

ANNUAL REPORT 2025-26

Australian Wool Innovation's mission is to enhance the profitability, international competitiveness and sustainability of the Australian wool industry.



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OUR PURPOSE



To enhance the profitability, competitiveness and sustainability of the Australian wool industry through research, development, extension and demand creation

OUR GOAL



A thriving Australian wool industry

HOW WE OPERATE



Create, Innovate, Educate

2025-26 HIGHLIGHTS

SUSTAINABLE & PROFITABLE WOOL GROWING

Merino breeding values advanced for resilience, methane, flystrike and productivity, alongside methane, natural capital and precision livestock research.

WOOL HARVESTING INITIATIVES

Phase 2 ethics approval secured for sheep trials; follicle culture systems advanced to speed screening and reduce live animal testing.

CAPACITY BUILDING & WOOLGROWER EXTENSION

15,553 members across 6 Extension Networks; workshop satisfaction averaged 8.81/10.

SHEARING

65% staff retention after 12 months; 94% improver retention; 1,418 training participants.

STAKEHOLDER ENGAGEMENT

Channel ratings: Beyond the Bale 90% (8,268 recipients), market intelligence 82%, newsletter 81%, AWI Networks 76%.

EMERGING MARKETS

32 new supply chain partners across Portugal, Bangladesh, Thailand, Vietnam and Sri Lanka.

DEMAND CREATION

5000+ brands amplified through 23 direct partnerships across fashion, performance and retail.

WOOLMARK+

14 RD&E projects delivered under Woolmark+.

TRADE ENGAGEMENT - RETAIL

54 brands trained, reaching 2,292+ retail staff.

TRADE ENGAGEMENT - INDUSTRY

40 trade engagement initiatives delivered, including participation in international trade shows and industry workshops and activations.

CHAIRMAN'S REPORT

GEORGE MILLINGTON

AWI works on behalf of all Australian woolgrowers to help create a thriving Australian wool industry by investing in research, development, extension and demand creation.



On behalf of the Board of Directors of Australian Wool Innovation (AWI), it is my privilege to present the Annual Report and audited financial statements for the year ending 30 June 2026.

The story is much more than the numbers, the last twelve months has seen a marked improvement in prices paid to woolgrowers after years of unsustainable prices. As a woolgrower myself the turnaround is welcome and helps foster renewed confidence in our great industry.

There is a real demand for wool as a 365 day a year fibre, we are seeing real demand growth for next to skin items with dynamic breathability. Consumers around the world are finally realising that when you wear a synthetic jacket or pants you are effectively wearing a plastic bag which is a byproduct of the crude oil industry. Similarly, there is a wellness trend emerging that benefits natural fibres, wool as the best natural fibre has the most to gain. In short, both developments provide an enormous opportunity for wool.

As the grower owned research, development and demand creation company most of our revenue is tied to the price and volume of sales, so AWI has been reducing team numbers and projects to manage the fiscal reality. We did that in a strategic way so structural improvements could be locked in. The improvement in revenue over the last 9 months was used both to bolster reserves and roll out targeted projects that were not originally budgeted for.

I would like to extend my heartfelt thanks to outgoing Chair, Jock Laurie, whose leadership, vision, and unwavering passion for our industry significantly shaped your company. From an operational point of view, I wish to welcome CEO Bryan Fry to the AWI team, whilst thanking his predecessor John Roberts for his long-standing commitment to the company. The worldwide AWI team has passion, commitment agility, daring and delivery, alongside continuous commitment, and brings our values to life every day. I also extend my sincere gratitude to the AWI Board for their diligence, guidance, input and support throughout the year. Their dedication has helped AWI navigate the budgetary challenges and help shape the company for the long-term benefit of Australian woolgrowers.

A handwritten signature in black ink, appearing to read 'George Millington'.

George Millington – Chairman

Australian Wool Innovation
20 August 2026



The 2025 Tmall Wool Week campaign delivered 28% year-on-year growth in wool sales, with more than 5,000 participating brands and merchants.

CEO'S REPORT

BRYAN FRY

As the R&D and marketing organisation for the Australian wool industry, AWI has been able to achieve of its goals this year despite the challenging economic environment for woolgrowers and the company.



In what has been a challenging year ending with growing positivity and market sentiment, AWI have made disciplined decisions to maintain a fit-for-purpose organisation delivering on our mission of disciplined investments across global demand creation, research, woolgrower extension and wool harvesting training.

Demand creation produced positive results in priority markets. Campaigns increased Merino wool awareness by 11 percentage points in China and consideration of Merino apparel by 17 percentage points in the United States. Owned social channels achieved 16% follower growth despite a substantially reduced budget. Retail education reached 54 global brands and 2,292 retail staff, while 40 international trade engagement initiatives strengthened relationships throughout the global supply chain. AWI also delivered 51 processing innovation and product development projects, supporting new wool applications across performance, fashion, casual, workwear and automotive markets.

Emerging-market activity established 32 new supply chain partnerships across Portugal, Bangladesh, Thailand, Vietnam and Sri Lanka. These are the results of many years of development work the AWI has done in these markets.

Research investment strengthened sustainable and profitable sheep production through the provision of data and extension programs in Merino genetics, methane mitigation, natural capital, animal health and precision livestock technologies. New breeding values progressed for

resilience, methane emissions, flystrike resistance and productivity, while 14 research, development and extension projects supported strategic priorities. Wool harvesting research also advanced, with trials progressing and new follicle culture systems developed to accelerate screening, improve research efficiency and support strong animal welfare outcomes.

Woolgrower engagement maintained its position as a critical piece of our business model. Stakeholder communications also remained highly valued, particularly *Beyond the Bale*, market intelligence reports and the monthly woolgrower newsletter. AWI's six Extension Networks grew to 15,553 members, and workshops achieved an average satisfaction rating of 8.81 out of 10. Wool harvesting initiatives retained 65% of trained participants after 12 months, including 94% of improvers, while 1,418 people progressed through improver and in-shed training programs.

The improvement in revenue for 26–27 will provide us opportunity to increase our investment in demand creation and on-farm research supporting long term productivity gains and demand for Australian wool.

A handwritten signature in blue ink, appearing to read 'Bryan Fry'.

BRYAN FRY – CEO

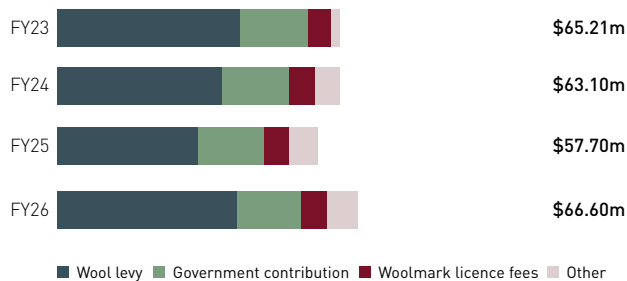
Australian Wool Innovation
20 August 2026



Woolmark's collaboration with RB Sellars is exploring new applications for Merino wool in Australian performance workwear, combining comfort, breathability and temperature regulation with the demands of working conditions.

SUMMARY STATISTICS 2025-26

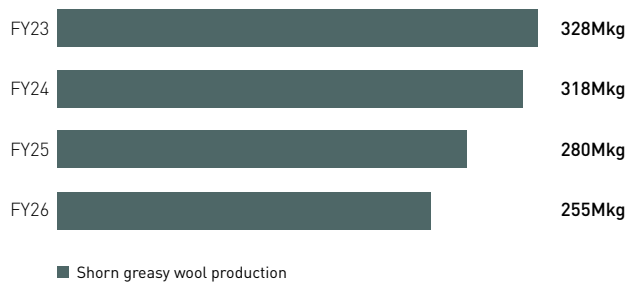
AWI revenue



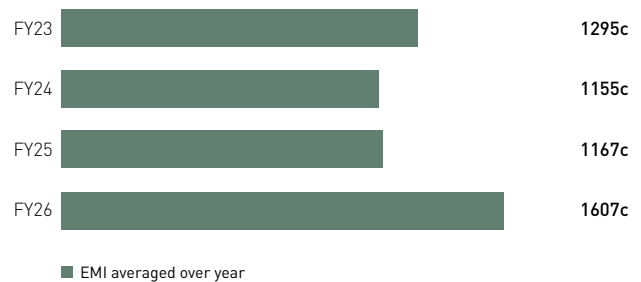
AWI reserves



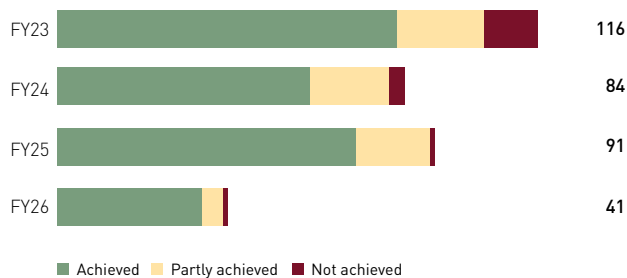
Australian wool production



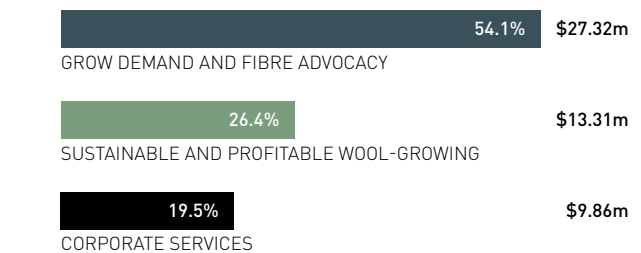
EMI



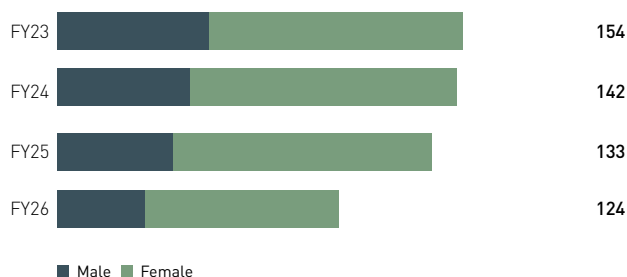
AWI KPIs



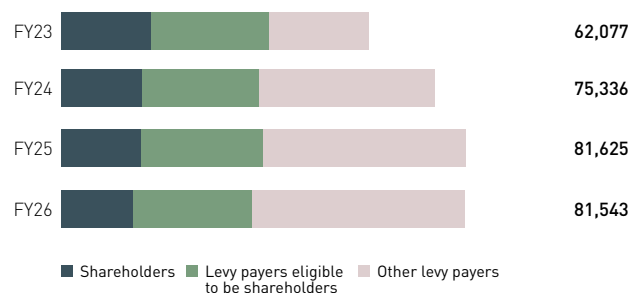
AWI expenditure by priorities



AWI global employees



AWI shareholders/levy payers



GROW DEMAND AND FIBRE ADVOCACY

CAMPAIGN AUDIENCES

+11PP / +17PP

Merino awareness in China and consideration in the United States.

COLLABORATION STRATEGY

23 PARTNERS

Across fashion, performance and retail amplifying 5,000+ Wool brands

TRADE ENGAGEMENT

40 INITIATIVES

against a target of 30, including global trade shows and industry workshops.

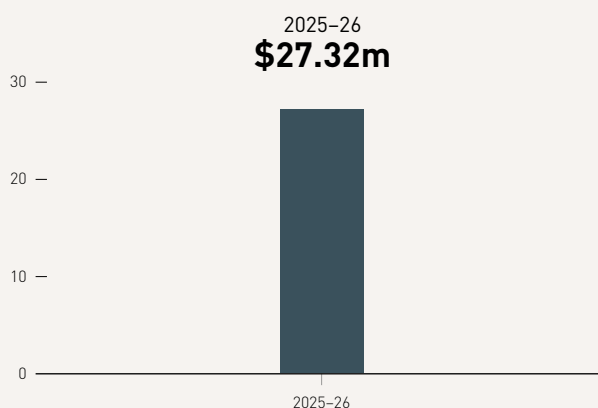
EMERGING MARKETS

32 PARTNERSHIPS

across Portugal, Bangladesh, Thailand, Vietnam and Sri Lanka.

Portfolio objective: To continue to build demand for Australian wool by reinforcing its position in the market to ensure a sustainable future for Australian woolgrowers.

INVESTMENT OVER TIME



ANNUAL PLAN TARGETS



See Appendix C for complete list of performance against Annual Plan targets.



PORTFOLIO HIGHLIGHTS OF 2025-26

During the 2025 Wool Week campaign, 93% of visitors to Tmall's Wool Pavilion went on to purchase wool products, up from 89% in 2024.

CREATING DEMAND FOR AUSTRALIAN WOOL

During 2025-26, AWI through Woolmark continued to build demand for Australian wool through consumer marketing, brand and retail partnerships, trade engagement, product development, education and fibre advocacy. Activity focused on increasing awareness and consideration of Merino wool, expanding wool into new product categories and strengthening knowledge across the global textile supply chain.

BUILDING CONSUMER DEMAND

Consumer campaigns increased awareness and consideration of Merino wool in key markets. In China, awareness rose by 11 percentage points among campaign audiences. The 2025 Tmall Wool Week campaign achieved a 28% year-on-year increase in wool sales by gross merchandise value, with more than 5,000 brands and merchants participating, more than 1.5 billion impressions and 300 million Wool Pavilion

PORTFOLIO HIGHLIGHTS OF 2025–26

page views, up 12% year-on-year. In the United States, consideration of Merino wool apparel increased by 17 percentage points, with 39% of consumers indicating an intention to purchase within the following three months. Recognition of Woolmark certification as an indicator of high-quality natural fibre products also increased by 14 percentage points. Woolmark also participated in China's Double 11 shopping period with 11 brand licensees. Participating brands reported A\$229 million in wool sales, up 17% year-on-year, with 1.12 million wool units sold and unit sales increasing 72%.

Woolmark secured 13 high-volume fashion partnerships and 10 innovative performance partnerships across key markets. Among six brand and retail partners reporting comparable results, wool sales value increased by an average of 39% and units sold by 31%, with reporting partners including McMullen, Huckberry, Tata CliQ, Ajio Luxe and Ciele.

Followers across Woolmark's owned social channels increased by 16% during the year, despite a 48% reduction in budget. LinkedIn impressions increased by 136% and TikTok video views by 51%. Global media activity generated 3,994 earned media clippings across social, digital and print media, with an estimated reach of 3.0 billion.

EXPANDING WOOL IN PERFORMANCE MARKETS

Performance and outdoor remained a focus for product development and brand engagement. Woolmark partnered with Chinese sportswear company ANTA GUANJUN on a 100% Merino wool trail-running range that debuted at the Hong Kong 100 Ultra Trail Race. The collaboration reflected broader growth in the category, with Merino wool sportswear products in China recording 119% growth over the 12 months to July 2025. Woolmark also worked with Mizuno on Merino wool base-layers and leggings for Ski Team Sweden Alpine ahead of the Milano Cortina 2026 Winter Olympics.

Woolmark also promoted AWI-funded research into wool's "dynamic breathability" to the sports and outdoor industry. The research found 100% Merino wool base layers provided greater thermal comfort during resting phases of stop-go sports. Testing also found Merino wool provided 96% greater moisture buffering than polyester, 45% greater than cotton and 26% greater than viscose, providing technical evidence for discussions with designers, product developers and sportswear brands.

