

March 2026 Quarterly Activities Report & 4C Market Update

Lark Distilling Co. Ltd (ASX: LRK) (“LARK” or the “Company”) Australia’s No.1 Luxury Single Malt Whisky producer and brand is pleased to provide a business update for the quarter ended 31 March 2026 (Q3FY26 or Q3) and Appendix 4C.

Q3FY26 Highlights:

- Net Sales of \$4.3 million, up 0.2% vs. the prior corresponding period (pcp).
- The brand restage launched in late March, earning encouraging positive feedback, including being awarded World’s Best Design and Best Range Design at the World Whiskies Awards 2026.
- Domestic Direct-to-Consumer (D2C) sales of \$1.9 million, down on the pcp, as a result of timing of the release of speciality limited whiskies.
- The key Global Travel Retail (GTR) sales channel continues to grow, with initial fulfilment of the new Signature Whisky Range into Australian airports during the quarter. GTR delivered quarterly sales of \$0.5 million, up 42%.
- International demand continues to strengthen, with our new Signature Whisky Range now successfully delivered into ten international markets, with baseline sales stable at \$0.4 million across each of the two previous quarters.
- Domestic Business-to-Business (B2B) recorded strong growth of \$1.5 million, up by ~\$1.0 million on pcp, with shipments to distribution partner Spirits Platform, and pipeline fulfilment of the new range.
- Strong balance sheet with \$15.8 million in cash at 31 March 2026, providing flexibility to support strategic growth initiatives in domestic, GTR and international markets.

Lark CEO Stuart Gregor commented: *“The highlight of Q3 was undoubtedly the official launch of Lark’s Signature Whisky Range. We delivered our seventh consecutive quarter of net sales growth, which is a powerful demonstration of the underlying strength and appeal of our whiskies. This quarter validated all the hard work that has occurred behind the scenes and the increased demand and sales into our partners, including in Global Travel Retail and through our distributors is setting the stage for something special leading into FY27.*

“This launch of the Lark Signature Whisky Range completely reimagines LARK across every consumer touchpoint, from packaging right through to the entire brand experience. And what better validation could we ask for than winning World’s Best Design and Best Range Design at the World Whiskies Awards on 26 March, the very same day of our official launch. The symmetry is extraordinary.

“It’s fair to say the packaging of our new whiskies now truly matches the world-class liquid inside. As someone once said, you should always dress for the role you want, and we want LARK to be recognised as one of the great whiskies of the world.

“This is an incredibly exciting moment for LARK. With an award-winning product that can genuinely compete on the world stage, we’re ready to drive the next wave of sales momentum and can’t wait to share these incredible new whiskies with the world.”

Operational Highlights

During the quarter, the primary focus remained firmly on the final preparations for the official launch of the new Lark Signature Whisky Range. Significant activity for LARK’s international sales channels centred on the timely fulfilment of pipeline shipments of the three new Signature Whisky Range expressions that now define the new portfolio.

GTR delivered a strong increase in net sales in the quarter, supported by initial shipments of the new portfolio, with early retailer response encouraging following launch.

B2B sales to the Company's distribution partner, Spirits Platform, were up on pcp, due to the strong demand for the new range, including fulfilment of the new range. Underlying trade performance for Lark remained positive.

D2C continues to deliver strong sales and provides a key indicator of early success of the launch of the new range of whiskies. D2C is also a key entry point for new and existing consumers to Lark, as well the main channel for the release of high value limited whisky releases.

Q3 Cashflow

Net operating activity cash outflows were \$2.1 million for the quarter, versus \$0.9 million net outflows in the prior quarter, and net inflows of \$0.3 million in the pcp.

Operating activity inflows through customer receipts totalled \$3.7 million, down \$1.7 million versus the prior quarter and \$2.9 million versus the pcp. The movement reflects the seasonal reduction in receipts following the Christmas gifting period, as well as timing of receipts compared to the prior periods.

Payments for product manufacturing and operating costs were \$2.2 million, compared to \$1.9 million in the prior quarter and \$2.4 million in the pcp. Payments were higher than the prior quarter largely reflecting timing of payments. Compared to the pcp, payments were lower, noting the pcp included excise payments associated with The Whisky Club release, offsetting increased production activity during the current period due to the development of the Pontville production facility in pcp.

Advertising and marketing payments were \$1.1 million, broadly in line with the prior quarter with spend for the period focussed on launch related activity for the new range. The reduction versus the pcp reflects higher brand restage expenditure incurred in the prior period.

