

LARK DISTILLING

INVESTOR

PRESENTATION

OCT 2021

LARK
LD 1038



TARE: 25.7 Kg

J DATE: 4138

P
DISTILLERY

LARK
LD 1037



TARE: 28.5 Kg
J DATE: 4138

P
DISTILLERY

01 THE LARK VISION



personal use only



OUR VISION

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

STARTING POINT

First mover
advantage
with scale,
credibility,
quality and
authenticity

FY22

~100% net
revenue
growth YoY

BY END FY22

2m+ litres
under
maturation

BY END FY23

Brand
leadership at
home and
credibility in
global export
markets

2021 is a continuation of winning strategies...

Increased Social / Earned Media



Award winning Limited Release Programme



Rare Cask Series: The Pinnacle Expression



Innovation in Process & Liquid



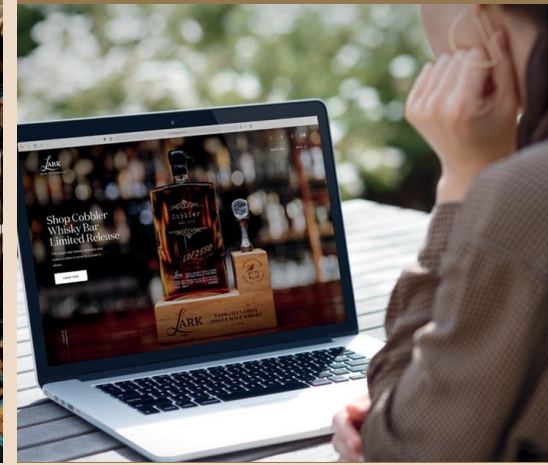
Unique Collaborations & Partnerships



Diverse Hospitality Expansion



E-commerce (New Website)



... and 2022 is about executing new growth drivers

The Still: a hybrid
Tasmanian whisky bar & retail

On-premise collaboration
Whisky Bar Series
(1st release sold out)

Gift packaging programme

Export planning and
infrastructure



2022 will be a
celebration of
all things
Lark given it
is our 30th
anniversary



Evolving the
brand position
in readiness
for export





All supported
by key macro
category
drivers



Whisky
growing at
8% p.a. globally



Premium-
isation of all
alcoholic
beverages
continues



New whisky
consumers—
women,
more diverse
demographic
segments



New drinking
occasions—
highballs,
cocktails



Proliferation
of high end
on-premise
whisky bars



Promiscuous
consumption
based on
experimenting
and trial before
adoption



Tasmania and Australia are minnows in the whisky world, but are considered world-class by quality...

TOTAL GLOBAL WHISKY MARKET ESTIMATED TO GROW AT 8% P.A. TO 2025

HIGHLY ATTRACTIVE LUXURY WHISKY CATEGORY, GROWING AHEAD OF TOTAL CATEGORY

THE LARK EXPORT OPPORTUNITY IS LIMITED RELEASE FOCUSSED



● TOTAL ADDRESSABLE WHISKY MARKET

SOURCE: STATISTA

4/
Finalist
Worldwide Whisky Producer
of the Year - IWSC
2021 (results end October)



