

2024 Annual General Meeting Chair Address and Presentation

Lark Distilling Co. Ltd (ASX: LRK) (“Lark” or “Company”) advises in accordance with ASX Listing Rule 3.13.3, a copy of the address by Chair, Domenic Panaccio and slides to be presented at today’s Annual General Meeting are attached.

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

For more information contact:

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About Lark Distilling Co:

Founded by pioneers Bill and Lyn Lark in 1992, LARK Distilling Co. has been crafting world-class, award-winning Tasmanian whisky for more than 30 years. From humble beginnings on a kitchen table, curiosity and courage bore Tasmania’s very first licensed distillery in 154 years. LARK, Australia’s No.1 Luxury Single Malt Whisky brand houses a range of spirits headlined by its Single Malt Signature Collection; Classic Cask 43% ABV, Chinotto Citrus Cask 44% ABV, and Tasmanian Peated 46% ABV, with coveted pinnacle expressions released through The Rare & Remarkable Collection. Symphony No.1 40.2% ABV is a unique blended-malt whisky, while the distillery also handcrafts a range of award winning Forty Spotted Gins, with native Tasmanian pepper berry, citrus and juniper, a refreshing take on gin, from the bottom of the world.

LARK is locally and internationally recognised for its quality, innovation, and people; awarded numerous prestigious accolades over the past three decades. Most recently at the World Whiskies Awards held in London in March 2024, LARK was crowned Australia’s Best Single Malt for its Fresh IPA Cask, as well Australia’s Best Blended Malt with Symphony No.1, for the third consecutive year.

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

LARK can be enjoyed at the iconic Hobart Cellar Door, at the neighbouring Whisky & Cocktail Bar The Still, as well as at leading cocktail, whisky and hotel bars across the world. The immersive LARK Distillery Tour set at the historic Pontville Distillery is the brand’s ultimate adventure into distilling, available seven days. LARK Distilling Co, a fabric of our community, is crafted from grain to glass, using the purest natural elements from Tasmania. Welcome to the New World of Whisky.

Chair Address

Good morning and welcome to the 2024 Lark Distilling Co. Ltd Annual General Meeting.

While the past financial year presented macro challenges, including a difficult economic and market landscape, we are pleased that the Company has made significant progress in several areas. Importantly the organisation is now right sized, with operational efficiencies contributing to operating cost and cash savings.

We have seen exciting green shoots in the crucial direct export and GTR channels. More recently in the domestic market, we transitioned to a new distribution partnership for the B2B channel with Spirits Platform, Australia's leading independent spirits distributor.

Significant progress is being made on the Lark brand restage by both marketing and production to deliver against the growth potential of the brand, while work is currently underway for the sale of our Bothwell site and the modest, modular development of Pontville as we transition this distillery into being the long-term home of Lark.

These developments across the business set a strong foundation for Lark's future success.

Importantly, Sash and the Team have good operating momentum, which has continued into the first quarter of this financial year, and are executing against the Company's Strategic Priorities, namely focusing on:

- Building long-term brand value,
- Delivering international sales momentum, and maintaining our domestic leadership position; and
- Underpinning these priorities with cash and capital discipline.

The Strategic Partnership with Seppeltsfield Wines is an exciting and strategically important milestone for Lark, providing long term surety on continuity of supply of the highest quality barrels which are so critical to whisky making, allowing us to build our long-term wood program and stock planning for commercial delivery with confidence.

The successful equity raising of \$25 million in the last quarter, supported by very strong demand from our retail shareholders under the Share Purchase Plan, provides Lark with the capital to allow us to drive growth and accelerate investment in brand marketing and international expansion. This of course within a framework of disciplined capital management, ensuring our investments deliver long-term value.

As we look ahead to this financial year, the Board and the Executive Team are excited about the Lark Brand Restage which is progressing well, and the ongoing development at Pontville.

On 1 October 2024, we were pleased to welcome Stuart Gregor to the Lark Board at a time the Company positions itself for its next phase of growth. Stuart's deep and long industry experience working with many of the world's most successful drinks businesses will be invaluable to Lark.

I would like to take this opportunity to again thank Laura McBain, who stepped down from the Board on 1 October 2024, for the support she has provided me as Chair and her contribution to the business, both as a Non-Executive and as an Executive, reflecting high levels of commitment, dedication and commercial acumen and we all wish her well with her future endeavours.

I would also like to thank all Lark employees for their dedication, passion and commitment to Lark, and acknowledge and thank all of you as my fellow Lark shareholders.

The Board and Executive of Lark are very appreciative for the strong support received for our equity raising and at our recent EGM, and we look forward to continuing our journey of making Lark a leader in new world whisky.

