



AUSTRALIAN VINTAGE LTD

Australian Vintage Ltd

ACN 052 179 932

Prospectus

For an offer of up to 24,710,278 fully paid ordinary shares (**New Shares**) under the retail component of a two (2) for seven (7) accelerated non-renounceable entitlement offer of Shares at an issue price of \$0.20 per New Share to raise up to \$4,942,055.60 before costs (**Offer**).

The Offer is not underwritten.

The Offer is open to Eligible Retail Shareholders as at 7:00pm on Thursday 13 June 2024 (**Record Date**).

Not for release to US wire services or distribution in the United States

IMPORTANT INFORMATION

This Prospectus is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

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Prospectus

Important Notice

Prospectus

This Prospectus relates to the offer of fully paid ordinary shares by Australian Vintage Ltd (**AVG** or **Company**) under the Offer.

The Offer made under this Prospectus is only being made to Eligible Retail Shareholders as at the Record Date.

This Prospectus is dated 11 June 2024 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The expiry date of the Prospectus is 5.00pm (AEST) on the date that is 13 months after the date of this Prospectus (**Expiry Date**). No Shares will be issued on the basis of this Prospectus after the Expiry Date.

This Prospectus is a transaction specific prospectus for an offer to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and their professional advisers. You should have regard to all publicly available information concerning the Company.

The Company has prepared this Prospectus based on information available to it at the time of preparation.

None of ASIC and ASX, and their respective officers, take any responsibility for the contents of this Prospectus or the merits of the securities to which this Prospectus relates.

ASX maintains a database of publicly available information issued by the Company as a disclosing entity. Applications for New Shares offered pursuant to this Prospectus can only be submitted via a personalised application made online through the offer website www.computersharecas.com.au/avgoffer.

Exposure period

No exposure period applies to this Prospectus by operation of ASIC Corporations (Exposure Period) Instrument 2016/74.

No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

No representation other than in this Prospectus

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Except as required by law, and only to the extent so required, neither AVG nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus. An investment in the Shares of the Company, including the New Shares offered by this Prospectus, should be considered speculative.

Prospectus does not contain investment advice

The information provided in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular circumstances. It is important that you read and consider the information in this Prospectus in full before deciding to apply for New Shares and consider the risks that could affect the performance of the Company and the Shares.

If you have any questions, you should seek advice from your financial or other professional adviser.

Obtaining a Prospectus and Application Form

Eligible Retail Shareholders can obtain a copy of the Prospectus and receive personalised application details online through the offer website www.computersharecas.com.au/avgoffer.

Paper copies of this Prospectus and an Application Form can be obtained free of charge during the offer period (as set out in the Timetable) by calling the Offer Information Line on 1300 556 161 (within Australia) or +61 3 9415 4000 outside Australia.

Risk Factors

Potential investors should be aware that subscribing for New Shares involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future.

The New Shares offered under this Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not be considered a guide to its future performance.

Restrictions on Foreign Jurisdictions

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

No action has been taken to register or qualify the Shares being offered under the Offer or otherwise permit a public offering of the Shares in any jurisdiction other than Australia.

In particular, this Prospectus, the Offer and the Shares proposed to be issued under the Prospectus have not been, and will not be, registered under the *US Securities Act of 1933* (as amended) (**US Securities Act**) and the Offer may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Information for New Zealand investors

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021*.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013*. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

No rights issue exception for excluded foreign Shareholders

No nominee has been appointed for excluded foreign Shareholders under section 615 of the Corporations Act and, as such, Eligible Retail Shareholders will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Retail Shareholder applies for some or all of its Entitlement, it must have regard to section 606 of the Corporations Act.

Eligible Retail Shareholders who may be at risk of exceeding the 20% voting power threshold in section 606 of the Corporations Act as a result of an application for New Shares under the Offer should seek professional advice before applying for New Shares under the Offer.

Details of the effect of the Offer on the control of the Company are set out in Section 4.7.

Financial information and forward looking statements

Section 4 sets out in detail the financial information referred to in this Prospectus and the basis of preparation of that information.

Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

The pro-forma financial information provided in this Prospectus is for illustrative purposes only and is not represented as being indicative of the Company's view on its future financial condition and/or performance.

This Prospectus contains forward looking statements based on current expectations about future acts, events and circumstances which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. Any forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Forward looking statements should be read in conjunction with risk factors as set out in Section 6, and other information in this Prospectus.

The Company has no intention to update or revise forward-looking statements, regardless of whether new information, future events or any other factors affect the information detailed in this Prospectus, except where required by law.

Neither the Company nor any other person guarantees the repayment of capital or the payment of income. Investors should note that the past performance of the Company provides no guidance to its future performance.

Defined words and expressions

Some words and expressions used in this Prospectus have defined meanings. These words and expressions are capitalised and are defined throughout the Prospectus or in the Glossary in Section 8.

A reference to \$ or cents in this Prospectus is a reference to Australian currency (unless otherwise stated).

A reference to time in this Prospectus is a reference to Australian Eastern Standard Time (**AEST**) unless otherwise stated.

Any references to documents included on the Company's website or the ASX website are for convenience only, and none of the documents or other information available on those websites is incorporated in this Prospectus by reference.

Privacy

If you apply for New Shares, you will provide personal information to the Company and the Share Registry. The Company and the Share Registry collect, hold and use your personal information in order to assess your application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

Company and tax laws require some of the information to be collected. If you do not provide the information requested, your application may not be able to be processed efficiently, or at all.

Each of the Company and the Share Registry may disclose your personal information for purposes related to your shareholding to each other and to their respective agents and services providers including those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth) (**Privacy Act**):

- In the case of the Company, to the Share Registry for ongoing administration of the share register.
- In the case of the Company and the Share Registry, to printers and mailing houses for the purposes of preparation and distribution of Shareholder information and for handling of mail.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) the Company or the Share Registry. You can request access to your personal information by telephoning (+61) 8 8172 8301 between 9am-5pm (AEST) Monday to Friday (excluding public holidays), emailing privacy@australianvintage.com.au or otherwise contacting the Share Registry.

1. Key Dates

The key dates in respect of the Offer are as follows.

Event	Date (2024)
Announcement of Offer	Tuesday 11 June
Lodgement of Prospectus	Tuesday 11 June
Record Date	7:00pm AEST on Thursday 13 June
Offer opens (Opening Date)	Tuesday 18 June
Issue of Shares under Placement and Institutional Entitlement Offer	Friday 21 June
Offer closes (Closing Date)	5:00pm AEST on Tuesday 2 July
Announcement of results of the Offer and issue of New Shares under the Offer	Tuesday 9 July
Quotation of New Shares issued under the Offer	Wednesday 10 July

AVG reserves the right to vary these times and dates in its absolute discretion by sending a revised timetable to ASX. In particular, AVG reserves the right to extend the Closing Date and to accept late applications under the Offer at its discretion without prior notice. Any extension of the Closing Date will have a consequential effect on the date of issue for New Shares under the Offer.

AVG also reserves the right not to proceed with the Offer in whole or in part at any time prior to issue of the New Shares. In that event, the relevant application monies (without interest) will be returned in full to applicants.

The commencement of quotation of New Shares is subject to the discretion of ASX.