02_COMPANY UPDATE



Company update

1QFY22

NET REVENUE

\$4.1m
+80% PCP

VALUE OF LITRES UNDER MATURATION

\$267m*
+150% PCP

LITRES UNDER MATURATION

1.2m**
+61% PCP

*At \$216 NSV / litre

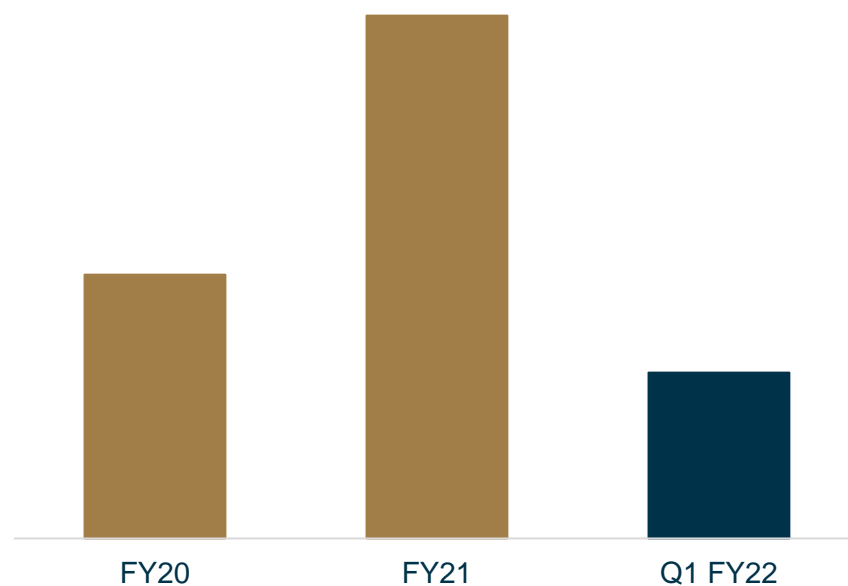
**At 43% ABV, post angel share



Company update

1QFY22

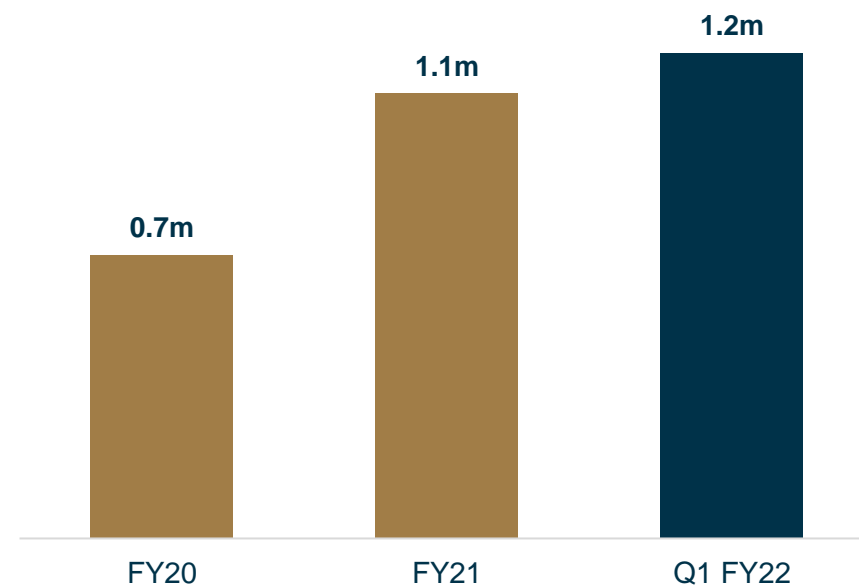
NET REVENUE*



YOY NET SALES GROWTH

* NET REVENUE = SALES AFTER EXCISE

WHISKY UNDER MATURATION (LITRES)**



VALUE AT MATURITY

** AT 43% ABV, POST ANGEL SHARE.



03 THE ACQUISITION OF THE PONTVILLE DISTILLERY AND ESTATE

Lark Distilling Co., today announced that it has entered into a binding agreement to acquire the Pontville Distillery and Estate (‘the Acquisition’), the construction of a new 1 million litre distillery on the acquired land and the acceleration of Lark’s export strategy

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Background on Pontville Distillery and Estate

Founded
in 1819



Born and based
in Pontville,
Tasmania



Bond Store
= 483,000 litres
under maturation



Home to the
unique Whisky
Village



Tasmania's
only onsite
cooperage



Natural
Tasmanian
ingredients



San Francisco
World Spirits
Competition
winning spirits



Lark has agreed to acquire the Pontville Distillery and Estate for total consideration of \$40 million comprised of \$38.5 million in cash and \$1.5 million in Lark shares*



483,000 litres under maturation**

*** At 43% ABV, post angel share*

Increases Lark's estimated whisky under maturation as at 30 June 2022 to 2.0+ million litres



Distillery, 40 acres of land and buildings

Increases current production capacity by 193,000 litres p.a. plus scope for greenfield distillery producing 1m litres p.a.



8 onsite bond stores

4 separate locations in Tasmania, reducing fire risk



Onsite cooperage

Establishes Lark as the only distiller with onsite cooperage in Tasmania

* To be issued to the Vendors (subject to shareholder approval). Refer to Annexure 3 – Key terms of Acquisition Agreements

Financial and operational highlights

1

Lark now expects to have 2+ million litres of whisky under maturation at 30 June 2022, valued at \$435m*

2

Acquisition is expected to be approximately 19% accretive to Net Sales Value per share**, on a Q1 FY22 pro forma basis

3

Rebalances the profile of litres under maturation with 29% of the acquired liquid available for sale in FY22 and FY23, providing Lark with the capacity to drive its export strategy sooner than expected

4

Increases current production capacity by ~50% to 576,000 litres p.a.

5

Commenced planning for the construction of a greenfield distillery, capable of producing 1 million litres p.a.

6

Establishes Lark as a producer of significant scale, building on our foundation as the world's most innovative distiller

* Based on a net sales value per litre of \$216

** Calculated as the net sales value of Lark's whisky under maturation divided by the number of shares on issue

Barrels and liquid

REBALANCING THE PROFILE OF LITRES UNDER MATURATION WILL ENABLE LARK TO ACCELERATE ITS EXPORT STRATEGY AND ENTER GLOBAL MARKETS FROM FY23 (PREVIOUSLY FORECAST FOR FY24)

Estimated Litres Under Maturation @ 30 June 2022

FY Maturing	Litres of Whisky at Maturation at 43% ABV			Net Sales Value at Maturation Date (\$216/litre)		
	Lark	Pontville	Consolidated	Lark	Pontville	Consolidated
2022	28,642	57,121	85,763	\$6,186,698	\$12,338,183	\$18,524,881
2023	140,307	82,633	222,940	\$30,306,282	\$17,848,695	\$48,154,977
2024	221,026	129,505	350,531	\$47,741,722	\$27,973,005	\$75,714,727
2025	357,845	129,728	487,574	\$77,294,607	\$28,021,284	\$105,315,891
2026	150,642	57,892	208,534	\$32,538,608	\$12,504,710	\$45,043,318
2027+	633,986	26,406	660,392	\$136,941,031	\$5,703,690	\$142,644,721
Grand Total	1,532,449	483,285	2,015,734	\$331,008,948	\$104,389,568	\$435,398,515

1.53mL

Estimated at
30 June 2022

+

0.48mL

Acquired

=

2.02mL

Total



\$435m

NSV at maturation date
(\$216/litre)

The Acquisition is highly accretive for Lark on a Net Sales Value Per Share basis

NET SALES VALUE PER SHARE AS AT Q1 FY22

Pre Acquisition

Litres under maturation (m)	1.24
NSV per litre	\$216
Value of litres under maturation	\$267m
Shares outstanding (m)	63.1
Net Sales Value Per Share	\$4.23

Post Acquisition

Litres under maturation (m)	1.72
NSV per litre	\$216
Value of litres under maturation	\$372m
Shares outstanding (m)	74.0
Net Sales Value Per Share	\$5.02
Accretion	19%

NET SALES VALUE PER SHARE AT END OF FY22

Estimated litres under maturation (m)	2.02
NSV per litre	\$216
Value of litres under maturation	\$435m
Shares outstanding (m)	74.0
Net Sales Value Per Share	\$5.89

