Terra Vitae Vineyards Limited



Taylors Pass Vineyard Water Storage Dam
Ready for El Nino

Annual Report

For the year ended 30 June 2026

Terra Vitae Vineyards Limited

Annual Report

For the year ended 30 June 2026

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2026 Terra Vitae Vineyards Annual Report

Chair's report

Overview

2026 has been one of the most challenging years the New Zealand wine industry has experienced, and this shows in the financial results for Terra Vitae Vineyards Limited (TVV). With the New Zealand industry seeing the lowest real grape prices on record [1,2], Terra Vitae has recorded a Net Loss before Tax of $4.60m, the lowest result for the company since 2011.

The over-supply from recent vintages caught up on the industry. 2026 grape prices were ~18% lower in real terms than the low point of the post GFC downturn in 2011[1, 2], while costs continued their relentless march upwards. This combination hit TVV and the wider vineyard sector hard.

Our 2026 average yield of 12.9 tonnes/ha was just below our five-year average. However, with 58 hectares of Marlborough and 6 hectares of Hawke's Bay vineyards out of production awaiting re-planting, we are not fully utilising our vineyard potential. The Board has secured funding for and approved 25 hectares of re-planting in 2027.

In addition to the trading loss, the value of our vineyards was reduced by 23% compared to last year and by 33% since the most recent peak in FY23 reflecting industry-wide valuation trends. The valuation decline is a paper loss only, but no shareholder enjoys seeing the value of their assets fall in this way.

Like most vineyards, TVV is an agricultural business supplying into a cyclical and volatile industry where price is determined by supply and demand trends locally and globally. As a grape producer TVV is a price taker and the principal levers of control we have are our production efficiency and the quality and productivity of our vineyards. There are opportunities for ongoing improvement in both of these drivers of our financial performance.

Despite the challenging times, there are reasons for optimism in the New Zealand wine industry. The 2026 national vintage of 440,000 tonnes [3] was 1% below the ten-year average, 15% down on 2025 and a significant step in normalising wine company inventory. Demand for New Zealand wine remains robust, and France, the world's largest producer of Sauvignon Blanc is reporting its lowest harvest in 30 years.



Keltern Chardonnay, Hawkes Bay, October 2026

Summary of key production metrics

	FY 26	FY25	FY24	FY23	FY22
Total grapes harvested (t)	4,311	5,362	4,044	5,226	5,633
Area harvested (ha)	335	327	399	409	405
Yield (t/ha)	12.9	16.4	10.1	12.8	13.9
Average grape price ($/t)	1,452	1,795	2,079	2,374	2,257

Summary of key financial metrics

	FY 26	FY25	FY24	FY23	FY22
Financial Performance ($)					
Grape sales ($)	6,153,657	9,626,615	8,407,593	12,409,133	12,713,988
Production costs	(4,960,594)	(5,843,607)	(5,749,172)	(5,277,477)	(4,676,450)
Admin/Other costs	(736,770)	(802,006)	(706,754)	(721,934)	(659,324)
EBITDA	491,654	2,326,706	1,638,028	6,193,183	7,957,243
Depreciation	(3,564,240)	(3,719,825)	(3,007,735)	(2,277,833)	(2,655,865)
Finance Costs	(1,526,722)	(1,526,014)	(1,405,858)	(1,423,191)	(1,292,117)
NPBT	(4,599,308)	(2,919,133)	(2,775,565)	2,492,159	4,009,261
Income Tax	1,225,964	758,091	777,571	(698,622)	(1,134,256)
NPAT before revaluations	(3,373,344)	(2,161,042)	(1,997,994)	1,793,537	2,903,519
Earnings per share	(0.08)	(0.05)	(0.05)	0.04	0.07
Balance Sheet ($)					
Property, Equipment	56,964,428	73,863,784	80,043,423	84,972,424	83,677,763
Total assets	64,515,304	86,237,052	92,083,802	100,819,969	99,132,995
Interest bearing debt	23,110,648	24,362,673	22,978,204	24,411,656	24,485,021
Total liabilities	29,257,887	33,031,591	31,708,056	34,191,784	35,553,178
Shareholder equity	35,257,417	53,205,461	60,375,746	66,628,185	63,579,817

Dividend

No dividend is proposed for FY26. Future dividends will depend on the Company's profitability, cash requirements, financing position and the Board being satisfied that the applicable solvency requirements are met.

People

Aside from the directors, TVV has no direct employees. Vineyard management is outsourced to the Indevin viticulture team, led by Sarah Phillips with Ian Buck (Marlborough) and Cameron Price (Hawke's Bay) leading their respective on-farm teams very capably. We are appreciative of their expertise and dedication in managing the vineyards and to all Indevin employees and contractors who work on our vineyards and deliver a high-quality product during difficult times.

The financial management and company secretary role at TVV lays with Alan O'Sullivan and Lynda Baucutt from BC Limited, who have served TVV with distinction for many years and continue to be an integral part of the company.

Mark Allen and Lisa Alexander are my colleagues as directors, and I'd like to acknowledge and thank them for their expertise and guidance as we navigate the current challenges for the company and industry. The directors together with Alan have very complementary skill sets encompassing viticulture, commercial, financial, legal and company leadership and governance experience. While the current Board size is set at 3, this may be increased if the Board decide additional capabilities are required.

While Indevin are the employers of all staff and contractors who work on TVV Vineyards, TVV as vineyard owner also has responsibilities and obligations relating to employee safety under the Health and Safety at Work legislation. The TVV Board has reviewed and endorsed the Indevin health and safety system and receive regular health and safety reporting. TVV directors visit each of our vineyards and hold discussions with employees at least annually, and work closely with Indevin on all matters relating to employee safety and wellbeing.



Marlborough board visit, Seddon Vineyard, February 2026

2026 Harvest

As reported in May, the 2026 harvest of 4,311 tonnes from across our Hawke's Bay and Marlborough vineyards was marginally below the long-term average yield. Cool December weather during fruit set produced high variation in berry size, making yield prediction difficult. The quality of fruit was excellent, disease free and within target brix levels. Terra Vitae's harvest is completed with the company's own harvesting equipment, two new Gregoire harvesters acquired in 2025.

With red wine supply and demand particularly out of balance, TVV did not sell any Pinot Noir, Syrah or Merlot grapes this year, but sold all grapes harvested from our white varieties with the exception of Marlborough Chardonnay.

Vineyard efficiencies

The most significant increase in vineyard operational costs over the last five years is the cost of contract labour that is required for winter pruning and summer canopy management totaling $6,000/ha.

Significant areas of the Sauvignon Blanc along with new plantings have been changed to a different pruning technique of permanent cordons and long spurs without jeopardizing yields. Combined with reduced pruning costs, increased mechanization and fewer wire lifting rounds we are seeing a reduction of at least $2,600/ha or 16% less than conventional opex costs.

Another increasing cost is diesel. Management's response has been to reduce the number of mowing rounds which at 1,200 kilometers per round at Seddon is a significant saving.

Vineyard re-development

The weighted average age of the TVV vineyards (including Middlemiss) is 17.5 years, including some blocks that are 27 years old. While the vineyard overall remains highly productive, progressively 64 hectares have been removed and prioritized for re-planting due to vine age and productivity.

Continually re-planting lower performing blocks is important to both maintain and enhance productivity and to keep the average age of the vineyard well below 20 years. We have secured funding from Rabobank to re-develop 25 hectares which will take place during 2027.

Keltern Frost Protection

In June, the Board approved the purchase and installation of 4 Frost protection fans for the Keltern vineyard in Hawke's Bay. This partially replaces the irrigation used previously, due to new restrictions on the take of water for frost control from the Ngaruroro River.

Indevin Relationship

TVV was established as a long-term supply partner to Villa Maria, now owned by Indevin. The Indevin relationship is governed by a Grape Supply and Vineyard Management Agreement that runs until at least 2059. As both a supplier and our only contracted customer, management of our relationship with Indevin is one of the primary responsibilities of the Board.

In the current market many grower suppliers to wineries are seeing their GSA's either not renewed or re-negotiated, highlighting the benefits of our long-term agreement. Subject to final vintage supply agreements we expect to sell all varieties to Indevin from the 2027 harvest.

Banking

Rabobank continues to work constructively with TVV and has provided ongoing support, including additional funding for the vineyard replanting programme and agreement not to test the FY26 interest cover covenant ensuring we remain in full compliance with our facility conditions. We value Rabobank's continued support and engagement as TVV works through the current industry downturn. Our current facility matures in September 2028 and will need to be renewed or extended in 2027.

Industry outlook

The challenges facing the wine industry globally are well documented but are also constantly evolving, creating a volatile environment.

