FOLEY WINES

made by land & hand

ANNUAL REPORT | 2025

FOLEY WINES LIMITED | ANNUAL REPORT 2025

Contents

made by land & hand

Foley Wines is a collection of iconic wineries and brands from New Zealand's most acclaimed wine regions

Each with a unique story of New Zealand to tell, our wineries and distillery are linked by a common unrelenting purpose; to make great wine that people love to drink around the world – made by land & hand.

Our Wineries & Distillery

Martinborough Vineyard
Martinborough

Te Kairanga
Martinborough

Lighthouse Gin
Martinborough

Grove Mill
Wairau Valley, Marlborough

Vavasour
Awatere Valley, Marlborough

Mt Difficulty
Central Otago

Performance Overview

BOTTLED SALES REVENUE	$ 66,375,000 (up 6%)
CASE SALES	610,000 (up 9%)
OPERATING EARNINGS	$ 1,388,000 (down 66.4%)
(LOSS) AFTER TAX	$ (1,857,000) (down 54.5%)
OPERATING EBITDA[1]	$ 12,628,000 (down 21.9%)

The 2025 year was a challenging year for the Company and the wider New Zealand wine industry. The Directors were pleased that it was a record year for case sales, which were up 9% on last year, with export case sales up 14.6%. The wider market was down 7.1% for packaged wine, which demonstrates that our premiumisation strategy and the Company's hard work on developing strong routes to market for our brands is delivering results.

1. To be read in conjunction with the Disclosure of Non-GAAP Financial Information on page 22.

Mike Higgins, Interim CEO

CEO & DIRECTORS' REPORT

Positioned for growth.

"Our premiumisation strategy continues to deliver strong sales results and we are well poised for growth as the market improves."

On behalf of the Directors of Foley Wines Limited (FWL) we present the 2025 operating results and annual report for the 12 months ended 30 June 2025.

OPERATING PERFORMANCE

The Company reports an operating profit before revaluations and income tax ("operating earnings") of $1,388,000 compared with $4,129,000 for the previous financial year.

The size of the 2024 vintage meant we had to be very strategic in terms of where we were going to sell our wines and also focus on selling our premium products. The harvest totalled 6,404 tonnes, a decrease of 21% on the previous year's harvest of 8,137 tonnes. The smaller vintage provided the opportunity for the industry to get back in balance as there was still a lot of 2023 vintage wine available to be sold, countered by declining demand due to the challenging economic climate.

We maintained our focus on selling packaged wine through our established channels and continued to assist retailers with additional promotional funding to keep the brands in the forefront of consumers' minds. Further, the Company invested in the Australian, UK and Asian markets with various initiatives which lead to a significant increase in shipments to these markets. This investment was a major factor in the increase in selling, marketing and promotion expenses, however, this has meant the Company is already shipping the 2025 vintage to many markets and inventory is generally in balance.

Bottled Case Sales

BOTTLED CASE SALES (000'S) 12 MONTHS TO JUNE

	JUNE '25	JUNE '24	% CHANGE
New Zealand	170	177	(4)%
UK/Europe	144	133	8%
USA	115	133	(14)%
Australia	103	81	27%
Asia/Pacific	73	34	115%
Rest of World	5	3	67%
TOTAL	**610**	**561**	**9%**

FOLEY WINES LIMITED | CEO AND DIRECTORS' REPORT

The Company continues to be prudent in managing administration costs even though we again faced ongoing increases in insurance costs and have had to invest in significant Advertising and Promotion contributions to our distribution partners to protect our volume during challenging trading conditions.

Vineyard replacement costs this year of $543,000 reflected the decisions made previously to redevelop our own vineyards to ensure we had varietals that consumers demand, and also to be less reliant on third party supply in the future. The Company intends to complete two further areas next year and then there will be a pause in this redevelopment.

Operating EBITDA for the period was $12.63m, down 22% on last year, which gives some insight into how the business performed taking out the one-off accounting costs and high interest rates.

As outlined every year, we are of the firm belief that operating earnings is the key metric to demonstrate the progress the Company is making due to the complexity around the accounting standards and fair value adjustments, particularly with harvested grapes. The reasons are twofold. Firstly, this is how the Company budgets, determines pricing and manages performance. Secondly, the fair value of grapes is a timing issue. A gain in the year of harvest is reversed in the year of sale and, on the flip side, a loss in the year of harvest is reversed in the year of sale.

This year the unrealised loss on harvested grapes of $1,317,000 was impacted by two factors. Firstly, the lower yields in the Central Otago region due to an early frost event during the growing season resulted in higher costs per tonne for grapes produced and a significant loss on harvested grapes from this region. Secondly, due to the wine industry oversupply situation created by the very large 2022 and 2023 harvests, the market price of grapes per tonne decreased further. This resulted in a greater price variation between the market price and the cost to produce the grapes, however the higher yields in Marlborough from the 2025 harvest partially offset the impact of this on the overall result.

During the current year the Company was required under the Accounting Standards to obtain Independent Valuations of the Property Portfolio across all three regions. The assets are valued at fair value. Fair value is the amount for which the assets could have been exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction, as at the valuation date. Due to the challenges currently faced by the wine industry, significant declines in the values of developed vineyards, particularly in Marlborough, has been determined. The Valuer also determined that the Te Kairanga site, including The Runholder building and barrel hall, whilst agreeing that the cost of replacement of this building was at or above the cost incurred by the Company, the fair value was significantly below this level in the current economic environment. As a result, a decrease in value (revaluation decrement) resulted on this asset. This decrease was required to be recognised as an expense in the profit and loss. This property makes up a substantial portion of the $4,607,000 revaluation expense for the year.

Changes to tax legislation which has removed the ability to claim tax depreciation on commercial buildings resulted in a one-off deferred tax expense of $4,548,000 in the prior year.

The (Loss) for the period net of tax attributable for the Shareholders was $(1,857,000), down 54.5% compared with $(4,081,000) the previous year.

The case sales performance in the current year is a record performance for the Company, and when compared with the export data from Statistics New Zealand, is strong. As mentioned earlier, total packaged wine from New Zealand was down 7.1%, whereas the Company was up 9%.

The focus and investment in Asian markets has delivered material growth, with the Company's case sales up 115%. We expect these markets to grow in the future with a focus on our higher end premium wines. In China, the Company experienced strong growth, as wine consumption evolves and our distribution partnerships solidified. Case sales to Australia were up 27%, versus the total market being down 7%. It was also pleasing to see strong sales in the UK and Europe where we outpaced the market.

Once again our brands held up relatively well in New Zealand against a backdrop of a weak retail sector and consumers being extremely conscious about any discretionary expenditure.

FOLEY WINES LIMITED | CEO AND DIRECTORS' REPORT

CASHFLOW

Operating cash flow was $16,164,000 for the year, up from $4,340,000 the previous year. This year's cashflow was significantly influenced by a number of factors:

- Record case sales and resulting net revenue growth of 6% and reduced year-end inventory levels.
- The timing of sales during the year returning to phasing more in line with prior years, the prior year having higher sales in the last quarter than normal, resulting in higher trade receivables at year-end.
- Higher marketing costs to fund promotions to move through inventory and drive market growth.
- Reduced tax paid.
- Lower interest costs due to reduced borrowing and careful cashflow management.

Capital expenditure was $3,541,000 for the year compared with $5,770,000 the previous year. The major expenditure during the year was an upgrade of the hot water system at the Mt Difficulty winery, replacement tractors at Grove Mill and Vavasour, and a replacement nitrogen generator at Grove Mill winery. We also continued our investment in vineyard productivity with further replants in under-performing vineyards. The balance of the capital expenditure was operating capital expenditure.

Capital expenditure for the year ahead is budgeted at approximately $4.5m which is in line with the average of the past two years, and less than our depreciation expense. The majority of this expenditure is focused on developing vineyards and frost protection in Central Otago and an urgent upgrade of the Vavasour winery wastewater treatment plant.

THE RUNHOLDER, MARTINBOROUGH

BRAND HOMES

The Company has completed its second year of trading at its Martinborough hospitality venue, The Runholder. The premium facility boasts a raft of elevated customer experiences including a top class restaurant, tasting room, cellar door, viewing terrace, private dining room and distillery. These exceptional spaces provide the perfect backdrop for sharing the brand stories of Martinborough Vineyard, Te Kairanga and Lighthouse Gin with guests. Nearly 50,000 patrons have dined at The Runholder restaurant since opening, with average spend increasing 19% during this time. An ongoing programme of events at The Runholder showcase our brand and cuisine offerings, and build the profile of our people. Weddings and functions will become a greater share of business in the coming year, with nine weddings booked for the 2025/2026 summer.

The Runholder restaurant has been included in the 2025 Cuisine Good Food Guide, the publications pick of the nation's top restaurant and must-visit dining destinations. This is a testament to the exceptional experience guests receive at The Runholder.

The unique and memorable destinations of the Mt Difficulty Restaurant and Cellar Door and The Runholder now both enjoy Gold Qualmark accreditation. This signifies that our venues are best-in-class, sustainable business, delivering exceptional customer experiences and lead the way in sustainable tourism.

The Foley Wine Club, our online cellar door, continues to grow and offers an exceptional platform for showcasing library and hard to find wines. As well as driving awareness and trial of our brands, the Foley Rewards programme that sits within the Foley Wine Club, also generates loyalty. The Shareholder Store, which makes available our portfolio of brands at special VIP prices, continues to be a popular online destination.

QUALITY

The Company received a swathe of excellent quality endorsements from some of the world's most esteemed and influential industry competitions and commentators. Highlights from the year included:

– Double Gold for Grove Mill Pinot Gris 2024 and Roaring Meg Sauvignon Blanc 2024 and Golds for an additional nine wines at The New Zealand International Wine Show 2024

– Five Golds at The National Wine Awards of Aotearoa 2024

– Five Golds at The Marlborough Wine Show 2024

– 18 wines awarded 90+ Point scores by James Suckling including 95 Points for Mt Difficulty Bannockburn Pinot Noir 2023 and 95 Points for Vavasour Papa Chardonnay 2022

– Six wines awarded 90+ Points by Bob Campbell including 95 Points for Mt Difficulty Ghost Town Syrah 2022

Further, our wines were selected to be served to guests aboard the world's most discerning airlines in the past 12 months:

– Vavasour Papa Sauvignon Blanc served aboard Air New Zealand Business Class

– Vavasour Papa Pinot Noir served aboard Air New Zealand Business Class

– Grove Mill Sauvignon Blanc served aboard Air New Zealand Business Class

– Goldwater Reserve Sauvignon Blanc served aboard BA Business Class

TOAST MARTINBOROUGH

Toast Martinborough was held on 19 January 2025, coinciding with Wellington Anniversary. Festival goers made a long weekend of it and fully immersed themselves in the wine, food and VIP experiences running across the weekend. The festival attracted over 3,500 patrons who experienced the best of the Martinborough wine industry, visiting individual wineries of Martinborough with different wine, food and live music at each site, along the picturesque Puruatanga Road where participating wineries are located. After considering feedback received, Toast Martinborough will revert to its traditional date of mid-November in 2026. Foley Wines will host a more intimate, elevated 'Mini Toast' event at the Runholder in November 2025, welcoming guests and boutique wineries at our signature venue.

CUSTOMERS SEEKING OUT THE VALUE OF FOLEY WINES' UNIQUE PROPOSITION

The Company describes its unique ability to deliver value through its portfolio of high quality brands from three acclaimed regions. The past year has continued to prove the value of this 'one stop' solution for customers, with an increasing number of customers seeking out the business to supply an assortment of products across price points and regions, resulting in long term mutually beneficial relationships in key markets.

2025 HARVEST

The harvest totalled 8,638 tonnes across the Grove Mill and Vavasour wineries in Marlborough, Te Kairanga and Martinborough Vineyard wineries in Martinborough and Mt Difficulty winery in Central Otago, an overall increase of 35% on last year's harvest of 6,404 tonnes and an increase of 6% on the 2023 harvest of 8,137 tonnes.

In Marlborough, the Company completed its largest harvest on record of 6,864 tonnes. Sauvignon Blanc yields across the region were well above average due to a warm dry spring and excellent growing conditions. Central Otago experienced disruptive weather and an early frost during the growing season resulting in a region-wide reduction in yield for the 2024/2025 growing season. The winemakers are delighted with the quality of the fruit and are looking forward to producing world class wines from this vintage. This increase in tonnage is reflected in the reduced fair value loss of $1,317,000 discussed earlier.

SUSTAINABILITY

Recycled New Zealand Glass | Restoring Local Habitats | Industry-Leading Water Conservation | Powered with the help of Solar Energy | Ongoing Packaging Improvements | Part of the Landscape

As consumer preferences continue to favour environmental sustainability, it is the ongoing view of the Company that acting sustainably is imperative. Tangible, sustainability practices underpin our operations and go beyond the Sustainable Winegrowing New Zealand accreditation held by each of our wineries. From vineyard to packaging, our practices strive to improve our environmental footprint. Transitioning nearly three quarters of our finished packaged wine to the 'super lightweight' bottle has reduced our total glass use and carbon footprint associated with transport and shipping. Utilising sugarcane labels on some products, irrigating vineyards and native planting with winery wastewater and restoring local wetlands are just some of the initiatives undertaken.

Further, a solar expansion programme was completed at the Company's Grove Mill winery in partnership with Meridian, installing an additional 140 kWp solar photovoltaic (PV) system in March to May 2025, bringing the total at that site to 218 kWp. This enables the Grove Mill site, including the bottling line, to be powered entirety by solar when generation is at its peak. The Company is currently exploring more solar options for its other winery sites.

The Company is a strategic partner of Meridian and recently joined Meridian's Certified Renewable Energy programme. This is a credible alternative to carbon offsetting whereby all energy supplied by Meridian to the Company is from 100% renewable energy sources – wind, water and sun. This move further demonstrates our ongoing commitment to environmental sustainability.

The Group is not required to prepare separate Climate Related Disclosures in the current year as it does meet the criteria for this. The unaudited Group's GHG emissions data for Direct GHG emissions (Scope 1 – emissions from sources that are owned or controlled by the company) and Indirect GHG emissions (Scope 2 – emissions from the consumption of purchased electricity) for the year ended 30 June 2025, measured in tonnes of CO2 equivalent (tCO2e) was Scope 1 - 580 and Scope 2 - 120 (2024: Scope 1 - 601 and Scope 2 - 264). The emissions factors used in the GHG Inventory calculations were sourced from New Zealand Government's Ministry for the Environment (MfE) data released in June 2025 (MfE 2025). This is prior to offsets. As noted above the Scope 2 emissions have been offset in full this year through the Meridian CER programme.

DIVIDEND

The Directors are pleased to advise that after considering the underlying operational performance and strong distribution channels, they have resolved that a final dividend of 2cps fully imputed will be paid for the year ended 30 June 2025. The Directors still believe given the tough economic conditions, that continued focus needs to be on reducing debt over the next 12 months. The policy of the Board is to evaluate present and projected cash flows, sustainable operating earnings and, if prudent, to declare a dividend subject to current and future capital and acquisition expenditure requirements.

MARK TURNBULL

As announced in February 2025, Mark Turnbull resigned from the position of CEO after thirteen years with the Company, effective 30 April 2025.

Mark lead the Company during an extremely difficult period for the New Zealand and global economy and a period of significant challenges for the NZ Wine Industry locally and globally. The Directors thank Mark for his significant contribution to the Company's success during his time, acknowledging that under his leadership the Company had made significant progress in achieving its ambition to be New Zealand's most revered wine group. Mark has left the Company in a strong position to navigate the continuing challenges facing the New Zealand Wine Industry and we thank him for this and wish him all the best for the future.

FOLEY WINES LIMITED | CEO AND DIRECTORS' REPORT

OUTLOOK

The Directors believe that the Company has made considerable progress during a period of great uncertainty within the economic environment. Our premiumisation strategy continues to deliver strong sales results and we are well poised for growth as the market improves.

Trading conditions both domestically and internationally remain challenging. It is very apparent that there is still a global oversupply of wine, coupled with a higher cost of goods and high interest rates which compound the situation.

The Company has worked hard to produce exceptional wines that people love to drink around the world and has built strong distribution channels for its brands which has been evident through record case sales over the past 12 months. The Company has significant confidence in its business model and the team it has built. The Company is in a good position to sell through the 2025 vintage in a timely manner and hopefully with a normal vintage in 2026, and improved market conditions, will be in a much-improved position for the future.

Finally, the Directors wish to thank the team for the outstanding job done over the past year against a very challenging trading environment and the back drop of geopolitical uncertainty.

For and on behalf of the Board of Directors and Management

PR Brock
Board Chair

MS Higgins
Interim CEO

Disclosure of Non-GAAP Financial Information

For the year ended 30 June 2025

The Operating EBIT and Operating EBITDA are derived from the NZ-GAAP financial statements as follows:

	Group 2025 $'000	Group 2024 $'000
Operating Profit before interest, impairment, revaluations & income tax	4,950	8,766
Impairment of inventory	37	(71)
Interest on lease liabilities through cost of sales (note 13.1)	461	495
Operating EBIT (earnings before interest and tax)	5,448	9,190
Depreciation	5,868	5,601
Amortisation	1,312	1,385
Operating EBITDA (earnings before interest, tax, depreciation, amortisation and impairment)	**12,628**	**16,176**

The Directors believe that the Operating EBITDA gives some insight into how the business performed taking out the one-off accounting costs and high interest rates.

Directors' Responsibility Statement

For the year ended 30 June 2025

The Directors are responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which fairly present the financial position of Foley Wines Limited and Group as at 30 June 2025 and the results of their operations and cash flows for the year ended 30 June 2025.

The Directors consider that the financial statements of the Group have been prepared using accounting policies appropriate to the Group circumstances, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') and IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board, have been followed.

The Directors have responsibility for ensuring that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Financial Markets Conduct Act 2013 and Financial Reporting Act 2013.

The Directors have responsibility for the maintenance of a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. The Directors consider that adequate steps have been taken to safeguard the assets of the Company and Group and to prevent and detect fraud and other irregularities.

The Directors are pleased to present the financial statements of Foley Wines Limited and Group for the year ended 30 June 2025.

This annual report is dated 28 August 2025 and is signed in accordance with a resolution of the Directors made that day pursuant to section 211(1)(k) of the Companies Act 1993.

For and on behalf of the Directors

PR Brock
Board Chair

GR Graham
Audit and Risk Committee Chair

Income Statement

For the year ended 30 June 2025

	Notes	Group 2025 $'000	Group 2024 $'000
Total Revenue	3	**70,582**	**66,449**
Expenses			
Cost of sales		(48,778)	(43,061)
Selling, marketing and promotion expenses		(9,254)	(8,593)
Administration and corporate governance expenses		(5,037)	(4,750)
Vineyard replacement losses		(543)	(1,279)
Other expenses	3	(2,020)	–
Expenses excluding interest		**(65,632)**	**(57,683)**
Operating Profit before interest, impairment, revaluations & income tax		**4,950**	**8,766**
Interest revenue		43	61
Interest expense	4	(3,642)	(4,627)
Net finance costs		**(3,599)**	**(4,566)**
Operating Profit before impairment, revaluations & income tax		**1,351**	**4,200**
Impairment			
Reversal of Impairment/(Impairment) of inventory	2.2 (c), 17	37	(71)
Operating Profit before revaluations & income tax		**1,388**	**4,129**
Revaluation gains and losses			
Unrealised gain in fair value of financial assets/liabilities	23(k)	18	400
Unrealised (loss) on harvested grapes	20	(1,317)	(3,458)
Realised reversal of loss/(gain) on harvested grapes		2,132	(466)
Revaluation of property, plant and equipment	2.3.8, 19	(4,607)	–
Gain on purchase	29	–	96
(Loss)/Profit before income tax		**(2,386)**	**701**
Income tax benefit/(expense)	5.1	529	(234)
Income tax (expense) – change in depreciation on buildings	5.1	–	(4,548)
(Loss) for the year net of tax, attributable to Shareholders of the Parent Company		**(1,857)**	**(4,081)**
Basic (Loss) per share cps (after tax)	6	(2.83)	(6.21)
Diluted (Loss) per share cps (after tax)	6	(2.83)	(6.21)

These financial statements should be read in conjunction with the Notes to the Financial Statements on pages 31 to 71.

