on 1 October 2024)
- Mr Warren Randall - Non-Executive Director
- Ms Laura McBain - Non-Executive Director  
(resigned as Non-Executive Director on 1 October 2024)

And the following persons:

- Mr Satya Sharma - Chief Executive Officer
- Mr Iain Short - Chief Financial Officer



# Directors' Report, Cont'd

							
	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2025	Salary and fees \$	Short term bonus \$	Annual leave <sup>(a)</sup> \$	Super-annuation \$	Long service leave <sup>(a)</sup> \$	Equity-settled \$	Total \$
Non-Executive Directors:							
Mr Domenic Panaccio	120,000	-	-	-	-	103,500	223,500
Mr David Dearie	78,750	-	-	-	-	47,873	126,623
Mr Stuart Gregor	56,250	-	-	-	-	-	56,250
Mr Warren Randall <sup>(b)</sup>	75,000	-	-	-	-	27,356	102,356
Ms Laura McBain	18,750	-	-	-	-	39,533	58,283
Other KMP							
Mr Satya Sharma	649,708	-	9,135	29,932	4,334	934,790	1,627,899
Mr Iain Short	379,600	-	837	29,932	2,339	422,566	835,274
	1,378,058	-	9,972	59,864	6,673	1,575,618	3,030,185

(a) Employee leave benefits represent annual leave and long service leave entitlements, measured on an accrual basis, and reflects the net movement in the entitlements over the year (i.e. leave entitlements that accrued during the year but were not used).

(b) During the period ended 30 June 2025, the Group made purchases amounting to \$36,006 (30 June 2024: \$53,118) from an entity associated with Warren Randall (Non-Executive Director). These transactions were for the purchase of casks and inventory for Lark hospitality venues and wooden barrels from Seppeltsfield Wines Pty Ltd (ABN: 97 127 078 282) for the Group to use in its' production process of Lark. These transactions are considered to be arms-length transactions.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2024	Salary and fees \$	Short term bonus \$	Annual leave <sup>(a)</sup> \$	Super-annuation \$	Long service leave <sup>(a)</sup> \$	Equity-settled \$	Total \$
Non-Executive Directors:							
Mr Domenic Panaccio	74,085	-	-	-	-	-	74,085
Mr David Dearie <sup>(c)</sup>	75,914	-	-	-	-	149,647	225,561
Mr Warren Randall <sup>(b)</sup>	56,250	-	-	-	-	82,608	138,858
Ms Laura McBain	56,250	-	-	-	-	147,358	203,608
Other KMP							
Mr Satya Sharma	647,583	-	60,964	27,417	1,336	704,452	1,441,752
Mr Iain Short	365,000	-	18,843	26,796	676	50,446	461,761
	1,275,082	-	79,807	54,213	2,012	1,134,511	2,545,625

(a) Employee leave benefits represent annual leave and long service leave entitlements, measured on an accrual basis, and reflects the net movement in the entitlements over the year (i.e. leave entitlements that accrued during the year but were not used).

(b) During the period ended 30 June 2024, the Group made purchases amounting to \$53,118 (30 June 2023: \$144,558) from an entity associated with Warren Randall (Non-Executive Director). These transactions were for the purchase of wooden barrels from Seppeltsfield Wines Pty Ltd (ABN: 97 127 078 282) for the Group to use in its' production process of Lark. These transactions are considered to be arms-length transactions.

(c) Fees for David Dearie includes 10,478 share rights valued at \$12,500 that were issued in lieu of \$12,500 cash fees.



# Directors' Report, Cont'd

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		Remuneration linked to performance	
	2025	2024	2025	2024
<i>Non-Executive Directors:</i>				
Mr Domenic Panaccio	54%	100%	46%	-
Mr David Dearie	62%	34%	38%	66%
Mr Stuart Gregor	100%	-	-	-
Mr Warren Randall	73%	41%	27%	59%
Ms Laura McBain	32%	28%	68%	72%
<i>Other Key Management Personnel:</i>				
Mr Satya Sharma	43%	51%	57%	49%
Mr Iain Short	49%	89%	51%	11%

## Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Mr Domenic Panaccio	
Title:	Non-Executive Chair	
Agreement commenced:	1 May 2022	
Term of agreement:	No fixed term	
Details:	<p>Remuneration: \$120,000 per annum (excluding GST) Board Chair fees</p> <p>Mr Domenic Panaccio’s appointment as a Non-Executive Director is subject to retirement by rotation under the Company’s constitution. Mr Domenic Panaccio can resign from office subject to written notice or in accordance with the law or the Company’s constitution with a notice period acceptable to both parties.</p> <p>As at 30 June 2025, Mr Panaccio did not have any Performance Rights on issue.</p>	
Name:	Mr David Dearie	
Title:	Non-Executive Director	
Agreement commenced:	1 March 2020	
Term of agreement:	No fixed term	
Details:	<p>Remuneration: \$80,000 per annum (excluding GST), Non-Executive Directors fees and Committee Chair</p> <p>Mr David Dearie’s appointment as a Non-Executive Director is subject to retirement by rotation under the Company’s constitution. Mr David Dearie can resign from office subject to written notice or in accordance with the law or the Company’s constitution with a notice period acceptable to both parties</p> <p>As at 30 June 2025, the following Performance Rights remained on issue, with terms and conditions as noted, and with an expiry of 31 December 2026:</p>	
Tranche no.	Target market share price and continuous service to:	Performance rights vested and exercisable
Tranche 3	\$1.950 31 December 2022	70,000
Tranche 5	\$2.550 31 December 2024	350,000



# Directors' Report, Cont'd

<b>Name:</b>	Mr Stuart Gregor
<b>Title:</b>	Non-Executive Director
<b>Agreement commenced:</b>	1 October 2024
<b>Term of agreement:</b>	No fixed term
<b>Details:</b>	<p>Remuneration: \$75,000 per annum (excluding GST), Non-Executive Directors fees</p> <p>Mr Stuart Gregor's appointment as a Non-Executive Director is subject to retirement by rotation under the Company's constitution. Mr Stuart Gregor can resign from office subject to written notice or in accordance with the law or the Company's constitution with a notice period acceptable to both parties.</p> <p>As at 30 June 2025, Mr Gregor did not have any Performance Rights on issue.</p>

<b>Name:</b>	Mr Warren Randall
<b>Title:</b>	Non-Executive Director
<b>Agreement commenced:</b>	21 May 2019
<b>Term of agreement:</b>	No fixed term
<b>Details:</b>	<p>Remuneration: \$75,000 per annum (excluding GST), Non-Executive Directors fees</p> <p>Mr Warren Randall's appointment as a Non-Executive Director is subject to retirement by rotation under the Company's constitution. Mr Warren Randall can resign from office subject to written notice or in accordance with the law or the Company's constitution with a notice period acceptable to both parties.</p> <p>As at 30 June 2025, the following Performance Rights remained on issue, with terms and conditions as detailed and with an expiry date of 31 December 2026:</p>

Tranche no.	Target market share price and continuous service to:	Performance rights vested and exercisable
Tranche 4	\$2.250 31 December 2023	100,000
Tranche 5	\$2.550 31 December 2024	200,000

<b>Name:</b>	Mr Satya Sharma
<b>Title:</b>	Chief Executive Officer
<b>Agreement commenced:</b>	1 May 2023
<b>Term of agreement:</b>	No fixed term
<b>Details:</b>	<p>Remuneration: \$649,708 per annum (plus superannuation)</p> <p>Mr Sharma can terminate the agreement with 6 months' notice. The Company can terminate the agreement with 6 months' notice, or payment in lieu thereof. The Company may terminate the contract at any time without notice if a serious misconduct or breach of contract has occurred.</p> <p>As at 30 June 2025, Mr Sharma was eligible for the following short-term and long-term incentives including Performance Rights on issue:</p>

# Directors' Report, Cont'd

## Short Term Incentive (STI)

Mr Sharma is entitled to receive an annual bonus. He will be entitled to the payment of one of the following bonuses on an annual basis, subject to the achievement of a range of financial and non-financial targets, aligned with the Company's strategy and business performance, to be determined by the Board:

- (a) Up to 50% of base salary less superannuation at target
- (b) In the case of highly superior performance as assessed by the Board in its sole and absolute discretion, up to 75% of base salary less superannuation

Any STI payments may be equity settled at the Board's discretion.

Tranche no.	Target market share price	and continuous service to:	Grant date	Expiry date	Performance rights to vest
May 23 CEO Long Term Incentive	\$4.00	1 May 2026	1 May 2023	1 May 2026	197,280
May 24 LTI - Tranche 2	\$1.80	30 June 2025	27 May 2024	30 June 2030	628,922
May 24 LTI - Tranche 3	\$2.10	30 June 2026	27 May 2024	30 June 2031	836,052
May 24 LTI - Tranche 4	\$2.40	30 June 2027	27 May 2024	30 June 2032	1,046,948
May 24 LTI - Tranche 5	\$2.70	30 June 2028	27 May 2024	30 June 2033	1,254,078

## May 23 CEO LTI vesting condition

Mr Sharma's long-term incentives are intended to be in the form of Share Rights to acquire Shares in the Company valued at up to \$975,000. The performance rights will vest and be exercisable upon the satisfaction of service condition and performance conditions, which were agreed as part of the LTI. 197,280 performance rights noted in Mr Sharma's performance rights table and their fair value for accounting purposes have been determined based on estimated grant date, probability of achieving the vesting conditions and the Company's closing share price at 30 June 2023. Actual number of performance rights may be different at the grant date.

### Performance condition

The performance-based Vesting Condition is based on the Company's Shares sustaining a certain 10-day volume weighted average price for at least 20 consecutive days. If at any point during the Relevant Period the Company achieves the target market share price specified in the table below, then Mr Sharma's Share Rights will entitle him to Shares equal to the value specified in the adjacent column, upon satisfaction of the service condition. The notes to the table below provide further detail of how Mr Sharma's entitlement is to be determined.