PRODUCT INNOVATION AND TRADE ENGAGEMENT

During the year, 51 processing innovation and product development projects and 11 technical transfer projects were delivered across performance, aesthetics and sustainability, led by Sports and Outdoor, followed by Casual, Fashion, Workwear, Uniform and Military, and Automotive applications.

Trade engagement included 40 initiatives against a target of 30, including participation in international trade shows such as Pitti Filati, Milano Unica, Functional Textiles, Performance Days, Functional Fabric Fair, Bangladesh Denim Expo, Tokyo Textile Scope and SaigonTex. Twenty workshops and activations were also delivered across key global markets.

Retail education engaged 54 global brands and trained 2,292 retail staff, while the Woolmark Learning Centre recorded 1,624 course completions. The Wool Appreciation Course remained the flagship retail education program.

The Wool Lab featured 172 suppliers, contributing 683 swatches. The Wool Lab Journal was introduced to the China market at Functional Textiles in March 2026, followed by the the Italian and European market at Pitti Filati in June 2026, providing buyers, designers and sourcing professionals with information on wool materials, techniques, product innovation and emerging sourcing opportunities.



Woolmark continues to promote Merino wool in performance apparel, highlighting its natural benefits for active and outdoor use.

PORTFOLIO HIGHLIGHTS OF 2025–26

DEVELOPING FUTURE INDUSTRY CAPABILITY

The 2025 Woolmark Performance Challenge, conducted with Alpinestars, supported new applications for Merino wool in sports and performance apparel. University of Oregon student Chloe Burchard won with her Vaporate performance-wear concept and secured an internship with Alpinestars. Five additional finalists received Woolmark Research Bursaries to further develop their concepts with technical experts and supply chain partners.

WOOLMARK+

Woolmark+ continued to connect work on Australian wool properties with the sustainability requirements of brands and the wider textile supply chain.

The Woolmark+ Australian Wool Insetting Program progressed as a three-year pilot designed to test an insetting framework for the Australian wool industry, enabling emissions reductions and removals activities to be funded on Australian wool properties and the climate and nature outcomes to remain within the wool textile value chain. By March 2026, pre-feasibility studies had been completed across 38 woolgrower properties to identify potential opportunities across different production systems and regions. Work also continued on governance, measurement, reporting and verification arrangements.

The Woolmark+ Nature Positive Farming Framework was refined to 10 priority metrics to measure and evidence positive environmental management on Australian wool farms. The metrics support practical and scientifically based measurement across areas including greenhouse gas balance, soil and pasture condition, biodiversity and water-related outcomes.

Woolmark+ initiatives were communicated to global brands, supply chain partners and government stakeholders through presentations, educational resources, industry events and Fellowship activity. AWI and Cotton Australia also co-hosted the inaugural Australian Natural Fibres Forum, attracting almost 250 representatives from brands, growers, researchers and the textile supply chain. Woolgrower and natural-fibre perspectives were also represented at World Expo Osaka, London Climate Action Week, ReThink Hong Kong and the Textile Exchange Conference.

Through Make The Label Count, engagement continued with European policymakers, industry stakeholders and coalition members on the environmental assessment of natural fibres. Activity expanded into France, technical representation was strengthened in relevant policy forums, and AWI continued to contribute to discussions on environmental footprint methodologies affecting the textile sector.

DEVELOPING EMERGING MARKETS

During 2025-26, 32 new supply chain partnerships were established across Portugal, Bangladesh, Thailand, Vietnam and Sri Lanka, including 14 in Portugal, eight in Bangladesh and six in Thailand.

AWI also participated in five international trade shows across Bangladesh, Vietnam, Peru, Mexico and the United States, generating 95 trade visitors, 36 key industry discussions and six ongoing business opportunities.

Activity beyond AWI's established emerging-market focus included a technical transfer project in Peru, market scoping in Guatemala that identified six potential supply chain partners, and six new supply chain partnerships in Mexico.



The Woolmark+ Australian Wool Insetting Program completed pre-feasibility studies across 38 woolgrower properties during FY26, identifying potential emissions reduction and removal opportunities across different production systems and regions.

SUSTAINABLE AND PROFITABLE WOOL-GROWING

WOOLMARK+ PROGRESS

14 PROJECTS

RD&E projects reported as delivered across sustainability, welfare, resilience and market access.

EXTENSION REACH

15,553

members across six state-based Extension Networks by the end of FY26.

WORKFORCE PROGRESSION

1,418

participants progressed through improver and in-shed wool harvesting training programs.

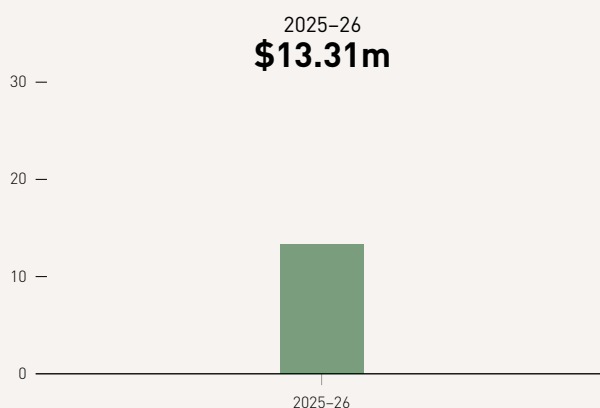
DIGITAL TRAINING

5,554 VIEWS

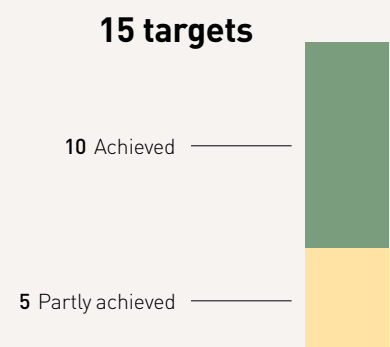
of digital wool harvesting resources, against a target of at least 1,200.

Portfolio objective: Increase the productivity of sheep, land and the efficiency on use of inputs and resources whilst enhancing Australia's reputation for sustainability.

INVESTMENT OVER TIME



ANNUAL PLAN TARGETS



See Appendix C for complete list of performance against Annual Plan targets.



MERINO LIFETIME PRODUCTIVITY PROJECT

The Merino Lifetime Productivity (MLP) project collected a full suite of fleece, carcase, reproduction, health and welfare, classing, and genomic assessments on 5,700 daughters born to 134 AI sires. More than 2 million data points were recorded and are being analysed to better understand the impacts on lifetime productivity and genetic gain from assessing sheep at young ages. The animals were evaluated under tight assessment protocols and detailed heritability's and correlations across all ages and traits have been created. Classer outcomes of individual trait assessments and overall classer grades have been compared to measured assessments. An economic analysis of the lifetime data has been completed and compared to the existing MERINOSELECT industry indexes. Go to wool.com/mlp-final-reports for detailed information and results.

A range of MLP Add On projects that utilised the brothers of the 5,700 ewes included assessing traits such as methane, feed intake, whole body energy, breech strike, body strike, resilience, meat eating quality, footrot, and udder conformation.

MLP data has contributed to the creation of the Weaning Rate trait and assisted with the 2022

and 2024 MERINOSELECT analysis updates. MLP data and analysis will again assist in the 2027-28 MERINOSELECT updates.

AUSTRALIAN MERINO SIRE EVALUATION (AMSEA)

AMSEA continues to genotype and phenotype progeny from AI sires at 1 and 2 years of age, contributing a significant amount of older age phenotypes to the merino genomic reference population. AMSEA sites are also contributing breech strike, body strike and methane phenotypes to collaborating R&D projects. AMSEA sites are also taking part in a validation project comparing at the individual and sire level genomic only Australian Sheep Genomic Values (ASGVs) and Australian Sheep breeding Values (ASBVs) along with the Flock Profile tool.

GENETICS OF FOOT HEALTH

A project with Animal Health Australia (supported by Sheep Producers Australia and WoolProducers Australia) and Murdoch University is collecting genotypes and phenotypes on foot shape and conformation, ovine interdigital dermatitis and footrot. The aim is to compare results with New Zealand and if possible, combine the databases to provide more reliable breeding values for the feet traits to Australian Merino breeders.



NON-CHEMICAL FLYSTRIKE CONTROL PROJECTS

AWI continued to invest in a portfolio of non-chemical flystrike control technologies aimed at providing Australian woolgrowers with sustainable, long-term alternatives to conventional chemical control. During the year, research progressed across several innovative approaches, including the Sterile Insect Technique (SIT), development of a nanotechnology-based tea tree oil biopesticide, improved sheep blowfly trapping technologies, and research to identify genes and proteins that could underpin future biological control strategies and novel insecticide targets.

AWI is also funding a new phase in the development of a flystrike vaccine. This research is focused on optimising the structure of promising vaccine antigens while exploring advanced formulation strategies, including novel adjuvants and delivery methods.

REPRODUCTION AND PRODUCTIVITY INVESTMENTS

AWI co-invests with MLA in research aimed at improving the productivity and profitability of Australian sheep enterprises. During the year, research advanced on the third year of a project investigating Merino ewe mortality around lambing, with researchers, veterinarians and consultants working alongside producers to identify the factors contributing to ewe losses, evaluate practical intervention strategies, and develop best practice management resources to improve ewe survival.

BIOGENIC CARBON FLUX IN SHEEP PRODUCTION SYSTEMS

A new 2-year project has commenced to demonstrate a practical, and scalable way for Australian woolgrowers to measure, model and verify the carbon performance of wool production systems. The project

will use a commercial wool enterprise as a demonstration site to test a measure-model-verify approach. An eddy covariance flux tower will be installed to measure net ecosystem carbon exchange, showing how carbon moves in and out of the monitored grazing system across seasonal and management conditions. The project aims to deliver a more practical and cost-effective pathway for woolgrowers to measure, model and verify their carbon performance on farm.

SUSTAINABILITY EXTENSION

The Environmental Sustainability Extension project made strong progress in FY2026, focused on delivering practical, consistent and accessible information that connects environmental sustainability with productivity and profitability. A total of 37 people from 30 different organisations and all states were interviewed.

METHANE EMISSIONS REDUCTION IN LIVESTOCK (MERIL) PROGRAM

MERiL research sits within the National Sheep Methane Program (NSMP) which is coordinated across sheep producing states, involving the University of New England (UNE), the University of Western Australia (UWA), New South Wales (NSW) Department of Primary Industries and Regional Development (NSW DPIRD) and the Department of Primary Industries and Regions South Australia (PIRSA). Three producer demonstration sites were delivered in FY2026 through the MERiL 3.1 project "a national approach to sheep methane mitigation", highlighting practical adoption considerations in the delivery of anti-methanogenic feed additives to grazing sheep.

SCHOOL MERINO WETHER CHALLENGES

The School Merino Wether Challenge is a national education program that encourages secondary students (Years 8–10). The program is a collaboration with Merino stud breeder associations, working closely with schools and

industry partners. students hands-on learning in wool production, sheep husbandry, sheep classing, and the wider wool supply chain.

NSW: 76 schools and 450+ students in 2025

SA: Running since 2010, with 42 schools and 120 students annually

WA: 7 schools and 50 students through the Young Producers Challenge

VIC & TAS: In 2026, 14 Victorian schools (140 students) and 16 Tasmanian schools (160 students)

QLD: Around 150 students annually through sheep and wool judging at EKKA finals

BUILDING THE FUTURE SHEARING WORKFORCE

During 2025–26, the national Shearer and Wool Handler Training Program delivered 781 training days across Australia, providing practical skills development to 1,332 shearers and wool handlers.

Approximately 72 per cent of participants were existing industry workers undertaking further skills development, while 28 per cent were new entrants beginning careers in shearing and wool handling.

Investment in ongoing professional development continued to deliver strong outcomes, with the program achieving a 94 per cent retention rate among existing workers. Importantly, 65 per cent of new entrants remained engaged in the industry following training, contributing to an overall participant retention rate of approximately 87 per cent and demonstrating the value of targeted workforce development.

Complementing this work, AWI's animal welfare training program continued to gain momentum during the year, with a total of 2,039 participants completing dedicated training designed to reinforce best-practice animal welfare standards throughout the wool harvesting sector. The strong uptake reflects the industry's ongoing commitment to continuous improvement and maintaining high standards of sheep welfare across shearing operations.

CORPORATE SERVICES

IT SERVICE DELIVERY

98.72%

of 2,116 service-desk tickets resolved within 24 hours.

CYBERSECURITY

52% → 62%

increase in Microsoft Secure Score while audit recommendations began to be implemented.

MARKET INTELLIGENCE

+85%

reported growth in page views, from 115,481 to 213,882.

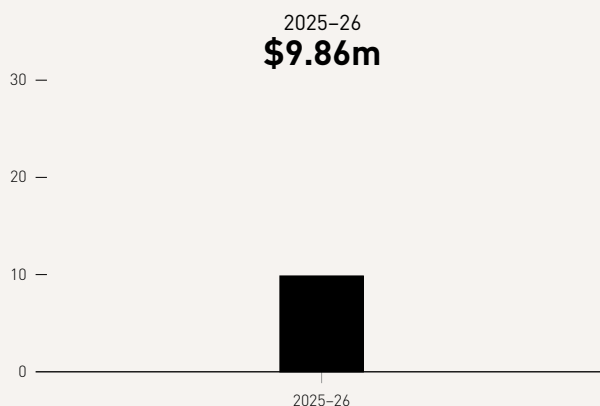
EMAIL ENGAGEMENT

40.2% OPEN RATE

up from 37.2%; click-through rate rose from 4.2% to 4.8%.

Portfolio objective: To provide key expertise, compliance, governance, support, and value to the global business in the areas of financial management, legal, measurement, evaluation, people & culture, and company secretarial support including IP portfolio management.

INVESTMENT OVER TIME



ANNUAL PLAN TARGETS

10 targets

10 Achieved



See Appendix C for complete list of performance against Annual Plan targets.



PORTFOLIO HIGHLIGHTS OF 2025–26

MEASUREMENT AND EVALUATION

During 2025–26, the Measurement and Evaluation team continued to strengthen project planning, monitoring and reporting across AWI. This included reviewing program logic, performance measures and project completion reporting, and supporting the development of clearer, outcome-focused indicators.

Reporting processes were further enhanced to improve data quality, consistency and access to performance information. The team also supported annual corporate reporting and provided analysis to inform organisational decision-making.

LEARNING AND DEVELOPMENT

AWI maintained full participation in mandatory compliance training during 2025–26, with all employees completing the organisation's five core compliance courses. These included Respect@Work, AWI Code of Conduct and Business Ethics, Anti-Discrimination and EEO, Workplace Health and Safety, and Workplace Psychosocial Hazards. The program supported employees in meeting compliance requirements while reinforcing a safe, respectful and ethical workplace.

ADMINISTRATIVE EFFICIENCY INITIATIVES 2025–26

AWI continued to enhance its internal systems and business processes during 2025–26, with a focus on efficiency, transparency and information management.

Program and project reporting processes were further refined to improve data quality, streamline reporting and support a more consistent flow of information throughout the project lifecycle.

During the year, AWI expanded the use of artificial intelligence tools to support employee productivity and information management, while continuing to strengthen governance and responsible use practices. Electronic document management and digital approval workflows continued to support secure recordkeeping, reduce reliance on paper-based processes and improve operational efficiency. Data collection and reporting capabilities were further integrated across business systems to strengthen accountability, consistency and data privacy.

