# Australian Vintage Ltd - Appendix 4E

## Preliminary final report for the year ended 30 June 2026 as required by listing rule 4.3A

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

| **Revenue and net profit**<br>**(All comparisons to year ended 30 June 2025)** | | **Movement**<br>**%** | **Amount**<br>**$'000** |
|---|---|---|---|
| Total operating revenue | *Up* | *0%* | *257,557* |
| *Reported Earnings before interest, tax and SGARA (including material items)* | *Down* | *6,360%* | *(49,954)* |
| *Reported net profit after tax, before SGARA (including material items)* | *Down* | *984%* | *(64,013)* |
| *Statutory net profit (including material items)* | *Down* | *594%* | *(66,361)* |

| | **2026**<br>**$** | **2025**<br>**$** |
|---|---|---|
| Net tangible assets per security [1] | 0.38 | 0.52 |

[1] *The net tangible assets include right-of-use assets as defined by AASB 16 Leases.*

No dividends were paid or declared during the period. Additional Appendix 4E disclosure requirements can be found in the Financial Report which contains the Director's Report and the 30 June 2026 Financial Statements and accompanying notes.

This Appendix 4E is based on the 30 June 2026 Financial Statements which have been audited by Pricewaterhouse Coopers.

AUSTRALIAN VINTAGE LTD

# FINANCIAL REPORT FOR THE YEAR ENDED

# 30 JUNE 2026

# (ACN: 052 179 932 ASX REFERENCE: AVG)

# Directors' report
## For the financial year ended 30 June 2026

The Directors of Australian Vintage Limited (the Company) submit herewith the annual financial report for the Company and its controlled entities (the Group) for the financial year ended 30 June 2026. In order to comply with the provisions of the Corporations Act 2001, the Directors report is presented as follows:

## Directors
The names and particulars of the Directors of the Company during or since the end of the financial year are:

**James Williamson BCom**
Chairman and Non-Executive Director since 23 August 2024

Mr Williamson has over 29 years of experience in financial markets including significant experience in covering global alcoholic beverages as an analyst based in London for Societe Generale and is the Co-Founder and Chief Investment Officer of Wentworth Williamson Management, a substantial shareholder of the Company. Wentworth Williamson Management is a private Australian-based value fund manager with both equity and private credit funds. Prior to Wentworth Williamson, Mr Williamson worked for Allan Gray Australia and prior to that he was Portfolio Manager of the Investec Australian Equity Fund. Mr Williamson holds a Bachelor of Commerce, a Graduate Diploma of the Securities Institute of Australia and is a Senior Associate of FINSIA and is a Non-Executive Director of ASX-listed Alexium International Group Limited, Finanzor Pty Ltd and JTAB Pty Ltd.

Mr Williamson is Chairman of the Board of Australian Vintage Limited. He is also a member of the People, Remuneration & Culture Committee and the Audit, Risk & Sustainability Committee.

Mr Williamson was appointed as Non-Executive Director with effect from 23 August 2024.

Interest in shares: Mr Williamson holds 64,111,258 shares indirectly, 401,642 shares held indirectly via James Frank Williamson and Tiona Joy Williamson as trustee for Williamson Super Fund A/C and 63,709,616 fully paid ordinary shares held indirectly via Sandhurst Trustees Ltd <Wentworth Williamson A/C>. Mr Williamson is a shareholder, Director and Chief Investment Officer of Wentworth Williamson Management Pty Ltd that holds a 19.34% interest in AVG.

**Margaret Zabel B Math, MBA, GAICD**
Non-Executive Director since 23 July 2024

Ms Zabel is a specialist in customer centred business transformation, brand strategy, innovation, communications, customer experience and change leadership. She has 20 years senior executive experience working across major companies and brands in FMCG, food and beverage, technology and communications industries including multinationals, ASX 100 and not-for-profits. Her previous roles include National Marketing Director Lion, VP Marketing for McDonald's Australia and CEO and Board Director of The Advertising Council of Australia. Ms Zabel holds an MBA from INSEAD, France and a Bachelor in Mathematics from the University of Waterloo, Canada, and is a graduate of the Australian Institute of Company Directors. Ms Zabel has also served as a Non-Executive Board Director for the mental health charity R U OK?, Fairtrade AUNZ and The Reject Shop and is currently a Non-Executive Director on the Boards of G8 Education, Select Harvests, Collective Wellness Group and Australian Flying Disc Association (AFDA).

Ms Zabel is Chair of the People, Remuneration & Culture Committee and member of the Audit, Risk & Sustainability Committee.

Ms Zabel was appointed as Non-Executive Director with effect from 23 July 2024.

Interest in shares: Ms Zabel holds 450,020 shares indirectly.

**Michael Byrne AM ESM MSc. FAICD**
Non-Executive Director since 14 August 2024

With a distinguished career spanning over four decades, Michael Byrne has established himself as a seasoned Global C-suite executive and Non-Executive Director. His expertise in strategic planning, operational management, and financial stewardship has left an indelible mark across diverse industries and geographies, including Australia, New Zealand, North America, Oceania, Europe, sub-continent, Asia, the Middle East, and Africa. Mr Byrne is currently a Non-Executive Director of a wide range of companies including, but not limited to, ATG West, Ausgrid, Briggs Group of Companies (UK & Ireland), NSW Ports, Peel Ports UK, Sydney Airport and CBH Group, as well as a Commissioner of the National Transport Commission (Federal) and advisor for IFM Investors, Australian Super and Trade Reliance Service (Federal). Mr Byrne has previously held positions of Managing Director of Toll Group and Chief Executive Officer of both Coates Hire Linfox and Westgate Holdings, as well as Board and Committee positions with Australia Post, OzHarvest, Victoria University and the University of Denver. Mr Byrne holds a Master of Science in Transportation and Infrastructure from the University of Denver. Mr Byrne is a Fellow of the Australian Institute of Company Directors.

Mr Byrne is Chair of the Audit, Risk & Sustainability Committee and member of the People, Remuneration & Culture Committee.

Mr Byrne was appointed as Non-Executive Director with effect from 14 August 2024.

Interest in shares: Nil

**Elaine Teh BA BEc**
Non-Executive Director since 23 August 2024

Ms Teh is the founder and executive Chair of Octopus Global Holdings, which is the Company's current distributor in Singapore and Malaysia. Octopus Global is the sole representative of many large global distributors in Singapore and Malaysia, including Remy Martin, Paulaner, San Miguel, Australian Vintage, Fever Tree, ABInBev and more. Ms Teh holds a Bachelor of Arts, Economics and Japanese from the University of New South Wales, Australia.

Ms Teh was appointed as Non-Executive Director with effect from 23 August 2024.

Interest in shares: Ms Teh holds 760,000 shares indirectly in AVG. Ms Teh's defacto partner is a beneficiary of a trust holding Triple D Ventures, a substantial shareholder of the Company.

## Directorships of other listed companies
Directorships of other listed companies held by Directors in the 3 years immediately before the end of the financial year are as follows:

| Name | Company | Period of Directorship |
|---|---|---|
| James Williamson | Alexium International Group Limited | Since November 2024 |
| Margaret Zabel | G8 Education Limited | Since September 2017 |
| | Select Harvests Ltd | Since September 2022 |
| | The Reject Shop Ltd | Since June 2021, resigned July 2025 |

## Company Secretary
Alicia Morris

**General Counsel and Company Secretary**
Alicia joined Australian Vintage Limited in October 2010 and leads AVG's legal team and governance portfolio. She holds a Bachelor of Laws and Legal Practice (Hons), Bachelor of Behavioural Science (Psychology), a Graduate Diploma of Applied Corporate Governance and is a fellow member of the Governance Institute of Australia and Member of the Australian Institute of Company Directors. She has over 16 years' legal, commercial and governance experience.

## Principal activities
The Group's principal activities in the course of the financial year were wine making, wine marketing and vineyard management.

## Changes in state of affairs
During the financial year there was no significant change in the state of affairs of the Group other than that referred to in the financial statements or notes thereto.

## Environmental regulations
The Group entity holds licences issued by the Environmental Protection Authorities in various states which specify limits associated with the discharge of winery waste. There have been no known breaches of the licence conditions.

## Dividends
In respect of the financial year ended 30 June 2026, no dividend has been declared. In respect of the financial year ended 30 June 2025, no dividend was declared or paid.

# Directors' report
For the financial year ended 30 June 2026

## Review of operations and future developments
The operating and financial report contains non IFRS measures that have not been subject to audit review. The non-IFRS measures are used internally by management to assess the performance of the business and make decisions on the allocation of resources.

### Australian Vintage Overview
Australian Vintage ("**AVG**") is an alcohol beverage company selling over 95% of its products to global retail markets, with just over half of its revenue derived from export related markets. In prior years revenue derived from export markets accounted for approximately two thirds of total revenue however, with ongoing global conflicts and the successful launch of innovation in Australia, this has shifted.

AVG has had a heavy focus on innovation and premiumisation to maintain market share whilst sales in commercial red category have declined. This is translating through to a shift in revenue mix. Poco Vino™ the highly successful launch of premium wine in a smaller format, more convenient bottle, is recruiting new consumers to the wine category. With a playful approach to wine consumption, and a model that sources and bottles close to the consumer, this product will redefine how Australian Vintage works in the future.

AVG are known as the global leaders in the no-and-low alcohol wine segment creating an Australian first with McGuigan Zero, launched in FY20. Growth in this category is supported by Not Guilty, the McGuigan and Tempus mid alcohol ranges, especially in UK, European and North American markets.

AVG has industry leading environmental, social and governance (ESG) credentials, recognised through the achievement of B Corp certification in FY24. Industry leading credentials have been achieved upon a strong foundation of trusted long-term relationships with customers, growers, suppliers and employees. All grape sourcing in Australia is certified through Sustainable Winegrowing Australia (SWA).

AVG owns modern processing facilities that are the third largest in Australia and are capable of commercial, premium, and ingredient processing on the same site. These facilities have capacity to absorb planned growth with opportunities to right size operations processing an ongoing lower capacity a key focus for the organisation.

AVG is in the early stages of a turnaround as it moves to address declining sales and negative cash outflows of the Group in recent years, offsetting global structural cost inflation introduced through the war in FY23 that continue with ongoing global macroeconomic events. Fiscal year 2026 is a transformational year for the Group both in terms of turning declining sales into growth and generating free cash flow.

### Full year results
Overall sales for Australian Vintage were $258 million, $1 million higher than the prior year. Whilst statutory first half revenue declined by -1.7%, the second half revenue grew 2% over the prior year, as the benefits of AVG's innovation and acquisitions improved trading. A relentless focus on cash flow through cost-out measures and improved revenue has seen underlying free cash flow generation of +$2 million, excluding any one-off investments of $16 million. This marks the first positive free cash flow since fiscal year 2022 and represents a +$35 million turnaround from fiscal year 2023. Additionally, operating cash flow of +$4 million is the first positive operating cash flow since fiscal year 2022, a year benefiting from improved cash generation as a result of COVID-19. These strong cash results were possible through +$21 million cash generation in the second half, delivering a +$23 million year-on-year improvement and setting the Company up well for fiscal year 2027.

Fiscal year 2026 included +$16 million of investments generating an average IRR of 69%. This included redundancies from major structural changes, new brand acquisitions, vineyard exits and working capital funding for Poco Vino expansion, all critical to the future performance of the Company. Net debt finished better than guidance at $89 million, an increase from $75 million last year primarily from the investments outlined. In addition, renewed banking finance was secured for the next two years aligning with the Company three-year strategy.

Active inventory management has resulted in bulk wine holdings being reduced to record lows through aggressive bulk sales converting wine assets to cash, whilst lowering storage to ~ 90 million litres at 30 June 2026. Whilst bulk wine holdings are at record lows there is still some legacy inventory held within that balance. As a result, AVG will be impairing $27 million of that residual inventory, moving to an in-balance holding, releasing excess capital tied up in inventory to invest in the growing innovative brand portfolio and repaying debt. From Vintage 2027 AVG's intake will be in balance with no further inventory building expected as all required wine is sold through each financial year.

Australian Vintage's branded portfolio, led by the McGuigan brand, continues to outperform competition across key markets and segments. McGuigan in Australia has held flat, whilst in the United Kingdom (UK) McGuigan has declined in line with the overall Australian wine category. Importantly, McGuigan remains the number 1 zero-alcohol still wine brand globally and continues to grow off a strong base. Overall brands for AVG grew +3% in Australia, whilst maintaining a stable 6% share of the UK wine market.

New innovation is crucial to Australian Vintage's growth strategy. Poco Vino™ has exceeded expectations across the global wine market. The brand has sold more than 2.2 million units globally in FY26, across six stock keeping units (SKUs) in eleven months, becoming the number 1 fastest growing glass format minis brand in the UK (in the last quarter) and is selling, or being shipped, to twelve global markets and growing. Poco Vino™ will continue to drive momentum with critical portfolio expansion into the faster moving sparkling and spritz wine categories. An additional eight SKUs across Prosecco and on trend flavoured spritzes will launch in Australia in October 2026. The Poco Vino™ premiums range, known as the "Atlas Series", launched at the TWFA Global Travel Retail show this year with airport and on-premise launches planned for February 2027, taking the brand into the premium wine segment at a recommended retail price of $20 per unit, versus $7 for the core portfolio. Projections for this innovative brand are to exceed $20 million in annualised sales in fiscal year 2027, supported by further expansion of core still wines across Asia and the USA, as well as sparkling portfolio growth in Australia. Poco Vino™'s success has been recognised in the latest Australian Advantage Survey as the number 1 in product innovation, consumer and category insights, trade and shopper marketing and new product launch of the year.

AVG's other innovative product, Lemsecco™, delivered exceptional momentum in fiscal year 2026, with Australian sales up 116% year-on-year and distribution building in the USA and China. International brands acquisitions and partnerships are driving further growth, with MadFish™ and the Graham Norton distribution agreement contributing an annualised net sales run rate of more than +$12 million for fiscal 2027. MadFish™ is accelerating ahead of expectations, delivering +25% sales growth over the past 26 weeks, with more distributions confirmed across the UK.

## Review of operations and future developments (continued)

**Profit result (reported basis)**

| | 2026 | 2025 |
|---|---|---|
| Revenue | 257,557 | 257,185 |
| Gross profit (before inventory write down impacted by change in strategy) | 58,937 | 69,364 |
| Inventory write down impacted by change in strategy | 27,037 | - |
| Gross margin (after inventory write down impacted by change in strategy) | 31,900 | 69,364 |
| **Earnings before interest, tax, depreciation, amortisation and SGARA (EBITDAS)** | **(34,922)** | **15,381** |
| Depreciation and amortisation | (15,032) | (14,583) |
| **Earnings before interest, tax and SGARA (EBITS)** | **(49,954)** | **798** |
| Finance costs | (8,647) | (6,705) |
| **Profit before tax and SGARA (PBTS)** | **(58,601)** | **(5,907)** |
| Income tax expense (1) | (5,412) | - |
| **Net profit after tax and before SGARA (NPATS)** | **(64,013)** | **(5,907)** |
| SGARA (net of tax expense) | (2,348) | (3,657) |
| **Net profit after tax (NPAT)** | **(66,361)** | **(9,564)** |
| Finance costs | 8,647 | 6,705 |
| Income tax expense | 5,412 | - |
| **Earnings before interest and tax (EBIT)** | **(52,302)** | **(2,859)** |
| Return on capital employed (2) | <0% | 0.2% |
| Net debt (3) | 88,759 | 75,123 |

*(1) including deferred tax asset write off, and adjusted for the tax impact of SGARA*
*(2) EBITS divided by capital employed, where capital employed is defined as total assets less current liabilities*
(3) net debt is calculated as total borrowings less cash and cash equivalents (excludes lease liabilities)

**Innovation continues to drive AVG's growth**

Innovation, strategic acquisitions and range expansion are offsetting declines in commercial red markets. Additionally, AVG continued to strengthen its core brand, McGuigan during FY26 through targeted marketing initiatives in Australian cricket and Zero Alcohol.

The launch of Poco Vino™ has been transformational for the Group sales outlook. This unique format product is achieving sales run rates that far exceed 750ml wine equivalents.

Importantly, Poco Vino™ is addressing recruitment back into the wine category through its smaller format, disruptive shelf presentation and is resonating with a younger demographic and leveraging the global shift towards convenience.

In the latest Advantage Survey, AVG has been recognised as Australia's equal #1 wine supplier, #1 wine supplier for consumer and category insights, while also ranking #1 for product innovation, #1 for trade and shopper marketing, #1 for new product launch processes, and 4th overall across all suppliers.

This recognition is an important reflection of the impact that AVG is having across the wine sales landscape and reflects the strength of the Company's customer partnerships, commercial capability and ability to deliver innovative brands that create value for retail partners and resonate with consumers.

This achievement is a testament to the capability of AVG's smaller agile team and the Company's ongoing performance against larger organisations.

**Optimising inventory holdings**

Inventory reduction was a strong focus and strategic priority in FY26, with previous guidance that inventory levels would be significantly lower than FY25. In the first half, the exit of another vineyard lease reduced exposure to excess red grape varietals and the decision not to renew contracts delivered cost savings and positive cashflow.

In the second half, AVG continued selling bulk inventory holdings for cash while maintaining sufficient stock to support future sales growth and vintage requirements. As part of this reset, AVG has recognised a $27 million impairment, writing down legacy inventory, while creating greater flexibility to realise operational efficiencies.

The Company inventory position is now sitting at approximately 90 million litres which is significantly better than previous years.

## Review of operations and future developments (continued)

### Financial results

AVG has focussed on cash generation as a key measure of the underlying health and performance of the business. The Company is pleased to have delivered on cash performance guidance, with free cash flow excluding investments of +$2 million and operating cash flow of +4 million.

This is an outstanding result, as persistent inflation and ongoing war impacts placed significant pressure on supply chain availabilities and costs through FY26. Even with these headwinds, this result represents a significant turnaround from FY23, where underlying cash flow was -$33 million, an improvement of $35 million.

Cash generation in the second half was strong with $21 million generated, $23 million ahead of the corresponding period in the prior year. This performance is consistent with the strategic plan outlined by the Company and provides a solid foundation for FY27 and beyond.

In a year where cash generation was the primary focus, AVG continued to make important decisions and targeted investments for future growth, supported by their banking partners. Investments focussed on three key areas: top line growth, margin expansion and reductions in fixed supply chain costs.

Investments into Poco Vino[tm] and Lemsecco[tm] innovation launches, the acquisition of MadFish internationally and the onboarding of Invivo distribution in the UK, represented two thirds of the approximately $16 million investments made during the year and are delivering a combined IRR of 69%. Remaining investments focussed on reducing the fixed supply chain through lease exits and reduced staffing requirements, with employee numbers reduced significantly across the organisation over the year from executive level to operational staff.

The Company's banking partners have aligned on the Company transformation journey, providing ongoing support. This has culminated in the extension of financing facilities to $128 million through to March 2028, with an option to extend for an additional year to 2029. This represents an increase of $5 million to support growing innovation and the global expansion of Poco Vino[tm], particularly in the USA, launching in FY27. Interest rates are in line with previous rates.