# Directors' Report, Cont'd

Target market share price	Value of entitlement (AUD)	Notes
\$4.00	\$195,000	-
>\$4.00 to \$5.00	>\$195,000 to \$650,000	Entitlement is \$195,000 plus additional entitlement determined on a pro-rata, straight line basis from \$4.00 to \$5.00.
>\$5.00 to \$6.00	>\$650,000 to \$975,000	Entitlement is \$650,000 plus additional entitlement determined on a pro-rata, straight line basis from \$5.00 to \$6.00.

## May 24 LTI vesting conditions

On 27 May 2024, the Company issued a total of 3,766,000 Performance Rights to Mr Sharma, which will vest and be exercisable upon satisfaction of service condition and performance conditions agreed as part of the LTI. If the share price hurdle for Year 4 and/or Year 5 is satisfied in Year 3, the vesting of Performance Rights for Year 4 and/or Year 5 (as applicable) will be accelerated and vest together with those Year 3 Performance Rights.

In the event of a Corporate Control Event (as defined under clause 2 of the Company's Plan) during any of the specified continued employment periods set out in the table above, the following basis for vesting will instead apply to the Performance Rights in Tranches 2 - 5:

- (a) 40% of the issued Rights will vest immediately; and
- (b) if the Corporate Control Event:
  - (i) Occurs on or before 31 December 2026, then a pro-rata amount of the remaining 60% of the issued Rights, based on the number of days elapsed from 1 January 2024 to the date of the Corporate Control Event, as a proportion of the total number of days from 1 January 2024 to 31 December 2026, will vest on the date of the Corporate Control Event; or
  - (ii) Occurs on or after 31 December 2026, and before the Last Exercise Date of those Rights, then all such remaining and outstanding Rights will vest at the date of the Corporate Control Event.

<b>Name:</b>	Mr Iain Short
<b>Title:</b>	Chief Financial Officer
<b>Agreement commenced:</b>	12 June 2023
<b>Term of agreement:</b>	No fixed term
<b>Details:</b>	<p>Remuneration: \$379,600 per annum (plus superannuation)</p> <p>Mr Short can terminate the agreement with 3 months' notice. The Company can terminate the agreement with 3 months' notice, or payment in lieu thereof. The Company may terminate the contract at any time without notice if a serious misconduct or breach of contract has occurred.</p> <p>As at 30 June 2025, the following Performance Rights remained on issue, with terms and conditions as detailed.</p>

Tranche no.	Target market share price	and continuous service to:	Grant date	Expiry date	Performance rights to vest
May 24 LTI - Tranche 2	\$1.80	30 June 2025	27 May 2024	30 June 2030	314,920
May 24 LTI - Tranche 3	\$2.10	30 June 2026	27 May 2024	30 June 2031	418,637
May 24 LTI - Tranche 4	\$2.40	30 June 2027	27 May 2024	30 June 2032	524,239
May 24 LTI - Tranche 5	\$2.70	30 June 2028	27 May 2024	30 June 2033	627,955

# Directors' Report, Cont'd

## May 24 LTI vesting conditions

On 27 May 2024, the Company issued a total of 1,885,751 Performance Rights to Mr Short, which will vest and be exercisable upon satisfaction of service condition and performance conditions agreed as part of the LTI. If the share price hurdle for Year 4 and/or Year 5 is satisfied in Year 3, the vesting of Performance Rights for Year 4 and/or Year 5 (as applicable) will be accelerated and vest together with those Year 3 Performance Rights.

In the event of a Corporate Control Event (as defined under clause 2 of the Company's Plan) during any of the specified continued employment periods set out in the table above, the following basis for vesting will instead apply to the Performance Rights in Tranches 2 - 5:

- (a) 40% of the issued Rights will vest immediately; and
- (b) if the Corporate Control Event:
  - (i) Occurs on or before 31 December 2026, then a pro-rata amount of the remaining 60% of the issued Rights, based on the number of days elapsed from 1 January 2024 to the date of the Corporate Control Event, as a proportion of the total number of days from 1 January 2024 to 31 December 2026, will vest on the date of the Corporate Control Event; or
  - (ii) Occurs on or after 31 December 2026, and before the Last Exercise Date of those Rights, then all such remaining and outstanding Rights will vest at the date of the Corporate Control Event.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

## Share-based compensation

### Issue of shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2025 are set out below:

Name	Grant date	Shares	Fair Value of shares	Consideration paid
Mr Iain Short	18/09/2024	90,000	\$0.97	-
Mr Domenic Panaccio	20/11/2024	90,000	\$1.15	-
Mr Satya Sharma	14/04/2025	228,558	\$0.86	-

### Options

There were no options issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2025.



# Directors' Report, Cont'd

## Performance rights

There were no performance rights over ordinary shares granted to directors and other key management personnel as part of compensation during the year ended 30 June 2025. Details of performance rights over ordinary shares vested for directors and other key management personnel as part of compensation during the year ended 30 June 2025 are set out below:

### Performance Rights Vested

Name	Grant date	Vesting date and exercisable date	Expiry date	Number vested
Mr David Dearie	12 December 2019	31 December 2024	31 December 2026	350,000
Mr Warren Randall	12 December 2019	31 December 2024	31 December 2026	200,000
Ms Laura McBain	9 February 2021	31 December 2024	31 December 2026	45,000

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting and exercisable date	Expiry date	Share price hurdle for vesting	Fair value per right at grant date
25 November 2019	31 December 2024	31 December 2026	\$2.550	\$0.95100
29 November 2021	31 December 2024	31 December 2026	\$2.550	\$5.06000
1 May 2023	1 May 2024	1 May 2026	\$4.000	\$1.32000
27 May 2024	30 June 2025	30 June 2030	\$1.800	\$0.40000
27 May 2024	30 June 2026	30 June 2031	\$2.100	\$0.49000
27 May 2024	30 June 2027	30 June 2032	\$2.400	\$0.54000
27 May 2024	30 June 2028	30 June 2033	\$2.700	\$0.58000

Performance rights granted carry no dividend or voting rights.

### Additional information

The earnings of the Group for the five years to 30 June 2025 are summarised below:

	2025 \$'000	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000
Sales revenue	17,169	16,731	19,877	24,338	16,543
Profit / (loss) after income tax	(11,319)	(4,568)	(4,908)	(470)	3,441



# Directors' Report, Cont'd

## Additional disclosures relating to key management personnel

### Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Mr Domenic Panaccio	109,954	90,000	329,412	-	529,366
Mr David Dearie	574,986	10,478	294,118	-	879,582
Mr Stuart Gregor (appointed 1 October 2024)	-	-	176,470	-	176,470
Mr Warren Randall	2,889,295	-	17,465,800	-	20,355,095
Ms Laura McBain (resigned 1 October 2024)	81,000	-	-	(81,000)	-
Mr Satya Sharma <sup>(a)</sup>	15,166	571,915	27,792	-	614,873
Mr Iain Short	-	90,000	-	-	90,000
	3,670,401	762,393	18,293,592	(81,000)	22,645,386

(a) Includes shares of 228,558 issued and 343,357 performance rights exercised.

### Share Rights

The number of share rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration <sup>(a)</sup>	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Mr David Dearie	10,478	-	(10,478)	-	-
	10,478	-	(10,478)	-	-

(a) During the year ended 30 June 2024, the Company issued 10,478 Share Rights in lieu of cash fees of \$12,500 as approved by shareholders at the AGM held on 23 November 2023.



# Directors' Report, Cont'd

## Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year	Balance vested and exercisable
<i>Performance rights over ordinary shares</i>						
Mr David Dearie	420,000	-	-	-	420,000	420,000
Mr Warren Randall	300,000	-	-	-	300,000	300,000
Ms Laura McBain <sup>(b)</sup>	90,000	-	-	(90,000)	-	-
Mr Satya Sharma <sup>(a)</sup>	4,306,637	-	(343,357)	-	3,963,280	-
Mr Iain Short	1,885,751	-	-	-	1,885,751	-
	7,002,388	-	(343,357)	(90,000)	6,569,031	720,000

(a) Mr Satya Sharma's Performance Rights holding include 197,280 performance rights that is part of the Long-Term Incentive plan. Number of Performance Rights have been determined based on estimated grant date, probability of achieving the vesting conditions and the Company's closing share price at 30 June 2023.

(b) Ms Laura McBain resigned as Non-Executive Director on 1 October 2024.

***This concludes the remuneration report, which has been audited.***

## SHARES UNDER OPTION

There were no outstanding Options over unissued ordinary shares of Lark Distilling Co. Ltd at the date of this report.

## SHARES ISSUED ON THE EXERCISE OF OPTIONS

The were no shares issued on the exercise of options during the year.

# Directors' Report, Cont'd

## SHARES UNDER PERFORMANCE RIGHTS

Unissued ordinary shares of Lark Distilling Co. Ltd under performance rights at the date of this report are as follows:

Grant date	Expiry date	Number
25 November 2019	31 December 2026	720,000
16 March 2020	31 December 2026	52,000
12 February 2021	31 December 2026	70,000
25 June 2021	31 December 2026	20,000
29 November 2021	31 December 2026	90,000
1 March 2023	1 June 2025	15,734
3 March 2023	1 June 2025	16,258
14 March 2023	1 June 2025	78,671
15 March 2023	1 June 2025	20,979
1 May 2023	1 May 2026	197,280
27 May 2024	30 June 2030	1,151,858
27 May 2024	30 June 2031	1,426,222
27 May 2024	30 June 2032	1,738,220
27 May 2024	30 June 2033	2,055,100
1 July 2024	30 June 2030	61,000
1 July 2024	30 June 2031	65,000
1 July 2024	30 June 2032	85,000
7 November 2024	8 May 2031	182,333
		<b>8,045,655</b>

(a) No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the company or of any other body corporate.

## SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

The following ordinary shares of Lark Distilling Co. Ltd were issued during the year ended 30 June 2025 and up to the date of this report on the exercise of performance rights granted:

Date performance rights granted	Exercise price	Number of shares issued
16 March 2020	\$0.000	95,000
12 February 2021	\$0.000	60,000
1 May 2023	\$0.000	343,357
		<b>498,357</b>



# Directors' Report, Cont'd

## INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

## PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

## NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 29 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 29 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

## OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the Company who are former partners of RSM Australia Partners.



# Directors' Report, Cont'd

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

## AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

## ROUNDING OF AMOUNTS

Lark Distilling Co. Ltd is a type of Company that is referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest thousand dollars.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Domenic Panaccio  
Non-Executive Chair

21 August 2025



# Auditor's Independence Declaration



## RSM Australia Partners

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## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Lark Distilling Co. Ltd. for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

**RSM AUSTRALIA PARTNERS**

**B Y CHAN**  
Partner

Dated: 21 August 2025  
Melbourne, Victoria

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RSM Australia Partners ABN 36 965 185 036

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# Financial Statements





# Statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 30 JUNE 2025

		Consolidated	
	Note	2025 \$'000	2024 \$'000
<b>Revenue</b>			
Revenue	5	17,169	16,731
Cost of sales		(7,120)	(7,276)
Gross profit		10,049	9,455
<b>Other income</b>	6	2,220	829
<b>Expenses</b>			
Marketing expenses		(5,342)	(2,981)
Administration and operating expenses	7	(3,886)	(3,781)
Employee benefits expense	8	(5,934)	(6,456)
Share based payments		(2,046)	(1,254)
Depreciation and amortisation	9	(978)	(1,062)
Write-off of fixed assets		(985)	-
<b>Loss before interest and tax (expense)/benefit</b>		(6,902)	(5,250)
Finance costs	10	(198)	(268)
Finance income		828	42
<b>Loss before income tax (expense)/benefit</b>		(6,272)	(5,476)
Income tax (expense)/benefit	11	(5,047)	908
<b>Loss after income tax (expense)/benefit for the year attributable to the owners of Lark Distilling Co. Ltd</b>		(11,319)	(4,568)
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive loss for the year attributable to the owners of Lark Distilling Co. Ltd</b>		(11,319)	(4,568)
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	36	(11.24)	(6.05)
Diluted loss per share	36	(11.24)	(6.05)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes



# Statement of financial position

AS AT 30 JUNE 2025

		Consolidated	
	Note	2025 \$'000	2024 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	23,107	2,355
Trade and other receivables	13	628	1,096
Inventories	14	16,313	14,773
Prepaid assets	16	396	97
Total current assets		40,444	18,321
<b>Non-current assets</b>			
Inventories	14	48,977	49,360
Property, plant and equipment	17	13,467	14,625
Right-of-use assets	15	1,976	2,102
Intangibles	18	21,200	21,317
Deferred tax	19	-	4,902
Total non-current assets		85,620	92,306
<b>Total assets</b>		126,064	110,627
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	20	4,607	2,486
Lease liabilities	22	538	506
Employee benefits	23	507	537
Deferred government grants	24	2,329	3,975
Total current liabilities		7,981	7,504
<b>Non-current liabilities</b>			
Lease liabilities	22	1,531	1,684
Employee benefits	23	121	76
Total non-current liabilities		1,652	1,760
<b>Total liabilities</b>		9,633	9,264
<b>Net assets</b>		116,431	101,363
<b>Equity</b>			
Issued capital	25	140,827	116,486
Reserves	26	6,070	4,024
Accumulated losses		(30,466)	(19,147)
<b>Total equity</b>		116,431	101,363

The above statement of financial position should be read in conjunction with the accompanying notes

# Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2025

Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2023	116,486	2,770	(14,579)	104,677
Loss after income tax benefit for the year	-	-	(4,568)	(4,568)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(4,568)	(4,568)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 37)	-	1,254	-	1,254
<b>Balance at 30 June 2024</b>	<b>116,486</b>	<b>4,024</b>	<b>(19,147)</b>	<b>101,363</b>

Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2024	116,486	4,024	(19,147)	101,363
Loss after income tax expense for the year	-	-	(11,319)	(11,319)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(11,319)	(11,319)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 25)	24,549	-	-	24,549
Share buy-back (note 25)	(208)	-	-	(208)
Share-based payments (note 37)	-	2,046	-	2,046
<b>Balance at 30 June 2025</b>	<b>140,827</b>	<b>6,070</b>	<b>(30,466)</b>	<b>116,431</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes



# Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2025

		Consolidated	
	Note	2025 \$'000	2024 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		19,394	19,232
Payments to suppliers and employees (inclusive of GST)		(18,563)	(18,242)
Purchase of inventory		(5,211)	(5,870)
Interest paid		(157)	(210)
Interest received		734	42
Government rebates and tax incentives received		888	829
Net cash used in operating activities	35	(2,915)	(4,219)
<b>Cash flows from investing activities</b>			
Payments for short-term investments		(7,000)	-
Proceeds from short-term investments		7,000	-
Proceeds from sale of property, plant and equipment		3,610	37
Proceeds from sale of intangibles		389	-
Payments for property, plant and equipment		(4,158)	(436)
Payments for intangibles		(76)	(138)
Government grant towards purchase of equipment		300	300
Net cash from/(used in) investing activities		65	(237)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		24,983	-
Minimum Holding share buy-back		(208)	-
Share issue transaction costs		(579)	-
Repayment of lease liabilities under AASB 16		(594)	(349)
Net cash from/(used in) financing activities		23,602	(349)
Net increase/(decrease) in cash and cash equivalents		20,752	(4,805)
Cash and cash equivalents at the beginning of the financial year		2,355	7,160
Cash and cash equivalents at the end of the financial year	12	23,107	2,355

The above statement of cash flows should be read in conjunction with the accompanying notes



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 1. GENERAL INFORMATION

The financial statements cover Lark Distilling Co. Ltd as a Group consisting of Lark Distilling Co. Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Lark Distilling Co. Ltd's functional and presentation currency.

Lark Distilling Co. Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1  
91-93 Macquarie Street  
Hobart TAS 7000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 21 August 2025. The directors have the power to amend and reissue the financial statements.

### NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION

#### BASIS OF PREPARATION

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial report has been prepared on the basis of historical cost, except for certain financial assets and liabilities measured at fair value.

The Company is a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission, relating to the rounding off of amounts in financial reports. In accordance with that Instrument, amounts in the financial report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

Non-monetary disclosures, including the number of ordinary shares on issue, performance rights outstanding, and other unit-based amounts, are presented in full and not rounded, to ensure the information remains clear and meaningful.

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

#### NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

#### FINANCIAL INSTRUMENTS

##### Financial Assets

##### *Recognition and Initial Measurement*

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification of financial assets*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION, CONT'D

#### *Impairment of financial assets*

The Group recognises lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

#### *Derecognition*

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

#### **Financial Liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities that are not

- (i) contingent consideration of an acquirer in a business combination,
- (ii) held-for-trading, or
- (iii) designated as at fair value through profit or loss ("FVTPL"), are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

#### *Derecognition*

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### *Impairment of assets*

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired.

If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed at each reporting period for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **Parent entity information**

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 32.

#### **Principles of consolidation**

A controlled entity is any entity that the Company has the power to control the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Disclosure statement to the consolidated financial statements. All controlled entities have a June financial year-end, except for Aowei Liquor Industries Beijing Limited (former name Beijing Montec Commercial Limited), which has a December year end; and Australian Whisky Holdings (HK) Limited (former name Montec International (HK) Limited), which has a March year end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered the Group during the year, their operating results have been included from the date control was obtained.

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed to ensure consistencies with those policies applied by the parent entity.

# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION, CONT'D

#### Foreign currency translation

The financial statements are presented in Australian dollars, which is Lark Distilling Co. Ltd's functional and presentation currency.

#### Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Exchange differences arising on the translation of monetary items are recognised in the statement of Profit or Loss and other Comprehensive Income.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of Profit or Loss and other Comprehensive Income.

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period, where this approximates the rate at date of transaction; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of Financial Position. These differences are recognised in the statement of Profit or Loss and other Comprehensive Income in the period in which the operation is disposed.

#### Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Lark Distilling Co. Ltd (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

#### Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION, CONT'D

there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

#### Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

### NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value

is determined by using either the Monte Carlo or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

#### Goodwill and other indefinite life intangible assets

The Group tests at each reporting period, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 18. Critical accounting judgements, estimates and assumptions have been applied in the assessment of impairment. Further information on the goodwill impairment assessment is included in note 18 to the financial statements.

#### Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and carried forward losses only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and carried forward losses. To the extent possible, management's expectation is to utilise the available carried forward losses in the future.

#### Environmental, Social and Governance

The Group is committed to minimising its environmental footprint. The Group's operations are not subject to significant environmental regulation under a law of the Commonwealth or of a state or territory of Australia or international markets that Lark export to. The Group's management regularly and routinely monitor compliance with relevant environmental regulations and has established procedures to monitor and manage compliance with existing regulations and new regulations that may be established.

#### Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the group is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

#### Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS, CONT'D

#### *Estimation of useful lives of assets*

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### *Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

#### *Incremental borrowing rate*

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

#### *Employee benefits provision*

As discussed in note 23, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

### NOTE 4. OPERATING SEGMENTS

#### *Identification of reportable operating segments*

The Group is organised into three operating segments: whisky, gin, and other. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The operations of the Group in management of equity investments are consistent with the Groups' strategy to continue its investment and growth in both whisky ("Lark" as the hero brand) and gin ("Forty Spotted Gin"). Whisky and gin are assessed as separate segments by the CODM due to the differences in production processes, inventory life cycle, market categories, working capital requirements and financial contribution to the Group. The "Other" segment represents the contribution to Group results that is not directly attributable to the Whisky or Gin segments. Accordingly, the Group's operating segments are reported as three distinct segments: Whisky, Gin, and Other.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

#### *Intersegment receivables, payables and loans*

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

#### *Major customers*

During the year ended 30 June 2025, approximately 23.3% of the Group's external revenue was derived from sales to one customer (FY24: 21.3%) with revenue of the Group from direct customers being materially derived from the Australian geographical market.