ABOUT YOUR COMPANY

WHAT AWI DOES

Australian Wool Innovation (AWI) is the research, development, extension and marketing organisation for the Australian wool industry.

Established by the Australian Government in 2001, AWI invests across the global wool supply chain – from on-farm research and extension through to product innovation, market development and consumer demand – to enhance the profitability, international competitiveness and sustainability of Australian wool.

Working alongside woolgrowers, researchers, processors, manufacturers, retailers and global brand partners, AWI invests in initiatives that strengthen the competitiveness of Australian wool while supporting a productive, profitable and sustainable industry for future generations.

Unlike a peak industry body, AWI does not develop industry policy or undertake advocacy outside its legislated functions. Instead, its role is to invest levy and matched Government funds in research, development, extension and marketing activities that deliver value to Australian woolgrowers.

HOW AWI IS FUNDED

AWI is funded primarily through wool levies paid by Australian woolgrowers.

The Australian Government is the single largest contributor through a matched contribution for qualifying R&D activities, capped at 0.5% of the gross national value of wool production.

Additional income is generated through Woolmark licensing and other commercial activities, with all investments directed towards delivering outcomes that benefit Australian woolgrowers and the broader Australian wool industry.

AWI operates under the Primary Industries legislation and the Statutory Funding Agreement with the Australian Government, providing a strong governance framework to ensure levy funds are invested responsibly, transparently and in accordance with the company's purpose.

AWI SHAREHOLDERS

As a grower-owned company, AWI shareholders play an important role in the governance of the organisation.

Eligible shareholders are able to participate in Annual General Meetings, vote in director elections and contribute to the future direction of the company. Woolgrowers also determine the wool levy rate through WoolPoll, ensuring they continue to have a direct voice in the level of investment made on behalf of the industry.

As of 30 June 2026, AWI had 16,373 shareholders, including 13,795 voting shareholders and 2,578 non-voting shareholders, reflecting the broad national ownership of the company and its ongoing commitment to representing the interests of Australian woolgrowers.

WOOL LEVY PAYERS

AWI invests on behalf of all Australian wool levy payers, not solely shareholders.

Maintaining a strong connection with levy payers remains fundamental to the company's work. Through structured consultation, regional engagement and ongoing communication, AWI ensures woolgrower priorities continue to inform research, development, extension and demand creation investments that deliver long-term value across the Australian wool industry.

STATE	TOTAL SHAREHOLDERS
	30/6/26
ACT	54
NSW	6,118
NT	2
QLD	351
SA	2,792
TAS	498
VIC	3,930
WA	2,628
TOTAL	16,373



**WOOLGROWERS
ARE AT THE HEART
OF EVERYTHING
THAT AWI DOES.**

CONSULTATION

LISTENING TO WOOLGROWERS. SHAPING INVESTMENT.

Meaningful consultation with Australian woolgrowers remains central to AWI's investment decisions. Throughout 2025–26, the company engaged with levy payers, shareholders and industry stakeholders through formal consultation forums, regional events, extension activities and an expanding range of communication channels, ensuring grower feedback helped shape research, development, extension and demand creation priorities.

From boardroom discussions to paddock conversations, AWI focused on listening to growers, understanding regional challenges and identifying opportunities to improve productivity, profitability and the long-term sustainability of the Australian wool industry.

STRATEGIC CONSULTATION

Consultation with woolgrowers and industry stakeholders continued to play a central role in shaping AWI's investment priorities throughout 2025–26. Through structured engagement, the company ensured its research, development, extension and demand creation investments remained aligned with the needs of Australian woolgrowers and responsive to industry challenges and opportunities.

AWI continued to engage closely with representative grower bodies through the Woolgrower Industry Consultation Panel (WICP) and the Woolgrower Consultation Group (WCG), providing opportunities for discussion on strategic priorities, emerging issues, investment planning and industry direction.

These forums, together with regular engagement between AWI directors, staff and levy payers, provide an important mechanism for sharing knowledge, testing ideas and ensuring grower perspectives are considered throughout the development of AWI's Annual Operating Plan and longer-term strategic planning.

By maintaining an open and collaborative approach, AWI continues to strengthen transparency, build trust and ensure its investments reflect the priorities of the Australian wool industry.

CONNECTING WITH GROWERS

Maintaining a strong connection with Australian woolgrowers remains fundamental to AWI's ability to deliver relevant and impactful investment outcomes. Throughout 2025–26, AWI staff, directors and industry representatives maintained a visible presence at field days, conferences, workshops, producer meetings, industry forums and regional events across Australia, engaging directly with woolgrowers in the communities where they live and work.

These face-to-face interactions provide opportunities to share the latest research, demonstrate practical tools and technologies, discuss emerging industry issues and encourage the adoption of best-practice management. They also enable AWI to hear directly from growers about the opportunities and challenges influencing their businesses, ensuring regional perspectives continue to inform future investment priorities.

This on-the-ground presence reinforces AWI's commitment to working alongside Australian woolgrowers. Whether delivering presentations, facilitating workshops, participating in producer discussions or supporting major industry events, these interactions strengthen relationships, foster collaboration and ensure AWI remains connected to the people and businesses it represents.

SUPPORTING ON-FARM ADOPTION

AWI's six state-based Extension Networks continued to play a pivotal role in translating research into practical, on-farm outcomes, ensuring the latest science and innovation reached Australian woolgrowers in a format that could be readily adopted.

AWI engages directly with woolgrowers and industry representatives through formal consultation forums, regional activities and ongoing stakeholder engagement to inform research, development and marketing priorities.



Working closely with producers, consultants and industry stakeholders, the networks delivered regionally relevant workshops, webinars, field days, producer groups and digital resources addressing key challenges facing wool-growing businesses. Topics ranged from reproduction, genetics and sheep health to flystrike management, pasture productivity and business decision-making.

During the year, flagship extension programs including AWI Repro Masterclass™, RAMPing Up Repro™, Winning with Weaners™, SimpliFly™ and ClassiFly™ continued to equip growers with practical knowledge, tools and confidence to make informed management decisions. By connecting research with real-world application, these programs supported greater adoption of best-practice management and helped woolgrowers improve productivity, profitability and sustainability.

Through practical extension programs, AWI supports growers to confidently adopt research and innovation on farm.

BUILDING CONFIDENCE THROUGH COMMUNICATION

Alongside face-to-face engagement, AWI continued to strengthen communication with woolgrowers through digital newsletters, social media, podcasts, webinars, publications and industry events.

By delivering research outcomes and practical management information through multiple channels, AWI improved information accessibility, supported informed decision-making and strengthened the connection between research, innovation and adoption across the Australian wool industry.

Through clear, timely and accessible communication, AWI helps ensure growers remain informed, connected and confident in the value of their levy investment.

COLLABORATION

AWI maximises the investment of Australian woolgrowers' and the Australian Government's funds through the pursuit of collaborative opportunities with industry participants on-farm and throughout the supply chain. This enables effective knowledge sharing, efficient use of funds and a broader scope of activities. Through collaboration with Research & Development Corporations, public and private research organisations, brand partners, manufacturers, producers and retailers, AWI leverages additional funds to invest in activities that deliver value to Australian woolgrowers. Where possible, AWI seeks collaborators in projects for both cash and in-kind (goods, time and knowledge) contributions to deliver greater benefits to Australian woolgrowers and broader stakeholders.

The graph below shows the number of projects that were collaborative in nature and the type of organisations. It also shows the projects with the total partner contributions.

Some examples of our partner collaborations are highlighted below:

Brand partners

R.B. Sellars, Shinsegae International Inc (Shinsegae Tomboy Inc), LUAR LLC, AYAQ, SAYO SHOKAI, Ciele Athletics, Mizuno Corporation, and others.

Retailers

Huckberry Inc, SAKS.COM LLC, Musinsa Co, Alpine Stars, Reliance Retail Ltd, Tata retail, The Macmullen brand, and others.

Rural Research & Development Corporations

Agrifutures Australia, Grains Research & Development Corporation, Meat & Livestock Australia, Cotton Research & Development Corporation, Australian Pork, Australian Eggs, Dairy Australia, and others.

Universities

Murdoch University, Adelaide University, University of Newcastle, Charles Sturt University, The University of Sydney, The University of Western Australia, The University of Melbourne, and others.

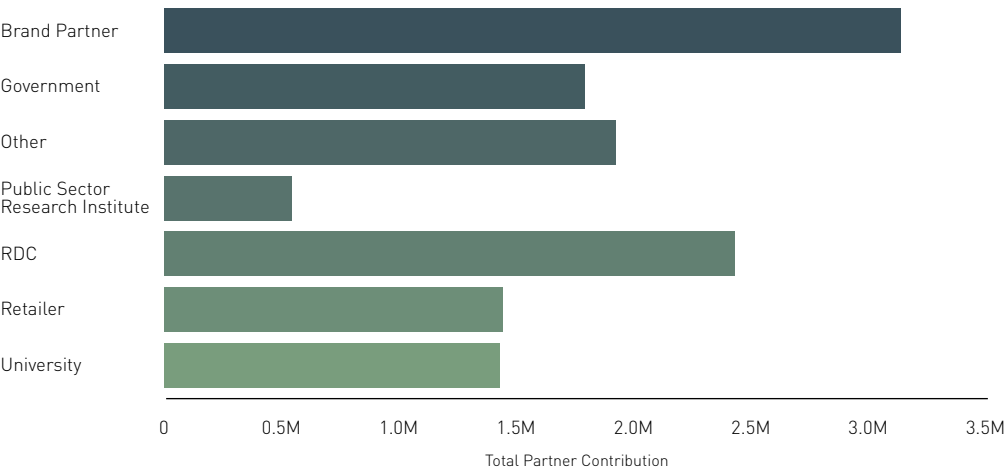
Government

Department of Climate Change, Energy, PIRSA, the Environment & Water, Department of Agriculture, Fisheries & Forestry, Governments of New South Wales, Queensland, South Australia and Victoria, Australian Research Council, Department of Industry, Science, Energy & Resources, and others.

Public and Private Sector Research Institutes

CSIRO, Animal Health Australia, SARDI, and others.

Others: NSW Farmers Association, Feedworks Pty Ltd, AgForce Queensland, Wool Industries Australia, Tuloona Pastoral Services, Australian Wool Testing Authority (AWTA), and others.



Woolmark's ongoing collaboration with Mizuno is expanding the use of Merino wool in technical performance apparel, including base-layer and activewear applications.



AWI BOARD OF DIRECTORS

AS AT 30 JUNE 2026



Mr George Millington – AWI Chairman

Mr Millington was elected to the AWI Board in November 2023. He was elected as Chairman of the Board in November 2025.

Responsibilities during 2025–26:

- Audit & Risk Committee member
- Demand Creation Committee member
- Research & Development Committee member



Ms Georgia Hack

Ms Hack was elected to the Board in November 2021.

Responsibilities during 2025–26:

- Chair, Demand Creation Committee



Dr Michelle Humphries

Dr Humphries BVSc MAICD was elected to the Board in November 2019, re-elected 2025.

Responsibilities during 2025–26:

- Chair, Research & Development Committee



Mr Neil Jackson

Mr Jackson was elected to the AWI Board in November 2023.

Responsibilities during 2025–26:

- Chair, Audit & Risk Committee



Mr Don Macdonald

Mr Macdonald was elected to the Board in November 2017, and re-elected as a director in 2021.

Responsibilities during 2025–26:

- Demand Creation Committee Member



Mr Chris Mirams

Mr Mirams was elected to the Board in November 2025.

Responsibilities during 2025–26:

- Research & Development Committee Member



Mr Anthony Uren

Mr Uren was elected to the Board in November 2025.

Responsibilities during 2025–26:

- Audit & Risk Committee Member

COMMITTEES OF THE AWI BOARD

The Board has three standing committees that monitor and guide specific activities. These committees assist the Board to effectively implement, monitor and enforce appropriate corporate governance throughout the Company.

Audit & Risk Committee

Chaired by Neil Jackson

This committee provided guidance and recommendations to the Board and the CEO to assist in fulfilling their responsibilities relating to risk, accounting, reporting and compliance practices of the Company.

Demand Creation Committee

Chaired by Georgia Hack

This committee provided advice and oversight of AWI's extensive Marketing activities. This also included oversight of the Product Innovation, Education & Extension portfolio to develop strategies to enlist greater engagement and collaboration with marketing of Australian wool.

Research & Development Committee

Chaired by Dr Michelle Humphries

This Committee was established to provide guidance and recommendations to the Board and CEO regarding the scientific and research policies of the Company and on the conduct of programs relating to activities undertaken by the Company that utilize science or impact animal welfare activities.

Company Secretary

Ms Tracy Marshall (FCCA) is the Company Secretary and Chief Financial Officer. Ms Marshall joined AWI in 2008.

For all Board of Directors biographies, see wool.com/directors

CORPORATE GOVERNANCE STATEMENT 2026

CORPORATE GOVERNANCE STATEMENT 2026

Governance principles

The main provisions governing the activities of AWI are:

- legislation applicable to AWI including the *Primary Industries Levies and Charges Disbursement Act 2024* (Cth), the *Primary Industries (Customs) Charges Act 2024* (Cth) and the *Primary Industries (Excise) Levies Act 2024* (Cth);
- other legislation applicable to both companies and not-for-profit entities;
- the Statutory Funding Agreement with the Commonwealth whereby AWI receives certain funding as the designated research body for the Wool Industry; and
- its Constitution.

The Board is committed to governance systems that enhance performance and ensure AWI operates legally and responsibly on all matters and maintains the highest ethical standards.

AWI's governance framework seeks to adopt the best practice guidelines in the ASX Corporate Governance Principles and Recommendations (Principles and Recommendations) in implementing a corporate governance framework. While AWI is not a listed company, it uses these Principles and Recommendations as guidance in its governance practices to the extent that they are reasonably applicable to AWI's circumstances as a not-for-profit entity with charitable objects to act in the best interests of Australian woolgrowers.

Board functions and responsibilities

Key functions and responsibilities for the Board are set out in the Board Charter. The board charter specifies board responsibilities including general oversight of AWI; governance; risk management; people and remuneration; Chairperson responsibilities and communication with shareholders. Operational matters delegated to the CEO are delineated.

There are 3 standing sub-committees being:

- Audit and Risk Committee;
- Research Development Committee;
- Demand Creation Committee

There is also a Board Nomination Committee which is convened in director election years.

Board Nomination Committee

The Board Nomination Committee has 3 external members who are specifically described in the updated Charter for this Committee and 2 incumbent board directors. The composition of the committee is as follows:

- A Chair independent of the wool industry and independent from AWI. The Chair is sourced after an executive search and selected by the BNC itself;
- Two (2) independent non-executive Directors of the Company;
- One (1) representative of the wool industry independent from the Company, nominated by the Wool Industry Consultation Panel;
- One (1) representative from an international executive search firm, appointed by the incoming members of the Board Nomination Committee.

CORPORATE GOVERNANCE DOCUMENTS

AWI’s corporate governance documentation is available on the AWI website at wool.com/governance and includes:

- AWI Constitution
- Board and Company Diversity Policy
- Board Charter
- Board Nomination Committee Charter
- Charter of the Committees of the Board
- Code of Conduct and Business Ethics
- Communications Strategy
- Corporate Governance Statement
- Policy dealing with Equal Opportunity, Anti-Discrimination, Harassment, Victimisation and Bullying and Grievance Procedures.
- Risk Management Appetite Statement
- Rules and Procedures Governing the Election of Directors
- Statutory Funding Agreement
- Whistleblower Policy.

