



2024 HARVEST UPDATE

Marlborough Wine Estates Group Limited (NZX.MWE) (MWE) has successfully completed its 2024 harvest, which has delivered exceptional fruit quality.

As previously indicated in the half year outlook, the weather conditions across the growing season has resulted in a reduced harvest volume.

The region has experienced extremely dry conditions across the growing season and recorded its lowest rainfall for the 9 months to February in 94 years, with the conditions continuing throughout March. As a consequence, in March the government declared a medium-scale adverse event for drought in Marlborough. The dry conditions and variable weather conditions during flowering last year slowed vine growth and impacted bunch and berry size and weight.

On the positive side, the warm and dry conditions led to the fruit being harvested as early as we have seen it, in fully ripe and excellent condition.

The New Zealand wine industry has also seen a reduction in export volumes over the last 12 months as supply chain pressures eased and customers return to normalised inventory holdings. This has resulted in some reduction in potential grape prices in Marlborough for vintage 2024.

As a result of these growing conditions the harvest from MWE's vineyards is down 32% on long term average yields and 36% on last year. The lower yield and reduced grape prices will impact MWE's profitability negatively in this financial year, with the group unable to replace the approximately \$2.5m in unrecoverable grape revenue and growing season costs with branded wine sales.

MWE has reduced its bulk wine sales in the current year to ensure that it can continue to pursue its branded wine growth strategy. This, together with the harvested grapes will enable the group to pursue growth of its branded wine sales in domestic and international markets for the year ahead.

Ends

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Date of release: 5 April 2024