AUSTRALIAN VINTAGE LTD

19 February 2026

ASX ANNOUNCEMENT

AUSTRALIAN VINTAGE HALF YEAR 2026 RESULTS ANNOUNCEMENT

Australian Vintage Limited (ASX:AVG) today announces its 2026 Half Year results. In a turnaround year, AVG has executed the plan well to set up for a strong second half. On track to deliver in line with our guidance of sales growth for the full year FY26 and achieve cash flow neutral excluding investments.

Financial summary:

- H1 Sales in line with expectations, largely unchanged vs. prior year (-1.7%)
- Net Debt of $110m in line with previous market guidance

Key growth drivers and partnerships set to accelerate growth in H2:

- Leading innovation Poco Vino, a new and disruptive small format wine, is growing strongly. Available in over nine countries and expanding rapidly
- New Lemsecco Spritz range continues to deliver strong sales momentum, with sales up 3x prior year. H2 launches confirmed in China and USA which will drive momentum
- The recent global acquisition of WA brand MadFish expands UK portfolio into higher price points and whiter varietals, which are now fully under AVG control. Full H2 benefit to come
- New distribution partnership announced with Invivo. AVG to take full control and revenue benefit in H2 for Graham Norton wine range in UK and Europe
- McGuigan Zero continues to grow in the UK +20%, reinforcing AVG's leadership position in the exciting NoLo segment
- Innovation and acquisitions changing portfolio mix, improving margin and reducing reliance on red-heavy products in the sub-$10 category

State of the industry

Across the globe, the wine landscape sees consumers shifting away from heavy red wine toward lighter styles, with white, rose and sparkling varietals taking preference. This shift is reinforced by the continued growth of no-and-low alcohol wine, reflecting broader moderation and wellness trends. These changes in demand are leading to an ongoing global oversupply of red varietals, driven by high yields and softening demand, further intensifying challenges for wine companies with fixed supply contracts. There is significant opportunity for nimble wine companies like Australian Vintage to capitalise on these industry changes.

The business continues to derisk oversupply of inventory through a series of targeted actions. The exit of another vineyard lease has reduced exposure to excess red grape varietals while delivering cost savings. The decision not to renew certain contracts is further rebalancing the inventory portfolio. With the bulk wine market no longer a viable option for selling excess inventory due to ongoing market overhang and low pricing, AVG remains focused on executing

the inventory reduction plan, while exploring acceleration opportunities. Further to this, capacity optimisation opportunities at the Buronga Hill Winery are currently under review.

Innovation continues to deliver a bright future for AVG

Strategically AVG continues to move aggressively into range and market expansion through acquisitions, innovation and lighter, whiter varietals as well as sparkling and small format. This strategy derisks the portfolio by reducing reliance on red-heavy products in the sub-$10 segment and is supported by growth across complementary brands and categories in higher margin segments.

Whilst innovation is key to the future of AVG, we are holding the core in our key geographies through strategic investments in sponsorships and advertising. Following on from of our recent Cricket Australia partnership, we are partnering with the English Cricket Board to ignite more focus and consumer awareness into the McGuigan brand in the UK. We are growing ahead of the market in Australia and broadly in line with the Australian Wine market in the UK.

The global acquisition of MadFish expands the UK portfolio into higher price points and whiter varietals, and the recent Invivo brands distribution deal delivers similar benefits by broadening the range and leveraging global supply and established in-market resources.

Disruptive innovation in Poco Vino small format is driving new consumer demand through convenience and better meeting needs and occasions whilst the Lemsecco Spritz range continues strong momentum, with sales growing at three times the prior year and addressing the lighter celebratory moments.

In a short time, Poco Vino's success is driving significant global expansion throughout Australia, New Zealand, UK, Europe and Asia, with more expansion expected in the medium term with active ranging discussions. In just five months, Poco Vino is scanning around 12,000 bottles a day globally – equivalent to roughly 500 bottles sold every hour – with continued acceleration. Poco Vino is on target to add over $15m in additional revenue for a full year of sales.

At the same time, the no-and-low alcohol category continues to grow in the UK and North America, with AVG's leadership position in this segment continuing with McGuigan Zero up 20% and Not Guilty up 18% respectively.

Growth in new markets is underway, with momentum across key regions. North America continues to deliver double-digit sales growth, driven by innovation and the expanding no-and low alcohol portfolio, whilst potential Lemsecco Spritz opportunities are actively being explored in Central America. Earlier this month, Lemsecco Spritz won the Wine & Spirits Wholesalers of America (WSWA) 2026 Hot, New, Now! Award at Access LIVE 2026 in Las Vegas – earning recognition for being the most exciting new product at the event. Distributors in over 32 states have shown interest to range the product in the lead up to the spring summer season in North America.

Asia continues to remain an area of opportunity supported by targeted innovation and increased market penetration. Poco Vino sold nearly 2,400 bottles within three days of launch in Hong

Kong, marking a record-breaking debut and signalling strong potential for growth across the Asian market. The brand now has ranging in more than 500 stores in Asia and is live in Malaysia, Thailand and Hong Kong with Singapore, Philippines and China launching in H2.

Financial results

Cash and net debt remain a priority for the business. On December 25 Net Debt of $110 million was in line with guidance, representing total cash out of ~$35 million for the half. Strategic investments into the purchase of the MadFish brand, exiting the current distributor in the UK, inventory purchases associated with the acquisition, installing a Poco Vino line in Australia and Poco Vino inventory build, and exit of another vineyard lease represent $11 million of this cash out. Against the prior year, cash out is $18 million higher arising from increased investments, capital investment into operating efficiencies, higher interest and major retailers delaying payments.

Whilst cash in the first half has been impacted by working capital and our global innovation launches, the H2 is on track to benefit from these investments and deliver free cash flow neutrality, excluding investments for the full year. Through a combination of de-leveraging the working capital, higher sales from innovations and acquisitions and lower grape payments, as contracts roll off, cash inflows in the second half are expected to remain strong.

Reported EBITDAS for the half was break even, a decrease of $11 million over the prior year. Contained within this movement are a number of one-off impacts with the major variance from the accounting impacts of exiting another vineyard lease, in line with strategic inventory re-balancing, and a foreign exchange impact on the balance sheet from a strengthening AUD, representing ~$9 million of this variance.

Due to losses over the last couple of years, and strict audit rules around carrying the deferred tax asset, AVG has derecognised $10 million of tax asset on the balance sheet at December 2025. Despite de-recognition, this asset forms part of over $100 million in cumulative tax losses available to offset profit in future years. AVG's expectations are these losses will be used to offset profits over the medium term.

Overview

We remain on track to deliver in line with our full year guidance. We are particularly excited to realise a full half of sales contributions from our recent acquisitions and innovations, as these brands continue to grow. In addition, the Invivo distribution deal is anticipated to commence toward the end of March, and we are also progressing our innovation expansion strategy across North America and Asia. From a balance sheet perspective, cash and net debt remain in line with guidance.

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.

ENDS

AUSTRALIAN VINTAGE LTD

Further information

Tom Dusseldorp
Chief Executive Officer
02 8345 6377

Adam Rigano
Chief Financial Officer
08 8172 8305