2. Corporate Directory

<p>Directors</p> <p>Mr Richard Hugh Davis (Non-Executive Chairman)</p> <p>Mr Peter James Perrin (Acting CEO and Non-Executive Director)</p> <p>Mr John Douglas Davies (Non-Executive Director)</p> <p>Ms Naseema Sparks AM (Non-Executive Director)</p>	<p>Registered Office</p> <p>275 Sir Donald Bradman Drive, Cowandilla, South Australia 5033</p> <p>Telephone: +61 8 8172 8333</p> <p>Email: corporate.investor.relations@australianvintage.com.au</p> <p>Website: https://avlwines.com.au/</p>
<p>Company Secretary</p> <p>Mrs Alicia Megan Morris</p>	<p>Chief Financial Officer</p> <p>Mr Adam Joseph Rigano</p>
<p>Legal Adviser</p> <p>HWL Ebsworth Lawyers Level 14 83 Pirie Street Adelaide SA 5000</p> <p>GPO Box 286 Adelaide SA 5001</p>	<p>Lead Manager</p> <p>E&P Corporate Advisory Pty Limited Level 9 171 Collins Street Melbourne VIC 3000</p>
<p>Share Registry</p> <p>Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street Abbotsford Victoria 3067</p> <p>Telephone: 1300 556 161</p> <p>Website: https://www.computershare.com/au</p>	<p>ASX Code</p> <p>AVG</p>

3. Details of the Offer

3.1 Background

On 11 June 2024, the Company announced a capital raising, through the proposed issue of Shares, on the following basis:

- (a) A Placement that will be offered to professional and sophisticated investors and proposed to be conducted on Tuesday 11 June 2024 and Wednesday 12 June 2024, to raise approximately \$5,500,000.00 (before costs) through the issue of 27,500,000 Shares at the Issue Price (**Placement**). Shares to be issued under the Placement will be issued within the Company's existing placement capacity under ASX Listing Rule 7.1.
- (b) An accelerated, non-renounceable entitlement offer comprising:
 - (i) the Institutional Entitlement Offer which is proposed to be conducted on Tuesday 11 June 2024 and Wednesday 12 June 2024, where Eligible Institutional Shareholders will be given the opportunity to take up all or part of their entitlement (at the same ratio as under the Offer) under the Institutional Entitlement Offer at the Issue Price. A total of 47,472,140 Shares are proposed to be issued, to raise approximately \$9,494,428.00 (before costs); and
 - (ii) a retail component of the entitlement offer, being the Offer made pursuant to this Prospectus, under which Eligible Retail Shareholders are given the opportunity to subscribe for two New Shares for every seven Shares held on the Record Date. Eligible Retail Shareholders may take up all or part of their Entitlement, with an ability to subscribe for Additional New Shares under a Shortfall Facility as described in Section 3.3 below, at the Issue Price to raise up to approximately \$4,942,055.60.

Also as announced on 11 June 2024, the Company has, subject to negotiation of satisfactory documentation, agreed credit-approved terms in principle with its senior lender National Australia Bank Limited (**NAB**) to amend its existing Facilities Agreement to:

- (a) waive the scheduled \$15 million amortisation of the Company's Cash Advance Facility No. 1 which was due on 1 August 2024;
- (b) provide a new fully amortising \$15 million revolving cash advance facility expiring on 30 November 2025 by way of a new tranche, with \$5 million amortisation on 30 November 2024 and \$10 million amortisation on 30 November 2025; and

- (c) amend a number of the information undertakings and financial covenants as set out in the Facilities Agreement,

(Debt Refinancing).¹

3.2 The Offer

The Offer made pursuant to this Prospectus is the retail component of the accelerated, non-renounceable entitlement offer described in Section 3.1(b) of the Prospectus.

Under the Offer, Eligible Retail Shareholders are being invited to subscribe for all or part of their Entitlement. Eligible Retail Shareholders who subscribe for all of their Entitlement may also choose to apply for Additional New Shares in excess of their Entitlement under the Shortfall Facility (see Section 3.3 below).

All Eligible Retail Shareholders are being sent a letter with information directing them to this Prospectus and a personalised Application Form. Eligible Retail Shareholders who have requested to receive their communications via email will be sent a personal link to their online Application Form and the Prospectus by email. No brokerage fees are payable by Eligible Retail Shareholders who exercise their Entitlement.

Subject to any changes to the timetable set out on page 5 of this Prospectus, the Offer closes at 5:00pm (AEST) on Tuesday 2 July 2024, with New Shares to be issued on Tuesday 9 July 2024.

The Offer is non-renounceable, which means that the Entitlements cannot be traded or otherwise transferred on the ASX or any other exchange or privately. Eligible Retail Shareholders who do not participate in the Offer will not receive any value for their Entitlement.

3.3 Shortfall Facility

In the event that there is a shortfall under the Offer, the Shortfall Facility will allow Eligible Retail Shareholders that have fully subscribed for their Entitlement under the Entitlement Offer to subscribe for Additional New Shares in excess of their Entitlement (**Additional New Shares**). The number of Additional New Shares that an Eligible Retail Shareholder may apply for will be capped at 100% of their Entitlement. Eligible Retail Shareholders can subscribe for Additional New Shares by making payment using the personalised details for the number of Additional New Shares applied for. Please refer to Section 3.14 for more information.

The Company intends to satisfy the applications for Additional New Shares made by Eligible Retail Shareholders wishing to participate in the Shortfall Facility as soon as possible after close of the Offer, and issue those Additional New Shares on the same date as the date New Shares are issued under the Offer.

¹ As at the date of this Prospectus, AVG has been advised by NAB that the proposed amendments to AVG's existing debt facilities, as summarised in the above, have been approved by the relevant NAB internal committees, however, remain subject to the negotiation and execution of binding long-form documentation. The credit approved terms do not represent a binding funding commitment from NAB, and NAB has made no such representation to AVG.

The Company (in consultation with the Lead Manager) will retain complete discretion regarding the allocation of Additional New Shares for which Eligible Retail Shareholders subscribe in excess of their Entitlement. Any scale-back will be applied by the Company (in consultation with the Lead Manager and at the Company's discretion). In the event of a scale back, the difference between the application monies for the New Shares applied, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded by the Company, without interest, following allotment.

The allocation of Additional New Shares will be limited to the number of New Shares for which valid applications from Eligible Retail Shareholders are not received by the Closing Date and Entitlements for New Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Offer (**Shortfall**).

There is no guarantee that those Eligible Retail Shareholders will receive the number of Additional New Shares applied for. The Company's decision on the number of Additional New Shares to be allocated to you will be final.

The Company will not issue Additional New Shares where the Company is aware that to do so would result in a breach of the Corporations Act (including section 606 of the Corporations Act) or the ASX Listing Rules. Eligible Retail Shareholders wishing to apply for Additional New Shares under the Shortfall Facility must consider whether the issue of the Additional New Shares applied for would breach the Corporations Act or the ASX Listing Rules having regard to their own circumstances (including the existence of any associates). The Company expressly disclaims any responsibility for monitoring such applications or ensuring that individual Shareholders do not breach the Corporations Act or the ASX Listing Rules as a result of participation in the Offer.

3.4 Eligible Retail Shareholders

The Offer constitutes an offer only to Eligible Retail Shareholders, being Shareholders on the Record Date who have a registered address in Australia or New Zealand or are an Institutional Investor who was not invited to participate in the Institutional Entitlement Offer and are eligible under all applicable laws to receive an offer under the Offer. A person in the United States or acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States) or an Eligible Institutional Shareholder (other than a nominee to the extent that the nominee holds Shares on behalf of an Eligible Retail Shareholder) is not entitled to participate in the Offer.

Determination of eligibility of investors for the purposes of the Offer is by reference to a number of matters, including legal requirements and the discretion of AVG. AVG and its affiliates and related bodies corporate disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Unless the Company otherwise determines, the Offer is being made under this Prospectus and the Application Form only to Eligible Retail Shareholders, being Shareholders who:

- (a) are registered as a holder of Shares as at the Record Date;

- (b) either:
 - (i) have a registered address on the Company's share register that is in Australia or New Zealand;
 - (ii) are Institutional Investors who were not invited to participate in the Institutional Entitlement Offer; or
 - (iii) are Shareholders that the Company otherwise determines are eligible to participate;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such persons in the United States); and
- (d) are eligible under all applicable securities laws to receive an offer under the Offer.