AWI continues to review and develop these documents on a regular basis to ensure they remain relevant to the Company and encapsulate the high standards the Board and management are committed to achieving.

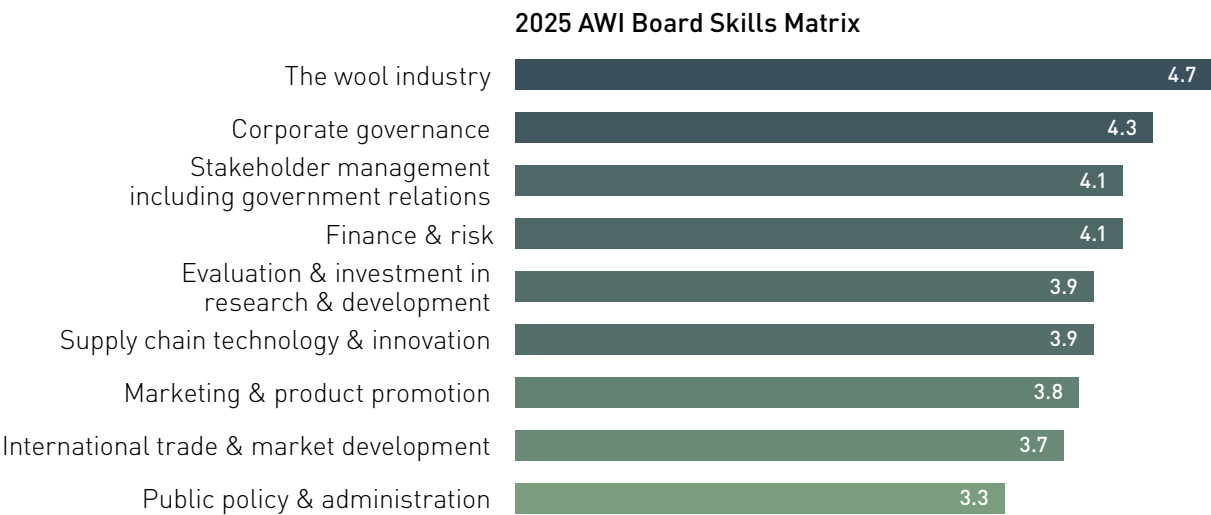
BOARD EVALUATION

The Board elected not to conduct a board performance review for 2026 as there has been a Review of Performance in 2026 which significantly overlays the board performance review.

AWI BOARD SKILLS MATRIX

The core skill areas are reviewed annually by the Board.

The Skills Matrix below shows the Board’s collective skill levels in the nominated skills.



INDEPENDENCE OF DIRECTORS

The Board maintains a Directors Disclosure of Interests Register which is reviewed as a standing agenda item at all Board meetings. The materiality of disclosures is assessed by the Board to determine whether they may interfere with, or reasonably be seen to interfere with, a director's capacity to bring independent judgement to bear on matters before the Board.

All directors meet all of the criteria for independence in accordance with the ASX Corporate Governance Principles and Recommendations.

CODE OF CONDUCT AND BUSINESS ETHICS

AWI endeavours to be recognised as an organisation committed to high ethical standards in business.

Transactions connected, directly or indirectly, to directors and officers may occur in the ordinary course of AWI's business since the Board includes members actively involved in the wool industry.

AWI has a Code of Conduct and Business Ethics to ensure decisions are made in an ethical and responsible way without being influenced by improper considerations, and to ensure that AWI's contracts are at arm's length commercial terms and consistent with AWI's legal obligations.

The Code is available on AWI's website at [wool.com/governance](https://www.wool.com/governance).



The 10-year Merino Lifetime Productivity project tracked 5,700 ewes, daughters of 134 sires, generating more than two million lifetime records to improve understanding of whole-of-life Merino productivity.

BALANCED PORTFOLIO AND PRIORITY ALIGNMENTS

BALANCED PORTFOLIO

AWI continually reviews the company’s risk appetite which can be influenced by several factors, such as the levy rate reduction, prices and workforce.

AWI seeks to balance the risk position between investing in a range of activities that may drive substantial growth in the demand for wool. AWI also organises the programs into a component mix that, when implemented, is best aligned with, and best supports the organisation’s strategic plan. The following table shows the risk and return of projects by value in each of the nine segments.

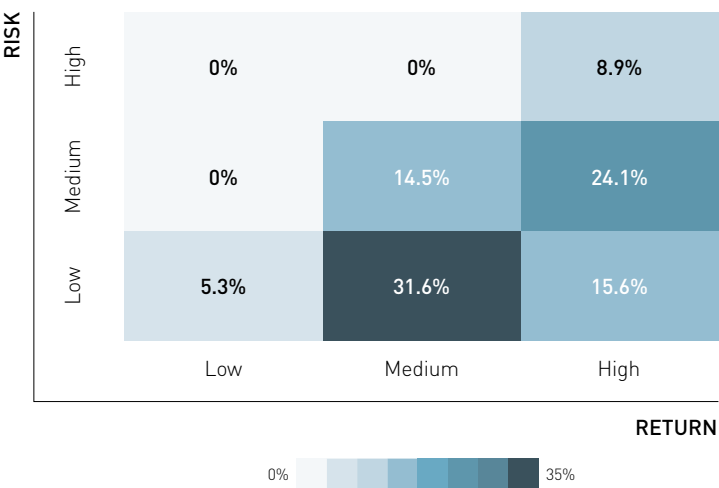


Figure 1: 2025–26 Balanced Portfolio (Financials)



AWI STRATEGIC PLAN

Since 1 July 2025, the company has been operating under a new three-year Strategic Plan for the 2025–26 to 2027–28 financial years. The key priorities for the 2025–26 period were:

1. Grow demand and fibre advocacy
2. Sustainable and profitable sheep production

Access the Strategic Plan at wool.com/consultation

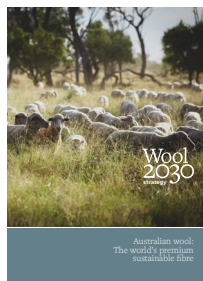
See page 9 for AWI’s 2025–26 expenditure for the two priorities outlined in the AWI Strategic Plan.

When developing its three-year Strategic Plan, while AWI’s R&D and marketing priorities are determined by woolgrowers through AWI’s planning and consultation cycle, the company also considers the:

- Australian Government’s R&D priorities
- Strategic plans of the broader Australian wool and agricultural industries.

This strategic alignment ensures that AWI’s investments recognise and support the priorities of the Australian Government and industry where appropriate.

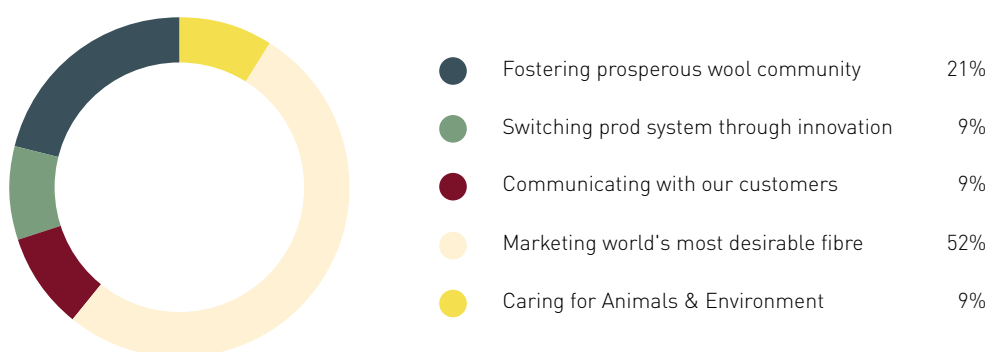
STRATEGIC PRIORITIES



WOOL 2030

This plan has been designed as a high-level, aspirational statement of intent and strategy for Australian woolgrowers. Oversight of the plan is provided by a Wool 2030 Steering Group comprising an independent chair and industry representatives. To access the strategy, visit wool.com/2030

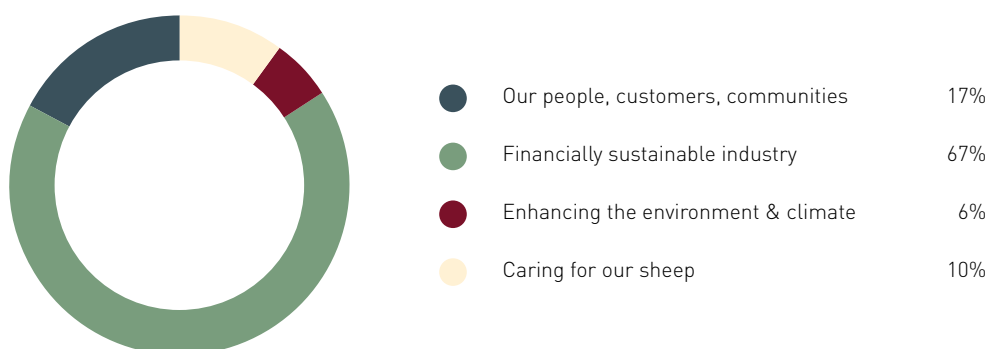
AWI aligned its projects to the pillars set out in the plan and the chart below shows the total expenditure (\$50.5m) against the five Wool 2030 pillars.



SHEEP SUSTAINABILITY FRAMEWORK

Launched in April 2021, the function of the Sheep Sustainability Framework (SSF) is to monitor, measure, and report industry performance against sustainability priorities.

Data and trends gathered through the SSF will identify opportunities on-farm, in transport, processing, and at the customer interface where practices can be improved by both the industry and individuals. The chart below shows the total expenditure (\$50.5m) against the four pillars. To access the Framework, visit sheepsustainabilityframework.com.au

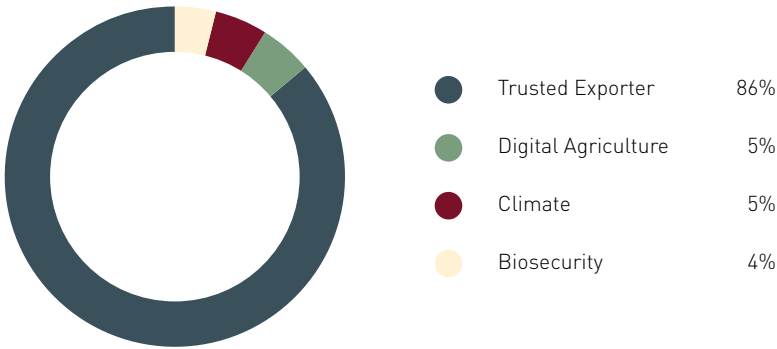


AUSTRALIAN GOVERNMENT'S R&D PRIORITIES

NATIONAL AGRICULTURE INNOVATION PRIORITIES

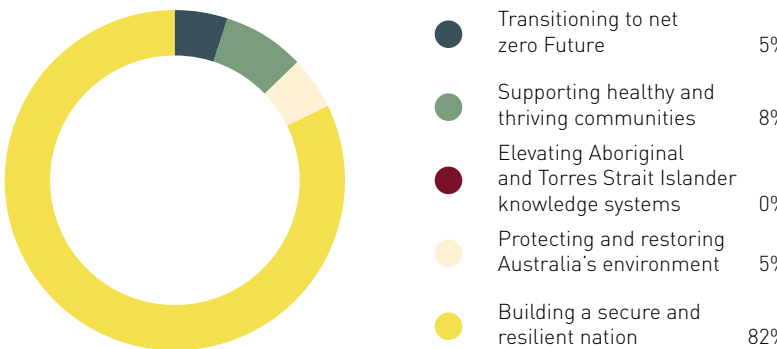
The National Agricultural Innovation Priorities were announced by the Australian Government in October 2021 as part of the National Agricultural Innovation Policy Statement. They replace the Australian Government’s Rural Research, Development and Extension (RD&E) Priorities.

See www.agriculture.gov.au for more information. The chart to the right shows the total expenditure (\$50.5m) against the priorities based on the key challenges that the Government says Australia’s agricultural innovation system needs to address by 2030.



SCIENCE AND RESEARCH PRIORITIES

In August 2024, the Government issued revitalised National Science and Research Priorities to guide Australian science and research efforts. The chart to the right shows the total expenditure (\$50.5m) against the priorities.



NATIONAL SCIENCE AND RESEARCH PRIORITIES

PRIORITIES	EXPENDITURE (\$'000)			
	Marketing	R&D	Other	Total
Transitioning to net zero Future	265	2,317	–	2,582
Supporting healthy and thriving communities	646	3,519	–	4,165
Elevating Aboriginal and Torres Strait Islander knowledge systems	–	–	–	–
Protecting and restoring Australia’s environment	189	2,291	94	2,573
Building a secure and resilient nation	25,415	15,117	648	41,181
	26,514	23,244	742	50,501

FINANCIAL REPORT 2025-26

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DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Australian Wool Innovation Limited (referred to hereafter as the 'company' or 'parent entity' or 'AWI') and the entities it controlled at the end of, or during, the year ended 30 June 2026.

DIRECTORS

The following persons were directors of Australian Wool Innovation Limited during the whole of the financial year and up to the date of this report:

Mr G Millington (Chairman)
Mr J Laurie (until 14 November 2025)
Ms G Hack
Dr M Humphries
Mr N Jackson
Mr D Macdonald
Mr C Mirams (elected 14 November 2025)

Mr A Uren (elected 14 November 2025)
Ms E Weston (until 13 November 2025)

PRINCIPAL ACTIVITIES

Australian Wool Innovation Limited is a Not-for-profit, registered charitable company. Its principal activity as recorded in its adopted strategic plan is to increase the profitability and support the sustainability of the Australian wool industry through strategically targeted investments in research, development and marketing designed to optimise return on investment. To achieve this mission, the Group receives funding from the Commonwealth Government of Australia by way of a statutory wool levy imposed upon Australian wool growers and a capped research and development matching fund contribution. Funding is also generated from revenue in respect of the Woolmark certification and ordinary trademark annual licence fees.

REVIEW OF OPERATIONS AND RESULTS

	2026 \$'000	2025 \$'000
Revenue	66,630	57,767
Profit (loss) from continuing operations	15,538	(2,656)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Company recorded a surplus of \$15.5 million for the year, representing a significant improvement compared with the prior year. This result was primarily driven by an increase in wool prices during the second half of the year, which resulted in higher-than-anticipated wool levy revenue.

Expenditure was also lower than budgeted. Given the subdued conditions at the beginning of the year, the Company adopted a prudent approach to expenditure and deferred or reduced spending where appropriate until there was greater certainty regarding revenue levels.

The surplus has strengthened the Company's reserve position and provides greater financial flexibility to support future strategic priorities and industry investment.

There were no other significant changes in the state of affairs of the Group during the year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

It is not practicable to estimate the future potential impact of the unsettled global economic and trading environment, including the continuing conflict in the Middle East and broader geopolitical uncertainty.

Wool prices have strengthened significantly and are currently at levels not seen since the market highs experienced in 2019. This improvement has contributed to increased optimism and confidence across the Australian wool industry. However, future wool levy revenue will continue to be influenced by movements in wool prices, the volume of wool produced and broader economic conditions in the Group's key retail markets.

A number of factors may continue to affect the size of the Australian wool clip, including drought and flood conditions, sheep meat prices and producer confidence.