### Outlook FY27

FY26 represented a year of significant transformation for AVG across leadership and product portfolio. Through a disciplined focus on cash generation, cost optimisation, strategic brand acquisitions and innovation, including the successful launch of Poco Vino[tm] and other innovative brands, the Group strengthened its portfolio, streamlined its cost base and enhanced operational performance. These initiatives have positioned AVG as a stronger, more agile business, well placed to deliver sustainable growth and improved profitability in the years ahead.

With these foundations established, AVG expects to deliver a net positive cash position (both in terms of total free cash flow, net of the remaining investment payments and planned inventory sales) for the full financial year FY27, reducing debt for the first time in years while accelerating the growth of key parts of the group portfolio.

For the purpose of ASX Listing Rule 15.5, Australian Vintage Limited confirms that this document has been authorised for release by the Board of Directors.

## Review of operations and future developments (continued)

**Material business risks**

The Group has an established Audit and Risk Committee, which monitors risks to the business on an ongoing basis and ensures they are identified in a timely manner and managed accordingly. Below are those risks that AVG considers of greatest materiality to the business, and existing mitigations against these risks.

| Material business risk | Details of risk | Mitigation strategies in place |
|---|---|---|
| **Global inflationary pressures driven by geopolitical instability** | Global economic instability, geopolitical tensions, and climate-related events are contributing to significant global inflation, increases in all major categories such as: Energy, shipping, fuel, tariffs, taxes, labour and delays/ disruptions are all occurring simultaneously.<br>Disruption in the global shipping environment is having an impact on the reliability and cost of supply. AVG experiences stock-outs and demurrage costs (UK) that have consistently increased. Container costs continue to be higher than levels 2 years ago with ongoing Red Sea disruption | AVG has long term contracts in place for all key aspects of the supply chain. On a regular basis those contracts are tested through a tender process.<br>• AVG relies on key partnerships across the supply chain, and in working with our partners, we strive to ensure that short term environmental impacts do not disrupt long term arrangements.<br>• Shipping contracts have been recently renegotiated providing certainty over shipping spots, price and port fees.<br>• AVG pre purchases demurrage to limit reactive costs incurred as a result of delivery un-reliability.<br>• Proactive engagement in regulatory bodies to ensure line of sight to any industry changes are identified, quantified and recouped through consumer and customer pricing (e.g. recent EPR tax change in the UK). |
| **Changing consumer preference for wine** | Consumer preferences are constantly changing with consumers moving away from heavy red wine to lighter, white and sparkling varietals, especially in Australian Vintage's key geographies of the United Kingdom and Australia. | • AVG procures a large amount of consumer data to stay ahead of trends and understand consumer preferences.<br>• Driving innovation to develop new products and formats, e.g. Poco Vino™ differentiating AVG's offering and appealing to changing consumer preferences.<br>• Build brand desirability by continuing to invest in brand awareness strengthening consumer preference and loyalty.<br>• Reduce reliance on red wine supply, increasing portfolio strength in growing varietal areas (e.g. white wine).<br>• Acquiring products that fit with a growing consumer demand. |
| **Cyber security** | Data/information security is essential to protect business critical intellectual property and privacy of data. Continuing advances in technology, systems and communication channels mean increasing amounts of private and confidential data are now stored electronically. This, together with increasing cyber-crime, heightens the need for robust data security measures. | • Information Security Policy, supporting framework and specialised resources.<br>• Restricted and segregated management of sensitive business/supplier/customer data.<br>• Periodic employee training and alerts to ensure secure handling of sensitive data.<br>• Crisis management and IT Disaster Recovery Plans<br>• Multi-factor authentication with passwords changes on regular basis |
| **Balance sheet valuation is higher than market/ perceived value** | Impact of asset over valuations on balance sheet could lead to asset write downs that may impact on debt through reduced leverage. | • Assets are valued on a regular basis utilising external market valuations where available.<br>• Inventory is assessed against its recoverability through market channels.<br>• Forward look strategy of at least 3 years is constantly reviewed to consider changing market dynamics and the impact that may have on asset value. |
| **Foreign exchange** | AVG is exposed to foreign exchange risk from a number of sources, namely from the export of Australian produced wine to offshore markets. Foreign exchange rate movements impact AVGs earnings. | • Active foreign exchange hedging strategy that utilises 3-5 year business plans to minimise hedging risk over 2 years<br>• Partial natural hedges (purchases and sales within the same currency) where possible. |

## Review of operations and future developments (continued)

**Material business risks (continued)**

| Material business risk | Details of risk | Mitigation strategies in place |
|---|---|---|
| Climate change | Climate change is expected to impact on AVG increasingly in terms of regulation and associated costs, posing the following risks:<br>• Restrictions on access to water and energy whilst working within possible carbon price and emission reduction targets<br>• The ability to effectively respond to climate related change impacts that could have adverse effects on business performance<br>• Third party suppliers' ability to respond to climate change impacts<br>• Consumer awareness and retailer requirement for sustainability strategies that could impact listings and sales offtake<br>• Rising temperatures in the inland growing regions and the impact that may have on vine and grape performance | AVG have strategies in place to reduce our greenhouse gas footprint. In addition, the following activities are ongoing to mitigate climate change risks:<br>• Further investment towards innovative water and power solutions to reduce environmental footprint and save on costs.<br>• Reduction in fixed vineyard holdings reducing the risk of water volatility on AVG's financials.<br>• Working closely with the Bureau of Meteorology to better understand short and long term weather patterns.<br>• Working with key suppliers to ensure they are managing climate change in a way that is commensurate with AVG's policy and approach, supporting AVG's sustainable sourcing strategies.<br>• Global sourcing strategies to mitigate high emission freight.<br>• Introduction of accounting standard AASB 2 providing structured communication in future financial statements |
| Long term management & reduction of company debt | Current Net Debt at end of FY26 is $89 million. Driven by hyper-inflationary impacts over the last 3 financial years, AVG has utilised debt to manage the severe cost spikes in a highly price competitive industry, whilst investing in future growth opportunities. | AVG has a strong relationship with its financiers with an ongoing open, transparent dialogue in place, with current facilities ending in June 2028, with an option for a one year extension.<br>Other strategies in place include:<br>• Working closely with customer to grow sales opportunities in key core geographies.<br>• Growth in global geographic locations pursing opportunities to mitigate decline in some markets.<br>• Launching successful innovation with higher margins than traditional products thereby driving more cash.<br>• Closely managed inventory holding with plans in place to reduce inventory holding to 15 months enabling faster working capital turnaround.<br>• Variabilising the supply chain to reduce high fixed costs coupled with ongoing supply chain cost management.<br>• Investing in growth opportunities that drive liquidity and cash in the short to medium term. |

## Directors' meetings

The following table sets out the composition of the Director's meetings.

| Directors | Board Meetings | Audit, Risk & Sustainability Committee Meetings | People, Remuneration & Culture Committee Meetings |
|---|---|---|---|
| James Williamson | Chair | Member | Member |
| Michael Byrne | Member | Chair | Member |
| Margaret Zabel | Member | Member | Chair |
| Elaine Teh | Member | - | - |

The following table sets out the number of Directors' meetings (including meetings of Committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or Committee Member).

During the financial year the Company held 9 Board Meetings, 3 Audit, Risk & Sustainability Committee Meetings, 4 People, Remuneration & Culture Committee meetings.

| Directors | Board Meetings Attended | Audit, Risk & Sustainability Committee Meetings Attended | People, Remuneration & Culture Committee Meetings Attended |
|---|---|---|---|
| James Williamson | 9/9 | 3/3 | 4/4 |
| Michael Byrne | 7/9 | 3/3 | 3/4 |
| Margaret Zabel | 9/9 | 3/3 | 4/4 |
| Elaine Teh | 7/9 | 2/3 | 2/4 |
| **Total Meetings Held** | 9 | 3 | 4 |

## Remuneration report

This Remuneration Report outlines the remuneration arrangements for the Company's Key Management Personnel identified in Section A of this report ("***KMP***") for the year ended 30 June 2026 (the "***Reporting Period***" or "***FY26***") in accordance with the requirements of the *Corporations Act 2001* (Cth) ("***Corporations Act***") and the *Corporations Regulations 2001* (Cth).

This Remuneration Report is presented under the following sections:

A – KMP covered in this Remuneration Report
B – Remuneration governance
C – Executive remuneration framework
D – Company performance
E – Executive KMP remuneration
F – Executive KMP employment contracts
G – Non-executive Director remuneration
H – Minimum shareholding policy
I – KMP equity interests
J – KMP loans and other transactions
K – Reliance on external remuneration consultants
L – Voting of shareholders at last year's annual general meeting

The information in this Remuneration Report has been audited as required by section 308(3C) of the Corporations Act.

### A – KMP covered in this Remuneration Report

This Remuneration Report covers the Company's KMP, including Non-Executive Directors and those executives deemed to have authority and responsibility for planning, directing and controlling the activities of the Company.

*KMP for FY26*

The KMP for the Reporting Period are set out below.

All KMP held their positions for the duration of the Reporting Period unless otherwise stated.

| **Non-Executive Directors** | **Role** |
|---|---|
| James Williamson | Chair |
| Margaret Zabel | Non-Executive Director |
| Michael Byrne | Non-Executive Director |
| Elaine Teh | Non-Executive Director |

| **Executive KMP** | **Role** |
|---|---|
| Tom Dusseldorp | Chief Executive Officer (CEO) |
| Adam Rigano | Chief Financial Officer (CFO) |

Other than as indicated above, there have been no changes to the Company's KMP since the end of the Reporting Period.

## Remuneration report (continued)

*KMP for FY25*

| Non-Executive Directors | Role | Dates |
|---|---|---|
| James Williamson | Chair and Acting CEO | Appointed 23 August 2024<br>Appointed Acting CEO 23 August 2024<br>Resigned as Acting CEO 14 October 2024 |
| Richard Davis | Chair | Resigned 11 July 2024 |
| Margaret Zabel | Non-Executive Director | Appointed 23 July 2024 |
| Michael Byrne | Non-Executive Director | Appointed 14 August 2024 |
| Elaine Teh | Non-Executive Director | Appointed 23 August 2024 |
| John Davies | Non-Executive Director and Interim Chair | Appointed Interim Chair 11 July 2024<br>Resigned as Interim Chair and Non-Executive Director 23 August 2024 |
| Naseema Sparks | Non-Executive Director | Resigned 24 July 2024 |
| Peter Perrin | Non-Executive Director | Full year<br>Appointed Acting CEO 3 May 2024<br>Resigned 23 August 2024 |

| Executive KMP | Role | Dates |
|---|---|---|
| Tom Dusseldorp | Chief Executive Officer (CEO) and Chief Commercial Officer (CCO) | CCO Until 28 April 2025<br>Appointed CEO 29 April 2025 |
| Craig Garvin | Chief Executive Officer (CEO) | Appointed 14 October 2024<br>Resigned 29 April 2025 |
| Adam Rigano | Chief Financial Officer (CFO) | Full year |
| Julian Dyer | Chief Operating Officer, UK, Europe, Americas | KMP until 28 April 2025* |
| Thomas Jung | Operations Director | KMP until 28 April 2025* |
| Jeff Howlett | General Manager – Asia Pacific | KMP until 28 April 2025* |

*With the change in appointment to Tom Dusseldorp as CEO on 29 April 2025, direction and decision making capability for all key decisions including strategic direction, contract sign off, retail pricing and promotional activity changed. As a result, Julian Dyer, Thomas Jung and Jeff Howlett ceased meeting the definitional requirements for classification as Key Management Personnel.

**B – Remuneration governance**

The Board is responsible for satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite. To assist the Board with this responsibility, the Board has established the People, Remuneration & Culture Committee ("***PRC Committee***"). The PRC Committee's role is to review and make recommendations to the Board on people and remuneration related policies, frameworks and practices, including ensuring Directors and executives are remunerated fairly and within accepted market rates.

The responsibilities of the PRC Committee are outlined in its Charter which is available at: https://avlwines.com.au/investor-centre/corporate-governance/.

Details of the composition of the PRC Committee and the number of meetings held during the Reporting Period are set out in the Directors' Report contained in the Annual Report on page [10].

## Remuneration report (continued)

**C – Executive remuneration framework**

The Company's executive remuneration policies are designed to attract, motivate and retain qualified, experienced and high performing executives with complementary skills.

For the Reporting Period, the target remuneration mix opportunity for the CEO is represented below:

| Fixed Remuneration | Short Term Incentive | Long Term Incentive |
|---|---|---|
| $568,500 | 30% | 7.5 million options @ 0.10c |

For the Reporting Period, the target remuneration mix opportunity for the CFO is represented below.

| Fixed Remuneration | Short Term Incentive | Long Term Incentive |
|---|---|---|
| $451,000 | 30% | 3.5 million options @ 0.10c |

The executive remuneration and reward framework includes the following four components:

| Element | Purpose | Performance metrics | Potential value | Changes for the Reporting Period |
|---|---|---|---|---|
| Base (or fixed) remuneration | Provide competitive market salary including non-monetary benefits | Nil | Positioned at median market rate | Reviewed in line with market positioning, scope of role and performance |
| Other remuneration (such as superannuation payments) | Provide consistent with statutory obligations | Nil | N/A | The superannuation guarantee rate increased to 12% on 1 July 2025 |
| Short term incentive (STI) | Cash reward for in year performance | Achieving target free cash flow as gateway to open assessment of performance against ROCE, and sales revenue, safety, engagement and ESG. | CEO: 30% of base at target performance<br><br>CFO: 30% of base at target performance | The CEO's STI opportunity increased from 0% in FY25 to 30% in FY26 to align with market rate and the rest of the executive team |
| Long term incentive (LTI) | Alignment to long term shareholder value through participation in the Company's LTI ESOP Plan | Achieving target free cash flow | CEO: 7.5 million options @ 0.10c<br><br>CFO: 3.5 million options @ 0.10c | A new LTI ESOP plan was introduced in FY26 |

The framework seeks to align executive reward with achievement of the Company's strategic objectives and the creation of value for shareholders.

The objective of the Company's executive reward framework is to ensure every payment, either monetary or in the form of equity, is on the basis of reward for performance and appropriate for the results delivered.

## Remuneration report (continued)

*Base pay and benefits*

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed to ensure competitiveness with the market. There are no guaranteed base pay increases in the employment contracts of any of the executives. The Company's process for reviewing the performance of executives is outlined in the Company's Corporate Governance Statement for the Reporting Period. An executive's pay is also reviewed when appropriate, including on promotion.

Other items include novated motor vehicle leases, or other motor vehicle allowance and wine allowance.

*Short term incentive (STI)*

For the Reporting Period, the STI was structured as follows.

| Feature | Description | | |
|---|---|---|---|
| Max opportunity | CEO and CFO: 30% of fixed remuneration | | |
| Performance metrics | **Metric** | **Target** | **Weighting** |
| | Free cash flow (gateway) | +$1m | 20% |
| | ROCE % | 1.8% | 20% |
| | Sales Revenue | $271m | 40% |
| | Employee Engagement | >=65% | 10% |
| | Safety (TRIFR) | < 15 | 5% |
| | Sustainability | 5% improvement in GHG | 5% |
| Delivery of STI | 100% of the STI award is paid in cash at the end of the financial year. | | |
| Board discretion | The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes. | | |

The Company's overperformance against stretch targets may result in STI cash payments increasing above the target level. In the Reporting Period, the maximum STI opportunity as a percentage of the target opportunity was up to 120% for the CEO and CFO.

The audited financial statements are the basis for measuring achievement against the free cash flow target, after taking into consideration investments made during the year.

Reconciliation to achievement of the performance objective is outlined below:

| | |
|---|---|
| Opening FY26 Net Debt | ($75.1)m |
| Closing FY26 Net Debt | ($88.8)m |
| ***Movement in cash flow*** | ***($13.7)m*** |
| Add back investments in acquiring new brands & distribution, Poco Vino innovation and associated bottling lines, and restructuring costs | $15.9m |
| **Net cash flow performance** | **$ 2.2m** |

As the Company achieved its free cash flow target gateway in FY26, an STI payment was awarded to the Executive KMP in respect of FY26. Each Executive KMP was awarded 76% of their FY26 STI opportunity.

*Long term incentive (LTI)*

The Company's LTI ESOP Plan forms the basis of the Company's ongoing LTI scheme for invited team members.

For Options granted under the LTI ESOP Plan, a minimum $0.10 exercise price is payable by the relevant participant for each Option exercised. Upon vesting, the holder is entitled to one share in the Company for each Option exercised.

Until the Options vest, each participant has no entitlement to receive any dividends and has no voting rights associated with the underlying shares.

The Company's Securities Trading Policy prohibits each participant from entering into transactions involving products associated with the Company's securities which operate to limit the economic risk of their security holding in the Company (e.g. hedging arrangements).

## Remuneration report (continued)

*FY26 LTI grant*

The FY26 LTI ESOP grant was made to the Executive KMP and other invited team members in September 2025.

The performance criteria upon which the Options under the FY26 LTI ESOP grant are eligible to vest concern achieving free cash flow for a financial year, within a three year period. For example:

- 1/3rd of the Options granted will vest when free cash flow for a financial year equals or exceeds $1,000,000;
- 1/3rd of the Options granted will vest when free cash flow for a financial year equals or exceeds $10,000,000; and
- 1/3rd of the Options granted will vest when free cash flow for a financial year equals or exceeds $20,000,000.

Free cashflow is defined as the change in net debt (being borrowings less cash and cash equivalents excluding any investments for the year). The audited financial statements are the basis for measuring achievement against the performance target, taking into consideration investments incurred.

The service criteria upon which the Options under the FY26 LTI ESOP grant are eligible to vest concern the participant maintaining continuous employment with the Company at the time of exercise of the Options.

The Board may accelerate the vesting of any unvested Options in the event of a change of control (i.e. a person and their associates holding a relevant interest in more than 50% of the ordinary shares in the Company).

The Board retains the right to assess all aspects of the vesting conditions for future LTI ESOP grants.

If options vest during the three year period, holders are entitled to execute the option until its expiry in September 2030 if they remaining employed by the company.

For financial reporting purposes, the value of each Option granted is measured using Black-Scholes/Merton option pricing model, whilst also considering the probability of take up with reference to the share price at the time of statutory reporting.

For details on the Options granted under the FY26 LTI ESOP grant to each Executive KMP, refer to the Options table in section I of this Remuneration Report.