Statement of Comprehensive Income

For the year ended 30 June 2025

	Notes	Group 2025 $'000	Group 2024 $'000
(Loss) for the year	3	**(1,857)**	**(4,081)**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Revaluation of property, plant and equipment	2.3.8, 9	37	–
Income tax on items taken directly to or transferred from equity	5.2	392	–
Other comprehensive income for the year, net of tax		**429**	**–**
Total comprehensive (expense)/income for the year, net of tax		**(1,428)**	**(4,081)**

Statement of Changes in Equity

For the year ended 30 June 2025

Group	Notes	Fully Paid Ordinary Shares $'000	Asset Revaluation Reserve $'000	Retained Earning $'000	Total $'000
Equity at 1 July 2024		86,518	29,716	27,193	143,427
(Loss) for the year		–	–	(1,857)	(1,857)
Other comprehensive income for the year net of tax	9	–	429	–	429
Transfer from Asset Revaluation Reserve to Retained Earnings	10	–	(264)	264	–
Total comprehensive (expense)/income for the year		–	165	(1,593)	(1,428)
(Subtracted)/Added to equity during the year		–	165	(1,593)	(1,428)
Equity at 30 June 2025		86,518	29,881	25,600	141,999
Dividends paid per share cps	7				

Group	Notes	Fully Paid Ordinary Shares $'000	Asset Revaluation Reserve $'000	Retained Earning $'000	Total $'000
Equity at 1 July 2023		86,518	29,888	31,102	147,508
(Loss) for the year		–	–	(4,081)	(4,081)
Other comprehensive income for the year net of tax	9	–	–	–	–
Transfer from Asset Revaluation Reserve to Retained Earnings	10	–	(172)	172	–
Total comprehensive (expense)/income for the year		–	(172)	(3,909)	(4,081)
(Subtracted)/Added to equity during the year		–	(172)	(3,909)	(4,081)
Equity at 30 June 2024		86,518	29,716	27,193	143,427
Dividends paid per share cps	7				

Statement of Financial Position

As at 30 June 2025

	Notes	Group 2025 $'000	Group 2024 $'000
CURRENT ASSETS			
Cash and cash equivalents		584	101
Trade and other receivables	16	9,443	14,603
Inventories	17	49,142	50,423
Biological work in progress	18 & 20	1,803	1,900
Prepaid expenses		392	380
Current tax assets	5.3	345	170
		61,709	67,577
NON-CURRENT ASSETS			
Property, plant and equipment	19	122,779	130,101
Right-of-use assets	13.1	10,528	12,174
Intangible assets	21	35,125	35,125
Other financial assets	15	1	–
Other receivables	16	678	799
		169,111	178,199
TOTAL ASSETS		**230,820**	**245,776**

These financial statements should be read in conjunction with the Notes to the Financial Statements on pages 31 to 71.

FOLEY WINES LIMITED | ANNUAL REPORT 2025

Statement of Financial Position (continued)

As at 30 June 2025

	Notes	Group 2025 $'000	Group 2024 $'000
CURRENT LIABILITIES			
Trade and other payables	11	8,221	7,154
Loans and borrowings	12	632	50
Lease liabilities	13.2	1,301	1,238
Convertible notes	14	10,900	10,900
Other financial liabilities	15	310	270
		21,364	19,612
NON-CURRENT LIABILITIES			
Loans and borrowings	12	39,988	51,895
Lease liabilities	13.2	11,385	12,843
Other financial liabilities	15	–	57
Deferred tax liabilities	5.4	16,084	17,942
		67,457	82,737
TOTAL LIABILITIES		88,821	102,349
EQUITY			
Share capital	8	86,518	86,518
Reserves	9	29,881	29,716
Retained earnings	10	25,600	27,193
TOTAL EQUITY		141,999	143,427
TOTAL LIABILITIES AND EQUITY		**230,820**	**245,776**

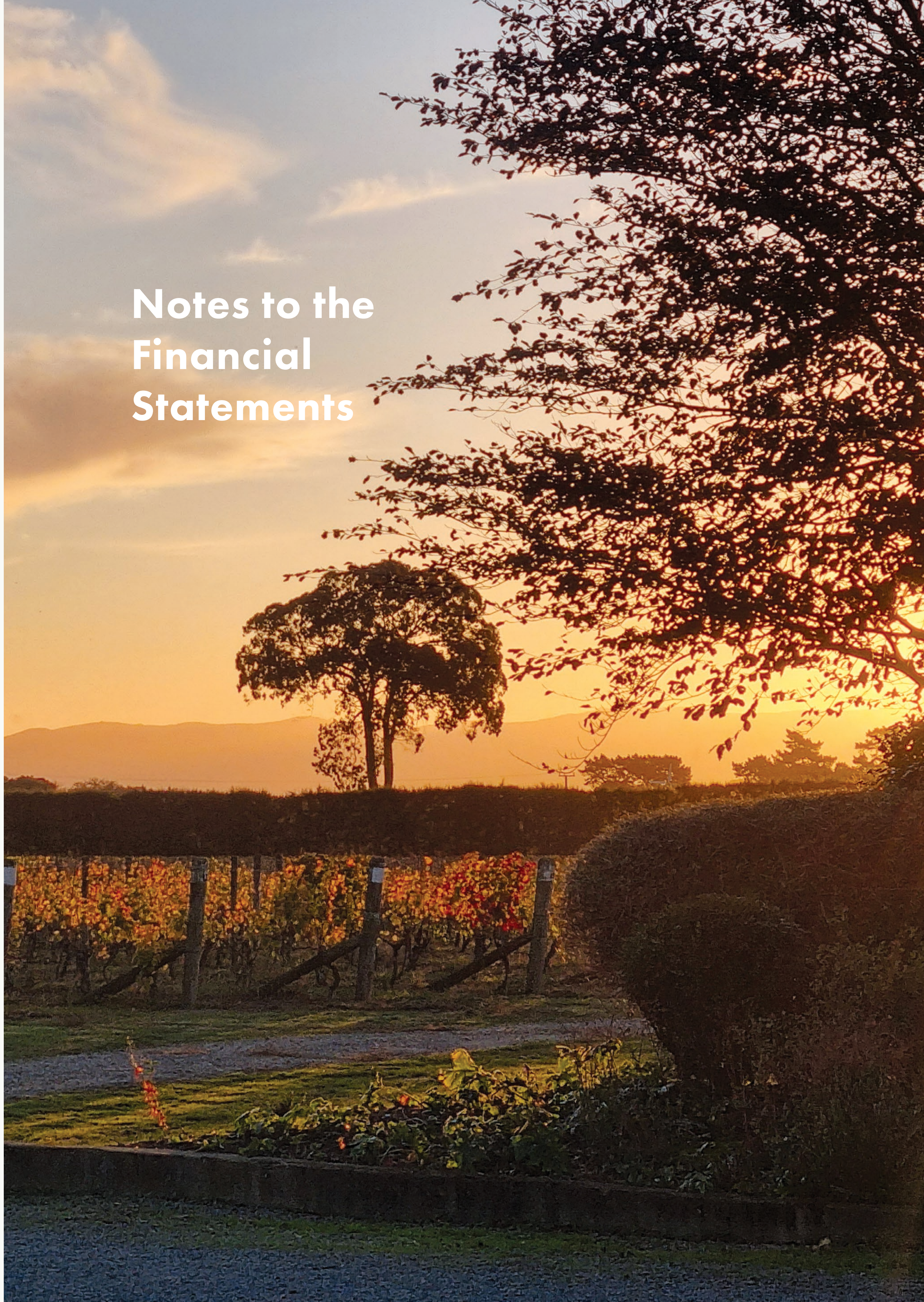
These financial statements should be read in conjunction with the Notes to the Financial Statements on pages 31 to 71.

Statement of Cash Flows

For the year ended 30 June 2025

	Notes	Group 2025 $'000	Group 2024 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from (applied to)			
Receipts from customers		80,290	70,299
Interest received		13	28
Payments to suppliers and employees		(59,846)	(58,103)
Interest and other costs of finance paid		(3,181)	(4,627)
Income tax paid		(1,112)	(3,257)
Net cash flow from operating activities	22	16,164	4,340
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was obtained from (applied to)			
Sale of property, plant and equipment		95	52
Purchase of property, plant and equipment		(3,541)	(5,770)
Grower and other loans repaid		151	150
Cash acquired through business combination	29	–	81
Net cash flow (applied to) investing activities		(3,295)	(5,487)
CASH FLOW FROM FINANCING ACTIVITIES			
Cash was provided from (applied to)			
Loans advanced	22 (b)	47,500	25,000
Loans repaid	22 (b)	(58,825)	(17,862)
Lease liabilities repaid	22 (c)	(1,061)	(1,179)
Net cash flow (applied to)/from financing activities		(12,386)	5,959
Net increase in cash held		483	4,812
Cash and cash equivalents/(Bank overdraft) at beginning of year		101	(4,711)
Cash and cash equivalents at end of year		584	101
Comprising: Cash and cash equivalents		584	101

These financial statements should be read in conjunction with the Notes to the Financial Statements on pages 31 to 71.



Notes to the Financial Statements

For the year ended 30 June 2025

1. REPORTING ENTITY

Foley Wines Limited ("the Company", "the Parent") is a company domiciled in New Zealand, registered under the Companies Act 1993 and listed on the NZX Main Board (NZSX) of the New Zealand Stock Exchange ("NZX"). The Company is an FMC reporting entity in terms of the Financial Markets Conduct Act 2013.

The Company is an integrated wine company producing table wines with the marketing and sales of premium wines in New Zealand and various export markets.

The Company is 52.80% (2024: 52.80%) owned by Foley Holdings New Zealand Limited, which in turn is owned 80.47% by FFW Opco, LLC., a company domiciled in the United States of America.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The financial statements of Foley Wines Limited ("the Company", "the Parent") and its subsidiaries and controlled entities (together referred to as "the Group") have been prepared in accordance with generally accepted accounting practice in New Zealand ("NZ GAAP"). The Company is a profit-oriented company incorporated in New Zealand with its registered office at 13 Waihopai Valley Road, RD6, Blenheim 7276, New Zealand.

2.1 STATEMENT OF COMPLIANCE

The Company is a reporting entity for the purpose of the Financial Markets Conduct Act 2013 and its financial statements comply with that Act.

These financial statements comply with the New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') and IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board, and other applicable financial reporting standards as appropriate for profit-oriented entities.

The financial statements were authorised for issue by the Directors on 28 August 2025.

2.2 BASIS FOR PREPARATION

The financial statements have been prepared on the historical cost basis except for land and buildings, land improvements including biological bearer plants (refer note 2.2(a)), inventory produced from estate grown grapes at the point of harvest (refer note 2.2(b)) and derivative financial instruments each of which have been measured at fair value. The reporting currency is New Zealand dollars and all values are rounded to the nearest thousand dollars ($'000), unless otherwise stated.

Judgements, Estimates and Assumptions and Material Accounting Policy Information

In the application of NZ IFRS the Directors are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

FOLEY WINES LIMITED | ANNUAL REPORT 2025

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 BASIS FOR PREPARATION (CONTINUED)

Judgements, Estimates and Assumptions and Material Accounting Policy Information (Continued)

The significant areas of estimation and assumptions made in the preparation of these financial statements are as follows:

(a) Fair Value of Land, Land Improvements and Buildings

The fair value of land, land improvements (vineyards) and buildings is determined by an independent valuer. The fair value of land, vineyards, including bearer plants (grape vines) and other vineyard infrastructure, and buildings were determined under the principle of highest and best use at balance date. Fair value is the amount for which the assets could have been exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Fair value is determined by direct reference to recent market transactions on arm's length terms for vineyards comparable in size, location and varietal mix to those held by the Group. The fair value of land takes into consideration the access to water at each site. To determine the fair value the independent valuer uses valuation techniques which are inherently subjective and involve estimation. The Directors consider that market data exists to support this basis of valuation. Refer to note 19.

(b) Fair Value of Grapes at the Point of Harvest

The fair value of grapes at the point of harvest is determined by reference to market prices for each variety of grape grown in the local area at the time of harvest. The Directors' assessment of the fair value at the point of harvest is determined after reviewing the market price paid to independent grape growers including reference to New Zealand Winegrowers annual Grape Price Data. Refer to note 20. The fair value of grapes is sensitive to changes in the market. These changes are factored into the market price determined by New Zealand Winegrowers. The carrying value of grapes is unlikely to be significantly impacted by market movements in next 12 months as these grapes will be used in production of wine.

(c) Impairment of Assets other than Goodwill and Indefinite Life Intangibles

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists the recoverable amount of the asset is determined.

In relation to inventories the net realisable value, represents the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs to be incurred in the marketing, selling and distribution. Following this review of net realisable value and a comparison of this to the cost of inventories a reversal of an impairment of inventory of $37,000 for the Group has been recorded in the current year (2024: impairment of $71,000). Refer to note 17.

(d) Impairment of Goodwill and Indefinite Life Intangibles

The Group determines at least annually whether goodwill and indefinite life intangible assets are impaired. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and intangible assets were allocated.

The calculation of the recoverable amount of the cash generating unit involves assumptions to be made in terms of the timing and extent of net cash flows expected to arise from the cash generating unit and the selection of an appropriate discount rate in order to determine the present value. The Group has determined that in the current year there is only one cash generating unit for the whole business and the value of the goodwill and intangible assets was supported by value-in-use calculations. These calculations required the use of estimates. These estimates are set out in note 21.

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

2. SUUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 BASIS FOR PREPARATION (CONTINUED)

Judgements, Estimates and Assumptions and Material Accounting Policy Information (Continued)

The significant areas of critical judgements made in the preparation of these financial statements are as follows::

(a) Lease Accounting

The Group has entered into long-term vineyard leases which allow the Group to control the growing and harvesting of the grapes used in the production of finished product.

Significant estimates and judgements that have been required for the application of NZ IFRS 16 Leases are:

- The determination of whether an arrangement contains a lease;
- The determination of lease term for some lease contracts in which the Group is a lessee that include renewal options and termination options, and the determination whether the Group is reasonably certain to exercise such option;
- The determination of the incremental borrowing rate used to measure lease liabilities;
- The determination of the expected cost to dismantle and remove lease improvements at end of the lease.

Refer to note 13.

The Directors continually review all accounting policies and areas of judgement in presenting the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. A summary of material accounting policy information is disclosed in section 2.3.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

The following material accounting policies have been adopted in the preparation and presentation of the financial statements:

2.3.1 REVENUE RECOGNITION

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the vendor expects to be entitled in exchange for those goods or services.

The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. Control is considered transferred to the buyer at the time of delivery of the goods to the customer or at the free on board (FOB) port/delivery point or as otherwise contractually determined. Delivery occurs when the goods have been shipped to the customer's specific location. For sales of goods to retail customers, transfer is at the point the customer purchases the goods at the retail outlet. Payment of the transaction price, which may be reduced by the customer opting to redeem accrued Foley Reward Points towards the purchase, is due immediately at the point the customer purchases the goods. Foley Reward Points are earned on purchases through the Foley Wine Club online store and on case purchases from the Company cellar doors.

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3.1 REVENUE RECOGNITION (CONTINUED)

(b) Interest revenue

Revenue is recognised as the interest accrues (using the effective interest method which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

2.3.2 IMPAIRMENT OF ASSETS OTHER THAN GOODWILL AND INDEFINITE LIFE INTANGIBLES

At each reporting date, the Group reviews the carrying value of its tangible and intangible assets and assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists or when annual impairment testing for an asset is required, the Group makes a formal assessment of recoverable amount. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount the asset is considered to be impaired and is written down to its recoverable amount.

Impairment losses relating to property, plant and equipment are recognised in the current period profit or loss, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease only to the extent that there are sufficient previous reserves.

The Group recognises a loss allowance for lifetime expected credit losses (ECL) for trade receivables. In determining the expected credit losses for these assets, the Company has taken into account the historical default experience, the financial position of the counterparties and considered various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case.

2.3.3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, cash at bank and investments on call or in short-term deposits with an initial maturity of three months or less.

2.3.4 TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at fair value and subsequent to initial recognition are carried at amortised cost less impairment. Bad debts are written off during the year in which they are identified.

Other receivables are initially recognised at fair value of the consideration received or receivable.

2.3.5 INVENTORIES

All inventories are valued at the lower of cost or deemed cost and net realisable value. Cost is calculated on an average cost basis. Inventory costs include a systematic allocation of appropriate production overheads that relate to putting inventories in their present location and condition but exclude borrowing costs. The allocation of production overheads is based on the normal capacity of the production facilities. The deemed cost for the Group's agricultural produce (grapes) is fair value at harvest date less estimated point-of-sale costs in accordance with NZ IAS 41 'Agriculture'.

Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs to be incurred in the marketing, selling and distribution.

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3.6 LEASES

All leases are accounted for by recognising a right-of-use asset and a lease liability except for Leases of low value assets; and Leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the Group's incremental borrowing rate on commencement of the lease.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate or when there is a change in the assessment of the term of any lease.

2.3.7 AGRICULTURE (BIOLOGICAL ASSET PRODUCE AND BIOLOGICAL WORK IN PROGRESS)

Agriculture comprises agricultural produce (harvested grapes) from bearer plants (grape vines).

All costs incurred in deriving produce from the current year's harvest or maintaining agricultural assets (bearer plants) are capitalised and treated as part of the cost of inventory. Costs incurred in deriving produce from a future harvest are capitalised and treated as Biological work in progress in the Statement of Financial Position.

The fair value of harvested grapes (agricultural produce or "consumable biological asset") less estimated point-of-sale costs is recognised in profit or loss as gain/loss on harvested grapes in the period of harvest. The fair value of grapes is determined by reference to market prices for grapes in the local area, at the time of harvest. This becomes the deemed "cost" for inventory valuation purposes.

2.3.8 PROPERTY, PLANT AND EQUIPMENT

Land, land improvements (vineyards), including bearer plants (grapes vines) and other vineyard infrastructure, and buildings (excluding buildings under construction) are valued at fair value less accumulated depreciation. Land is not depreciated. Fair value is determined on the basis of an independent valuation prepared by external valuation experts. The fair values are recognised in the financial statements and are reviewed at the end of each reporting period to ensure that the carrying value is not materially different from their fair value. Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Any subsequent acquisitions since the last revaluation are recorded at cost less accumulated depreciation and impairment losses.

Land improvements include all costs incurred in developing vineyards including direct material (including grapes vines), direct labour and an allocation of overhead and financing cost. These are not depreciated until the integrated vineyard asset reaches full commercial production which is typically two to three years after planting.

Revaluation increases are taken directly to the revaluation reserve except to the extent that they reverse a previous revaluation decrease of the same asset that was recognised as an expense in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged.