There has been no other matter or circumstance arising since 30 June 2026 that has significantly affected, or may significantly affect, the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

AWI has a three-year Strategic Plan for the years 2025/26 to 2027/28 which was created in consultation with woolgrowers and other stakeholders. The Plan seeks to address key industry issues and exploit opportunities across the global supply chain for Australian wool, from woolgrowers through to consumers.

The key priorities in the Strategic Plan are:

1. Grow demand and fibre advocacy – AWI will conduct research and promote the many benefits of wool as a natural, biodegradable and premium fibre.

2. Sustainable and profitable wool-growing – AWI will invest in on-farm research and extension to drive sustainable and profitable wool-growing.

AWI programs are supported by the support and administration function enabling AWI to operate cost effectively through the efficient provision of a range of cross-company support services.

COMPANY SECRETARY

The Company Secretary is Tracy Marshall (FCCA). Ms Marshall was appointed Company Secretary in November 2025. Previous company secretary, Ms Lucy Meadley BA (Hons), Dip Law, Grad Dip Legal Prac (College of Law, Sydney), Grad Cert TM Law & Practice, GAICD (December 2022 – November 2025).

MEETINGS OF DIRECTORS

The numbers of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2026, and the numbers of meetings attended by each director were:

Director	Meetings of committees									
	Full meetings of Directors		Audit & Risk		People & Culture		Research Development Education & Extension		Demand Creation	
							A	B		
	A	B	A	B	A	B	A	B	A	B
Mr G Millington	8	8*	7	7	1	1	4	4	7	7
Mr J Laurie^	3	3	3	3	3	3	3	3	3	3
Ms G Hack	8	8	–	–	4	4	–	–	7	7*
Dr M Humphries	8	8	3	3	–	–	7	7*	–	–
Mr N Jackson	8	8	4	4*	–	–	3	3	–	–
Mr D Macdonald	8	8	–	–	4	4*	3	3	4	4
Mr C Mirams**	5	5	–	–	–	–	4	4	–	–
Mr A Uren**	5	5	4	4	–	–	–	–	–	–
Ms E Weston^	3	3	3	3	–	–	–	–	–	–

A = number of meetings held during the time the director held office or was a member of the committee during the year.

B = number of meetings attended.

* = denotes Chair as at 30 June 2026.

^ = Mr J Laurie & Ms E Weston until the 14 November 2025 and 13 November 2025 respectively.

** = Mr C Mirams & Mr A Uren were elected to the Board on the 14 November 2025.

The People & Culture Committee was discontinued on 4th February 2026.

DIRECTORS' REPORT (CONTINUED)

CHAIRMANSHIP

Mr J Laurie was the Chairman of the Board until 14 November 2025.

Mr G Millington was appointed Chairman of the Board on the 14 November 2025.

INSURANCE OF OFFICERS

During the financial year, Australian Wool Innovation Limited paid a premium to insure directors and officers of the Group. The insurance policy specifically prohibits disclosure of the nature and liability covered and the amount of the premium paid.

INDEMNITY AND INSURANCE OF AUDITORS

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor/s for audit and non-audit services provided during the year are set out in note 23.

DIVIDENDS PAID

AWI's Constitution does not allow the company to pay any dividends.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 41.

ENVIRONMENTAL REGULATION

The Group's operations are not subject to any particular or significant environmental regulations under either Commonwealth or State legislation.

ROUNDING OF AMOUNTS

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Legislative Instrument to the nearest thousand dollars, unless otherwise stated.

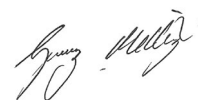
STATUTORY FUNDING AGREEMENT OBLIGATIONS

In addition to annual reporting requirements, there are further reporting requirements imposed upon the parent company under the Statutory Funding Agreement between Australian Wool Innovation Limited and The Commonwealth of Australia.

AUDITOR

HLB Mann Judd continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors.



Mr G Millington (Chairman)
Director

Sydney
20th August 2026

AUDITOR'S INDEPENDENCE DECLARATION

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Australian Wool Innovation Limited for the year ended 30 June 2026.

This declaration is in relation to Australian Wool Innovation Limited and the entities it controlled during the year.



S P James Director
HLB Mann Judd

Sydney
20 August 2026

FINANCIAL REPORT

– 30 JUNE 2026

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This financial report covers Australian Wool Innovation Limited as a consolidated entity consisting of Australian Wool Innovation Limited and its controlled entities as listed in note 26 to the financial report. The financial report is presented in Australian dollars.

Australian Wool Innovation Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:
Level 3, 24 York Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report on page 38, which is not part of this financial report.

The consolidated financial statements were authorised for issue by the directors on 20th August 2026. The directors have the power to amend and reissue the consolidated financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the company. All press releases, financial reports and other information are available on our website: wool.com

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2026

		Consolidated	
	Notes	2026 \$'000	2025 \$'000
Revenue from continuing operations			
Operating revenue	3	62,976	53,933
Other revenue	3	3,654	3,834
		66,630	57,767
Other (loss) / gain	4	(518)	296
Expenses			
Grower Demand & Fibre Advocacy	6	(27,323)	(32,570)
Sustainable & Profitable Wool Growing	6	(13,315)	(18,127)
Corporate services	6	(9,863)	(9,983)
Profit / (loss) before income tax		15,611	(2,617)
Income tax expense	7	(73)	(39)
Profit / (loss) from continuing operations		15,538	(2,656)
Profit / (loss) for the year		15,538	(2,656)
Other comprehensive income			
Exchange differences on translation of foreign operations		42	(144)
Total comprehensive profit / (loss) for the year		15,580	(2,800)
Total comprehensive profit / (loss) for the year is attributable to:			
Owners of Australian Wool Innovation Limited		15,580	(2,800)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

		Consolidated	
	Notes	2026 \$'000	2025 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	8	12,179	10,531
Other financial assets	9	73,700	62,189
Trade and other receivables	10	10,224	7,823
Other assets	11	702	625
Total current assets		96,805	81,168
Non-current assets			
Property, plant and equipment	12	708	779
Right-of-use assets	12	3,948	5,139
Intangible assets	13	10,000	10,000
Other assets	14	345	391
Total non-current assets		15,001	16,309
Total assets		111,806	97,477
LIABILITIES			
Current liabilities			
Trade and other payables	15	4,004	3,606
Deferred income	16	7,531	6,423
Provisions	17	2,598	3,918
Lease liabilities	19	1,400	1,540
Total current liabilities		15,533	15,487
Non-current liabilities			
Provisions	18	689	749
Lease liabilities	19	2,744	3,981
Total non-current liabilities		3,433	4,730
Total liabilities		18,966	20,217
Net assets		92,840	77,260
EQUITY			
Contributed equity*	20	–	–
Reserves	21	1,063	1,021
Retained surplus	21	91,777	76,239
<i>Capital and reserves attributable to owners of Australian Wool Innovation Limited</i>		92,840	77,260
Total equity		92,840	77,260

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

*As at 30 June 2025 and 2026 contributed equity in the consolidated entity was \$100.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

		Attributable to owners of Australian Wool Innovation Limited			
	Notes	Contributed Equity* \$'000	Reserves \$'000	Retained surplus \$'000	Total equity \$'000
Balance at 1 July 2024		–	1,165	78,895	80,060
Profit/ (loss) for the year	21	–	–	(2,656)	(2,656)
Other comprehensive income	21	–	(144)	–	(144)
Total comprehensive loss for the year		–	(144)	(2,656)	(2,800)
Balance at 30 June 2025		–	1,021	76,239	77,260
Balance at 1 July 2025		–	1,021	76,239	77,260
Profit / (loss) for the year	21	–	–	15,538	15,538
Other comprehensive income	21	–	42	–	42
Total comprehensive profit for the year		–	42	15,538	15,580
Balance at 30 June 2026		–	1,063	91,777	92,840

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

*As at 30 June 2025 and 2026 contributed equity in the consolidated entity was \$100.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	Notes	Consolidated	
		2026 \$'000	2025 \$'000
Cash flows from operating activities			
Levy, license, government grant and other receipts (inclusive of GST)		66,958	63,131
Payments to suppliers and employees (inclusive of GST)		(54,720)	(64,397)
		12,238	(1,266)
Other income		–	3
Interest received		2,637	3,383
Income taxes paid	7	(73)	(39)
Lease interest paid		(257)	(245)
Net cash outflow from operating activities		14,545	1,836
Cash flows from investing activities			
Payments for property, plant and equipment		(194)	(181)
Purchase of financial assets		(11,511)	(2,490)
Proceeds from sale of property, plant and equipment		47	1
Net cash (outflow) from investing activities		(11,658)	(2,670)
Cash flows from financing activities			
Lease payments		(1,549)	(1,145)
Net cash outflow from financing activities		(1,549)	(1,145)
Net increase (decrease) in cash and cash equivalents		1,338	(1,979)
Cash and cash equivalents at the beginning of the financial year		10,531	12,775
Effects of exchange rate changes on cash and cash equivalents		310	(265)
Cash and cash equivalents at end of year	8	12,179	10,531

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

1: SUMMARY OF MATERIAL ACCOUNTING POLICIES

Australian Wool Innovation Limited (the “Company”) is a company limited by shares, incorporated and domiciled in Australia and is a Not-for-profit, registered charitable company.

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the consolidated entity consisting of Australian Wool Innovation Limited and its subsidiaries (the “Group”).

The nature of the Group’s operations and principal activities are described in the Directors’ Report.

(a) Basis of preparation

(i) Compliance with Australian Accounting Standards – Simplified Disclosures

The consolidated financial statements of the Group comply with Australian Accounting Standards – Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention and comparative information

This financial report has been prepared under the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

(iii) Going concern

The financial report has been prepared on a going concern basis. No material uncertainty exists in its ability to continue as a going concern.

(iv) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(1) Estimated impairment of the Woolmark certification trademarks

The Group tests annually whether the value of \$10,000,000 allocated to the Woolmark certification trademarks has suffered any impairment, in accordance with the accounting policy stated in note 1(f). These calculations require the use of assumptions regarding the separately identifiable future cash inflows relating to the brand, estimates of future costs required to support the brand and discount rates.

(2) Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group’s operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

(3) Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
30 JUNE 2026 (CONTINUED)

**1: SUMMARY OF MATERIAL
ACCOUNTING POLICIES
(CONTINUED)**

(a) Basis of preparation (continued)

- (4) Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

(v) New and amended standards adopted by the group

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Australian Wool Innovation Limited as at 30 June 2026 and the results of all subsidiaries for the year then ended.

The effects of all transactions between entities in the consolidated entity are eliminated in full.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Australian Wool Innovation Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange

gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- the assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date;
- income and expenses of foreign operations are translated into Australian dollars using the average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income through foreign currency reserve in equity.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Wool levies and government grants are brought to account when received or receivable from the Federal Government. Reasonable assurance that the Commonwealth Matching Funds grant will be received occurs when the Group complies with all conditions outlined in the Statutory Funding Agreement.

Invoiced licence fees are deferred as a liability on the statement of financial position and brought to account as revenue over the period of the licence.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue for the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Revenue from the rendering of a service is recognised by reference to the stage of completion of contracts or other agreements to provide services.

Revenue for the disposal of non current assets is recognised when control of the asset has passed to the buyer.

(e) Leases

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(f) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

(g) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits

held at call with financial institutions, floating rate notes, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Other financial assets

Other financial assets are initially measured at fair value plus transaction costs and subsequently measured at amortised cost, less any allowance for expected credit losses.

Other financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

(i) Property, plant and equipment

All assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Purchases of property, plant and equipment costing less than \$5,000 are expensed in the year of acquisition.

Depreciation is calculated on a straight line basis to write off the net cost amount of each item of property, plant and equipment (excluding land) over its expected useful life to the economic entity. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessment for major items. The expected useful lives are as follows:

- Buildings 10 – 20 years
- Plant and equipment 1 – 10 years
- Leasehold improvements over the lease term

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1 (f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Property, plant and equipment (continued)

- Right-of-use asset

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(j) Intangible assets

(i) Research and development

Research expenditure is recognised as an expense as incurred.

(ii) Trademarks and licences

This represents the Woolmark certification trademarks acquired by the Group. The Woolmark is well established and is expected to generate cash inflows for the Group for an indefinite period. Therefore the certification trademarks are carried at cost without amortisation, but are tested for impairment in accordance with note 1(f).

(k) Provisions

Provisions for make good obligations and restructuring are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required

to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(l) Employee benefits

(i) Short-term obligations

Liabilities for wages, salaries and annual leave expected to be settled within 12 months of the reporting date plus overseas pension benefits are recognised in other payables and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long-term employee benefit obligations

The liability for long service leave is recognised in provisions and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

The provision for employee entitlements includes on costs of superannuation, payroll tax and workers compensation.

(m) Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the consolidated financial statements. Amounts in the consolidated financial statements have been rounded off in accordance with that Legislative Instrument to the nearest thousand dollars, unless otherwise stated.

(n) Parent entity financial information

The financial information for the parent entity, Australian Wool Innovation Limited, disclosed in note 29 has been prepared on the same basis as the consolidated financial statements, except investments in subsidiaries which are recorded at cost in the financial statements of Australian Wool Innovation Limited.

2: FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different

methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange, other price risks and aging analysis for credit risk.

Risk management is carried out by Head Office Finance under policies approved by the board of directors. Group Head Office Finance identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The Group's foreign exchange management policies include wherever possible creating natural hedges with the collection of licence income in the same currencies as the expenditure being incurred. The Group also purchased foreign exchange contracts during the year to minimise the exposure to fluctuations in the currency markets based on a proportion of budgeted cash flows.

Forward Exchange Contracts (Derivatives) are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent adjustment in the fair value of contract is recorded in the income statement with a corresponding impact in the Forward contract asset or liability.

(b) Credit risk

The Group has no significant concentrations of credit risk and credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Customers risk rating is assessed by the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal ratings and compliance with credit limits by customers is regularly monitored by management.

Australian Wool Innovation Limited's investment policy is conservative and designed to minimise principal, interest rate and currency risk.

Risk of principal amounts invested is minimised by investing the majority of available funds in deposits with Standard & Poor's ratings AAA, AA+, AA, and AA-. A maximum of 35% of funds can be invested in any individual financial institution.

Risk of loss due to adverse interest rate movements is minimised by investing in term deposits for terms per the AWI investment policy.

Wherever possible funds invested are held in Australian dollars thereby minimising any foreign exchange risk.

The Group has policies in place to ensure that customers have an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and having funding available. Head Office Finance aims at maintaining flexibility in funding by keeping funds on call and term deposits with regular rolling maturity dates. The Group manages liquidity risk by continually monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Given the cash reserves available borrowing facilities are not required.

(d) Fair value measurement

The net fair value of cash and cash equivalents, other financial assets and financial liabilities approximate their carrying values.