**D – Company performance**

The following table outlines the Company's earning and share performance over the last five financial periods, noting that the values reflected are reported as per the statutory financial statements:

| | FY22 | FY23 | FY24 | FY25 | FY26 |
|---|---|---|---|---|---|
| EBITS performance (A$m) | 28.8 | 17.3 | (68.5) | 0.8 | (50.0) |
| EPS (cents) | 6.9 | 1.6 | (36.5) | (1.6) | (21.6) |
| Dividend per share (cents) | 3.4 | - | - | - | - |
| Franked (%) | 60 | N/A | N/A | N/A | N/A |
| Return on capital employed (%) | 6.5 | 4.2 | <0 | 0.2 | <0 |

## Remuneration report (continued)

### E – Executive KMP remuneration

The table below sets out the statutory remuneration of the Executive KMP, including related parties, for FY25 and FY26. This has been prepared in accordance with the requirements of the Corporations Act and relevant Australian Accounting Standards. The amounts in the long term share based benefits column, and annual leave/ long service leave column, in the table below are accounting values and do not reflect actual payments received during the financial period.

| | | | SHORT-TERM BENEFITS | | | POST-EMPLOYMENT BENEFITS | LONG TERM SHARE BASED BENEFITS | | |
|---|---|---|---|---|---|---|---|---|---|
| Executive KMP | Financial Year | Salary and fees | Annual Leave/ Long Service Leave (a) | Non-monetary Benefits (b) | STI and other (c) | Super-annuation | Options (d) | Total | Performance related |
| | | $ | | $ | $ | $ | $ | $ | % |
| Tom Dusseldorp (e) | FY26 | 568,500 | 51,622 | 1,500 | 169,618 | 30,000 | 147,000 | **968,240** | 33% |
| | FY25 | 408,055 | 9,867 | 10,382 | 40,000 | 31,483 | - | **499,787** | - |
| Adam Rigano | FY26 | 475,120 | (595) | 24,400 | 142,828 | 30,000 | 68,600 | **740,353** | 29% |
| | FY25 | 472,865 | 30,877 | 26,355 | 40,000 | 30,000 | - | **600,097** | - |
| Craig Garvin (f) | FY25 | 313,087 | - | 1,500 | 300,000 (g) | 16,522 | - | **631,109** | - |
| Julian Dyer (h) | FY25 | 417,486 | 23,578 | 2,055 | 40,000 | 16,642 | 11,527 | **511,288** | - |
| Jeff Howlett (h) | FY25 | 334,185 | 22,440 | 22,633 | 40,000 | 27,203 | 8,890 | **455,351** | - |
| Thomas Jung (h) | FY25 | 321,063 | 20,185 | 18,450 | 40,000 | 25,000 | 10,054 | **434,752** | - |
| Total | FY26 | 1,043,620 | 51,027 | 25,900 | 312,446 | 60,000 | 215,600 | **1,708,593** | 31% |
| | FY25 | 2,266,741 | 106,947 | 81,375 | 500,000 | 146,850 | 30,471 | **3,132,384** | - |

(a) Inclusion of annual leave and long service leave provided for the first time in this table. Note prior year comparisons have been updated to include the relative benefit in the prior year that were not previously disclosed within this table. The amounts disclosed in this column represent the increase/ (decrease) in the associated provisions over the year.
(b) Non-monetary benefit items include provision of motor vehicle, insurance and wine benefits and applicable Fringe Benefits Tax.
(c) Represents STI and final retention payment post CEO termination and subsequent Board change.
(d) Amortisation of options granted over the vesting period. The value of the options shown in the table above for accounting purposes is determined using the Black-Scholes/Merton option pricing model and is generally subject to performance and/or service conditions, whilst also considering the probability of take up in reference to the share price and performance at time of reporting.
(e) Appointed CEO 29 April 2025.
(f) Appointed CEO 14 October 2024, resigned 29 April 2025.
(g) Termination payment for Mr Craig Garvin of $300,000.
(h) Ceased as KMP 30 April 2025.

For the purposes of this Remuneration Report, the amount reported as “Share-based Benefits” is the accounting expense under AASB 2 (referred to in AASB 2 as “Share-based Payments”).

The fair value of Share-based Benefits is determined using a Black-Scholes/Merton option pricing model and will generally be different to the volume weighted average market price, which is used to determine the number of options that are granted. No adjustment to the reported remuneration amounts is made in the event that the actual market price of shares on the vesting of options exceeds the fair value of those Options on their grant date. Similarly, no reduction is made to remuneration where the market price of shares on the vesting of Options is lower than the market price of shares on the date that Options are granted.

## Remuneration report (continued)

**F – Executive KMP employment contracts**

Each Executive KMP has an employment contract with the Company specifying, among other matters, remuneration arrangements, benefits, notice periods and other terms and conditions.

| Component | CEO/CFO Description |
|---|---|
| Contract duration | Ongoing contract |
| Notice by the individual/company | 6 months |
| Termination of employment (with cause) | STI will be forfeited.<br>Unvested options will lapse upon termination unless the Board determines otherwise.<br>Vested but unexercised options will lapse upon termination unless the Board determines otherwise.<br>Shares held in trust and subject to restrictions will be forfeited unless the Board determines otherwise. |
| Termination of employment (without cause) or by the individual | Pro-rata STI for the year may be awarded in the Board's discretion.<br>Unvested options will lapse upon termination unless the Board determines otherwise.<br>Vested but unexercised options will lapse upon termination unless the Board determines otherwise.<br>Shares held in trust and subject to restrictions may be released in the Board's discretion in the case of a good leaver. |

**G – Non-Executive Director remuneration**

***Non-Executive Director remuneration policy***

Non-Executive Director fees are determined having regard to time commitment, workload and external benchmarking. Non-Executive Directors do not participate in the Company's short or long term incentive schemes.

The maximum annual aggregate Director fee pool is $600,000 as approved by shareholders at the 2014 Annual General Meeting of the Company.

Non-Executive Directors are entitled to be reimbursed for reasonable expenses, including travel expenses, that may be incurred when discharging their duties.

Non-Executive Directors fees are reviewed from time to time. There is no guaranteed annual increase in Non-Executive Director fees. A review occurred in FY26 and the Board determined not to increase Non-Executive Director fees.

Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of Director.

***Non-Executive Director fees***

The annual base Non-Executive Director fees (inclusive of superannuation) are set out below.

| | FY26 fees per annum ($) |
|---|---:|
| Chair of the Board | 140,000 |
| Non-Executive Director | 60,000 |
| Chair of a Board Committee | 20,000 |

The total amount of fees paid to Non-Executive Directors in FY26 was within the aggregate Director fee pool.

# Directors' report
For the financial year ended 30 June 2026

## Remuneration report (continued)

*Non-Executive Director remuneration*

The remuneration of the Non-Executive Directors, including related parties, for the current and prior financial periods is set out below.

| | | SHORT-TERM BENEFITS | | | POST-EMPLOYMENT BENEFITS (a) | TERMINATION BENEFITS | |
|---|---|---|---|---|---|---|---|
| Non-Executive Director | Financial Year | Director Fees | Non-monetary | STI and other | Superannuation | | Total |
| | | $ | $ | $ | $ | $ | $ |
| James Williamson | FY26 | 121,440 | 2,000 | - | 16,560 | - | 140,000 |
| | FY25 (b) | 104,551 | 1,833 | - | 13,586 | - | 119,804 |
| Margaret Zabel | FY26 | 75,660 | 2,000 | - | 2,340 | - | 80,000 |
| | FY25 (c) | 69,513 | 1,833 | - | 3,965 | - | 75,311 |
| Michael Byrne | FY26 | 68,640 | 2,000 | - | 9,360 | - | 80,000 |
| | FY25 (d) | 60,924 | 1,833 | - | 7,917 | - | 70,674 |
| Elaine Teh | FY26 | 68,640 | 2,000 | - | 9,360 | - | 80,000 |
| | FY25 (e) | 59,094 | - | - | 7,679 | - | 66,773 |
| Richard Davis | FY25 (f) | 4,091 | 1,000 | - | 470 | - | 5,561 |
| John Davies | FY25 (g) | 16,557 | 1,000 | - | 2,121 | - | 19,678 |
| Naseema Sparks | FY25 (h) | 5,909 | 1,000 | - | 680 | - | 7,589 |
| Peter Perrin | FY25 (i) | 122,148 | 1,000 | - | 14,047 | - | 137,195 |
| Total | FY26 | 334,380 | 8,000 | - | 37,620 | - | 380,000 |
| | FY25 (j) | 442,787 | 5,499 | - | 50,465 | - | 498,751 |

(a) Non-Executive Directors do not receive post-employment benefits other than statutory superannuation contributions. Excludes Australian Taxation Office approved exemptions.
(b) Appointed 23 August 2024.
(c) Appointed 23 July 2024.
(d) Appointed 14 August 2024.
(e) Appointed 23 August 2024.
(f) Resigned 11 July 2024.
(g) Resigned 23 August 2024.
(h) Resigned 24 July 2024
(i) Resigned Acting CEO 23 August 2024, resigned Non Executive Director 23 August 2024
(j) Total Non-Executive Director remuneration for FY25 includes Non-Executive Directors who ceased being a Non-Executive Director in FY25.

**H – Minimum shareholding policy**

The Board implemented a Policy for Share Ownership by Non-Executive Directors in March 2025 to assist in aligning the interests of Non-Executive Directors with the interests of shareholders of the Company.

The policy encourages Non-Executive Directors to acquire and hold a minimum shareholding in the Company approximately equivalent to 100% of the annual base fee paid to Non-Executive Directors within a reasonable timeframe (i.e. approximately 3 years from the time of appointment or the date of the policy, whichever is the later).

For the purposes of calculating whether the minimum shareholding has been met, the calculation is based on the Company's share price at the time of acquisition.

## Remuneration report (continued)

**I – KMP equity interests**

*Ordinary shares*

The tables below outline the number of shares in the Company held by KMP, including their related parties.

| Non-Executive Directors | Balance at the start of FY26 | Changes during FY26 | Balance at the end of FY26 |
|---|---|---|---|
| James Williamson | 61,111,258 (a) | +2,598,358 | 64,111,258 (b) |
| Margaret Zabel | 207,162 | +242,858 | 450,020 |
| Michael Byrne | Nil | - | Nil |
| Elaine Teh | 760,000 | - | 760,000 |

(a) Balance at the start of FY26 includes 151,642 shares held indirectly via James Frank Williamson and Tiona Joy Williamson as trustee for Williamson Super Fund A/C and 60,959,616 shares held indirectly via Sandhurst Trustees Ltd <Wentworth Williamson A/C>. Mr Williamson is a shareholder, director and Chief Investment Officer of Wentworth Williamson Management Pty Ltd that held an 18.5% interest in AVG.

(b) Balance at the end of FY26 includes 401,642 shares held indirectly via James Frank Williamson and Tiona Joy Williamson as trustee for Williamson Super Fund A/C and 63,709,616 shares held indirectly via Sandhurst Trustees Ltd <Wentworth Williamson A/C>. Mr Williamson is a shareholder, director and Chief Investment Officer of Wentworth Williamson Management Pty Ltd that holds an 19.46% interest in AVG.

| Executive KMP | Balance at the start of FY26 | Received during FY26 on the exercise of options | Other changes during FY26 | Balance at the end of FY26 |
|---|---|---|---|---|
| Tom Dusseldorp | 250,000 | 0 | 0 | 250,000 |
| Adam Rigano | 300,000 | 0 | 0 | 300,000 |

*Short Term Benefits – Performance Bonus*

*(i) Performance based remuneration granted and forfeited during the year*

The following table shows for each KMP how much of their STI cash bonus was awarded and how much was forfeited. It also shows the value of options that were granted, exercised and forfeited during FY26.

| 2026 | Total opportunity $ | Awarded $ | Forfeited $ |
|---|---|---|---|
| T Dusseldorp | 170,550 | 129,618 | 40,932 |
| A Rigano | 135,300 | 102,828 | 32,472 |

## Remuneration report (continued)

*(ii) Terms and conditions of the share-based payment arrangements*

*Long Term Share Based Benefits & Options*

The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

| Grant date | Vesting & exercise date | Expiry date | Exercise price | Value per option at grant date net of exercise price | Performance achieved % | % Vested |
|---|---|---|---|---|---|---|
| 19 Sept 2025 | Tranche 1 — vested FY26 (FCF ≥ $1m met) | 12 Sept 2030 | $0.10 | **$0.0588** | 100% | 0% |
| 19 Sept 2025 | Tranche 2 — FCF ≥ $10m (not expected to be met) | 12 Sept 2030 | $0.10 | **$0.0645** | 0% | 0% |
| 19 Sept 2025 | Tranche 3 — FCF ≥ $20m (not expected to be met) | 12 Sept 2030 | $0.10 | **$0.0695** | 0% | 0% |

*(iii) Reconciliation of options, deferred shares and ordinary shares held by KMP*

The table below shows a reconciliation of options held by each KMP from the beginning to the end of FY26. There were no vested options as at 30 June 2026. All vested options were exercisable.

| Name & Grant date | Bal. start (Unvested) | Granted as comp. (No.) | Granted % | Vested (No.) | Vested % | Exercised | Forfeited | Other changes | Bal. end — Vested & exercisable | Bal. end — Unvested |
|---|---|---|---|---|---|---|---|---|---|---|
| **T Dusseldorp** (19 Sept 2025) | 0 | **7,000,000** | 100% | **0** | **0** | 0 | 0 | 0 | **0** | **7,000,000** |
| **A Rigano** (19 Sept 2025) | 0 | **3,500,000** | 100% | **0** | **0** | 0 | 0 | 0 | **0** | **3,500,000** |

Note first vesting period does not commence until end September 2026 which falls outside this reporting period. Any movements associated with options being vested will be reported in the FY27. As of FY26 there are not amount that were unpaid on any shares issued on any exercise of options.

For the purposes of financial report the following accounting based values have been included in the financial statements and do not reflect actual payments received during the period.

| 2026 | Value granted $ | Value exercised $ |
|---|---|---|
| T Dusseldorp | 147,000 | 0 |
| A Rigano | 68,600 | 0 |

**J – KMP loans and other transactions**

No loans were made to or from KMP, including related parties, or are outstanding as at 30 June 2026. No other transactions were undertaken with KMP, including related parties, during FY26.

**K – Reliance on external remuneration consultants**

The Company did not engage any remuneration consultants during FY26.

**L – Voting of shareholders at last year's annual general meeting**

The Company received more than 96% of "yes" votes on its remuneration report for FY25. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

## Non-audit services
The Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Audit Committee, in conjunction with the Chief Financial Officer, assesses the provision of non-audit services by the auditors to ensure that the auditor independence requirements of the Corporations Act 2001 in relation to the audit are met.

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 22 to the financial statements.

The directors are of the opinion that the services as disclosed in note 22 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit Committee, for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

## Auditors' independence declaration
The Auditors independence declaration is included on page 22.

## Indemnification of officers and auditors
During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company (as named previously), the Company Secretaries and all Executive Officers of the Company and of any related Body Corporate against a liability incurred as a Director, Secretary or Executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

## Rounding off of amounts
The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial / Directors Reports) instrument 2026/183, dated 27 March 2026, and in accordance with that Corporations Instrument, amounts in the Directors' Report and the Financial Report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

## Subsequent Events
There have been no other matters or circumstances that have arisen since the end of the financial year, that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors

James Williamson
Chairman
27 August 2026

## Auditor’s Independence Declaration

As lead auditor of Australian Vintage Limited's financial report for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit of the financial report; and

b) no contraventions of any applicable code of professional conduct in relation to the audit of the financial report.

M. T. Lojszczyk
Partner
PricewaterhouseCoopers

Adelaide
27 August 2026

# Independent auditor's report

To the members of Australian Vintage Limited

## Report on the audit of the financial report

### Our opinion

In our opinion, the accompanying financial report of Australian Vintage Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2026;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information;
- the consolidated entity disclosure statement as at 30 June 2026; and
- the directors' declaration.

## Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

## Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

### Audit Scope

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit Risk & Sustainability Committee.

| *Key audit matter* | *How our audit addressed the key audit matter* |
|---|---|
| **Inventory Valuation (refer note 8)**<br>This key audit matter relates to the Group's inventories, comprising bulk wine, and bottled wine.<br><br>The cost of inventories comprises multiple inputs — including the fair value of grapes transferred at the point of harvest, each of which involves judgement and adds to the cost base against which net realisable value is assessed.<br><br>Judgement is additionally required in classifying inventory as current or non-current based on when it is expected to be realised.<br><br>Inventory valuation was a key audit matter due to the financial significance of the inventory balance, and the judgements and assumptions involved in assessing the cost and net realisable value. | We performed the following procedures, amongst others:<br><br>• assessed the methodology and tested the mathematical accuracy of the Group's inventory costing model<br><br>• evaluated the appropriateness of key data inputs used in the costing model and significant assumptions used to determine the cost of inventories, including the fair value of grapes at the point of harvest (by comparison to observable market prices and contracted grape prices by region, variety and quality), the allocation of production overheads across vintage years, and the capitalisation of borrowing costs and production-related depreciation in accordance with Australian Accounting Standards<br><br>• on a sample basis tested lower of cost and net realisable value of inventory at year end by:<br><br>◦ comparing inventory values against sales performance of the different products and margin analysis<br><br>◦ for bulk wine compared cost to recent market prices, and prevailing market conditions<br><br>• assessed the basis of management's current and non-current classification by evaluating estimates and assumptions for expected realisation of inventory held at balance date<br><br>• evaluated the reasonableness and adequacy of the disclosures made in the notes to the financial report, considering the requirements of Australian Accounting Standards. |

| *Key audit matter* | *How our audit addressed the key audit matter* |
|---|---|
| **Recoverability of Property, plant and equipment, Intangible assets and Right-of-use assets (refer note 12)**<br>As at 30 June 2026, the Group had Property, plant and equipment, Intangible assets and Right-of-use assets.<br><br>Management has determined that the Group operates as a single cash-generating unit (CGU).<br><br>As at 30 June 2026, management has performed impairment testing to assess recoverability of the non-current assets.<br><br>The CGU's recoverable amount was determined based on its value in use (VIU) using a discounted cash flow model. As part of the impairment assessment, significant judgments were applied to the key assumptions used in the model, including discount rate and cash flow forecasts.<br><br>In addition, the Group's indefinitely lived intangible assets are assessed for recoverability annually. Management also assessed individual assets for specific indicators that their carrying amount may not be recoverable.<br><br>Recoverability of Property, plant and equipment, Intangible assets and Right-of-use assets was a key audit matter due to the significance of the non-current asset balances to the consolidated statement of financial position, and the critical judgements and assumptions involved in determining recoverable amounts as described above. | We performed the following procedures, amongst others:<br><br>• obtained an understanding of key controls within the process and assessed their design and implementation<br><br>• evaluated management's determination that the Group constitutes a single cash-generating unit by considering how the Group's operations are managed, how cash inflows are generated and the level at which performance is monitored.<br><br>• tested the mathematical accuracy of the discounted cash flow model<br><br>• evaluated the Group's methodology and the documented basis for significant assumptions used in the discounted cash flow model by:<br><br>◦ comparing them to historical results, economic data and industry benchmarks<br><br>◦ comparing the forecast cash flows used in the discounted cash flow model to the most up-to-date budgets formally approved by the Board<br><br>• performed sensitivity analyses on key assumptions, including discount rate and cash flow generation from sales, to assess the extent of headroom in the recoverable amount<br><br>• with the assistance of our PwC valuations experts, we<br><br>◦ evaluated whether the valuation methodology underlying the impairment analysis is appropriate and<br><br>◦ evaluated the appropriateness of data inputs used in the discounted cash flow model and significant assumptions<br><br>• we evaluated the reasonableness and adequacy of the disclosures in the notes to the financial report, in light of the requirements of Australian Accounting Standards. |

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

## Report on the remuneration report

### Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2026.