Until 2025 global wine consumption has been falling at a faster rate than production[4], with red wine under relatively more pressure than the lighter style wines exemplified by Sauvignon Blanc [5]. New Zealand Wine data [3] shows the 2022, 2023 and 2025 harvests averaged 517,000 tonnes, around 16% above the ten-year average of 444,000 tonnes, creating a significant over-supply and build up of wine company inventory. This has progressively seen New Zealand average grape prices fall from the 2023 high point of $2,405/tonne to $1,482 for 2026, in real terms the lowest price from the available data back to 2007 [1,2].

However, there are more positive signs on the supply side emerging as yield restrictions and mother nature start to tighten the surplus of recent years. The 2026 New Zealand harvest of 440,000 tonnes was a significant step in the right direction. Painful though yield restrictions are, the 15% reduction certainly helped to "right size" New Zealand grape supply. And in September the French Ministry of Agriculture[6] released their crop update forecasting a 17% decline in French wine production vs the five-year average. Champagne (-46% vs 5-year average), Burgundy (-33%) and the leading Sauvignon Blanc region Loire Valley (-18%) have been particularly affected.

We can't predict by when and how much these supply reductions will flow through to New Zealand grape prices. But they are a reminder that grape production is a global agricultural commodity that is driven by the same underlying supply volatility and demand drivers as any other agricultural crop. Falling supply is necessary for increasing price, and the signs here are trending more positively.

Share trading

TVV shares are listed on the USX exchange with 40 million shares issued. In FY26 there were 608,175 shares exchanged in a range of 23c (Market capitalisation of $9.2m) down to 14c ($5.6m) against shareholder equity of $35m at 30 June 2026.

AGM

The TVV Annual General Meeting will be held on Friday 4th December at the Hyundai Marine Sports Centre, 8-10 Tamaki Drive, Auckland starting at 2.00 pm. Simon Limmer, CEO of Indevin and David Roper, Global Customer Winemaker from Indevin will join us and speak with shareholders.

Conclusion

The board are acutely aware of the TVV financial result and fall in shareholder equity in the past twelve months as the industry works through this challenging cycle. While vineyard and company divestment has and will continue to be considered, the current market is highly likely to result in significant discounts and a poor overall result for shareholders.

Our preferred strategy is to preserve the company and operating performance through this downturn, re-invest in our vineyards to protect long-term value and leverage the strength of our long-term relationship with Indevin. The Board is and will continue to explore potential capital options that maximise shareholder returns as and when the market recovery gains momentum.

The Board expects that a recovery in grape prices will materially improve TVV's financial performance, albeit timing and level of grape prices recovery remain uncertain. In the meantime, we are focused on sustaining and strengthening the business during these tough years so we can profit from the good ones ahead.

Ben Russell

Chair

TVV Board of Directors

References

(1) NZ Wine 2026 Grape Price Data 2026 | New Zealand Wine;
(2) Stats NZ Consumer Price Index June Qtr as tabulated by the Reserve Bank New Zealand Prices (M1) - Reserve Bank of New Zealand - Te Pūtea Matua
(3) NZ Wine (2017-2026). Vintage Survey Results. Vintage Survey | New Zealand Wine
(4) OIV (2025) OIV-State_of_the_World_Wine_Sector_in_2025.pdf
(5) KPMG (2025). Wine Industry Insights, December 2025. australian-wine-industry-insights-december-2025.pdf.coredownload.inline.pdf.pdf (SECURED)
(6) Agreste (2026). Official statistics for agriculture, food, forestry and fisheries. September 2026, No 107 (translated). 2026_107inforapviticulture.pdf

Terra Vitae Vineyards Limited

Directors' Report & Responsibility Statement

The Board of Directors have pleasure in presenting the annual report of Terra Vitae Vineyards Limited, incorporating the financial statements and the independent auditor's report, for the year ended 30 June 2026.

Principal Activity

The principal activity of the Company continued to be the growing of grapes for the wine industry.

Results	2026 $	2025 $
(Loss)/Profit for the year	(3,373,344)	(2,161,042)
Total Equity of the Company	35,257,417	53,205,461
Total Assets of the Company	64,515,304	86,237,052

Auditors

The directors are proposing that RSM Hayes Audit be appointed as auditors for the ensuing year.
Audit fees of $48,527 were paid during the year.

Related Parties

Greg Tomlinson has an indirect material financial interest in the following companies which contract with Terra Vitae: Indevin Supply Ltd, Villa Maria Estate Ltd, Indevin Estates Limited, Thornhill Horticultural Contracting Ltd. Details of these are given in Note 24 to the financial statements.

Mark Allen has a material financial interest in Mark Allen Advisory Services Ltd, which provides viticultural advice to Terra Vitae.

Directors' remuneration

During the year the Company paid the following directors' fees as approved by the shareholders:

David Ferraby	25,440
Mark Allen	26,000
Lisa Alexander	26,000
Ben Russell	43,484
Gregory Tomlinson	-
	120,924

Directors' Loans

There were no loans by the Company to the directors during the year.

Directors' Indemnity and Insurance

The Company has arranged policies of Directors Liability Insurance to ensure that generally, directors will incur no monetary loss as a result of actions taken against them as directors.

Directors' Shareholding

The directors' current shareholdings in the Company are as follows:

D Ferraby (resigned 29 November 2025)	30,000 shares

Dividends

No Dividend was paid during the year ended 30 June 2026.

Donations

There were no donations paid by the Company during the year.

Directors' Report Continued

Directors' Responsibility Statement

The Directors are responsible for ensuring that the financial statements present fairly, in all material respects, the statement of financial position as at 30 June 2026 and the statement of profit or loss, statements of other comprehensive income, changes in equity and cash flows for the Company for the year then ended.

The Directors consider that the financial statements of the Company have been prepared using appropriate accounting policies, consistently applied to the periods and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept, which enable with reasonable accuracy, the determination of the financial position of the Company and the compliance of the financial statements with the Financial Markets Conduct Act 2013 and the Companies Act 1993.

The Directors consider that they have taken adequate steps to safeguard assets of the Company. The financial statements have been prepared on a going concern basis. Subject to note 4(ii) nothing has come to the attention of the directors to indicate that the Company will not remain a going concern in the foreseeable future.

The Board of Directors of the Company authorised these financial statements presented on pages 7 to 37 for issue on 5 October 2026

For and on behalf of the Board.



B Russell	L Alexander	M Allen
Director	Director	Director

Monday, 5 October 2026

Terra Vitae Vineyards Limited
Statement of Profit or Loss
For the year ended 30 June 2026

	Notes	**2026** **$**	2025 $
Revenue from Contracts with Customers			
Sale of Grapes	7a	6,153,657	9,626,615
		6,153,657	9,626,615
Cost of Sales			
Production Costs	8a	4,960,594	5,843,607
Depreciation on Bearer Plants	8b	1,601,288	1,768,500
Depreciation on Land and Development and Plant and Machinery	8b	1,478,262	1,462,805
Total Cost of Sales		8,040,144	9,074,912
Gross profit/(loss)		(1,886,487)	551,703
Other Income			
Sundry income	7b	51,498	70,977
Gain on disposal of fixed assets		21,848	-
Interest		239	6,282
Dividends		798	771
Total Other Income		74,383	78,030
Operating Expenses			
Administrative costs		378,781	424,545
Depreciation on Other Assets	8b	484,690	488,520
Finance costs	8c	1,526,722	1,526,014
Other expenses	8d	357,989	377,461
Impairment of Other Improvements	8f	51,855	-
Loss on disposal of fixed assets		-	67,839
Total operating expenses		2,800,037	2,884,379
Total Expenses		2,800,037	2,884,379
(Loss)/Profit from Operations		(4,612,141)	(2,254,646)
Valuation movements			
Gain/(Loss) on interest rate swaps	8e	12,833	(664,487)
		12,833	(664,487)
(Loss)/Profit before income tax		(4,599,308)	(2,919,133)
Income tax (expense)/credit	9	1,225,964	758,091
(Loss)/Profit for the year		(3,373,344)	(2,161,042)
(Loss)/Profit for the year is attributable to:			
Ordinary equity holders of the company		(3,373,344)	(2,161,042)
Basic and diluted (loss)/earnings per share	26	(0.08)	(0.05)

The above Income Statement should be read in conjunction with the accompanying notes.

RSM

Terra Vitae Vineyards Limited
Statement of Other Comprehensive Income
For the year ended 30 June 2026

	Notes	**2026** **$**	2025 $
(Loss)/Profit for the year		(3,373,344)	(2,161,042)
Other comprehensive income			
Revaluation of land, land developments, buildings and other assets	11	(13,605,391)	(4,787,465)
Revaluation of leased land	12	(1,955,898)	(333,831)
Income tax relating to revaluation	18	986,589	112,053
Other comprehensive (loss)/income for the year, net of tax		(14,574,700)	(5,009,243)
Total comprehensive (loss)/income for the year, net of tax		(17,948,044)	(7,170,285)
Attributable to:			
Ordinary equity holders of the company		(17,948,044)	(7,170,285)

The above Statement of Other Comprehensive Income should be read in conjunction with the accompanying notes.