Land and buildings (incl. Bond Stores) and construction of new distillery

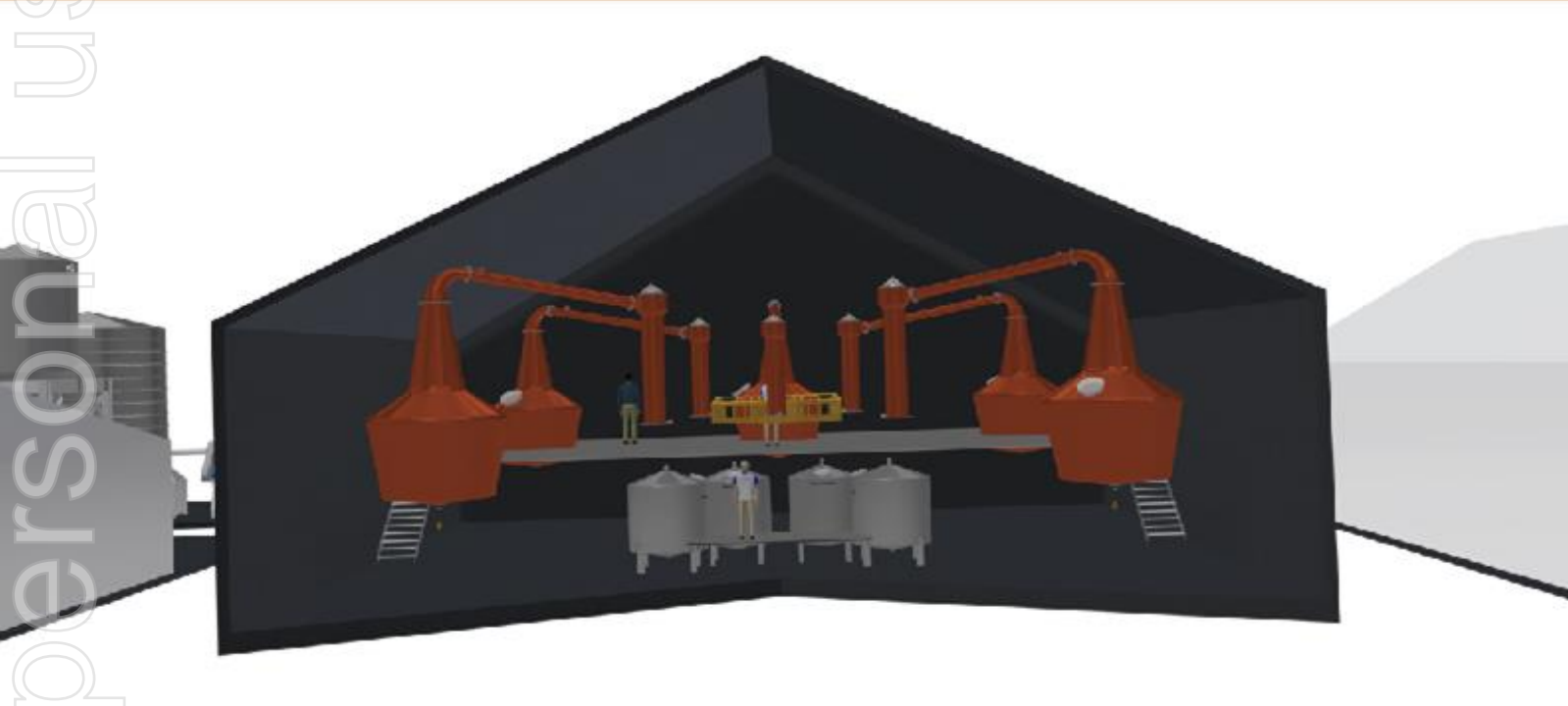


Considerable
estate of 40 acres
acquired

Distillery
increases current
production
capacity by
193,000 litres p.a.

1 m litre greenfield
distillery expansion
expected to be
operational in 2023

8 onsite bond
stores with
scope to
increase



Pontville onsite cooperage*



Only onsite cooperage in Tasmania



Greater oversight and control of coopering methods



Accelerates strategy to shore up barrel supply (with focus now on securing barrel supply arrangements)



“Mastery of Oak” for the highest quality spirits

Establishes Lark as the only distiller with onsite cooperage in Tasmania

Significant scale of production and vertical integration of cooperage expected to drive further operational efficiencies as well as gross margin upside

* Refer to Annexure 3 – Key terms of Acquisition Agreements

Pontville
Acquisition
consistent
with Lark's
approach to
M&A



100%
Tasmanian



Acquire whisky
inventories on
value accretive
terms



Balance out the
age profile of
our maturing
inventory



Provide liquid to
commence
export strategy



Increases
production
capacity both
immediate
and future



Cost
efficiencies
with minimal
increased
overheads



personal use only



Formalising The House of Lark

Business entity:

– Lark Distilling Co

External reference:

– The House of Lark

Brand:

– Lark

Product:

– Lark will only ever create Tasmanian whisky

– Lark presents whiskies from different distilleries, within The House of Lark, and at times will create whisky supported by 3rd party distillers

Lark Distillery at Coal Valley

- ~198,000L of Pot Still new make spirit produced p.a.
- ~100,000L of Column Still new make produced p.a.
- 2 tonne peat smoker where we smoke our malt with Tasmanian peat to create our signature subtle smokiness
- Produces our signature oily, viscous style of spirit perfect for pairing with Australian fortified



Lark Distillery at Bothwell

- ~85,000L of new make spirit produced p.a.
- Produces a lighter, more vibrant and tropical style of new make spirit
- Home to some of our more interesting cask finishes including Wolf of the Willows



Lark Distillery at Pontville

- ~193,000L of new make spirit produced p.a.
- Home to the heritage listed 1819 Stables and Homestead
- Produces a unique spirit, showing a vivid orchard fruit style