Retail Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders. The Company is of the view that it is unreasonable to make an offer under the Offer to Shareholders outside of the above jurisdictions having regard to:

- (e) the number of Shareholders outside those jurisdictions as a proportion of total Shareholders in AVG;
- (f) the number and value of the New Shares that would have been offered to those Shareholders outside of those jurisdictions; and
- (g) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

3.5 Beneficial holders, nominees, trustees and custodians

Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Retail Shareholder. Shareholders who are nominees, trustees or custodians may only participate in the Offer on behalf of any beneficial holder who is resident in Australia, New Zealand or is an Institutional Shareholder in another jurisdiction who was not invited to participate in the Institutional Offer.

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Retail Shareholders.

3.6 No general public offer

There is no general public offer of Shares under this Prospectus. The Offer is only open to Eligible Retail Shareholders.

3.7 Terms of New Shares

Each New Share offered under this Prospectus will have the same terms, and will rank equally with the Shares that are currently on issue as at the date of the Prospectus.

A summary of the rights and liabilities attaching to the Shares are set out in Section 5 below.

3.8 **Minimum and maximum subscription**

There is no minimum subscription under the Offer.

No person may apply for (and the Company will not issue) Shares under the Offer in excess of the person's Entitlement unless in accordance with the Shortfall Facility.

3.9 **Consideration payable**

The New Shares offered under this Prospectus will be issued to the Eligible Retail Shareholders for the Issue Price, being \$0.20 per New Share.

The amount that will be raised by the Company depends on the uptake by Eligible Retail Shareholders of their Entitlements. The maximum amount to be raised under the Offer is \$4,942,055.60.

3.10 **Non-renounceable Offer**

The Offer is non-renounceable. Accordingly, Eligible Retail Shareholders may not sell or transfer all or part of their Entitlements.

3.11 **Rounding**

In the event that a person is entitled to a fraction of a New Share, that fractional entitlement will be rounded to the nearest whole figure.

3.12 **Lead Manager**

The Lead Manager is entitled to receive the following fees:

- (a) a management fee of 1% of the gross amount raised under the Placement, Institutional Entitlement Offer and Offer, regardless of which investors those funds are received from and whether the funds are received or arranged by the Company, the Lead Manager or a third party (**Proceeds**);
- (b) a selling fee of 3.5% of the Proceeds; and
- (c) a discretionary incentive fee of up to 0.5% of the Proceeds (which the Company may acting reasonably and in good faith consider paying to the Lead Manager upon completion of the Offer).

3.13 **Offer period**

The Offer will open on Tuesday 18 June 2024 (**Opening Date**).

Applications for New Shares under the Offer will close on 5:00pm AEST, Tuesday 2 July 2024 (**Closing Date**).

The Opening Date and Closing Date for the Offer are indicative only and subject to change without notice. The Company may vary these dates, including to close the Offer early or extend the Closing Date, at any time prior to the issue of New Shares under the Offer.

If any of the dates are changed, subsequent dates may also change. You are encouraged to lodge your Application Form as soon as possible after the Opening Date.

3.14 How to apply for New Shares

If you are an Eligible Retail Shareholder and wish to take up all or part of your Entitlement by subscribing for New Shares, please make an application online through the offer website www.computersharecas.com.au/avgoffer.

If the number of New Shares subscribed for is more than the relevant Entitlement, an Eligible Retail Shareholder will be taken to have applied for Additional New Shares under the Shortfall Facility. The Company reserves the right to accept the application for Additional New Shares in part or in full, or to reject the application for Additional New Shares. For further information on the Shortfall Facility, please refer to Section 3.3.

Once an application has been made it cannot be revoked. No notice of acceptance of an application will be provided.

Completed Applications including payment must be received, in accordance with the instructions on the offer website, by no later than the Closing Date. The Company may vary the Closing Date (including to close the Offer early or extend the Closing Date), at any time prior to the issue of New Shares under the Offer.

3.15 Withdrawal

Subject to the Corporations Act, the ASX Listing Rules and any other requirements of ASX or the law, the Directors may decide to withdraw this Prospectus and the Offer at any time prior to the allotment of Shares or to waive strict compliance with any provision of the terms and conditions of the Offer.

3.16 Underwriting

The Offer is not underwritten.

3.17 ASX quotation

The Company will apply to ASX within seven days after the date of this Prospectus for quotation of the New Shares offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the New Shares offered under this Prospectus within three months after the date of this Prospectus, or such longer period as modified by ASIC, none of the New Shares offered by this Prospectus will be allotted or issued. In these circumstances, all applications will be dealt with in accordance with the Corporations Act including the return of all application monies without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the New Shares.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the New Shares are dispatched.

3.18 Allotment and holding statements

The Company anticipates issuing the New Shares subscribed for under the Offer on or around Tuesday 9 July 2024.

Holding statements for the New Shares issued under the Offer will be mailed as soon as reasonably practicable after the Shares are issued.

3.19 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

3.20 Taxation and duty implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Offer or Shareholders applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Offer. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

No brokerage or stamp duty is payable by Eligible Retail Shareholders in respect of applications for New Shares under this Prospectus.

3.21 Enquiries

Any questions concerning the Offer should be directed to the Offer Information Line on 1300 556 161 (within Australia) or +61 3 9415 4000 outside Australia.

4. Purpose and Effect of the Offer

4.1 Purpose of the Offer

The Offer being made is the retail component of the Company's accelerated non-renounceable entitlement offer which, together with the Placement and the Institutional Entitlement Offer, forms part of the Company's capital raising to raise up to \$19,936,483.60. As announced by the Company on 11 June 2024, the net Proceeds of the capital raising will be used to increase liquidity and working capital, providing the Company with enhanced financial flexibility to help navigate challenging industry conditions and continue to execute on the Company's strategic plan, whilst strengthening the balance sheet.

4.2 Effect of the Offer on issued securities and funds raised

The effect of the Offer will depend on the level of take-up of Entitlements by Eligible Retail Shareholders.

By way of example, in the event that:

- (a) 100% of all Entitlements are taken-up, the Company will raise a total of approximately \$4,942,055.60 (before costs) from the Offer by issuing approximately 24,710,278 Shares; and
- (b) 50% of all Entitlements are taken-up, the Company will raise a total of approximately \$2,471,027.80 (before costs) from the Offer by issuing approximately 12,355,139 Shares.

4.3 Use of Proceeds

As noted in Section 4.2, the amount of funds raised from the Offer will depend on the take-up of Entitlements under the Offer.

For illustrative purposes, the table below shows the Company's intended use of Proceeds from the capital raising (including the Placement, the Institutional Entitlement Offer and the Offer) in various scenarios, depending on the take-up of Entitlements under the Offer, and the extent to which the Placement and the Institutional Entitlement Offer are fully subscribed:

- (a) **Scenario 1:** 100% take-up of Placement, Institutional Entitlement Offer and Offer;
- (b) **Scenario 2:** 100% take-up of Placement and Institutional Entitlement Offer, and 50% take-up of Offer; or
- (c) **Scenario 3:** 50% take-up of Placement, Institutional Entitlement Offer and Offer.

	Scenario 1	Scenario 2	Scenario 3
Funds raised under the Placement (before costs)	\$ 5,500,000.00	\$ 5,500,000.00	\$ 2,750,000.00
Funds raised under the Institutional Entitlement Offer (before costs)	\$ 9,494,428.00	\$ 9,494,428.00	\$ 4,747,214.00
Funds raised under the Offer (before costs)	\$ 4,942,055.60	\$ 2,471,027.80	\$ 2,471,027.80
Costs of capital raising (including costs of Placement, Institutional Entitlement Offer and Offer)	\$ 1,222,141.76	\$ 1,110,945.51	\$ 773,570.88
Net Proceeds	\$ 18,714,341.84	\$ 16,354,510.29	\$ 9,194,670.92
Net Proceeds of the capital raising will be used in conjunction with debt facilities to increase liquidity and working capital	\$ 18,714,341.84	\$ 16,354,510.29	\$ 9,194,670.92
Total proposed use of Proceeds	\$ 18,714,341.84	\$ 16,354,510.29	\$ 9,194,670.92

4.4 Pro-forma Balance Sheet

This section contains a summary of the historical financial information for the Company as at 31 December 2023 (**Historical Financial Information**) and a pro-forma historical statement of the financial position as at 31 December 2023 (**Pro Forma Historical Financial Information**) (collectively, **Financial Information**).