RSM

Terra Vitae Vineyards Limited
Statement of Financial Position
As at 30 June 2026

	Notes	**2026** **$**	2025 $
Current assets			
Cash and cash equivalents		34,149	71,147
Other Assets		116,734	273,574
Agricultural Work in Progress	10	283,134	270,189
Related party receivables	24e	4,246,023	6,640,100
Derivative financial instruments	15	-	33,511
Tax receivable	9	96	2,007
Total current assets		4,680,136	7,290,528
Non-current assets			
Property, plant and equipment	11	56,964,428	73,863,784
Right of use assets	12	2,867,045	5,079,045
Other financial assets		3,695	3,695
Total non-current assets		59,835,168	78,946,524
Total assets		64,515,304	86,237,052
Current liabilities			
Interest bearing liabilities	16	286,554	1,406,778
Fair value of derivative financial instruments	15	7,659	-
Lease liabilities	12	124,916	119,787
Trade and other payables	13	373,044	342,739
Related party payables	24e	202,282	375,149
Total current liabilities		994,455	2,244,453
Non-current liabilities			
Interest bearing liabilities	16	22,824,094	22,955,895
Fair value of derivative financial instruments	15	292,269	346,273
Lease liabilities	12	3,386,080	3,510,996
Deferred tax liability	14	1,760,989	3,973,974
Total non-current liabilities		28,263,432	30,787,138
Total liabilities		29,257,887	33,031,591
Net assets		35,257,417	53,205,461
Equity			
Share capital	17a	28,800,000	28,800,000
Accumulated losses		(9,596,722)	(6,223,378)
Asset revaluation reserve	18	16,054,139	30,628,839
Total equity		35,257,417	53,205,461

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

RSM

Terra Vitae Vineyards Limited
Statement of Changes in Equity
For the year ended 30 June 2026

	Notes	Share capital $	Asset revaluation reserve $	Accumulated Losses $	Total $
Balance as at 1 July 2024		**28,800,000**	**35,638,082**	**(4,062,336)**	**60,375,746**
Loss for the year		-	-	(2,161,042)	(2,161,042)
Other comprehensive income		-	(5,009,243)	-	(5,009,243)
Total comprehensive income for the year		-	(5,009,243)	(2,161,042)	(7,170,285)
Balance as at 30 June 2025		**28,800,000**	**30,628,839**	**(6,223,378)**	**53,205,461**
Balance as at 1 July 2025		**28,800,000**	**30,628,839**	**(6,223,378)**	**53,205,461**
Loss for the year		-	-	(3,373,344)	(3,373,344)
Other comprehensive income		-	(14,574,700)	-	(14,574,700)
Total comprehensive income for the year		-	(14,574,700)	(3,373,344)	(17,948,044)
Balance as at 30 June 2026		**28,800,000**	**16,054,139**	**(9,596,722)**	**35,257,417**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

RSM

Terra Vitae Vineyards Limited
Statement of Cash Flows
For the year ended 30 June 2026

	Notes	**2026** **$**	2025 $
Operating Activities			
Cash was provided from:			
Receipts from customers		8,547,734	8,785,672
Interest received		239	6,282
Dividends received		798	771
Other income received		51,498	70,977
Income tax refunded		2,208	4,109
Cash was disbursed to:			
Payments to suppliers		(5,696,232)	(6,494,552)
Interest paid		(1,376,518)	(1,382,710)
Lease interest paid		(150,204)	(143,304)
Income taxes refund (paid)		(528)	(2,010)
Net cash inflows from operating activities	21	1,378,995	845,235
Investing activities			
Cash was provided from:			
Sale of property, plant and equipment		21,849	137,000
Cash was applied to:			
Purchase of property, plant and equipment		(66,030)	(2,273,423)
Net cash outflow from investing activities		(44,181)	(2,136,423)
Financing activities			
Cash was provided from inflows:			
Net cash outflows from financing activities		(1,252,025)	1,384,469
Cash was applied to:			
Principal lease payments		(119,788)	(106,234)
Net cashflows from financing activities		(1,371,813)	1,278,235
Net increase/(decrease) in cash and cash equivalents		(36,998)	(12,953)
Cash and cash equivalents at beginning of year		71,147	84,100
Cash and cash equivalents at end of the year		34,149	71,147

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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Terra Vitae Vineyards Limited
Notes to the financial statements
For the year ended 30 June 2026

1 General Information

Terra Vitae Vineyards Limited ('the Company') grows grapes for sale to wine producers. The Company is a limited liability company incorporated and domiciled in New Zealand and is registered under the Companies Act 1993. The address of its registered office and principal place of business is 10 Birman Close, Half Moon Bay, Auckland, New Zealand. The Company is a profit oriented entity. The Company is a FMC Reporting Entity in terms of the Financial Markets Conduct Act 2013.

These financial statements were authorised for issue by the Board of Directors on 5 October 2026.

2 Material accounting policy information

(a) Basis of preparation

The following is a summary of the material accounting policies adopted by the Company in the preparation and presentation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and the requirements of the Companies Act 1993 and the Financial Markets Conduct Act 2013.

The financial statements comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other financial reporting standards as applicable to profit oriented entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

Going Concern

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for some classes of property, plant & equipment and derivative financial instruments, which are stated at fair value.

Accounting estimates and judgements

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in New Zealand dollars, which is the Company's functional and presentation currency. All values are rounded to the nearest dollar unless otherwise stated.

(c) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable from the sale of goods and services, net of Goods and Services Tax, rebates and discounts. Revenue is recognised as follows:

(i) Sale of grapes

The Company derives revenue from the transfer of goods at a point in time. The primary source of revenue for the Company is from the sale of grapes harvested. Revenue is recognised when the grapes are delivered to the customer and the Company has no unfulfilled obligation that could affect the customer's acceptance of the grapes. Delivery occurs when the grapes are passed onto the delivery vehicle in the vineyard. Payment is received for the grapes in instalments between January and September of each vintage.

RSM

2 Material accounting policy information (continued)

(e) Leases

(i) Right of Use Assets Policy
The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are initially measured at cost. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets related to land, land developments and buildings are subsequently shown at fair value, based on annual valuations by external valuers, less subsequent depreciation. Accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the right-of-use asset and the net amount is restated to the revalued amount of the asset. All other right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

(ii) Lease Liability
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses the interest rate implicit in the lease when that is readily determinable. If the implicit interest rate is not readily determinable the Company uses its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the interest and reduced by the amount of lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments.

(f) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less an allowance for expected credit losses. Trade receivables are due for settlement as per the terms of the Vineyard Management and Grape Purchase Agreement with Villa Maria Estate Ltd. The last instalment date for payment under this agreement is 30 September each year.

The Company applied the Simplified Expected Credit Loss Model to trade receivables, using a provision matrix based on historical loss rates adjusted for future risks. During the 2026 financial year, no allowance has been made for expected credit losses and no amounts have been written off, as the Company has no evidence that any amounts owed to it will be uncollectible.

(g) Property, plant and equipment

Land, land developments and buildings are shown at fair value, based on annual valuations by external independent valuers, less subsequent depreciation for buildings and land developments. The valuations are undertaken more frequently if there is a material change in the fair value, relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset as at the date of the revaluation. All other property, plant and equipment is stated at historical cost less accumulated depreciation or accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Increases in the carrying amounts arising on revaluation of land, land developments and buildings are credited to an asset revaluation reserve in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in the income statement, the increase is first recognised in the Income Statement. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the Income Statement.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Freehold buildings	33 years
Land developments	5 - 33 years
Motor vehicles	4 - 8 years
Plant	2 - 20 years
Vines (Bearer Plants)	5 - 31 years

2 Material accounting policy information (continued)

(h) Bearer Plants

Grape vines

Grape vines are classified as bearer plants and they are initially measured at cost and depreciated over their expected remaining useful life from when they are considered to have reached maturity. The useful lives of bearer plants are reviewed annually and their carrying value considered for impairment. They are subsequently measured at cost less accumulated depreciation and accumulated impairment costs.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit or Loss. When revalued assets are sold, it is Company policy to transfer the amounts included in the asset revaluation reserve in respect of those assets to retained earnings.

(i) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(j) Derivative financial instruments

The Company uses derivative financial instruments in the form of interest rates swaps to manage some of its risks associated with changes in interest rates. These financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into, and are subsequently remeasured to fair value at balance date. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the profit or loss. The fair value of interest rate swaps is determined by reference to market values for similar instruments.

3 Changes in accounting policies & accounting estimates

NZ IFRS 18 Presentation and Disclosure in Financial Statements

NZ IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and will replace NZ IAS 1 Presentation of Financial Statements. The standard introduces new requirements for the presentation and disclosure of information in the Company's financial statements, including a defined structure for the statement of profit or loss, prescribed categories and subtotals, enhanced requirements relating to the aggregation and disaggregation of information, and disclosures for management-defined performance measures.