In our opinion, the remuneration report of Australian Vintage Limited for the year ended 30 June 2026 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

M. T. Lojszczyk
Partner

Adelaide
27 August 2026

# Directors' declaration

The Directors declare that:

(a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) the attached financial statements are in compliance with International Financial Reporting Standards as stated in note 1 to the financial statements;

(c) In the Directors' opinion, the attached Financial Statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving true and fair view of the financial position and performance of the consolidated entity;

(d) The consolidated entity disclosure statement required by s 295(3A) of the Corporations Act 2001 is true and correct; and

(e) The Directors' have been given the declarations required by s 295A of the Corporations Act 2001;

At the date of this declaration, the Company is within the class of companies affected by *ASIC Corporations (wholly owned companies) Instrument 2016/785*. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Director's opinion, there are reasonable grounds to believe that the Company and the companies to which the *ASIC Corporations (wholly owned companies) Instrument 2016/785* applies, as detailed in note 24 to the Financial Statements will, as a group, be able to meet any obligations or liabilities to which they are or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors made pursuant to s 295(5) of the Corporations Act 2001.

On behalf of the Directors

James Williamson
Chairman
27 August 2026

# Consolidated statement of profit or loss and other comprehensive income
## For the financial year ended 30 June 2026

| | Note | 2026<br>$'000 | 2025<br>$'000 |
|---|---|---|---|
| Revenue | 3 | 257,557 | 257,185 |
| Cost of sales | | | |
| Costs associated with sales during the period | | (198,620) | (187,821) |
| Inventory write-down | | (27,037) | - |
| **Gross Profit** | | **31,900** | **69,364** |
| Fair value loss on grapes | | (2,348) | (3,657) |
| Other income / (expense) | 3 | (4,024) | 5,060 |
| Distribution expenses | | (16,629) | (15,679) |
| Sales and marketing expenses | | (45,644) | (39,965) |
| Administration expenses | | (13,029) | (11,877) |
| Finance costs | 3 | (8,647) | (6,705) |
| Other expenses | 3 | (2,528) | (6,105) |
| **Profit / (loss) before tax** | | **(60,949)** | **(9,564)** |
| Income tax benefit / (expense) | 4 | (5,412) | - |
| **Net Profit / (loss) for the year** | | **(66,361)** | **(9,564)** |
| **Other comprehensive income, net of income tax:** | | | |
| *Items that may be subsequently reclassified to profit or loss:* | | | |
| Net change in fair value of hedging instruments | | 11,129 | (13,470) |
| Exchange differences arising on translation of foreign operations | | (4) | 2 |
| **Other comprehensive profit / (loss) for the year, net of income tax** | | **11,125** | **(13,468)** |
| **Total comprehensive income / (loss) for the year** | | **(55,236)** | **(23,032)** |
| **Earnings Per Share:** | | | |
| Basic (cents per share) | 5 | (20.14) | (2.9) |
| Diluted (cents per share) | 5 | (20.14) | (2.9) |

The above consolidated statement of profit or loss and other comprehensive income should be read along with the accompanying notes.

# Consolidated statement of financial position
## As at 30 June 2026

| | Note | 2026<br>$'000 | 2025<br>$'000 |
|---|---|---|---|
| **Current Assets** | | | |
| Cash and cash equivalents | 6 | 6,741 | 8,877 |
| Trade and other receivables | 7 | 47,403 | 55,697 |
| Inventories and biological assets | 8 | 156,036 | 164,640 |
| Other financial assets | 16 | 101 | - |
| **Total Current Assets** | | **210,281** | **229,214** |
| | | | |
| **Non-Current Assets** | | | |
| Inventories | 8 | 29,401 | 55,837 |
| Other financial assets | 16 | 2,229 | 2,260 |
| Property, plant and equipment | 9 | 89,562 | 91,881 |
| Intangible assets | 10 | 10,678 | 9,230 |
| Deferred tax assets | 4 | - | 10,182 |
| Right-of-use assets | 11 | 33,315 | 32,742 |
| **Total Non-Current Assets** | | **165,185** | **202,132** |
| **Total Assets** | | **375,466** | **431,346** |
| | | | |
| **Current Liabilities** | | | |
| Trade and other payables | 13 | 76,178 | 76,674 |
| Lease liabilities | 11 | 10,581 | 8,243 |
| Other financial liabilities | 16 | - | 6,636 |
| Provisions | 14 | 10,350 | 6,222 |
| Income received in advance | | 98 | 92 |
| **Total Current Liabilities** | | **97,207** | **97,867** |
| | | | |
| **Non-Current Liabilities** | | | |
| Borrowings | 15 | 95,500 | 84,000 |
| Lease liabilities | 11 | 46,015 | 49,805 |
| Other financial liabilities | 16 | - | 7,901 |
| Provisions | 14 | 728 | 767 |
| **Total Non-Current Liabilities** | | **142,243** | **142,473** |
| **Total Liabilities** | | **239,450** | **240,340** |
| **Net Assets** | | **136,016** | **191,006** |
| | | | |
| **Equity** | | | |
| ***Capital and reserves*** | | | |
| Issued capital | 17 | 455,759 | 455,759 |
| Reserves | 19 | (929) | (12,300) |
| Accumulated losses | | (318,814) | (252,453) |
| **Total Equity** | | **136,016** | **191,006** |

The above consolidated statement of financial position should be read along with the accompanying notes.

# Consolidated statement of changes in equity
## For the financial year ended 30 June 2026

| | Share capital | Equity - settled employee benefits reserve | Hedging reserve | Foreign currency translation reserve | Accumulated losses | Total |
|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Balance at 1 July 2025** | **455,759** | **1,601** | **(14,217)** | **316** | **(252,453)** | **191,006** |
| Profit for the period | - | - | - | - | (66,361) | (66,361) |
| Net change in fair value of foreign exchange contracts used in hedging | - | - | 11,129 | - | - | 11,129 |
| Exchange differences arising on translation of foreign operations | - | - | - | (6) | - | (6) |
| Income tax relating to components of other comprehensive income | - | - | - | 2 | - | 2 |
| **Total comprehensive income for the period** | **-** | **-** | **11,129** | **(4)** | **(66,361)** | **(55,236)** |
| **Transactions with owners in their capacity as owners** | | | | | | |
| Issue of capital net of transaction costs | - | - | - | - | - | - |
| Recognition of share based payments | - | 245 | - | - | - | 245 |
| **Balance at 30 June 2026** | **455,759** | **1,846** | **(3,088)** | **312** | **(318,814)** | **136,016** |
| | | | | | | |
| **Balance at 1 July 2024** | **455,421** | **1,506** | **(747)** | **314** | **(242,889)** | **213,605** |
| Profit for the period | - | - | - | - | (9,564) | (9,564) |
| Net change in fair value of foreign exchange contracts used in hedging | - | - | (13,470) | - | - | (13,470) |
| Exchange differences arising on translation of foreign operations | - | - | - | 3 | - | 3 |
| Income tax relating to components of other comprehensive income | - | - | - | (1) | - | (1) |
| **Total comprehensive income for the period** | **-** | **-** | **(13,470)** | **2** | **(9,564)** | **(23,032)** |
| **Transactions with owners in their capacity as owners** | | | | | | |
| Issue of capital net of transaction costs | 338 | - | - | - | - | 338 |
| Recognition of share based payments | - | 95 | - | - | - | 95 |
| **Balance at 30 June 2025** | **455,759** | **1,601** | **(14,217)** | **316** | **(252,453)** | **191,006** |

The above consolidated statement of changes in equity should be read along with the accompanying notes.

# Consolidated statement of cash flows
## For the financial year ended 30 June 2026

| | Note | 2026<br>$'000 | 2025<br>$'000<br>(Restated) |
|---|---|---|---|
| **Cash flows from operating activities*** | | | |
| Receipts from customers (inclusive of applicable indirect taxes) | | 344,991 | 317,258 |
| Payments to suppliers and employees (inclusive of applicable indirect taxes) | | (328,995) | (314,923) |
| **Cash generated from operations** | | **15,996** | **2,335** |
| Interest paid (commercial bills) | | (7,747) | (5,876) |
| Interest paid (resulting from leases under AASB 16) | | (3,929) | (4,122) |
| **Net cash provided by operating activities** | 6 (a) | **4,320** | **(7,663)** |
| **Cash flows from investing activities** | | | |
| Payments for property, plant & equipment and intangible assets | | (8,961) | (6,988) |
| Proceeds from sale of property, plant & equipment | | 26 | 6,177 |
| **Net cash used in investing activities** | | **(8,935)** | **(811)** |
| **Cash flows from financing activities** | | | |
| Proceeds from borrowings | 6 (c) | 11,500 | 21,500 |
| Proceeds from leasing facilities | | 2,512 | - |
| Proceeds from issue of share capital | | - | 370 |
| Transaction costs related to issue of share capital | | - | (32) |
| Dividends paid | 18 | - | - |
| Repayments of principal amounts of lease liabilities | 6 (c) | (9,533) | (8,704) |
| Payments for termination of leases | | (2,000) | (1,800) |
| **Net cash used in financing activities** | | **2,479** | **11,334** |
| Net increase / (decrease) in cash and cash equivalents | | (2,136) | 2,860 |
| Cash and cash equivalents at the beginning of the financial year | | 8,877 | 6,017 |
| **Cash and cash equivalents at the end of the financial year** | | **6,741** | **8,877** |

* Changes to the presentation of prior year operation cashflows have been made to ensure comparability. Refer to note 6(d) for additional information.

The above consolidated statement of cash flows should be read along with the accompanying notes.

# Notes to the financial statements
For the financial year ended 30 June 2026

## Note 1: About this report

**General information**
Australian Vintage Ltd (the 'Company') is a for-profit entity, incorporated and domiciled in Australia and limited by shares which are traded on the Australian Securities Exchange (trading under the ticker code 'AVG'). The consolidated financial report comprises the Company and its controlled entities (the 'Group') and was authorised for issue by the Board of Directors on 27 August 2026. The Directors have the power to amend and reissue the financial report.

The Group's registered office is 275 Sir Donald Bradman Drive, Cowandilla SA 5033 and its principal activities are wine making, wine marketing, and vineyard management.

**Basis of preparation**
This financial report:
- is a general purpose financial report;
- has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), International Financial Reporting Standards ('IFRSs') and the *Corporations Act 2001*;
- has been prepared on a historical cost basis except for those items measured at fair value, as detailed in the policies that follow;
- is presented in Australian dollars, which is the Group's functional and presentational currency, with all values rounded to the nearest thousand, as permitted under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* unless otherwise stated;
- includes foreign currency denominated transactions and assets and liabilities that are translated into the Group's functional currency using the prevailing exchange rate at the date of the transaction for transactions in profit or loss and the exchange rate at the period-end date for assets and liabilities;
- where required, presents restated comparative information to enhance comparability; and
- has been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. For the year ended 30 June 2026 the Group incurred a net loss after tax of $66.4m, including write off of inventory and deferred tax assets of $37.2m and restructuring expense of $4.1m (2025: loss of $9.6m) and had net debt of $88.8m (being $95.5m of borrowings, less $6.7m of cash and cash equivalent) at year end. Trading conditions remained challenging as a result of the structurally challenged global wine environment. The Directors have prepared cash flow forecasts covering a period of at least 12 months from the date of this report. These forecasts assume continued execution of the Group's announced strategy, including the completion of the restructuring programme, delivery of forecast cost savings and the realisation of inventory in line with the Group's plans. Having regard to these forecasts, the committed funding facilities available to the Group, and the Group's compliance with (and forecast compliance with) its financial covenants, the Directors have an expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

**Basis of consolidation**
The consolidated financial report incorporates the financial report of the Company and its subsidiaries. Subsidiaries are entities over which the Company has control. A list of such entities is provided in Note 24. The Company controls an entity when it has:
- power to direct the activities of the entity, through voting rights;
- exposure to variable returns from its involvement with the entity; and
- the ability to use its power to affect its returns.

Total comprehensive income of subsidiaries is attributed to the owners of the Company. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. All amounts referenced in these financial statements and the accompanying notes are the Consolidated Group figures, unless otherwise indicated.

**Significant accounting estimates and judgements**
Management has identified the following critical accounting policies where significant judgements, estimates and assumptions are made. Actual results may differ from these estimates and may materially affect financial results or the financial position reported in future periods. Further information on policies where critical estimates and judgements are made, are listed within the following notes:
- Key assumptions used in impairment testing for the Group's cash generating unit and other intangible assets (note 12)
- Valuation of inventories (note 8)
- Grape pricing and SGARA (note 8 and note 26)
- Recognition of income tax losses (note 4)
- Determining lease term of contracts with renewal options (note 11)

**Impact of climate change**
The Group's accounting policies encompass making estimates about the future, which necessarily includes a consideration of the impact of climate change. Estimates in significant areas such as future business forecasts used in impairment testing and the useful lives of the Group's assets are made using the most relevant and current information.

There is significant uncertainty as to the future potential impacts of climate change on the Group. The Group continues to develop its Sustainability Strategy, including setting targets and emission interventions across material impact areas. The Group is developing data and reporting capabilities to align more closely with the recommendations set out by the Taskforce on climate related financial disclosures and also taking into account the issuance of the first two IFRS Sustainability Disclosure Standards by the International Sustainability Standards Board.

The Group has considered the impact of climate change in the financial statements including impairment testing, there is no material impact on the amounts recognised.

# Notes to the financial statements
## For the financial year ended 30 June 2026

## Note 1: About this report (continued)

**New and amended standards adopted by the Group**
The Group adopted certain amendments to accounting standards during the period.

- Amendment to AASB 121 The Effects of Changes in Foreign Exchange Rates - This amendment provides a consistent approach to assess whether a currency can be exchanged into another currency and, when it cannot, to determine the exchange rate to use and the disclosure to provide.
- Disclosures about Uncertainties in Financial Statements, including Amendments to AASB 136 Impairment of Assets and AASB 137 Provisions, Contingent Liabilities and Contingent Assets (effective for year ends beginning on or after 1 July 2025 that end on or after 28 February 2026) The IASB has published several examples to illustrate how an entity applies the requirements in IFRS Accounting Standards to disclose the effects of uncertainties in its financial statements. The examples illustrate this through climate-related scenarios, but the principles and requirements are applicable to disclosure of other uncertainties. The examples do not add to or change requirements in IFRS Accounting Standards and therefore, there are no transition requirements.

These did not have a material impact on measurement or disclosures for the financial statements.

The Group has not adopted early any other standard, interpretation or amendment that has been issued but is not yet effective.

**New and amended standards that were not yet mandatory for annual reporting periods ending on 30 June 2026**
The Group notes that AASB 18 *Presentation and Disclosure in Financial Statements* is effective for annual reporting periods beginning on or after 1 January 2027, which for AVG will be the period ending 30 June 2028. Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements.

The group also notes AASB 9 Financial instruments and AASB 7 Financial instruments: Disclosures will be effective for the year ending 30 June 2027. These amendments confirm the requirements for the timing of derecognition of financial assets and liabilities where payments are made via electronic payment systems. The adoption of this standard is not expected to have a material impact on the Group.

## Note 2: Segment information

**Accounting policy– segment reporting**

Operating segments are determined based on the reporting to the Chief Operating Decision Maker ('CODM'). The Group's CODM, who is responsible for allocating resources and assessing the performance of the Group has been identified as the Chief Executive Officer ('CEO').

The CODM reviews the financial performance and position of the Group on a consolidated basis and manages and monitors the Group's operations as a single, integrated business. The Group engages in the growing of grapes, and manufacturing and sales and marketing of alcoholic wine, non-alcoholic wine, other beverages and wine derived products. These activities are managed centrally in Australia and the Group's international operations function cannot operate independently of the Group's Australian base. Therefore, the Group has one operating segment, which is also the Group's single cash generating unit for the purpose of impairment testing (see Note 12). Measure of profitability and financial position reviewed by the CODM being consolidated net profit after tax (NPAT) and consolidated assets and liabilities. Revenue is disaggregated in supporting information by country.

**Geographical information**
The geographical and customer information below is disclosed in accordance with the entity wide disclosure requirements in AASB 8 paragraphs 31-34.
In FY26, export sales represented 56% of the Group's revenue (FY25: 64%). The decrease is due to challenging macroeconomic conditions our key export markets.

**For the twelve months ended 30 June 2026**

| Geographical information | ANZ<br>$'000 | Export<br>$'000 | TOTAL<br>$'000 |
|---|---|---|---|
| **Type of goods or service** | | | |
| Sales of wine – point in time | 105,219 | 144,067 | 249,286 |
| Other – point in time | 8,271 | - | 8,271 |
| | 113,490 | 144,067 | 257,557 |
| **Non-current assets other than financial instruments and deferred tax assets** | | | |
| Non-current assets other than financial instruments and deferred tax assets | 162,956 | - | 162,956 |

## Note 2: Segment information (continued)

**For the twelve months ended 30 June 2025**

| **Geographical information** | **ANZ** $'000 | **Export** $'000 | **TOTAL** $'000 |
|---|---|---|---|
| **Type of goods or service** | | | |
| Sales of wine – point in time | 82,878 | 163,636 | 246,514 |
| Other – point in time | 10,671 | - | 10,671 |
| | 93,549 | 163,636 | 257,185 |
| **Non-current assets other than financial instruments and deferred tax assets** | | | |
| Non-current assets other than financial instruments and deferred tax assets | 189,690 | - | 189,690 |

The Group's operations and management are located centrally in Australia. As such, there are no non-current assets located in export markets.

Asia was historically shown as a separate geographic information, however given this represented less than 10% of total sales this has been included in Export above.

The Group has no major customers (2025: two) who individually account for greater than 10% of annual sales.

## Note 3: Revenue and expenses

**Accounting policy - revenue**
Revenue is measured based on the consideration to which the group expects to be entitled in a contract with a customer. The group recognises revenue when it transfers control of a product or service to a customer. The transaction price is net of rebates and discounts and sales-related taxes and duties including excise duties, but includes Extended Producer Responsibility (EPR) charges collected from customers payable to the UK Government. Credit terms granted to customers is generally between 30 days and 60 days depending on the customer type and shipping arrangements.

- Sales of wine is the sale of bottled and bulk alcoholic wine, non-alcoholic wine and other beverages, as well as grape concentrate to retail and wholesale customers. There is one performance obligation associated with the sale of goods, being the delivery of the product to the location specified in the agreement with the customer. Accordingly, revenue is recognised at the point in time at which control of the product is passed from the Group to the customer. This is typically by way of delivery to the customer's warehouse for wholesale customers, or at the point of sale at a cellar door outlet for a retail customer.

Other revenue from contracts with customers is comprised of the following:

- Contract processing involves manufacturing a wine product based on the agreed specifications required by the customer. There is one performance obligation, being the delivery of the completed wine product to the site or location in the agreement with the customer. Accordingly, revenue is recognised at a point in time once control of the completed product has passed to the customer.