The Financial Information has been prepared to illustrate the effect of the Placement, the Institutional Entitlement Offer and the Offer in the various scenarios set out in Section 4.3 above (i.e. depending on the take-up of Entitlements under the Offer, and the extent to which the Placement and the Institutional Entitlement Offer are fully subscribed).

100% take-up of Placement, Institutional Entitlement Offer and Offer (Scenario 1)

\$m	31-Dec-23	Equity Raising ² (net)	Impairment of Goodwill ³	31-Dec-23 (pro forma)
Cash & equivalent	9.8	18.7	-	28.5
Receivables	61.5		-	61.5
Inventories	210.5		-	210.5
Plant & Equipment	98.5		-	98.5
Goodwill/intangible	45.3		(38.0)	7.3
Other	69.8		-	69.8
Total assets	495.5	18.7	(38.0)	476.2
Payables	39.9		-	39.9
Borrowings	77.5		-	77.5
Other	81.7		-	81.7
Total liabilities	199.1	-	0.0	199.1
Net assets	296.4	18.7	(38.0)	277.2
Net debt⁴	67.7	(18.7)	-	49.0
Available liquidity (\$m)⁵	25.6	18.7	-	59.3
Net Debt / EBITDAS⁶	2.3x	(0.6x)	-	1.6x
NTA per share (cents/share)⁷	92.4	5.3	-	71.6

100% take-up of Placement and Institutional Entitlement Offer; 50% take-up of Offer (Scenario 2)

\$m	31-Dec-23	Equity Raising ⁸ (net)	Impairment of Goodwill ³	31-Dec-23 (pro forma)
Cash & equivalent	9.8	16.4		26.1
Receivables	61.5			61.5
Inventories	210.5			210.5
Plant & Equipment	98.5			98.5

² Being the Placement, Institutional Entitlement Offer and Offer together

³ Based on information currently known, AVG expects to record a \$38 million impairment charge against goodwill in FY24. \$38 million is a preliminary estimate subject to the completion of AVG's full year audit

⁴ Calculated as borrowings of \$77.5 million less cash of \$9.8 million as at 31 December 2023, pro-forma adjusted for the Equity Raising proceeds of \$18.7 million (net of transaction costs of approximately \$1.2 million)

⁵ Calculated as cash and undrawn debt of \$15.6 million as at 31 December 2023 (excluding \$6 million of bank guarantee facilities), pro-forma adjusted for a \$10 million increase in capacity secured on 1 May 2024 (which was originally scheduled to expire at the end of July 2024), Equity Raising proceeds of \$18.7 million (net of transaction costs of approximately \$1.2 million) and a new \$15 million debt facility

⁶ Calculated using the mid-point of FY24 forecast underlying EBITDAS of \$29–31 million (post AASB-16) and net debt (calculated in accordance with footnote 3)

⁷ Represents net tangible assets per share. Net tangible assets calculation excludes goodwill/intangibles and deferred tax assets but includes right of use assets and liabilities (noting some of these items are not individually disclosed in the balance sheet above). Pro-forma position adjusted for the impacts of the Offer

⁸ Being the Placement, Institutional Entitlement Offer and Offer together

\$m	31-Dec-23	Equity Raising ⁸ (net)	Impairment of Goodwill ⁹	31-Dec-23 (pro forma)
Goodwill/intangible	45.3		(38.0)	7.3
Other	69.8			69.8
Total assets	495.5	16.4	(38.0)	473.9
Payables	39.9			39.9
Borrowings	77.5			77.5
Other	81.7			81.7
Total liabilities	199.1	-	-	199.1
Net assets	296.4	16.4	(38.0)	274.8
Net debt⁹	67.7	(16.4)		51.4
Available liquidity (\$m)¹⁰	25.6	16.4		57.0
Net Debt / EBITDAS¹¹	2.3x	(0.5x)		1.7x
NTA per share (cents/share)¹²	92.4	4.8		73.5

50% take-up of Placement, Institutional Entitlement Offer and Offer (Scenario 3)

\$m	31-Dec-23	Equity Raising ¹³ (net)	Impairment of Goodwill ³	31-Dec-23 (pro forma)
Cash & equivalent	9.8	9.2		19.0
Receivables	61.5			61.5
Inventories	210.5			210.5
Plant & Equipment	98.5			98.5
Goodwill/intangible	45.3		(38.0)	7.3
Other	69.8			69.8
Total assets	495.5	9.2	(38.0)	466.7
Payables	39.9			39.9
Borrowings	77.5			77.5
Other	81.7			81.7
Total liabilities	199.1	-	-	199.1
Net assets	296.4	9.2	(38.0)	267.6
Net debt¹⁴	67.7	(9.2)		58.5
Available liquidity (\$m)¹⁵	25.6	9.2		49.8

⁹ Calculated as borrowings of \$77.5 million less cash of \$9.8 million as at 31 December 2023, pro-forma adjusted for the Equity Raising proceeds of \$16.4 million (net of transaction costs of approximately \$1.1 million)

¹⁰ Calculated as cash and undrawn debt of \$15.6 million as at 31 December 2023 (excluding \$6 million of bank guarantee facilities), pro-forma adjusted for a \$10 million increase in capacity secured on 1 May 2024 (which was originally scheduled to expire at the end of July 2024), Equity Raising proceeds of \$16.4 million (net of transaction costs of approximately \$1.1 million) and a new \$15 million debt facility

¹¹ Calculated using the mid-point of FY24 forecast underlying EBITDAS of \$29–31 million (post AASB-16) and net debt (calculated in accordance with footnote 7)

¹² Represents net tangible assets per share. Net tangible assets calculation excludes goodwill/intangibles and deferred tax assets but includes right of use assets and liabilities (noting some of these items are not individually disclosed in the balance sheet above). Pro-forma position adjusted for the impacts of the Offer

¹³ Being the Placement, Institutional Entitlement Offer and Offer together

¹⁴ Calculated as borrowings of \$77.5 million less cash of \$9.8 million as at 31 December 2023, pro-forma adjusted for the Equity Raising proceeds of \$9.2 million (net of transaction costs of approximately \$0.8 million)

¹⁵ Calculated as cash and undrawn debt of \$15.6 million as at 31 December 2023 (excluding \$6 million of bank guarantee facilities), pro-forma adjusted for a \$10 million increase in capacity secured on 1 May 2024 (which was originally scheduled to expire at the end of July 2024), capital raising proceeds of \$9.2 million (net of transaction costs of approximately \$0.8 million) and a new \$15 million debt facility

\$m	31-Dec-23	Equity Raising ¹³ (net)	Impairment of Goodwill ¹³	31-Dec-23 (pro forma)
Net Debt / EBITDAS ¹⁶	2.3x	(0.3x)		2.0x
NTA per share (cents/share) ¹⁷	92.4	3.0		80.2

4.5 Basis of preparation of financial information

The stated basis of preparation for the Historical Financial Information is in accordance with the recognition and measurement principles of the Australian Accounting Standards.

The stated basis of preparation for the Pro Forma Historical Financial Information is in a manner consistent with the recognition and measurement principles of the Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Section 4.6, as if those events or transactions had occurred as at 31 December 2023.

4.6 Pro-forma adjustments to consolidated balance sheet

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information and has been prepared on the basis that the Placement, the Institutional Entitlement Offer, the Offer and the Debt Refinancing occurred as at 31 December 2023 and assumes an allotment of:

- (a) **Scenario 1:** 99,682,418 Shares at the Issue Price to raise gross proceeds of \$19,936,483.60 (before costs);
- (b) **Scenario 2:** 87,327,279 Shares at the Issue Price to raise gross proceeds of \$17,465,455.80 (before costs); or
- (c) **Scenario 3:** 49,841,209 Shares at the Issue Price to raise gross proceeds of \$9,968,241.8 (before costs).