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
30 JUNE 2026 (CONTINUED)

3: REVENUE

	Consolidated	
	2026 \$'000	2025 \$'000
From continuing operations		
<i>Operating revenue</i>		
Wool levy	39,652	31,167
Government contribution	14,267	14,539
License fees	5,540	5,619
Royalties	1,711	1,029
Voluntary contributions	1,290	1,311
Sale of goods and services	384	208
Other	132	60
	62,976	53,933
<i>Other revenue</i>		
Interest revenue calculated using the effective interest method	3,066	3,278
Rental and sub-lease rental income	588	556
	3,654	3,834
	66,630	57,767

4: OTHER (LOSS) / GAIN

	Consolidated	
	2026 \$'000	2025 \$'000
Net foreign exchange (loss) / gain	(518)	296

5: EXPENSES

	Consolidated	
	2026 \$'000	2025 \$'000
<i>Depreciation and amortisation</i>		
Buildings	10	10
Plant and equipment	145	126
Leasehold improvements	45	73
Right-of-use assets	1,485	1,429
Total depreciation and amortisation	1,685	1,638
Superannuation expense	1,735	1,688

6: RESEARCH AND DEVELOPMENT EXPENDITURE

	Consolidated	
	2026 \$'000	2025 \$'000
Grow Demand & Fibre Advocacy	27,323	32,570
Sustainable & Profitable Wool Growing	13,315	18,127
Corporate services	9,863	9,983
Total R&D expenditure	50,501	60,680

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
30 JUNE 2026 (CONTINUED)

7: INCOME TAX EXPENSE

	Consolidated	
	2026 \$'000	2025 \$'000
(a) Income tax expense		
Current tax on profits for the year	73	39
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit / (loss) from continuing operations before income tax expense	15,611	(2,617)
Tax at the Australian tax rate of 30% (2025 – 30%)	(4,683)	(785)
Non-taxable income, tax losses and temporary differences not brought to account	4,753	887
Differences in overseas tax rates	(17)	(6)
Adjustments for current tax of prior periods	20	(57)
Income tax expense	73	39

The Group has not recognised deferred tax assets relating to tax losses or temporary differences arising from loss making operations as it is not probable that the benefits will be realised. AWI parent company is exempt from income taxes not indirect taxes.

8: CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	Consolidated	
	2026 \$'000	2025 \$'000
Cash at bank and in hand	12,179	10,531

Further details of cash and cash equivalents are set out in note 9.

9: CURRENT ASSETS – OTHER FINANCIAL ASSETS

	Consolidated	
	2026 \$'000	2025 \$'000
Term deposits	73,700	62,189
Cash and cash equivalents (note 8) and other financial assets are represented as follows:		
Unrestricted	32,170	23,438
Restricted as security against guarantees issued by the company's bankers (a)	3,018	3,050
Forward contract commitments (b)	19,321	17,354
Operating funds (c)	26,370	23,878
Emergency funds (d)	5,000	5,000
	85,879	72,720

(a) Bank guarantees have been issued to a number of parties in respect of the Company's liabilities. The Company has given its primary bankers security over term deposits in respect of those amounts, such deposits attracting commercial interest rates. These form part of the Operating funds (c).

(b) A reserve of \$19.3 million has been created to cover contracted forward commitments.

(c) Operating funds representing twelve months of AWI operational costs are set aside to cover an unexpected cessation of levy and government contribution.

(d) The Emergency reserve is set aside to cover any contingent expenditure arising from the wool industry's obligation under the Emergency Animal Disease Response Agreement.

10: CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	Consolidated	
	2026 \$'000	2025 \$'000
Net trade receivables		
Trade receivables	3,246	3,184
	3,246	3,184
Net other receivables		
Wool levy accruals	5,329	2,643
Other receivables	1,649	1,996
	6,978	4,639
	10,224	7,823

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
30 JUNE 2026 (CONTINUED)

11: CURRENT ASSETS – OTHER CURRENT ASSETS

	Consolidated	
	2026 \$'000	2025 \$'000
Insurance prepayments	13	62
Other prepayments	658	529
Lease deposits	31	34
	702	625

12: NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT, AND RIGHT-OF-USE ASSETS

	Land and buildings \$'000	Plant and equipment \$'000	Leasehold improvements \$'000	Right-of-use assets \$'000	Total \$'000
At 1 July 2024					
Cost or fair value	1,066	3,154	2,077	7,910	14,207
Accumulated depreciation	(525)	(2,956)	(1,912)	(3,012)	(8,405)
Net book amount	541	198	165	4,898	5,802
Year ended 30 June 2025					
Opening net book amount	541	198	165	4,898	5,802
Exchange differences	–	2	5	39	46
Revaluation surplus	–	2	–	–	2
Additions	–	76	–	1,631	1,707
Disposals	–	(1)	–	–	(1)
Depreciation charge	(10)	(126)	(73)	(1,429)	(1,638)
Closing net book amount	531	151	97	5,139	5,918
At 30 June 2025					
Cost or fair value	1,066	3,204	2,112	8,161	14,543
Accumulated depreciation	(535)	(3,053)	(2,015)	(3,022)	(8,625)
Net book amount	531	151	97	5,139	5,918
Year ended 30 June 2026					
Opening net book amount	532	151	96	5,139	5,918
Exchange differences	–	(2)	–	–	(2)
Revaluation surplus	–	(1)	(9)	–	(10)
Additions	–	172	–	294	466
Disposals	–	(31)	–	–	(31)
Depreciation charge	(10)	(145)	(45)	(1,485)	(1,685)
Closing net book amount	522	144	42	3,948	4,656
At 30 June 2026					
Cost	1,066	2,879	428	8,170	12,543
Accumulated depreciation	(544)	(2,735)	(386)	(4,222)	(7,887)
Net book amount	522	144	42	3,948	4,656

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
30 JUNE 2026 (CONTINUED)

13: NON-CURRENT ASSETS – INTANGIBLE ASSETS

	Certification trademarks \$'000
At 1 July 2024	
Cost	10,000
Accumulated amortisation and impairment	–
Net book amount	10,000
Year ended 30 June 2025	
Opening net book amount	10,000
Closing net book amount	10,000
At 30 June 2025	
Cost	10,000
Accumulation amortisation and impairment	–
Net book amount	10,000
Year Ended 30 June 2026	
Opening net book amount	10,000
Closing net book amount	10,000
At 30 June 2026	
Cost	10,000
Accumulated amortisation and impairment	–
Net book amount	10,000

A value of \$10,000,000 is allocated to the Woolmark certification and ordinary trademarks and, based on a review of the current operations to date and intentions for future use, the directors are satisfied that no impairment of the carrying value has arisen since acquisition.

The Woolmark certification and trademarks, with an indefinite expected useful life, are expected to generate cash flows over an indefinite period of time.

The directors are committed to providing market research to support the profile of the certification and the trademarks.

The directors strive to build the reputation of the Woolmark certification and trademarks to consolidate its brand recognition globally.

14: NON-CURRENT ASSETS – OTHER ASSETS

	Consolidated	
	2026 \$'000	2025 \$'000
Lease deposits	345	391

15: CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	Consolidated	
	2026 \$'000	2025 \$'000
Trade payables	1,034	1,502
Other payables	1,225	1,272
Project payables and accruals	1,745	832
	4,004	3,606

16: CURRENT LIABILITIES – DEFERRED INCOME

	Consolidated	
	2026 \$'000	2025 \$'000
Unearned license income	5,260	5,692
Unearned sub-lease income	125	120
Unearned other income	2,146	611
	7,531	6,423

17: CURRENT LIABILITIES – PROVISIONS

	Consolidated	
	2026 \$'000	2025 \$'000
Employee entitlements	2,598	3,918

18: NON-CURRENT LIABILITIES – PROVISIONS

	Consolidated	
	2026 \$'000	2025 \$'000
Lease make good	461	455
Employee entitlements	228	294
	689	749

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
30 JUNE 2026 (CONTINUED)

19: LEASES

	Consolidated	
	2026 \$'000	2025 \$'000
Lease liabilities		
Current	1,400	1,540
Non-current	2,744	3,981
	4,144	5,521
Future lease payments are due as follows:		
Within one year	1,430	1,575
One to five years	3,050	4,446
More than five years	–	86
	4,480	6,107

Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to lease liabilities:

Interest expense	235	233
Expense relating to short-term leases	58	44
Expense relating to leases of low-value assets that are not shown above as short-term leases	54	65

The total cash outflow for leases in 2026 was \$1,773,743

20: CONTRIBUTED EQUITY

	2026 Shares	2025 Shares	2026 \$	2025 \$
(a) Share capital				
Fully paid	37,462	37,462	100	100

(b) Movements in ordinary share capital

There was no movement in ordinary share capital during the year.

(c) Ordinary shares

A person has a right to one share in the Company if the Board is satisfied that their rolling wool levy or wool tax contribution is \$100 or more during the 3 previous financial years or the person is engaged in a wool producing business, as defined by the Company's constitution. This right does not entitle the shareholder to participate in any profit distributions or in any proceeds on the winding up of the entity. Where a person fails to satisfy these share criteria the share is returned to and held by the Company.

(d) Shareholder statistics

<i>Details</i>	30 June 2026	30 June 2025
Australian Capital Territory	54	53
New South Wales	6,118	6,091
Northern Territory	2	2
Queensland	351	350
South Australia	2,792	2,788
Tasmania	498	498
Victoria	3,930	3,907
Western Australia	2,628	2,617
	16,373	16,306

21: OTHER RESERVES AND RETAINED SURPLUS

	Consolidated	
	2026	2025
	\$'000	\$'000
(a) Other reserves		
Foreign currency translation	1,063	1,021
Movements:		
Foreign currency translation		
Balance 1 July	1,021	1,165
Currency translation differences arising during the year	42	(144)
Balance 30 June	1,063	1,021

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 1(c) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

	Consolidated	
	2026	2025
	\$'000	\$'000
(b) Retained surplus		
Retained surplus at the beginning of the financial year	76,239	78,895
Net surplus / (deficit) attributable to the owners of Australian Wool Innovation Limited	15,538	(2,656)
Retained surplus at the end of the financial year	91,777	76,239

22: KEY MANAGEMENT PERSONNEL DISCLOSURES

	Consolidated	
	2026 \$	2025 \$
(a) Key management personnel remuneration		
Non-executive directors		
Short-term employee benefits	616,831	685,102
Post-employment benefits	74,020	78,787
	690,851	763,889
Other key management personnel		
Short-term employee benefits	2,438,023	2,403,837
Post-employment benefits	286,957	276,441
Termination benefits	173,648	–
	2,898,628	2,680,278

The key management personnel of Australian Wool Innovation Limited comprise of non-executive directors and other executives who have the authority and responsibility for planning, directing and controlling activities of the Group, either directly or indirectly.

Remuneration includes salaries, wages, superannuation and other employee provisions paid, payable or provided to or on behalf of Australian Wool Innovation Limited.

(b) Remuneration principles and policies

(i) Directors' fees

All directors are non executive, and fees and payments to directors reflect the demands which are made on, and the responsibilities of, the directors. All directors' fee payments are reviewed by the Board. The Chair's fees are determined independently to the fees of directors based on comparative roles in the external market. Both the Chair and non executive directors receive additional fees for their membership on committees.

(ii) Executive employment contracts

Remuneration and other terms of employment for the Executive Management Team are formalised in employment contracts. These employment contracts state a remuneration package (which is calculated on a total cost to the Group basis). None of these employment contracts include share options or termination notice period in excess of six months.

(c) Details of remuneration

(i) Non executive Directors of Australian Wool Innovation Limited

2026 Name	Short-term employee benefits		Post-employment benefits	Total \$
	Directors' base fees paid \$	Committee fees paid \$	Superannuation \$	
Mr J Laurie	56,165	–	6,740	62,905
Ms G Hack	67,158	13,958	9,734	90,850
Dr M Humphries	67,158	13,958	9,734	90,850
Mr N Jackson	67,158	8,793	9,114	85,065
Mr D Macdonald	67,158	7,228	8,926	83,312
Mr G Millington	119,961	11,866	15,819	147,646
Mr C Mirams	42,304	3,350	5,478	51,132
Mr A Uren	42,304	3,350	5,478	51,132
Ms E Weston	24,962	–	2,995	27,957
Total	554,328	62,503	74,018	690,849

2025 Name	Short-term employee benefits		Post-employment benefits	Total \$
	Directors' base fees paid \$	Committee fees paid \$	Superannuation \$	
Mr J Laurie	151,106	25,114	20,265	196,485
Ms G Hack	67,158	22,282	10,286	99,726
Dr M Humphries	67,158	22,353	10,294	99,805
Mr N Jackson	67,158	8,395	8,689	84,242
Mr D Macdonald	67,158	21,763	10,226	99,147
Mr G Millington	67,158	22,353	10,294	99,805
Ms E Weston	67,158	8,788	8,734	84,680
Total	554,054	131,048	78,788	763,890

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
30 JUNE 2026 (CONTINUED)

23: REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor/s of the parent entity, and its related practices:

	Consolidated	
	2026 \$	2025 \$
(a) Audit services		
Audit fees – domestic – HLB Mann Judd	116,026	117,793
Audit fees – international – HLB Mann Judd affiliates	107,907	102,697
Audit fees – international – Non HLB Mann Judd	10,449	10,953
Total remuneration for audit and other assurance services	234,382	231,443
(b) Non-audit services		
Tax compliance – HLB Mann Judd	32,244	28,154
Tax compliance – HLB Mann Judd affiliates	7,252	7,338
Total remuneration of non-audit services	39,496	35,492
Total remuneration	273,878	266,935

24: COMMITMENTS

(i) Research, development and marketing

	Consolidated	
	2026 \$'000	2025 \$'000
Commitments payable in relation to research, development and marketing	12,315	9,537

(ii) Forward exchange contracts

	Consolidated	
	2026 \$'000	2025 \$'000
Commitments payable in relation to forward exchange contracts	7,006	7,817

The group treasury policy stipulates the parameters to protect known foreign currency exposures via forward exchange contracts.

25: RELATED PARTY TRANSACTIONS

(a) Parent entities

The parent entity of the Group is Australian Wool Innovation Limited.

(b) Directors

The names of persons who were directors of the company at any time are as follows: G Hack, M Humphries, N Jackson, J Laurie, D Macdonald, G Millington, C Mirams, A Uren and E Weston.

(c) Subsidiaries

Interests in subsidiaries are set out in note 26.

(d) Remuneration

Disclosures relating to directors and key management personnel remuneration are set out in note 22.

(e) Other transactions with directors and key management personnel or entities related to them

(i) Loan transactions and balances

There were no loan transactions or balances with directors and key management personnel or entities related to them during the year ended 30 June 2026.

(ii) Other transactions and balances

No director, or director related entity entered into a contract or had any other transactions other than normal terms and conditions with Australian Wool Innovation Limited during the year ended 30 June 2026.

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
30 JUNE 2026 (CONTINUED)

25: RELATED PARTY TRANSACTIONS (CONTINUED)

(f) Transactions with other related parties

The following transactions occurred with related parties:

	Consolidated	
	2026 \$	2025 \$
<i>Sale of goods and services</i>		
Sale of services relating to marketing and wool testing activities to key management personnel of the entity*	130,558	11,525
<i>Purchases of goods</i>		
Purchase of goods and services relating to marketing and wool testing activities from key management personnel of the entity*	15,549	129,647

*For the period in which they held a key management personnel position.