I would like to now welcome our CEO Sash Sharma to address the meeting.



ANNUAL GENERAL MEETING

20 November 2024
Lark Distilling Co. Limited

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INTRODUCTION



LARK DISTILLING CO. LTD BOARD

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Domenic Panaccio
Chair



David Dearie
Non-Executive Director



Warren Randall
Non-Executive Director



Stuart Gregor
Non-Executive Director

FORMAT OF MEETING

Chair's Address:	Domenic Panaccio
CEO Presentation:	Satya Sharma
Q&A / Voting Procedure Overview:	Melanie Leydin
Formal Business of the Meeting	Domenic Panaccio
Questions on Formal Business:	Domenic Panaccio
Meeting Closure:	Domenic Panaccio



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CHAIR'S ADDRESS





CEO PRESENTATION

2024 AGM

SASH SHARMA

20 NOVEMBER 2024

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LARK WILL BE A
LEADER IN NEW
WORLD WHISKY.





FY24 HIGHLIGHTS, SEPPELTSFIELD WINES PARTNERSHIP AND STRATEGIC PRIORITIES

SATYA SHARMA - CEO

2024 AGM

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FY24 | KEY HIGHLIGHTS



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

(down \$3.1m on FY23)

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



Operating EBITDA of \$(2.8) million

Gross margin of 68%

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



Whisky bank of 2.5 million litres* underwriting future sales growth

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



Operating Cashflow

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



Cash Position

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



Good progress of Asia export business & GTR

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

¹Net Sales = sales after excise; ²Trading update for June 2024 Quarter provided on 12 June 2024

EQUITY RAISE AND ANNOUNCEMENT OF STRATEGIC PARTNERSHIP WITH SEPPELTSFIELD WINES

Overview of Seppeltsfield Strategic Partnership

- Formal long-term (10 year) barrel supply agreement with Seppeltsfield Wines Pty Limited, an entity associated with Lark Director, Warren Randall
- Partnership will secure access to premium oak barrels for Lark, formalising first right of use and exclusivity arrangements to provide certainty over Lark's future maturation requirements
- Seppeltsfield Estate has under maturation the estimated largest repository of premium fortified wine and casks in Australia
- Continuity of supply of the highest quality barrels creates a key competitive advantage for Lark, follows notable precedents internationally including Macallan's partnership with Grupo Estevez

Equity Raise & Use of Proceeds

- Equity raise of ~\$25m, comprising ~\$15m placement, ~\$6.5m institutional placement and a \$3.5m Share Purchase Plan
- Placement approved by shareholders at EGM on 30 August 2024
- Proceeds provide balance sheet flexibility to invest in the Lark brand and facilities to drive the export strategy and accelerate growth, with distilling production scaled to support



STRATEGIC PRIORITIES

BUILD LONG TERM BRAND VALUE

LARK will build a globally recognised and differentiated luxury brand

INTERNATIONAL SALES MOMENTUM & DOMESTIC LEADERSHIP POSITION

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

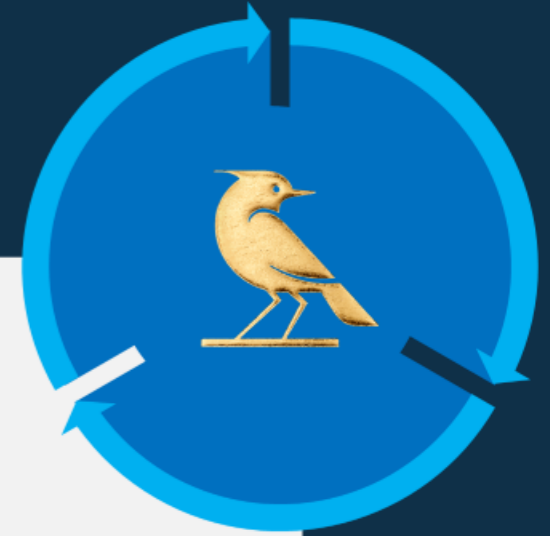
CASH & CAPITAL DISCIPLINE

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



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



BUILD LONG TERM BRAND VALUE

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

INTERNATIONAL SALES MOMENTUM & DOMESTIC LEADERSHIP POSITION

- Asian export strategy progress, Distributors appointed with initial sales of \$0.9m in H2FY24
- Global Travel Retail business delivers \$1.1m sales in FY24
- Appointment of Spirits Platform, Australia's leading independent Spirits Distributor from 1 August 2024

CASH & CAPITAL DISCIPLINE

- Operating Cashflow savings of \$1.2m vs. FY23
- Cash of \$2.4m at 30 June; cash post equity raise of \$25.6m at 30 September 2024
- Committed NAB bank facility in place to January 2028, reduced from \$15m to \$5m in October 2024 post equity raise.