All three Scenarios also assume a \$38 million impairment charge against goodwill, which is a preliminary estimate subject to the completion of the Company's FY24 full year audit.

4.7 Effect on control

The current interests of the Company's three largest Shareholders are shown in the table below, along with the potential interests of those Shareholders upon completion of the Offer in the various scenarios set out in Section 4.3 above (i.e. depending on the take-up of Entitlements under the Offer, and the extent to which the Placement and the Institutional Entitlement Offer are fully subscribed). In each case, this assumes:

¹⁶ Calculated using the mid-point of FY24 forecast underlying EBITDAS of \$29–31 million (post AASB-16) and net debt (calculated in accordance with footnote 14)

¹⁷ Represents net tangible assets per share. Net tangible assets calculation excludes goodwill/intangibles and deferred tax assets but includes right of use assets and liabilities (noting some of these items are not individually disclosed in the balance sheet above). Pro-forma position adjusted for the impacts of the Offer

- (a) each of the below Shareholders is eligible to participate in the Offer or the Institutional Entitlement Offer, and takes up their full entitlement; and
- (b) each of the Shareholders below participates in the Placement to the extent necessary to prevent that Shareholder from being diluted (on the assumption that the Placement would be fully subscribed):

Shareholder		HSBC Custody Nominees (Australia) Limited	Citicorp Nominees Pty Limited	Vintage China Funds GP Limited
Current ¹	No. Shares held	45,315,147	43,635,315	30,314,663
	% of total Shares	17.9%	17.3%	12.0%
Scenario 1 ^{2,5}	No. Shares held	63,194,938	60,852,303	42,275,782
	% of total Shares	17.9%	17.3%	12.0%
Scenario 2 ^{3,5}	No. Shares held	63,194,938	60,852,303	42,275,782
	% of total Shares	18.6%	17.9%	12.4%
Scenario 3 ^{4,5}	No. Shares held	63,194,938	60,852,303	42,275,782
	% of total Shares	20.9%	20.1%	14.0%

Notes:

1. Current as at 6 June 2024.
2. Scenario 1 assumes 100% take-up of Placement, Institutional Entitlement Offer and Offer.
3. Scenario 2 100% take-up of Placement and Institutional Entitlement Offer; 50% take-up of Offer.
4. Scenario 3 assumes 50% take-up of Placement, Institutional Entitlement Offer and Offer.
5. This table assumes that no Performance Rights vest and are satisfied by the issue of Shares prior to the issue of New Shares under the Offer.

The actual interests of the above Shareholders following completion of the Offer may be different, depending on their participation in the Placement and Institutional Entitlement Offer.

Other than as set out above or in Section 4.8 below, the Company is of the view that the Offer will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No Shareholder is anticipated to have a voting power greater than 20% as a result of the completion of the Offer.

4.8 Substantial holders

Based on the most recent filings and the Company's share register, the persons who (together with their associates) have a relevant interest in 5% or more of the Company's securities (**Substantial Shareholders**) are set out below, together with their current shareholdings.

Shown in the table below are the potential interests of the Company's Substantial Shareholders upon completion of the Offer in the various scenarios set out in Section 4.3 above (i.e. depending on the take-up of Entitlements under the Offer, and the extent to which the Placement and the Institutional Entitlement Offer are fully subscribed). In each case, this assumes:

- (a) each of the below Substantial Shareholders is eligible to participate in the Offer or the Institutional Entitlement Offer, and takes up their full entitlement; and
- (b) each of the Substantial Shareholders below participates in the Placement to the extent necessary to prevent that Substantial Shareholder from being diluted (on the assumption that the Placement would be fully subscribed):

Shareholder		Allan Gray Investment Management	Vintage China Funds GP Limited	MA Financial Group Limited
Current ¹	No. Shares held	42,871,109	30,314,663	22,323,079
	% of total Shares	17.0%	12.0%	8.8%
Scenario 1 ^{2,5}	No. Shares held	59,786,567	42,275,782	31,130,995
	% of total Shares	17.0%	12.0%	8.8%
Scenario 2 ^{3,5}	No. Shares held	59,786,567	42,275,782	31,130,995
	% of total Shares	17.6%	12.4%	9.2%
Scenario 3 ^{4,5}	No. Shares held	59,786,567	42,275,782	31,130,995
	% of total Shares	19.8%	14.0%	10.3%

Notes:

1. Current as at 6 June 2024.
2. Scenario 1 assumes 100% take-up of Placement, Institutional Entitlement Offer and Offer.
3. Scenario 2 100% take-up of Placement and Institutional Entitlement Offer; 50% take-up of Offer.
4. Scenario 3 assumes 50% take-up of Placement, Institutional Entitlement Offer and Offer.
5. This table assumes that no Performance Rights vest and are satisfied by the issue of Shares prior to the issue of New Shares under the Offer.

4.9 Effect on Capital Structure

The effect of the Offer on the Company's capital structure will depend on the Eligible Retail Shareholders' take-up of their Entitlements. For illustrative purposes, shown in the table below is the capital structure of the Company at the completion of the issue of New Shares under the Offer in the various scenarios set out in Section 4.3 above (i.e. depending on the take-up of Entitlements under the Offer, and the extent to which the Placement and the Institutional Entitlement Offer are fully subscribed).

Shares ⁵	Scenario 1 ²	Scenario 2 ³	Scenario 3 ⁴
Shares on issue at the date of this Prospectus ¹	252,638,486	252,638,486	252,638,486
Shares to be issued under the Placement	27,500,000	27,500,000	13,750,000
Share to be issued under the Institutional Entitlement Offer	47,472,140	47,472,140	23,736,070
Share proposed to be issued under the Offer	24,710,278	12,355,139	12,355,139
Shares on issue at completion of the Offer	352,320,904	339,965,765	302,479,695

Notes:

1. Current as at 6 June 2024.
2. Scenario 1 assumes 100% take-up of Placement, Institutional Entitlement Offer and Offer.
3. Scenario 2 100% take-up of Placement and Institutional Entitlement Offer; 50% take-up of Offer.
4. Scenario 3 assumes 50% take-up of Placement, Institutional Entitlement Offer and Offer.
5. This table assumes that no Performance Rights vest and are satisfied by the issue of Shares prior to the issue of New Shares under the Offer.

The Offer will not have any effect on other securities issued or granted, including Performance Rights, as at the date of this Prospectus.

Please refer to the Company's Annual Report for the financial year 1 July 2022 to 30 June 2023, for full details of the other securities on issue. Since the date of that Annual Report, the Company has not issued any securities other than Performance Rights issued pursuant to the AVG Performance Rights and Option Plan.

The Annual Report was lodged with ASX on 20 October 2023 and is available on the Company's ASX announcements page at: <https://avlwines.com.au/investor-centre/announcements/>

A copy of the Annual Report is also available free of charge by contacting the Company using the details in Section 2 of this Prospectus.

4.10 Dilution

On completion of the Offer and the issue of Shares under the Placement and Institutional Entitlement Offer, assuming that:

- (a) all New Shares under the Placement and the Institutional Entitlement Offer are issued;
- (b) 100% take-up of Entitlements under the Offer; and
- (c) no Performance Rights vest and are satisfied by the issue of Shares prior to the issue of New Shares under the Offer,

the total number of issued shares in the Company would increase from 252,638,486 to 352,320,904 (an increase of 39.5%). This is the maximum potential dilutionary impact of

the Placement, Institutional Entitlement Offer and Offer. As a consequence, all Shareholders will have their percentage holding in the Company diluted, but Eligible Retail Shareholders who do not take up all of their Entitlements under the Offer will have their percentage holding diluted to a greater extent.

5. Rights and Liabilities attaching to Shares

A summary of the key rights attaching to the Shares is set out below. The provisions of the Constitution relating to the rights attaching to the Shares must be read subject to the Corporations Act, the ASX Listing Rules, ASX Settlement Operating Rules and other applicable laws. This summary is not intended to be exhaustive and does not constitute a definitive statement of the rights, liabilities and restrictions attaching to the Shares.