House of Lark Hospitality

- The Original Cellar Door
- The Lark Whisky Kiosk
- The Forty Spotted Gin(bar)
- The Still – Tasmanian Whisky Bar



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04 EQUITY RAISING



Equity raising

Uses of funds

	\$m
Acquisition of Pontville Distillery and Estate	\$40.0
General corporate purposes including construction of greenfield distillery	\$12.3
Transaction Costs	\$2.1
Total	\$54.4

Sources of funds

	\$m
Institutional Placement	\$46.5
Share issue to Vendors*	\$1.5
Conditional Placement	\$6.4
Total	\$54.4

In order to fund the acquisition, Lark is undertaking a Placement to raise approximately \$53 million

As part of the Acquisition consideration, Lark will also issue \$1.5 million of Lark shares to the Vendors*

In order to facilitate Director participation, the Placement includes a non-underwritten Conditional Placement to raise \$6.4 million

Lark will also undertake a non-underwritten Share Purchase Plan ('SPP') of up to \$5 million

* Subject to shareholder approval. Refer to Annexure 3 – Key terms of Acquisition Agreements

Equity raising details

Placement Structure and Size	<p>A placement to raise approximately \$53m (the Placement), comprising:</p> <ul style="list-style-type: none">- A \$46.5m fully underwritten institutional placement of approximately 9.3m New Shares to be undertaken without shareholder approval (Institutional Placement)- A \$6.4m non-underwritten conditional placement of approximately 1.3m New Shares, subject to shareholder approval at Lark's Annual General Meeting general meeting (Conditional Placement)
Use of Proceeds	<ul style="list-style-type: none">— Proceeds will be used to fund the acquisition of the Pontville Distillery and Estate ("Pontville Assets") ("the Acquisition")
Placement Price	<ul style="list-style-type: none">— The Placement will be conducted at \$5.00 per New Share (Placement Price), representing a 1.2% discount to the last closing price of \$5.06
Ranking	<ul style="list-style-type: none">— New Shares issued under the Placement will rank equally with existing Lark shares from their respective issue dates
Director Engagement	<ul style="list-style-type: none">— The Lark Directors are highly supportive of the transaction— They intend to subscribe for \$6.4m worth of New Shares via the Conditional Placement
Share Purchase Plan	<ul style="list-style-type: none">— Non-underwritten SPP to raise up to \$5m¹— Eligible shareholders in Australia and New Zealand will be invited to apply for up to \$30,000 of New Shares free of any brokerage, commission and transaction costs— The issue price for New Shares in the SPP will be the lower of the Placement Price and the 5-day volume weighted average price of Lark ordinary shares up to and including the closing date of the SPP, rounded down to the nearest cent
Underwriting	<ul style="list-style-type: none">— The Institutional Placement is fully underwritten by Barrenjoey Capital Partners— The Conditional Placement and SPP are not underwritten

1. Full details of the SPP will be contained in the SPP offer booklet, which will be sent to eligible shareholders in due course. Lark may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount in its absolute discretion

Offer timetable (subject to change)

Key Dates

Record date for SPP	7:00pm (AEDT) Friday 15th October
Trading halt and announcement of the Placement	Monday 18 October
Placement bookbuild	Monday 18 October
Announcement of the outcome of the Institutional Placement	Tuesday 19 October
Trading halt lifted–trading resumes on ASX	Tuesday 19 October
Settlement of New Shares issued under the Institutional Placement	Thursday 21 October
Allotment and normal trading of New Shares issued under the Institutional Placement	Friday 22nd October
SPP offer opens and SPP offer booklet is dispatched	Monday 25 October
SPP offer closes	Monday 15 November
SPP issue and allotment date	Monday 22 November
Normal trading of New Shares issued under the SPP	Tuesday 23 November
Dispatch of holding statement	Wednesday 24 November
Lark AGM to approve the Conditional Placement	Monday 29 November
Settlement of New Shares issued under the Conditional Placement	Wednesday 1 December
Allotment and normal trading of New Shares issued under the Conditional Placement	Thursday 2 December

Shop now at: www.larkdistillery.com

Now Available Christmas Cask

Celebrate the Spirit of Whiskmas
with our latest limited single malt
release from Lark Distilling Co.

[CLICK TO SHOP](#)



Important notice and disclaimer

This presentation is dated 18 October 2021 and has been prepared by Lark Distilling Co. Limited (**Lark**) in connection with the proposed acquisition by Lark of the entire issued share capital in Kernke Family Shene Estate Pty Ltd (**Shene Estate**) and associated transactions (**Acquisition**) and a fully underwritten institutional placement of new fully paid ordinary shares (**New Shares**) in Lark to certain professional and sophisticated investors to be undertaken without shareholder approval (**Initial Placement** or the **Offer**).

Lark also proposes to undertake a non-underwritten conditional placement, subject to shareholder approval (**Conditional Placement**) and a non-underwritten share purchase plan to eligible shareholders (**SPP**).

Not an offer

The material contained in this presentation is for information purposes only and is intended to be general background information on Lark and its activities. This presentation is not a prospectus, disclosure document or offering document under Australian law (and will not be lodged with ASIC) or any other foreign regulator. It is for information purposes only and is not, and should not be considered to be, an invitation, offer or recommendation to acquire shares or any other financial products. It is not, and does not purport to contain all the information required to be contained in, a prospectus, disclosure document or offering document under Australian law or any other law.

The Initial Placement and Conditional Placement (if approved) will be conducted under section 708 of the Corporations Act 2001 (Cth) (**Corporations Act**) and will be made available to certain persons whom a prospectus is not required to be given under Chapter 6D of the Corporations Act.

The SPP will only be made available to eligible shareholders and will be conducted in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547.