Any amounts received from customers prior to the performance obligations being completed are recorded as income received in advance and held in the consolidated statement of financial position, until the relevant performance obligations have been completed in line with the policies above.

## Note 3: Revenue and expenses (continued)

**Accounting policy – consumption taxes**
Revenues, expenses and assets are recognised net of consumption taxes. Receivables and payables are recorded gross of consumption taxes, with the net amount of consumption taxes recoverable from, or payable to the relevant tax authority recorded in the consolidated statement of financial position. Cash flows are presented on a gross basis, with any consumption taxes relating to investing or financing activities being recorded in operating cash flows.

| | | 2026 | 2025 |
|---|---|---|---|
| | | $'000 | $'000 |
| (a) | **Revenue from contracts with customers** | | |
| | Sales of wine – point in time | 249,286 | 246,514 |
| | Other – point in time | 8,271 | 10,671 |
| | | 257,557 | 257,185 |
| (b) | **Cost of sales** | | |
| | Costs associated with sales during the period | 193,593 | 187,821 |
| | UK Extended Producers Responsibility (EPR) costs* | 5,027 | - |
| | Inventory Write Down | 27,037 | - |
| | | 225,657 | 187,821 |

* UK Extended Producer Responsibility (EPR) costs of $5.0m for FY26 have been recognised in cost of sales, consistent with the approach stated by the Group in FY25 that ongoing EPR costs would be included in cost of goods sold and recovered through price increases.

The FY25 charge of $6.1m represented the one-off first-time implementation cost of the UK EPR regulations, which became effective 1 April 2025. That charge was measured by reference to packaging placed on the UK market during calendar year 2024 — a period which ended before the regulations were enacted, and during which no EPR recovery was reflected in the Group's UK pricing. It was therefore not attributable to sales made during FY25 and was presented within other expenses.

From FY26, the annual EPR charge is a recurring cost of supplying the UK market, is measured by reference to packaging placed on the market during a period in which EPR was embedded in the Group's activities. It is accordingly presented within cost of sales. The EPR charge for each period is disclosed in note 3(d) for comparability.

| | | 2026 | 2025 |
|---|---|---|---|
| (c) | **Other income / (expense)** | $'000 | $'000 |
| | Gain on disposal of property, plant and equipment | | |
| | Wine equalisation tax rebate | 350 | 321 |
| | Other rebates and grants | 190 | 222 |
| | Gain / (loss) on changes in fair value of investments held at fair value through profit or loss | (1,160) | (140) |
| | Gain / (loss) on unrealised foreign exchange | (49) | (46) |
| | Interest income | 52 | 72 |
| | Transactions relating to vineyard lease exits | (3,851) | 1,065 |
| | Dividend income from investments held at fair value through profit or loss | 25 | 30 |
| | Rental income | 23 | 23 |
| | Other | 104 | 280 |
| | | (4,024) | 5,060 |

## Note 3: Revenue and expenses (continued)

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| **(d) Disclosure of specific expenses** | | |
| UK Extended Producers Responsibility costs(1) | 5,027 | 6,105 |
| Strategic review and restructuring expense(2) | 4,105 | - |
| Employee benefits expense | 47,462 | 48,325 |
| Superannuation expense | 4,357 | 4,319 |

(1) Refer to EPR commentary in note 3(b).
(2) In FY26, the Group recorded $4.1m of strategic review and restructuring expense, represented by $0.3m in CEO transition and strategic review costs, $1.3m of redundancies during the year, and $2.5m of provision to facilitate the execution of a restructuring programme in FY27.

**(e) Finance costs**

**Accounting policy – borrowing costs**
Borrowing costs incurred for the production or construction of a qualifying asset are added to the cost base of the asset during the time the asset is being prepared for its intended use. Other borrowing costs are expensed as incurred. During the period there were no activities resulting in construction of qualifying assets.

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Interest expense (commercial bills) | 8,146 | 6,314 |
| Interest expense (resulting from leases under AASB 16) ^ | 501 | 391 |
| | **8,647** | **6,705** |

**^ *note:*** *net of interest incurred at the leases' incremental borrowing rates capitalised to inventory under AASB 123*

## Note 4: Income taxes

**Accounting policy – income taxes**
Income tax expense is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities. This is calculated based on tax laws enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised for taxable temporary differences. Deferred income tax assets are recognised for deductible temporary differences, to the extent it is probable there will be sufficient future profits in the Group to utilise them against. Deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Tax consolidation
The Company and all its wholly owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Australian Vintage Ltd is the head entity in the tax-consolidated group. The members of the tax-consolidated group are identified in note 24.

Current tax liabilities and assets, and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity. Under the terms of the tax funding arrangement, Australian Vintage Ltd and each of the entities in the tax-consolidated group have agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity.

## Note 4: Income taxes (continued)

**Significant accounting estimates and judgement – recognition of income tax losses**
The Group has recognised deferred tax assets in relation to unused tax losses and temporary differences as at the end of the reporting period. The recognition of deferred tax assets is after considering whether it is probable that the Group will have sufficient taxable profit in the foreseeable future and against which the deferred tax assets can be recovered.

The assessment of whether there will be sufficient taxable profit is subject to a level of judgement and if the actual conditions vary to the assumptions adopted, the carrying value of the asset would need to be reassessed. The Group is not currently recognising additional tax losses as they arise.

| | | 2026<br>$'000 | 2025<br>$'000 |
|---|---|---|---|
| (a) | **Income tax recognised in profit or loss** | | |
| | **Income tax comprises** | | |
| | Current tax expense | - | - |
| | Net deferred tax expense | 5,412 | - |
| | Under provision from prior year | - | - |
| | | 5,412 | - |

| | | 2026<br>$'000 | 2025<br>$'000 |
|---|---|---|---|
| (b) | **Reconciliation of income tax expense to prima facie tax payable** | | |
| | Accounting profit before tax | (60,949) | (9,564) |
| | Tax at the Australian Corporate tax rate of 30% | (18,285) | (2,869) |
| | *Non-deductible expenses for tax purposes* | | |
| | Impairment of Goodwill | - | - |
| | Other non-deductible expenses | 378 | 61 |
| | Impairment of deferred tax assets from tax losses previously recorded | - | - |
| | Current period tax losses not recognised as DTA | - | 2,808 |
| | Derecognition of DTA arising from timing differences and tax losses | 23,319 | - |
| | Total tax expense / (benefit) | 5,412 | - |

## Note 4: Income taxes (continued)

**(c) Deferred tax assets and liabilities**

| 2026 composition and movement schedule | Opening Balance $'000 | Charged to Income $'000 | Charged to Equity $'000 | De-recognition $'000 | Closing Balance $'000 |
|---|---|---|---|---|---|
| **Gross deferred tax liabilities:** | | | | | |
| Inventories | (4,692) | 2,118 | - | - | (2,574) |
| Intangibles | (1,621) | 1,621 | - | - | - |
| Property, plant and equipment | (9,377) | 722 | - | - | (8,655) |
| Hedging reserve | - | - | (505) | - | (505) |
| Other | (1,024) | 1,024 | - | - | - |
| | (16,714) | 5,485 | (505) | - | (11,734) |
| **Gross deferred tax assets:** | | | | | |
| Inventories | 5,427 | (679) | - | (2,174) | 2,574 |
| Trade and other payables | 2,526 | (509) | - | (155) | 1,862 |
| Provisions | 2,097 | 1,227 | - | (219) | 3,105 |
| Tax losses (note 1) | 2,628 | - | - | (2,628) | - |
| Right-of-use assets and lease liabilities (net amount) | 7,592 | (608) | - | (3,408) | 3,576 |
| Hedge reserve | 4,265 | - | (4,265) | - | - |
| Other | 2,361 | 855 | - | (2,599) | 617 |
| | 26,896 | 286 | (4,265) | (11,183) | 11,734 |
| **Net deferred tax asset** | **10,182** | **5,771** | **(4,470)** | **(11,183)** | **-** |

Note 1: The Group has not recognised revenue tax losses in the current year. There are $126.2m of unrecognised revenue tax losses and no capital losses relating to the Group (2025: $102.9m revenue tax losses and no capital losses).

| 2025 composition and movement schedule | Opening Balance $'000 | Charged to Income $'000 | Charged to Equity $'000 | De-recognition $'000 | Closing Balance $'000 |
|---|---|---|---|---|---|
| **Gross deferred tax liabilities:** | | | | | |
| Inventories | (5,988) | 1,296 | - | - | (4,692) |
| Intangibles | (1,621) | - | - | - | (1,621) |
| Property, plant and equipment | (10,411) | 1,034 | - | - | (9,377) |
| Other | (779) | (245) | - | - | (1,024) |
| | (18,799) | 2,085 | - | - | (16,714) |
| **Gross deferred tax assets:** | | | | | |
| Inventories | 4,992 | 435 | - | - | 5,427 |
| Trade and other payables | 1,228 | 1,298 | - | - | 2,526 |
| Provisions | 2,026 | 71 | - | - | 2,097 |
| Tax losses (note 1) | 11,030 | (4,361) | (4,041) | - | 2,628 |
| Right-of-use assets and lease liabilities (net amount) | 8,372 | (780) | - | - | 7,592 |
| Hedge reserve | 224 | - | 4,041 | - | 4,265 |
| Other | 1,109 | 1,252 | - | - | 2,361 |
| | 28,981 | (2,085) | - | - | 26,896 |
| **Net deferred tax asset** | **10,182** | **-** | **-** | **-** | **10,182** |

## Note 5: Earnings per share

**Accounting policy – earnings per share**
Basic earnings per share is determined by dividing net profit attributable to equity holders of Australian Vintage Limited, by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share uses an adjusted weighted average number of ordinary shares in the same calculation, which assumes the conversion of all dilutive potential ordinary shares.

| | 2026 | 2025 |
|---|---|---|
| Weighted average number of ordinary shares (‘000) used in calculating basic earnings per share | 329,463 | 329,422 |
| Weighted average number of ordinary shares (‘000) used in calculating diluted earnings per share | 329,463 | 329,422 |

| | 2026<br>$'000 | 2025<br>$'000 |
|---|---|---|
| Profit / (Loss) for the year | (66,361) | (9,564) |
| Basic earnings per share (cents per share) | (20.14) | (2.9) |
| Diluted earnings per share (cents per share) | (20.14) | (2.9) |

## Note 6: Notes to the cash flow statement

**Accounting policy – cash and cash equivalents**
Cash comprises cash on hand, term deposits and deposits held on demand with financial institutions. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and have an original maturity of less than 3 months. Bank overdrafts are presented as current liabilities in the consolidated statement of financial position.

**(a) Reconciliation of profit / (loss) for the period to net cash flows from operating activities**

| | 2026<br>$'000 | 2025<br>$'000 |
|---|---|---|
| Profit from ordinary activities after income tax | (66,361) | (9,564) |
| Impairment of Inventory | 27,037 | - |
| Impairment of deferred tax assets from tax losses previously recorded | 10,182 | - |
| Recognition of restructuring provision | 2,528 | - |
| One-off first-time implementation costs of Extended Producers Responsibility* | - | 6,105 |
| Depreciation and amortisation of non-current assets (inc. amortisation of AASB 16 ROU assets) | 15,032 | 14,583 |
| (Gain) / loss on sale of non-current assets net of capitalised inventory | (289) | (4,102) |
| (Gain)/ loss on changes in fair value of investments held at fair value through profit or loss | 1,160 | 140 |
| Disposal of leases net of capitalised inventory | 1,404 | (1,769) |
| Share based payments | 245 | 94 |
| **Net cash provided by operating activities before net changes in assets and liabilities** | **(9,062)** | **5,487** |
| *Changes in assets and liabilities, net of effects from impairment of assets* | | |
| (Increase) / decrease in trade and other receivables | 8,294 | (6,993) |
| Decrease / (increase) in other assets | (392) | 222 |
| (Increase) / decrease in inventories | 8,003 | (18,747) |
| (Increase) in deferred tax assets | - | - |
| Increase / (decrease) in trade & other payables (including EPR) | (496) | 13,944 |
| (Decrease) in provisions and other liabilities | 1,567 | 217 |
| Other | (3,593) | (1,793) |
| **Net cash provided by operating activities** | **4,320** | **(7,663)** |

* refer to Note 3 for further information regarding EPR costs payable by AVG.

**(b) Net debt reconciliation**

| | 2026 | 2025 |
|---|---|---|
| Cash and cash equivalents | 6,741 | 8,877 |
| Borrowings | (95,500) | (84,000) |
| **Net debt** | **(88,759)** | **(75,123)** |

## Note 6: Notes to the cash flow statement (continued)

**(c) Reconciliation of movements in liabilities from financing activities to cash flows from financing activities**

| | Lease liabilities $'000 | Borrowings $'000 | Total $'000 |
|---|---|---|---|
| **Balances at 30 June 2024** | (74,771) | (62,500) | (137,271) |
| *Financing cash flows* | | | |
| Net repayment / (drawdown) of principal | 10,504 | (21,500) | (10,996) |
| *Non-cash changes* | | | |
| Additions and modifications to lease liabilities | 6,219 | - | 6,219 |
| **Balances at 30 June 2025** | (58,048) | (84,000) | (142,048) |
| *Financing cash flows* | | | |
| Net repayment / (drawdown) of principal | 12,401 | (11,500) | 901 |
| *Non-cash changes* | | | |
| Additions and modifications to lease liabilities | (10,949) | - | (10,949) |
| **Balances at 30 June 2026** | (56,596) | (95,500) | (152,096) |

**(d) Gross up of 2025 receipts from customers and payments to suppliers and employees (inclusive of applicable indirect taxes)**

In the financial report for the year ended 30 June 2025, receipts from customers (inclusive of applicable indirect taxes and payments to suppliers and employees (inclusive of applicable indirect taxes) were presented inclusive of sales taxes but exclusive of certain other indirect taxes.

A change where previously these taxes, including WET, UK excise and EPR, were presented on a net basis are now presented on a gross basis. As the cashflows relating to these taxes are increasingly material, following year on year tax increases and changes to trading terms to collect WET from certain customers, presentation on a gross basis will provide more useful information to the users of the financial statements. The comparative information has been restated to ensure comparability and present these cashflows inclusive of applicable indirect taxes included within operating cashflows.

| | As previously reported $'000 | Adjustment $'000 | Restated $'000 |
|---|---|---|---|
| **30 June 2025** | | | |
| Receipts from customers (inclusive of applicable indirect taxes) | 285,484 | 31,774 | 317,258 |
| Payments to suppliers and employees (inclusive of applicable indirect taxes) | (283,149) | (31,774) | 314,923 |
| **Cash generated from operations** | **2,335** | - | **2,335** |

The gross up of 2025 receipts from customers and payments to suppliers and employees (inclusive of applicable indirect taxes) had no effect on net cashflows from operating, investing or financing activities, or on the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes and equity, or basic and diluted earnings per share, for the current or any prior period, and no effective on any balance as at 1 July 2024.

## Note 7: Trade and other receivables

**Accounting policy – trade and other receivables**
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. The average credit period granted to customers for trade receivables is 65 days (2025: 67 days) and therefore are all classified as current. Trade receivables are recognised initially at the transaction price per the relevant contract with the customer unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 26.

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Trade receivables | 40,601 | 50,867 |
| Loss allowance | (149) | (211) |
| | **40,452** | **50,656** |
| Prepayments | 3,970 | 3,306 |
| Other receivables | 2,981 | 1,735 |
| | **47,403** | **55,697** |

## Note 8: Inventories and biological assets

**Accounting policy – inventories**
Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a first in, first out basis.
- Work in progress, bulk wine and bottled wine: cost of direct materials and labour and an allocation of manufacturing overheads based on normal operating capacity. The costs include the transfer of grapes at their fair value at the point of harvest to inventory.

Inventories are classified as current or non-current based on the estimated time period in which the goods will be sold to customers.

**Significant accounting estimates and judgements – valuation of inventories**
Inventory is assessed for obsolescence on an ongoing basis. The assessment considers the quality, age and saleability of the inventory on hand. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs necessary to make the sale. Based on this assessment and if required, a provision is made to reduce the book value of inventories to its realisable value.

During FY26, the Group continued to execute the inventory reduction plan and performed an extensive review of the bulk wine held on hand in light of the ongoing surplus of wine in the Australian market. To accelerate the inventory reduction plan to bring the Group's inventory to a sustainable level, whilst adopting a more flexible and cost effective grape sourcing strategy, an inventory impairment charge of $27.0m has been recorded. This is inclusive of $12.4m of written down bulk wine sold during the year. As at 30 June 2026, the Group held less than 18 months' cover bulk wine.

The Group recorded a non-current inventories balance of $29.4m (2025: $55.8m), in line with the Group's inventory reduction strategy.

**Accounting policy – biological assets and produce extracted from vines**
The Group has owned and leased vineyards that produce grapes, which are biological assets under AASB 141 *Agriculture*. Grapes growing on the vines are measured at fair value less estimated costs to sell up to the point of harvest. As at 31 December 2025, no active market existed for immature grapes and as such the Group measured grapes at cost less any impairment. The Group switches to fair value measures once it becomes reliable to measure prior to harvest.

Fair value adjustments as the grapes are growing is recorded in *Fair value loss on grapes picked* in the Consolidated statement of profit or loss and other comprehensive income. Once harvested, grapes are transferred into the cost of wine at their fair value at that point in time and accounted for under AASB 102 *Inventories* and used to make wine products. This is based on observable contracted prices at the time of harvest.

| | 2026<br>$'000 | 2025<br>$'000 |
|---|---|---|
| **Current** | | |
| Bulk wine | 103,527 | 104,259 |
| Bottled wine | 37,233 | 42,517 |
| Biological assets | 4,861 | 6,497 |
| Other – including consumables and raw materials | 10,415 | 11,367 |
| | **156,036** | **164,640** |
| **Non-current** | | |
| Bulk wine | 29,401 | 55,837 |
| | **29,401** | **55,837** |

The cost of inventory recognised as an expense in cost of sales during the year was $199m (2025: $188m). As at 30 June 2026 the Group is holding a provision of $0.6m (2025: $1.0m) to adjust inventory to its net realisable value over the normal course of business. The balances above are net of this provision. During the year, the Group utilised $1.0m of this provision (2025: $4.3m) to write off inventory reaching best before dates in the zero alcohol category.

Additionally, a $27.0m provision relating to the strategic write down of inventory was recognised. of inventory during the year. As at 30 June 2026, $12.4m of the provision has been utilised.

## Note 9: Property, plant and equipment

**Accounting policy – property, plant and equipment**
Property, plant and equipment are shown at historical cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly related to the acquisition of the asset and bringing it to its condition of use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognised. All repairs and maintenance charges are expensed in profit and loss in the period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the following methods and useful lives for each asset class:

- Buildings 50 years (straight line method)
- Vineyard improvements 15-20 years (straight line method)
- Plant and equipment 3-50 years (straight line method)
- Vines 30 years (diminishing value method)

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation related to wineries, production and some vineyards is capitalised into inventory and ultimately classified in the Statement of profit or loss and other comprehensive income as a cost of goods sold. Property, plant & equipment assets are tested for impairment as per the policy and details in note 12.