NZ IFRS 18 also gives rise to consequential amendments to other NZ IFRS Accounting Standards, including NZ IAS 8 *Basis of Preparation of Financial Statements (formerly Accounting Policies, Changes in Accounting Estimates and Errors).*

The adoption of NZ IFRS 18 is not expected to affect the recognition or measurement of the Company's assets, liabilities, income or expenses. However, the standard is expected to result in changes to the presentation and disclosure of certain items within the financial statements. The Company has not early adopted NZ IFRS 18 and is currently assessing the impact that the standard will have on its financial statement presentation and disclosures.

Management does not expect any other standards, amendments or interpretations that have been issued but are not yet effective to have a material impact on the Company's financial statements.

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4 Critical Accounting Estimates and Judgements

(i) Valuation of land and buildings

Land owned and leased by the Company (including land development) and buildings are measured at fair value as determined by an independent valuer. The independent valuer uses valuation techniques which are inherently subjective and involve estimation. The fair value decrease of $14,647,981 (2025: decrease of $5,721,018) on owned land, land development and buildings resulted in a value at 30 June 2026 of $44,357,955 (2025: $59,005,936). The decrease in their carrying value, net of impairment losses or reversals, for the year ended 30 June 2026 is $14,647,981 (2025: decrease of $5,721,018) (Refer to note 11). The fair value decrease of $1,955,898 (2025: decrease of $333,831) on leased land resulted in a value at 30 June 2026 of $2,867,045 (2025: $5,079,045). The decrease in its carrying value, net of impairment losses or reversals, for the year ended 30 June 2026 is $2,212,000. (2025:Decrease of $260,000) (Refer to note 12).

(ii) Going concern

During the current period, the Company's Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future.

The Directors assessment is underpinned by a forecast cash flow projection covering the 12 month period following the approval of the 2026 financial statements. The forecast confirms that, while the Company expects to make a further loss, it will continue to operate within its existing banking facilities over that period.

In assessing and approving the cash flow forecast, the Directors have taken into account a number of factors, including the following:

1. The Company was established to grow premium grapes under a long-term contractual arrangement with Villa Maria Estate Limited (now owned by Indevin Group Limited). This agreement is current with rights of renewal up until 2115.
2. The Vineyard Management and Grape Purchase Agreement (GPA) requires Indevin to purchase grapes grown on the Company's vineyards up to the applicable contractual or otherwise agreed volume caps. The Company is therefore able to plan its operations on the basis that those volumes will be sold to Indevin at or about market pricing. By agreement, Indevin did not take some varieties in 2026 but compensated the Company by allowing increased tonnages of other varieties (mainly Sauvignon Blanc). Based on its on-going discussions with Indevin in relation to the 2027 harvest, the Company expects to sell all of its grapes from all vineyards to Indevin.
3. The vineyards are in two regions at four locations providing some diversity and protection against the effects of climatic and geological events.

In addition, the Directors have also taken the following into account when considering the longer-term prospects of the Company:

1. The company has a long term banking relationship with Rabobank with approved facilities in place until September 2028. The facilities are adequate for Company operations until at least early 2028. Due to the industry downturn beyond the Company's control, Rabobank agreed to not test an interest cover ratio covenant at 30 June 2026, meaning that the company remains in compliance with its banking facilities. In August 2026, Rabobank approved additional facilities for the Company to undertake re-planting of approx 25 hectares of older vineyards that have become unproductive.
2. Due to the industry downturn and very low grape prices, it is forecast the Company may breach its Interest Cover Ratio covenant due to be tested in June 2027 and require additional capital by Q1-2028 if grape prices remain at or near the current low levels for the 2027 harvest. The directors intend to negotiate an extension of its banking facility with Rabobank ahead of this time to ensure ongoing solvency and compliance with banking facilities. If Rabobank (or any other lender as necessary) did not offer new facilities, and/or if new equity capital could not be raised the directors would be required to review the Company going concern status. This scenario is not considered likely but is possible in the absence of a sustained recovery in grape prices.

(iv) Leases

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if the option is reasonably certain to be exercised. When the Company has the option to extend a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. The Company considers all facts and circumstances, including its past practice and any costs that will be incurred to change the asset if an option to extend is not taken, in assessing the lease term. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew. In relation to the Company's lease of the land in relation to the Middlemiss vineyard, and extension option at the end of the initial term of the lease has not been considered reasonably certain, as detailed in note 12.

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5 Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk.

Risk management is carried out by the Board of Directors. The Board identifies and evaluates financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, investment of excess liquidity and agricultural risk.

(a) Market risk

(i) Foreign exchange risk

The Company has no direct currency risk. No assets or liabilities are held in foreign currency and the Company's purchases and sales are in New Zealand dollars.

(ii) Price risk

The Company sells the vast majority of its grape harvest under a Vineyard Management and Grape Purchase Agreement with Villa Maria Estate Limited. The price paid for the grapes is set annually and is based on a number of factors including the average price paid for each variety by similar sized companies in each region. These prices are analysed by the Company's Independent Consultant and compared with other industry sources. Various quality factors are taken into account in assessing the final price, along with general market conditions of similar sized winemakers in each region, exchange rates and other factors impacting market competitiveness both domestically and internationally. As the selling price is set on an annual basis, the Company is exposed to movement in the price paid, however no financial instruments are held that are exposed to this risk at balance sheet date.

(iii) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's long term borrowings from Rabobank have both a variable and fixed interest rate portion. At 30 June 2026, of the total borrowings of $23,110,648, $4,753,341 was held under fixed rate agreements of varying periods of time. None of those borrowings had interest rates fixed for more than 5 years.

Sensitivity Analysis

Of the $22,057,307 of borrowings at variable rates, $21,700,000 is economically hedged by interest rate swaps and fixed term loans. Effectively, the Company therefore has only $357,307 of borrowings where the net interest payable (after taking the effect of interest rate swaps and fixed term loans into account) is at a variable rate (2025: $1,202,554), accordingly no reasonable change in floating rates would have a significant impact on interest costs. However, the fair value of interest rate swaps is required to be recognised, and varies depending on market interest rates. The Company has estimated the sensitivity of the fair value of interest rate swaps based on reasonably possible changes in interest rates as noted below.

	Impact on 2026 reported	
Change	**Post tax profit**	**Equity**
1% increase	**220,573**	220,573
1% decrease	**(220,573)**	(220,573)

(b) Credit risk

Credit risk is managed on a regular basis. Credit risk arises from outstanding receivables from debtors. As part of the Company's financial risk policy, the Company closely monitors compliance with the defined payment plan set out in the Grape Supply Agreement and other trading terms set with other customers. Credit risk is managed by the payment plan, which includes advance and deferred payments from January to September each year. In relation to other financial assets, the Company does not require any collateral or security to support financial instruments due to the quality of the financial institutions dealt with.

The Company has only one significant debtor at the reporting date:

	2026	**2025**
Counter party		
Villa Maria Estate Limited	4,246,023	6,640,100

The outstanding balance at the time of authorising the financial statements was within the trading terms. The balance is not considered impaired. The expected credit loss recognised in the current year is $0 (2025 $0)

5 Financial Risk Management (continued)

(c) Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. Interest payable has been calculated at balance date rates, assuming bank borrowings at balance date are held to maturity.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 30 June 2026				
Trade payables	575,326	-	-	-
Bank borrowings	1,697,228	1,398,651	24,921,461	
Interest rate swap payments	7,659	54,860	237,409	

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 30 June 2025				
Trade payables	717,888	-	-	-
Bank borrowings	1,867,153	1,544,278	27,107,819	
Interest rate swap payments	33,511	35,275	310,999	

Payments due in less than one year are expected to be met within existing facility limits. Management intend to renew or replace the existing bank debt facility upon expiry.

(d) Fair value estimation
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. Refer to the accounting policies for fair value estimation methods.

The carrying value of cash and cash equivalents, trade receivables and trade payables are assumed to approximate their fair values due to the short term nature of these financial instruments.

The carrying value of bank borrowings at balance date was $22,057,307 (2025: $22,902,554) with a fair value of $22,290,538 (2025: $23,152,865). The fair values of balances with fixed interest rates have been estimated with reference to market rates for instruments with the same or similar terms that could have been taken out at balance date. Balances with floating rates are assumed to approximate their fair value. This estimate is a level 2 estimate in accordance with NZ IFRS 13: Fair Value Measurement.

(e) Financial risk management strategies related to agricultural activity
The Company is exposed to financial risks in respect of agricultural activities. The agricultural activities of the Company primarily consist of the ownership of vineyards to produce grapes that are then sold to Villa Maria Estate Limited for the production of wine. The primary risk borne by the Company is caused by the length of time between when the cash is expended on the purchase or planting and maintenance of grape vines and on harvesting grapes and the ultimate realisation of proceeds from the sale of the grapes. The realisation of proceeds from the sale of grapes is however governed by the Vineyard Management and Grape Purchase Agreement that stipulates the exact time that the money is expected to be received. The Company also takes reasonable measures to ensure that the current year's harvest is not affected by disease, drought, frost, or other factors that may have a negative effect upon yield and quality. These measures include consultation with experts in viticulture, frost protection measures, and ensuring that each vineyard is managed according to the Vineyard Management and Grape Purchase Agreement.