Participation in the offer

Determination of eligibility of investors for the purposes of the Initial Placement will be by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Lark and the underwriter and lead manager of the Initial Placement (**Underwriter**). Each of Lark, the Underwriter and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law. See the paragraph in this disclaimer below titled “International Restrictions” and the “International Offer Restrictions” in Appendix 4 of this presentation for restrictions on participation in the Offer by residents in certain other jurisdictions outside of Australia.

Summary information

This presentation contains summary information about Lark and Shene Estate (and their associated entities) and their activities current as at the date of this presentation. The information contained in this presentation is for information purposes only. The information contained in this is for information purposes only.

Important notice and disclaimer (cont.)

The information contained in this presentation is of general background and does not purport to include or summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with Lark's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

Unless otherwise stated, all information regarding Shene Estate and its associated entities has been sourced from the vendors of Shene Estate. Despite making reasonable efforts, neither Lark nor the Underwriter can verify the accuracy, reliability or completeness of all the information provided to it. The material contained in the presentation may also include information derived from publicly available sources that have not been independently verified by Lark or the Underwriter. No representation or warranty is made as to the accuracy, completeness or reliability of the information. Any information in this presentation is made only at the date of this presentation, and opinions expressed reflect Lark's position at the date of this presentation, and are subject to change. No assurance is given by Lark or the Underwriter that any capital raising or other transaction referred to in this presentation will proceed and Lark and the Underwriter each reserve their rights to withdraw or vary the transactions described in this presentation without notice. Neither Lark, nor its officers, directors, employees, agents, contractors, advisers or any other associated persons (collectively, "**Associated Persons**") represents or warrants in any way, express or implied, that the information, opinions, conclusions or other information contained in this presentation, any of which may change without notice, is fair, accurate, complete, up to date or correct. To the maximum extent permitted by law, Lark and its Associated Persons each expressly disclaims and excludes all liability (including, without limitation, any liability arising from fault or negligence) that may arise from, or is connected to, this presentation, or the use of this presentation, or any other written or oral information provided by or on behalf of Lark.

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- disclaim any obligations or undertaking to release any updates or revision to the information in this presentation to reflect any change in expectations or assumptions; and
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This presentation is for information purposes only and it is not financial product or investment advice (or tax, accounting or legal advice) or a recommendation to acquire shares and has been prepared without taking into account the objectives, financial situation or needs of individuals.

Important notice and disclaimer (cont.)

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Financial data

All dollar values are in Australian dollars (\$) or AUD) unless stated otherwise. All references starting with "FY" refer to the financial year ending 30 June. For example, "FY21" refers to the financial year ending 30 June 2021.

Investors should note that this presentation includes both audited and unaudited financial information for various periods. This presentation also includes pro-forma financial information, containing pro-forma adjustments that have been made which assume the completion of the Acquisition. With the exception of the audited financial information, investors should note that this information has not been audited and is based on management estimates and not on financial statements prepared in accordance with applicable statutory requirements. Accordingly, investors should treat this information with appropriate caution.

Investors should also be aware that certain financial data included in this presentation including, EBITDA and measures described as "pro-forma", are "non-IFRS financial information" under ASX Regulatory Guide 230 (Disclosing non-IFRS financial information). The non-IFRS financial information financial measures do not have a standardised meaning prescribed by AIFRS and, therefore, may not be comparable to similarly titled measures presented by other companies, nor should they be construed as an alternative to other financial measures determined in accordance with AIFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial measures included in this presentation.

Future performance

This presentation contains certain forward-looking statements and comments about future events, including Lark's expectations about the performance of its businesses and the impact of the Acquisition.

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Forward looking statements can generally be identified by the use of forward looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target” and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. These forward-looking statements reflect Lark's current views with respect to future events and are subject to change, certain risks, uncertainties and assumptions which are, in many instances, beyond the control of Lark, and have been made based upon Lark's expectations and beliefs concerning future developments and their potential effect on it.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. A number of important factors could cause Lark's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements, including but not limited to, general economic conditions in Australia and worldwide; exchange rates; competition in the markets in which Lark operates, the inherent regulatory risks imposed on the businesses of Lark's customers and suppliers and the duration of the COVID-19 pandemic.

Assumptions on which forward-looking statements in this presentation are based may or may not prove to be correct and there can be no assurance that actual outcomes will not differ materially from these statements. None of Lark, the Underwriter, their respective related bodies corporate, affiliates, officers, employees, agents, advisers nor any other person referred to in this presentation makes any representation as to the accuracy or likelihood of fulfilment of the forward-looking statements or any of the assumptions upon which they are based. When relying on forward-looking statements to make decisions with respect to Lark, investors and others should carefully consider such factors and other uncertainties and events. Neither Lark nor the Underwriter is under any obligation to update any forward-looking statements contained in this presentation, whether as a result of new information, future events or otherwise, after the date of this presentation. Past performance of Lark is not an indication of future performance.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and significant volatility, uncertainty and disruption caused by the outbreak of the COVID-19 pandemic.

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Effect of Rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

Annexure 1:

Key risks

This section sets out some of the key risks associated with any investment in Lark, which may affect the value of Lark shares. The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in Lark. Before investing in Lark, you should be aware that an investment in Lark has a number of risks, which are specific to Lark and some of which relate to listed securities generally, and some of which are beyond the control of Lark.