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 4. OPERATING SEGMENTS, CONT'D

*Operating segment information*

Consolidated - 2025	Whisky \$'000	Gin \$'000	Other \$'000	Total \$'000
<b>Revenue</b>				
Sales to external customers	14,653	1,542	974	17,169
<b>Total revenue</b>	14,653	1,542	974	17,169
<b>EBITDA</b>	(4,790)	(702)	(432)	(5,924)
Depreciation and amortisation	(835)	(88)	(55)	(978)
Finance costs	(169)	(18)	(11)	(198)
Interest Income	707	74	47	828
<b>Loss before income tax expense</b>	(5,087)	(734)	(451)	(6,272)
Income tax expense				(5,047)
<b>Loss after income tax expense</b>				(11,319)
<b>Consolidated - 2024</b>	<b>Whisky \$'000</b>	<b>Gin \$'000</b>	<b>Other \$'000</b>	<b>Total \$'000</b>
<b>Revenue</b>				
Sales to external customers	13,025	2,678	1,028	16,731
<b>Total revenue</b>	13,025	2,678	1,028	16,731
<b>EBITDA</b>	(2,582)	(1,298)	(308)	(4,188)
Depreciation and amortisation	(827)	(170)	(65)	(1,062)
Finance costs	(209)	(43)	(16)	(268)
Interest Income	32	7	3	42
<b>Loss before income tax benefit</b>	(3,586)	(1,504)	(386)	(5,476)
Income tax benefit				908
<b>Loss after income tax benefit</b>				(4,568)

*Accounting policy for operating segments*

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. The CODM does not review balance sheet information by segment.

# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 5. REVENUE

	Consolidated	
	2025 \$'000	2024 \$'000
Whisky revenue	14,653	13,025
Gin revenue	1,542	2,678
Other revenue	974	1,028
	17,169	16,731

#### Revenue recognition

The Group recognises revenue as follows:

##### *Accounting policy for revenue from contracts with customers*

Revenue relating to sale of goods is recognised at a point in time. The amount recognised reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct goods to be dispatch; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and returns, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined and consistently applied using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

##### *Sale of goods*

Revenue derived from all sale of inventories to customers is recognised at the time of transfer of ownership of goods. Typically, this occurs at the time of dispatch of goods, unless otherwise specified in the trading terms of that customer. All revenue is stated net of the amount of goods and services tax (GST).

##### *Other revenue*

Other revenue is a combination of Hospitality sales of Non-Lark products, as well as other Lark products including Slainte, and is recognised when it is received or when the right to receive payment is established.



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 6. OTHER INCOME

	Consolidated	
	2025 \$'000	2024 \$'000
Excise rebates	350	350
R&D grant income	522	444
Other income	16	44
Gain / loss on sale of fixed assets (net)	34	(9)
Government grant income	1,298	-
Other income	2,220	829

#### Accounting policy for R&D tax incentive income

Research and Development tax incentives are recognised in accordance with AASB 120: *Accounting for Government Grants and Government Assistance*. The Research and development tax credit is recognised when there is reasonable assurance that the grant will be received, and all conditions have been complied with.

#### Accounting policy for excise rebates and other incomes

Excise rebates and other incomes are recognised when it is received or when the right to receive payment is established.

### NOTE 7. ADMINISTRATION AND OPERATING EXPENSES

	Consolidated	
	2025 \$'000	2024 \$'000
Consulting fees	664	429
Legal fees	9	40
Directors' fees	349	262
Insurance costs	232	248
Inventory losses	176	71
Occupancy costs	693	623
IT, Licenses and Subscriptions	483	697
Travel, transport and entertainment	245	294
Other administrative costs	450	648
Other corporate costs	585	469
	3,886	3,781



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 8. EMPLOYEE BENEFITS EXPENSE

	Consolidated	
	2025 \$'000	2024 \$'000
Salaries and wages	4,934	5,479
Superannuation	507	545
Movement in employee benefit provisions	14	90
Other employee expenses	479	342
	<b>5,934</b>	<b>6,456</b>
Employee benefits expense charge to profit or loss		
Employee benefits expense capitalised into inventory	1,777	1,890
Employee benefits expense capitalised into property, plant and equipment	121	-

### NOTE 9. DEPRECIATION AND AMORTISATION

	Consolidated	
	2025 \$'000	2024 \$'000
Depreciation of property, plant and equipment	704	787
Depreciation of right-of-use assets ("ROU")	200	216
Amortisation of intangibles	74	59
	<b>978</b>	<b>1,062</b>
Depreciation capitalised into inventory	113	182
ROU Depreciation capitalised into inventory	327	109
	<b>440</b>	<b>291</b>

### NOTE 10. FINANCE COSTS

	Consolidated	
	2025 \$'000	2024 \$'000
Interest expense	63	73
Bank and other fees	135	195
	<b>198</b>	<b>268</b>

#### Accounting policy for finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 11. INCOME TAX (EXPENSE)/BENEFIT

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Income tax (expense)/benefit</i>		
Deferred tax - origination and reversal of temporary differences	(5,347)	1,163
Adjustment in respect of prior year	300	(255)
Aggregate income tax (expense)/benefit	(5,047)	908
<i>Numerical reconciliation of income tax (expense)/benefit and tax at the statutory rate</i>		
Loss before income tax	(6,272)	(5,476)
Tax at the statutory tax rate of 25%	1,568	1,369
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	(512)	(314)
R&D offset income	131	111
Other	(114)	(3)
Derecognised deferred tax assets (note 19)	1,073	1,163
Adjustment in respect of prior year	(5,820)	-
	(300)	(255)
Income tax (expense)/benefit	(5,047)	908

The Group qualifies as a base rate entity as defined from the *Treasury Laws Amendment (Enterprise Tax Plan Base Rate Entities) Act 2018*. Accordingly at 30 June 2025, the Group's tax rate was 25% in 2024/25 financial year (2023/24: 25%) as per the requirements of the *Treasury Laws Amendment Act 2018*.

# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 11. INCOME TAX (BENEFIT) / EXPENSE, CONT'D

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised		
Immediately available	21,628	-
Subject to available fraction limitations	18,362	18,362
Total unused tax losses for which no deferred tax asset has been recognised	39,990	18,362
Other temporary differences	1,654	-
Potential tax benefit @25% (2024: 25%)	10,411	4,591
<i>Amounts credited directly to equity</i>		
Deferred tax assets	(145)	

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed and future taxable profits are available to offset against the carry forward tax losses.

Losses subject to available fraction limits relate to losses transferred to the tax consolidated group with available fraction calculations which limit the quantum of losses that can be applied in a single income year. This is expected to extend the period over which these losses can be utilised and therefore reduce their effective economic value.

The franking account balance as at 30 June 2025 was Nil (30 June 2024: Nil).

### NOTE 12. CASH AND CASH EQUIVALENTS

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Current assets</i>		
Cash	12,107	2,355
Cash on term deposit - 3 months or less	11,000	-
	23,107	2,355

#### Accounting policy for cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts.



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 13. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Current assets</i>		
Trade and other receivables	543	1,081
Allowance for expected credit losses	(45)	(45)
	498	1,036
Other receivables	130	59
Deposits paid	-	1
	628	1,096

#### *Accounting policy for trade and other receivables*

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are non-interest bearing and are generally on 60–90 day terms.

Other receivables are recognised at amortised cost.



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 14. INVENTORIES

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Current assets</i>		
Raw materials	1,663	1,726
Work in progress	4,413	2,776
Finished goods	2,175	2,143
Inventory in casks	8,494	8,598
Provision for obsolescence	(432)	(470)
	<b>16,313</b>	<b>14,773</b>
<i>Non-current assets</i>		
Inventory in casks	48,754	49,137
Finished Goods	223	223
	<b>48,977</b>	<b>49,360</b>

#### Accounting policy for inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value.

Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Work in progress inventory reflects whisky and gin currently in production but not yet bottled or barrelled.

### NOTE 15. RIGHT-OF-USE ASSETS

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Non-current assets</i>		
Right-of-use assets	2,830	2,706
Less: Accumulated depreciation	(854)	(604)
	<b>1,976</b>	<b>2,102</b>



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 15. RIGHT-OF-USE ASSETS, CONT'D

#### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings right-of-use \$'000	Total \$'000
Balance at 1 July 2023	4,522	4,522
Additions	762	762
Disposals	(2,858)	(2,858)
Depreciation expense	(324)	(324)
Balance at 30 June 2024	2,102	2,102
Additions	376	376
Revaluations	26	26
Depreciation expense	(528)	(528)
Balance at 30 June 2025	<b>1,976</b>	<b>1,976</b>

Additions and disposals of right-of-use assets during the year related to the leasing of hospitality and retail outlets.

The Group leases land and buildings for its offices, warehouses and retail outlets under agreements of between two to fifteen years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Group also leases plant and equipment under agreements of between three to seven years.