Decreases in value are debited directly to the revaluation reserve to the extent that they reverse previous surpluses of the same asset and are otherwise recognised as expenses in profit or loss.

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3.8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

All other items of property, plant and equipment are recorded on the cost basis less accumulated depreciation and impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Resulting impairment losses are recognised as an expense in profit or loss.

All items of property, plant and equipment other than land, are depreciated on a straight line basis at rates which will write off their cost or revalued amount less estimated residual value over their expected useful lives.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period. The estimated useful lives of major classes of assets are as follows:

Buildings	10 – 50 years
Land improvements and bearer plants (grape vines)	5 – 50 years
Plant, equipment and vehicles	1 – 20 years

Buildings under construction are not depreciated until completed.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the asset is derecognised.

2.3.9 INTANGIBLE ASSETS OTHER THAN GOODWILL

Purchased identifiable intangible assets, comprising trademarks, are shown at cost less any accumulated impairment losses. Trademarks have been assessed as having an indefinite life, since the Company has the rights to the brand while it is registered and has no intention of relinquishing those rights. Trademarks are not amortised but are subject to annual impairment testing whereby the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Intangible assets acquired in a business combination and recognised separately from goodwill, such as brands acquired, are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.3.10 LOANS AND BORROWINGS

Borrowings are initially recorded at fair value of the consideration received, net of issue costs directly associated with the borrowing. After initial recognition, borrowings are subsequently measured at amortised cost, which present values the borrowing using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on issuance.

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3.11 FOREIGN CURRENCIES

In preparing the financial statements of each individual group entity, all transactions denominated in a currency other than the entity's functional currency (foreign currencies) occurring during the financial year are translated into the functional currency using the exchange rate in effect at the date of the transaction. Monetary items receivable or payable in a foreign currency are translated at the exchange rate existing at balance date. Foreign exchange gains or losses resulting from the settlement of transactions and from the translation at balance date are recognised in profit or loss in the period in which they arise.

2.3.12 INCOME TAX

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the year. It is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable) at the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base of those items. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets or liabilities 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, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date.

Current and deferred tax is recognised as an expense or income in profit or loss, except when it relates to items credited or debited directly to equity or in other comprehensive income, in which case the deferred tax or current tax is also recognised directly in equity or in other comprehensive income.

2.3.13 GOODS AND SERVICES TAX

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST, where invoiced.

Cash flows are included in the statement of cash flows on a gross basis (including GST).

2.3.14 DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments including forward exchange contracts, option contracts and interest rate swaps for the primary purpose of reducing its exposure to fluctuations in foreign currency exchange rates and interest rates. The Group has not adopted hedge accounting during the year. All derivative financial instruments are measured at fair value and changes in their fair value are recognised immediately in profit or loss (FVTPL). The fair value of forward exchange contracts, foreign exchange option contracts and interest rate swaps are determined with reference to the quoted market prices.

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3.15 SEGMENT REPORTING

NZ IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (CODM) in order to allocate resources to the segment and to assess its performance. The CODM is considered to be the Board of Directors and has established that the Group operates in one segment (refer note 26).

2.3.16 BUSINESS COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

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 amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds 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 interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a purchase gain.

2.3.17 GOODWILL

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see 2.3.16 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.3.18 CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies during the year except as noted in 2.3.18.1 below.

2.3.18 ADOPTION STATUS ON RELEVANT FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS

2.3.18.1 Standards and interpretations effective in the current year

The following Standards and Amendments to NZ IFRS, which are relevant to the Group's financial statements, and became effective mandatorily for the annual periods beginning on or after 1 January 2024, were adopted by the Group from 1 July 2024. The adoption of these have not and will not lead to any change in the Group's accounting policies with measurement or recognition impact on the period presented in these financial statements:

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3.18 ADOPTION STATUS ON RELEVANT FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS (CONTINUED)

2.3.18.1 Standards and interpretations effective in the current year (Continued)

- Disclosure of Fees for Audit Firms' Services (Amendments to FRS-44) – requires greater disaggregation of the fees paid to the audit firm for different types of services – mandatory for annual periods beginning on or after 1 January 2024.
- Classification of Liabilities as Current or Non-current (Amendments to NZ IAS 1) – To clarify the classification of debt and other liabilities with an uncertain settlement date in the statement of financial position, including the settlement of debt by converting to equity – mandatory for annual periods beginning on or after 1 January 2024.
- Liability in a Sale and Leaseback (Amendments to NZ IFRS 16 Leases) – mandatory for annual periods beginning on or after 1 January 2024.
- Non-current Liabilities with Covenants (Amendment to NZ IAS 1 Presentation of Financial Statements) – mandatory for annual periods beginning on or after 1 January 2024.
- Supplier Finance Arrangements (Amendments to NZ IFRS 7 Statement of Cash Flows and NZ IFRS 7 Financial Instrument: Disclosure) – mandatory for annual periods beginning on or after 1 January 2024.
- Climate-Related Commitments – clarifies the application of NZ IAS 37 to "net zero" and other climate-related commitments – mandatory from April 2024.
- Guarantees Issued on Obligations of Other Entities – clarifies the accounting for any guarantees issued by an entity – mandatory from April 2025.

2.3.18.2 Standards and interpretations effective in future periods

Certain new Standards, Interpretations and Amendments to existing standards have been published that are mandatory for later periods and which the Group has not early adopted. The key items include:

- Lack of Exchangeability (Amendments to NZ IAS 21 Effect of Changes in Foreign Exchange Rates) – improves guidance for determining when a currency is exchangeable and requires additional disclosures when currency exchangeability is an issue - mandatory for annual periods beginning on or after 1 January 2025.
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to NZ IFRS 7 and 9) – amend the requirements related to settling financial liabilities using an electronic payment system; and assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features – mandatory for annual periods beginning on or after 1 January 2026.
- Annual Improvements to NZ IFRS 2024 (Amendments to NZ IFRS 1, 7, 9 and 10 and NZ IAS 7) – minor clarifications improvements and corrections to cross-referencing– mandatory for annual periods beginning on or after 1 January 2026.
- Contracts Referencing Nature Dependent Electricity (Amendments to NZ IFRS 7 and 9) - allows entities to better reflect contracts referencing nature-dependent electricity (wind and solar) in the financial statements by clarifying "own use criteria, permitting hedge accounting for these contracts and amending disclosure requirements– mandatory for annual periods beginning on or after 1 January 2026.

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3.18 ADOPTION STATUS ON RELEVANT FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS (CONTINUED)

2.3.18.2 Standards and interpretations effective in future periods (Continued)

- NZ IFRS 18 Presentation and Disclosure in Financial Statements – will supersede NZ IAS 1 Presentation of Financial Statements and is intended to improve comparability and transparency in the presentation of financial statements – mandatory for annual periods beginning on or after 1 January 2027.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to NZ IFRS 10 and NZ IAS 28) – mandatory for annual periods beginning on or after 1 January 2028.

The Group's management have completed an initial assessment of the new standards and do not expect the adoption of these standards to have a material financial impact on the financial statements of the Group but may affect disclosure.

Management will work through a full analysis of each standard and will provide further information on the expected impact of adoption of these standards in future reports ahead of their effective dates. The Group does not expect to adopt these standards before their effective date.

2.4 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June each year. Control is achieved when the Company - has the power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated Income Statement and Statement of Comprehensive Income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

	Group 2025 $'000	Group 2024 $'000
3. (LOSS) FOR THE YEAR		
Included in (loss) before income tax for the year are the following:		
REVENUE:		
Sales revenue – sale of goods – bottled wine	66,374	62,491
Sales revenue – other	4,157	3,902
Total sales revenue	70,531	66,393
Other revenue – rent received	51	56
Total revenue	70,582	66,449
Included in (loss) before income tax for the year are the following:		
EXPENSES:		
Amortisation – lease right-of-use assets	1,312	1,385
Depreciation	5,868	5,601
Directors' fees	240	240
Employee benefits expense:		
– Short-term employee benefits	13,187	10,075
Excise duty and HPA levy	6,135	6,172
Fees paid to auditors (Deloitte Limited):		
– Audit of the financial statements	131	125
Cost of inventories recognised as expense	42,643	36,889
Included in other expenses for the year are the following:		
Termination Benefits expense (note 25)	1,800	–
Overseas Investment Office Consent Variation expenses	51	–
Other Employment-related expenses	169	–
Total other expenses	2,020	–

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

3. (LOSS) FOR THE YEAR (CONTINUED)

Termination Benefits – During the year termination benefits associated with the former CEO were paid.

Overseas Investment Office (OIO) Consent Variations – During the year the Company incurred costs related to two applications to the Overseas Investment Office to have the consents varied relating to the purchase of Mt Difficulty Wines assets and business in January 2019 and the purchase of the Zebra Bendigo Vineyard in May 2022. The variations were to resolve issues primarily associated with the timing of the redevelopment of the cellar door and restaurant and the planting variety for the new vineyard area being planted at the Zebra Vineyard.

Other Employment-related expenses – During the year Legal and other costs associated with extraordinary employment matters were paid.

	Group 2025 $'000	Group 2024 $'000
4. INTEREST EXPENSE		
Interest on loans and borrowings	2,921	3,904
Interest on convertible notes	709	710
Interest expense on lease liabilities	9	13
Interest expense on hire purchases	3	–
Total Interest expense	3,642	4,627

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

	Group 2025 $'000	Group 2024 $'000
5. INCOME TAX		
5.1 INCOME TAX RECOGNISED IN PROFIT		
Income tax expense comprises:		
Current tax expense – current year	947	1,830
Current tax expense – adjustment to prior year	–	–
Current tax expense	947	1,830
Deferred tax (benefit)/expense – origination & reversal of temporary differences	(1,466)	2,952
Deferred tax (benefit)/expense – adjustment to prior year	(10)	–
Deferred tax (benefit)/expense	(1,476)	2,952
Total income tax (benefit)/expense	(529)	4,782
Income tax expense – deferred tax expense – change in depreciation on buildings	–	4,548
Reconciliation of income tax (benefit)/expense:		
(Loss)/Profit before income tax	(2,386)	701
Income taxation (benefit)/expense calculated at current rate of 28%	(668)	196
Non-deductible expenses	28	15
Disposal of amortisable land improvements	27	28
Change in depreciation on buildings	–	4,548
Other deferred movements	84	(5)
Prior period adjustment	–	–
Income tax (benefit)/expense as reported	(529)	4,782

The "income tax expense – deferred tax expense – change in deprecation on buildings" adjustment of $4,548,000 in the prior year results from the increase in deferred tax liability as a result of the removal of depreciation deductions for commercial buildings with an estimated useful life of 50 years or more from the 2024/25 tax year.

5.2 INCOME TAX RECOGNISED DIRECTLY IN OTHER COMPREHENSIVE INCOME

The following current and deferred amounts were charged/(credited) directly to other comprehensive income during the year:

	Group 2025 $'000	Group 2024 $'000
Deferred tax: Revaluation of property, plant and equipment	(392)	–

5.3 CURRENT TAX ASSETS AND LIABILITIES

	Group 2025 $'000	Group 2024 $'000
Current tax assets: Tax refund receivable	345	170
Current tax liabilities: Tax payable	–	–

FOLEY WINES LIMITED | ANNUAL REPORT 2025

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

5. INCOME TAX (CONTINUED)

5.4 DEFERRED TAX BALANCES

Taxable and deductible temporary differences arise from the following:

	Balance Sheet		Income Statement	
	Group 2025 $'000	Group 2024 $'000	Group 2025 $'000	Group 2024 $'000
Deferred tax liabilities and assets				
Property, plant and equipment	12,789	14,904	(1,722)	4,012
Brand intangible assets (value-in-use deferred tax)	5,150	5,150	–	–
Fair value through profit or loss financial assets/liabilities	(87)	(92)	5	112
Unused tax losses	(130)	(141)	–	–
Other including WET rebate receivable	95	87	7	9
Inventories and biological work in progress	(961)	(1,199)	238	(1,118)
Annual, sick leave and employee entitlements, accruals and provisions	(173)	(159)	(14)	(34)
Lease liabilities and right-of use assets	(598)	(608)	10	(29)
Net deferred tax liabilities	16,084	17,942		
Deferred tax expense/(benefit)			(1,476)	2,952

All deferred tax assets and liabilities are offset and disclosed as non-current.

	Group 2025 $'000	Group 2024 $'000
5.5 IMPUTATION CREDITS		
Imputation credits available for subsequent reporting periods based on a tax rate of 28%	14,179	13,247

The above amounts represent the balance of the imputation account as at the end of the reporting period, adjusted for:

a) Imputation credits that will arise from the payment of the amount of the provision for income tax

b) Imputation debits that will arise from the payment of dividends recognised as a liability at the reporting date; and

c) Imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

	Group 2025 $'000	Group 2024 $'000
6. (LOSS) PER SHARE		
Basic (Loss) per share	(2.83)	(6.21)

The calculation of basic (loss) per share in respect of 2025 is based on (loss) of $(1,857,000) (2024: $(4,081,000)) and the weighted average of 65,736,148 ordinary shares on issue during the year (2024: 65,736,148).

	Group 2025 $'000	Group 2024 $'000
Diluted (Loss) per share	(2.83)	(6.21)

The calculation of diluted (loss) per share in respect of 2025 based on (loss) of $(1,857,000) (2024: $(4,081,000)), and the weighted average of 65,736,148 ordinary shares on issue during the year (2024: 65,736,148).
The weighted average number of ordinary shares for the purposes of diluted (loss)/earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic (loss)/earnings per share as follows:

	Group 2025 Number of shares	Group 2024 Number of shares	Group 2023 Number of shares
Weighted average number of ordinary shares (Basic)	65,736,148	65,736,148	65,736,148
Convertible notes outstanding at year end	–	–	7,863,025
Weighted average number of ordinary shares (Diluted)	65,736,148	65,736,148	73,599,173

In 2025 (and 2024) the Company made a loss and therefore the diluted earnings per share excludes the adjustment for interest on the convertible notes after income tax and convertible notes shares outstanding at year end as this is anti-dilutive.

7. DISTRIBUTION TO OWNERS

The Company did not pay a final dividend for 2024 (2024: Nil). No final dividend for the current financial year has been declared and included in these financial statements. A final dividend of 2 cents per share fully imputed, was approved by the Board on 28 August 2025 for payment on 24 October 2025 (refer note 30).

	Parent 2025 Number of shares issued	Parent 2024 Number of shares issued	Group 2025 $'000	Group 2024 $'000
8. SHARE CAPITAL				
FULLY PAID UP ORDINARY SHARES				
Balance at beginning of financial year	65,736,148	65,736,148	86,518	86,518
Movements in share capital	–	–	–	–
Balance at end of financial year	65,736,148	65,736,148	86,518	86,518

The Company has only one class of shares and all shares have the same voting rights and share equally in dividends and any surpluses on winding up. The shares have no par value.

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

8. SHARE CAPITAL (CONTINUED)

Share issues during the year:

There were no share issues during the year.

Shares reserved for issuance:

Convertible notes on issue at year end – convertible to 7,863,025 ordinary shares – refer note 14 (2024: 7,863,025).

	Group 2025 $'000	Group 2024 $'000
9. RESERVES		
ASSET REVALUATION RESERVE		
Balance at beginning of financial year	29,716	29,888
Transferred to retained earnings (net of tax)	(264)	(172)
Revaluation of property, plant and equipment	37	–
Deferred tax liability arising on revaluation (note 5.2)	392	–
Balance at end of financial year	29,881	29,716

The asset revaluation reserve arises on the revaluation of land, buildings and land improvements. Where a revalued asset is sold that proportion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred directly to retained earnings.

	Group 2025 $'000	Group 2024 $'000
10. RETAINED EARNINGS		
Balance at beginning of financial year	27,193	31,102
(Loss) for the year net of tax, attributable to Shareholders of the Parent Co.	(1,857)	(4,081)
	25,336	27,021
Transferred from asset revaluation reserve	264	172
Balance at end of financial year	25,600	27,193
11. TRADE AND OTHER PAYABLES		
Trade creditors	4,887	4,378
Employee entitlements	741	633
Other accruals	2,593	2,143
	8,221	7,154

The carrying amount disclosed above is a reasonable approximation of the fair value. Trade payables are non-interest bearing an are generally due within 30 days from balance date.

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

12. BANK OVERDRAFT AND LOANS AND BORROWINGS

At amortised cost:	Interest Rate %	Interest Rate Review Date	Expiry Date	Group 2025 $'000	Group 2024 $'000
Bank of New Zealand Term Loan 12/11	5.08% pa	30/7/25	27/7/28	12,509	23,319
Bank of New Zealand Term Loan 13/07	5.08% pa	30/7/25	27/7/28	22,516	22,518
Bank of New Zealand Term Loan 08	5.33% pa	30/7/25	3/5/27	5,581	6,086
IRD Small Business Loan	3.00% pa		13/5/27	14	22
Total loans and borrowings				40,620	51,945
Weighted average effective interest rate on BNZ Term Loans				5.11%	7.54%
Loans due within 1 year				632	50
Total current loans and borrowings				632	50
Loans due 1 to 2 years				4,988	45,802
Loans due 2 to 5 years				35,000	6,093
Total non-current loans and borrowings				39,988	51,895
Total loans and borrowings				40,620	51,945

BANK OF NEW ZEALAND (BNZ) FACILITIES

The details and terms of the BNZ facilities are as follows:

- The $5 million Market Connect Overdraft Facility to fund ongoing working capital requirements. The interest rate payable on the facility is the BNZ Market Connect Overdraft Prime Rate (with 0% margin). An overdraft facility fee of 0.80%pa is payable in arrears. All outstanding debt under the facility is repayable upon demand. The balance available to be drawn down at 30 June 2025 was $5 million (2024: $5m).
- The $25 million BNZ Term Loan Facility (loan #12). This loan facility was drawn down on 26 June 2025 and used to repay BNZ Term Loan #11 in full. This loan facility is an interest only facility until maturity on 27 July 2028. The full facility limit of $25 million is available for redraw throughout the term. The interest margin and non-utilisation fee are linked to net leverage ratio. At 30 June 2025 the margin was payable at 1.7% per annum above the base rate (2024: 2%). The base rate is the one month 'BKBM' rate as quoted on the Reuters Monitor Money Rates Services page. A non-utilisation fee was payable of 0.68% pa (2024: 0.93% pa). All outstanding debt under the facility is repayable on the maturity date. The balance available to be re-drawn at 30 June 2025 was $12.5 million (2024: $1.7m).
- The $22.5 million BNZ Term Loan Facility (loan #13). This loan facility was drawn down on 26 June 2025 and used to repay BNZ Term Loan #07 in full. This is an interest only facility until maturity on 27 July 2028. The full facility limit of $22.5 million is available for redraw throughout the term. The interest margin and non-utilisation fee are linked to net leverage ratio. At 30 June 2025 the margin was payable at 1.70% per annum above the base rate (2024: 1.75% pa). The base rate is the one month 'BKBM' rate. The balance available to be re-drawn at 30 June 2025 was $Nil (2024: $Nil).

FOLEY WINES LIMITED | ANNUAL REPORT 2025

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

12. BANK OVERDRAFT AND LOANS AND BORROWINGS (CONTINUED)

BANK OF NEW ZEALAND FACILITIES (CONTINUED)

- The $6.5 million BNZ Term Loan Facility (loan #08). This loan facility converted on 14 August 2023 to an interest only loan and was interest only until principal repayments of $50,000 per month recommenced from 30 September 2024 and these will continue until maturity on 3 May 2027. Interest is payable at 1.95% per annum above the base rate. The base rate is the one month 'BKBM' rate. The loan facility limit reduces for the principal amounts repaid. The balance available to be re-drawn at 30 June 2025 was $Nil (2024: $Nil).