Before investing in Lark shares, you should consider whether the investment is suitable for you. Potential investors should consider publicly available information on Lark (such as that available on the websites of Lark and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

Acquisition risks

Topic	Summary
Completion risk	<p>If any of the conditions precedent to the Acquisition are not satisfied or waived or take longer than anticipated to satisfy, completion of the Acquisition may be deferred or delayed, or may not occur on the current terms or at all. This risk is however mitigated by the agreement for the Acquisition allowing for a price adjustment in lieu of satisfaction of certain conditions precedent.</p> <p>If the Acquisition is not completed as a result of a failure to satisfy conditions (or otherwise), Lark would need to consider alternative uses for the proceeds of the Offer, or ways to return such proceeds to shareholders. If completion of the Acquisition is delayed, Lark may incur additional costs and it may take longer than anticipated for Lark to realise the benefits of the Acquisition. Any failure to complete, or delay in completing, the Acquisition and/or any action required to be taken to return capital raised to shareholders may have an adverse effect on Lark's financial position and performance.</p>
Due diligence risk	<p>Lark undertook a due diligence process in respect of the Acquisition, which relied in part on the review of financial and other information (including unaudited financial information) concerning the business and corporate structure of Shene Estate, which was provided to Lark by the vendors of Shene Estate. Despite making reasonable efforts, Lark has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data.</p> <p>Furthermore, there is a risk that due diligence conducted has not identified issues that would have been material to the decision to enter into, or the terms of, the Acquisition. A material adverse issue that was not identified prior to entry into the Acquisition could have an adverse impact on the financial performance or operations of Lark. As is usual in the conduct of acquisitions, the due diligence process undertaken by Lark identified a number of risks which Lark had to evaluate and manage. The mechanisms used by Lark to manage these risks included in certain circumstances the acceptance of the risk as tolerable on commercial grounds such as materiality. There is a risk that the approach taken by Lark may be insufficient to mitigate the risk, or that the materiality of these risks may have been underestimated or unforeseen.</p>

Annexure 1:

Key risks (cont.)

Integration risk	<p>The integration of Shene Estate carries risk, including potential delays or costs in implementing necessary changes and difficulties in integrating various operations. These risks may be exacerbated by disruptions caused by COVID-19, which may make integration difficult and prolonged. The Acquisition may consume significant costs, management time, attention and effort during the integration phase. The diversion of management time in this manner may result in adverse outcomes elsewhere in Lark's business.</p> <p>A failure to effectively integrate the operations of Shene Estate, or a delay in the integration process, could impose unexpected costs that may adversely affect the financial performance and position of Lark.</p>
Equity underwriting risk	<p>Lark has entered into a placement agreement in respect of the Offer, subject to the terms and conditions of the placement agreement between Lark and the Underwriter, the key terms of which are summarised at Appendix 2 (Placement Agreement). The Underwriter's obligation to underwrite the Offer is conditional on certain customary matters. Further, if certain events occur, some of which are beyond Lark's control, the Underwriter may terminate the Placement Agreement.</p> <p>If the Placement Agreement is terminated, Lark may not receive the full anticipated proceeds of the Offer. If this occurs, Lark may need to abandon the Acquisition or find alternative funding to pay the cash element of the purchase price of the Acquisition. Termination of the Placement Agreement could materially adversely affect Lark's business, cash flow, financial performance, financial condition and share price.</p>

Operational risks

Topic	Summary
Effect of COVID-19	<p>The COVID-19 pandemic has had and continues to have an impact on Lark's business and the food and beverage sector across Australia. In particular, Australian Federal and State government have implemented restrictions and closures, to varying degrees, on the operations of licensed premises which purchase Lark's products, to assist with slowing the spread of COVID-19. As at the date of this presentation, this impact has however been off-set to a degree by an increase in at home consumption of Lark's products.</p> <p>There is continued uncertainty as to the further impact of the COVID-19 pandemic including in relation to governmental action, work stoppages, lockdown, quarantines, travel restrictions and the impact on the Australian economy and share markets. The impact of some or all of these factors, which are beyond Lark's control, could cause significant disruption to Lark's operations and financial performance.</p>
Foreign currency risks	<p>Lark is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than Lark's measurement currency. While Lark does not have any material foreign currency risk exposure, Lark's management manages foreign currency transactions on a monthly basis to monitor fluctuations in exchange rates. Where exposure does arise, Lark may apply foreign exchange contracts.</p>

Annexure 1:

Key risks (cont.)

Contractual risk	Lark has contractual obligations and rights with respect to a number of agreements it is a party to. These agreements may include provisions which allow for termination for convenience or otherwise. No assurance can be given that all such agreements will be fully performed by all contracting parties or that Lark will be successful in securing compliance with the terms of each agreement by the relevant contracting party. If a contracting party were to breach or terminate a material agreement, Lark's business, operations and financial performance could be adversely affected.
Insurance risk	Lark may, where economically practicable and available, endeavour to mitigate some business risks by procuring relevant insurance cover. However such insurance cover may not always be available or economically justifiable or the policy provisions and exclusions may render a particular claim by Lark outside the scope of the insurance cover. While Lark will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers there is a risk that an insurer defaults in a legitimate claim by Lark under an insurance policy. Insurance against all risks associated with Lark's business operations is not always available and where available its cost may be prohibitive.
Product liability	Lark may not be able to obtain product liability insurance, or may not be able to obtain such insurance on commercially viable terms. Any product liability claims may disrupt Lark's business operations and may cause reputational harm by affecting customers' impressions of product safety, quality or reliability supply, any of which may adversely impact Lark's financial performance. Manufacturing and retailing beverages carries an inherent risk of product liability, accordingly Lark may have to limit the manufacture and sale of its products if it is unable to successfully secure or renew adequate product liability insurance or defend itself against product liability claims.
Materials costs	In addition to packaging materials for Lark's products (glass bottles and labelling material), important raw materials used in the manufacture of Lark's products include water, barley and yeast. If the price of obtaining any of these materials significantly increases and Lark is unable to justify a corresponding increase in the price of its products, Lark's financial performance will be adversely affected.
Consumer demand	Consumer demand for Lark's products will be subject to changes in consumer preferences and tastes. If there is a significant shift in such preferences and tastes and Lark is unable to develop new products or to otherwise adapt to prevailing consumer preferences, demand for Lark's products will decline and Lark's financial performance may be adversely affected.
Supply and distribution risk	As Lark depends on third party service providers to transport and deliver its products, Lark is subject to the risk of delays in transportation of its products and/or any increase in the cost of such services. Accordingly, Lark's financial performance may be adversely affected if any delays with transportation impact consumer sentiment of Lark's products or entitle customers to compensation or if Lark is unable to pass on any increased freight costs to its customers.