5.1 General meetings

Pursuant to the Company's Constitution, any member is entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company. Members are entitled to receive notice of and to attend general meetings of the Company and to receive all notices, financial reports and other documents required to be sent to members under the Constitution, the Corporations Act or the ASX Listing Rules. The notice must state the general nature of business and any other matters required by the constitution, the Corporations Act or the ASX Listing Rules.

A general meeting may be held as a virtual meeting or a hybrid meeting.

Members may requisition meetings in accordance with the Corporations Act.

5.2 Voting rights

Subject to the Constitution, Corporations Act and other relevant laws, and to any rights or restrictions attaching to any class of shares, the members may vote at meetings of members as follows:

- (a) on a show of hands, each member has one vote; and
- (b) on a poll, each shareholder has one vote for each fully paid Share, and for each partly paid Share, a member will have a fraction of a vote equivalent to the proportion that the amount paid on the Share bears to the total issue price of that Share.

A resolution put to the vote at a meeting of members must be decided on a show of hands unless a poll is demanded.

A member is not entitled to be present or vote at a general meeting unless all calls due and payable in respect of their Shares have been paid.

If a Share is held jointly, any one of such persons may vote but the vote of the person first named in the member register who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders.

5.3 **Dividend rights and dividend policy**

If the Board determines that a dividend is payable, it may fix the amount, time for payment and method for payment, subject to the ASX Listing Rules.

The Company may in general meeting determine that a dividend is to be paid but may only do so if the Board has recommended a dividend.

5.4 **Winding-up**

If the Company is wound up, the liquidator may, by special resolution passed by the members divide among the members the whole or any part of the assets of the Company.

5.5 **Transfer of Shares**

Subject to the Constitution, a member may transfer securities in any manner required or permitted by the Law and the ASX Listing Rules.

Unless the capital has been reorganised or a holding lock has been placed on the securities, the Board must not prevent, delay or interfere with transfer of securities.

5.6 **Issues of shares**

Subject to the Constitution, the Corporations Act, ASX Listing Rules and any special rights conferred on the holders of any existing shares:

- (a) the Board may allot, grant options over, or otherwise dispose of shares, to such persons on such terms and conditions as it thinks fit; and
- (b) any shares may be issued with preferred, deferred or other rights or restrictions and on terms and conditions as the Board determines.

5.7 **Variation of rights**

Subject to the ASX Listing Rules, if at any time different classes of shares are issued, the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with:

- (a) a special resolution passed at a separate general meeting of the holders of the shares of that class; or
- (b) absent a quorum in the separate general meeting, a written consent of the holders of at least 75% of the issued shares of the class within two calendar months from the date of such meeting.

6. Risk Factors

The business activities of the Company are subject to risks and there are many risks which may impact on the Company's future performance. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but many are outside of the control of the Company and cannot be mitigated. There are also general risks associated with any investment. Investors should consider all of these risks before they make a decision whether or not to subscribe for New Shares.

An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding to apply for New Shares pursuant to this Prospectus.

The principal risk factors include, but are not limited to, the following.

6.1 Company-specific risks

(a) Debt Refinancing

While credit-approved terms have been agreed in principle with the Company's existing financier for additional support pursuant to the Debt Refinancing, there is a risk that the Company and NAB may not agree and execute long-form facility documentation, or that conditions imposed under those facilities may not be satisfied to enable the Company to draw down on those funds.

(b) Climate change

Climate change is expected to impact on AVG increasingly in terms of regulation and associated costs, posing the following risks:

- (i) restrictions on access to water and energy whilst working within possible carbon price and emission reduction targets;
- (ii) the ability to effectively respond to climate related change impacts that could have adverse effects on business performance;
- (iii) third party suppliers' ability to respond to climate change impacts;
- (iv) consumer awareness and retailer requirement for sustainability strategies that could impact listings and sales offtake;
- (v) rising temperatures in the inland growing regions and the impact that may have on vine and grape performance; and
- (vi) global sourcing strategies to mitigate high emission freight.

(c) **Challenging global shipping environment**

The disruption in the global shipping environment is having an impact on the reliability of supply and the cost of that supply. The cost impost on the business is significant thereby impacting on margins and profitability.

(d) **Grape supply**

The Company's ability to fulfil demand, in particular growing demand for wine, is restricted by the availability of grapes. Climate change, agricultural and other factors, such as disease, pests, extreme weather conditions, water scarcity and competing land use, create increased risk that the Company will be unable to fulfil demand.

To the extent that any of the foregoing impact the quality and quantity of grapes available to the Company for the production of wine, the financial prospects of operations could be adversely affected, both in the year of harvest and in future periods.

There is also a current Australian oversupply of red grapes, caused by the build-up of bulk red wine originally produced for the Chinese market and which was unable to be sold into China following the imposition of tariffs on Australian wine. This has led to AVG's competitors selling bulk wine below market prices and production cost, impacting on prices able to be obtained by AVG for its private label and own brand contracts, as well as impacting AVG's retail sales due to competitor brands being sold at artificially low prices.

(e) **Global Hyper-inflation**

The ongoing conflicts in the Ukraine and Middle East are driving higher energy and fuel costs across the globe, directly impacting the Company's global bottling operations and cost of distribution. Coupled with increased staffing costs, increased consumables, and increased inflation the cost of doing business is increasing.

(f) **Share price lower than net tangible assets**

The Company's share price has been lower than its net tangible assets per Share, tracking in line with overall ASX market movements. This places the Company as a takeover target with a potential risk that fair value will not translate in the transaction.

(g) **Brand reputation**

The strength of the Company's portfolio of brands is key to the success of its business. As a brand-led organisation, managing the reputation of brands is critical to the Company's ongoing success.

Failure to protect and effectively manage brands could have significant reputational and financial repercussions.

(h) **Recruitment of CEO and retention of key leadership and talent**

The Company's ability to deliver on strategic targets is reliant on attracting and retaining experienced, skilled and motivated talent in core functions such as winemaking, sales, marketing and finance. The Company is currently in the process of recruiting a new Chief Executive Officer. The Company's future performance will likely be impacted by its ability to recruit a suitable candidate to that role.

(i) **Risk of decline in the sub \$10 product category**

Global demand for the sub \$10 category in wine is in decline. As the Company sells some of the McGuigan branded products in this category there is a risk to revenue if this is not mitigated.

Current oversupply and strategic business uncertainty in competitors has resulted in unsustainable short-term pricing in bulk and low end categories.

(j) **Changing laws and government regulations**

The Company operates in a highly regulated industry in many of the markets in which it makes and sells wine. Each of these markets have differing regulations that govern many aspects of the Company's operations, including taxation, production, manufacturing, pricing, marketing, advertising, distribution and sales of wine.

Remaining compliant with and abreast of changes to such regulations requires diligent and ongoing monitoring by the business. Additionally, changes and additional regulations can significantly impact the nature of operations.

(k) **Significant business disruption**

The Company's scope of operations exposes it to a number of business disruption risks, such as environmental catastrophes, natural and man-made hazards and incidents or politically motivated violence.

Significant business disruption could result in the Company's sites or employees being harmed or threatened, loss of key infrastructure, inventory shortages or loss, customer dissatisfaction, or financial and reputation loss.

(l) **Foreign exchange**

The Company is exposed to foreign exchange risk from a number of sources, namely from the export of Australian produced wine to offshore markets. Foreign exchange rate movements impact the Company's earnings.

(m) **Potential for Dilution**

In the future, the Company may elect to issue Shares or other securities. While the Company will be subject to the constraints of the ASX Listing Rules regarding the issue of Shares or other securities, shareholders may be diluted as a result of such issues of Shares or other securities.

(n) **Industry consolidation**

The anticipated consolidation of the Australian wine industry may not occur, or the Company may not have an opportunity to participate in that consolidation. As such, the Company may not be able to counter the current challenging cyclical conditions, including oversupply, cost hyperinflation and irrational competitor pricing via consolidation.