(g) Outstanding balances arising from sales or purchases of services

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

	Consolidated	
	2026 \$	2025 \$
Current receivables (sales of goods and services)		
Key management personnel of the entity		
Current payables (purchase of goods)	–	7,815
Key management personnel of the entity	33,625	–

26: CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2026 %	2025 %
Subsidiaries controlled by Australian Wool Innovation Limited:				
Woolmark Holdings Pty Limited	Australia	Ordinary	100	100
Woolshare Nominees Pty Limited	Australia	Ordinary	100	100
Woolmark Source Pty Limited	Australia	Ordinary	–	100
Subsidiaries controlled by Woolmark Holdings Pty Limited:				
The Woolmark Company Pty Limited	Australia	Ordinary	100	100
Australian Merino Pty Limited	Australia	Ordinary	100	100
Subsidiaries controlled by The Woolmark Company Pty Limited:				
Woolmark International Pty Ltd	England	Ordinary	100	100
IWS Nominee Company Limited	England	N/A	100	100
Woolmark (Americas) Inc.	USA	N/A	100	100
Stichting International Wool Secretariat	Netherlands	N/A	100	100
Wollsiegel Verband	Germany	N/A	100	100
Woolmark (Italy) SRL	Italy	Ordinary	100	100
The Woolmark Company (HK) Limited	Hong Kong	Ordinary	100	100
The Woolmark (Shanghai) Company Limited	China	Ordinary	100	100
Woolmark Services India Private Limited	India	Ordinary	100	100

27: ECONOMIC DEPENDENCY

Australian Wool Innovation Limited is dependent upon the receipt of Wool Levy and Matching Funds from the Commonwealth Government per Statutory Funding Agreement between Australian Wool Innovation Limited and The Commonwealth of Australia.

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
30 JUNE 2026 (CONTINUED)

28: EVENTS OCCURRING AFTER THE REPORTING PERIOD

It is not practicable to estimate the future potential impact of the unsettled global economic and trading environment, including the continuing conflict in the Middle East and broader geopolitical uncertainty.

Wool prices have strengthened significantly and are currently at levels not seen since the market highs experienced in 2019. This improvement has contributed to increased optimism and confidence across the Australian wool industry. However, future wool levy revenue will continue to be influenced by movements in wool prices, the volume of wool produced and broader economic conditions in the Group's key retail markets.

A number of factors may continue to affect the size of the Australian wool clip, including drought and flood conditions, sheep meat prices and producer confidence.

There has been no other matter or circumstance arising since 30 June 2026 that has significantly affected, or may significantly affect, the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

29: PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information

The individual consolidated financial statements for the parent entity, Australian Wool Innovation Limited, show the following aggregate amounts:

	2026 \$'000	2025 \$'000
Profit / (loss) for the year	8,397	(5,683)
Total comprehensive profit / (loss)	8,397	(5,683)
Statement of financial position		
Current assets	89,423	72,780
Non-current assets	38,528	46,122
Total assets	127,951	118,902
Current liabilities	7,210	5,878
Non-current liabilities	2,143	2,823
Total liabilities	9,353	8,701
Net assets	118,598	110,201
<i>Shareholders' equity</i>		
Profit / (loss) for the year	8,397	(5,683)
Retained earnings	110,201	115,884
	118,598	110,201

(b) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2026 or 30 June 2025.

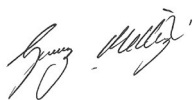
DIRECTORS' DECLARATION

30 June 2026

In the directors' opinion:

- (a) the consolidated financial statements and notes set out on pages 43 to 68 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) complying with Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulation 2022*; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the year ended on that date, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2022*. This declaration is made in accordance with a resolution of the directors.



Mr G Millington (Chairman)

Sydney
20th August 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN WOOL INNOVATION LIMITED



REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Australian Wool Innovation Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and director's declaration.

In our opinion, the accompanying financial report of the Group has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

1. giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
2. complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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 Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 Group'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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 report 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 those charged with governance 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, related safeguards.



HLB Mann Judd Assurance
(NSW) Pty Ltd
Chartered Accountants

Sydney, NSW
20 August 2026



S P James
Director

REPORT ON COMPLIANCE WITH THE SFA

As a demonstration of AWI's transparency and good governance, AWI is including in this annual report, the report below by HLB Mann Judd regarding AWI's compliance with the Statutory Funding Agreement between the Commonwealth of Australia and AWI, and the efficacy of AWI's accounting systems, processes and controls during the 2025–26 financial year.



To the Directors of Australian Wool Innovation Limited

Report on compliance with the Statutory Funding Agreement

We have performed assurance procedures with regards to the compliance and operating effectiveness of Australian Wool Innovation Limited ("the Company") with the requirements of Section 16 (Management of Funds, Voluntary Contributions and Other money) and 17 (Application of the Funds) of the Statutory Funding Agreement dated 3 December 2024 (the "Agreement") between the Commonwealth of Australia (the "Commonwealth") and the Company, as measured by the criteria outlined in Sections A and B below.

Use of Report

This report has been prepared for the Directors of Australian Wool Innovation Limited in accordance with the Agreement. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the directors of Australian Wool Innovation Limited, or for any purpose other than that for which it was prepared.

A. Reasonable Assurance on Compliance with the Agreement

Respective Responsibilities

Management of the Company are responsible for compliance with the Agreement as measured by clauses 16 and 17 of the Agreement. Our responsibility is to express a conclusion on compliance with the Agreement as measured by the clauses 16 and 17 of the Agreement, in all material respects.

Our audit has been conducted in accordance with applicable Standards on Assurance Engagements (ASAE 3100 Compliance Engagements) to provide reasonable assurance that Australian Wool Innovation Limited has complied with the Agreement as measured by the criteria in clauses 16 and 17 of the Agreement for the year ended 30 June 2026.

Our procedures included examining, on a sample basis, information to provide evidence supporting the compliance with clauses 16 and 17 of the Agreement. These procedures have been undertaken to form a conclusion as to whether Australian Wool Innovation Limited has complied in all material respects, with the Agreement, as measured by clauses 16 and 17 of the Agreement for the period from 1 July 2025 to 30 June 2026.

Inherent Limitations

Because of the inherent limitations of any internal control framework, it is possible that fraud, error or non compliance may occur and not be detected. An audit is not designed to detect all instances of non compliance with the Agreement as measured by clauses 16 and 17 of the Agreement, as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with the Agreement as measured by clauses 16 and 17 of the Agreement are undertaken on a test basis. The audit conclusion expressed in this report has been formed on the above basis.

Opinion

In our opinion, Australian Wool Innovation Limited has complied, in all material respects, with Sections 16 and 17 of the Agreement for the period from 1 July 2025 to 30 June 2026.

B. Limited assurance regarding operating effectiveness of accounting systems, processes and controls

Respective Responsibilities

Management of the Company are responsible for the efficacy of the accounting systems, processes and controls to comply with paragraph 16.1 of the Agreement. Our responsibility is to express a conclusion regarding the operating effectiveness of the accounting systems, procedures and controls in accordance with the requirements of paragraph 16.1 of the Agreement.

Our review has been conducted in accordance with applicable Standards on Assurance Engagements (ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information) to provide limited assurance that Australian Wool Innovation Limited has complied with the Agreement as measured by paragraph 16.1 of the Agreement. Our procedures included examining, on a sample basis, information to provide evidence supporting the operating effectiveness of the accounting systems, processes and controls with paragraph 16.1 of the Agreement. These procedures have been undertaken to form a conclusion, that nothing has come to our attention that causes us to believe that the systems, processes and controls related to the management of funds were not operating effectively, in all material respects, in accordance with the requirements of paragraph 16.1 of the Agreement for the period from 1 July 2025 to 30 June 2026.

Inherent Limitations

Because of the inherent limitations of any internal control framework, it is possible that fraud, error or non compliance may occur and not be detected.

A review is not designed to detect all weaknesses in operating effectiveness as measured by paragraph 16.1 of the Agreement as it is not performed continuously throughout the period and tests performed are on a sample basis. Also, a review does not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Any projection of the evaluation of the effectiveness of accounting systems, processes or controls to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions or that the degree of compliance with them may deteriorate.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accounting systems, processes and controls of Australian Wool Innovation Limited related to the management of funds, were not operating effectively, in all material respects, in accordance with the requirements of paragraph 16.1 of the Agreement for the period from 1 July 2025 to 30 June 2026.



HLB Mann Judd Assurance
(NSW) Pty Ltd
Chartered Accountants

Sydney, NSW
20 August 2026



S P James
Director

CUSTOMISED PERFORMANCE

WITH MERINO WOOL

Innovative knitted construction combining advanced technical materials with Merino wool integrates targeted performance zones while maintaining next-to-skin comfort, functionality and natural benefits

INSULATION FAR INFRARED (FIR)

DESCRIPTION
Advanced Far Infrared (FIR) technology designed to retain body heat and improve blood circulation.

CONSTRUCTION
Innovative knit construction with FIR technology built into the fabric, providing a warm, cozy feel and enhancing the natural insulating properties of Merino wool.



ANTIBACTERIAL EMF SHIELDING CONDUCTIVITY

DESCRIPTION
Innovative knit construction designed to shield against electromagnetic fields (EMF) and provide antibacterial properties.

CONSTRUCTION
Innovative knit construction with advanced technical materials integrated into the fabric, providing EMF shielding and antibacterial properties.



CUT RESISTANCE ABRASION RESISTANCE FLAME RESISTANCE

DESCRIPTION
Innovative knit construction designed to provide cut resistance, abrasion resistance, and flame resistance.

CONSTRUCTION
Innovative knit construction with advanced technical materials integrated into the fabric, providing cut resistance, abrasion resistance, and flame resistance.

PERFORATION

DESCRIPTION
Innovative knit construction designed to provide enhanced breathability and moisture management.

CONSTRUCTION
Innovative knit construction with advanced technical materials integrated into the fabric, providing enhanced breathability and moisture management.

Woolmark's presence at Performance Days connects Australian Merino wool with designers, sourcing teams and product developers working across global sports, outdoor and functional apparel markets.

APPENDICES

2025–26

Project list 2025–26	76
Performance principles	78
Performance against Annual Operating Plan targets	80

PROJECT LIST 2025–26

This list contains details of AWI projects in which costs incurred during 2025–26 totalled more than \$100,000 for each project. The cost figures (in the right-hand columns) include both contract and ancillary payments. The costs in this list represent 'external costs' to suppliers directly related to the projects and not the 'internal costs' of AWI staff who manage those projects and other operating expenses. This project list does not form part of the audited financial reports.

* The key providers indicated for each project are listed in alphabetical order. The list of providers is not necessarily a complete list of all providers for the project.

GROW DEMAND & FIBRE ADVOCACY

Project title	Key providers*	\$Paid in 2025–26
Mother Earth	New World Distribution, Inc.	100,709
China A/W Campaign 2025	Shanghai Xinsheng Business Consulting Co Consulting Co, Ltd, Zhejiang Netaware Cultural Media Co, Ltd, Shanghai Xinsheng Business Consulting Co Consulting Co, Ltd	2,008,288
AW25 Mizuno Europe Base Layer	Various Suppliers	107,230
Global Ambassador Program 2025	The Influencer Marketing Factory	1,087,899
Media Monitoring 2025–26	Cision US Inc., L'Eco della Stampa S.P.A., Tribe Dynamics LLC	136,156
Huckberry AW25 Partnership	Huckberry Inc	118,400
Saks Global AW25 Partnership	Saks.com LLC	305,928
PR Agencies & Consultants FY26	Beretta Silvia, ID8 media solutions pvt. Ltd, Stephen Toal Ltd, Theatelier Ltd, Zmirov Communication	330,148
China Ambassador Program 2025	Ruder Finn (Shanghai) Marketing & Communications Co.Ltd, Shanghai Mindminds Creative Communications Company Limited	1,705,136
The North Face AW25 partnership	Youngone Outdoor Corp	146,745
LUAR x Venus Williams Partnership	Luar LLC	168,632
WWNW Australia 2025	Sweeney Advertising Pty Ltd	309,307
Global Business Development	Various Suppliers	109,311
Consumer Campaign (Strategy & Production)	W&K Australia Pty Ltd	1,300,000
Trade Extension Engagement 25/26	Various Suppliers	158,712
Emerging Markets Activities FY26	Various Suppliers	136,897
Emerging Markets Consultants FY26	Azeezur Rahman Khan, Jorge Ramon Plata Castellanos, Juan Carlos Aragon Vallenias, Nguyen Van Hung	123,781
Shinsegae International AW25	Shinsegae Tomboy INC.	87,964
Business Development China 2025/2026 CLS	Various Suppliers	97,493
Woolmark Visual Asset Refresh FY26	Manuscript	95,802
Mike Horn – The Merino Explorer	Mike Horn Sarl	80,864
Sportscraft A/W2026	APG & Co Pty Ltd	88,000
Technical Panel FY25–26	De Boos Consulting, Richard Goodstein dba, Sea & Ski Solutions, LLC., Steven Brender	95,625
Product & Process Development R&D	Various Suppliers	90,963
Woolmark Sampling and Testing 25–26	Intertek Testing Services HK Limited	82,737

SUSTAINABLE & PROFITABLE WOOL GROWING

Project title	Key providers*	\$Paid in 2025–26
Lower Emission Supplements for Grazing at Scale	University Of New England	230,767
Lifetime Productivity (AMSEA) Project	BCS Agribusiness, Miracle Dog P/L, Spices Group Western Australia, Stenhouse Consulting Pty Ltd	152,815
Genetics Analysis of Data	Farming Systems Analysis Service Orphean Nominees P/L, MerinoLink Limited, Stenhouse Consulting Pty Ltd, University Of New England	432,280
Sterile Insect Technique for Sheep Blowfly	SARDI – Shared Services SA	100,143
Genetics of foot health in Merinos	Murdoch University	213,767
Australian Pastures Genebank – Phase 3	SARDI – Shared Services SA	191,511
NWD Management Coord Prog St 4	Centre For Invasive Species Solutions, Coutts J&R Pty Ltd, Three60 Consulting Pty Ltd, WA Initiatives	221,886

SUSTAINABLE & PROFITABLE WOOL GROWING

Project title	Key providers*	\$Paid in 2025–26
Nanotechnology with Tea Tree Oil	Department of Primary Industries Queensland	152,995
AMSEA Mgmt Admin & Report 2025–27	Australian Merino Sire Evaluation	138,600
Glyco-Relevant Flystrike Vaccines	Meat & Livestock Australia Limited	100,000
Carbon Flux Measurement for Wool	Agrimix Pty Ltd	110,569
Bioharvesting Phase 2	Adelaide University	372,277
Wool Harvesting Training and Devel	Various Shearers	1,676,660
LTEM 9 2022–2026	Edward Surjadi, Evolution Recruitment Solutions Pty Ltd, Hot Tin Roof Family Trust t/a Hot Tin Roof Communications, Rural Industries Skill Training	234,212
AWI Extension WA 2023–26	Nextgen AGRI Limited, The Livestock Collective	180,000
AWI Extension VIC 2023–26	Department of Energy, Environment and Climate Action	190,000
AWI Extension SA 2023–26	Department Of Primary Industries and Regions - PIRSA	180,000
AWI Extension NSW 2025#28	Megan Rogers Consulting Pty Ltd	180,000
Regional Youth Skills FY 26	Dubbo National Ram, Lachlan Anthony West, Signature Ag Marketing, Special T Print NSW Pty Ltd, The Royal Agricultural Society Of Western Australia Inc	208,598
Grower Facing & Regional Engage	Various Suppliers	167,253
Trade and Supply Chain FY 26	AgriFutures Australia, DRG Strategic Solutions Pty Ltd, Justin Haydock	198,840
Beyond the Bale 2025–26	D&D Mailing Services, MMG Rural Pty Ltd, Newstyle Printing Co. Pty. Ltd.	117,717
AWTH Platform Software & Maintenance	Edward Surjadi, Evolution Recruitment Solutions Pty Ltd	105,052
Industry Engagement 2025/2026	CRRDC Secretariat, International Wool Textile Organisation, Wool Industries Australia Inc	117,548
Chairman/CEO Stakeholder Cons 25/26	Various Suppliers	108,325
Wool Industry Insetting Project	Integrity Ag Pty Ltd, Landcare Australia Ltd, Pollination Capital Partners Pty Ltd	670,272
Precision Sheep Management	Meat & Livestock Australia Limited	88,913
Flystrike multi-insecticide resistance	NSW Department of Primary Industries and Regional Development	95,821
Enviro Sustainability Extension FY26–27	Enviro Dynamics Pty Ltd, Pinion Advisory Pty Ltd	96,442
Strengthening Soil Carbon Models – Grant	Farmlab Pty Ltd	95,560
National Wild Dog Management Coordinator	Centre For Invasive Species Solutions, Coutts J&R Pty Ltd, Three60 Consulting Pty Ltd, WA Initiatives	85,000
AWI Extension TAS 2025#28	Hot Tin Roof Family Trust t/a Hot Tin Roof Communications	80,000
WICP & WCG FY 2026	Various Suppliers	93,853