Annexure 1:

Key risks (cont.)

Regulatory risk	The food and beverage manufacturing industry in Australia is heavily regulated and Lark is required to meet various standards in relation to food and beverage safety, product liability, labour laws and other matters. Furthermore there is a risk that such regulatory restrictions may become more burdensome in the future. If this occurs, Lark may be required to dedicate more time and resources to ensuring that it complies with these regulations, which could adversely affect its financial performance and future prospects. Any failure by Lark to comply with such regulatory requirements and any associated negative publicity surrounding such failure may adversely impact Lark's business and reputation.
Litigation	Legal proceedings and claims may arise from time to time in the ordinary course of Lark's business and may result in high legal costs, adverse monetary judgments and/or damage to Lark's reputation which could have an adverse impact on Lark's financial position or performance and the price of its shares.

General investment risks

Topic	Summary
General market and share price risks	<p>There are general risks associated with any investment in the share market. The price of Lark's shares may increase or decrease due to a number of factors. Those factors include:</p> <ul style="list-style-type: none">• fluctuations in domestic or global financial markets and general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices;• changes to government fiscal, monetary or regulatory policies, legislation or regulation;• the removal or inclusion of Lark from market indices; and• the nature of markets in which Lark operates. <p>These factors may cause the price of Lark's shares to trade below the price at which they are offered under the Offer, notwithstanding Lark's financial position or performance.</p>
Tax and accounting	Australian accounting standards and tax laws (including GST and stamp duty taxes), or the way they are interpreted, are subject to change from time to time, which may impact Lark's financial position or performance.
Force majeure events may occur	Acts of terrorism, an outbreak of international hostilities or fires, floods, earthquakes, labour strikes, civil wars and other natural disasters may cause an adverse change in investor sentiment with respect to Lark specifically or the share market more generally, which could have a negative impact on the value of an investment in Lark shares.

Annexure 2:

Summary of Placement Agreement

Lark has entered into a placement agreement with Barrenjoey Advisory Pty Limited (**Underwriter or Barrenjoey Capital Partners**) in respect of the Offer (**Placement Agreement**) pursuant to which the Underwriter agrees to manage and underwrite the institutional placement of the New Shares on the terms and conditions set out in the Placement Agreement. The Placement Agreement does not constitute an agreement by the Underwriter to manage or underwrite the SPP or the Conditional Placement.

The Placement Agreement contains representations, warranties and indemnities in favour of the Underwriter.

The Underwriter's obligations to underwrite the Offer is conditional on certain customary matters, including the execution of the agreements for the Acquisition (**Acquisition Agreements**), the delivery of certain due diligence materials and ASX not indicating that it will refuse quotation of the New Shares.

The Underwriter may terminate the Placement Agreement in certain circumstances including:

- an event occurs which entitles a party to terminate an Acquisition Agreement or an Acquisition Agreement being terminated or rescinded or amended without the consent of the Underwriter;
- any event specified in the timetable for the Offer is delayed for more than 1 business day without the prior written approval of the Underwriter;
- Lark withdraws the Offer;
- the certificate which is required to be furnished by Lark under the Placement Agreement is not furnished when required, or is incorrect or misleading or deceptive in any respect;
- ASX indicates on or before 12.00pm on the settlement date of the Offer that unconditional approval (or approval conditional only on customary conditions which are acceptable to the Underwriter, acting reasonably) will not be granted to the official quotation of all of the New Shares;
- a statement in any of the Offer documents (including this presentation and the ASX announcement of the Acquisition and the Offer) or public information relating to Lark provided to ASX is or becomes misleading or deceptive or is likely to mislead or deceive (including by omission);
- any material adverse change or effect occurs, or an event occurs which is likely to give rise to a material adverse change or effect, in the condition (financial or otherwise), assets, earnings, business, affairs, liabilities, financial position or performance, results of operations, profits, losses or prospects of Lark or its related bodies corporate from that existing at the date of the Placement Agreement;
- Lark is unable or is unlikely to be able to issue the New Shares in accordance with the timetable;
- Lark alters its capital structure or its constitution without the prior consent of the Underwriter;
- a change in the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer or the board of directors of Lark occurs or is announced;
- Lark or a member of the Lark group is or becomes insolvent, or a circumstance arises in consequence of which Lark or a member of the Lark group may cease to be solvent or able to pay its debts as and when they fall due;
- it becomes illegal for the Underwriter to market, promote or settle the Offer;
- ASIC makes an application for an order under the Corporations Act or commences any investigation or hearing under the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Offer or the SPP;
- ASX indicates to Lark or the Underwriter that Lark's shares will be suspended from quotation, Lark will be removed from the official list or that quotation of all of the New Shares will not be granted by the ASX, or such suspension from quotation or removal from the official list occurs;

Annexure 2:

Summary of Placement Agreement (cont.)

- any regulatory body commences any public action against any director or officer of Lark or announces that it intends to take any such action or a director or officer of Lark is charged with an indictable offence or is disqualified from managing a corporation under the Corporations Act;
- Lark or any of its directors or officers engages in any fraudulent conduct or activity whether or not in connection with the Offer; or
- the ASX/S&P 200 Index closes on any 2 business days prior to the Offer settlement date or on the business day prior to the Offer settlement date at a level which is 10% or more below the level of that index at the close of trading on the business day before the date of the Placement Agreement.