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6 Segment Information

The Company operates in one industry segment being the cultivation of vineyards and the harvest of grapes. The Company operates in one geographic segment, being New Zealand.

Management have determined the operating segments based on the reports reviewed by the Board that are used to make decisions.

The Company manages three vineyards in the Marlborough region and two vineyards in the Hawke's Bay region, both in New Zealand. The five vineyards have the same economic, procurement and cultivation methods and the same end customer and are considered a single segment as defined by NZ IFRS 8 Operating Segments. The segment result is equivalent to the financial information as presented.

7 Revenue from Contracts with Customers	**Notes**	**2026**	2025
		$	$
7a Grape Sales			
Marlborough		5,280,860	8,241,314
Hawke's Bay		872,797	1,385,301
Total grape sales		6,153,657	9,626,615
7b Sundry Income			
Grazing Income		7,552	15,765
Rental Income		14,560	14,840
Supplier Rebates		29,386	40,372
Total sundry income		51,498	70,977
8 Expenses			
8a Cost of sales			
Fertilizer		186,367	245,960
Frost Control		49,715	72,817
Pesticides		384,745	465,350
Herbicides		36,671	64,372
Irrigation Running		156,112	169,184
Labour & Contractor Costs		2,931,566	3,532,038
Machinery Running		185,204	188,661
Harvester Maintenance		96,342	83,120
Harvesting Costs		100,095	119,063
Rates		160,838	159,918
Repairs & Maintenance		305,591	467,810
Vine Replacement Costs		155,632	64,143
Short Term Lease Expenses		23,200	23,200
Other Vineyard Expenses		188,516	187,971
		4,960,594	5,843,607
Operating Expenses			
8b Depreciation			
Bearer Plants	11	1,601,288	1,768,500
Land Development		920,173	941,168
Plant		558,089	521,637
Land Development and Plant	11	1,478,262	1,462,805
Buildings		70,562	67,468
Office Equipment		2,841	2,766
Motor Vehicles		155,185	159,219
Buildings Office Equipment and Motor Vehicles	11	228,588	229,453
Total PPE Depreciation		3,308,137	3,460,757
Right of Use Assets			
Middlemiss Land		256,102	259,067
	12	256,102	259,067
Total Depreciation on Other Assets		484,690	488,520
Total depreciation		3,564,239	3,719,825
8c Finance Costs			
Bank Interest		1,376,518	1,382,710
Interest on Lease Liabilities		150,204	143,304
Interest Paid		1,526,722	1,526,014

	2026	2025
	$	$
Fees paid to the auditor		
Audit of Financial Statements	45,711	45,711
Other assurance services	2,100	2,100
	47,811	47,811
8d Other Expenses		
Grape Growers Levy	57,574	89,906
Directors Fees	120,924	114,000
Legal Expenses	4,888	3,543
Vineyard Management Fee	174,603	170,012
	357,989	377,461
8e Fair Value Adjustments		
Gain/(Loss) on interest rate swaps	(12,833)	664,487
	(12,833)	664,487
8f Impairment of Other Improvements		
Keltern	25,325	-
Twyford Gravels	5,844	-
Middlemiss	20,686	-
	51,855	-
Total Operating Expenses	5,879,586	6,047,845

9 Income Tax

	2026	2025
	$	$
(a) Income tax (credit)/expense		
Current Tax		
Current tax on profits for the year	-	-
Imputation credits converted to loss	432	
Deferred tax		
Origination and reversal of temporary differences	(1,226,396)	(758,093)
	(1,225,964)	(758,093)
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(loss) before income tax expense	(4,599,308)	(2,919,133)
Tax at the New Zealand tax rate of 28%	(1,287,806)	(817,357)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Impact of opening deferred tax balance adjustments	-	59,179
Permanent differences	61,842	87
Income tax (credit)/expense	(1,225,964)	- 758,091
Included under Current Liabilities		
Income tax receivable/(payable) at beginning of year	2,007	4,109
Income Tax Expense in respect of current period	-	-
Imputation Credit converted to loss	(432)	
Net Income Tax Paid/(Refunded)	(1,479)	(2,102)
Income tax receivable/(payable) at year end	96	2,007
The weighted average applicable tax rate was 28%		
	$	$
(c) Imputation credit account		
Balance at beginning of year	2,234,932	2,237,031
Prior period adjustment	-	-
Tax payments/(refunds)	(1,797)	(4,109)
Credits attached to interest & dividends received	96	1,797
Imputation credits attached to dividends received	219	213
Imputation credits attached to dividends paid	-	-
Tax payable at year end	-	-
Amount of Imputation credits available for use in subsequent years	2,233,450	2,234,932
Tax Losses carried forward	3,353,616	911,699

10 Agricultural Work in Progress

Growing costs related to next harvest	283,134	270,189

11 Property, Plant and Equipment

	Land	Land development	Buildings	Plant and Office Equipment	Motor vehicles	Bearer Plants (Vines)	Total
	$	$	$	$	$		$
	(valuation)	(valuation)	(valuation)				
At 1 July 2024							
Cost/Valuation	53,209,188	9,722,766	1,795,000	6,363,260	1,188,436	21,506,679	93,785,329
Accumulated depreciation	-	-	-	(3,825,239)	(771,727)	(9,144,940)	(13,741,906)
Carrying amount	53,209,188	9,722,766	1,795,000	2,538,021	416,709	12,361,739	80,043,423
Year ended 30 June 2025							
Opening carrying amount	53,209,188	9,722,766	1,795,000	2,538,021	416,709	12,361,739	80,043,423
Additions	-	75,083	-	1,499,915	624,390	74,035	2,273,423
Disposals (net)	-	-	-	(149,640)	(55,199)	-	(204,839)
Revaluation Increases/(decreases)	(4,960,000)	93,067	79,468	-	-	-	(4,787,465)
Depreciation	-	(941,168)	(67,468)	(524,403)	(159,219)	(1,768,500)	(3,460,758)
Closing carrying amount	48,249,188	8,949,748	1,807,000	3,363,893	826,681	10,667,274	73,863,784
At 1 July 2025							
Cost/Valuation	48,249,188	8,949,748	1,807,000	6,746,423	1,689,359	21,580,715	89,022,433
Accumulated depreciation	-	-	-	(3,382,530)	(862,678)	(10,913,441)	(15,158,649)
Carrying amount	48,249,188	8,949,748	1,807,000	3,363,893	826,681	10,667,274	73,863,784
Year ended 30 June 2026							
Opening carrying amount	48,249,188	8,949,748	1,807,000	3,363,893	826,681	10,667,274	73,863,784
Additions				66,030			66,030
Disposals (net)	-	-	-	-	-	-	-
Impairments		(51,855)					(51,855)
Revaluation Increases/(decreases)	(12,037,755)	(1,642,198)	74,562	-	-	-	(13,605,391)
Depreciation	-	(920,173)	(70,562)	(560,930)	(155,185)	(1,601,289)	(3,308,140)
Closing carrying amount	36,211,433	6,335,522	1,811,000	2,868,992	671,496	9,065,985	56,964,428
At 30 June 2026							
Cost/Valuation	36,211,433	6,335,522	1,811,000	6,782,026	1,686,119	18,258,670	71,084,770
Accumulated depreciation	-	-	-	(3,913,034)	(1,014,623)	(9,192,685)	(14,120,342)
Carrying amount	36,211,433	6,335,522	1,811,000	2,868,992	671,496	9,065,985	56,964,428
					-		

The fair value of bearer plants assessed by Logan Stone at 30 June 2026 was $9,155,000 (2025: $25,148,000)

11 Property, Plant and Equipment (continued)

If items of property plant and equipment that are revalued were stated on the historical cost basis, the amounts would be as follows:

	2026 $	2025 $
Cost	33,014,399	33,370,124
Accumulated depreciation	(3,877,169)	(3,522,465)
Carrying amount	29,137,231	29,847,659

All land owned by the Company is pledged as security to Rabobank New Zealand Limited. In the event of a sale of all or part of any vineyard, under the Vineyard Management and Grape Purchase Agreement with Villa Maria Estate Limited, Villa Maria has first right of refusal to purchase. Where this right is not taken up, any Third Party will be bound by all the obligations of the Company under the agreement insofar as they relate to the sale of the land. Further, such Third Party must be acceptable to Villa Maria (acceptance not to be unreasonably withheld).

There has been a decrease of $14,647,981 in the carrying value of the land, buildings and land developments as at 30 June 2026. The revaluation decrease, net of applicable deferred taxes was allocated to the asset revaluation reserve. The valuation was independently performed by Logan Stone Limited, (a Property Institute of New Zealand Quality Assurance approved valuation practice) under the principle of highest and best use. Logan Stone has confirmed that the valuation can be relied upon for the purpose of these financial statements at 30 June 2026.