SECURITY

The Bank has registered a first ranking general security agreement over all the present and after acquired property of the Company and of its wholly owned subsidiaries, a specific security agreement over any separately identifiable intellectual property of the Company or its wholly owned subsidiaries and a first ranking mortgage over all of the land and improvements owned by the Company.

BANK COVENANTS

The Company complied with all reporting and financial covenants imposed by the Bank of New Zealand during the year. The reporting covenants include provision of periodic accounts, budgets, valuations, insurance cover and compliance certificates. The financial covenants, tested at the end of each quarter, are as follows: Shareholders' Funds/Total Assets – minimum 50%; and EBITDA/Interest – minimum 2 times (EBITDA (Earnings before interest, tax, depreciation and amortisation) being calculated on a last 12-month basis). The covenants apply to the BNZ Term Loans with a carrying value of $40,606,000 at balance date (2024: $51,923,000). There were no circumstances existing at balance date or on the date that these financial statements were signed that indicate the Company may have difficulty complying with the covenants.

IRD SMALL BUSINESS LOAN

Toast Martinborough Limited borrowed $21,800 from IRD as part of the IRD Small Business Cashflow Loan Scheme on 13 May 2022. The terms of the loan are that it was interest free during the first 24 months until 13 May 2024 and interest is then charged at 3% pa. There were no repayment due during the first 24 months to 13 May 2024. Monthly repayments of $634 commenced from 13 June 2024. The interest is not compounding and does not bear interest. The final repayment date is 13 May 2027.

13. LEASES

13.1 LEASE RIGHT OF USE ASSETS

Group	Land $'000	Buildings $'000	Land Improvements $'000	Motor Vehicles $'000	Total $'000
Year ended 30 June 2025					
Net carrying amount					
At 1 July 2024	8,806	184	3,028	156	12,174
Additions	–	–	–	–	–
Lease remeasurements	140	–	(474)	–	(334)
Amortisation charge for the period	(588)	(74)	(592)	(58)	(1,312)
At 30 June 2025	8,358	110	1,962	98	10,528

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

13. LEASES (CONTINUED)

13.1 LEASE RIGHT OF USE ASSETS (CONTINUED)

Group	Land $'000	Buildings $'000	Land Improvements $'000	Motor Vehicles $'000	Total $'000
Year ended 30 June 2024					
Net carrying amount					
At 1 July 2023	8,163	258	4,395	–	12,816
Additions	–	–	–	176	176
Lease remeasurements	1,192	–	(625)	–	567
Amortisation charge for the period	(549)	(74)	(742)	(20)	(1,385)
At 30 June 2024	8,806	184	3,028	156	12,174

The Group leases vineyard land, office space (buildings), producing vineyards (land improvements) and a motor vehicle (harvester). The average lease term (including right of renewals) is 5.1 years at 30 June 2025 (2024: 6.0 years).

The vineyard land lease agreements have normal provisions for periodic rent reviews to market rates and the producing vineyard lease agreements have annual CPI linked rent reviews.

The maturity analysis of lease liabilities relating to these leases is presented below.

	Group 2025 $'000	Group 2024 $'000
Amounts recognised in profit and loss:		
Amortisation expense on right-of-use assets	1,312	1,385
Interest expense on lease liabilities	9	13
Interest expense on lease liabilities through cost of sales	461	495
Expense relating to short-term leases	–	10
Expense relating to leases of low value assets	15	14

At 30 June 2025, the Group is committed to $Nil for short-term leases (2024: $Nil).

The total cash outflow for leases during the period was $1,794,000 (2024: $1,694,000).

13.2 LEASE LIABILITIES

Classified as:		
Current	1,301	1,238
Non-Current	11,385	12,843
Total	12,686	14,081

FOLEY WINES LIMITED | ANNUAL REPORT 2025

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

13. LEASES (CONTINUED)

13.2 LEASE LIABILITIES (CONTINUED)

	Group 2025 $'000	Group 2024 $'000
Maturity analysis (undiscounted cash flows):		
Year 1	1,719	1,707
Year 2	1,645	1,642
Year 3	1,286	1,535
Year 4	1,048	1,181
Year 5	1,002	1,021
Over 5 Years	10,662	12,247
Total	17,362	19,333

The lease liabilities were reduced by $346,000 due to lease remeasurements and increased by $277,000 due to new leases during the year (2024: Increased due to Lease remeasurements $567,000 and New leases $176,000).

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

All lease obligations are denominated in New Zealand dollars.

14. CONVERTIBLE NOTES

Foley Holdings New Zealand Limited	10,900	10,900
Disclosed as: Current convertible notes	10,900	10,900

As part of the merger transaction with The New Zealand Wine Company Limited (renamed Foley Family Wines Limited and later Foley Wines Limited ("FWL")) on 4 September 2012, the Company issued an 18 month convertible note to Foley Holdings New Zealand Limited ("Foley Holdings", formerly Foley Family Wines Holdings, New Zealand Limited) for the principal amount of $10,900,000 thereby assuming Foley Family Wines NZ Limited's current loan liability to Foley Holdings New Zealand Limited of the same amount under a promissory note.

The principal terms of the Convertible Note are:

- the term of the Convertible Note is a minimum term of 18 months. After that period or earlier if FWL is in breach of its obligations under the Convertible Note, the Convertible Note converts at the option of Foley Holdings or alternatively Foley Holdings may demand repayment in lieu of conversion;
- the issue price on the conversion of any shares under the Convertible Note is $1.386 per share which is the same price at which the shares have been issued to Foley Holdings pursuant to the Merger of The New Zealand Wine Company Limited and Foley Family Wines New Zealand Limited. On conversion of the Convertible Note issued by FWL, 7,863,025 shares in FWL could be issued to Foley Holdings at a price of $1.386 per share by way of off-set against the amount owing to Foley Holdings under the Convertible Note. Assuming no change in the shares on issue in FWL between the date of the issue of the Convertible Note and its conversion to new shares, this would when aggregated with the shares issued under the Merger increase the holdings of Foley Holdings in FWL to 83%.
- the Convertible Note does not give Foley Holdings any right to vote. Foley Holdings will acquire voting rights with the ordinary shares it receives on any exercise of the right to convert under the Convertible Note;

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

14. CONVERTIBLE NOTES (CONTINUED)

- interest is payable, quarterly in arrears (not compounding), on the Convertible Note pending conversion at the rate of 6.5% pa. The interest rate has been agreed between FWL and Foley Holdings as being representative of market rates for an unsecured loan of its type; and
- all shares issued pursuant to the exercise of the Convertible Note will rank equally in all respects with all other FWL shares on issue.

The Convertible Note can be converted at the option of Foley Holdings after 18 months from the date of issue, that is, from 4 March 2014, and there are no performance hurdles required to be met before conversion can occur. The Convertible Note has been classified as current. At balance date, and up to the date of these financial statements, no notification had been received to convert the note.

	Group 2025 $'000	Group 2024 $'000
15. OTHER FINANCIAL ASSETS/(LIABILITIES)		
At fair value:		
Foreign currency forward contracts	1	–
Other financial liabilities – FVTPL - Current	1	–
Other financial assets – FVTPL – Total	**1**	**–**
Foreign currency forward contracts	(310)	(270)
Other financial liabilities – FVTPL - Current	(310)	(270)
Foreign currency forward contracts	–	(57)
Other financial liabilities – FVTPL – Non-Current	–	(57)
Other financial liabilities – FVTPL – Total	**(310)**	**(327)**

Derivative financial instruments are used by the Group in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates. Refer note 23 for details of financial instruments used by the Group.

16. TRADE AND OTHER RECEIVABLES

Trade receivables	8,788	14,062
Other receivables	1,333	1,340
	10,121	15,402
Current	9,443	14,603
Non-Current	678	799

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

16. TRADE AND OTHER RECEIVABLES (CONTINUED)

The carrying amount disclosed above is a reasonable approximation of fair value. Trade receivables are non-interest bearing and are generally due the last working day of the month following invoice for domestic customers and 30-120 day terms for export customers.

	Group 2025 $'000	Group 2024 $'000
Not Past Due	8,748	13,118
Past Due 1-30 days	–	1
Past Due 31-60 days	1	4
Past Due 61-90 days	–	–
Past Due > 91 days	39	–
	8,788	13,123

Trade receivables that are less than 90 days past due are generally not considered impaired. As of 30 June 2025 trade receivables of $40,000 (2024: $34,000) were past due but not impaired.

Other receivables include grower advances (amounts owing for the purchase of the lessee's vineyard improvements at the expiry of the lease for land) of $828,000 (2024: $949,000). The grower advances are secured by way of first ranking mortgage over the grower's land. The grower advances are accounted for as net present value of future cash flows on initial recognition discounted at 4.39% for the advance in 2022 and 2.26% for the advance in 2021. The expense relating to the present value of new grower advances recorded during the year was $Nil (2024: $Nil). Interest income/receivable for the year was $30,000 (2024: $33,000). The Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition on other receivables. However, if the credit risk on the other receivables has not increased significantly since initial recognition, the Group measures the loss allowance for that other receivable at an amount equal to 12-month ECL.

The Group recognises a loss allowance for lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Based on the assessment undertaken at balance date the Group has not recorded an Impairment of Trade Receivables in the current year (2024: $Nil). No bad debts were written off during the year (2024: $Nil) and nothing was recovered from prior years (2024: $Nil). The gross debt relating to the trade receivables which were considered to be impaired at balance date was $Nil (2024: $Nil).

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

	Group 2025 $'000	Group 2024 $'000
17. INVENTORIES		
Raw materials	573	568
Consumable stores	172	197
Work in progress	31,741	32,767
Finished goods	16,730	17,001
Impairment of inventory	(73)	(110)
Total inventories at lower of cost and net realisable value	49,142	50,423
Impairment of Inventory:		
Opening balance	110	39
Impairment charge reversal during the year	(86)	(39)
Impairment charge during the year	49	110
Closing balance	73	110
Cost of inventories recognised as expense during the year	42,643	36,889

18. BIOLOGICAL WORK IN PROGRESS

Growing costs related to next harvest	1,803	1,900

The growth on the vines in the period from harvest to 30 June 2025 cannot be reliably measured due to the lack of market information and the variables in completing the biological transformation process between balance date and the time of harvest. As allowed under NZ IAS 41 the cost of agricultural activity in the period to 30 June has been recognised as work in progress for the next harvest. This assumes the cost of the agricultural activity approximates fair value in determining the value of the biological transformation that has occurred in that period. The value of work in progress at balance date was $1,803,000 (2024: $1,900,000).

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

19. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land at Fair Value $'000	Freehold Buildings at Fair Value $'000	Land Improve-ments at Fair Value $'000	Bearer Plants at Fair Value $'000	Plant Equip. & Vehicles at Cost $'000	Capital Work in Progress at Cost $'000	Total $'000
Year ended 30 June 2025							
At 1 July 2024, net of accumulated depreciation and impairment	42,586	34,859	7,872	22,343	21,955	486	130,101
Reclassifications	–	(13)	(20)	–	33	–	–
Additions	–	76	612	350	2,503	–	3,541
Disposals	–	(1)	(70)	(346)	(8)	–	(425)
Revaluations	1,173	(3,576)	578	(2,745)	–	–	(4,570)
Depreciation charge for the year	–	(721)	(565)	(712)	(3,870)	–	(5,868)
At 30 June 2025, net of accumulated depreciation and impairment	43,759	30,624	8,407	18,890	20,613	486	122,779
At 30 June 2025							
Fair value	43,759	30,624	8,407	18,890	–	–	101,680
Cost	–	–	–	–	53,895	486	54,381
Accumulated depreciation (accum impairment nil)	–	–	–	–	(33,282)	–	(33,282)
Net carrying amount	43,759	30,624	8,407	18,890	20,613	486	122,779

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

19. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold Land at Fair Value $'000	Freehold Buildings at Fair Value $'000	Land Improve-ments at Fair Value $'000	Bearer Plants at Fair Value $'000	Plant Equip. & Vehicles at Cost $'000	Capital Work in Progress at Cost $'000	Total $'000
Year ended 30 June 2024							
At 1 July 2023, net of accumulated depreciation and impairment	42,586	22,356	7,942	24,211	21,425	12,603	131,123
Additions	–	1,275	374	203	3,919	16	5,787
Transfer from capital work in progress	–	11,935			198	(12,133)	–
Disposals	–	–	(116)	(1,087)	(5)	–	(1,208)
Depreciation charge for the year	–	(707)	(328)	(984)	(3,582)	–	(5,601)
At 30 June 2024, net of accumulated depreciation and impairment	42,586	34,859	7,872	22,343	21,955	486	130,101
At 30 June 2024							
Fair value	42,586	21,951	8,213	23,273	–	–	96,023
Cost	–	14,077	731	626	53,162	486	69,082
Accumulated depreciation (accum impairment nil)	–	(1,169)	(1,072)	(1,556)	(31,207)	–	(35,004)
Net carrying amount	42,586	34,859	7,872	22,343	21,955	486	130,101

COMMITMENTS:

At balance date the Group had capital commitments of $274,000 for bearer plants (grape vines) (2024: $493,000). The Group has also committed to a capital expenditure project not exceeding $3 million for the Mt Difficulty Cellar door/Restaurant redevelopment.

REVALUATION OF LAND, BUILDINGS, LAND IMPROVEMENTS AND BEARER PLANTS

Year ended 30 June 2025:

Land, buildings, land improvements and bearer plants (grape vines) were valued at fair value under the principle of highest and best use by Colliers International, registered independent valuers, on 30 June 2025. Full valuations are undertaken when there has been a material movement in the value of these assets as determined by the Independent Valuer.

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

19. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

REVALUATION OF LAND, BUILDINGS, LAND IMPROVEMENTS AND BEARER PLANTS (CONTINUED)

Fair value is the amount for which the assets could have been exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Freehold land, land improvements and bearer plants at fair value (viticulture planted land) is valued by reference to recent market transactions on arm's length terms for similar assets, considering grape varietal, soil quality and access to water on a per hectare basis. Adopted rates per hectare range from $73,000 to $346,000 (2022: $113,000 to $388,000). The Valuers have determined an adopted rate based on comparable transactions adjusted for the specific characteristics of the viticulture planted land. Adopted values increase as the adopted rate per hectare increases. The valuation includes inputs which are adjusted for the size, location and varietal mix held by the Group. Based on these valuation techniques these fair values are included in Level 3 in the fair value hierarchy (refer note 23(j)). Freehold Buildings are valued using a combination of the income approach and optimised depreciated replacement cost method. The valuation comprises inputs for estimated rental, adopted capitalisation rates and estimated cost to replace the assets on a like for like basis. The adopted capitalisation rates was 7.25%. As capitalisation rates decrease adopted building values increase. Based on these valuation techniques these fair values are included in Level 3 in the fair value hierarchy (refer note 23(j)). The valuer has valued each property on a stand-alone basis as independent vineyard and winery which can be sold in isolation to others within the portfolio. The valuation is performed on an individual asset level.

Year ended 30 June 2024:

A market overview was performed as at 30 June 2024 by registered independent valuer Colliers Limited. Management and the directors have concluded the carrying amount does not differ materially from the fair value therefore no revaluation was required for the current year for land, buildings, land improvements and bearer plants.

The carrying amount of land, buildings, land improvements and bearer plants had they been recognised under the historic cost model would have been $23,713,000, $28,203,000, $6,833,000 and $14,304,000 respectively (2024: $23,713,000, $28,127,000, $6,461,000 and $14,146,000). Land Improvements comprise of vineyard structures and irrigation and excludes bearer plants (grape vines) which are disclosed separately.

The capital work in progress, which includes the Mt Difficulty Cellar door/Restaurant redevelopment, is included at cost until completed (2024: Mt Difficulty Cellar door/Restaurant).

Insurance cover has been taken out over buildings, land improvements and plant, equipment and vehicles.

20. BIOLOGICAL ASSET PRODUCE

Biological assets consist of grape vines (bearer plants). Bearer plants are classified as Property, Plant and Equipment and are included in note 19. The Company grows grapes to use in the production of wine, as part of normal operations. Vineyards are located in Marlborough, Martinborough and Central Otago, New Zealand. Grapes are harvested between March and May each year. At 30 June 2025 the Group held approximately 227 hectares of land owned or leased by the Company in Marlborough (2024: 227), 192 hectares of land owned or leased by the Group in Martinborough (2024: 192) and 194 hectares of land owned or leased by the Group in Central Otago (2024: 203). 174 hectares are currently in commercial production in Marlborough (2024: 188), 135 hectares in Martinborough (2024: 122) and 149 hectares in Central Otago (2024: 149).

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

20. BIOLOGICAL ASSET PRODUCE (CONTINUED)

During the year ended 30 June 2025 the Company harvested 4,514 tonnes of grapes (2024: 3,457). The grapes harvested are recognised at fair value at the point of harvest after taking into consideration various market factors, as well as reviewing the district average pricing report for grapes of similar quality and variety. Any adjustment to bring the cost of sale to fair value is recognised in inventory and the revaluation gains and losses section of the Income Statement. The fair value adjustment for the 2025 harvest was an unrealised loss of $1,317,000 (2024: $3,458,000). The 2024/prior year loss was high due to lower yields resulting in higher cost per tonne and the market price of grapes per tonne being lower that vintage. Refer to note 18 for recognition of the biological transformation between the time of harvest and balance date.

The Group is exposed to financial risks in respect of agricultural activity. The agricultural activity of the Company consists of the management of vineyards to produce grapes for use in the production of wine. The primary financial risk associated with this activity occurs due to the length of time between expending cash on the purchase or planting and maintenance of grape vines and on harvesting grapes, and ultimately receiving cash from the sale of wine to third parties. The Company's strategy to manage this financial risk is to actively review and manage its working capital requirements. The quality and quantity of the grape harvest is dependent on seasonal climatic factors such as rainfall, sunshine and temperature, including frosts. The Group manages this risk by diversifying its vineyards across the Marlborough, Martinborough and Central Otago regions and through the use of windmills and helicopters for normal frost protection purposes.

21. INTANGIBLE ASSETS

	Group 2025 $'000	Group 2024 $'000
TRADEMARKS		
At start of period, net of impairment	154	154
Additions during the year	–	–
At 30 June, net of impairment	154	154
Cost (gross carrying value)	154	154
Accumulated impairment losses	–	–
Net carrying amount	154	154

Trademarks pertain to the registration of trademarks in local and overseas jurisdictions for the Company's brands. Trademarks are carried at cost, less any accumulated impairment losses. Trademarks have been assessed as having an indefinite life since the Company has the rights to the brand while it is registered and has no intention of relinquishing those rights. The recoverable amount is estimated annually and an impairment loss recognised to the extent that the recoverable amount is lower than the carrying amount.