In addition the Underwriter may also terminate the Placement Agreement if an event below occurs and the Underwriter has reasonable grounds to believe and does believe that the event could give rise to a liability of the Underwriter under any law, has or may have a material adverse effect on the marketing, settlement or outcome of the Offer or has resulted in or may result in a material adverse change in the financial position, performance or prospects of Lark.

- Lark breaches the Placement Agreement or any of its representations or warranties in the Placement Agreement are not true or correct;
- Lark breaches, or defaults under, any provision, undertaking, covenant or ratio of a of a material debt or financing arrangement;
- an event occurs which could have an adverse effect on Lark or any other party's ability to perform its obligation under an Acquisition Agreement;
- there is an omission from or misstatement relating to the due diligence materials provided by Lark to the Underwriter;
- hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, any member of the European Union, Hong Kong, South Korea or the People's Republic of China, or a national emergency or a nation emergency in any of those countries occurs, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of these countries elsewhere in the world;
- any of the following occurs:
 - a general moratorium on commercial banking activities in Australia, the United States or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
 - trading in all securities quoted or listed on ASX, the London Stock Exchange, the NASDAQ or the New York Stock Exchange is suspended or limited in a material respect for more than one day on which that exchange is open for trading; or
 - there is any adverse change or disruption to the political conditions or financial markets of Australia, the United States of America or the United Kingdom or the international financial markets, or any change involving a prospective adverse change in national or international political, economic or financial conditions;
 - there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any government agency, adopts or announces a proposal to adopt a new policy any of which does or is likely to prohibit, regulate or otherwise adversely affect the Offer, capital issues or stock markets.

For details of the fees payable to the Underwriter, see the Appendix 3B released to the ASX on 18 October 2021.

If the Underwriter elects to terminate the Placement Agreement, the Underwriter will be immediately discharged of its obligations under the Placement Agreement.

Annexure 3:

Key terms of Acquisition Agreements

Transaction overview

- Lark has entered into a Share Sale Agreement (**SSA**) to acquire 100% of the issued share capital in Kernke Family Shene Estate Pty Ltd (**Shene Estate**) from the shareholders of Shene Estate (**Sellers**), subject to the terms of the SSA (**Share Acquisition**)
- Shene Estate is the landowner of land on which the Pontville Distillery and Cooperage is situated and is the holding company of Shene Distillery Pty Ltd (**Shene Distillery**), the operator of the Pontville Distillery.
- Under the terms of the SSA:
 - simultaneously with the completion of the Share Acquisition, Shene Estate will acquire the Cooperage building from an entity associated with the Sellers (**Cooperage Building Acquisition**); and
 - on the date that is 12 months after the completion of the Share Acquisition, Shene Distillery will acquire certain plant and equipment contained within the Cooperage from an entity associated with the Sellers (**Cooperage Asset Acquisition**).

Purchase price

The purchase price for the Acquisition comprises:

- \$37 million for the Share Acquisition to be satisfied through \$35.5 million in cash and the issue of 306,360 fully paid shares in Lark with an implied value of \$1.5 million assuming an issue price of \$4.8962 (subject to shareholder approval, in the event shareholder approval is not provided this will be satisfied through \$1.5 million in cash at completion);
- \$2 million to be funded by Lark and payable by Shene Estate in connection with the Cooperage Building Acquisition; and
- \$1 million to be funded by Lark and payable by Shene Distillery in connection with the Cooperage Asset Acquisition and payable on completion of that transaction.

The purchase price of the Share Acquisition will also be:

- increased by \$14.50 per litre for any whisky produced after 1 September 2021 (**Post September Maturing Whisky**) plus \$800 (plus GST) per barrel containing the Post September Maturing Whisky; and
- subject to a customary post-completion working capital and net debt adjustment which will be settled in cash.

Annexure 3:

Key terms of Acquisition Agreements (cont.)

Conditions precedent	<p>Completion of the Share Acquisition is subject to a number of conditions. The key conditions include:</p> <ul style="list-style-type: none"> • finalisation of the Maturing Whisky Inspection (see description below); • the transfer of trade marks associated with the Poltergeist and Serendipity brands from Shene Distillery to the Sellers or their nominee; • the construction of new bond stores at the Pontville Distillery and completion of certain clean-up and restoration works; • the entry into the agreements for the Cooperage Building Acquisition and Cooperage Asset Acquisition by the relevant parties; • Shene Estate granting a 12 month lease in relation to the Cooperage building to the Sellers; • no material adverse change occurring in relation to Shene Estate; and • the successful completion of the Offer. <p>Lark anticipates that completion of the Share Acquisition will occur in February 2022.</p>
Maturing Whisky Inspection	<p>To ensure that the maturing whisky located at the Pontville Distillery is of sufficient quality, prior to completion of the Share Acquisition, Lark may inspect a sample of barrels of its choosing. Where such inspection reveals a material defect in a barrel, the defective barrel will be replaced with acceptable product of a substantially similar style and age.</p>
Voluntary escrow	<ul style="list-style-type: none"> • The Sellers will be issued with 306,360 Lark shares upon completion of the Share Acquisition (Consideration Shares). • The Sellers will enter into voluntary escrow arrangements in respect of the Consideration Shares for a period of 24 months from completion of the Share Acquisition or upon the commissioning of the new distillery at Pontville, whichever occurs first.
Warranties and indemnities	<p>The SSA contains customary warranties and indemnities for a transaction of this nature.</p>

Annexure 4:

Foreign selling restrictions

This document does not constitute an offer of new ordinary shares of Lark (**New Shares**) in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

The distribution of this presentation in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. By accepting this presentation, you represent and warrant that you are entitled to receive such presentation in accordance with the below restrictions and agree to be bound by the limitations contained herein.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

Annexure 4:

Foreign selling restrictions (cont.)

- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United States

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There will not be a public offer of the New Shares in the United States. This presentation may not be distributed or released in the United States.