HIGH QUALITY WHISKY BANK– Underwriting Future Sales Growth

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



BRAND RESTAGE & GROWTH PLANS

SATYA SHARMA - CEO

2024 AGM

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BUILD LONG TERM BRAND VALUE

LARK BRAND RESTAGE



LARK MARKETING

BLENDING

SALES

STRATEGY

FINANCE



LOVE.

We See What You Won't.



POSITIONING

PORTFOLIO

PRODUCT

BRAND IDENTITY & PACK

RANGE, PRICING, PHASING PLAN

GTM TOOLS & ASSETS

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OUR GROWTH PLAN

PHASE 1: ESTABLISH BEACHHEADS (FY24 – FY27)

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

PHASE 2: EMBED FOUNDATIONS (FY26 – FY32)

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

PHASE 3: ACCELERATE (FY30+)

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

PHASE 1: ESTABLISH BEACHHEADS (FY24 – FY27):

PROGRESS AGAINST KPI'S / MILESTONES

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PRIORITY	DESCRIPTION	KPI	TIMING	PROGRESS
BUILD LONG TERM BRAND VALUE	LARK will build a globally recognized and differentiated luxury Single Malt brand, and this will be supplemented by House of Lark and FSG	<ul style="list-style-type: none"> LARK Single Malt Restage (architecture, format etc) 	By FY25	<ul style="list-style-type: none"> Work commenced on portfolio restage, appointment of creative design agency. On track for delivery by end FY25 to accelerate export expansion.
		<ul style="list-style-type: none"> House of Lark Developed FSG Restage 	By FY25	
INTERNATIONAL SALES MOMENTUM & DOMESTIC LEADERSHIP POSITION	Creation of repeatable and diversified (geography and channel) revenue streams	<ul style="list-style-type: none"> Completion of top 10 target market entry GTR Growth (following market entry) Sustain domestic position and revenues 	By FY26 Ongoing Ongoing	<ul style="list-style-type: none"> First phase of Export launches. 4X SEA markets under Distribution Agreement. Strong year 1 in GTR through AU airports Change in domestic route to market as platform for future growth
		<ul style="list-style-type: none"> 50% of Net Sales from shipments to Export / GTR customers 	By FY27	<ul style="list-style-type: none"> On track: ~\$0.9m of initial Export shipments in 2HFY24 to new markets, First full year in GTR delivering >\$1m in FY24 Accelerated marketing investment post equity raise to commence from FY25
CASH & CAPITAL DISCIPLINE	Prioritisation of Cash Generation to allow increased re-investment. Ensure funding optimization and appropriate capital deployment	<ul style="list-style-type: none"> Working Capital funding Renewed / Secured Maintain subsequent rolling min age to maturity of 18 months 	FY24 Ongoing	<ul style="list-style-type: none"> NAB \$5m committed debt facility maturity date extended to January 2028
		<ul style="list-style-type: none"> Assessment and use of stable of assets 	By FY24	<ul style="list-style-type: none"> Work underway to transition to Pontville as long-term home of Lark Bothwell surplus with sales campaign commenced
		<ul style="list-style-type: none"> Positive Operating Cashflows 	By 26-FY27 period	<ul style="list-style-type: none"> Equity raise as platform for investment in FY25/FY26. High confidence of positive operating cashflow during FY27



1QFY25 TRADING UPDATE & PERSPECTIVES FOR FY25

2024 AGM

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1QFY25 TRADING UPDATE

INTERNATIONAL SALES MOMENTUM & DOMESTIC LEADERSHIP

- Net Sales revenue growth of +7% or \$0.2m, to \$3.4m, versus pcp. Driven primarily by growth in D2C (+\$0.3m) and Export sales of \$0.2m, being partially offset by lower Net Sales from domestic B2B which were broadly in line with our expectations for Q1, with change in D2C distribution to Spirits Platform on 1 August
- Lark's Global Travel Retail presence continues to grow in key Australian airports, with Net Sales of \$0.3 million in Q1, +12% vs pcp.

BUILD LONG TERM BRAND VALUE

- Good progress made in planning for the modest, modular transition from Cambridge to Pontville as the primary Lark production facility
- Lark Portfolio & Brand restage, working with Love Creative Design Agency, is progressing well.