	Group 2025 $'000	Group 2024 $'000
GOODWILL		
At start of period, net of impairment	16,303	16,303
Additions during the year	–	–
At 30 June, net of impairment	16,303	16,303
Cost (gross carrying value)	16,303	16,303
Accumulated impairment losses	–	–
Net carrying amount	16,303	16,303

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

21. INTANGIBLE ASSETS (CONTINUED)

After initial recognition, goodwill acquired is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment. Goodwill relates to the acquisition of the Vavasour Wines' business assets on 1 September 2003, Goldwater Wines' business assets on 1 April 2006, Clifford Bay's business assets on 1 March 2007, the reverse acquisition of The New Zealand Wine Company Ltd (Grove Mill) on 4 September 2012, the acquisition of Martinborough Vineyards on 30 June 2014 and the acquisition of Mt Difficulty Wines' business and assets on 3 January 2019. The value of Goodwill at balance date includes the deferred tax liability on acquired indefinite life intangibles (brands) of $5,150,000 (2024: $5,150,000).

	Group 2025 $'000	Group 2024 $'000
BRANDS AND INTELLECTUAL PROPERTY		
At start of period, net of impairment	18,668	18,668
Additions - current year additions	–	–
At 30 June, net of impairment	18,668	18,668
Cost (gross carrying value)	18,668	18,668
Accumulated impairment losses	–	–
Net carrying amount	18,668	18,668

Brands are regarded as having indefinite useful lives as there are no legal restrictions on the use of the brands or technological barriers to their ongoing usefulness. Brands are not amortised but are subject to impairment testing on an annual basis or whenever there is an indication of impairment. The Brands included are Vavasour, Goldwater, Dashwood, Clifford Bay, Martinborough Vineyard and Lighthouse Gin.

TOTAL INTANGIBLE ASSETS	35,125	35,125

(A) IMPAIRMENT TESTS FOR GOODWILL AND INTANGIBLES WITH INDEFINITE USEFUL LIVES

The Group has determined that in the current year the value of the goodwill and intangible assets was supported by value-in use calculations performed for the cash generating unit, being the whole business. The recoverable amount of the cash generating unit was determined based on pre-tax cash flow projections based on the current results of the Group and the following key assumptions: Earnings Before Interest and Tax estimated growth rate: 2.6% pa (2024: 3%); Terminal value of 2.6% (2024: 2.8%); a period of projection of five years and a pre-tax discount rate 9.1% pa (2024: 10.4% pa). The recoverable amount determined did not indicate any impairment and no adjustment was deemed to be required.

Reasonable possible changes in the key assumptions on which recoverable amount is based that would cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit, assuming everything else is held constant, are an increase in the discount rate to 9.14% or a reduction in the terminal growth rate to 2.53%.

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

22. CASH FLOW INFORMATION

(A) RECONCILIATION OF (LOSS)/PROFIT FOR THE YEAR TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2025 $'000	Group 2024 $'000
(LOSS) AFTER INCOME TAX FOR THE YEAR	(1,857)	(4,081)
NON-CASH ITEMS:		
Depreciation	5,868	5,601
Amortisation – lease right-of-use assets	1,312	1,385
(Decrease)/Increase in deferred tax	(1,466)	2,951
Bad debts written off	–	–
Impairment loss recognised on inventories	(37)	71
Adjustments resulting from revaluation of grapes	(814)	3,923
Loss on disposal of property, plant and equipment	330	1,156
Loss on asset revaluations	4,607	–
Gain on purchase	–	(96)
Grower advance adjustments	(30)	(33)
Unrealised gain in fair value of financial assets/liabilities	(18)	(400)
	9,752	14,558
MOVEMENTS IN WORKING CAPITAL BALANCES:		
Trade and other receivables	5,160	(802)
Inventories	2,132	(2,332)
Biological work in progress	97	(56)
Prepaid expenses and other current assets	(12)	(3)
Trade and other payables	1,067	(1,518)
Current tax assets/liabilities	(175)	(1,426)
	8,269	(6,137)
NET CASH FLOW FROM OPERATING ACTIVITIES	16,164	4,340

(B) NET LOANS AND BORROWINGS RECONCILIATION

	Group 2025 $'000	Group 2024 $'000
Total Loans and borrowings (refer note 12)	40,620	51,945
Loans advanced during the year – cash inflow	47,500	25,000
Loan acquired – non-cash	–	22
Loans repaid during the year – cash outflow	(58,825)	(17,862)
Net movement in net debt	(11,325)	7,160

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

22. CASH FLOW INFORMATION (CONTINUED)

(C) NET LEASE LIABILITY RECONCILIATION

	Group 2025 $'000	Group 2024 $'000
Total Lease liabilities repayable (refer note 13.2)	12,686	14,081
Leases recognised due to lease remeasurement and additions – non-cash	57	743
Lease liabilities repaid during the year - cash outflows	(1,061)	(1,179)
Lease liabilities – net movement	(1,004)	(436)

23. FINANCIAL INSTRUMENTS

(A) CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes loans and borrowings disclosed in note 12, cash and cash equivalents and equity, comprising issued capital, reserves and retained earnings as disclosed in notes 8, 9 and 10 respectively. The Group's Board of Directors reviews the capital structure on a semi-annual basis. As part of the review the Board considers the cost of capital and the risks associated with each class of capital as well as the requirement by the Group's bank, Bank of New Zealand, to maintain adjusted tangible equity percentage at a level of at least 50% of adjusted total tangible assets. The Board will balance the Group's overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged from the prior year.

(B) MATERIAL ACCOUNTING POLICY INFORMATION

Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

(C) FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group is exposed to financial risks relating to the operations of the Group. These risks include agricultural risk, market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The agricultural activity of the Group consists of the management of vineyards to produce grapes for use in the production of wine. The primary financial risk associated with this activity occurs due to the length of time between expending cash on the purchase or planting and maintenance of grape vines and on harvesting grapes, and ultimately receiving cash from the sale of wine to third parties. The Group's strategy to manage this financial risk is to actively review and manage its working capital requirements. In addition, the Group maintains credit facilities at a level sufficient to fund the Group's working capital during the period between cash expenditure and cash inflow. At balance date, the Group had unused credit facilities in the form of undrawn bank overdrafts and loan facilities of $17.5 million (2024: $6.7 million).

The Group seeks to minimise the effects of these risks, by obtaining independent advice and using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives.

Compliance with policies and exposure limits is reviewed by the Board of Directors on a periodic basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

23. FINANCIAL INSTRUMENTS (CONTINUED)

(D) MARKET RISK

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer note 23(e)) and interest rates (refer note 23(f)). The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including:

(i) forward foreign exchange contracts and foreign currency option contracts to hedge the exchange rate risk arising on the export of wine principally to the United States, United Kingdom, Europe and Australia; and

(ii) interest rate swaps to mitigate the risk of rising interest rates.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

(E) FOREIGN CURRENCY RISK MANAGEMENT

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved parameters utilising forward foreign exchange contracts and foreign exchange option contracts.

Foreign currency denominated assets and liabilities at balance date are:

	Group 2025 $'000	Group 2024 $'000
Cash and cash equivalents	149	–
Trade and other receivables	6,613	10,952
Trade and other payables	(1,174)	(632)
Net exposure at balance date	5,588	10,320

SENSITIVITY ANALYSIS

The Group is mainly exposed to US dollars (USD), Great British pounds (GBP), Australian dollars (AUD) and Euro (EUR). If there was a 10% upward movement in the New Zealand dollar against the relevant currencies the profit before tax and equity would decrease by $273,000, $51,000, $146,000 and $38,000 respectively for the Group (2024: $406,000, $291,000, $197,000 and $43,000). If there was a 10% downward movement in the New Zealand dollar against the relevant currencies the profit before tax and equity would increase by $333,000, $63,000, $178,000 and $47,000 respectively for the Group (2024: $497,000, $356,000, $241,000 and $53,000). The 10% sensitivity rate used represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for the listed percentage change in foreign currency rates.

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

23. FINANCIAL INSTRUMENTS (CONTINUED)

(E) FOREIGN CURRENCY RISK MANAGEMENT (CONTINUED)

FORWARD FOREIGN EXCHANGE CONTRACTS AND OPTION CONTRACTS

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts up to 100% of the exposure generated. The Group also enters into forward foreign exchange contracts and option contracts including collars to manage the risk associated with anticipated sales and purchase transactions out to 60 months within 25-100% of the exposure generated, subject to certain criteria being met. Forward foreign exchange contracts and option contracts are measured at fair value through profit or loss. The fair value of forward foreign exchange contracts and option contracts are determined with reference to the quoted market prices.

The aggregate notional principal of forward foreign exchange contracts outstanding for the Group as at balance date was $23,052,000 (2024: $32,461,000). The aggregate notional principal of foreign exchange option contracts outstanding at balance date was a net of $Nil (2024: $Nil).

(F) INTEREST RATE RISK MANAGEMENT

The Company and the Group is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, by use of interest rate swap contracts. Hedging activities are evaluated regularly with the assistance of independent advice to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied or protecting interest expense through different interest rate cycles. The Company and the Group's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note or in note 12 and note 14.

SENSITIVITY ANALYSIS

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 100 basis point (1%) increase or decrease is used and represents management's assessment of the reasonably possible change in interest rates.

At balance date, if interest rates had been 1% lower or higher and all other variables were held constant, the Company and Group's net profit and equity would increase/decrease by approximately $453,000 (2024: $520,000) respectively. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The Company and Group's sensitivity to interest rates has decreased during the current year mainly due to the decrease in floating interest rate exposure.

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

23. FINANCIAL INSTRUMENTS (CONTINUED)

(G) CREDIT RISK MANAGEMENT

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are approved by the Board of Directors and are monitored on a regular basis. The Group does not require collateral in respect of trade and other receivables.

A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due. Probability of default constitutes a key input in measuring expected credit loss (ECL). Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, trade credit insurance is purchased.

Other receivables primarily relate to grower advances. The Group has adopted a policy of only dealing with credit worthy counterparties as a means of mitigating the risk of financial loss from defaults. The counterparty in this case for grower advances is credit worthy and has no history of defaulting in past.

The Group does not have any significant concentrations of net credit risk. The Company does not expect the non-performance of any obligations at balance date. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represent the Group's maximum exposure to credit risk.

(H) LIQUIDITY RISK MANAGEMENT

Liquidity risk represents the Group's ability to meet its contractual obligations. Ultimate responsibility for liquidity risk management rests with the Board of Directors, who has 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. At balance date, the Group had unused credit facilities in the form of undrawn bank overdrafts and loan facilities of $17.5 million (2024: $6.7 million) to further reduce liquidity risk.

LIQUIDITY TABLES

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Refer to note 12 for the weighted average effective interest rate.

FOLEY WINES LIMITED | ANNUAL REPORT 2025

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

23. FINANCIAL INSTRUMENTS (CONTINUED)

(H) LIQUIDITY RISK MANAGEMENT (CONTINUED)

	Less than 1 year $'000	1-2 years $'000	Group 2-5 years $'000	Over 5 years $'000
Group 2025				
Trade and other payables	8,221	–	–	–
Loans and borrowings	1,786	1,785	46,914	–
Convertible notes	11,609	–	–	–
Lease liabilities	1,719	1,645	3,336	10,662
	23,335	3,430	50,250	10,662
Group 2024				
Trade and other payables	7,154	–	–	–
Loans and borrowings	3,950	48,728	6,477	–
Convertible notes	11,609	–	–	–
Lease liabilities	1,707	1,642	3,737	12,247
	24,420	50,370	10,214	12,247

The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted net cash inflows/(outflows) on the derivative instrument that settle on a net basis and the undiscounted gross inflows and (outflows) on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

	Less than 6 months $'000	6-12 months $'000	Group 1-2 years $'000	Over 2 years $'000
Group 2025				
Forward exchange contracts – cash inflows	6,274	6,687	10,091	–
Forward exchange contracts – cash outflows	(6,443)	(6,826)	(10,090)	–
	(169)	(139)	1	–
Group 2024				
Forward exchange contracts – cash inflows	14,398	6,485	11,578	–
Forward exchange contracts – cash outflows	(14,572)	(6,581)	(11,635)	–
	(174)	(96)	(57)	–

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

23. FINANCIAL INSTRUMENTS (CONTINUED)

(I) FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of financial assets and liabilities are determined as follows:

- the fair value of financial assets and liabilities with standard terms and conditions and traded on active markets are determined with reference to the quoted market prices; and
- the fair value of derivative instruments are calculated based on discounted cash flows using market inputs.

The Directors consider that the carrying value of all financial instrument assets and liabilities in the financial statements approximate their fair value.

(J) FAIR VALUE MEASUREMENTS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs).

	Group 2025 $'000	Group 2024 $'000
Financial assets FVTPL		
Other financial assets (derivative financial assets) – Current	–	–
Other financial assets (derivative financial assets) – Non-Current	1	–
Total financial assets	1	–
Financial liabilities FVTPL		
Other financial liabilities (derivative financial liabilities) – Current	(310)	(270)
Other financial liabilities (derivative financial liabilities) – Non-Current	–	(57)
Total financial liabilities	(310)	(327)

All financial assets and liabilities of the Group that are measured at fair value subsequent to initial recognition are included in Level 2 as the fair value of these instruments are not quoted on an active market and is determined by using valuation techniques. These valuation techniques rely on observable market data. There were no transfers between Level 1 and 2 during the year.

(K) CHANGE IN FAIR VALUE OF FINANCIAL ASSETS/LIABILITIES

Foreign currency forward contracts	18	400
	18	400

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

24. DIRECTORS AND KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are the Directors of the Company and the executives with the greatest authority for the strategic direction of the Company. The compensation of the Directors and the key management personnel is set out below:

	Group 2025 $'000	Group 2024 $'000
Short-term employee benefits	3,715	1,874

25. RELATED PARTY DISCLOSURES

(A) INVESTMENT IN SUBSIDIARIES

The Parent entity in the consolidated entity is Foley Wines Limited. The Parent entity of Foley Wines Limited is Foley Holdings New Zealand Limited who own 52.80% (2024: 52.80%) of the shares in Foley Wines Limited. The ultimate parent is FFW Opco LLC., who own 80.47% of Foley Holdings New Zealand Limited and as such owns 42.49% (2024: 42.49%) of the Company.

The consolidated financial statements include the financial statements of Foley Wines Limited (FWL) and the following subsidiaries:

Name of Entity	Principal Activity	Parent Company	Country of Incorp-oration	Ownership Interest % 2025	Ownership Interest % 2024
Vavasour Wines Ltd	Non-operating	Foley Wines Ltd	NZ	100%	100%
Goldwater Wines Ltd	Non-operating	Foley Wines Ltd	NZ	100%	100%
Clifford Bay Wines Ltd	Non-operating	Foley Wines Ltd	NZ	100%	100%
Te Kairanga Wines Ltd	Non-operating	Foley Wines Ltd	NZ	100%	100%
Grove Mill Wine Company Ltd	Non-operating	Foley Wines Ltd	NZ	100%	100%
Sanctuary Wine Company Ltd	Non-operating	Foley Wines Ltd	NZ	100%	100%
The New Zealand Wine Company Ltd	Non-operating	Foley Wines Ltd	NZ	100%	100%
Martinborough Vineyard Wines Ltd	Non-operating	Foley Wines Ltd	NZ	100%	100%
Mt Difficulty Wines Ltd	Non-operating	Foley Wines Ltd	NZ	100%	100%
Burnt Spur Ltd	Non-operating	Foley Wines Ltd	NZ	100%	100%
Toast Martinborough Ltd	Events management	Foley Wines Ltd	NZ	100%	100%
FWines UK Ltd	Non-operating	Foley Wines Ltd	UK	100%	100%

On 7 February 2024 Foley Wines Limited purchased the remaining shares in Toast Martinborough Limited – refer note 29.

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

25. RELATED PARTY DISCLOSURES (CONTINUED)

(B) TRANSACTIONS WITH RELATED PARTIES – DIRECTORS AND KEY MANAGEMENT PERSONNEL

Details of the compensation paid to Directors and key management personnel are set out in note 24.

	Group 2025 $'000	Group 2024 $'000
Certain Directors and key management personnel have interests in contracts with the Group as follows.		
AM Turnbull (Lighthouse Distillery Ltd – purchase of Spirits for bottling and sale)	60	98
AM Turnbull (Lighthouse Distillery Ltd – sales commission – direct spirit sales)	229	186
AM Turnbull (Lighthouse Distillery Ltd – charges from FWL for labour, rent, equipment hire, electricity and administration)	99	113
PR Brock (Lighthouse Distillery Ltd – purchase of Spirits for bottling and sale)	31	–
PR Brock (Lighthouse Distillery Ltd – sales commission – direct spirit sales)	111	–
PR Brock (Lighthouse Distillery Ltd – charges from FWL for labour, rent, equipment hire, electricity and administration)	70	–

(C) TRANSACTIONS WITH OTHER RELATED PARTIES

Material transactions with related parties during the period are set out below:

(i) Sales were made to Foley Family Wines, Inc., a 100% owned subsidiary of Foley Family Wines Holdings, Inc., the ultimate parent of Foley Wines Limited. Sales for the year were $11,040,000 (2024: $12,569,000). Commissions/Management fees paid in relation to sales during the year totalled $159,000 (2024: $219,000), discounts in relation to the new US tariffs were $139,000 and Advertising and Promotion cost contributions/market support (A&P), which are included in Selling, marketing and promotion expenses in the Income Statement, totalled $1,267,000 (2024: $1,241,000). A&P provided to importers/distributors by wine companies are common for the wine industry business to co-fund the promotion of the products of the Company.

(ii) Interest was paid/payable to Foley Holdings New Zealand Limited the parent of the Foley Wines Limited under the convertible note (note 14). Interest paid/payable for the year was $709,000 (2024: $710,000).

(iii) Sales were made to Wharekauhau Country Estate Limited, a luxury lodge 74.6% owned by Bill Foley, the majority shareholder of the ultimate parent. Sales for the year totalled $29,000 (2024: $27,000). Accommodation, meals, events, contract labour and services, and vouchers for Foley Rewards provided by Wharekauhau to the Company during the year totalled $15,000 (2024: $55,000).

(iv) Lighthouse Gin product was purchased for global distribution from Lighthouse Distillery Limited, a company owned by Mark Turnbull, CEO and Director of Foley Wines Limited, until 27 February 2025 and Paul Brock, Director and Board Chair, from 27 February 2025. Purchases during the period totalled $91,000 (2024: $98,000). Administration services, rental, electricity and contract distilling services were provided to Lighthouse Distillery Limited during the period of $169,000 (2024: $113,000). Lighthouse Distillery Limited paid the Company a sales commission on spirits sold direct to customer during the year of $340,000 (2024: $186,000).

(v) Sales were made to Foley Hospitality Limited group restaurants, a group owned 100% by Foley Holdings New Zealand Limited. Sales for the year were $463,000 (2024: $495,000). Meals, events, contract labour, training and vouchers for Foley Rewards provided by Foley Hospitality to the Company during the year of $25,000 (2024: $25,000). Contract services from the Interim CEO of $77,000 were charged during the year (2024: Nil).

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

25. RELATED PARTY DISCLOSURES (CONTINUED)

(C) TRANSACTIONS WITH OTHER RELATED PARTIES (CONTINUED)

	Group 2025 $'000	Group 2024 $'000
Amounts owing to related parties as at balance date:		
Foley Holdings New Zealand Limited – convertible note	10,900	10,900
Wharekauhau Country Estate Limited	2	2
Foley Hospitality Limited	12	3
Lighthouse Distillery Limited	6	5
Amounts owing from related parties as at balance date:		
Foley Family Wines, Inc.	2,880	4,337
Lighthouse Distillery Limited	146	74
Foley Hospitality Limited	33	43

26. SEGMENT INFORMATION

The Group operates in the wine industry and is considered to operate in one segment. Financial information available to management including the chief operating decision maker is principally based on the information provided in these financial statements. There are therefore no additional disclosures included in these financial statements.