Highest and best use is that use that is practically feasible, legally permissible and supported by market demand. It is that particular property use that indicates the highest likely competitive price for the real estate at a particular time. Determination of the property's current highest and best use is a necessary precursor of market value assessment.

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 arms length transaction as at the valuation date. Fair value is determined by direct reference to recent market transactions on arms length terms for land, buildings and vineyards comparable in size, location and varietal mix to those held by the Company.

Logan Stone state in their valuation that "Ongoing geopolitical unpredictability has increased uncertainty across global financial and commodity markets. Recent escalation has contributed to volatility in energy prices, freight costs, interest rate expectations and investor sentiment. While the New Zealand property market continues to operate, these conditions introduce a higher level of macro-economic uncertainty and a wider range of market
outcomes. As a result, a degree of valuation uncertainty exists. Notwithstanding this, the valuation represents the valuer's professional opinion of market value as at the valuation date, prepared in accordance with International Valuation Standards and NZIV/PINZ guidance."

In assessing the value of bearer plants and improvements at 30 June 2026, the valuer has taken full account of the impact of the long term replanting plans.

In determining fair value, the following range of comparable sales prices for each subject property are derived from location and productive based measures.

	$000's / per hectare of land	
	2026	2025
Hawke's Bay Soil Types		
Medium Silts	**20-60**	30-75
Gravels	**80-85**	95-110
Marlborough Soil Types		
Medium Silts	**65-100**	110-135

All of the Company's properties that are revalued are considered to be a level 3 fair value estimate under NZ IFRS 13: Fair Value Measurement.

In line with prior years, the directors have not applied any adjustment to the market values, included in the valuation report, for the existing supply contract with Villa Maria Estate Limited.

The Company grows and harvests grapes. Harvesting of grapes is from February to April each year. The vineyards are situated in Hawke's Bay and Marlborough.

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11 Property, Plant and Equipment (continued)

Bearer plants and agricultural produce

As at 30 June 2026, the Company had a total of 392 hectares of vines in production. During the year ended 30 June 2026 the Company harvested 4,311 tonnes of grapes (2025: 5,362). The fair value of the vines are determined at each balance date. All grapes have been harvested and sold by balance date and therefore have nil value at year end. During the year the Company sold grapes to Villa Maria Estate Limited at fair value of $6,153,658 (2025: $9,623,333, other grower $3,282). The amount shown under "Related party receivables" relate to the amount outstanding at balance date in respect of the sales to Villa Maria Estate Limited.

Assessment for impairment
The company's vines were independently valued by Logan Stone Registered Valuers as at 30 June 2026. Market valuations were completed based on a comparative sales approach less estimated point of sale costs, adjusted to reflect the locations, planting age and variety of the vines. The valuation was performed in accordance with the International Valuation Standard framework.

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 Company. The fair value of land and other vineyard infrastructure is deducted from the fair value of the vineyards, to determine the fair value of the grape vines.

Assumed value ranges for the subject vineyards are shown below.

	2026 $ 000's/ per hectare	2025 $000's/ per hectare
Hawke's Bay		
Red Varieties	**9-22**	10-30
White Varieties	**10-17**	16-34
Marlborough		
Sauvignon Blanc (young vines)	**26-48**	15-112
Pinot Noir	**15-23**	56-65
Other White Varieties	**10-35**	14-84

The above ranges are based on market analysis which considers the production yields and quality of grapes produced. The higher the production levels and higher the quality of grapes produced, the higher the value. Where vines are newly planted, the values at the lower end of the above table will reflect their non-productive status at the date of valuation.

Vineyard re-development; The weighted average age of the TVV vineyards (including Middlemiss) is 17.5 years, including some blocks that are 27 years old. While the vineyard overall remains highly productive, progressively 64 hectares have been removed and prioritized for re-planting due to vine age and productivity.
Continually re-planting lower performing blocks is important to both maintain and enhance productivity and to keep the average age of the vineyard well below 20 years. We have secured funding from Rabobank to re-develop 25 hectares which will take place during 2027.

The fair value assessed for bearer plants at all vineyards of $9,155,000 (2025: $25,148,000) was higher than the carrying value of $9,065,985 (2025: $10,667,277) and no additional impairment was required at 30 June 2026.

12 Leases

Leases held by the Company include a long-term land lease in relation to the Middlemiss vineyard, which allows the company to access prime viticultural land in Marlborough. Other leases were for equipment used in the day to day operations of vineyards operated by the Company. No equipment leases remained at 30 June 2026.

a) Right of use assets	**Land**	**Total**
	$	$
Net book value at 1 July 2024	5,339,045	5,339,045
Additions	332,898	332,898
Revaluations	(333,831)	(333,831)
Disposals (net)		-
Depreciation	(259,067)	(259,067)
Net book value at 30 June 2025	5,079,045	5,079,045
Cost and Fair Value	6,205,117	6,205,117
Accumulated depreciation	(1,126,072)	(1,126,072)
Net book value at 30 June 2025	5,079,045	5,079,045
Net book value at 1 July 2025	5,079,045	5,079,045
Additions	-	-
Revaluations	(1,955,898)	(1,955,898)
Disposals (net)		-
Depreciation	(256,102)	(256,102)
Net book value at 30 June 2026	2,867,045	2,867,045
Cost and Fair Value	4,249,219	4,249,219
Accumulated depreciation	(1,382,174)	(1,382,174)
Net book value at 30 June 2026	2,867,045	2,867,045

b) Lease liabilities	**2026**	2025
	$	**$**
Balance at 1 July	3,630,783	3,404,119
Interest expense	150,204	143,304
Capital repayments	(269,992)	(249,538)
Modifications	-	332,898
Balance at 30 June	3,510,996	3,630,783
Current lease liability	124,916	119,787
Non-current lease liability	3,386,080	3,510,996
	3,510,996	3,630,783

c) Other disclosures

The Company had total cash outflows for leases of $293,192 which includes $23,200 in relation to low value and short term leases which are expensed on a straight line basis over the duration of the lease.

Extension options only exist on the Middlemiss vineyard land lease, and none have been included in the determination of the lease liability as the Company does not consider it is reasonably certain that these will be taken up at the end of the initial 25 year term. The total term of lease extensions not taken up is 25 years, which represents $6,749,791 of payments at current rates. Middlemiss lease also contains market rent review clauses and the maximum increase of 10% was taken up effective 1 May 2025. This resulted is an increase in the Right of Use asset value and Liability of $332,898. Future market rent reviews, which are taken up on a five yearly basis, will impact future lease payments. The lease liability does not include any adjustment for future market rent reviews.

The table below analyses the liquidity profile of the Company's lease liabilities into relevant maturity groupings based on the remaining lease period at the reporting date to the contractual maturity date based on current and in substance fixed lease payments:

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
At 30 June 2026				
Lease liabilities	269,992	269,992	809,975	3,734,884
At 30 June 2025				
Lease liabilities	269,992	269,992	809,975	4,004,876

13 Trade and Other Payables

	2026	2025
	$	$
Trade payables	109,283	284,991
Accrued expenses	263,761	57,748
	373,044	342,739

14 Deferred Tax

The balance comprises temporary differences attributable to:

	Plant & equipment	Other	Vines	Land development	Buildings	Land	Total
	$	$	$	$	$	$	$
Balance at 1 July 2024	(40,639)	(463,849)	(2,695,956)	(1,297,866)	(345,810)	-	(4,844,120)
Amounts charged to income statement	(20,721)	242,137	425,608	342,038	(41,906)	(189,064)	758,093
Amounts charged to equity	-	93,472	-	(26,058)	(22,251)	66,891	112,053
Balance at 30 June 2025	(61,360)	(128,240)	(2,270,348)	(981,886)	(409,967)	(122,173)	(3,973,974)
Balance at 1 July 2025	(61,360)	(128,240)	(2,270,348)	(981,886)	(409,967)	(122,173)	(3,973,974)
Amounts charged to income statement	28,921	718,235	335,988	143,101	18,185	(18,034)	1,226,396
Amounts charged to equity	-	547,651	-	459,815	(20,877)	-	986,589
Balance at 30 June 2026	(32,439)	1,137,646	(1,934,360)	(378,970)	(412,659)	(140,207)	(1,760,989)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company.

15 Derivative Financial Instruments

	2026	2025
	$	$
Fair value of interest rates swaps - current	(7,659)	33,511
Fair value of interest rates swaps - term	(292,269)	(346,273)
Total value of derivative financial instruments	(299,929)	(312,762)
Swap agreements movement		
Opening swap agreements balance	19,500,000	
Less matured agreements	(12,000,000)	
Plus additional agreements	10,500,000	
Closing swap agreements balance	18,000,000	

The Company has entered into interest rate swap agreements under which the Company settles the net difference between interest at variable rates (based on BKBM reference rate) and interest at fixed rates (average 6.67%) on a notional principal amount. Effectively, $18,000,000 (2025: $19,500,000) of variable rate debt facilities have been transferred to fixed under this arrangement through agreements maturing between July 2026 and May 2030.

