



LARK DISTILLING CO

FY22 H1 INVESTOR BRIEFING

FEBRUARY 2022

FY22 H1 Key Highlights

+78% YoY
Net Sales

+130% YoY
Normalised EBITDA

~\$58m
Successful Capital Raise



Acquisition of Pontville
Distillery & Estate



Whisky Bank of 1.8m Litres
Increased by 483,000 Litres
on settlement of Pontville
(1st Feb 2022)



Strong Balance Sheet
\$56.2m Cash on Hand plus
\$10m Unused Debt Facility

Our most valuable assets

Experienced Board and Executive team continue to drive the vision and strategic imperatives, and have generated these growth results.



Laura McBain
Director &
Interim CEO and
Managing
Director

ex CEO Bellamy's
Organic and
Managing Director,
LongTable Group



David Dearie
Chairman

President and CEO
St Michelle Wine
Estates

ex CEO Treasury
Wine Estates



Warren Randall
Director

Owner
Seppeltsfield
Winery



Bill Lark

Founder and
Ambassador

"Bill Lark is a legend of Australian distilling. The single malt whisky he produced in 1992 was the first spirit of its kind made on local shores for 154 years. Decades of success have followed, with a slew of trophies testament to his skill and vision."

Executive Team

Our Executive Team is represented by subject matter experts within each respective function. Collectively the Board, Executive Team and all operational & functional team members are more than capable to deliver on our Strategy & Vision.



Alex Aleksic
CFO

ex CFO Accent
Group &
Shaver Shop
+10 years
CFO experience



Chris Thomson
Head Distiller

+15 years at Lark
Distilling Co
15+ years distilling
experience



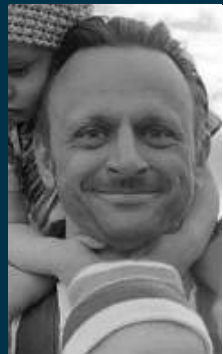
Jason Whalley
Head of
Marketing

ex Pernod
Ricard
10+ years
experience



Clay Anderson
Head of
e-Commerce

ex YETI
10+ years
experience



Brent Tremain
Export Sales
Director

ex City Beach
15+ years
experience



Adam Trewin
Domestic Sales
Director
(joined Jan 22)

ex Spirits
Platform
25+ years
experience in
beverages industry



Dan Knight
Head of
Hospitality

ex Merivale
25+ years
experience



Greig Ewen
Head of
Production

ex Kerry
Ingredients ANZ
10+ years
experience

In addition, in the last three months we have implemented a new Sales structure, appointing 4 new roles with 40+ total years experience in alcoholic beverage sales, doubling the size of the Sales Team and bolstering key states with strong resource. Continuing to support growth in e-Commerce we have recruited a new digital designer and appointed Process; Australia's leading Shopify agency for outstanding design.

Continuing to build the whisky bank



WHISKY UNDER MATURATION

AT 31 DEC 2021



1.3m litres
+250k litres in H1

Est Net Sales
Value **\$290m**
+23% in H1

1st FEB 22
POST ACQUISITION



1.8m litres

Est Net Sales
Value **\$397m**
+37%

FY22 H1 Financial Performance

P&L (\$m)	Dec 2021	Dec 2020	YoY
Gross Sales	\$12.96	\$7.29	+78%
Net Sales *	\$10.36	\$5.80	+78%
Gross Profit	\$6.42	\$3.79	+69%
GP% to Net Sales	61.9%	65.4%	(3.5)ppts
Other Income	\$0.41	\$0.46	(11%)
CODB	\$6.13	\$3.45	(77%)
EBITDA	\$0.70	\$0.80	(13%)
Add Non-Recurring Items **	\$0.34	(\$0.35)	+197%
Normalised EBITDA	\$1.04	\$0.45	+130%

Trading Highlights

Positive sales momentum with the continuation of the successful Limited Release Program, launch of Gift Packs and increased distribution across B2B partners.

GP% to Net Sales impacted by supply chain constraints and a shift in our sales mix away from LRK hospitality venues into the lower margin wholesale channels. LRK hospitality venues were heavily impacted by COVID-19.