Included in sales revenue are revenues of approximately $18,469,000 (2024: $19,304,000), $11,040,000 (2024: $12,569,000), $7,963,000 (2024: $5,718,000), $7,040,000 (2024: $5,520,000) and $4,185,000 (2024: $936,000) which arose from sales to the Group's largest customers. No other single customers contributed 10% or more to the Group's revenue in either 2025 or 2024. The second largest customer is a related party (2024: second) – refer note 25.

The Group derived sales revenue from New Zealand customers of $29,210,000 and overseas customers of $41,321,000 (2024: NZ $30,508,000; Overseas $35,885,000).

27. COMMITMENTS

In the ordinary course of business the Group has Grower Agreements which would require it to purchase grapes during harvest which occurs between March and May each year throughout the period of the Agreement.

At balance date the Group had capital commitments of $274,000 for bearer plants (grape vines) (2024: $493,000). The Group has also committed to a capital expenditure project not exceeding $3 million for the Mt Difficulty Cellar door/Restaurant redevelopment.

28. CONTINGENT LIABILITIES

There were no contingent liabilities at balance date (2024: Nil).

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

29. BUSINESS COMBINATION

On 7 February 2024 Foley Wines Limited ("Acquirer") acquired the remaining 94% of the issued share capital of Toast Martinborough Limited ("Acquiree), obtaining control. Toast Martinborough Limited's principal activity is the promotion of the Martinborough wine producing region, primarily via events management and associated promotional activities.

The amounts recognised in respect of the identifiable asset acquired and liabilities assumed are set out in the below table.

	Group 2024 $'000
Assets acquired	
Cash and cash equivalents	81
Trade and other receivables	17
Deferred tax asset	119
Property, plant & equipment	17
Liabilities assumed	
Trade and other payables	(116)
Loans and borrowings	(22)
Total net identifiable assets	96
Gain on purchase	(96)
Total consideration	–

The consideration paid was $1 per share, total consideration was $10. No material contingent liabilities were noted since acquisition.

30. SUBSEQUENT EVENTS

On 30 July 2025 the interest rate on the three BNZ Term Loans were reviewed. The new interest rates on these loans for the period from 30 July 2025 to 28 August 2025 was 5.03-5.28% pa.

On 28 August 2025 the Board approved a final dividend of 2 cents per share, fully imputed, for payment on 24 October 2025.

No other material events have occurred since balance date.

Notes to the Financial Statements (continued)

For the year ended 30 June 2025

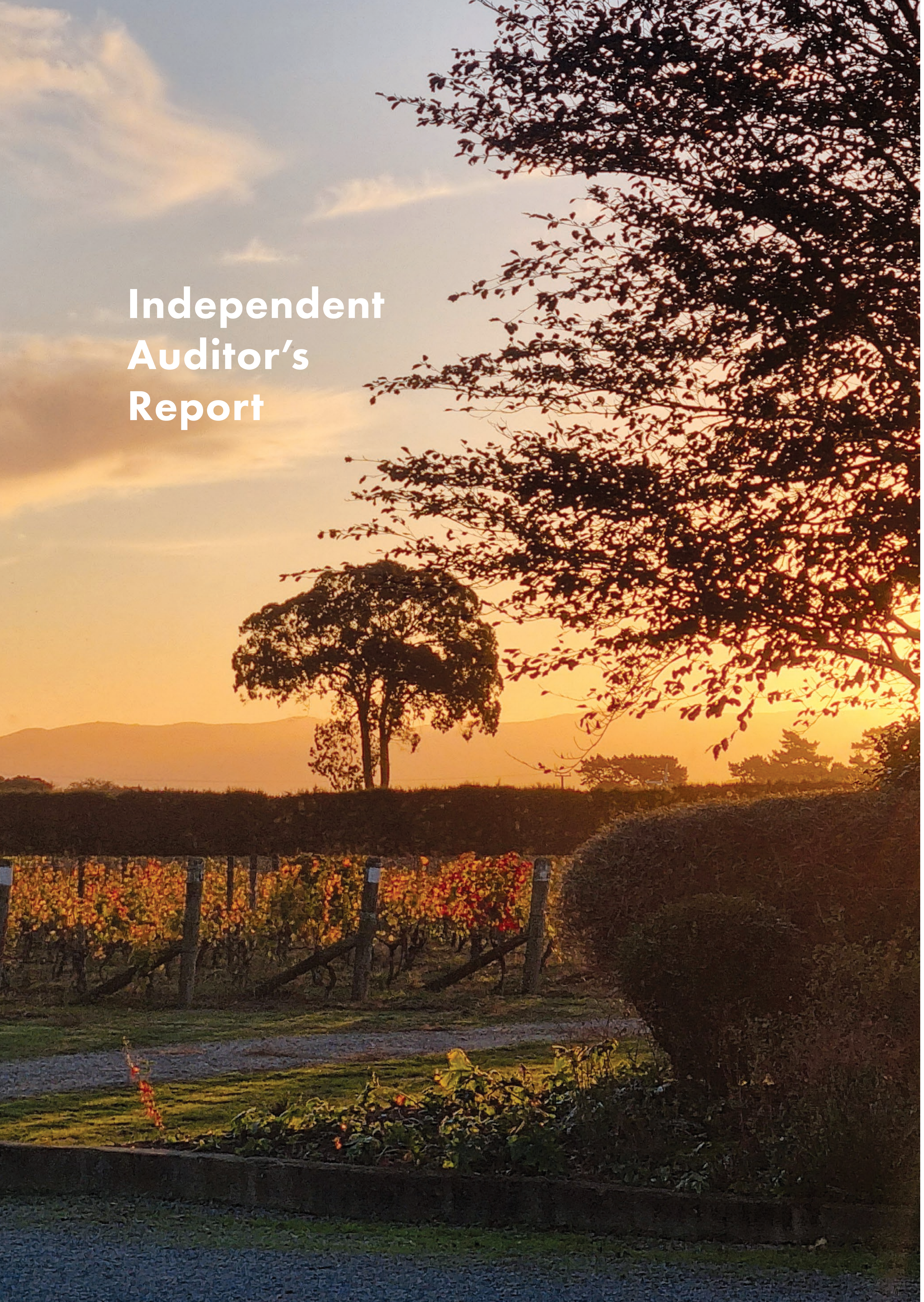
31. NET TANGIBLE ASSETS PER SHARE

	Group 2025 $'000	Group 2024 $'000
Net tangible assets per share	1.63	1.65

The calculation of net tangible per share in respect of 2025 is based on net tangible assets of $106,874,000, being Net assets $141,999,000 less intangible assets $35,125,000 (2024: $108,302,000, being Net assets $143,427,000 less intangible assets $35,125,000) and the 65,736,148 ordinary shares on issue at balance date (2024: 65,736,148).

32. FOREIGN CURRENCY EXCHANGE RATES

The following spot foreign exchange rates have been applied at balance date:	30 June 2025		30 June 2024	
NZ $1.00 =	FWL Buy	FWL Sell	FWL Buy	FWL Sell
Australian dollar	0.9189	0.9263	0.9100	0.9173
United States dollar	0.6006	0.6054	0.6053	0.6101
Great British pound	0.4391	0.4426	0.4796	0.4834
Euro	0.5134	0.5175	0.5666	0.5712



Independent Auditor's Report

To the Shareholders of Foley Wines Limited

Opinion

We have audited the consolidated financial statements of Foley Wines Limited and its subsidiaries (the 'Group'), which comprise the statement of financial position as at 30 June 2025, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements, on pages 25 to 71, present fairly, in all material respects, the financial position of the Group as at 30 June 2025, and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') as issued by the External Reporting Board and IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

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

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor, we have no relationship with or interests in the Company or any of its subsidiaries, except that partners and employees of our firm deal with the Company and its subsidiaries on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiaries.

Audit materiality

We consider materiality primarily in terms of the magnitude of misstatement in the consolidated financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group financial statements as a whole to be $480,000.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Key audit matter | **How our audit addressed the key audit matter**

Impairment testing of intangible assets with indefinite useful life and goodwill

As disclosed in Note 21, the Group has $35.1m of intangible assets with indefinite useful lives at 30 June 2025, of which $16.3m relates to goodwill.

The Group has assessed the value of the goodwill and intangible assets by determining the recoverable amount of the Group's cash generating unit, being the whole business, through value in use calculations. The value in use is determined using discounted cashflow analysis involving key inputs such as forecast earnings before interest and tax over a five-year period (based on the budget for the next financial year and with an estimated growth rate applied thereafter), capital expenditure during this period, a terminal value growth rate and the pre-tax discount rate ('discount rate').

The impairment testing of intangible assets is a key audit matter due to the estimates and judgement involved in determining the recoverable amount of the cash generating unit including the appropriateness of the level of cash generating unit at which the intangible assets are tested for impairment.

How our audit addressed the key audit matter:

We have evaluated the appropriateness of the identification of the cash generating unit and the Group's value in use calculations by performing the following:

- Challenging the appropriateness of the identification of the cash-generating unit by considering if the cash generating unit is the lowest level at which there are independent cash flows;
- Testing the value in use calculations for arithmetic accuracy;
- Comparing forecast performance with the approved financial year budget;
- Challenging management's assumptions used in the forecasted financial performance based on our knowledge of the Group's operations, the past performance and market conditions;
- Assessing the historical accuracy of the Group's previous forecasts by comparing prior period budgets to actual performance;
- Involving our internal valuation specialists in assessing the reasonableness of the discount rate, growth rate and terminal growth rate used;
- Performing sensitivity analysis on the earnings growth rate, terminal growth rate, discount and capital expenditure to determine the extent to which any changes in these inputs would result in impairment in the goodwill and indefinite life intangible assets;
- Reperforming the calculation of the carrying amount of the cash generating unit; and
- Evaluating the appropriateness of the related disclosures.

Valuation of land, buildings, land improvements and bearer plants

As disclosed in Note 19 of the financial statements, the Group has recorded the following assets at fair value:

Freehold land	$43.8 million
Freehold buildings	$30.6 million
Land improvements	$8.4 million
Bearer plants	$18.9 million
	$101.7 million

Independent valuers determined the fair values at balance date. The valuations of freehold land, land improvements and bearer plants are prepared using a "comparative sales" basis and include an assumption over the comparability of certain key inputs, such as grape varietal, soil quality and access to water.

The valuation of freehold buildings are prepared using either a combination of income or replacement cost methods and include assumptions for estimated rental, capitalisation rates and estimated replacement costs.

The valuers have determined a value for each property as a whole taking into account the valuation methods above and current market conditions to arrive at a range of valuation outcomes, from which they derive a fair value estimate.

The valuation of these assets is a key audit matter due to the subjective judgements and assumptions in the valuations.

How our audit addressed the key audit matter:

We have evaluated the appropriateness of the valuation in respect of the land, buildings, land improvements and bearer plants by performing the following:

- Assessing the independence, objectivity and competence of the valuer;
- Holding discussions with the valuer to understand the procedures and processes they performed in undertaking the valuations and the methodology used. We discussed the following:
  - Valuation methodology used for each asset type and comparative sales transactions used given the current market conditions;
  - How those current market conditions were reflected in the valuations;
  - How they obtained knowledge of the characteristics of each vineyard, for example by site inspection to confirm soil type, location and grape varietal; and
  - How they have determined the key inputs for each asset type;
- Involving our internal valuation expert to consider and challenge the reasonableness of the assumptions and valuation methodology applied;
- Challenging a sample of key inputs used in the valuations against available market information; and

Evaluating the related disclosures and the risks attached to them which are included in Note 19 to the consolidated financial statements.

Deloitte.

Other information

The directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability 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 consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 ISAs and ISAs (NZ) 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 these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Bryce Henderson, Partner
for Deloitte Limited
Auckland, New Zealand
28 August 2025

This audit report relates to the consolidated financial statements of Foley Wines Limited (the 'Company') for the year ended 30 June 2025 included on the Company's website. The Directors are responsible for the maintenance and integrity of the Company's website. We have not been engaged to report on the integrity of the Company's website. We accept no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website. The audit report refers only to the consolidated financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these consolidated financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited consolidated financial statements and related audit report dated 28 August 2025 to confirm the information included in the audited consolidated financial statements presented on this website.

Corporate Governance Statement

For the year ended 30 June 2025

This statement is designed to provide an overview for Shareholders to reflect the main governance policies and practices adopted or followed during the financial year ended 30 June 2025 and has been approved by the Board. *For further information refer to the Company's website (www.foleywines.co.nz).*

The Board is committed to high standards of best practice corporate governance and ethical conduct as being integral to overall business integrity and to delivery of long-term shareholder value.

Foley Wines Limited's (FWL) shares are listed on the NZX Main Board. In this statement we disclose the extent to which the Board believes that the Group's policies and practices have complied with the NZX Corporate Governance Code 2025 (NZX Code), or where applicable, an explanation as to why a recommendation was not followed and any alternative practice followed in lieu of the recommendation.

NZX CODE

PRINCIPLE 1 – ETHICAL STANDARDS

"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."

CODE OF ETHICS

The Board maintains a Code of Ethics Policy Statement, reviewed at least bi-annually, to underpin FWL's vision and values and expected standards of conduct for Directors and employees.

The Group expects its Directors and employees to act in the best interests of the Company, its Shareholders and stakeholders and maintain the highest standards of honesty, integrity and ethical conduct in day to day behaviour and decision making. They must be objective, apply skill and professional competence, and keep information that they obtain in their role confidential.

New Directors and employees are provided with a copy of the Code of Ethics as part of the induction process and advised that this is also available on the Group's website. All Directors and employees must provide acknowledgement that they have read and understood the content. When the Code is reviewed by the Board a copy of the revised Code is circulated to all current employees as a reminder of its content.

The Code requires Directors and employees to promptly report material breaches of the Code and sets out a procedure for doing so.

The Code was last reviewed by the Board in August 2025.

FINANCIAL PRODUCT DEALING POLICY

The Board maintains a Financial Product Dealing Policy that explains what processes are in place to manage the legal and reputational risks associated with director and staff share trading to provide transparency about expectations and requirements to protect them from the risk of breaching insider trading laws. In particular:

- directors and employees may not buy or sell FWL shares in the trading "black-out" periods set out in the Policy (these periods occur prior to the release of FWL's financial results to the market); and
- directors and employees must obtain consent from the Board to buy or sell FWL's shares.

Training on the Policy is included as part of the induction process for new directors and employees and a copy of the Policy is available on the Group's website.

The Policy was last reviewed by the Board in August 2025.

Corporate Governance Statement (continued)

For the year ended 30 June 2025

PRINCIPLE 2 – BOARD COMPOSITION & PERFORMANCE

"To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives."

BOARD CHARTER

The Board operate under a written charter which sets out the respective roles, responsibilities, composition and structure of the Board and senior management, and this is available on the Group's website.

The Directors are responsible, collectively as the Board under its Chairman, for the success of FWL and are accountable to shareholders for the Company's overall ethical conduct, strategic development, annual performance and long-term sustainable increase in shareholder value.

The Board exercises its powers on behalf of all Shareholders, except for those powers specifically required to be exercised by Shareholders by law, the NZX Listing Rules or the FWL Constitution. Except for powers specifically reserved to the Directors under the Companies Act or the Delegated Authorities Policy, the Board in turn delegates authorities to the Chief Executive Officer (CEO), with sub-delegations to members of the Management Team, with the CEO (Executive Director) responsible for the day-to-day management of the FWL business and delivering against the agreed strategic plans, operating budgets and performance targets.

The Role of the Board is to provide the overall framework for governance, accountability, risk control and deliverability of the strategic and operating plans. To do so the Board meets with management normally at approximately quarterly intervals, and more frequently if warranted, otherwise contact shall occur via email or teleconference to ensure Directors are fully apprised about key Company activities and issues.

The Chairman, on behalf of the Board, is the formal channel of communication to external stakeholders and to the CEO who in turn has delegated responsibility for management and staff and for achieving agreed policies, business strategies, operating plans and budgets. The CEO reports regularly to the Chairman on critical issues being faced by the Company, as well as progress being made against strategic plans.

In addition to the foregoing, the Directors are responsible for preparing and providing to Shareholders the financial statements, as prescribed in the Financial Reporting Act. These shall give a true and fair view of the financial (and operational) state of affairs of FWL for the period, as portrayed in the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and Statement of Cash Flows. The financial statements are unaudited for the half-year report but must be audited by the External Auditor for the full financial year report ended 30th June.

The Board Charter is reviewed at least every two years and was last reviewed in August 2025.

DIRECTOR NOMINATION

The responsibility for identifying suitable candidates for recruitment to the Board, is undertaken by the Board, drawing on advice from independent consultants as appropriate. Nominated candidates are assessed against a number of criteria which include character, background, professional skills and experience, and their availability to commit to the role. The Board also considers the Composition of the Board requirements contained in the Constitution and the NZX Listing Rules.

Under the Constitution there shall be a minimum of 3 Directors and the maximum number of Directors may be determined from time to time by the Board, and unless so determined, is 8. The Board is therefore authorised to appoint one or more additional Directors to fill a casual vacancy or to expand the Board for increased effectiveness or to help meet the Company's objectives.

FOLEY WINES LIMITED | ANNUAL REPORT 2025

Corporate Governance Statement (continued)

For the year ended 30 June 2025

PRINCIPLE 2 – BOARD COMPOSITION & PERFORMANCE (Continued)

DIRECTOR NOMINATION (CONTINUED)

Under the NZX Main Board Listing Rules a minimum of two Directors must be ordinarily resident in New Zealand and two Directors must be independent, as defined in the NZX Listing Rules. The NZX Code recommends that the Board consists of a majority of Independent Directors, that Board Chairman is independent and that the Board Chairman and the CEO are different people.

Directors are elected by shareholders at the first annual meeting after appointment. After that, at each annual meeting, the NZX Listing Rules and the Company's Constitution require Directors to retire after they have served three years since their last election. Directors who have served for more than nine years on the Board shall retire annually. Retiring Directors are eligible for re-election.

INDEPENDENCE

During the current financial year there were four Non-Executive Directors, three of which were independent, including the Board Chair, and one Executive Director. Details of all Directors as at the date of this report, including their qualifications, length of service and experience, independence and ownership interests, are shown in Section 1 of the Statutory Information section of this Annual Report. A director's interests, position and relationships as well as the factors set out in Table 2.4 of the NZX Code have been considered holistically in determining the director's independence status. The Board Chair is a different person to the CEO.

In order to ensure that any "interest" of a Director in a particular matter to be considered by the Board are known by each Director, the Company has developed protocols, consistent with obligations imposed by the Companies Act 1993, to require each Director to disclose any relationships, duties or interests held that may give rise to a potential conflict.

WRITTEN AGREEMENT

The Company provides a letter of appointment to each newly appointed Director setting out the terms of their appointment. The letter includes information regarding expected time commitments, the board's responsibilities, remuneration, independence requirements, disclosure requirements, confidentiality obligations, indemnity and insurance provisions, intellectual property rights and cessation of appointment.

DIVERSITY

The Board maintains a Diversity and Inclusion Policy that provides a framework to embed and support a diverse workforce and inclusive workplace environment. The Policy sets out how FWL will set measurable objectives for achieving diversity and inclusion, and how it will assess its progress towards achieving these objectives. The Policy also sets out the diversity and inclusion initiatives FWL currently has in place, together with the initiatives it is currently implementing. A copy of the Policy is available on the Group's website.