(o) **Supplier risk**

The Company's business relies on a number of domestic and international suppliers across its supply chain. Any increase in pricing, alteration to payment terms or a damaged relationship with a key supplier may result in higher costs, impacts to the Company's cash flow or the Company's ability to source required supplies on a timely basis. In such scenarios, the Company would be required to absorb those higher costs or pass them on to customers (which may result in a reduction in demand and/or profitability).

6.2 **General risks**

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) conflicts which may affect International trade and supply lines such as the conflicts in Gaza and Ukraine;
- (ii) general economic outlook;
- (iii) introduction of tax reform or other new legislation;
- (iv) interest rates and inflation rates;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and healthcare stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Litigation risk**

While the Company is not currently engaged in any litigation or disputes, it remains exposed to possible litigation and dispute risks including environmental claims, occupational health and safety claims, trademark infringement and employee claims. Further, the Company may be involved in disputes with other parties in the future, which may result in litigation. Damages claimed under such litigation may be material or may be indeterminate, and the outcome of such litigation may materially impact on the Company's operations, financial performance and financial position. Defence and settlement costs can be significant, even in respect of claims that have no merit, and can divert the time and attention of management away from the business. In addition, the adverse publicity surrounding such claims may have a material adverse effect on the Company's business and prospects.

(d) **Cyber security**

Data/information security is essential to protect business critical intellectual property and privacy of data. Continuing advances in technology, systems and communication channels mean increasing amounts of private and confidential data are now stored electronically. This, together with increasing cyber-crime, heightens the need for robust data security measures.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus.

Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities. Potential investors should consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

7. Additional Information

7.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a 'transaction specific prospectus'. In general terms a 'transaction specific prospectus' is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not

necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been provided to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to apply for New Shares.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with ASIC, being the financial report for the year ending 30 June 2023;
 - (ii) half-year financial report lodged by the Company with ASIC ending 31 December 2023; and
 - (iii) any continuous disclosure documents given by the Company to ASX after the lodgement of the annual financial report referred to in clause 7.1(c)(i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company will be made available free of charge to anyone who requests a copy of it during the offer period, available by email.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest full year statutory accounts and before the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description of Announcement
11 June 2024	Investor Presentation
11 June 2024	Trading Update and Capital Structure Initiatives
11 June 2024	Proposed issue of securities - AVG
11 June 2024	Extension of Suspension from Official Quotation
27 May 2024	Suspension from Official Quotation
23 May 2024	Trading Halt

Date	Description of Announcement
23 May 2024	Pause in trading
8 May 2024	Appendix 3Z - Craig Garvin
8 May 2024	Notification of cessation of securities - AVG
8 May 2024	Balranald Vineyard Lease Surrender
3 May 2024	Departure of CEO and Appointment of Acting CEO
24 April 2024	AVG 2024 Vintage Update
15 March 2024	Change in substantial holding
14 March 2024	Change in substantial holding
26 February 2024	Response to Media Speculation
21 February 2024	AVG 1H FY24 Results Investor Presentation
21 February 2024	AVG 1H FY24 Results Media Release
21 February 2024	Half Year Accounts
20 February 2024	AVG Notice of 1H FY24 Results & Investor Teleconference & Webinar
8 February 2024	Update - Notification regarding unquoted securities - AVG
6 February 2024	Notification regarding unquoted securities - AVG
6 February 2024	Notification of cessation of securities - AVG
23 November 2023	AVG AGM Voting Results 2023
22 November 2023	2023 AVG AGM Addresses and Presentation
20 October 2023	Appendix 4G
20 October 2023	AVG 2023 Annual Report
20 October 2023	Notice of Annual General Meeting / Proxy Form
10 October 2023	Notification of cessation of securities - AVG
25 August 2023	AVG FY23 Full Year Results Presentation
25 August 2023	AVG FY23 Full Year Results Press Release
25 August 2023	AVG 4E and Financial Statements 30 June 2023

The announcements are available at www.asx.com.au and through the Company's website <https://avlwines.com.au/>.

7.2 Removal of secondary trading restrictions

The Shares to be issued under the Placement and Institutional Entitlement Offer will be issued to sophisticated and professional investors without a disclosure document under Chapter 6D of the Corporations Act in reliance on the disclosure exemptions in sections 708(8) and 708(11).

Section 707(3) of the Corporations Act requires that a prospectus be issued in order for a person to whom shares were issued without disclosure under Chapter 6D of the Corporations Act to on-sell those shares within 12 months of the date of their issue.

Section 708A of the Corporations Act provides an exception to section 707(3), under which on-sale offers made within 12 months of issue do not require disclosure provided certain criteria are met, including if the company issued a 'cleansing' notice under section 708A(5) of the Corporations Act within 5 days of the date of issue of the shares.

However, one of the relevant criteria is that trading in the company's quoted shares has not been suspended for more than a total of five days in the 12-month period before the relevant securities were issued.

Given that the Company has been suspended from trading on the ASX for more than five days in the last 12 months, the Company is unable to issue a cleansing notice to enable participants in the Placement and Institutional Entitlement Offer to rely on this exception.

However, section 708A(11) of the Corporations Act provides another exception from the general requirement under section 707(3) where:

- (a) the relevant shares are in a class of securities of the company that are already quoted on the ASX;
- (b) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant shares were issued but before the day on which the sale offer is made; or
 - (ii) before the day on which the relevant shares are issued and offers of shares that have been made under the prospectus are still open for acceptance on the day on which the relevant shares were issued; and
- (c) the prospectus is for an offer of shares issued by the company that are in the same class of shares as the relevant shares.

Accordingly, the lodgement of this Prospectus with ASIC in respect of the Offer is sufficient to meet the requirements of section 708A(11) of the Corporations Act to remove the trading restrictions that attach to the Shares issued by the Company under the Placement and the Institutional Entitlement Offer. This means that investors who are issued Shares under the Placement and Institutional Entitlement Offer may, if they

choose to, sell those Shares within 12 months from the date of issue without the issue of a further prospectus.

7.3 Purpose of this Prospectus

The Purpose of this Prospectus is to:

- (a) make the Offer to Eligible Retail Shareholders; and
- (b) facilitate the on-sale of any Shares issued to sophisticated and professional investors under the Placement and Institutional Entitlement Offer.

7.4 Interests of Directors

Other than as set out in this Section 7 or elsewhere in this Prospectus, no Director holds, or has held within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director :

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

7.5 Security holdings of Directors

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, is set out in the table below.

Director	Shares	Percentage as at the date of this Prospectus	Options	Entitlement
Mr Richard Hugh Davis (Non-Executive Chairman)	225,814	0.09%	Nil	64,518 New Shares
Mr Peter James Perrin (Acting CEO and Non-Executive Director)	264,057	0.10%	Nil	75,445 New Shares
Mr John Douglas Davies (Non-Executive Director)	700,000	0.28%	Nil	200,000 New Shares
Ms Naseema Sparks AM (Non-Executive Director)	77,878	0.03%	Nil	22,251 New Shares

Mr Richard Hugh Davis, Mr Peter James Perrin, Mr John Douglas Davies and Ms Naseema Sparks AM intend to subscribe for their full Entitlement under the Offer/Institutional Entitlement Offer.

7.6 Remuneration of Directors

The Directors' total remuneration for the 2022 and 2023 financial years, together with the anticipated remuneration of the Directors for the current financial year, are set out in the table below:

Director ¹	Remuneration for FY2022	Remuneration for FY2023	Current financial year
Mr Richard Hugh Davis (Non-Executive Chairman)	\$140,000	\$140,628	\$140,628
Mr Peter James Perrin (Acting CEO and Non-Executive Director)	\$80,000	\$80,354	For the period 1 July 2023 to 2 May 2024 (Non-Executive Director Fee) - \$80,354 p/a For the period 3 May 2024 to 30 June 2024 (Non-Executive Director and Acting CEO Fee) - \$734,886

Director ¹	Remuneration for FY2022	Remuneration for FY2023	Current financial year
			p/a plus superannuation ²
Mr John Douglas Davies (Non-Executive Director)	\$80,000	\$80,354	\$80,354
Ms Naseema Sparks AM (Non-Executive Director)	\$80,000	\$80,354	\$80,354

Note:

1. Non-Executive Director fees include salary and fees, non-monetary items including insurance, wine benefits and applicable fringe benefits tax and superannuation.
2. Acting CEO Fee includes cash salary, wine allowance and vehicle allowance.