**As at 30 June 2026 ($'000)**

| | *Freehold land* | *Vineyard improvements* | *Vines* | *Plant and equipment* | *Buildings* | *Work in progress* | *Total* |
|---|---|---|---|---|---|---|---|
| At cost | 8,589 | 1,584 | 2,450 | 157,306 | 24,522 | 1,242 | 195,693 |
| Accumulated depreciation | - | (516) | (1,432) | (95,000) | (9,183) | - | (106,131) |
| **Net book value** | **8,589** | **1,068** | **1,018** | **62,306** | **15,339** | **1,242** | **89,562** |
| **Reconciliations** | | | | | | | |
| Carrying amount at 1 July 2025 | 8,589 | 1,125 | 1,082 | 64,779 | 15,264 | 1,042 | 91,881 |
| Additions | - | - | - | - | - | 4,070 | 4,070 |
| Disposals | - | - | - | (26) | - | - | (26) |
| Transfers | - | 23 | - | 3027 | 777 | (3,870) | (43) |
| Depreciation | - | (80) | (64) | (5,474) | (702) | - | (6,320) |
| **Carrying amount at 30 June 2026** | **8,589** | **1,068** | **1,018** | **62,306** | **15,339** | **1,242** | **89,562** |

**As at 30 June 2025 ($'000)**

| | *Freehold land* | *Vineyard improvements* | *Vines* | *Plant and equipment* | *Buildings* | *Work in progress* | *Total* |
|---|---|---|---|---|---|---|---|
| At cost | 8,589 | 1,561 | 2,450 | 156,935 | 23,792 | 1,042 | 194,369 |
| Accumulated depreciation | - | (436) | (1,368) | (92,156) | (8,528) | - | (102,488) |
| **Net book value** | **8,589** | **1,125** | **1,082** | **64,779** | **15,264** | **1,042** | **91,881** |
| **Reconciliations** | | | | | | | |
| Carrying amount at 1 July 2024 | 8,941 | 1,062 | 1,372 | 64,556 | 15,956 | 4,177 | 96,064 |
| Additions | - | - | - | - | - | 5,969 | 5,969 |
| Disposals | (352) | (393) | (886) | (289) | (480) | (544) | (2,944) |
| Transfers | - | 556 | 727 | 6,697 | 520 | (8,560) | (60) |
| Depreciation | - | (100) | (131) | (6,185) | (732) | - | (7,148) |
| **Carrying amount at 30 June 2025** | **8,589** | **1,125** | **1,082** | **64,779** | **15,264** | **1,042** | **91,881** |

## Note 10: Goodwill and other intangible assets

**Accounting policy – goodwill and business combinations**
Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair value of the identifiable assets acquired and the liabilities assumed.

**Accounting policy – water licenses**
Water allocations with permanent rights are measured at cost on the date of acquisition. Water licences have an indefinite useful life and are not subject to amortisation – this assessment is supported by the water licenses giving the Group indefinite rights to water allocations which are key in operating the Group's vineyards into the future. Water allocations with permanent rights are assessed for impairment in each reporting period, with reference to current market prices. Water allocations with temporary rights are expensed in the year of purchase.

**Accounting policy – brand names**
Brand names are assessed to have an indefinite useful life and are not amortised – this assessment is supported by the Group's intention and ability to operate a branded wine business indefinitely into the future. Each period, the useful life of this type of asset is reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment at least annually or more frequently if impairment indicators are identified.

**Accounting policy – software**
Costs incurred in acquiring software that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised as intangible assets. Costs capitalised include external direct costs of materials and service and direct payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis for the estimated useful life of the software, which for current software assets held is 3 years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset. Amortisation expense relating to software is classified in the Statement of profit or loss and other comprehensive income as Administration expenses.

**Accounting policy – management contracts**
Management contracts arise out of distribution arrangements acquired by the Group with a finite useful life. Costs capitalised include eligible initial direct costs. The assets generally have a useful life between one and three years, amortised on a straight line basis.

Intangible assets are tested for impairment as per the policy and details in note 12.

**As at 30 June 2026 ($'000)**

| | *Goodwill* | *Water licences* | *Brand names* | *Software* | *Management contracts* | *Work in progress* | *Total* |
|---|---|---|---|---|---|---|---|
| At cost | 44,085 | 99 | 8,501 | 5,639 | 3,034 | - | 61,358 |
| Accumulated impairment losses | (44,085) | - | - | - | - | - | (44,085) |
| Accumulated amortisation | - | - | - | (5,536) | (1,059) | - | (6,595) |
| **Net book value** | **-** | **-** | **8,501** | **280** | **1,975** | **-** | **10,678** |
| **Reconciliations** | | | | | | | |
| Carrying amount at 1 July 2025 | - | 1,503 | 7,447 | 280 | - | - | 9,230 |
| Additions | - | - | 1,054 | - | 3,034 | - | 4,088 |
| Disposals | - | (1,404) | - | - | - | - | (1,404) |
| Transfers | - | | - | 43 | - | - | 43 |
| Amortisation | - | | - | (220) | (1,059) | - | (1,279) |
| **Carrying amount at 30 June 2026** | **-** | **99** | **8,501** | **103** | **1,975** | **-** | **10,678** |

## Note 10: Goodwill and other intangible assets (continued)

**As at 30 June 2025 ($'000)**

| | *Goodwill* | *Water licences* | *Brand names* | *Software* | *Management contracts* | *Work in progress* | *Total* |
|---|---|---|---|---|---|---|---|
| At cost | 44,085 | 1,503 | 7,447 | 5,596 | - | - | 58,631 |
| Accumulated impairment losses | (44,085) | - | - | - | - | - | (44,085) |
| Accumulated amortisation | - | - | - | (5,316) | - | - | (5,316) |
| **Net book value** | **-** | **1,503** | **7,447** | **280** | **-** | **-** | **9,230** |
| **Reconciliations** | | | | | | | |
| Carrying amount at 1 July 2024 | - | 1,503 | 5,427 | 556 | - | - | 7,486 |
| Additions | - | - | 2,020 | - | - | - | 2,020 |
| Disposals | - | - | - | - | - | - | - |
| Impairment | - | - | - | - | - | - | - |
| Transfers | - | - | - | 60 | - | - | 60 |
| Amortisation | - | - | - | (336) | - | - | (336) |
| **Carrying amount at 30 June 2025** | **-** | **1,503** | **7,447** | **280** | **-** | **-** | **9,230** |

## Note 11: Leases

**Accounting policy – leases**

*Identification of a lease*

AVG enters into leases primarily for vineyards where grapes are sourced for the production of wine, as well as equipment (mostly machinery used on vineyards), fleet vehicles for staff and properties for the Group's corporate and sales offices and a cellar door retail outlet. The Group reviews all relevant arrangements and contracts entered into to determine if it contains a lease. Under AASB 16, a lease exists if the arrangement or contract grants the Group the rights to control the use of an identified asset in exchange for consideration for a specified time period.

*Lease recognition exemptions and scope exclusions*

The Group applies the short-term lease recognition exemption for any leases that have a lease term of 12 months or less. The Group also applies the low-value asset recognition exemption, for leases of assets that are deemed to be low-value under the rules of AASB 16. In addition, the Group does not apply AASB 16 to leases of intangible assets such as water licenses, as is permitted under the standard. Payments for these exempt and excluded leases are recognised in profit or loss on a straight line basis over the term of the lease.

*Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Amortisation for leases that are related to wineries, production and vineyards is capitalised into inventory and ultimately classified in the Statement of profit or loss and other comprehensive income as a cost of goods sold. Right-of-use assets are subject to impairment assessments under AASB 136 Impairment of Assets (see note 12 for further details).

## Note 11: Leases (continued)

Below is a summary and movement schedule of the Group's right-of-use assets for the current period

**-As at 30 June 2026 ($'000)**

| | *Vineyards* | *Property* | *Equipment* | *Vehicles* | *Total* |
|---|---|---|---|---|---|
| At cost | 50,423 | 8,737 | 6,767 | 1,702 | 67,629 |
| Accumulated amortisation | (27,020) | (4,068) | (2,083) | (1,143) | (34,314) |
| **Net book value** | **23,403** | **4,669** | **4,683** | **559** | **33,315** |
| **Reconciliations** | | | | | |
| Carrying amount at 1 July 2025 | 26,277 | 2,543 | 3,095 | 827 | 32,742 |
| Additions | - | 3,815 | 2,512 | 213 | 6,540 |
| Disposals | - | - | - | (15) | (15) |
| Remeasurement | 984 | 437 | - | 60 | 1,481 |
| Amortisation | (3,858) | (2,126) | (923) | (526) | (7,433) |
| Impairment | - | - | - | - | - |
| **Carrying amount at 30 June 2026** | **23,403** | **4,669** | **4,684** | **559** | **33,315** |

**As at 30 June 2025 ($'000)**

| | *Vineyards* | *Property* | *Equipment* | *Vehicles* | *Total* |
|---|---|---|---|---|---|
| At cost | 49,439 | 5,320 | 4,274 | 1,631 | 60,664 |
| Accumulated amortisation | (23,162) | (2,777) | (1,179) | (804) | (27,922) |
| **Net book value** | **26,277** | **2,543** | **3,095** | **827** | **32,742** |
| **Reconciliations** | | | | | |
| Carrying amount at 1 July 2024 | 35,678 | 3,924 | 2,418 | 748 | 42,768 |
| Additions | 1,800 | - | 1,597 | 582 | 3,979 |
| Disposals | (9,248) | - | (133) | - | (9,381) |
| Remeasurement | 1,427 | (721) | - | 10 | 2,158 |
| Amortisation | (3,380) | (2,102) | (787) | (513) | (6,782) |
| Impairment | - | - | - | - | - |
| **Carrying amount at 30 June 2025** | **26,277** | **2,543** | **3,095** | **827** | **32,742** |

*Lease liabilities (Group as a Lessee)*

At the commencement date of the lease the Group recognises lease liabilities, measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and includes variable lease payments that depend on an index. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the rate implicit in the lease. If this is not readily determinable, the Group's incremental borrowing rate at the lease commencement date is used. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The associated interest charges for vineyard leases is capitalised into inventory as is permitted under AASB 102 *Inventories* and ultimately classified in the Statement of profit or loss and other comprehensive income as a cost of goods sold. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group has not entered into any material arrangements as a Lessor.

## Note 11: Leases (continued)

**Significant accounting estimates and judgements – determining lease term of contracts with renewal options**
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases for additional terms, the most significant of which are vineyard leases for which some have extension options of 5 years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

**As at 30 June 2026 ($'000)**

| | *Vineyards* | *Property* | *Equipment* | *Vehicles* | *Total* |
|---|---|---|---|---|---|
| **Reconciliations** | | | | | |
| Carrying amount at 1 July 2025 | 51,389 | 2,619 | 3,188 | 852 | 58,048 |
| Additions | - | 578 | 2,512 | 213 | 3,303 |
| Termination of lease contracts | - | - | - | (16) | (16) |
| Modifications | - | 3,673 | - | 61 | 3,734 |
| Accretion of interest charges | 3,427 | 293 | 160 | 48 | 3,928 |
| Lease repayments | (8,443) | (2,335) | (1,048) | (575) | (12,401) |
| **Carrying amount at 30 June 2026** | **46,373** | **4,828** | **4,812** | **583** | **56,596** |

**As at 30 June 2025 ($'000)**

| | *Vineyards* | *Property* | *Equipment* | *Vehicles* | *Total* |
|---|---|---|---|---|---|
| **Reconciliations** | | | | | |
| Carrying amount at 1 July 2024 | 67,509 | 4,029 | 2,470 | 764 | 74,772 |
| Additions | - | - | 1,597 | 582 | 2,179 |
| Termination of lease contracts | (13,110) | - | (109) | - | (13,219) |
| Modifications | - | 721 | (33) | 10 | 698 |
| Accretion of interest charges | 3,731 | 177 | 159 | 55 | 4,122 |
| Lease repayments | (6,741) | (2,308) | (896) | (559) | (10,504) |
| **Carrying amount at 30 June 2025** | **51,389** | **2,619** | **3,188** | **852** | **58,048** |

## Note 12: Impairment testing

**Accounting policy - impairment testing**
The Group tests for impairment by determining the recoverable amount of each cash generating unit ('CGU') and compares this to its carrying value. A CGU is the smallest identifiable group of assets that generate independent cashflows.

Management reviews the financial performance and position of the Group on a consolidated basis and manages and monitors the Group's operations as a single, integrated business. The Group's grape sourcing, winemaking, bottling and inventory management are centrally managed in Australia, and the Group's international operations function as sales and distribution locations that are dependent on, and cannot operate independently of, the Australian production base. Resource allocation and performance are assessed at the integrated Group level. This encompasses use of the Group's long lived assets including right of use assets, plant, property and equipment, and intangibles. Furthermore, it is noted that any other cash flows generated by the Groups assets are incidental such that there no assets that generate cash flows largely independently of wine production. Accordingly, the Group operates as a single cash generating unit for the purposes of impairment testing

The Group calculates value-in-use by using discounted cash flow calculations. The recoverable amount of the CGU is the higher of its fair value less costs of disposal ('FVLCOD') or its value-in-use ('VIU'). In the prior year the recoverable amount was determined using fair value less costs of disposal ("FVLCOD") utilising external market assessments and comparable market transactions. However, through improved market penetration and its impact on improved cash flow performance, in line with expectations, and more certainty on future cash flow forecasting, there is a more reliable basis for estimating future value and subsequent recoverability. In parallel, external market assessments continue to support the asset base. The change represents a change in accounting estimate and has been applied prospectively; comparative disclosures for the prior year continue to reflect the FVLCOD basis then applied.

## Note 12: Impairment testing (continued)

**Significant accounting estimates and judgements – key assumptions used in impairment testing for long lived intangible assets**
The following assumptions are significant to the VIU calculations:

- AVG's 5-year plan: cashflow forecasts are based on AVG's board approved 5-year plan, which takes into account current and future estimated economic conditions, incorporating an average growth rate of 3.4%.
- Discount rate (pre-tax weighted average cost of capital): 12.8%
- Cash flows beyond the 5 year plan utilise an estimated terminal growth rate of 2.5%

Additionally, the Group performed a FVLCOD assessment in relation to specific assets including plant and equipment, and brand names. The fair values of these assets exceed their carrying values.
The following assumptions are significant to calculations and determinations of fair value less costs of disposal for specific assets:

- External valuation reports from property and asset valuers;
- External transactions identifying current market value; and
- Industry royalty rates and forecast sales brand names.

The following assumptions are significant to the FVLCOD calculations:

- Cash flows used for the FVLCOD valuations are based on Level 3 Valuation techniques. The valuations are most sensitive to the discount rate (assigned 9.2%), sales assumptions utilising market intel for each of the brands and terminal growth rates (assigned 2.5%).

The resultant VIU calculations indicated headroom for the long-lived assets and accordingly, no impairment of property, plant, equipment or intangible assets was recorded. A strategic impairment of inventory for $27 million was recorded with more information provided in Note 8.

**Sensitivity Analysis**
Assessment of recoverability is most sensitive to changes in discount rate and cash flow generation from sales. Any material changes in these assumptions would lead to impairment being considered.

No impairment was required or recorded in the prior year utilising the FVLCOD methodology.

## Note 13: Trade and other payables

**Accounting policy – trade and other payables**
Trade payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are paid in the average credit period of 50 days (2025: 49 days) granted by suppliers. Other payables to the Group represent accruals, volume and marketing rebates payable to customers and consumption tax payable to the relevant tax authorities. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

| Current | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Trade payables | 48,010 | 47,543 |
| Other payables – including customer rebates and trade allowance accruals | 21,782 | 23,026 |
| Other payables – EPR costs* | 6,386 | 6,105 |
| | **76,178** | **76,674** |

* refer to Note 3 for further information regarding EPR costs payable by AVG.

## Note 14: Provisions

**Accounting policy - provisions**
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Short term employee benefit obligations include liabilities for salaries, wages and annual leave and are expected to be settled within the next 12 months. Short term employee benefit provisions also include long service leave amounts for those employees who have reached their legal present entitlement. They are measured at the amount expected to be paid to settle the liability. Long term employee benefit obligations consist of probability estimates of long service leave amounts, for employees who have not yet reached their legal present entitlement.

| | 2026 | 2025 |
|---|---|---|
| **Current** | $'000 | $'000 |
| Employee benefits | 6,985 | 6,222 |
| Restructuring provision* | 3,365 | - |
| | 10,350 | 6,222 |
| **Non-current** | | |
| Employee benefits | 728 | 767 |
| | 728 | 767 |

* the Group recorded $4.1m of strategic review and restructuring expense, represented by $0.3m in CEO transition and strategic review costs, $1.3m of redundancies during the year, and $2.5m of provision to facilitate the execution of a restructuring programme in FY27.As at 30 June 2026 $0.8m of this provision had been used.

## Note 15: Borrowings

**Accounting policy - borrowings**
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the group has a right to defer settlement of the liability for at least 12 months after the reporting period.

**Non-current**

| | 2026 | 2025 |
|---|---|---|
| | $'000 | $'000 |
| Bank loan - commercial bills | 95,500 | 84,000 |
| | 95,500 | 84,000 |

**Undrawn facilities available to the Group**
Details of undrawn debt facilities with National Australia Bank are listed in Financial Risk Management, note 26.

**Loan covenants**
The Group has one main financial covenant relating to gearing ratio (gross borrowings to total borrowings and equity of 50%) associated with the Commercial Bills. This covenant is tested on a quarterly basis. Whilst the Group is operating in a structurally challenged global environment the Group has calculated that it complies with these covenants over the next 12 months.

**Assets pledged as security**
National Australia Bank, the Group's financier, has a fixed and floating charge over the Group's assets with a first mortgage over the operational assets under the Facilities Agreement in relation to the bank loans noted above.

**Interest rates**
The commercial bills are subject to a variable interest rate, being the bank bill swap bid rate ('BBSY') plus bank margin. The current weighted average interest rate on the bills is 7.7% (2025: 7.8%).

**Capital expenditure commitments**
The Group is contractually committed to $2.5m (2025: $0.1m) of future capital expenditure at balance date, for which no liability is recognised.

## Note 16: Other financial assets and liabilities

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| **Current assets** | | |
| Derivatives in cashflow hedge relationship – foreign currency forward contracts | 101 | - |
| | 101 | - |
| **Non-current assets** | | |
| Investments held at fair value through profit and loss | 23 | 1,707 |
| Loan receivable | 935 | 477 |
| Security deposits | - | 40 |
| Prepaid borrowing costs | - | 24 |
| Derivatives in cashflow hedge relationship – foreign currency forward contracts | 1,261 | - |
| Other | 10 | 12 |
| | 2,229 | 2,260 |
| **Current liabilities** | | |
| Derivatives in cashflow hedge relationship – foreign currency forward contracts | - | 6,636 |
| | - | 6,636 |
| **Non-current liabilities** | | |
| Derivatives in cashflow hedge relationship – foreign currency forward contracts | - | 7,901 |
| | - | 7,901 |

The derivative financial instruments above relate to the Group's hedge accounting arrangements. Investments held at fair value through profit and loss relate to investments in unlisted securities. Additional information on the Group's risk management and hedge accounting policies, and information on fair values of the above assets and liabilities are detailed in Note 26.