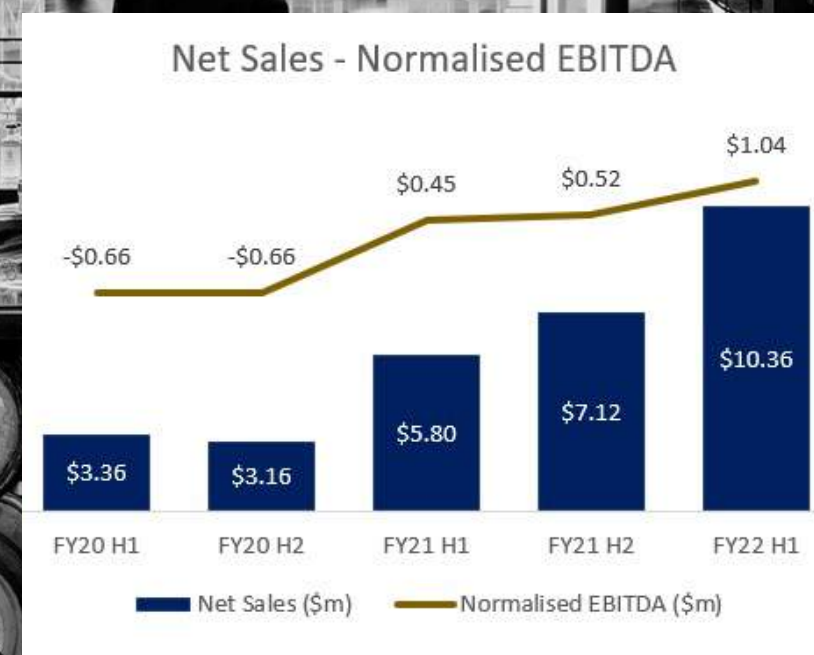
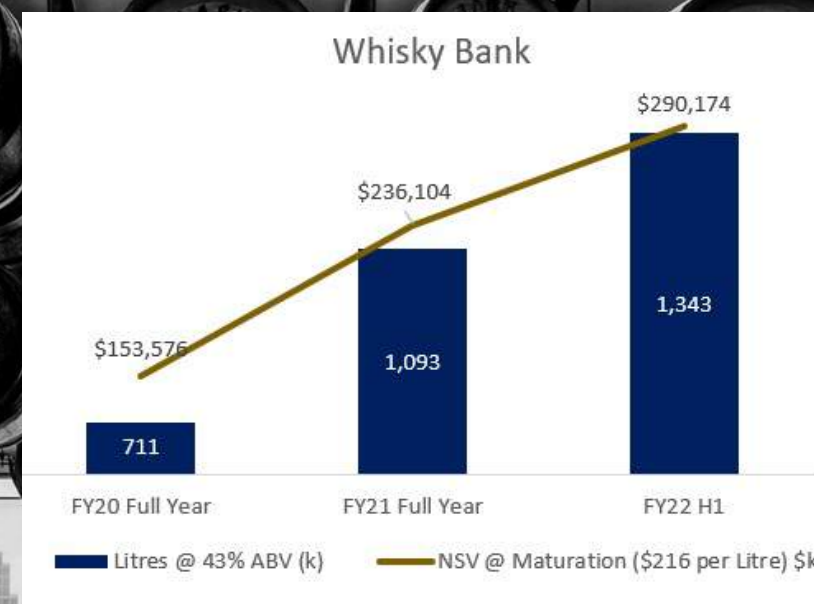
The new Tasmanian Whisky Bar “The Still” successfully opened in the second week of December.

CODB increased to continue investment in brand and sales team to drive sales and brand awareness. Our expanded executive and operations team strengthens the business and sets the foundations for future growth

No JobKeeper or wage subsidies were received during the period.

* Net sales = Sales after excise

** Non-Recurring Items FY22 relate to acquisition & equity raise costs, FY21 relate to Job Keeper payments received



Future of Lark at Pontville

The acquisition of the Pontville Distillery and Cooperage in [October] provided us with 483k L of high-quality whisky under maturation, an immediate increase in production capacity of 193k L p.a.

8 additional bond stores as well as an on-site cooperage.

Importantly, it also provided us with a considerable estate of 40 ha for further development and expansion.



**Indicative artist impression only, subject to development approval*

Building production and infrastructure at Pontville to support growth



We have appointed March Studio Architects and now commenced planning for the construction of a greenfield distillery, capable of producing 1 million litres p.a. The construction cost of this facility is expected to be approximately \$13m, with the distillery to be commissioned in 2023.

**Indicative artist impression only, subject to development approval*

Fast becoming Australia's most awarded distillery – reinforcing strength in trade and consumer confidence



Campaign Innovator of the Year
Whisky Bar Series



Sustainable Distillery
of the year



Whisky of the Year
Lark Christmas Cask III

2022 – Best Blended Malt Whisky – World Whisky Award – Category Winner

2022 – Whisky Distillery of the YEAR – Australia Whisky Awards



Continuing to execute on the brand strategy

VISION

Become a global icon in single malt whisky, renowned for being the world's most innovative distiller

OBJECTIVE #1

Build brand equity and quality credentials amongst existing Whisky Purists and Whisky Explorer's

OBJECTIVE #2

Drive trial and recruit new to Whisky consumers via unexpected flavours and new drinking occasions



HOW:

By building a distinct portfolio of whisky products and creative experiences, brought to life in an unexpected, Tasmanian way

Driving distribution of the Lark Core Range business, our iconic signature whisky and brand anchor point



2022 Brand restage ready
for export markets

30th Year Anniversary
Brand Campaign

On target to launch exciting Limited Release Program, with extensive innovative product launches planned in H2



TOKAY FINISH **SOLD OUT**

500ml bottles in 10 days

FEBRUARY 2022

CHINOTTO CASK II Experimental Cask Finish Series

MARCH 2022

DARK LARK Disruptive Seasonal Winter Release

MAY 2022

ORIGINS Celebrating 30 Years of Tasmanian Whisky

MAY 2022

Elevating the brand and returning increased NSV per litre

Unlocking future revenue drivers via disruptive flavour and format innovation



Next month Lark will launch the first ever 20 Year Old Age Statement released from Lark Distilling Co, and will continue to deliver the Rare Cask Series.