16 Interest Bearing Liabilities

	2026	2025
Current	**$**	$
Secured		
Bank borrowings	286,554	1,406,778
Non-current		
Secured		
Bank borrowings	22,824,094	22,955,895
Total interest bearing borrowings	23,110,648	24,362,673

The carrying amount of the above borrowing approximates its fair value. The secured term loan has a total facility amount of $25,960,000 (2025: $25,960,000) of which at the reporting date, $3,902,693 was available for further drawdown (2025: $3,057,446). The secured term loan facility with Rabobank matures in September 2028. A reduction in the facility is required under the facility agreement for the amount equivalent to dividends paid.

	2026	2025
The weighted average interest rate on interest bearing borrowings outstanding at 30 June 2026 was:	6.38%	5.94%

Assets pledged as security

The bank loans and overdraft are secured by a registered first ranking mortgage in favour of Rabobank New Zealand Limited over the following vineyard properties; Keltern, Twyford Gravels, Taylors Pass, Seddon and Higgins Road.

Also securing the above bank loans is a general first ranking security agreement over all the assets and undertakings of Terra Vitae Vineyards Limited and an assignment by way of security over the Middlemiss land lease.

Vineyard machinery assets purchased and financed by De Lage Landen Limited are secured by chattel mortgages secured over the assets purchased as per their Master Loan and Security Agreements.

17 Share Capital as per Statement of Comprehensive Income

	2026	2025
	$	$
(a) Authorised share capital		
Share capital at the beginning of the year	28,800,000	28,800,000
Issue of shares	-	-
Share capital at the end of the year	28,800,000	28,800,000
(b) Movements in number of shares	**Number**	Number
Opening balance of ordinary shares issued	40,000,000	40,000,000
Issues of ordinary shares during the year	-	-
Closing balance of ordinary shares issued	40,000,000	40,000,000

(c) Ordinary shares

Ordinary shares carry one vote per share and entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. The shares have no par value and all shares are fully paid.

(d) Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total external borrowings (including 'borrowings' and 'trade and other payables' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt. The gearing ratios at 30 June 2026 and 2025 were as follows:

17 Share Capital as per Statement of Comprehensive Income (continued)

	2026	2025
	$	$
Total borrowings	27,196,981	28,711,344
Less cash and cash equivalents	34,149	71,147
Net debt	27,162,832	28,640,197
Total equity	35,257,417	53,205,461
Total capital	62,420,249	81,845,658
Gearing ratio	44%	35%

As part of the loan agreement with Rabobank entered into in 2007 and last revised on 30 June 2025, the Company is required to maintain a Debt Service Cover Ratio of 1.25 times and a Loan to Security Ratio no greater than 50% at all times. "Debt Service Cover Ratio" means in respect of a specified period, the ratio of EBITDA to Total Finance Costs. "Loan to Security Ratio" means Total Loan Limits with the Bank divided by Bank Security value (last Bank approved registered valuation).

	2026	2024
Debt Service Cover Ratio	**$**	$
Net Profit Before Tax	(4,599,308)	(2,919,133)
Depreciation	3,308,138	3,460,758
Other Non-Cash Adjustments	(12,833)	664,487
Interest	1,376,518	1,382,710
EBITDA	72,515	2,588,822
Interest Cost	1,376,518	1,382,710
Total Finance Costs	1,376,518	1,382,710
Actual Ratio	0.05	1.87
Covenant Minimum	1.25	1.25
Loan to Security Ratio		
Total Bank Facility	25,960,000	25,960,000
Total Facility	25,960,000	25,960,000
Security Value	52,034,000	79,409,000
Actual Ratio	49.89%	32.69%
Covenant Maximum	50.00%	50.00%

At Terra Vitae's request, Rabobank elected not to test the Debt Service Cover Ratio at 30 June 2026. All other covenants were met for the year ended 30 June 2026.

18 Asset Revaluation Reserve

Revaluation reserve
The revaluation reserve is used to record increments and decrements on the revaluation of land, buildings and land developments to the extent that they offset each other within an individual asset class in any vineyard.

Assets Revaluation Reserve Movement	**Opening balance at 1 July 2025**	**Revaluation Increases/ (decreases)**	**Balance at 30 June 2026**
Seddon	22,692,983	(9,252,834)	13,440,149
Taylors Pass	4,782,294	(2,753,511)	2,028,783
Keltern	1,588,248	(910,582)	677,666
Twyford Gravels	584,203	(409,203)	175,000
Middlemiss	2,550,379	(2,235,159)	315,220
Deferred Tax	(1,569,268)	986,590	(582,679)
Total	30,628,839	(14,574,700)	16,054,139

19 Dividends

		2026	2025
Ordinary shares		**$**	$
Dividend paid during the year ended 30 June 2025		-	-
Supplementary Dividend paid during the year ended 30 June 2025		-	-
Total Dividend paid per Statement of Changes in Equity		-	0
	Per share	0.000	0.000

On 26 September 2025 the directors resolved to not declare a dividend for the year ended 30 June 2025.

20 Financial Instruments by Category

30 June 2026

Assets as per Statement of Financial Position	Fair value through profit or loss	At Amortised cost
	$	**$**
Trade and other receivables	-	4,246,023
Cash and cash equivalents	-	34,149
Fair value of interest rate swaps	-	-
	-	4,280,172

Liabilities as per Statement of Financial Position	Fair value through profit or loss	Financial liabilities at amortised cost
	$	**$**
Borrowings	-	23,110,647
Trade and other payables	-	575,338
Fair value of interest rate swaps	292,269	-
Lease Liabilities	-	3,510,996
	292,269	27,196,981

30 June 2025

Assets as per Statement of Financial Position	Fair value through profit or loss	At Amortised cost
	$	**$**
Trade and other receivables	-	6,640,100
Cash and cash equivalents	-	71,147
Fair value of interest rate swaps	33,511	-
	33,511	6,711,247

Liabilities as per Statement of Financial Position	Fair value through profit or loss	Financial liabilities at amortised cost
		$
Borrowings	-	24,362,673
Trade and other payables	-	717,888
Fair value of interest rate swaps	346,273	-
Lease Liabilities	-	3,630,783
	346,273	28,711,344

21 Reconciliation of net operating surplus after taxation with cash flows from operating activities

	2026	2025
	$	$
Profit/(loss) after income taxation	**(3,373,344)**	**(2,161,042)**
Add non cash items:		
Depreciation	3,564,240	3,719,825
Non-operating items		
Impairment of Other Improvements	51,855	-
Movement in fair value of derivatives	(12,833)	664,487
Loss on disposal of plant	(21,848)	67,839
	3,581,414	**4,452,151**
Working capital movements		
Change in goods and services taxation	25,209	(52,620)
Increase (decrease) in accounts payable	(142,562)	236,275
(Increase) decrease in prepayments & other receivables	91,598	(57,619)
(Increase) decrease in inventory	40,033	143,669
(Increase) decrease in Agricultural Work in Progress	(12,945)	(120,728)
(Increase)/decrease in taxes receivable/payable	1,911	2,102
Increase (decrease) in deferred tax liability	(1,226,396)	(758,093)
(Increase) decrease in amounts due from related parties	2,394,077	(838,860)
	1,170,925	**(1,445,874)**
Net cash inflows from operating activities	**1,378,995**	**845,235**

22 Contingencies

As at 30 June 2026 the Company had no contingent liabilities or contingent assets (2025:Nil).

23 Capital and Operating Commitments

As at 30 June 2026 the total capital expenditure contracted for but not provided for was $nil (2025:$nil).

24 Related Party Transactions

(a) Directors
The names of persons who were directors of the Company at any time during the financial year are as follows: David Ferraby, Gregory Tomlinson, Mark Allen, Lisa Alexander and Ben Russell. David Ferraby and Gregory Tomlinson resigned effective from 28th November 2025.

(b) Directors Fees
Key management personnel compensation for the year ended 30 June 2026 and the year ended 30 June 2025 is set out below. The key management personnel for Terra Vitae are all the directors of the Company.