## Note 17: Share capital

**Accounting policy – share capital**
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | $'000 | Number | $'000 | Number |
| **Fully paid ordinary share capital** | | | | |
| Beginning of financial year | 455,759 | 329,462,923 | 455,421 | 327,610,633 |
| Capital raise (see *note 1* below) | - | - | 370 | 1,852,290 |
| Transaction costs | - | - | (32) | - |
| End of financial year | 455,759 | 329,462,923 | 455,759 | 329,462,923 |

*Note 1:* During FY25, the issued share capital was increased by $0.37m net of transaction via the issue of 1,852,290 ordinary shares on 9 July 2024, under the Group's Retail Entitlement Offer. The shares issued under this offering were priced at $0.20 per share.

All shares have equal rights to voting and dividends. The Group's shares have no par value.

## Note 18: Dividends

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Cents per share | Total $'000 | Cents per share | Total $'000 |
| No dividends paid or declared in the current period (2025: nil) | - | - | - | - |
| | - | - | - | - |
| Franking account balance | | 177 | | 177 |

## Note 19: Reserves

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Employee equity-settled benefits | 1,846 | 1,601 |
| Hedging reserve | (3,087) | (14,217) |
| Foreign currency translation reserve | 312 | 316 |
| | (929) | (12,300) |

**Nature and purpose of reserves**

- The employee equity-settled benefits reserve arises on the granting of shares, performance rights and share options to directors and employees. The fair value of share based payments provided to directors and employees of the Group are recorded within the reserve account and amounts are released into issued capital as options are exercised. Further details on share based payments are made in Note 21.
- The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in the profit and loss when the hedged transaction impacts the profit or loss
- The foreign currency translation reserve contains exchange differences relating to the translation from the functional currencies of the Group's foreign controlled entities into Australian dollars.

## Note 20: Key management personnel compensation

The aggregate compensation of the key management personnel of the Group and the company is set out below:

| | 2026 $ | 2025 $ |
|---|---|---|
| Short-term employee benefits | 1,775,373 | 3,403,349 |
| Post-employment benefits | 97,620 | 197,315 |
| Share based payments | 215,600 | 30,471 |
| | **2,088,593** | **3,631,135** |

## Note 21: Executive performance rights and share option plan

**Accounting policy – share-based payments**
Share-based compensation is provided to AVG executives through the Deferred Equity Incentive and the Option Plan. The fair value of the rights and options granted under these plans is recorded as an employee benefit expense over the period in which the employee becomes unconditionally entitled to the awards, with a corresponding decrease to equity. Further details on the plans and the methods to calculate the fair value of the rights and options is detailed in the next sections.

The following share based payments arrangements were in existence during the current and prior reporting periods.

<u>Deferred Equity Incentive</u>
The FY26 LTI ESOP grant was made to the Executive KMP and certain other team members in September 2025.

The performance criteria upon which the Options under the FY26 LTI ESOP grant are eligible to vest concern achieving free cash flow for a financial year, within a three year period. For example:

- 1/3rd of the Options granted will vest when free cash flow for a financial year equals or exceeds $1,000,000;
- 1/3rd of the Options granted will vest when free cash flow for a financial year equals or exceeds $10,000,000; and
- 1/3rd of the Options granted will vest when free cash flow for a financial year equals or exceeds $20,000,000.

Free cash flow is defined as operating cash flow including capex and lease payments and excludes investments. The audited financial statements are the basis for measuring achievement against the performance target, taking into consideration investments incurred.

The service criteria upon which the Options under the FY26 LTI ESOP grant are eligible to vest concern the participant maintaining continuous employment with the Company at the time of exercise of the Options.

The Board may accelerate the vesting of any unvested Options in the event of a change of control (i.e. a person and their associates holding a relevant interest in more than 50% of the ordinary shares in the Company).

The Board retains the right to assess all aspects of the vesting conditions for future LTI ESOP grants.

Options will vest if an employee chooses to vest the option where the share price is less than the exercise price. Where the share price is less than the exercise price the employee will wait until the share price is above the option exercise price prior to vesting. The employee has until September 2030 for this to occur, must be employed at the time and ultimately approved by the Board. The employee reserves the right to exercise their option where the option price exceeds the share price.

For financial reporting purposes, the value of each Option granted is measured using Black-Scholes/Merton option pricing model, whilst also considering the probability of take up with reference to the share price at the time of statutory reporting.

The table below summarises options on issue to executives:

2026

| | Balance start (unvested) | Granted as compensation (no.) | Granted % | Vested (no.) | Vested % | Exercised | Forfeited | Other charges | Balance end – vested & exercisable | Balance end – unvested |
|---|---|---|---|---|---|---|---|---|---|---|
| T Dusseldorp | - | 7,000,000 | 100 | - | - | - | - | - | - | 7,000,000 |
| A Rigano | - | 3,500,000 | 100 | - | - | - | - | - | - | 3,500,000 |

| Total options on issue to all employees: | 2026 Number | 2025 Number |
|---|---|---|
| Balance at the beginning of the financial year (i) | - | 2,077,805 |
| Granted during the financial year (ii) | 24,500,000 | 5,540,000 |
| Exercised/converted to shares during the financial year (iii) | - | (500,000) |
| Lapsed/cancelled during the financial year (iv) | (3,500,000) | (7,117,805) |
| Balance at the end of the financial year (iv) | 21,000,000 | - |

## Note 21: Executive performance rights and share option plan (continued)

**(i) Balance at the Beginning of the Financial Year**

**2026**

| | No. | Vested No. | Unvested No. | Grant Date | Vesting Date | Expiry Date | Exercise Price $ |
|---|---|---|---|---|---|---|---|
| Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | - | - | - | | | | |

**2025**

| | No. | Vested No. | Unvested No. | Grant Date | Vesting Date | Expiry Date | Exercise Price $ |
|---|---|---|---|---|---|---|---|
| Rights issued 8 December 22 | 813,375 | - | 813,375 | 08/12/22 | 30/09/25 | 31/10/25 | Nil |
| Rights issued 2 February 24 | 1,264,430 | - | 1,264,430 | 02/02/24 | 30/09/26 | 31/10/26 | Nil |
| | 2,077,805 | - | 2,077,805 | | | | |

**(ii) Granted during the Financial Year**

**2026**

| | No. | Vested No. | Unvested No. | Grant Date | Vesting Date | Expiry Date | Exercise Price $ |
|---|---|---|---|---|---|---|---|
| Options issued 19 September 2025 | 24,500,000 | - | 21,000,000 | 22/09/25 | Three even tranches 31/08/26 | 12/09/30 | 0.10 |
| | 24,500,000 | - | 21,000,000 | | | | |

The weighted average fair value of the options granted during the financial year is $0.059 (2025 issued options: Nil). Rights and options issued during the year were priced using a Black-Scholes option pricing model.

**2025**

| | No. | Vested No. | Unvested No. | Grant Date | Vesting Date | Expiry Date | Exercise Price $ |
|---|---|---|---|---|---|---|---|
| Rights issued 31 January 25 | 540,000 | - | 540,000 | 31/01/25 | 31/03/25 | 30/04/25 | Nil |
| Options issued 28 January 25 | 5,000,000 | | 5,000,000 | 28/01/25 | 14/10/27 | 30/06/28 | 0.20 |
| | 5,540,000 | - | 5,540,000 | | | | |

The weighted average fair value of the rights granted during the financial year is $0.1375 (2024 issued rights: $0.375). The weighted average fair value of the options granted during the financial year is $0.052 (2024 issued options: Nil). Rights and options issued during the year were priced using a binomial option pricing model.

**(iii) Exercised / converted to shares during the Financial Year**

**2026**

| | No. | Vested No. | Unvested No. | Grant Date | Vesting Date | Exercise Date | Exercise Price $ |
|---|---|---|---|---|---|---|---|
| Options | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | - | - | - | | | | |

**2025**

| | No. | Vested No. | Unvested No. | Grant Date | Vesting Date | Exercise Date | Exercise Price $ |
|---|---|---|---|---|---|---|---|
| Rights issued 31 January 25 | 500,000 | 500,000 | | 31/01/25 | 31/03/25 | 30/4/25 | Nil |
| | 500,000 | 500,000 | - | | | | |

## Note 21: Executive performance rights and share option plan (continued)

**(iv) Cancelled by forfeiture during the Financial Year**

2026

| | No. | Vested No. | Unvested No. | Grant Date | Vesting Date | Expiry Date | Exercise Price $ |
|---|---|---|---|---|---|---|---|
| Options issued 19 September 2025 | 3,500,000 | | 3,500,000 | 19/09/25 | In three even tranches 31/08/26 | 12/09/30 | 0.10 |
| | 3,500,000 | - | 3,500,000 | | | | |

2025

| | No. | Vested No. | Unvested No. | Grant Date | Vesting Date | Expiry Date | Exercise Price $ |
|---|---|---|---|---|---|---|---|
| Rights issued 8 December 22 | 813,375 | - | 813,375 | 08/12/22 | 30/09/25 | 31/10/25 | Nil |
| Rights issued 2 February 24 | 1,264,430 | - | 1,264,430 | 02/02/24 | 30/09/26 | 31/10/26 | Nil |
| Rights issued 31 January 25 | 40,000 | - | 40,000 | 31/01/25 | 31/03/25 | 30/04/25 | Nil |
| Options issued 28 January 25 | 5,000,000 | | 5,000,000 | 28/01/25 | 14/10/27 | 30/06/28 | 0.20 |
| | 7,117,805 | - | 7,117,805 | | | | |

**(v) Balance at End of Financial Year**

| 2026 | No. | Vested No. | Unvested No. | Grant Date | Vesting Date | Expiry Date | Exercise Price $ |
|---|---|---|---|---|---|---|---|
| Options issued 19 September 2025 | 21,000,000 | - | 21,000,000 | 19/09/25 | 31/03/25 | 12/09/30 | 0.10 |
| | 21,000,000 | - | 21,000,000 | | | | |

2025

| | No. | Vested No. | Unvested No. | Grant Date | Vesting Date | Expiry Date | Exercise Price $ |
|---|---|---|---|---|---|---|---|
| Nil | - | - | - | - | - | - | - |
| | - | - | - | | | | |

## Note 22: Remuneration of auditors

The auditor of Australian Vintage Ltd is PricewaterhouseCoopers (FY25: Ernst & Young Australia).

| | 2026 $ | 2025 $ |
|---|---|---|
| **Statutory assurance services** | | |
| Fees for auditing the statutory financial report of the Group – Ernst & Young | 25,000 | 467,000 |
| Fees for auditing the statutory financial report of the Group – PricewaterhouseCoopers | 340,000 | - |
| Fees for auditing the statutory financial report of overseas subsidiaries – Ernst & Young | - | 19,000 |
| Fees for auditing the statutory financial report of overseas subsidiaries – others | 24,292 | - |
| | 389,292 | 486,000 |
| **Other assurance services** | | |
| Fees for other assurance services | - | - |
| | - | - |
| **Other non-assurance services** | | |
| Fees for other non- assurance services – Ernst & Young | - | 44,500 |
| | - | 44,500 |

## Note 23: Contingent liabilities

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Bank guarantees | 7,785 | 6,182 |

Bank guarantees relate to the Group's vineyard leases and import duties with overseas tax authorities.

## Note 24: Subsidiaries

| Name of entity | Country of Incorporation | Country of tax residence | Ownership of Interest | |
|---|---|---|---|---|
| | | | 2026 | 2025 |
| | | | % | % |
| *Parent Entity* | | | | |
| Australian Vintage Ltd | Australia | Australia | | |
| *Controlled Entity* | | | | |
| Simeon Wines Pty Ltd (1) | Australia | Australia | 100 | 100 |
| Vintners Australia Pty Limited (1) | Australia | Australia | 100 | 100 |
| Barossa Valley Wine Company Pty Limited (1) | Australia | Australia | 100 | 100 |
| Coldridge Development Pty Limited (1) | Australia | Australia | 100 | 100 |
| McGuigan Simeon Wines Pty Ltd (1) | Australia | Australia | 100 | 100 |
| Mourquong Pty Limited (1) | Australia | Australia | 100 | 100 |
| Buronga Hill Pty Limited (1) | Australia | Australia | 100 | 100 |
| Austvin Pty Ltd (1) | Australia | Australia | 100 | 100 |
| Australian Flavours Pty Limited (1) | Australia | Australia | 100 | 100 |
| Austvin Holdings Pty Limited (1) | Australia | Australia | 100 | 100 |
| Australian Vintage (Domestic) Pty Ltd (1) | Australia | Australia | 100 | 100 |
| Miranda Wines Pty Limited (1) | Australia | Australia | 100 | 100 |
| Miranda Wines (Leasing) Pty Limited (1) | Australia | Australia | 100 | 100 |
| Miranda Family Investments Pty Limited (1) | Australia | Australia | 100 | 100 |
| Miranda Wines Holdings Pty Ltd (1) | Australia | Australia | 100 | 100 |
| Australian Vintage (UK) Ltd | United Kingdom | United Kingdom (2) | 100 | 100 |
| Australian Vintage (Europe) Ltd | Ireland | Ireland (2) | 100 | 100 |

(1) These wholly owned controlled entities have entered into a deed of cross guarantee with Australian Vintage Ltd pursuant to ASIC Corporations (wholly owned companies) Instrument 2016/785 and are relieved from the requirement to prepare and lodge an audited financial report.

As a condition of this Instrument, Australian Vintage Ltd has guaranteed to pay any deficiency in the event of winding up of any of its controlled entities. The controlled entities have also given a similar guarantee in the event Australian Vintage Ltd is wound up. These wholly owned controlled entities all form part of the tax consolidated group. Australian Vintage Ltd is the head entity within the tax consolidated group.

(2) The Group's United Kingdom & Ireland entities are non-operational and do not make sales to customers or have principal ownership of inventory.

## Note 24: Subsidiaries (continued)

Set out below is a condensed consolidated statement of financial position for the Closed Group.

| | 2026<br>$'000 | 2025<br>$'000 |
|---|---|---|
| Current Assets | 210,238 | 228,988 |
| Non-Current Assets | 165,185 | 218,845 |
| **Total Assets** | **375,423** | **447,833** |
| Current Liabilities | 97,207 | 97,689 |
| Non-Current Liabilities | 142,243 | 159,186 |
| **Total Liabilities** | **239,450** | **256,875** |
| **Net Assets** | **135,973** | **190,958** |
| **Equity** | **135,973** | **190,958** |

The profit and loss of the Closed Group is the same as the Group, as presented in the primary Consolidated statement of profit or loss and other comprehensive income.

## Note 25: Related party transactions

Balances and transactions between the Group and its subsidiaries, which are related parties of the Group are eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

***Equity interests in related parties***
Details of the percentage of ordinary shares held in controlled entities are disclosed in note 24 to the financial statements.

***Key management personnel remuneration***
Details of key management personnel compensation are disclosed in note 20 to the financial statements.

***Other transactions with related parties***
There have been no other transactions with related parties.

There are no other material transactions with related parties of the Group during the current or comparative periods.

## Note 26: Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Group is exposed to certain financial risks including market risk (foreign exchange rates, interest rates), credit risk and liquidity risk. The Group's risk management policies seek to minimise exposure to these risks, where they are material to the Group's operations.

The Group finance team assesses the risk in these areas and evaluates the potential option to minimise the potential impact on the Group. Examples of these risks and management's responses to them are detailed within this note and include entering into derivative financial instrument contracts to offset exposure to foreign currency risk and to variable interest rate risk. The Group does not enter into derivative financial instrument contracts for the purpose of speculating and generally due to this, hedge accounting is able to be applied on such arrangements.

The Board is responsible for approving the Group's risk management policies and the responses to the identified financial risks. See the sections that follow for more detailed information on each area of financial risk.

### (a) Financial instruments

**Accounting policy – financial instruments**
*Financial assets at amortised cost*
Financial assets at amortised cost are those items that are held with the objective of collecting contractual cash flows (solely payments of principal and interest). These mainly comprise trade receivables, which consist of principal payments contracted to fall on specified dates per the relevant contract. Refer to the accounting policies for the specific asset classes within this category for further details.

*Investments held at fair value through profit or loss ('FVTPL')*
This category is comprised of unlisted equity investments which the Group has not irrevocably elected to classify at fair value through other comprehensive income. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

*Derivative financial instruments*
The Group enters into foreign exchange forward contracts in line with the Group's risk management policies in relation to market risk, which are detailed within the sections that follow. Derivatives are initially recognised at fair value when they are entered into and revalued to fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, changes in fair value are recorded in other comprehensive income in the Consolidated statement of profit or loss and other comprehensive income. Supply contracts entered by the Group which contain embedded derivatives, which meet the requirements of the 'own-use' exemption under AASB 9 are accordingly not treated as derivatives and expensed to profit and loss as the relevant goods or services are supplied to the Group.

*Financial liabilities at amortised cost*
Financial liabilities at amortised cost consist of trade and other payables, lease liabilities and the Group's borrowings. Refer to the accounting policies for the specific asset classes within this category for further details.

**Accounting policy – hedge accounting**
Hedge accounting is applied to all the Group's derivative financial instruments provided the requirements of AASB 9 are met. As the Group only enters into derivative contracts for hedging purposes, at any given time all derivatives meet this requirement. The Group has cashflow hedges in relation to the highly probable forecast variable interest payments on its bank loans and highly probable forecast sales and expenses that are denominated in a foreign currency. There are no material sources of ineffectiveness for the Group's hedge relationships. Hedging relationships are formally documented at their inception.

The effective portion of changes in the fair value of derivatives that are designed as and qualify as cash flow hedges are deferred in equity. Any ineffective portion is recorded immediately in profit or loss. Amounts deferred in equity are released to profit or loss when the hedged item is recognised in profit or loss. In the event that a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

The table below summarises the financial assets and liabilities held by the Group at balance date.

| **Financial assets** | **2026**<br>$'000 | **2025**<br>$'000 |
|---|---|---|
| Financial assets at amortised cost | | |
| Trade and other receivables | 47,403 | 55,697 |
| Loan receivable | 935 | 477 |
| Cash and cash equivalents | 6,741 | 8,877 |
| Investments held at fair value through profit and loss ('FVTPL') | 23 | 1,707 |
| Derivative financial instruments | | |
| Derivatives in cashflow hedge relationship – foreign currency forward contracts | 1,362 | - |
| Other | 10 | 76 |
| **Total** | **56,474** | **66,834** |

## Note 26: Financial risk management (continued)

**(a) Financial instruments (continued)**

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| **Financial liabilities** | | |
| Liabilities at amortised cost | | |
| Trade and other payables | 76,178 | 76,674 |
| Lease liabilities | 56,596 | 58,048 |
| Borrowings | 95,500 | 84,000 |
| Derivative financial instruments | | |
| Derivatives in cashflow hedge relationship – foreign currency forward contracts | - | 14,537 |
| **Total** | **228,274** | **233,259** |

**Fair value measurements**
Details on the methods used to value the Group's assets and liabilities recorded at fair value are noted below.
s
**Level 1**: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period.
**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.
**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

*Forward Exchange Contracts ('FECs')*
FECs are measured using models which utilise inputs such as quoted foreign currency exchange rates, the date of maturity of each contract and foreign currency futures curves. Credit risk on these contracts is considered in the valuation and is generally not material. These are Level 2 valuations.