Flavour is the driving factor in spirit and drink choice, and Lark is developing a range of new natural-flavour lead products, as well as new format development in ready to drink, opening up new occasions.

The following activations are planned to celebrate our 30 year anniversary over the next 6 months



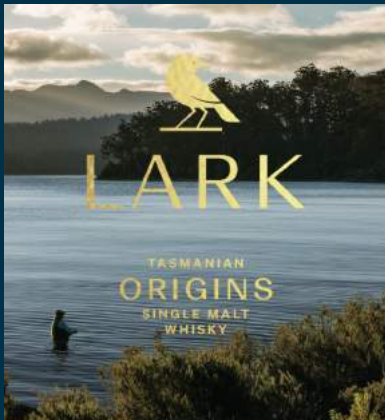
PARA 1992 NPD & 30th Anniversary communications



30th Anniversary Flagship event hosted at the Pontville Estate inc Trade, Media, and KOLs (TAS)



30th Anniversary key assets, inc merchandise and POS range



Origins - Hero 30 Year Anniversary Whisky NPD & PR strategy



Glenfarclas NPD collaboration, launch & leading Australian restaurant activations (MEL)



Brand and industry profiling in international trade media

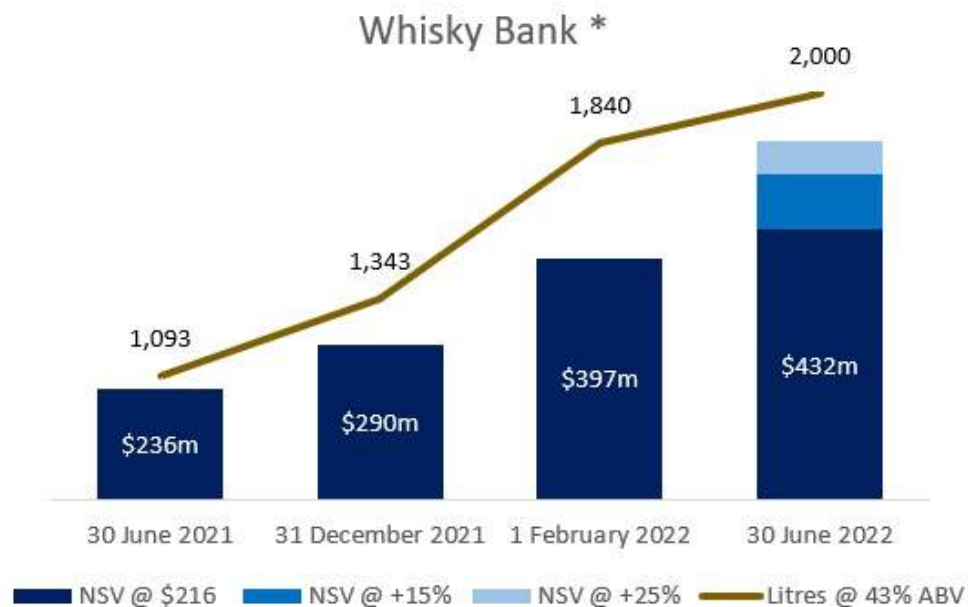


Australia Distillers Association industry expo/trade conference celebrating the 30th anniversary

CEO succession plan

- Discussion about CEO succession has been ongoing for some time.
- As announced to the market in December 2021, Lark commenced a formal, global CEO search with the appointment of leading recruitment firm Denholm Associates. The search is being led from their London office and has considered a wide range of highly capable candidates globally
- This process has now been accelerated and we are pleased to report we are in discussion with a number of high calibre candidates from leading domestic and international companies in the alcoholic beverages industry
- We expect to conclude the selection process in the coming months
- Laura McBain is committed to continue to act as CEO and Managing Director, and has committed to serve in this role until the right candidate has been appointed and joins the business.

Looking forward...



We expect to meet our previous guidance of 2m Litres Under Maturation by close of FY22, driven by the Pontville acquisition & continued production at Cambridge & Bothwell.

Estimated NSV per Litre is expected to increase between 15%-25% for FY22. This has been influenced by continued positive momentum with the Limited Release program and successful launch of Gift Packs.

Projected Net Sales

2H FY22 Net Sales Range \$10m - \$14m

FY22 Net Sales Range \$20m - \$24m

Investment has commenced in expanding the Sales Team footprint to accelerate both domestic & export opportunities. Materialization of export sales may occur in the final months of FY22, more likely from FY23 onwards.

- Significant whisky under maturation
- Materially increasing production capacity
- Well positioned to execute on strategy
- Expanding the business internationally

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THANK YOU