

QUARTERLY ACTIVITIES & CASHFLOW REPORT QUARTER ENDED 30 SEPTEMBER 2026

Hobart, Australia, 28 October 2026: Lark Distilling Co. Ltd (ASX: LRK) (**LARK** or the **Company**) Australia's No.1 Luxury Single Malt Whisky producer and brand is pleased to release its Appendix 4C – Quarterly Cashflow Report and Activities Update for the quarter ended 30 September 2026 (the **Quarter**). All financial results are in Australian dollars and are unaudited.

Highlights

- **Net Sales of \$3.5m down 4.5% versus the prior comparable period (pcp) of 1QFY26, due predominately to timing of orders in international markets**
- **Net Domestic sales of \$2.9m were up 7.9% on pcp with net sales as follows:**
 - **Direct-to-Consumer (D2C) - \$2.0m (up 16.4% on pcp) driven by strong Hospitality performance**
 - **Business-to-Business (B2B) - \$0.9m (down 7.5% on pcp) due to timing of shipments to distribution partner Spirits Platform**
- **Net International sales of \$0.6m were down 37.7% on pcp**
 - **Global Travel Retail (GTR) delivered a strong growth result of \$0.6m (up 32.3% on pcp)**
 - **Export contributed \$0.05m, whereas export had been 15% of sales in the pcp. The quarter was impacted by the timing of onboarding a new distributor in China and timing of replenishment shipments in other Asian markets**
- **Strong cash inflows with Customer receipts of \$6.9m including collections from strong end of FY26 sales which included The Whisky Club in June**
- **Whisky Bank maintained at ~2.4m litres, supporting multi-year growth**
- **Closing cash balance at 30 September of \$12.9m and an undrawn \$5m bank facility providing flexibility to support operational requirements and strategic growth initiatives.**

LARK CEO Stuart Gregor commented:

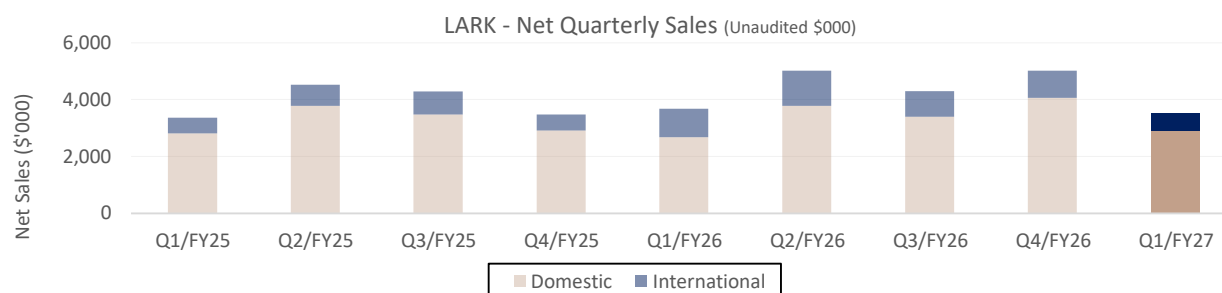
"This quarter showed the brand work we've done is paying off where it counts most, which is with the people pouring and drinking our whisky. Our direct channels had a terrific quarter, led by hospitality, and Global Travel Retail remains a real bright spot, with the new look doing exactly what we designed it to do.

LARK's brand investment is gaining traction in the Australian market, with prompted awareness increasing from 8% to 10% and consideration from 3% to 5% over the last six months.

Exports were behind expectations as the China rollout, including onboarding a new distribution partner, has taken longer than planned, and B2B reflects the natural rhythm of shipments after a very strong finish to FY26."

Operational performance underpinned by Direct to Consumer and International GTR sales

Following 8 consecutive quarters of top-line growth on pcp, the first Quarter in FY27 saw net sales of \$3.5m, down by 4.5% from the pcp, with good sales growth in the Domestic channel, which was up 7.9% on the pcp. These unaudited Quarterly sales results by channel are shown in the graph below.



This Quarter, the Domestic Channels performed well, delivering net sales of \$2.9m (up 7.9% on pcpc), driven by:

- Direct-to-Consumer (D2C) net sales of \$2.0m (up 16.4% on pcpc), related to strong trading across LARK's Hospitality venues and solid and predictable revenue through LARK's owned eCommerce channels.
- Business-to-Business (B2B) net sales of \$0.9m (down 7.5% on pcpc), which was impacted by timing of shipments to distribution partner Spirits Platform. The channel remains a key area for future growth as part of LARK's broader distribution strategy via Spirits Platform to the large Australian retailers and network of independents.

The International Channels faced headwinds in Export this Quarter, delivering net sales of \$0.6m (down 37.7% on pcpc), including:

- Global Travel Retail (GTR) net sales of \$0.6m (up 32.3% on pcpc), which was supported by the continued onboarding of new distribution points, including at Changi Airport, Singapore.
- Export contributed 15% of sales in the pcpc due to an initial pipefill order. The current quarter was impacted by the timing of onboarding a new distributor in China, and timing of replenishment shipments to other Asian markets. The Company will continue to closely align its marketing investment into China to ensure a sustainable balance of investment ahead of the curve and short-term earnings impact.