Payments for staff costs were \$1.9 million, down \$0.3 million versus the prior quarter and broadly in line with the pcp. The reduction relative to Q2 reflects non-recurring payments in the prior quarter.

Net receipts from Government grants and tax incentives of \$0.1 million were received during the quarter. The payment related to the final instalment of the Tasmanian Government Tourism Innovation Grant which supported the enhancement of Pontville.

Net cash outflows from investing activities were \$0.2 million for the quarter. Payments for property, plant and equipment primarily relate to the finalisation of works at the Davey Street site, with the majority of capital expenditure incurred in prior periods. Capital expenditure has materially reduced as major projects progress to completion.

Payments disclosed in section 6.1 include \$1 thousand of inventory purchases from Seppeltsfield Wines Pty Ltd, an associated entity related to Warren Randall (Non-Executive Director). The remaining payments disclosed relate to Non-Executive Director fees.

Cash at bank at 31 March 2026 was \$15.8 million, including \$11 million held in cash term deposits; the Company's \$5 million committed bank facility remains undrawn.

As at 31 March 2026, LARK had a Whisky Bank of approximately 2.4 million litres (31 December 2025: 2.4 million litres). The Whisky Bank remains a strategic asset supporting the Company's growth plans. As previously outlined, the brand portfolio work undertaken in FY25 has enabled full utilisation of the Whisky Bank, including acquired inventory.

About Lark Distilling Co:

Founded in 1992 by pioneers Bill and Lyn Lark, Lark Distilling Co. is the original distillery of modern Tasmania, igniting the island's whisky movement, overturning a 150-year-old distilling ban and establishing Tasmania as one of the world's most distinctive whisky regions. Today, Lark is Australia's No.1 Luxury Single Malt Whisky brand and a recognised leader of the global New World whisky category.

Crafted at the historic Pontville Distillery in Tasmania, Lark whiskies are defined by fortified depth, silky complexity and a flavour-forward style shaped by the island's extraordinary super-climate. Guided by curiosity rather than convention, Lark continues to push boundaries through innovation in cask maturation, locally sourced ingredients and creative experimentation.

Lark whiskies are recognised locally and globally for their quality, earning numerous international accolades over more than three decades. Most recently, Lark won three Double Gold medals and two Gold medals at the 2025 World Spirits Competition in San Francisco, and Master Distiller Chris Thomson was awarded Master Distiller/Blender of the Year at the 2026 World Whiskies Awards.

In 2026, Lark unveiled a bold new Single Malt signature collection which was awarded World's Best Design and Best Range Design at the World Whiskies Awards. Lark has two unique homes in Tasmania, our distillery at the historic Pontville site and our spiritual home in the heart of Hobart on Davey Street. Both are open seven days a week for whisky tastings and tours.

For more information contact:

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

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Lark Distilling Co. Ltd

ABN

62 104 600 544

Quarter ended ("current quarter")

31 March 2026

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,734	13,392
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,151)	(5,695)
(c) advertising and marketing	(1,097)	(3,332)
(d) leased assets	-	-
(e) staff costs	(1,934)	(6,481)
(f) administration and corporate costs	(868)	(2,883)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	157	537
1.5 Interest and other costs of finance paid	(40)	(111)
1.6 Income taxes/GST paid	-	-
1.7 Government grants and tax incentives	112	112
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,087)	(4,461)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(203)	(1,568)
(d) investments	-	-
(e) intellectual property	(30)	(80)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (repayment of Government Grant)	-	(714)
2.6	Net cash from / (used in) investing activities	(233)	(2,362)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (payment of lease liabilities)	(148)	(452)
3.10	Net cash from / (used in) financing activities	(148)	(452)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	18,300	23,107
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,087)	(4,461)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(233)	(2,362)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(148)	(452)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	15,832	15,832

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,832	7,300
5.2	Call deposits	11,000	11,000
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	15,832	18,300

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	69
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	5,000	-
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	5,000	-
7.5	Unused financing facilities available at quarter end		5,000
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	The company has a \$5 million debt facility with National Australia Bank expiring January 2028.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,087)
8.2	Cash and cash equivalents at quarter end (item 4.6)	15,832
8.3	Unused finance facilities available at quarter end (item 7.5)	5,000
8.4	Total available funding (item 8.2 + item 8.3)	20,832
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	10.0
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 21 April 2026

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.