The Group leases office equipment under agreements of less than two years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

#### Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 16. PREPAID ASSETS

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Current assets</i>		
Prepaid packaging and other	396	97

### NOTE 17. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Non-current assets</i>		
Land and buildings - at cost	5,575	9,365
Less: Impairment	-	(530)
	5,575	8,835
Building improvements - at cost	1,331	1,646
Less: Accumulated depreciation	(937)	(957)
	394	689
Plant, equipment and production assets - at cost	4,110	6,413
Less: Accumulated depreciation	(1,509)	(2,632)
	2,601	3,781
Motor vehicles - at cost	94	94
Less: Accumulated depreciation	(69)	(62)
	25	32
Capital work in progress - at cost	4,872	1,288
	13,467	14,625



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 17. PROPERTY, PLANT AND EQUIPMENT, CONT'D

#### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings \$'000	Building improvements \$'000	Plant, equipment and production assets \$'000	Motor vehicles \$'000	Capital work in progress \$'000	Total \$'000
Balance at 1 July 2023	8,935	907	4,190	38	1,131	15,201
Additions	-	31	153	-	252	436
Disposals	-	-	(43)	-	-	(43)
Capitalised to inventory	-	-	(182)	-	-	(182)
Transfers in/(out)	(100)	100	95	-	(95)	-
Depreciation expense	-	(349)	(432)	(6)	-	(787)
Balance at 30 June 2024	8,835	689	3,781	32	1,288	14,625
Additions	-	8	108	-	4,383	4,499
Disposals	(3,260)	(99)	(858)	-	(623)	(4,840)
Capitalised to inventory	-	-	(113)	-	-	(113)
Transfers in/(out)	-	138	38	-	(176)	-
Depreciation expense	-	(342)	(355)	(7)	-	(704)
<b>Balance at 30 June 2025</b>	<b>5,575</b>	<b>394</b>	<b>2,601</b>	<b>25</b>	<b>4,872</b>	<b>13,467</b>

#### Accounting policy for property, plant and equipment

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Freehold land is not depreciated.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit and loss.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Building improvements	2.5% - 27%
Plant, equipment and production assets	2.5% - 50%
Motor vehicles	8.3% - 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 18. INTANGIBLES

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Non-current assets</i>		
Goodwill - at cost	20,735	20,735
Other intangible assets - at cost	834	877
Less: Accumulated amortisation	(369)	(295)
	465	582
	21,200	21,317

#### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill \$'000	Other intangibles \$'000	Total \$'000
Balance at 1 July 2023	20,735	504	21,239
Additions	-	138	138
Amortisation expense	-	(60)	(60)
Balance at 30 June 2024	20,735	582	21,317
Additions	-	76	76
Disposals	-	(119)	(119)
Amortisation expense	-	(74)	(74)
Balance at 30 June 2025	20,735	465	21,200

Goodwill is attributable to business acquisitions and has been allocated to the Whisky segment (cash generating unit or CGU).

Goodwill is considered to have an indefinite useful life due to the on-going cash generation attributable to the respective CGU and its recoverable value is assessed at each reporting period on a value-in-use (VIU) discounted cash flows basis.

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including:

#### Cash flow forecasts

Forecast future cash flows are based on the most recent board approved six-year financial plans.

The financial plans comprise forecasts of revenue, profit margin, staff costs, selling and distribution costs, and overheads. The financial plans have been based on current and anticipated market conditions, and anticipated costs of expanding to new export markets and have been referenced against industry projections. While the Group have a level of control over the staff and overheads cost, revenue forecasts are inherently subject to uncertainty due to macro-economic factors and timing of expansion into new export markets. The financial plans include assumptions to changes in working capital based on historical and expected future trends.

For the purposes of assessing impairment of goodwill, cash forecasts have assumed that the whisky litres under maturation balance is maintained over time. Capital expenditure has been based on historical and expected future costs to maintain this inventory level.



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 18. INTANGIBLES, CONT'D

#### *Long-term growth rates*

Cash forecasts beyond a six-year period have been extrapolated using a conservative terminal growth rate of 2%. The rate has been applied for the purposes of assessing impairment of goodwill only, which Management and the board believe is prudent in assessing for indicators of impairment.

#### *Discount rates*

The discount rate applied of 15% pre-tax reflects management's estimate of the time value of money and the Group's weighted average cost of capital, the risk-free rate and the volatility of the share price relative to market movements.

#### *Sensitivity Analysis*

A reduction in the average annual revenue growth rate over the forecast period of approximately 12% (from the rate used in the model) would result in the recoverable amount equalling the carrying amount. Management believes that other reasonable changes in the key assumptions on which the recoverable amount of the cash-generating unit is based would not cause its carrying amount to exceed its recoverable amount.

#### *Accounting policy for intangible assets*

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

#### *Goodwill*

Goodwill is carried at cost less any accumulated impairment losses.

Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred;
- (ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
- (iii) the acquisition date fair value of any previously held equity interest; over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries

are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments.

Goodwill is tested for impairment at each reporting period and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

#### *Other intangible assets*

Other intangible assets including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

#### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 18. INTANGIBLES, CONT'D

#### Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised. The estimated useful lives for current and comparative periods are as follows:

<i>Intangible asset</i>	<i>Useful life</i>
Other intangible assets	3-5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### NOTE 19. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes.

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Non-current assets</i>		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	5,407	4,324
Inventories	11	13
Provisions and accruals	346	353
Other liabilities	517	547
Capital raising costs	210	211
Foreign exchange	(4)	(1)
Other	97	79
Fixed assets and right of use assets	(642)	(600)
Prepayments	(122)	(24)
Deferred tax not recognised	(5,820)	-
Net deferred tax asset	-	4,902
<i>Movements:</i>		
Opening balance	4,902	3,994
(Charged)/credited to profit or loss (note 11)	(5,047)	908
Credited to equity (note 11)	145	-
	-	4,902



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 20. TRADE AND OTHER PAYABLES

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Current liabilities</i>		
Trade and other payables	2,818	1,136
Sundry creditors and accrued expenses	1,789	1,350
	<b>4,607</b>	2,486

Refer to note 27 for further information on financial instruments.

#### *Accounting policy for trade and other payables*

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### NOTE 21. BORROWINGS

The Company maintains a \$5 million debt facility from National Australia Bank. The key terms of the debt facility from National Australia Bank are as follows:

- Facility amount up to \$5,000,000;
- Interest rate based on BBSY+ 2.09% per annum;
- Interest only loan with principal due at the end of the term;
- Maturity on 31 January 2028; and
- Financial covenant — In January 2025, the terms of the facility were amended to remove the financial covenant.

#### *Assets pledged as security*

The loan is secured by a registered security interest in real property and whisky held by the Group.

#### *Accounting policy for borrowings*

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 22. LEASE LIABILITIES

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Current liabilities</i>		
Lease liability	538	506
<i>Non-current liabilities</i>		
Lease liability	1,531	1,684

The carrying value of lease liabilities is determined based on cash cost and term of leases, with future lease payments discounted to present value using the Group's assessed incremental borrowing rate.

Refer note 27 for further information lease maturity and interest rates.

#### Accounting policy for financial liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### NOTE 23. EMPLOYEE BENEFITS

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Current liabilities</i>		
Employee benefits	507	537
<i>Non-current liabilities</i>		
Employee benefits	121	76





# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 23. EMPLOYEE BENEFITS, CONT'D

#### Accounting policy for employee benefits

*Amounts not expected to be settled within the next 12 months*

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

#### *Short-term employee benefits*

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

#### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

### NOTE 24. DEFERRED GOVERNMENT GRANTS

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Current liabilities</i>		
Deferred government grants	2,329	3,975

#### *Government grant*

Grants from the government are recognised at their fair value when there is a reasonable assurance that the Group will comply with the conditions of the grant, and that the grant will be received. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in the statement of financial position as deferred income and credited to the income statement on a straight-line basis over the expected lives of the related assets.

### NOTE 25. ISSUED CAPITAL

	Consolidated			
	2025 Shares	2024 Shares	2025 \$'000	2024 \$'000
Ordinary shares - fully paid	105,940,112	75,743,044	140,827	116,486

# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 25. ISSUED CAPITAL, CONT'D

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2023	75,430,044		116,486
Exercise of performance rights	7 September 2023	10,000	\$0.00	-
Exercise of performance rights	27 December 2023	8,000	\$0.00	-
Exercise of performance rights	21 February 2024	260,000	\$0.00	-
Exercise of performance rights	13 March 2024	35,000	\$0.00	-
Balance	30 June 2024	75,743,044		116,486
Placement of shares	2 August 2024	7,647,059	\$0.85	6,500
Share purchase plan	27 August 2024	4,117,647	\$0.85	3,500
Exercise of performance rights	2 September 2024	35,000	\$0.00	-
Placement of shares to related parties	6 September 2024	17,626,612	\$0.85	14,983
Issue of shares	7 November 2024	140,000	\$0.00	-
Issue of shares	28 November 2024	90,000	\$0.00	-
Transaction costs for the period		-	\$0.00	(579)
Tax related movement in equity		-	\$0.00	145
Exercise of performance rights	27 February 2025	100,000	\$0.00	-
Minimum Holding share buy-back	24 March 2025	(185,455)	\$1.12	(208)
Issue of shares	1 May 2025	23,812	\$0.00	-
Issue of shares	1 May 2025	228,558	\$0.00	-
Exercise of performance rights	1 May 2025	20,000	\$0.00	-
Issue of shares	1 May 2025	10,478	\$0.00	-
Exercise of performance rights	30 June 2025	343,357	\$0.00	-
Balance	30 June 2025	105,940,112		140,827

#### *Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

#### *Share buy-back*

There is no current on-market share buy-back.

#### *Accounting policy for issued capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 26. RESERVES

	Consolidated	
	2025 \$'000	2024 \$'000
Foreign currency reserve	48	48
Share-based payments reserve	6,022	3,976
	6,070	4,024

#### *Foreign currency reserve*

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

#### *Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

### NOTE 27. FINANCIAL INSTRUMENTS

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to and from subsidiaries.

The Board and Management monitor risks on a regular basis as part of formal board meeting and ad-hoc management discussion.

#### *i. Financial Risk Exposures and Management*

The main risks the Group is exposed to through its financial instruments are liquidity risks, foreign currency risk and credit risk.

#### *Liquidity risks*

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions.

#### *Foreign currency risk*

The Group does not have any material foreign currency risk exposure.

#### *Credit risk*

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and notes to the financial statements.

There are no material amounts of collateral held as security at 30 June 2025 (30 June 2024: Nil).

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions.

#### *b. Financial Instruments*

#### *i. Derivative Financial Instruments*

The Group has not participated in the use of any derivative financial instruments during the year.

# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 27. FINANCIAL INSTRUMENTS, CONT'D

#### ii. Financial instrument composition and maturity analysis

The tables below reflect the weighted average effective interest rate on classes of financial assets and financial liabilities:

#### Financial Assets

	Non-interest Bearing 2025 \$'000	Non-interest Bearing 2024 \$'000	Total 2025 \$'000	Total 2024 \$'000
Trade and other receivables	628	1,096	628	1,096
	Weighted interest rate 2025 %	Weighted interest rate 2024 %	Total 2025 \$'000	Total 2024 \$'000
Cash	4.06%	3.87%	23,107	2,355

Financial liabilities	Total 2025 \$'000	Total 2024 \$'000
Trade payables	4,607	2,486

Trade and other payables are expected to be paid as follows:

	30 June 2025 \$'000	30 June 2024 \$'000
Less than 6 months	4,607	2,486

Leases	Implicit interest rate 2025 %	Implicit interest rate 2024 %	Total 2025 \$'000	Total 2024 \$'000
Operating leases	2.70%	2.70%	2,069	2,190

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Maturity analysis of total lease liabilities undiscounted as at the reporting date are as follows:</i>		
1 year or less	599	573
Between 1 and 2 years	232	511
Between 2 and 5 years	681	431
Over 5 years	814	945
	2,326	2,460



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 27. FINANCIAL INSTRUMENTS, CONT'D

In February 2024, the Group secured an extension of its committed bank facility with National Australia Bank, now maturing in January 2028. Following the capital raise, the facility was reduced to \$5 million in October 2024 and remains undrawn, with the Group operating debt-free throughout the year.

	Consolidated	
	2025 \$'000	2024 \$'000
Undrawn	5,000	15,000

#### *Interest Rate Risk and Foreign Currency Risk*

The Group has not performed a sensitivity analysis relating to its exposure to interest rate risk and foreign currency risk at balance date as these risks are not material to the Group.

#### *Remaining contractual maturities*

The amounts disclosed in the above tables are the maximum amounts allocated to the earliest period in which the guarantee could be called upon. The Group does not expect these payments to eventuate earlier.

### NOTE 28. KEY MANAGEMENT PERSONNEL DISCLOSURES

#### *Directors*

The following persons were directors of Lark Distilling Co. Ltd during the financial year:

Mr Domenic Panaccio	Non-Executive Chair - Non-Executive Chair
Mr David Dearie	Non-Executive Director - Non-Executive Director
Mr Stuart Gregor	Non-Executive Director - appointed Non-Executive Director on 1 October 2024
Mr Warren Randall	Non-Executive Director
Ms Laura McBain	Non-Executive Director - resigned Non-Executive Director on 1 October 2024

#### *Other key management personnel*

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Mr Satya Sharma	Chief Executive Officer
Mr Iain Short	Chief Financial Officer



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 28. KEY MANAGEMENT PERSONNEL DISCLOSURES, CONT'D

#### Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2025 \$	2024 \$
Short-term benefits	1,388,030	1,354,889
Post-employment benefits	59,864	54,213
Long-term benefits	6,673	2,012
Share-based payments	1,575,618	1,134,511
	<b>3,030,185</b>	<b>2,545,625</b>

### NOTE 29. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	Consolidated	
	2025 \$	2024 \$
<i>Audit or review of the financial statements</i>		
RSM Australia Partners	125,785	103,500

The above includes \$3,000 (2024: \$0) in fees paid for assurance services relating to grant acquittal reporting.

### NOTE 30. COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2025, the Group had capital commitments of \$280,000 relating to upgrades to its cellar door venue that are underway. These commitments are expected to be settled during the 2026 financial year.

There are no other commitments for the Group for the period ended 30 June 2025 (2024 nil).

The Group had no contingent liabilities as at 30 June 2025 and 30 June 2024.



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 31. RELATED PARTY TRANSACTIONS

#### *Parent entity*

Lark Distilling Co. Ltd is the parent entity.

#### *Subsidiaries*

Interests in subsidiaries are set out in note 33.

#### *Key management personnel*

Disclosures relating to key management personnel are set out in note 28 and the remuneration report included in the directors' report.

#### *Transactions with related parties*

During the period ended 30 June 2025, the Group made purchases amounting to \$36,006 (30 June 2024: \$53,118) from an entity associated with Warren Randall (Non-Executive Director). These transactions were for the purchase of casks and inventory for Lark hospitality venues and wooden barrels from Seppeltsfield Wines Pty Ltd (ABN: 97 127 078 282) for the Group to use in its' production process of Lark. Payable balance as of 30 June 2025 was \$13,800 (30 June 2024: Nil).

#### *Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

#### *Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 32. PARENT ENTITY INFORMATION

#### Statement of financial position

	Parent	
	2025 \$'000	2024 \$'000
Total current assets	24,320	1,234
Total assets	127,304	105,157
Total current liabilities	3,576	1,837
Total liabilities	4,344	2,462
Equity		
Issued capital	140,827	116,486
Other reserves	49	17
Share-based payments reserve	6,022	3,976
Accumulated losses	(23,938)	(17,783)
Total equity	122,960	102,696

#### Financial performance

	Parent	
	2025 \$'000	2024 \$'000
Loss for the year	(6,794)	(1,237)
Other comprehensive loss	-	-
Total comprehensive loss	(6,794)	(1,237)

#### Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

#### Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

#### Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

#### Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 33. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
Australian Whisky Holdings Bothwell Pty Ltd	Tasmania, Australia	100.00%	100.00%
Australian Whisky Holdings Services Pty Ltd	Tasmania, Australia	100.00%	100.00%
Australian Whisky Holdings Management Pty Ltd	Tasmania, Australia	100.00%	100.00%
Aowei Liquor Industries Beijing Limited	Beijing PRC	100.00%	100.00%
Australian Whisky Holdings (HK) Limited	Kowloon, Hong Kong	100.00%	100.00%
Lark Distillery Pty Ltd	Tasmania, Australia	100.00%	100.00%
Kernke Family Shene Estate Pty Ltd	Tasmania, Australia	100.00%	100.00%
Shene Distillery Pty Ltd	Tasmania, Australia	100.00%	100.00%
ACN 167 487 050 Pty Ltd	Tasmania, Australia	100.00%	100.00%

### NOTE 34. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstances has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 35. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

	Consolidated	
	2025 \$'000	2024 \$'000
Loss after income tax (expense)/benefit for the year	(11,319)	(4,568)
Adjustments for:		
Depreciation and amortisation	978	1,062
Write off of fixed assets	985	-
Deferred government grant	(1,298)	-
Net loss/(gain) on disposal of property, plant and equipment	(34)	9
Movement in deferred taxes related to equity	145	-
Non-cash share-based payments	2,046	1,254
Change in operating assets and liabilities:		
Decrease in trade and other receivables	469	899
Increase in inventories	(688)	(1,932)
Decrease/(increase) in deferred tax assets	4,902	(908)
Decrease/(increase) in prepayments	(298)	20
Increase in other provisions	15	90
Decrease in deferred grants	(649)	-
Decrease/(increase) in trade creditors and accruals	1,831	(145)
Net cash used in operating activities	(2,915)	(4,219)

### NOTE 36. LOSS PER SHARE

	Consolidated	
	2025 \$'000	2024 \$'000
Loss after income tax attributable to the owners of Lark Distilling Co. Ltd	(11,319)	(4,568)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	100,706,979	75,549,466
Weighted average number of ordinary shares used in calculating diluted earnings per share	100,706,979	75,549,466
	Cents	Cents
Basic loss per share	(11.24)	(6.05)
Diluted loss per share	(11.24)	(6.05)

As at 30 June 2025, the Group had 8,045,655 (2024: 8,370,054) Performance Rights over ordinary shares which are excluded from the calculation of basic and diluted earnings per share. These equity instruments are considered to be anti-dilutive, as their inclusion would not decrease earnings per share nor increase the loss per share, from continuing operations.





# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 36. LOSS PER SHARE, CONT'D

*Accounting policy for earnings per share*

*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Lark Distilling Co. Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### NOTE 37. SHARE-BASED PAYMENTS

**Employee incentive plan**

An employee incentive plan ("Plan") has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Board, grant Options and Performance Rights over ordinary shares in the Company to eligible key management personnel and employees of the Group. These Options and Performance Rights are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

The valuations of Options and Performance Rights issued under the Plan are determined by using an industry standard option pricing model taking into account the terms and conditions upon which the instruments were issued. Set out below are summaries of Performance Rights granted, exercised and expired / forfeited under the Plan and their vesting conditions:

Tranche name	Grant Date(s)	Expiry	Target Market	
			Share Price	Service Condition
FY20 H1 - Tranche 3	25/11/2019	31/12/2026	1.95	31/12/2022
FY20 H1 - Tranche 4	25/11/2019	31/12/2026	2.25	31/12/2023
FY20 H1 - Tranche 5	25/11/2019	31/12/2026	2.55	31/12/2024
FY20 H2 - Tranche 3	27/02/2020-16/03/2020	31/12/2026	1.95	31/12/2022
FY20 H2 - Tranche 4	27/02/2020-16/03/2020	31/12/2026	2.25	31/12/2023
FY20 H2 - Tranche 5	27/02/2020-16/03/2020	31/12/2026	2.55	31/12/2024
FY21 H2 - Tranche 4	12/02/2021-16/06/2021	31/12/2026	2.25	31/12/2023
FY21 H2 - Tranche 5	12/02/2021-16/06/2021	31/12/2026	2.55	31/12/2024
FY23 H2 - Tranche 1	01/03/2023-16/03/2023	01/07/2025	N/A	30/06/2025
FY23 H2 - Tranche 2	01/03/2023-16/03/2023	01/07/2025	3.81	30/06/2025
FY23 CEO Sign-On	01/05/2023	01/05/2026	N/A	01/05/2024
FY23 CEO LTI	01/05/2023	01/05/2026	Refer below*	
FY24 H2 - Tranche 1	27/05/2024	30/06/2030	N/A	30/06/2025
FY24 H2 - Tranche 2	27/05/2024	30/06/2030	1.80	30/06/2025
FY24 H2 - Tranche 3	27/05/2024	30/06/2031	2.10	30/06/2026
FY24 H2 - Tranche 4	27/05/2024	30/06/2032	2.40	30/06/2027
FY24 H2 - Tranche 5	27/05/2024	30/06/2033	2.70	30/06/2028
FY25 H1 - Tranche 1	01/07/2024	30/06/2030	N/A	30/06/2025
FY25 H1 - Tranche 2	01/07/2024	30/06/2030	1.80	30/06/2025
FY25 H1 - Tranche 3	01/07/2024	30/06/2031	2.10	30/06/2026
FY25 H1 - Tranche 4	01/07/2024	30/06/2032	2.40	30/06/2027
FY25 H1 - Tranche 6	7/11/2024	8/05/2031	N/A	7/05/2026

# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 37. SHARE-BASED PAYMENTS, CONT'D

- *May 23 CEO LTI vesting condition*

Mr Sharma's long-term incentives are intended to be in the form of Share Rights to acquire Shares in the Company valued at up to \$975,000. The performance rights will vest and be exercisable upon the satisfaction of service condition and performance conditions, which were agreed as part of the LTI. 197,280 performance rights noted in Mr Sharma's performance rights table and their fair value for accounting purposes have been determined based on estimated grant date, probability of achieving the vesting conditions and the Company's closing share price at 30 June 2023. Actual number of performance rights may be different at the grant date. The table below provide further detail of how Mr Sharma's entitlement is to be determined.