*Biological assets*
Prior to harvest, grapes growing on the Group's owned and leased vines are measured using published district prices and contracted AVG grape prices relevant to the region grape variety and expected yields from the vineyards. At balance date, all grapes from the current vintage have been harvested and are based on actual quantities rather than estimates. These grapes have been harvested, crushed and accounted for in the cost of the wine under AASB 2 *Inventories*. These are Level 2 valuations. At balance date, grapes for the next vintage are undergoing biological transformation and are measured at cost.

*Investments held at fair value through profit or loss ('FVTPL')*
Investments held at FVTPL are measured using two significant inputs, being business valuation multiples for comparable companies and profit forecasts for the business. These are Level 3 valuations. Reasonable changes in these inputs would not have a material impact on investments held at FVTPL in the current or prior year.

The fair value of all financial assets and liabilities except derivative financial instruments and investments held at fair value through profit or loss, approximate their carrying value due to their short term nature and borrowings being subject to a variable interest rate.

**(b) Market risk**
*(i) Foreign exchange risk*
Description of risk
The Group's activities, including sales of wine products overseas denominated in foreign currencies exposes it to foreign exchange risk. The key currencies relevant to the Group's foreign exchange risk are the British Pound ('GBP'), Canadian Dollar ('CAD'), United States Dollars ('USD'), New Zealand Dollar ('NZD') and Euro ('EUR'). This risk is due to forecast transactions denominated in these currencies, which is different to the Group's functional and presentational currency of Australian Dollars ('AUD'), as well as assets and liabilities recognised on the consolidated statement of financial position, which are denominated in these foreign currencies.

Management of risk
The Group manages this risk by entering into Forward Exchange Contracts ('FECs') to fix the conversion of foreign denominated cashflows into AUD. This activity is governed by the Board approved Foreign Exchange Management Policy. The key details of this policy are as follows (applied to forecast net revenues and expenses of highly probable foreign denominated transactions):

- 100% of net exposure for the next 12 months
- 100% of net exposure for between 1 year and 2 years
- 100% of net exposure for between 2 years and 3 years

## Note 26: Financial risk management (continued)

**(b) Market risk (continued)**

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in AUD is as follows:

| 2026 (AUD $'000) | USD | GBP | EUR | CAD | NZD | Total |
|---|---|---|---|---|---|---|
| Cash | - | 3,735 | 74 | 63 | - | 3,872 |
| Trade receivables | 15 | 15,226 | 3,229 | 1,083 | - | 19,553 |
| Trade payables | (1,128) | (10,982) | (793) | (145) | (543) | (13,591) |
| Foreign currency forwards (buy foreign currency – cash flow hedges) | (19) | 601 | 549 | 256 | (25) | 1,362 |

| 2025 (AUD $'000) | USD | GBP | EUR | CAD | NZD | Total |
|---|---|---|---|---|---|---|
| Cash | 11 | 2,952 | 95 | 6 | - | 3,064 |
| Trade receivables | - | 24,653 | 2,475 | 1,525 | - | 28,653 |
| Trade payables | (1,690) | (8,600) | (110) | (34) | - | (10,434) |
| Foreign currency forwards (buy foreign currency – cash flow hedges) | 150 | (12,935) | (1,749) | (3) | - | (14,537) |

<u>Effects of hedge accounting on the financial position and performance</u>
The effects of FEC's on the Group's financial position and performance are as follows:

| | 2026 (AUD $'000 – unless stated otherwise) | 2025 (AUD $'000 – unless stated otherwise) |
|---|---|---|
| Type of hedge | Cash flow hedge | Cash flow hedge |
| Carrying amount of asset / (liability) | 1,362 | (14,537) |
| Notional amount (GBP) | 23,977 | 83,500 |
| Notional amount (EUR) | 11,402 | 15,850 |
| Notional amount (CAD) | 2,630 | 2,580 |
| Notional amount (USD) | 1,500 | 3,100 |
| Notional amount (NZD) | 1,500 | - |
| Maturity date [(1)] | Jul '26 – Mar '29 | Jul '25 – Jun '28 |
| Hedge ratio | 1:1 | 1:1 |
| Net change in fair value of outstanding hedging instruments since 1 July | 15,899 | (22,723) |
| Net change in value of hedged item used to determine hedge effectiveness | 15,899 | 22,723 |
| Weighted average hedged rate for the year (GBP) | GBP 0.51: AUD 1 | GBP 0.52: AUD 1 |
| Weighted average hedged rate for the year (EUR) | EUR 0.57: AUD 1 | EUR 0.58: AUD 1 |
| Weighted average hedged rate for the year (CAD) | CAD 0.88: AUD 1 | CAD 0.89: AUD 1 |
| Weighted average hedged rate for the year (USD) | USD 0.68: AUD 1 | USD 0.68: AUD 1 |
| Weighted average hedged rate for the year (NZD) | NZD 1.17: AUD 1 | N/A |

## Note 26: Financial risk management (continued)

The table below sets out the maturity dates of the Group's FEC's based on their gross notional amounts (in denominated currency, '000).

| | Maturity date within 1 year | Maturity date 1-2 years | Maturity date 2-3 years | Total notional value of FEC's |
|---|---|---|---|---|
| **As at 30 June 2026** | | | | |
| GBP | 7,727 | 14,000 | 2,250 | 23,977 |
| EUR | 4,852 | 6,100 | 450 | 11,402 |
| CAD | 1,230 | 1,400 | - | 2,630 |
| USD | 1,500 | - | - | 1,500 |
| NZD | 700 | 800 | - | 1,500 |
| **As at 30 June 2025** | | | | |
| GBP | 30,000 | 30,000 | 23,500 | 83,500 |
| EUR | 5,850 | 6,000 | 4,000 | 15,850 |
| CAD | 1,580 | 600 | 400 | 2,580 |
| USD | 1,600 | 1,500 | - | 3,100 |

During FY26, the Group completed its refinancing activities with NAB. The renewed facilities mature in March 2028. The Group has revised its hedging policy to 2 years to align the maturity of FEC's with that of the loan facilities.

**(b) Market risk (continued)**

Sensitivity
Below is a sensitivity analysis on the Group's profit and cash flow hedge reserve in the case of a strengthening or weakening of the AUD against the significant foreign currencies the Group deals in.

| 2026 (AUD $'000) | USD | GBP | EUR | CAD | NZD |
|---|---|---|---|---|---|
| *Impact on profit (pre-tax)* | | | | | |
| AUD strengthened by 10% against each referenced currency | 784 | (891) | (45) | 58 | 49 |
| AUD weakened by 10% against each referenced currency | (1,218) | 1,048 | 118 | (67) | (60) |
| *Impact on cash flow hedge reserve* | | | | | |
| AUD strengthened by 10% against each referenced currency | (218) | (4,617) | (1,890) | (269) | (123) |
| AUD weakened by 10% against each referenced currency | 218 | 4,617 | 1,890 | 269 | 123 |

| 2025 (AUD $'000) | USD | GBP | EUR | CAD | NZD |
|---|---|---|---|---|---|
| *Impact on profit (pre-tax)* | | | | | |
| AUD strengthened by 10% against each referenced currency | 835 | (1,893) | (40) | (23) | - |
| AUD weakened by 10% against each referenced currency | (1,281) | 2,273 | 113 | 43 | - |
| *Impact on cash flow hedge reserve* | | | | | |
| AUD strengthened by 10% against each referenced currency | 473 | (17,052) | (2,837) | (288) | - |
| AUD weakened by 10% against each referenced currency | (473) | 17,052 | 2,837 | 288 | - |

*(i) Interest rate risk*
Description of risk
The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. A 250 basis point swing in interest rate would have a $2.6m impact on finance costs recorded in the statement of profit or loss in FY26. This is within the Board's risk appetite before other mitigation strategies such as fixed rate or interest rate swaps are considered.

Management of risk
There are currently no interest rate swaps in place (2025 – no interest rate swaps in place).

## Note 26: Financial risk management (continued)

**(b) Market risk (continued)**

Sensitivity

The profit or loss of the Group would be impacted by changes in interest rates as it relates to the unhedged portion of the Group's borrowings, which attracts variable interest. If interest rates were 250 basis points higher/lower, profit would have decreased/increased by $2.6m (2025: if interest rates were 250 basis points higher/lower, profit would have decreased/increased by $2.0m).

**(c) Credit risk**

Description of risk

The Group is exposed to credit risk from the following sources: credit extended to customers by way of sale of goods on normal trading terms and counterparty credit risk with respect to financial institutions where the Group holds cash deposits and has entered into contracts for derivative financial instruments.

Management of risk

*Financial institutions:* The Group only deals with financial institutions with an investment grade credit rating and any banking arrangements require approval from the Board. The Group's banker is National Australia Bank, which has a strong long-term credit rating.

*Trading:* The Group has a significant number of customers from trading, which are spread across several country jurisdictions. Group management has a dedicated credit team who are responsible for performing credit worthiness reviews on every customer before credit is granted to them in line with the Group's credit policy. The Group only extends credit when such checks are performed, and the Group is satisfied any credit granted to the customer will be payable by that party. Where required by the policy, credit guarantee insurance may be taken out. Aging of debtor balances and assessments of recoverability of the Group's debtor book is reported to the Board on a monthly basis for their review.

Impairment of financial assets – trade receivables

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics.

The expected loss rates are based on grouping customers of a similar geography and business type and estimating a loss rate by analysing past write-offs including the current financial year and adjusting these historical rates to reflect current and forward looking macroeconomic factors. Adjustments made to the historical rates are not material. The basis for the Group's calculation is summarised below:

| *As at 30 June 2026* | Expected loss rate % | Gross carrying amount ($'000) | Provision ($'000) |
|---|---|---|---|
| Domestic | 0.2 | 10,758 | 25 |
| Export | 0.3 | 24,885 | 70 |
| Bulk | 1.0 | 5,400 | 54 |
| | | 41,043 | 149 |

| *As at 30 June 2025* | Expected loss rate % | Gross carrying amount ($'000) | Provision ($'000) |
|---|---|---|---|
| Domestic | 0.2 | 15,882 | 31 |
| Export | 0.3 | 29,373 | 84 |
| Bulk | 1.7 | 5,612 | 96 |
| | | 50,867 | 211 |

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

At 30 June 2026, the Group had no material overdue balances.

## Note 26: Financial risk management (continued)

**(c) Credit risk (continued)**

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| **Movement in the credit loss allowance** | | |
| Balance at the beginning of the year | (211) | (155) |
| Allowance released / (impairment recognised) on receivables | 62 | (56) |
| Amounts written off as not collectable | - | - |
| Balance at the end of the year | (149) | (211) |

**(d) Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the board of directors who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included below is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| **Total facilities** | | |
| Bank overdrafts | 5,000 | 5,000 |
| Bank facilities* | 127,000 | 104,500 |
| | 132,000 | 109,500 |
| **Used at 30 June** | | |
| Bank overdrafts | - | - |
| Bank facilities (including leasing facilities) | 105,797 | 90,182 |
| | 105,797 | 90,182 |
| **Unused at 30 June** | | |
| Bank overdrafts | 5,000 | 5,000 |
| Bank facilities (including leasing facilities) | 21,203 | 14,318 |
| | 26,203 | 19,318 |

*The Group executed the loan agreement with National Australia Bank ('NAB') on 17 June 2026 which provides for additional funding facilities. The additional facilities became available to the Group for drawdown upon the execution of the agreement, subject to a condition precedent to transfer the existing balance to the new facilities being satisfied. Under the loan agreement, the facilities maturity was extended to March 2028 with an option to extend a year into 2029.

The conditions precedent including maximum drawdown levels, credit checks and the absence of review or default events were satisfied on 19 July 2026. The Group has disclosed the total facilities balance available for drawdown at 30 June 2026. As these conditions are consistent with the nature of a covenant and only required to be tested after the reporting date, the Group had the right to defer settlement for at least 12 months. The facilities have therefore been classified as non-current as at 30 June 2026.

The Group has disclosed the total facilities balance available for drawdown at 30 June 2026.

The following table details the Group's financial liabilities that will be settled on a gross basis and their maturities. The amounts disclosed below are undiscounted contractual cashflows. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates or foreign exchange rates, as is relevant. Contractual obligations that are settled on a net-basis are presented as net cashflows. The bank facilities above are inclusive of the bank guarantee that is disclosed in note 23.

| 2026 ($'000) | Within 3 months | 3-12 months | 1-5 years | 5 years + | Total | Carrying amount of (asset) / liability |
|---|---|---|---|---|---|---|
| **Non-derivatives** | | | | | | |
| Trade and other payables | 71,921 | 3,193 | 1,064 | - | 76,178 | 76,178 |
| Bank facilities | 2,689 | 3,619 | 116,300 | - | 122,608 | 95,500 |
| Lease liabilities | 3,406 | 10,459 | 50,021 | 4,697 | 68,584 | 56,596 |
| **Total non-derivatives** | **78,016** | **17,272** | **167,385** | **4,697** | **267,370** | **288,274** |
| **Derivatives** | | | | | | |
| Forward exchange contracts* | 8 | 93 | 1,261 | - | 1,362 | 1,362 |
| **Total Derivatives** | **8** | **93** | **1,261** | **-** | **1,362** | **1,362** |

## Note 26: Financial risk management (continued)

(d) Liquidity risk (continued)

| 2025 ($'000) | Within 3 months | 3-12 months | 1-5 years | 5 years + | Total | Carrying amount of (asset) / liability |
|---|---|---|---|---|---|---|
| **Non-derivatives** | | | | | | |
| Trade and other payables | 70,569 | 6,105* | - | - | 76,674 | 76,674 |
| Bank facilities | 2,770 | 3,792 | 96,960 | - | 103,522 | 84,000 |
| Lease liabilities | 3,011 | 8,941 | 40,312 | 20,363 | 72,627 | 58,048 |
| **Total non-derivatives** | **76,350** | **18,838** | **137,272** | **20,363** | **252,823** | **218,722** |
| **Derivatives** | | | | | | |
| Forward exchange contracts* | (1,956) | (4,680) | (7,901) | - | (14,537) | (14,537) |
| **Total Derivatives** | **(1,956)** | **(4,680)** | **(7,901)** | **-** | **(14,537)** | **(14,537)** |

*Refer to note 26(a) and (b) for gross exposures and maturities relating to forward exchange contracts.

## Note 27: Events after the reporting period

There have been no matters or circumstances, other than that referred to in the financial statements or notes thereto, that have arisen since the end of the financial year, that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## Note 28: Parent entity

The ultimate parent company of the Group is Australian Vintage Ltd. The below tables detail the financial position at balance date, the profit and loss for the financial year and other information regarding the parent entity.

| Financial Position | 2026<br>$'000 | 2025<br>$'000 |
|---|---|---|
| **Assets** | | |
| Current assets | 240,515 | 221,859 |
| Non-current assets | 262,270 | 261,446 |
| Total assets | 502,785 | 483,305 |
| | | |
| **Liabilities** | | |
| Current liabilities | 116,942 | 92,024 |
| Non-current liabilities | 311,337 | 299,081 |
| Total liabilities | 428,279 | 391,105 |
| **Net Assets** | **74,506** | **92,200** |
| | | |
| **Equity** | | |
| Issued Capital | 455,759 | 455,759 |
| Accumulated Losses | (383,907) | (350,067) |
| Profit reserve | (796) | (796) |
| Equity-settled employee benefits reserve | 1,845 | 1,600 |
| Hedging reserve | 1,682 | (14,217) |
| Foreign currency translation reserve | (77) | (79) |
| **Total equity** | **74,506** | **92,200** |

| Profit and loss | Year ended 30 June 2026<br>$'000 | Year ended 30 June 2025<br>$'000 |
|---|---|---|
| **(Loss) for the year** | **(33,840)** | **(18,163)** |
| Other comprehensive income | (15,901) | (13,472) |
| Total comprehensive income | (17,939) | (31,635) |

The contingent liabilities and capital commitments of the parent entity are the same as those of the Group, which are detailed in note 23 and note 15, respectively. The parent entity has entered into a deed of cross guarantee with subsidiaries as indicated in note 24.

# Consolidated entity disclosure statement
## For the financial year ended 30 June 2026

| Name of entity | Type of Entity | Country of Incorporation | Australian Resident | Country of Foreign Residence | Ownership of Interest | |
|---|---|---|---|---|---|---|
| | | | | | 2026 | 2025 |
| | | | | | % | % |
| *Parent Entity* | | | | | | |
| Australian Vintage Ltd | Body Corporate | Australia | Yes | N/A | | |
| *Controlled Entity* | | | | | | |
| Simeon Wines Pty Ltd | Body Corporate | Australia | Yes | N/A | 100 | 100 |
| Vintners Australia Pty Limited | Body Corporate | Australia | Yes | N/A | 100 | 100 |
| Barossa Valley Wine Company Pty Limited | Body Corporate | Australia | Yes | N/A | 100 | 100 |
| Coldridge Development Pty Limited | Body Corporate | Australia | Yes | N/A | 100 | 100 |
| McGuigan Simeon Wines Pty Ltd | Body Corporate | Australia | Yes | N/A | 100 | 100 |
| Mourquong Pty Limited | Body Corporate | Australia | Yes | N/A | 100 | 100 |
| Buronga Hill Pty Limited | Body Corporate | Australia | Yes | N/A | 100 | 100 |
| Austvin Pty Ltd | Body Corporate | Australia | Yes | N/A | 100 | 100 |
| Australian Flavours Pty Limited | Body Corporate | Australia | Yes | N/A | 100 | 100 |
| Austvin Holdings Pty Limited | Body Corporate | Australia | Yes | N/A | 100 | 100 |
| Australian Vintage (Domestic) Pty Ltd | Body Corporate | Australia | Yes | N/A | 100 | 100 |
| Miranda Wines Pty Limited | Body Corporate | Australia | Yes | N/A | 100 | 100 |
| Miranda Wines (Leasing) Pty Limited | Body Corporate | Australia | Yes | N/A | 100 | 100 |
| Miranda Family Investments Pty Limited | Body Corporate | Australia | Yes | N/A | 100 | 100 |
| Miranda Wines Holdings Pty Ltd | Body Corporate | Australia | Yes | N/A | 100 | 100 |
| Australian Vintage (UK) Ltd | Body Corporate | United Kingdom | No | United Kingdom (note 1) | 100 | 100 |
| Australian Vintage (Europe) Ltd | Body Corporate | Ireland | No | Ireland (note 1) | 100 | 100 |

Note 1: the Group's United Kingdom & Ireland entities are non-operational and do not make sales to customers or have principal ownership of inventory.

Basis of preparation
The consolidated entity disclosure statement contains information required by section 295 of the *Corporations Act 2001* and the Group has applied current tax legislation and guidance in determining the tax residency of entities within the consolidated entity.