7.7 Interests of Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the Offer or a financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds at the date of this Prospectus, or has held within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (f) the formation or promotion of the Company; or
- (g) the Offer.

7.8 **HWL Ebsworth Lawyers**

HWL Ebsworth Lawyers has acted as the Australian legal adviser to the Company in relation to the Offer and the Company has paid or agreed to pay approximately \$160,000 (exclusive of GST) for these services in connection with the Offer up to the date of the Prospectus. Further amounts may be payable to HWL Ebsworth Lawyers in accordance with its time-based charge out rates.

7.9 **Lead Manager**

The Company and the Lead Manager are parties to an engagement letter dated 27 May 2024. Under the engagement letter, the Lead Manager has agreed to act as lead manager to the Placement, Institutional Entitlement Offer and Offer.

In consideration for the services provided by the Lead Manager under the above agreements, the Lead Manager will receive be entitled to receive:

- (a) a 1% management fee on the Proceeds;
- (b) a 3.5% selling fee on the Proceeds; and
- (c) a discretionary incentive fee of up to 0.5% of the Proceeds (which the Company may acting reasonably and in good faith consider paying to the Lead Manager upon completion of the Offer).

The Company agrees to give standard representations and warranties to the Lead Manager in the above agreements and agrees to provide a standard indemnity for the benefit of the Lead Manager and to reimburse their reasonable expenses up to a maximum of \$50,000 (excluding GST), plus legal expenses of up to a further maximum of \$50,000 (excluding GST). It also agrees to conduct the Placement, Institutional Entitlement Offer and Offer in accordance with applicable law.

The Lead Manager has also acted as the corporate adviser to the Company in relation to the Offer and the Company's strategic review. The Lead Manager has received approximately \$694,000 (exclusive of GST) in fees for services to the Company in the two years prior to the date of this Prospectus.

7.10 **Consents**

HWL Ebsworth Lawyers has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Company's Australian legal adviser (except in relation to stamp duty and taxation matters) in the form and context in which it is named. HWL Ebsworth Lawyers takes no responsibility for any part of this Prospectus, other than a reference to its name.

The Lead Manager has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the corporate adviser to, and the lead manager of, the Placement, Institutional Entitlement Offer and Offer, in the form and context in which it is named. The Lead Manager takes no responsibility for any part of this Prospectus, other than a reference to its name.

Computershare Investor Services Pty Limited (**Computershare**) has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Company's Share Registry in the form and context in which it is named. Computershare has not taken part in the preparation of any part of this Prospectus other than the recording of its name as Share Registry. Computershare takes no responsibility for any part of this Prospectus, other than a reference to its name.

7.11 **Financial forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they have a reasonable basis to include the forecast financial information included in this Prospectus.

7.12 **Litigation**

As at the date of this prospectus the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company which are likely to have a material adverse effect on the business or financial position of the Company.

7.13 **Governing law**

This Prospectus, the Offer and the contracts formed on acceptance of Applications under the Offer are governed by the laws applicable in the State of South Australia, the Commonwealth of Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of South Australia, Australia.

7.14 **Directors' authorisation**

This Prospectus is authorised by each Director, who has given and not withdrawn their consent to the issue of this Prospectus and to its lodgement with ASIC.

Signed for and on behalf of Australian Vintage Ltd by being signed by a Director in accordance with section 351 of the Corporation Act:



Richard Hugh Davis, Non-Executive Chairman

8. Glossary

\$ means the lawful currency of the Commonwealth of Australia.

Additional New Shares means any New Shares forming part of the Shortfall for which Eligible Retail Shareholders may apply for in excess of their Entitlement.

AEST means Australian Eastern Standard Time.

Application Form means the application form accompanying this Prospectus by which participants in the Offer apply for New Shares (including any Additional New Shares under the Shortfall Facility), which includes a personalised application made online through the offer website www.computersharecas.com.au/avgoffer.

ASIC means the Australian Securities and Investments Commission.

ASPL means ASX Settlement Pty Ltd.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

AVG means Australian Vintage Ltd ACN 052 179 932.

Board means the board of Directors unless the context indicates otherwise.

CHESS means Clearing House Electronic Subregister System.

Company means Australian Vintage Ltd ACN 052 179 932.

Closing Date means the date specified in Section 3.13 of this Prospectus (unless extended).

Constitution means the constitution of the Company as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Debt Refinancing has the meaning set out in section 3.1.

Director means a director of the Company.

Eligible Institutional Shareholder means an Institutional Shareholder who has been invited to participate in the Institutional Entitlement Offer.

Eligible Retail Shareholder means a Shareholder on the Record Date who:

- (a) has a registered address on the Company's share register in Australia or New Zealand;
- (b) is an Institutional Investor who was not invited to participate in the Institutional Entitlement Offer;

(c) is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States); and

(d) is eligible under all applicable securities laws to receive an offer under the Offer.

Entitlement means the entitlement to subscribe for two (2) New Shares for every seven (7) Shares held on the Record Date by Eligible Retail Shareholders.

Expiry Date means 5.00pm (AEST) on the date that is 13 months after the date of this Prospectus.

Ineligible Retail Shareholder means a Shareholder that is not an Eligible Retail Shareholder.

Institutional Entitlement Offer means the offer of new Shares to Eligible Institutional Shareholders on a two (2) for seven (7) basis at the Issue Price.

Institutional Investor means an institutional or professional investor that:

- (a) in **Cayman Islands**, acknowledges that any communications received in relation to the Offer occurred from outside the Cayman Islands;
- (b) in **Finland**, is a “qualified investor” (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and Council of the European Union);
- (c) in **Hong Kong**, is a “professional investor” (as defined in the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong); or
- (d) in **Singapore**, is an “institutional investor” or an “accredited investor” (as such terms are defined in the Securities and Futures Act 2001 of Singapore).

Institutional Shareholder means a holder of Shares on the Record Date who is an institutional or professional investor to whom an offer of Shares could lawfully be made under the Institutional Entitlement Offer without the need for a prospectus or other disclosure document or other lodgement, registration, filing with, or approval by, a governmental agency.

Issue Price means \$0.20 per New Share.

NAB means National Australia Bank Limited ACN 004 044 937.

New Share means a Share issued under the Offer.

Offer means the offer of New Shares under the two (2) for seven (7) accelerated non-renounceable entitlement offer of Shares at the Issue Price, but excluding the Institutional Entitlement Offer, to raise up to \$4,942,055.60 before costs.

Option means an option to acquire a Share.

Performance Right means a right granted under the AVG Performance Rights and Options Plan to receive a Share (whether by way of issue or on-market purchase), subject to the satisfaction of relevant performance hurdles.

Placement means the Company's share placement to sophisticated and professional investors to raise approximately \$5,500,000 via the issue of approximately 27,500,000 Shares at the Issue Price as announced by the Company on 11 June 2024.

Privacy Act means the *Privacy Act 1988* (Cth).

Proceeds means the gross amount raised under the Placement, Institutional Entitlement Offer and Offer.

Prospectus means this prospectus (as may be replaced or supplemented).

Record Date means 7:00pm AEST on Thursday 13 June 2023.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Computershare Investor Services Pty Limited ACN 078 279 277.

Shareholder means a holder of a Share.

Shortfall has the meaning given to it in Section 3.3.

Shortfall Facility means the offer of Additional New Shares to Eligible Retail Shareholders that have fully subscribed to their Entitlements as described in Section 3.3.