Target market share price	Value of entitlement (AUD)	Notes
\$4.00	\$195,000	-
>\$4.00 to \$5.00	>\$195,000 to \$650,000	Entitlement is \$195,000 plus additional entitlement determined on a pro-rata, straight line basis from \$4.00 to \$5.00.
>\$5.00 to \$6.00	>\$650,000 to \$975,000	Entitlement is \$650,000 plus additional entitlement determined on a pro-rata, straight line basis from \$5.00 to \$6.00.

\*\* Performances rights relating to these tranches will vest and be exercisable upon satisfaction of service condition and performance conditions agreed as part of the LTI. If the share price hurdle for Year 4 and/or Year 5 is satisfied in Year 3, the vesting of Performance Rights for Year 4 and/or Year 5 (as applicable) will be accelerated and vest together with those Year 3 Performance Rights.

In the event of a Corporate Control Event (as defined under clause 2 of the Company's Plan) during any of the specified continued employment periods set out in the table above, the following basis for vesting will instead apply to the Performance Rights in Tranches 2 - 5:

- (a) 40% of the issued Rights will vest immediately; and
- (b) if the Corporate Control Event:
  - (i) Occurs on or before 31 December 2026, then a pro-rata amount of the remaining 60% of the issued Rights, based on the number of days elapsed from 1 January 2024 to the date of the Corporate Control Event, as a proportion of the total number of days from 1 January 2024 to 31 December 2026, will vest on the date of the Corporate Control Event; or
  - (ii) Occurs on or after 31 December 2026, and before the Last Exercise Date of those Rights, then all such remaining and outstanding Rights will vest at the date of the Corporate Control Event.



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 37. SHARE-BASED PAYMENTS, CONT'D

2025					
Tranche name	Balance at the start of the year	Granted during the period	Exercised/ converted	Expired/ other changes	Balance at the end of the year
FY20 H1 - Tranche 3	70,000	-	-	-	70,000
FY20 H1 - Tranche 4	100,000	-	-	-	100,000
FY20 H1 - Tranche 5	550,000	-	-	-	550,000
FY20 H2 - Tranche 3	22,000	-	(20,000)	-	2,000
FY20 H2 - Tranche 4	90,000	-	(35,000)	-	55,000
FY20 H2 - Tranche 5	105,000	-	(40,000)	-	65,000
FY21 H2 - Tranche 4	80,000	-	-	(35,000)	45,000
FY21 H2 - Tranche 5	205,000	-	(60,000)	(80,000)	65,000
FY23 H2 - Tranche 1	39,652	-	-	(13,323)	26,329
FY23 H2 - Tranche 2	158,598	-	-	(53,285)	105,313
FY23 CEO Sign-On	343,357	-	(343,357)	-	-
FY23 CEO LTI	197,280	-	-	-	197,280
FY24 H2 - Tranche 1**	45,633	-	-	-	45,633
FY24 H2 - Tranche 2**	1,106,225	-	-	-	1,106,225
FY24 H2 - Tranche 3**	1,463,989	-	-	(37,767)	1,426,222
FY24 H2 - Tranche 4**	1,738,220	-	-	-	1,738,220
FY24 H2 - Tranche 5**	2,055,100	-	-	-	2,055,100
FY25 H1 - Tranche 1**	-	11,000	-	-	11,000
FY25 H1 - Tranche 2**	-	50,000	-	-	50,000
FY25 H1 - Tranche 3**	-	65,000	-	-	65,000
FY25 H1 - Tranche 4**	-	85,000	-	-	85,000
FY25 H1 - Tranche 6	-	182,333	-	-	182,333
	8,370,054	393,333	(498,357)	(219,375)	8,045,655

# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 37. SHARE-BASED PAYMENTS, CONT'D

2024					
Tranche name	Balance at the start of the year	Granted during the period	Exercised/ converted	Expired/ other changes	Balance at the end of the year
FY20 H1 - Tranche 3	70,000	-	-	-	70,000
FY20 H1 - Tranche 4	300,000	-	(200,000)	-	100,000
FY20 H1 - Tranche 5	550,000	-	-	-	550,000
FY20 H2 - Tranche 3	30,000	-	(8,000)	-	22,000
FY20 H2 - Tranche 4	90,000	-	-	-	90,000
FY20 H2 - Tranche 5	105,000	-	-	-	105,000
FY21 H2 - Tranche 3	10,000	-	(10,000)	-	-
FY21 H2 - Tranche 4	175,000	-	(95,000)	-	80,000
FY21 H2 - Tranche 5	205,000	-	-	-	205,000
FY23 H2 - Tranche 1	39,652	-	-	-	39,652
FY23 H2 - Tranche 2	158,598	-	-	-	158,598
FY23 CEO Sign-On	343,357	-	-	-	343,357
FY23 CEO LTI	197,280	-	-	-	197,280
FY24 H2 - Tranche 1	-	45,633	-	-	45,633
FY24 H2 - Tranche 2	-	1,106,225	-	-	1,106,225
FY24 H2 - Tranche 3	-	1,463,989	-	-	1,463,989
FY24 H2 - Tranche 4	-	1,738,220	-	-	1,738,220
FY24 H2 - Tranche 5	-	2,055,100	-	-	2,055,100
	2,273,887	6,409,167	(313,000)	-	8,370,054

The weighted average share price during the financial year was \$0.96 (2024: \$1.29).

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 5.83 years (June 2024: 6.43 years).



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 37. SHARE-BASED PAYMENTS, CONT'D

Set out below are the performance rights exercisable at the end of the financial year:

2024		
Tranche name	2025 Number	2024 Number
FY20 H1 - Tranche 3	70,000	70,000
FY20 H1 - Tranche 4	100,000	100,000
FY20 H1 - Tranche 5	550,000	-
FY20 H2 - Tranche 3	2,000	22,000
FY20 H2 - Tranche 4	55,000	90,000
FY20 H2 - Tranche 5	65,000	-
FY21 H2 - Tranche 4	45,000	80,000
FY21 H2 - Tranche 5	65,000	-
FY23 CEO Sign-On	-	343,357
	<b>952,000</b>	<b>705,357</b>

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Tranche name	Grant Date	Expiry date	Share Price at grant date	Vesting hurdle	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
FY25 H1 - Tranche 1	01/07/2025	30/06/2030	0.93	-	54.00%	-	4.12%	0.93
FY25 H1 - Tranche 2	01/07/2025	30/06/2030	0.93	1.80	54.00%	-	4.12%	0.30
FY25 H1 - Tranche 3	01/07/2025	30/06/2031	0.93	2.10	54.00%	-	4.12%	0.41
FY25 H1 - Tranche 4	01/07/2025	30/06/2032	0.93	2.40	54.00%	-	4.12%	0.48
FY25 H1 - Tranche 6	07/11/2024	08/05/2031	0.97	-	54.00%	-	4.12%	0.97

#### Accounting policy for share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.



# Lark Distilling Co. Ltd

## Notes to the financial statements

30 JUNE 2025

### NOTE 37. SHARE-BASED PAYMENTS, CONT'D

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.



# Lark Distilling Co. Ltd

## Consolidated entity disclosure statement

30 JUNE 2025

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Australian Whisky Holdings Bothwell Pty Ltd	Body corporate	Tasmania, Australia	100.00%	Australia
Australian Whisky Holdings Services Pty Ltd	Body corporate	Tasmania, Australia	100.00%	Australia
Australian Whisky Holdings Management Pty Ltd	Body corporate	Tasmania, Australia	100.00%	Australia
Aowei Liquor Industries Beijing Limited	Body corporate	Beijing PRC	100.00%	China
Australian Whisky Holdings (HK) Limited	Body corporate	Kowloon, Hong Kong	100.00%	Hong Kong
Lark Distillery Pty Ltd	Body corporate	Tasmania, Australia	100.00%	Australia
Kernke Family Shene Estate Pty Ltd	Body corporate	Tasmania, Australia	100.00%	Australia
Shene Distillery Pty Ltd	Body corporate	Tasmania, Australia	100.00%	Australia
ACN 167 487 050 Pty Ltd	Body corporate	Tasmania, Australia	100.00%	Australia

### Basis of preparation

This Consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

### Determination of tax residency

Section 295 (3A)(vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

#### Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

#### Partnerships and Trusts

None of the entities noted above were trustees or trusts within the consolidated entity, partners in a partnership within the consolidated entity or participants in a joint venture within the Group.

