AUSTRALIAN VINTAGE LTD

27 August 2026

ASX ANNOUNCEMENT

AUSTRALIAN VINTAGE FULL YEAR 2026 RESULTS ANNOUNCEMENT

Australian Vintage Limited **(ASX:AVG)** today announces its 2026 full year results, with the company delivering growth and cash flow improvements in line with announced turnaround objectives.

FY26 at a glance

$m	FY26	FY25	Change
Revenue	258	257	+1
EBITDAS – reported[1]	(35)	15	(50)
NPATS — reported[2]	(64)	(6)	(58)
Operating cash flow	+4	(8)	+12
Free cash flow — reported	(14)	(19)	+5
Free cash flow — underlying[3]	+2	[13]	+15
Net debt	89	75	(14)

[1] *Includes impairment of $27m of inventory, restructuring costs of $6m, lease exists of $4m, FX impact with strengthening AUD $3m and no asset sales during the year*

[2] *Includes EBITDAS one off adjustments as well as tax write off of $5m*

[3] *Excludes $16m of one-off growth investments and restructuring costs. Reconciliation to statutory cash flow is set out in the results presentation.*

Financial highlights

- Statutory revenue of $258 million, up $1 million on the prior year.
- While statutory first half revenue declined -1.7% year-on-year, second half revenue grew 2% as the benefits of AVG’s innovation and acquisitions improved trading.
- Underlying free cash flow generation of +$2 million, this excludes one-off investments of $16 million, marking the first positive free cash flow since FY22 and a +$35 million turnaround from FY23.
- Operating cash flow +$4 million, first positive operating cash flow since FY22 which benefited from COVID.
- Second-half cash generation of +$21 million, delivering a $23 million year-on-year improvement and setting the company up well for FY27.
- As guided, FY26 still included +$16 million of investments, generating an average IRR of 69%, on post tax cash flow basis. Redundancies from major structural changes, new brand acquisitions, vineyard exits and working capital funding for Poco Vino expansion are all critical to the future performance of the company.
- Net debt finished better than $90m guidance at $89 million, but still an increase from $75 million last year. Renewed banking finance was secured for the next two years aligning with the company 3-year strategy.
- The company announces a $27 million impairment, to ensure all legacy inventory is cleared, the company is moving to an in-balance inventory holding. Excess capital tied up

in bulk wine inventory will be swiftly recycled into our growing innovative portfolio of brands and into repaying debt in FY27.

- Inventory impairment, restructuring costs, strengthening AUD, and tax loss write off has resulted in NPAT loss of -$64 million, -$58 million lower than the prior year. AVG forecasts no further material inventory impairments.

Strategic branded growth drivers

- AVG's core branded portfolio led by McGuigan, continues to outperform competition across key markets and segments. McGuigan in Australia has held flat, while in the UK McGuigan has declined in line with the Australian wine category.
- McGuigan remains the No. 1 zero-alcohol still wine in the world and continues to grow off a strong base.
- New innovation, Poco Vino has been established across the global wine market. The brand has sold more than 2.2 million units globally in FY26 across six SKUs in 11 months, becoming the No. 1. fastest growing glass format minis brand in the UK (latest QTR) and is selling or being shipped to 12 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 October FY27 in ANZ.
- Poco Vino premiums range, "Atlas Series", launched at the TFWA 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.
- Poco Vino projections to exceed $20 million in Net Sales for FY27, supported by further expansion of core still wines across Asia and USA, as well as sparkling portfolio growth in ANZ.
- Poco Vino's success has been recognised in the latest Australian Advantage Survey as #1 in product innovation, consumer and category insights, trade and shopper marketing and new product launch of the year
- Lemsecco delivered exceptional momentum, with Australian scan sales up 116% year-on-year and distribution building in the USA and China.
- International brand 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 FY27.
- MadFish is accelerating ahead of expectations, delivering +25% sales growth over the past 26 weeks, with more distributions confirmed across the UK.
- Total AVG grew +3% in Australia, while maintaining a stable 6% share of the UK wine market.

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.

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 (Fuel levy, container availability & demurrage) 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 banking partners. Investments focussed on two key areas: top line growth, margin expansion and reductions in fixed supply chain costs.

Investments into Poco Vino and Lemsecco 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 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, 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 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 for the full financial year FY27, reducing debt for the first time in years while accelerating the growth of global innovation Poco Vino and acquisitions as critical to the group's strategy.

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.

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Further information

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