CASH & CAPITAL DISCIPLINE

- Whisky Bank of 2.5 million litres at 30 September 2024
- Cash balance of \$25.6 million at 30 September 2024; committed bank facility of \$5m to January 2028
- Sales campaign for the surplus Bothwell Distillery commenced in October



PERSPECTIVES FOR FY25

INTERNATIONAL SALES MOMENTUM & DOMESTIC LEADERSHIP

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

BUILD LONG TERM BRAND VALUE

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

CASH & CAPITAL DISCIPLINE

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



Q&A / VOTING PROCEDURE OVERVIEW



FORMAL BUSINESS OF THE MEETING



Receipt and Consideration of Financial Statements and Reports

To receive and consider the Company's Financial Statements, Directors' Report and Auditor's Report for the financial year ended 30 June 2024.

Further Information

- Iain Short, Chief Financial Officer of Lark Distilling Co. Ltd and Billy Chan, representing RSM, the Company's external Auditor, are present and available to answer any queries.
- Please note there is no vote required for this Item.

Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, pass the following as an **ordinary resolution**:

“That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Report for the year ended 30 June 2024.”

	Votes	%
FOR	33,515,684	98.79%
AGAINST	132,757	0.39%
PROXY’S DISCRETION	278,498	0.82%
ABSTAIN	8,494	-

Further Information

- Voting restrictions apply to Key Management Personnel and their closely related parties.
- The vote on this Resolution is advisory only and does not bind the Directors or Company.
- The Board recommends that Shareholders vote in **FAVOUR** of this Resolution.
- The Chair of the Meeting intends to vote all available proxies in **FAVOUR** of this Resolution.

Resolution 2: Election of Mr Stuart Gregor as a Director

To consider and, if thought fit, pass the following as an **ordinary resolution**:

“That, Mr Stuart Gregor, having been appointed by the Board since the last Annual General Meeting of the Company, retires in accordance with clause 13.1(d) of the Company’s Constitution and, being eligible, offers himself for election, be elected as a Director of the Company.”

	Votes	%
FOR	54,468,230	99.36%
AGAINST	64,440	0.12%
PROXY’S DISCRETION	282,618	0.52%
ABSTAIN	21,368	-

Further Information

- The Board (with Mr Stuart Gregor abstaining) recommends that Shareholders vote in **FAVOUR** of this Resolution.
- The Chair of the Meeting intends to vote all available proxies in **FAVOUR** of this Resolution.

Resolution 3: Re-election of Mr David Dearie as a Director

To consider and, if thought fit, pass the following as an **ordinary resolution**:

“That, Mr David Dearie, a Director of the Company who retires in accordance with clause 13.3(a) of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

	Votes	%
FOR	52,734,395	97.76%
AGAINST	922,629	1.71%
PROXY’S DISCRETION	283,355	0.53%
ABSTAIN	869,277	-

Further Information

- The Board (with Mr David Dearie abstaining) recommends that Shareholders vote in **FAVOUR** of this Resolution.
- The Chair of the Meeting intends to vote all available proxies in **FAVOUR** of this Resolution.

Resolution 4: Approval to Issue Shares to Mr Domenic Panaccio

To consider and, if thought fit, pass the following as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 90,000 Shares to Non-Executive Chair and Director, Mr Domenic Panaccio (or his nominee/s) on the terms and conditions as set out in this Explanatory Statement.”

	Votes	%
FOR	54,274,136	99.18%
AGAINST	167,182	0.31%
PROXY'S DISCRETION	279,564	0.51%
ABSTAIN	11,326	-

Further Information

- The Board (with Mr Domenic Panaccio abstaining) recommends that Shareholders vote in **FAVOUR** of this Resolution.
- The Chair of the Meeting intends to vote all available proxies in **FAVOUR** of this Resolution.

Resolution 5: Amendments to the Constitution

To consider and, if thought fit, pass the following as a **special resolution**:

“That, in accordance with section 136(2) of the Corporations Act and for all other purposes, approval is given that the Company’s Constitution be amended as set out in the Explanatory Statement, with effect from the conclusion of the Meeting.”

	Votes	%
FOR	54,326,316	99.16%
AGAINST	175,015	0.32%
PROXY’S DISCRETION	285,618	0.52%
ABSTAIN	49,707	-

Further Information

- The Board recommends that Shareholders vote in **FAVOUR** of this Resolution.
- The Chair of the Meeting intends to vote all available proxies in **FAVOUR** of this Resolution.

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QUESTIONS ON FORMAL BUSINESS



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VOTING CLOSURE AND END OF FORMAL BUSINESS



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LARK

TASMANIAN
SINGLE MALT WHISKY

Thank you for your attendance