# Lark Distilling Co. Ltd

## Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



**Domenic Panaccio**  
**Non-Executive Chair**

21 August 2025



# Lark Distilling Co. Ltd

## Independent Auditor's Report

**RSM Australia Partners**

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### INDEPENDENT AUDITOR'S REPORT To the Members of Lark Distilling Co. Ltd

**Opinion**

We have audited the financial report of Lark Distilling Co. Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including independence standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# Lark Distilling Co. Ltd

## Independent Auditor's Report



### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
<b>Revenue Recognition</b> Refer to Note 5 in the financial statements	
Revenue for the year ended 30 June 2025 was \$17.17 million.  Revenue recognition was considered a Key Audit Matter due to the materiality and significance of the balance.	Our audit procedures in relation to the recognition of revenue included: <ul style="list-style-type: none"> <li>Assessing whether the Group's revenue recognition policies were in compliance with AASB 15 <i>Revenue from Contracts with Customers</i>;</li> <li>Evaluating and testing the operating effectiveness of the Group's internal controls related to revenue recognition;</li> <li>Performing tests of detail on a sample basis to test the validity and accuracy of revenue transactions, including the inspection of sales contracts and delivery documentation;</li> <li>Performing cut-off testing over transactions recorded either side of the period end, to ensure that revenues were recorded in the appropriate period; and</li> <li>Assessing the appropriateness of the disclosures in the financial report.</li> </ul>

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# Lark Distilling Co. Ltd

## Independent Auditor's Report



### Key Audit Matters (continued)

Key Audit Matter	How our audit addressed this matter
<b>Valuation of inventory</b> Refer to Note 14 in the financial statements	
<p>The Group has inventory with a carrying value of \$65.29 million as at 30 June 2025.</p> <p>The existence and valuation of inventory is considered a Key Audit Matter, due to the materiality of the balance, and the significant judgments involved in:</p> <ul style="list-style-type: none"> <li>Valuing inventory in casks, including assumptions about the conversion costs of direct labour, overheads, utilities, raw materials, other variable costs, and the allocation between current and non-current portions;</li> <li>Assessing the net realisable value of inventories; and</li> <li>The determination of a provision for obsolescence.</li> </ul>	<p>Our audit procedures in relation to the valuation of inventory included:</p> <ul style="list-style-type: none"> <li>Performing analytical procedures on the inventory balance;</li> <li>Attending year-end inventory counts for a sample of locations;</li> <li>Testing inventory costing by verifying the key inputs in the costing calculations against supporting documentation and evaluating the reasonableness of management's estimates;</li> <li>Verifying that inventory is being held at the lower of cost and net realisable value;</li> <li>Assessing the reasonableness of the Group's inventory valuation methodology for determining the current and non-current inventory; and</li> <li>Evaluating management assumptions and estimates applied to the provision for obsolescence through analysis of historical sales levels by inventory product.</li> </ul>

# Lark Distilling Co. Ltd

## Independent Auditor's Report



### Key Audit Matters (continued)

Key Audit Matter	How our audit addressed this matter
<b><i>Impairment of goodwill and intangible assets</i></b> Refer to Note 18 in the financial statements	
<p>The Group has goodwill and intangible assets of \$21.20 million as at 30 June 2025.</p> <p>Management is required to assess the intangible assets for impairment in accordance with AASB 136 <i>Impairment of Assets</i>, with a value in use cashflow model needing to be prepared for each identified cash-generating-unit (CGU). There is an inherent risk that the future cash flows of each CGU do not support the carrying value of intangible assets.</p> <p>For the year ended 30 June 2025 management has performed an impairment assessment over the Intangibles and Goodwill by:</p> <ul style="list-style-type: none"> <li>identifying the CGUs to which the goodwill belongs;</li> <li>calculating the value in use for the CGU using a discounted cash flow model. These models used cash flows (revenues, expenses and capital expenditure) for the CGU for 6 years;</li> <li>applying a terminal growth rate the 6<sup>th</sup> year cash flows;</li> <li>discounting these cash flows to net present value using CGU specific weighted average cost of capital ("WACC"); and</li> <li>comparing the resulting value in use of the CGU to the respective book values.</li> </ul> <p>We determined the impairment to be a Key Audit Matter due to the materiality of the balance and because the management's assessment of the 'value in use' of the CGU involves judgements about the future underlying cash flows of the CGU, growth rates and the discount rates applied to them.</p>	<p>Our audit procedures in relation to management's impairment assessment involved the assistance of our Corporate Finance Team where required, and included:</p> <ul style="list-style-type: none"> <li>Assessing management's determination of the CGU applied to the goodwill based on the nature of the Group's business and the manner in which results are monitored and reported;</li> <li>Assessing the overall valuation methodology used to determine the value in use;</li> <li>Checking the mathematical accuracy of the discounted cash flow models and reconcile input data to supporting evidence;</li> <li>Considering and challenging the reasonableness of key assumptions, including the cash flow projections, budgets, revenue growth rates, discount rates, terminal values and sensitivities used; and</li> <li>Reviewing the accuracy and adequacy of disclosures of critical estimates and assumptions in the financial statements in relation to the valuation methodologies.</li> </ul>



# Lark Distilling Co. Ltd

## Independent Auditor's Report



### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar2\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf). This description forms part of our auditor's report.

# Lark Distilling Co. Ltd

## Independent Auditor's Report



### Report on the Remuneration Report

#### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 34 to 45 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Lark Distilling Co. Ltd, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

#### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink, appearing to be 'RSM'.

**RSM AUSTRALIA PARTNERS**

A handwritten signature in blue ink, appearing to be 'B Y Chan'.

**B Y CHAN**  
Partner

Date: 21 August 2025  
Melbourne, Victoria



# Lark Distilling Co. Ltd

## Shareholder Information

30 JUNE 2025

The shareholder information set out below was applicable as at 31 July 2025.

### DISTRIBUTION OF EQUITABLE SECURITIES

Analysis of number of equitable security holders by size of holding:

Fully Paid Ordinary Shares	Number of holders of ordinary shares	Number of ordinary shares held	Percentage of ordinary shares held
1 to 1,000	919	565,389	0.53%
1,001 to 5,000	1,070	2,570,834	2.43%
5,001 to 10,000	275	2,001,055	1.89%
10,001 to 100,000	361	10,346,807	9.76%
100,001 and over	75	90,482,356	85.39%
	2,700	105,966,441	100.00%
Holding less than a marketable parcel	238	63,351	0.06%

Unquoted Performance Rights — Issued under the Company's Employee Incentive Plan	Number of holders of rights	Number of ordinary rights held	Percentage of rights held
1 to 1,000	-	-	-
1,001 to 5,000	-	-	-
5,001 to 10,000	4	32,300	0.51%
10,001 to 100,000	6	253,866	3.98%
100,001 and over	8	6,092,009	95.51%
	18	6,378,175	100.00%
Holding less than a marketable parcel	-	-	-

# Lark Distilling Co. Ltd

## Shareholder Information

30 JUNE 2025

### EQUITY SECURITY HOLDERS

#### Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
SEPPELTSFIELD PTY LTD SEPPELTSFIELD ESTATE A/C>	20,355,095	19.21
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,914,963	11.25
CITICORP NOMINEES PTY LIMITED	11,422,864	10.78
QUALITY LIFE PTY LTD THE NEILL FAMILY A/C>	11,274,252	10.64
QUALITY LIFE PTY LTD THE NEILL FAMILY A/C>	4,393,700	4.15
BAINBRIDGE FAMILY PTY LTD BAINBRIDGE FAMILY A/C>	3,782,723	3.57
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	3,333,386	3.15
MR TIMOTHY TULLOCH BROCK LEWIS & MRS CATHERINE ANNE LEWIS JG LEWIS NO2 WILL A/C>	1,579,460	1.49
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,510,056	1.43
GLENLORE SUPER PTY LTD GLENLORE SUPER SCHEME A/C>	1,253,278	1.18
RHODIUM CAPITAL PTY LTD RHODIUM INVESTMENT A/C>	1,201,960	1.13
MARK MURTON PTY LTD MARK MURTON P/L S/F A/C>	1,001,666	0.95
REX FAMILY PENSION PLAN PTY LTD REX FAMILY PENSION PLAN A/C>	960,000	0.91
BNP PARIBAS NOMINEES PTY LTD AGENCY LENDING A/C>	927,319	0.88
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	850,722	0.80
FAIRISLE HOLDINGS PTY LIMITED THE TILANBI A/C>	843,450	0.80
PJ & KE O'DWYER SUPER PTY LTD PJ & KE O'DWYER S/F A/C>	773,529	0.73
MR MICHAEL JOHN KILBORN KILBORN FAMILY A/C>	642,637	0.61
MR SATYA SHARMA	614,873	0.58
QUALITY LIFE PTY LTD THE VIKING FUND A/C>	501,793	0.47
	79,137,726	74.71

#### Unquoted equity securities

There are no unquoted equity securities.





# Lark Distilling Co. Ltd Shareholder Information

30 JUNE 2025

## SUBSTANTIAL HOLDERS

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
SEPPELTSFIELD PTY LTD SEPPELTSFIELD ESTATE A/C>	20,355,095	19.21
QUALITY LIFE PTY LTD THE NEILL FAMILY A/C>	16,715,186	15.78
PERENNIAL VALUE MANAGEMENT LIMITED	15,423,273	14.56
LEE MING-TEE	5,971,765	5.64
MERCER INVESTMENTS (AUSTRALIA) LIMITED	5,341,071	5.04

## VOTING RIGHTS

The voting rights attached to ordinary shares are set out below:

### Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

## CORPORATE GOVERNANCE STATEMENT

The Company's 2025 Corporate Governance Statement has been released to ASX on this day and is available on the Company's website at: <https://larkdistillery.com/investor-centre/>

## ANNUAL GENERAL MEETING AND DIRECTOR NOMINATION

Lark Distilling Co. Ltd advises that its Annual General Meeting will be held on or about Wednesday, 19 November 2025. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all Shareholders and released to ASX immediately upon despatch.

The Closing date for receipt of nomination for the position of Director is Wednesday, 1 October 2025. Any nominations must be received in writing no later than 5.00pm (Melbourne time) on Wednesday, 1 October 2025 at the Company's Registered Office. The Company notes that the deadline for nominations for the position of Director is separate to voting on Director elections. Details of the Director's to be elected will be provided in the Company's Notice of Annual General Meeting in due course.