Summary of cashflows for the Quarter

As detailed in the attached Appendix 4C, the key cash inflows and outflows for the quarter were as follows:

A\$'000	Q1 FY27	Q4 FY26	Change
Operational cash inflows			
Receipts from customers	6,923	4,756	2,167
Other (Interest, Grants, Incentives)	195	353	(158)
Total	7,118	5,109	2,009
Operational cash outflows			
Manufacturing and Operations	(3,379)	(1,470)	(1,909)
Advertising and Marketing	(1,452)	(1,412)	(40)
Staff costs	(2,203)	(2,210)	7
Other	(1,242)	(1,245)	3
Total	(8,276)	(6,337)	(1,939)
Cash from Operations	(1,158)	(1,228)	70

Operating inflows through customer receipts grew to \$6.9m, reflecting the collection of trade receivables following the increased sales in the prior quarter and temporary working capital movement at 30 June 2026 outlined in the FY26 results. The main cashflow items were as follows:

- Payments for product manufacturing and operating costs increased to \$3.4m, primarily due to the timing of supplier and excise payments on the large trade payables balance as at 30 June 2026, together with increased inventory and packaging purchases to support growth.
- Advertising and marketing payments were broadly in line with the prior quarter at \$1.5m reflecting continued investment in the LARK Signature range, brand awareness and acceleration of depletions in the domestic market.

- Payments for staff costs were \$2.2m, broadly in line with the prior quarter with some impact due to the timing of payroll related payments.

Additional payments disclosed in section 6.1 include \$15k for office rental costs, and \$21k for production related purchases from entities associated with Non-Executive Directors.

- ENDS -

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

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About LARK

Lark Distilling Co. Ltd (ASX:LARK) is a Tasmanian-based producer of premium and luxury Australian spirits, operating through its Whisky and Gin segments. Founded in 1992, Lark pioneered Tasmania's modern whisky industry and is recognised as Australia's No.1 Luxury Single Malt Whisky brand. Crafted at the historic Pontville Distillery, Lark whiskies are known for their fortified depth and flavour-forward style, complemented by a range of Tasmanian gins under the Forty Spotted brand. Lark continues to win prestigious awards globally and is available domestically through cellar door, online and wholesale channels, and internationally across Asia, the Middle East, United Kingdom and Europe. 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.

Learn more at www.larkdistillery.com or follow us at www.linkedin.com/company/lark-distilling.

Forward Looking Statements

This Announcement may contain forward-looking statements, including estimates, projections and other forward-looking information (**Estimates** and **Projections**). 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", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of Lark. The Estimates and Projections are based on information available to Lark as at the date of the Announcement, are based upon management's current expectations, estimates, projections, assumptions and beliefs in regards to future events in respect to Lark's business and the industry in which it operates which may in time prove to be false, inaccurate or incorrect. The Estimates and Projections are provided as a general guide and should not be relied upon as an indication or guarantee of future performance. The bases for these statements are subject to risk and uncertainties that might be out of control of Lark and may cause actual results to differ from the Announcement. No representation, warranty, or guarantee, whether express or implied, is made or given by Lark in relation to any Estimates and Projections, the accuracy, reliability, or reasonableness of the assumptions on which the Estimates and Projections are based, or the process of formulating any Estimates and Projections, including that any Estimates and Projections contained in this Announcement will be achieved. Lark takes no responsibility to make changes to these statements to reflect change of events or circumstances after the release.

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")

30 September 2026

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	6,923	6,923
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(3,379)	(3,379)
	(c) advertising and marketing	(1,452)	(1,452)
	(d) leased assets	-	-
	(e) staff costs	(2,203)	(2,203)
	(f) administration and corporate costs	(1,210)	(1,210)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	156	156
1.5	Interest and other costs of finance paid	(32)	(32)
1.6	Income taxes/GST paid	-	-
1.7	Government grants and tax incentives	29	29
1.8	Other (provide details if material)	10	10
1.9	Net cash from / (used in) operating activities	(1,158)	(1,158)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(66)	(66)
	(d) investments	-	-
	(e) intellectual property	(10)	(10)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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)	-	-
2.6	Net cash from / (used in) investing activities	(76)	(76)

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)	(156)	(156)
3.10	Net cash from / (used in) financing activities	(156)	(156)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	14,313	14,313
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,158)	(1,158)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(76)	(76)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(156)	(156)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	12,923	12,923

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	1,923	3,313
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)	12,923	14,313

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	98
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. 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)	(1,158)
8.2	Cash and cash equivalents at quarter end (item 4.6)	12,923
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)	17,923
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	15.5
	<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: 28 October 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.