The Diversity and Inclusion scorecard as at 30 June 2025 was:

Board and Key Management Personnel:

Gender Diversity: At 30 June 2025 the Directors were all Male (5) (2024: Male 100%) and the Key Management Personnel were 60% Male (3) and 40% Female (2) (2024: Male 60%; Female 40%).

For all employees at 30 June 2025 based on information provided by employees:

Gender Diversity: 45% were Male and 55% were Female (2024: Male 43%; Female 57%).

Ethnic Diversity: Ethnicity they identify with: European 74%; Māori 9%; Pacific 3%; Asian 7%; and Other 7% (2024: European 75%; Māori 6%; Pacific 4%; Asian 9%; and Other 6%).

Age Breakdown: < 20 3%; 20-29 13%; 30-39 29%; 40-49 27%; 50-59 19%; 60-69 8%; 70-79 1% (2024: < 20 3%; 20-29 10%; 30-39 30%; 40-49 30%; 50-59 20%; 60-69 7%).

Corporate Governance Statement (continued)

For the year ended 30 June 2025

PRINCIPLE 2 – BOARD COMPOSITION & PERFORMANCE (Continued)

BOARD PERFORMANCE EVALUATION AND TRAINING

All Non-Executive Directors are expected to participate in performance reviews, particularly prior to the re-election of a Non-Executive Director to the Board. The findings of the performance review process are used to identify, assess and enhance Director competencies and to define characteristics or skills which should be sought in future Board candidates. The Board undertakes a performance evaluation of the Board and its members bi-annually. Directors undertake appropriate training to remain current on how best to perform their duties as directors of the Company.

PRINCIPLE 3 – BOARD COMMITTEES

"The Board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility."

To enhance the effectiveness of the Board there is an Audit and Risk Committee. Due to the size of the Board all other matters including Remuneration matters are considered by the full Board. The Board may establish an ad hoc Committee at any appropriate time to consider a special issue.

The committees have their own charters setting out the objectives, composition, and responsibilities of the committee. The Board will periodically review the charters. The Board Chairman may not be the Chairman of the Audit and Risk Committee. A quorum shall be two Committee members, including the Committee Chairman. Any Director may attend any Committee meeting as an observer if he/she so wishes. The Committee may request the CEO, Chief Financial Officer and/or any Management Team member to attend.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee comprises of three Directors: Grant Graham (Chairman), Anthony Anselmi and Paul Brock, and meets formally a minimum of two times during the financial year. The Board is of the opinion that sufficient financial expertise and knowledge of the industry in which the Company operates is possessed by the members of the Audit and Risk Committee. Details of the qualifications of the Audit and Risk Committee members are set out in Section 1 of the Statutory section of this Annual Report. The primary objective of the Audit and Risk Committee is to assist the Board of Directors in fulfilling its responsibilities relating to annual reporting, tax planning and compliance, and risk management practices.

TAKEOVER POLICY

The Takeover Policy sets out the procedure to be followed if there is a takeover offer for FWL. A copy of the Policy is available on the Group's website. This Policy is reviewed by the Board at least bi-annually or as required due to legislation changes. It was last reviewed in August 2025.

PRINCIPLE 4 – REPORTING & DISCLOSURE

"The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures."

CONTINUOUS DISCLOSURE

FWL's Continuous Disclosure Policy sets out FWL's arrangements to ensure material information is identified, reported, assessed and, where required, disclosed to the market in a timely manner. The Company is committed to providing relevant and timely information to its shareholders and to the broader market, in accordance with its obligations under the NZX Listing Rules.

Corporate Governance Statement (continued)

For the year ended 30 June 2025

PRINCIPLE 4 – REPORTING & DISCLOSURE (CONTINUED)

CONTINUOUS DISCLOSURE (CONTINUED)

It is the responsibility of the Board to monitor compliance with the Continuous Disclosure Policy. The Board considers at each board meeting whether any information discussed at the meeting requires disclosure. The Policy is reviewed at least annually and was last reviewed in August 2025. A copy of the Policy is available on the Group's website.

CHARTERS AND POLICIES

The key corporate governance documents referred to in this Statement are available on the Group's website.

FINANCIAL REPORTING

FWL is committed to ensuring integrity and timeliness in its financial reporting and in providing information to the market and shareholders which reflects a considered view on its present and future prospects.

The Audit and Risk Committee oversees the quality and integrity of external financial reporting including the accuracy, completeness and timeliness of financial statements, and ensuring the financial reporting is balanced, clear and objective. It reviews annual and half year financial statements and makes recommendations to the Board concerning the application of accounting policies and practices, areas of judgement, compliance with accounting standards, NZX and legal requirements, and the results of the external audit.

NON-FINANCIAL REPORTING

The Group assesses its exposure to environmental, economic and social sustainability as part of the overall framework for managing risk (see Principle 6 – Risk Management). The Group is committed to improving standards of environmental performance to enable a more efficient and sustainable future. Accordingly, the Group follows longstanding practices around management of environmental factors affecting the business, including strategies relating to water conservation, viticulture management, sustainable wine growing practices and wetland preservation initiatives. Reporting on these matters are included in the Director and CEO Report.

PRINCIPLE 5 – REMUNERATION

"The remuneration of directors and executives should be transparent, fair and reasonable."

REMUNERATION – NON-EXECUTIVE DIRECTORS

Remuneration levels are set at competitive levels to attract and retain appropriately qualified and experienced Directors taking in to account the responsibilities and time commitments provided by those Directors to the Company in discharging their duties.

Directors' fees are recommended to and confirmed by Shareholders' ordinary resolution at an Annual Meeting. In accordance with the Listing Rules the Shareholders approve the total aggregate amount of fees payable to all Directors as Directors' fees, with the fee allocation to be determined by Directors. Currently the maximum aggregate amount of fees payable to Directors is $240,000 per annum.

The Company's policy is to pay all of its Directors in cash. The Directors fees paid during the year are shown in Section 3 of the Statutory Information section of this Annual Report.

Corporate Governance Statement (continued)

For the year ended 30 June 2025

PRINCIPLE 5 – REMUNERATION (Continued)

REMUNERATION – NON-EXECUTIVE DIRECTORS (CONTINUED)

The Board reviews annually and recommends to Shareholders any increase in Directors' fees. The criteria for reviewing Non-Executive Director remuneration includes obtaining advice from independent external consultants, where appropriate, information on Board arrangements for other corporations of similar size and complexity, and the review of current and expected workloads of non-executive Directors. The Board will continue to review its remuneration strategies in relation to non-executive Directors from time to time, in line with general industry practice.

REMUNERATION POLICY

The purpose of the Remuneration Policy is to outline the principles and approach to remuneration for all employees and Directors of FWL and to ensure the principles are fair, reasonable and aligned to FWL's strategic goals.

The Group is committed to applying fair and equitable remuneration and reward practices in the workplace, taking into account internal and external relativity, the commercial environment, the ability to achieve the Group's business objectives and the creation of Shareholder value. Under the Group's remuneration practices, job size relative to the relevant competitive market for talent, as well as individual performance against defined key performance objectives, are key considerations in all remuneration-based decisions.

REMUNERATION – CEO (EXECUTIVE DIRECTOR) AND SENIOR EXECUTIVES

The criteria for reviewing the remuneration for senior executives includes, as appropriate, advice obtained from external consultants, participation in independent surveys, specific market comparison of individual roles, and level of achievement against business and personal objectives.

The total remuneration paid to the CEO/Executive Director for the year ended 30 June 2025 is disclosed in Section 3 of the Statutory Information section of this Annual Report. The remuneration of the CEO comprises both a formal fixed and variable performance component. Fixed remuneration includes a base salary, car allowance, car parking and a wine allowance. CEO Mark Turnbull's annual base salary for the year ended 30 June 2025 was $625,000 (2024: $625,000). A formal short-term incentive (STI) scheme was implemented from the year ended 30 June 2021 with a target value of 50% of base salary based on the achievement of predetermined operational profitability targets (EBIT) and other performance objectives aligned with assessing progress on executing the long-term strategy of the company. The target value for the current year was $312,500 (2024: $312,500). A maximum amount of $468,750 is payable for outstanding performance. The Board determines the operating EBIT gateway, objectives, weighting, value, threshold and outperformance criteria each year. Board discretion on the impact of outside influences applies. During the year the Board approved a STI payment of $Nil (2024: $Nil). There was no long-term incentive scheme in place during the current or prior year. Mark Turnbull was paid termination benefits of $1,800,000 during the year. Interim CEO Mike Higgins is employed as a contractor from Foley Hospitality Limited on an annual fee of $210,000, being 50% of his base salary ($400,000) and car allowance ($20,000). The Interim CEO is eligible for the short-term incentive scheme.

PRINCIPLE 6 – RISK MANAGEMENT

"Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks."

Risk management is an acknowledged important factor in corporate governance. The Board is responsible for the Group's risk assessment, management and internal control and considers it has carried out a robust risk assessment process. The Board reviews the risk management framework annually. The Board has identified a number of risks in the Company's operations that are commonly faced by other entities in the wine industry. The Board and management of the Company believe they have taken all reasonable steps to manage and mitigate those risks.

Corporate Governance Statement (continued)

For the year ended 30 June 2025

PRINCIPLE 6 – RISK MANAGEMENT (Continued)

In viticulture the issues of weather, disease and pest control are an ongoing management activity. Viticultural techniques are in place and in practice which the Board and Management considers effectively mitigate this risk.

Brand reputation and brand security is an identified risk that is the subject of ongoing surveillance, and techniques and practices are in place which the Board and Management considers effectively mitigate this risk.

Supply Chain risk is monitored, and the Group has identified a range of suppliers operating in different jurisdictions to mitigate the risk of the loss of a single supplier.

Grape supply - The quality and quantity of the grape harvest is dependent on seasonal climatic factors such as frosts, rainfall, sunshine and temperature. Harsh adverse climatic conditions could affect the quality of grapes and hence marketable quality of and prices received for the Company's finished wines. To mitigate this risk the Group has diversified and is further diversifying its grape supplies and vineyards throughout various regions across New Zealand. The Group sources grapes from owned or leased vineyards as well as from contract growers.

Resource and Water Supply and Waste Disposal Consents – the Group can only operate with approved resource consents. These have been obtained and are maintained for all of the Group's winery sites. The Group ensures it holds water rights for all foreseeable demands for the wineries and its owned and leased vineyards.

Technology risk, particularly in relation to hacking or illegal access and cyber-attacks, is an identified risk that is the subject of ongoing surveillance, and techniques and practices are in place which the Board and Management considers effectively mitigate this risk.

The senior management team regularly complete a risk assessment affecting the business and maintain a risk matrix which is used to monitor and mitigate these risks. A risk matrix measures the impact of the risk and likelihood of occurrence and outlines the practices and processes in place to address the identified risk. This is provided to the Audit and Risk Committee and Board annually. The Group maintains insurance policies that it considers adequate to meet insurable risks taking into consideration the size and nature of the Company's business and risk profile.

HEALTH AND SAFETY

The Board has responsibility for ensuring the Company maintains a health and safety management system that meets best practice standards to protect the health and safety of its employees and contractors engaged by the Company. The Board maintains a Health and Safety Policy, reviewed annually, to underpin the Company's commitment to providing a safe working environment for its employees and contractors. The Board receives a monthly Workplace Health and Safety Report from the Company's Health and Safety Manager. The Health and Safety Policy was last reviewed in August 2025.

PRINCIPLE 7 – AUDITORS

"The board should ensure the quality and independence of the external audit process."

EXTERNAL AUDITOR

The Audit and Risk Committee makes recommendations to the Board on the appointment and removal of the external auditor. The Audit and Risk Committee ensures that the Key Audit Partner is changed at least every five years. The current Deloitte Limited Lead Audit Partner Bryce Henderson was appointed from the 2025 Audit.

The Audit and Risk Committee is responsible to ensure the External Auditor's independence is maintained so that financial reporting is reliable and credible. The Audit and Risk Committee monitors the nature and extent of other services provided by the external auditor, and the ratio of audit fees to non-audit fees, to ensure that those services are complementary to the external audit and compatible with maintaining external audit independence.

Corporate Governance Statement (continued)

For the year ended 30 June 2025

PRINCIPLE 7 – AUDITORS (CONTINUED)

EXTERNAL AUDITOR (CONTINUED)

The External Auditor is responsible for assessing underlying control systems to provide recommendations to the Board so they can produce accurate and consistent reports on which Shareholders may rely and, to assist meeting this responsibility, the External Auditor shall have full access to all board papers and minutes and all financial and related records. The Audit and Risk Committee routinely has time with the External Auditor without management present.

It is paramount the independence of The External Auditor is maintained for Shareholders' benefit. The Company invites the External Auditor to attend the Annual Meeting of Shareholders and they are available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report..

INTERNAL AUDIT

The underlying internal control and accounting and operational systems determine the accuracy of the financial statements and results presented to the Board. The Group does not have an internal audit function. Procedures have been established at the Board and executive management levels that are designed to safeguard the assets and interests of the Company and ensure the integrity of reporting. The Board acknowledges that it is responsible for the overall internal control framework but recognises that no cost-effective internal control system will preclude all errors and irregularities. The Board has undertaken a risk review and considers that the Group have a sound system of internal control which is operating effectively in all material respects in relation to financial reporting risk.

PRINCIPLE 8 – SHAREHOLDER RIGHTS & RELATIONS

"The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."

INFORMATION FOR AND COMMUNICATION WITH SHAREHOLDERS

The Group is committed to communicating regularly with Shareholders in an open and transparent way. The Board aims to ensure that all Shareholders are provided with all information necessary to assess the Group's direction and performance.

To facilitate this general information flow, the Company maintains a comprehensive website including an investor section (www.foleywines.co.nz). This contains the constitution, annual and half-yearly reports and financial statements, corporate governance policies and documents, releases to the NZX or media and any presentations to third parties. Contact details are provided on the website to allow shareholders to contact the Company. Shareholders are actively encouraged to received communications from FWL and its Share Registrar electronically.

SHAREHOLDER RIGHTS

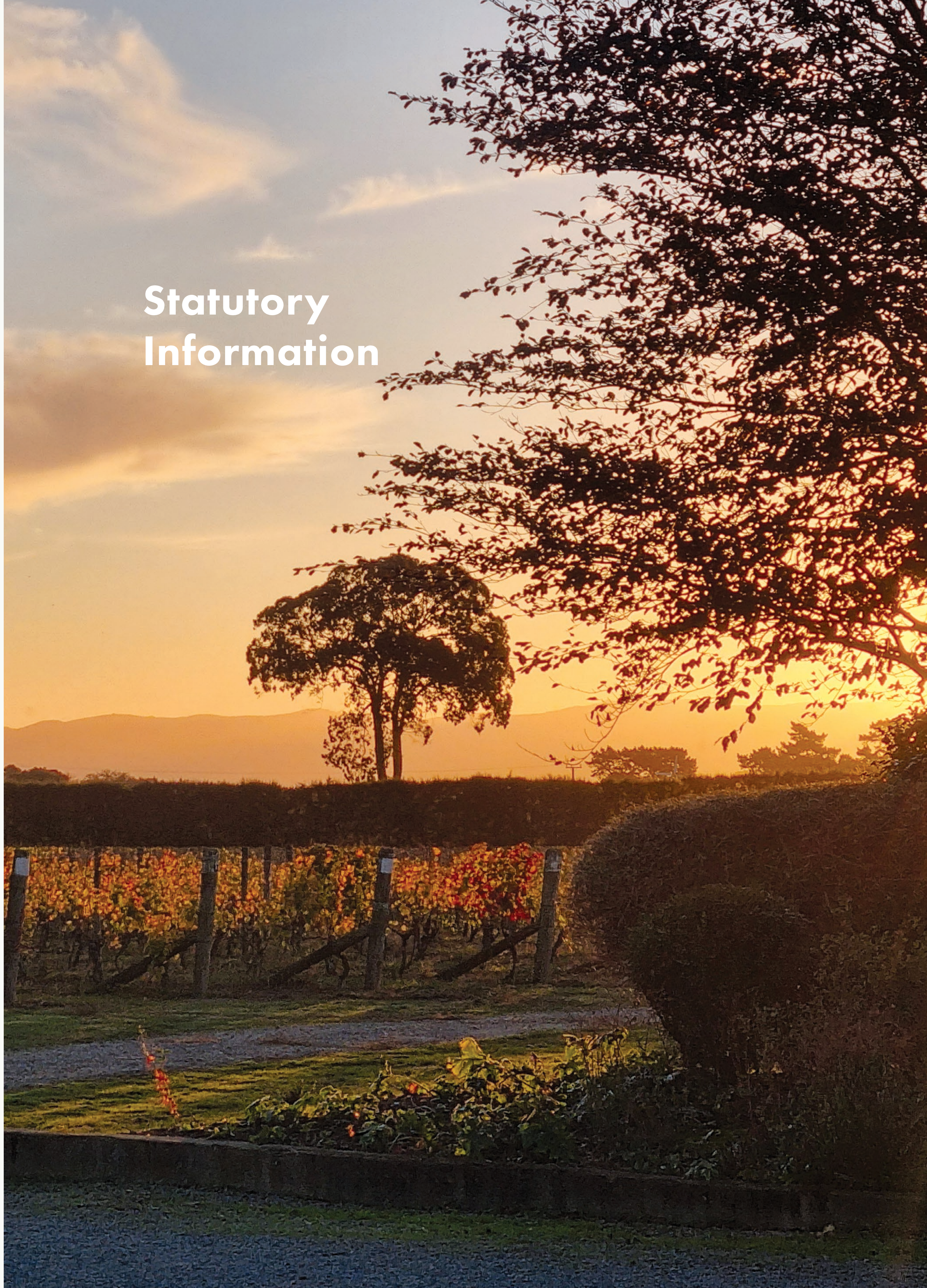
In accordance with the Companies Act 1993, FWL's Constitution, and the NZX Listing Rules, the Group refers any major decisions which may change the nature of FWL to Shareholders for approval at a Shareholders' meeting.

Resolutions for which requisite Notice are given are voted upon by way of a poll and on the basis of one share, one vote. There are no priority or special voting shares.

When the Group is seeking additional equity capital it will offer further equity securities to existing shareholders of the same class on a pro-rata basis, and on no less favourable terms, before further equity securities are offered to other investors.

NOTICE OF ANNUAL SHAREHOLDERS MEETING

The Group posts any Notices of Shareholder Meetings on its website as soon as these are available. The general practice is to make these available not less than four weeks prior to the Shareholders' meeting.



Statutory Information

Statutory Information

For the year ended 30 June 2025

1. DIRECTOR PROFILES

PAUL BROCK – *INDEPENDENT CHAIRMAN – NON-EXECUTIVE INDEPENDENT DIRECTOR*

Paul Brock was appointed to the Board with effect from 1 November 2018 and was appointed Deputy Chairman from that date. Paul was appointed Chairman of the Board on 1 April 2023 following the resignation of William P Foley II as Chairman of the Board on 31 March 2023.

Paul Brock was the Kiwibank Group Chief Executive from 2010-2017. He was Co-Founder of the bank which was launched in 2002. As Group Chief Executive Paul led the Kiwibank Group through a period of rapid growth and diversification into business banking, wealth management, insurance and asset finance. The bank is now a major player in the New Zealand market with one in four New Zealanders holding an account with Kiwibank.