	2026	2025
	$	$
Directors' Fees	120,924	114,000
Total	**120,924**	**114,000**

24 Related Party Transactions (continued)

(d) Transactions with related parties
The following transactions occurred with related parties:

	2026	2025
	$	$
Sales of grapes		
Villa Maria Estate Limited	6,153,657	9,623,333
Purchases of services		
Villa Maria Estate Limited	174,603	170,012
Reimbursement of expenses at cost		
Villa Maria Estate Limited	1,395,144	1,624,137
Purchase of vines		
Indevin Estates Limited	34,419	210,693
Purchase of Labour Contracting services		
Thornhill Horticultural Contracting Ltd	1,491,571	2,139,224
Purchase of Viticulture advisory services		
Mark Allen Advisory Services Limited	16,504	19,054

(e) Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2026	2025
	$	$
Receivables		
Villa Maria Estate Limited	4,246,023	6,640,100
Payables		
Villa Maria Estate Limited	142,434	196,133
Indevin Estates Ltd	321	-
Thornhill Horticultural Contracting Limited	51,779	171,541
Tomlinson Group Limited	7,748	7,475
	202,282	375,149

All outstanding balances with related parties are unsecured and are due for settlement within 90 days of balance date. The Company has not recognised a provision for doubtful debts, nor has it recorded an expense for bad or doubtful debts in relation to amounts due from related parties.

Relationships with related parties

Gregory Tomlinson, a director of Terra Vitae Vineyards Limited until 28 November 2025 has an indirect material financial interest in the following companies which contract with Terra Vitae: Indevin Supply Ltd, Villa Maria Estate Ltd, Indevin Estates Limited, Thornhill Horticultural Contracting Ltd. Villa Maria Estate Limited holds 8,756,361 shares in Terra Vitae Vineyards Limited.

Mark Allen, a director of Terra Vitae Vineyards Limited is also a director of Mark Allen Advisory Services Limited, which provides advisory services to Terra Vitae Vineyards Limited.

Lisa Alexander, a director of Terra Vitae Vineyards Limited is also a director of Indevin Group Limited, the sole shareholder of Villa Maria Estate Limited

25 Events Occurring After The Reporting Date

On 10th August 2026 Rabobank approved additional funding of $2,200,000 to finance the replanting of designated vineyard blocks in Marlborough.

On 2nd October 2026, the directors resolved to not declare a dividend for the year ended 30 June 2026.

26 Earnings Per Share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

	2026	2025
	$	$
Profit/(loss) attributable to equity holders of the Company - in dollars	(3,373,344)	(2,161,042)
Weighted average number of ordinary shares in issue	40,000,000	40,000,000
Basic earnings per share - in dollars	(0.08)	(0.05)

(ii) Diluted earnings per share
Diluted earnings per share is equal to basic earnings per share as above as there are no dilutive instruments issued by the Company.

Independent Auditor's Report

To the shareholders of Terra Vitae Vineyards Limited

RSM Hayes Audit

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Opinion

We have audited the financial statements of Terra Vitae Vineyards Limited (the 'Company'), which comprise:

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

In our opinion, the accompanying financial statements on pages 9 to 32 present fairly, in all material respects, the financial position of the Company as at 30 June 2026, and of its financial performance and its cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with 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 financial statements* section of our report.

We are independent of the Company 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) (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor and provider of other assurance services, we have no relationship with, or interests in, the Company.

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Key audit matters

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

Why we considered this to be a key audit matter	How our audit addressed the key audit matter

Valuation of land, land development and buildings
 	
As disclosed in Note 11 of the Company's financial statements, the Company has land, land developments and buildings of $44.4m (2025: $59.0m).
 	
The Company recognises its land, land developments and buildings at fair value, in accordance with the requirements NZ IAS 16: *Property, Plant and Equipment.*
 	
Land, land developments and buildings represents a significant asset for the Company and are valued by an external independent valuation expert. The valuation exercise excludes the Company's vines which are classified as bearer plants and are carried at cost.
 	
The valuation of these assets is subjective as it is dependent on a wide range of factors including the nature of the property, soil type and geographic location. Valuations are inherently a subjective exercise and particularly in a specialised area in relation to vineyards. The valuations are sensitive to changes in the underlying variables and therefore the estimations may have a material impact on the asset value recorded in the Company's financial statements.
	We have:
	
	▪ Updated our understanding and evaluated the Company's processes for determining the valuation of land, land development and buildings in accordance with NZ IAS 16 *Property, Plant and Equipment*;
	▪ Read and evaluated the external valuation report;
	▪ Confirmed that the valuation approach for the land, land development and buildings was in accordance with NZ IFRS 13: *Fair Value Measurement* and NZ IAS 16: *Property, Plant and Equipment*, and suitable for determining the fair value of the land, land development and buildings at reporting date;
	▪ Evaluated the competence, capabilities, objectivity and expertise of Management's external valuer and the appropriateness of the expert's work as audit evidence;
	▪ Agreed land, land development and buildings related data provided by Management to the Valuer, to the Company's records and tested that information;
	▪ Engaged our own external property valuer to assist in understanding and evaluating the following:
	  ○ the work and findings of the external valuer engaged by Management;
	  ○ the valuation methods and assumptions to assist us in challenging the appropriateness of valuation methods and assumptions used by Management; and
	  ○ the acceptable range of values considered reasonable to evaluate Management's adopted valuation estimate.
	▪ Evaluated the selection of valuation methods, inputs and assumptions with a view of identifying any Management bias;
	▪ Tested a sample of additions to ensure that they have been appropriately recorded; and
	▪ Evaluated the disclosures related to the land, land developments and buildings included in the Company's financial statements.

Why we considered this to be a key audit matter	How our audit addressed the key audit matter
Recognition of revenue from Related Parties As disclosed in Note 24 of the Company's financial statements, the Company has recognised $6.2m (2025: $9.6m) in revenue from the sale of grapes to a related party. The identified related party is the Company's sole customer. Given that there are significant related party transactions, there is a risk that revenue may not been recognised in full in the current year.	Our procedures in relation to the recognition of revenue from related parties included: ▪ Reviewing the Grape Sale Agreement between the Company and its related party to ensure that the Company's policy for the recognition of revenue is in compliance with the requirements of NZ IFRS 15: *Revenue from Contracts with Customers*. ▪ Understanding the processes and evaluating the related controls implemented by the Company over revenue recognition; ▪ Performing tests of detail on a sample of revenue transactions throughout the period and in particular around period end to ensure that these have been appropriately recognised; ▪ Obtained a confirmation from the related party regarding the volume and value of sales revenue transacted during the period and agreed these confirmed amounts to the Company's financial records; and ▪ Evaluating the related disclosures about revenue from sales to related parties in relation to the requirements of NZ IAS 24: *Related Party Balances* which are included in Note 24 of the financial statements.

Other information

The Directors are responsible for the other information. The other information comprises the Chair's Report and Directors' Report & Responsibility Statement on pages 1 to 8, as well as the Shareholders' Information and Directory on pages 38 and 39 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible, on behalf of the Company, for assessing the Company'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 those charged with governance either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 (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 decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Nigel de Frere.

Who we report to

This report is made solely to the Company's shareholders. Our audit work has been undertaken so that we might state those matters which we are required to state to the shareholders 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 and the Company's shareholders for our audit work, for this report or for the opinions we have formed.

RSM Hayes Audit 5 October 2026

Terra Vitae Vineyards Limited
Shareholders' Information
For the year ended 30 June 2026

Largest Shareholders as at 30 June 2026

Holder	Shares Held	% of Shares
Villa Maria Estate Limited	8,756,361	21.89%
NZX WT Nominees Limited Cash A/c	7,262,011	18.16%
Custodial Services Limited	1,552,363	3.88%
Stephen Alan McCabe	703,426	1.76%
Manatu Limited	700,000	1.75%
Peter Rae Industries Limited	567,500	1.42%
Sir George Vjeceslav Fistonich	503,240	1.26%
Ellerslie Land Holdings Limited	456,100	1.14%
Tribal Nominees Limited	397,700	0.99%
MGS Fund Limited	325,000	0.81%
Total for top 10 Shareholders	21,223,701	53.06%

Shareholding Breakdown

Holding Range	Holders	Shares Held	% of Shares
< 25,000	165	1,387,996	3.47%
25,000 - 49,999	410	11,044,800	27.61%
50,000 - 99,999	80	4,701,100	11.75%
100,000 - 999,999	17	5,295,369	13.24%
> 1,000,000	3	17,570,735	43.93%
Totals	675	40,000,000	100.00%

Terra Vitae Vineyards Limited
Directory
For the year ended 30 June 2026

Board of Directors
Ben Russell (Chairman)
Mark Allen
Lisa Alexander

Registered Office and Principal place of Business
10 Birman Close
Half Moon Bay
Auckland 2012

Web Site: www.terravitae.co.nz
email: info@terravitae.co.nz

Independent Viticulture Consultant

Allen Vineyard Advisory
PO Box 17094
Omokoroa 3154

Bankers

Rabobank New Zealand Limited
Level 23
157 Lambton Quay
Wellington 6011

ASB Bank Limited
East Auckland Commercial
Level 2, 381 Gt South Road
Greenlane, Auckland

Auditors
RSM Hayes Audit
PO Box 9588
Newmarket, Auckland 1149

Share Register
BC Limited
PO Box 54124
The Marina
Auckland 2144

Solicitors
Duncan Cotterill
21 Bells Road
Blenheim 7272