Paul has a strong background in governance, management, growth business development, brand development and marketing. An extensive background in the financial services industry has also included senior management positions with Westpac and Trust Bank. Paul has been Chairman of Gareth Morgan Investments Ltd and Kiwibank Investment Management Ltd and the Massey University Business School Advisory Board. He has also been a Director of Kiwi Insurance Ltd, New Zealand Home Loans Ltd, Kiwibank Custodial Services Ltd, AMP Home Loans Ltd, Kiwi Capital Securities Ltd, Kiwi Capital Funding Ltd Kiwi Wealth Management Ltd and Cigna Life Insurance New Zealand Ltd.

Paul is currently Chair of Tourism New Zealand, Chair of Chubb Life Insurance New Zealand, a Director of Southern Sky Dairies Ltd and a Council Member of Massey University.

Paul holds a Bachelors degree in Business Studies from Massey University.

Paul has advised that he is also a Director of the following entities: StratX Limited, Tussock Creek Dairies Limited, Riversdale Dairies Limited, North South Farms Limited, Owaka Dairies Limited, Five Rivers Dairies Limited, Mount Bee Dairies Limited, Ten K Dairies Limited, and Two Rivers Dairies Limited, Southern Sky Kiwi Limited.

The Board have determined that Paul Brock is an Independent Director in accordance with the NZX Listing Rules.

ANTHONY ANSELMI O.B.E. – *NON-EXECUTIVE INDEPENDENT DIRECTOR*

Anthony Anselmi (Tony) was appointed to the Board in September 2012 and is a member of the Audit and Risk Committee. Tony's business career began in footwear retail in his late teens, and today the family-owned business owns and operates retail stores throughout New Zealand and in the State of Victoria, Australia. Tony developed a manufacturing plant in TeKuiti which supplied footwear to retailer throughout New Zealand. The land containing the factory buildings is now being redeveloped by Tony, into a new housing precinct. Tony has had considerable experience in farmland development and dry stock and dairy farming. Tony was a director of the State-Owned Enterprise Forestry Corporation until it was sold by the Government and Inframax a Local Authority Trading Enterprise. He was for a period Chairman of the New Zealand Footwear Manufacturers Federation and the King Country Regional Development Council.

Tony has invested with Bill Foley in Foley Holdings New Zealand since 2009.

Tony has advised that he is also a Director of the following entities: Fabia Overland Holdings Company Limited, Fabia Products Limited, New Zealand Abalone Limited, and William & Monica Anselmi Memorial Family Trust Company Limited.

The Board have determined that Tony Anselmi is an Independent Director in accordance with the NZX Listing Rules. The Board carefully considered the effect of Tony having served on the Board for 12 years and determined that he is sufficiently independent from management particularly considering the recent change in CEO.

Statutory Information (continued)

For the year ended 30 June 2025

1. DIRECTOR PROFILES (CONTINUED)

GRANT GRAHAM – *NON-EXECUTIVE INDEPENDENT DIRECTOR*

Grant Graham was appointed to the Board with effect from 1 February 2019 and as Chair of the Board Audit and Risk Committee. Grant is Chair of advisory and investment firm Calibre Partners with a strong background in corporate finance and advisory in valuation and restructuring.

Grant has a Bachelor of Commerce and is a Chartered Accountant with Chartered Accountants Australia New Zealand (CAANZ) holding a Certificate of Public Practice and CAANZ Licensed Insolvency Practitioner status. Grant is a member of the Institute of Directors in New Zealand.

Grant has advised that his other current roles include Sleepyhead Group (Director), Phoenix Metal Recyclers (Chair), Phoenix Metal Recyclers Holdco Limited (Director), Blues Limited Partnership (Director), Blues Management Limited (Director), Better Blues Company Limited (Director), Old Pueblo Limited (Director), Old Buena Limited (Director), Halberg Trust Foundation (Trustee) and Anglican Trust Board (Chair).

The Board have determined that Grant Graham is an Independent Director in accordance with the NZX Listing Rules.

WILLIAM P FOLEY II – *NON-EXECUTIVE DIRECTOR*

William P Foley II (Bill) was appointed to the Board in September 2012 and served as Chairman of the Company until he resigned on 31 March 2023. Bill was re-appointed to the Board as a Non-Executive Director on 24 January 2025 following the resignation from the Board of his son Robert P Foley II.

Mr. Foley has served as the Executive Chairman of Fidelity National Financial, Inc. (NYSE: FNF) since October 2006 and, prior to that, as Chairman of the Board of FNF since 1984. Mr. Foley also served as Chief Executive Officer of FNF from 1984 until May 2007 and as President of FNF from 1984 until December 1994. Mr. Foley serves as a Senior Managing Director of Trasimene Capital. Mr. Foley also served as the Chairman of Foley Trasimene I from May 2020 until April 2021 and was previously Executive Chairman of Foley Trasimene I from March 2020 until May 2020. Following the merger of Foley Trasimene I with Alight Solutions, Inc. (NYSE: ALIT) in July 2021, Bill joined the Alight Board of Directors as the Chairman. Mr. Foley also served as the Chairman of Foley Trasimene II from July 2020 and served on the board of directors of Paysafe Limited (NYSE: PSFE) until March 1, 2022. Bill served as a Director of Austerlitz I from December 2020 until April 2021, Austerlitz II from January 2021 until April 2021 and served as a Director of Trebia from February 2020 until April 2021. Following the merger of Trebia with System1, Inc. (NYSE: SST) in January 2022 Bill joined the combined board. He has served on the board of Jena Acquisition Corp and Friedland Acquisition Corp since June 2021. Mr. Foley served as the Chairman of Cannae Holdings (NYSE: CNNE) since July 2017 and CEO until May 2025 when he assumed the role of Vice Chairman. Mr. Foley also serves as the Chairman of Dun & Bradstreet (NYSE: DNB), which is a Cannae Holdings portfolio company. Mr. Foley also serves as the Chairman of Jena Acquisition Corporation II (NYSE: JENA) since March 2025. Within the past five-years, Mr. Foley served as the co-Executive Chairman of FGL Holdings from April 2016 to June 2020, and as a director of Ceridian from September 2013 to August 2019. Mr. Foley also serves on the board of directors of the Foley Family Charitable Foundation and the Folded Flag Charitable Foundation.

Some additional positions Mr. Foley holds include Chairman of Glacier Restaurant Group, LLC, the largest restaurant business headquartered in Montana, Chairman of the Foley Entertainment Group, which was formed in 2021 and features a variety of properties including the NHL's Vegas Golden Knights, the AHL's Henderson Silver Knights, the IFL's Vegas Knight Hawks, Lee's Family Forum, 27 North, Hotel Californian, Black Walnut Inn & Vineyard, Farmhouse Inn, MacArthur Place and Whitefish Mountain Resort, Developer of the Rock Creek Cattle Company, a 30,000-acre working Montana ranch, featuring diverse homesteads, a well-appointed lodge for recreation and dining, and an exceptional golf course designed by Tom Doak that has been named among America's top 100 golf courses by Golf Digest.

Statutory Information (continued)

For the year ended 30 June 2025

1. DIRECTOR PROFILES (CONTINUED)

WILLIAM P FOLEY II – *NON-EXECUTIVE DIRECTOR (CONTINUED)*

Mr. Foley also is Chairman and CEO of Foley Family Wines Holdings, Inc., which is the holding company of numerous vineyards and wineries located in the U.S. and in New Zealand. Mr Foley, also is the Executive Chairman and Chief Executive Officer of Black Knight Sports and Entertainment LLC, which is the private company that owns the Vegas Golden Knights, a National Hockey League.

Mr. Foley's qualifications to serve on the Board include his 30 plus years as a director and executive officer of FNF, his experience as a board member and executive officer of public and private companies in a wide variety of industries, and his strong track record of building and maintaining shareholder value and successfully negotiating and implementing mergers and acquisitions.

The Board have determined that William P Foley II is not an Independent Director in accordance with NZX Main Board Listing Rule 2.6.1 due to him being a substantial product holder.

ROBERT P FOLEY II – *NON-EXECUTIVE DIRECTOR*

Robert P Foley II (Rob) was appointed to the Board on 1 April 2023 following the retirement from the Board of his father William P Foley II and resigned on 24 January 2025. Robert Foley is currently the CEO for the Henderson Silver Knights ice hockey club as well as President of Foley Family Farms which currently farms 5,000 acres of vineyards across California and Oregon. Robert's professional career began in 2010 at Chalk Hill Winery in Sonoma California in the hospitality department and cellar door. In 2014 he transitioned to a regional beverage distributor, Epic Wines and Spirits, as a brand manager before moving to Las Vegas Nevada in 2016 to join the hockey operations department with the NHL expansion franchise Vegas Golden Knights. Robert works closely with the management team of Wharekauhau Country Estate located near Palliser Bay NZ.

Robert has a Bachelor of Business Administration degree from Chapman University.

Robert has advised that he is also a director of Black Knight Football Club GP Ltd and Winter Sports Incorporated and Chair of Henderson Silver Knights Foundation and Jr. Golden Knights Foundation.

The Board have determined that Robert Foley was not an Independent Director in accordance with NZX Main Board Listing Rule 2.6.1 due to him being the son of William P Foley II and Carol J Foley, substantial product holders.

ANTONY MARK TURNBULL – *CEO (EXECUTIVE DIRECTOR)*

Antony Mark Turnbull (Mark) was appointed Chief Executive Officer and Director of the Company in September 2012 and stepped down as a Director on 17 February 2025 and as CEO on 30 April 2025. Mark's career started as an accountant with Ernst and Young, then for the next 18 years was Managing Partner of the brand consultancy Designworks. Mark was Chairman of the New Zealand Wine Fund when it was acquired by Foley Family Wines in 2009. In 2011 Mark had a sabbatical year and attended London Business School where he completed a Masters of Science in Leadership and Strategy with Distinction. Mark is a Chartered Accountant with Chartered Accountants Australia and New Zealand.

Statutory Information (continued)

For the year ended 30 June 2025

2. INTEREST REGISTERS

The following entries were recorded in the Directors' interest register of the Company during the year:

SHARE DEALINGS IN THE SHARES OF FOLEY WINES LIMITED

There were no share transactions during the year (2024: Nil).

SHARE DEALINGS IN THE SHARES OF FOLEY WINES LIMITED SUBSIDIARY COMPANIES

There were no share transactions during the year (2024: Nil).

	2025 $'000	2024 $'000
TRANSACTIONS		
Certain Directors have interests in contracts with Foley Wines Limited.		
AM Turnbull (Lighthouse Distillery Ltd – purchase of Spirits for bottling and sale)	60	98
AM Turnbull (Lighthouse Distillery Ltd – sales commission – direct spirit sales)	229	186
AM Turnbull (Lighthouse Distillery Ltd – charges from FWL for labour, rent, equipment hire, electricity and administration)	99	113
PR Brock (Lighthouse Distillery Ltd – purchase of Spirits for bottling and sale)	31	–
PR Brock (Lighthouse Distillery Ltd – sales commission – direct spirit sales)	111	–
PR Brock (Lighthouse Distillery Ltd – charges from FWL for labour, rent, equipment hire, electricity and administration)	70	–

LOANS TO DIRECTORS

No loans to directors were authorised during the year.

INDEMNITY AND INSURANCE

The Directors' and Officers' liability insurance is held to cover risks normally covered by such policies arising out of acts or omissions of directors and employees in their capacity as such except for specific matters which are expressly excluded.

3. DIRECTORS REMUNERATION AND MEETING ATTENDANCE REGISTER

Directors of the Company during the year and remuneration and other benefits paid to directors by the Company were as follows:

	2025 $'000	2024 $'000
DIRECTORS' FEES		
PR Brock	80	80
AJ Anselmi	50	50
GR Graham	60	60
RP Foley II	28	50
WP Foley II	22	–

Statutory Information (continued)

For the year ended 30 June 2025

3. DIRECTORS REMUNERATION AND MEETING ATTENDANCE REGISTER (CONTINUED)

REMUNERATION AND OTHER BENEFITS

AM Turnbull was a Director and the Chief Executive Officer during the year, until he stepped down on 30 April 2025, and as such did not receive Director's Fees. Remuneration and other benefits paid to Executive Directors during the year was $2,385,000 (2024: $669,000). The remuneration for the current year included a base salary of $625,000 (2024: $625,000) and termination benefits of $1,800,000. There was no bonus approved by the Board under the short-term incentive scheme in the current or prior year. There was no long-term incentive scheme in place during the year.

MEETING ATTENDANCE REGISTER

The attendance of Directors of the Company at Board meetings and Board Audit and Risk Committee meetings were as follows:

	2025 Board	2025 Audit & Risk Committee	2024 Board	2024 Audit & Risk Committee
PR Brock	8 / 8	3 / 4	6 / 6	2 / 2
AJ Anselmi	8 / 8	4 / 4	6 / 6	2 / 2
GR Graham	8 / 8	4 / 4	6 / 6	2 / 2
AM Turnbull	6 / 6	3 / 3	6 / 6	2 / 2
RP Foley II	4 / 5	N/A	6 / 6	N/A
WP Foley II	3 / 3	N/A	N/A	N/A

4. EMPLOYEES' REMUNERATION

Section 211(1)(g) of the Companies Act 1993 required disclosure of remuneration and other benefits, including redundancy and other payments made on termination of employment, in excess of $100,000 per year, paid by the Company or any of its subsidiaries worldwide to any employees who are not Directors of the Company:

	Number of Employees
$100,000–$109,999	1
$120,000–$129,999	3
$130,000–$139,999	3
$140,000–$149,999	1
$150,000–$159,999	1
$160,000–$169,999	1
$180,000–$189,999	1
$210,000–$219,999	1
$220,000–$229,999	1
$230,000–$239,999	1
$290,000–$299,999	1
$300,000-$309,999	1

Statutory Information (continued)

For the year ended 30 June 2025

5. DONATIONS

Foley Wines Limited made no cash donations during the year (2024: $Nil).

6. SHAREHOLDER BREAKDOWN

Shareholding as at 30 June 2025	Number of shareholders	Total shares held	% of share Committee
1-1,000	578	198,840	0.30%
1,001-5,000	292	820,783	1.25%
5,001-10,000	124	945,040	1.44%
10,001-50,000	122	2,625,502	3.99%
50,001-100,000	22	1,569,822	2.39%
100,000+	22	59,576,161	90.63%
	1,160	65,736,148	100.00%

7. DIRECTORS' SHAREHOLDING

As at 30 June 2025 Directors held the following direct interests in the Company.

WP Foley – Individually and with CJ Foley held a direct interest in Foley Wines Limited (FWL) of 63.2% through his, and his Trust's, shareholding in a number of US entities including the owners of FFW Opco, LLC, the majority shareholder of Foley Holdings New Zealand Limited (FHNZL) which is the New Zealand based parent company and majority shareholder of FWL, through his shareholding in FHNZL and through the ownership of 8,981,487 ordinary FWL shares (2024: 63.2%). This interest was 66.5% including the shares to be issued under the Convertible Note (note 14) (2024: 66.4%).

AJ Anselmi – held a direct interest in FWL of 1.7% through his shareholding in FHNZL (2024: 1.7%). This interest was 1.8% including the shares to be issued under the Convertible Note (note 14) (2024: 1.8%).

AM Turnbull – held a direct interest in FWL of 1.2% (2024: 1.2%) through his shareholding in FHNZL (1.15%; 2024: 1.15%) and through the ownership of 60,347 ordinary FWL shares (0.09%; 2024: 0.09%). This interest was 1.3% including the shares to be issued under the Convertible Note (note 14) (2024: 1.3%).

Statutory Information (continued)

For the year ended 30 June 2025

8. 20 LARGEST REGISTERED HOLDERS

Ordinary shares held at 30 June 2025:	Ordinary shares held	% of share capital
Foley Holdings New Zealand Limited *	34,708,796	52.80%
WP Foley II & CJ Foley *	8,981,487	13.66%
National Nominees New Zealand Limited on behalf of Milford Asset Management Limited *	3,792,553	5.77%
Accident Compensation Corporation	2,466,123	3.75%
Lion NZ Limited	2,027,027	3.08%
New Zealand Permanent Trustees Limited - NZCSD	958,000	1.46%
Alfa Lea Horticulture Limited	903,330	1.37%
Sky Hill Limited	901,812	1.37%
JP Morgan Chase Bank NA NZ Branch – Segregated Clients Acct - NZCSD	773,095	1.18%
NZ Depository Nominee Limited	592,069	0.90%
Custodial Services Limited	503,972	0.77%
Public Trust RIF Nominees Limited - NZCSD	332,727	0.51%
JD Croft	322,388	0.49%
Hannah Laurenson	272,507	0.41%
Kynance Holdings Limited	215,924	0.33%
MG Fairhall	208,292	0.32%
FNZ Custodians Limited	206,204	0.31%
CM & BW Doig	198,794	0.30%
Bnp Paribas Nominees NZ Limited	193,100	0.29%
Orchard Investments P/S Account	160,000	0.24%
Sub-total	58,719,200	89.33%
Others (1,140 Shareholders)	7,016,948	10.67%
TOTAL	65,736,148	100.00%

* These shareholders are **substantial product holders** as defined in Section 274 of Sub-part 5 of Part 5 of the Financial Markets Conduct Act 2013 as they have a **substantial holding** in the Company.

9. NZX WAIVERS

No waivers were granted in the current or prior year.

10. SHAREHOLDER INFORMATION

August 2025	Annual Report Published
November 2025	Annual Shareholders Meeting

Company Directory

For the year ended 30 June 2025

DIRECTORS:
PR Brock (Chairman)
AJ Anselmi
GR Graham
RP Foley, II (until 23 January 2025)
WP Foley, II (appointed 24 January 2025)
AM Turnbull (CEO) (Director until 17 February 2025)

HEAD OFFICE ADDRESS:
13 Waihopai Valley Road
RD6, Blenheim, 7276, Marlborough, New Zealand
Telephone +64 3 572 8200
Facsimile +64 3 572 8211

POSTAL ADDRESS: PO Box 67, Renwick 7243, Marlborough, New Zealand

EMAIL: info@foleywines.co.nz

WEBSITES:
www.foleywines.co.nz
www.grovemill.co.nz
www.vavasour.com
www.tekairanga.com
www.martinborough-vineyard.co.nz
www.mtdifficulty.nz
www.lighthousegin.co.nz

NATURE OF BUSINESS: Production and distribution of wine

AUDITORS: Deloitte Limited, Auckland

SOLICITORS:
Bell Gully, Auckland
Jennifer Mills & Associates, Auckland

BANKERS: Bank of New Zealand, Auckland

REGISTRATION NO. 307139

REGISTERED OFFICE: 13 Waihopai Valley Road, RD6 Blenheim 7276, Marlborough, New Zealand

SHARE REGISTRAR:
MUFG Corporate Markets
A division of MUFG Pension & Market Services
Level 30, PwC Tower, 15 Customs Street West, Auckland 1010
PO Box 91976, Auckland 1142
Telephone +64 9 375 5998
Email: enquiries.nz@cm.mpms.mufg.com
(please quote CSN or shareholder number)
Website for shareholders to change address or payment instructions or view investment portfolio: https://nz.investorcentre.mpms.mufg.com

SHARE TRADING:
NZX – NZSX Market
Security Code “FWL”

Investors who wish to access the Foley VIP Cellars online store, please email info@foleywines.co.nz


FOLEY
WINES
made by land & hand
Investors who wish to join the
Foley VIP Cellars, please email
info@foleywines.co.nz
mt. difficulty
BANNOCKBURN
PINOT NOIR
2023