CORPORATE SERVICES

Project title	Key providers*	\$Paid in 2025–26
Trademark Enforcement	Baker McKenzie	184,757
Review of Performance 25/26	GHD Pty Ltd	136,720
Trade Subscriptions FY 26	Australian Wool Exchange Ltd, GlobalData Uk Ltd, Independent Commodity Services, Penske Media Corporation, The Business of Fashion Ltd, WGSN Ltd, Wood Mackenzie Limited, World Textile Information Network Ltd	216,548
Optimizely DXP	Optimizely North America, Inc.	114,677
Domo 2025–2028	Domo, Inc.	112,890
Mulesoft Implementation	SFDC Australia Pty Limited	81,556
Board Nomination Committee 2025	Claudia Bels, Johnson Advisory Pty Ltd	87,894
IWTO 2026 Congress – Dalang China	China Wool Textile Association (CWTA)	86,274
Optimizely CMP	Optimizely North America, Inc.	88,394
Digital Document Generation – 2025–2028	DocuSign, Inc., Nintex Pty Ltd	88,832
Digital Infrastructure-Salesforce 26 CLS	SFDC Australia Pty Limited	99,825

PERFORMANCE PRINCIPLES

There are five principles set in the Statutory Funding Agreement guideline and these are stakeholder engagement, RD&E activities, collaboration, governance, and monitoring & evaluation. Against these principles there are Performance Indicators (KPIs) set out to be reported against. The table below shows the progress that has been made or the measures that have been set out.

Principles	Outcome	Key Performance Indicators	Progress against KPI
Stakeholder Engagement	Engage stakeholders to identify research, development and extension (RD&E) priorities and activities that provide benefits to industry.	1.1 Strategy prioritisation and development processes include appropriate consultation plans, based on the Best practice guide to stakeholder consultation.	Four WICP meetings and 1 WCG meeting. The 2025–28 Strategic Plan has been developed in consultation with key stakeholders. The 2026–27 Annual Operating Plan is aligned to the current Strategic Plan.
	Facilitate opportunities for levy payers, industry and government to contribute and collaborate in a meaningful way in setting RD&E priorities and activities.	1.2 Demonstrated industry stakeholder engagement in the identification of RD&E priorities and activities consistent with the consultation plan in 1.1.	150+ events and meetings attended. Four WICP meetings and 1 WCG meeting.
	This means being open and transparent about how input and ideas from levy papers is incorporated into strategy design and the reasons for their inclusion or otherwise.	1.3 Demonstrated incorporation of industry stakeholder feedback on RD&E priorities and activities. Where incorporation is not possible, demonstration of feedback to a stakeholder/s on why incorporation was not possible.	Last financial year, AWI received a total of 200+ submissions through the portal. Any feedback provided through the portal or other form are duly responded to with utmost priority.
Research, Development and Extension (RD&E) Activities	Ensure RD&E (and marketing) priorities and activities are strategic, collaborative and targeted to improve profitability, productivity, competitiveness and preparedness for future opportunities and challenges through a balanced portfolio.	2.1 RDC investments align with strategic plans and have demonstrated outcomes to levy payers and taxpayers, including through growth in the industry, increased profitability of producers, commercialisation, access to new markets.	AWI reports on how projects are aligned to the Strategic Plan, Industry framework and government priorities. AWI continually reviews the company's risk appetite through a balanced portfolio analysing risk and return. These are reported in the Annual and Performance Reports.
	- Balancing long-term, short-term, high and low risk, and strategic and adaptive research - RD&E activities address levy payer and government priorities - Delivering impact "on the ground".	2.2 Levy payers who participate in RDC supported extension and adoption programs: - gain new knowledge or new information to improve their long-term profitability, productivity, competitiveness and preparedness. - intend to make or have made changes to existing practices by adopting the outcomes of R&D.	There were 15,427 active participants in the AWI Extension Networks. 1,567 novice and intermediate level participants trained by AWI shearer and wool handler trainers. 300+ levy payers participate in LTEM training annually.
Collaboration	Undertake strategic and sustained cross-industry and cross-sectoral collaboration that addresses shared challenges and draws on experience from other sectors.	3.1 Completed, current and future R&D including commercialisation opportunities is accessible through the growAG platform.	150+ AWI projects on the growAG platform.
	- Collaborate across the agricultural innovation system to address common challenges and opportunities, including through active participation with AIA on cross sectoral and transformation outcomes. - The RDCs collaborate with the AgriFutures Emerging Rural Issues forum, 8 Innovation Hubs across Australia, evokeAG online platform and event and growAG platform where relevant.	3.2 Number and quantum of cross-industry and cross-sector RD&E investments available.	AWI worked with 73 different partners across the supply chain. This includes 12 RDCs on 10 different projects.

Principles	Outcome	Key Performance Indicators	Progress against KPI
Governance	Governance arrangements and practices to fulfil legislative requirements and align with contemporary Australian best practice for open, transparent, and proper use and management of Funds. • Good governance ensures stakeholders are well informed and have visibility of the RDC's investments, priorities and achievements. • Committee structures and corporate policies enable the RDC to manage day-to-day business activities and fulfil reporting obligations.	4.1 Ongoing oversight, planning and reporting of investment activities is done in accordance with legislative and Australian Government requirements and timeframes.	All planning and reporting of investment activities is done in accordance with legislative and Australian Government requirements and timeframes.
		4.2 Demonstrated management of financial and non-financial risk.	Risk is captured at strategic, program, operational, project level.
		4.3 Relevant policies and procedures adopted and implemented (e.g., privacy etc).	– Respect@Work compliance training was delivered to employees across the group, with a 100% completion rate globally. – Culture Trainings – 100% of global employees trained in WHS, Antibullying and Harassment, Discrimination. – During the year, 100% of our employees across the group were trained on our Code of Conduct Training.
		4.4 Non-financial resources implemented effectively (Human resources, IT, IP etc).	AWI continues to enhance internal systems to improve efficiency, transparency and data protection. Program reporting has shifted to digital platforms, with increased automation in risk management and refined project management tools. An electronic document system supports secure approvals and reduces paper use. Data collection is being embedded across key platforms to strengthen accountability and privacy. These improvements reflect AWI's commitment to responsible and efficient information management.
Monitoring and Evaluation	Demonstrate positive outcomes and delivery of RD&E [and marketing] benefits to Levy Payers and the Australian community in general, and continuous improvement in governance and administrative efficiency.	5.1 Impact (cost – benefit) assessment of a broad cross-section of RD&E [and marketing] investments undertaken annually.	The following projects have been evaluated through conducting BCAs. – Musinsa – Shearer & Wool handler training program

PERFORMANCE AGAINST ANNUAL PLAN TARGETS

The table below shows the status of the programs under each portfolio. As at the end of the financial year, most programs have achieved their target and some have not due to challenges faced during implementation of the program.

- Achieved
- Partly achieved and/or were impacted by seasonal conditions
- Not achieved

SUSTAINABLE, PROFITABLE SHEEP PRODUCTION

Program	Investment focus	Target	Status	Commentary
SUSTAINABLE, PROFITABLE SHEEP PRODUCTION	Integrated R&D to improve woolgrower productivity, cost-efficiency, and resilience through practical tools and knowledge for decision-making and risk management.	Deliver integrated R&D projects that improve woolgrower productivity and risk management	●	AWI progressed an integrated portfolio of cross-disciplinary R&D projects to improve woolgrower productivity, profitability and resilience through advances in genetics, nutrition, animal health, environmental sustainability and precision technologies. Key achievements included the commercialisation of new Merino genetic traits and breeding values, improvements to MERINOSELECT tools, research to reduce ewe and lamb mortality, development of methane mitigation and natural capital solutions, and the establishment of precision livestock management technologies such as electronic identification and LiDAR. These outcomes are strengthening practical decision-making, reducing production risks and supporting the adoption of innovative, evidence-based tools by Australian woolgrowers.
	Research aligned with Woolmark+ to support environmental sustainability, animal health and welfare, climate resilience, and premium market access.	Deliver research aligned with Woolmark+ initiatives	●	AWI delivered 14 RD&E projects aligned with Woolmark+ initiatives, advancing environmental sustainability, animal health and welfare, climate resilience, and premium market access. Key achievements included research into methane mitigation, natural capital monitoring, nature-positive farming and biogenic carbon, alongside innovative flystrike control solutions, reduced chemical reliance, improved reproductive management, and strategies to reduce ewe and lamb mortality. Extension programs also supported the adoption of non-mulesed production and environmental sustainability practices, helping woolgrowers implement practical, evidence-based solutions that strengthen the sustainability and market value of Australian wool.
	Breeding tools to support sheep genetics, emissions reduction, and business resilience through improved woolgrower efficiency and adaptability.	Develop and disseminate breeding tools that enhance woolgrower resilience and efficiency	●	AWI progressed the development and dissemination of advanced breeding tools to improve sheep genetics, emissions reduction and business resilience. Key achievements included the delivery of methane, breech strike, foot rot and flock breeding values to industry participants, the release of a pilot genomic breeding value for resilience through collaboration with CSIRO, Neogen and MLA, and continued enhancement of MERINOSELECT analyses and breeding indexes using Merino Lifetime Productivity data. Additional work through AMSEA is strengthening future breeding values for methane, flystrike resistance and resilience, providing woolgrowers with practical tools to improve productivity, adaptability and long-term flock performance.

SUSTAINABLE, PROFITABLE SHEEP PRODUCTION

Program	Investment focus	Target	Status	Commentary
WOOL HARVESTING INITIATIVES	Wool harvesting research to provide alternatives to traditional shearing and improve clip quality and preparation.	Advance the development of wool weakening technologies to improve shearing efficiency	●	AWI achieved its annual targets for advancing wool weakening technologies, with significant progress made towards developing practical alternatives to traditional shearing. Key achievements included the validation of a laboratory culture system for assessing wool weakening agents, evaluation of four candidate agents, completion of detailed histological analyses, and delivery of a technical report assessing efficacy, safety, risks and commercial scalability. A commercialisation plan was also developed, identifying potential pathways to market through industry partnerships or a dedicated spin-out entity, supporting the future adoption of bioharvesting technologies.
	Animal welfare assurance as a core requirement in the development of alternative harvesting solutions.	Ensure wool weakening R&D incorporates robust animal welfare and safety assessments	●	AWI achieved its annual animal welfare objectives by embedding robust welfare and safety assessments into the development of wool weakening technologies. Independent Animal Ethics approval was secured for all planned live sheep experiments, while researchers prioritised ex vivo skin culture systems to evaluate candidate formulations and minimise the need for live animal trials. This approach strengthened ethical oversight, reduced animal use, and ensured welfare considerations remained central to the development of alternative wool harvesting solutions.
CAPACITY BUILDING & WOOLGROWER EXTENSION	Through the 6 extension networks, AWI will disseminate resources on best management practices, new and existing technologies and look to make these readily available.	Maintain participant engagement in AWI extension initiatives	●	AWI maintained engagement across its six Extension Networks, with total membership increasing to 15,553 by the end of FY26. The networks continued to provide a platform for disseminating best management practices, research outcomes, and new and existing technologies to woolgrowers across Australia.
	AWI will improve and broaden best management practices of new and existing technologies.	AWI workshops delivered to participants receive a minimum satisfaction rating of 7.5/10	●	AWI workshops exceeded the annual participant satisfaction target, achieving an average satisfaction rating of 8.81/10, with participants also reporting strong value to their business (8.74/10) and a high likelihood of recommending the workshops to peers (9.03/10). These results demonstrate the ongoing effectiveness of AWI's extension activities in supporting the adoption of best management practices and new technologies.
SHEARING	Retaining skilled wool harvesting staff to sustain workforce supply and maximise ROI on training programs.	50% retention rate for trained wool harvesting staff	●	The annual retention target was achieved, with 65% of trained wool harvesting staff remaining in the industry after 12 months. Retention among improver participants was 94%, indicating strong ongoing participation within this cohort.
	Quality assurance and relevance of AWI-funded wool harvesting training programs.	Average satisfaction rating of 8.10 or higher	●	Post-training satisfaction survey results were not available during the reporting period.
	Skill improvement within the wool harvesting workforce to improve skills depth and staff morale.	≥200 wool harvesting staff progressing to intermediate or improver level annually	●	During FY26, 1,418 participants progressed through AWI's improver and in-shed wool harvesting training programs. The programs supported the progression of participants to higher competency levels within the wool harvesting workforce.
	Expansion of on-demand, scalable learning tools to improve accessibility and training reach.	≥1,200 views per year of AWI digital wool harvesting resources by wool harvesting staff	●	AWI's digital wool harvesting resources recorded 5,554 page views during FY26. These online resources continued to provide accessible training and learning materials for wool harvesting staff, supporting ongoing skills development across the industry.

PERFORMANCE AGAINST ANNUAL PLAN TARGETS (CONTINUED)

SUSTAINABLE, PROFITABLE SHEEP PRODUCTION

Program	Investment focus	Target	Status	Commentary
STAKEHOLDER ENGAGEMENT	Regular interaction with members of the WICP (Woolgrower Industry Consultation Panel) and WCG (Woolgrower Consultation Group).	Maintain member satisfaction in the industry forums WICP/WCG	●	Survey to be conducted within the next months.
		Growing engagement through electronic distribution of Beyond the Bale	●	Electronic distribution of <i>Beyond the Bale</i> reached 8,268 recipients and generated 867 clicks to linked content. Reach was slightly lower than the same period last year (8,579), with engagement monitored through EDM performance and associated website traffic reporting.
	AWI provides a wide array of print and digital communications to engage woolgrowers with clear, relevant, engaging and accessible content.	Woolgrower's satisfaction with communications from AWI	●	Survey results indicated that woolgrowers continued to value AWI's communication channels, with <i>Beyond the Bale</i> rated valuable by 90% of respondents, market intelligence reports (82%), and the AWI newsletter (81%) receiving the highest ratings. AWI Networks increased from 53% in 2024 to 76% in 2026. During FY25/26, AWI's communication channels recorded 2.24 million Facebook reach, 282,044 LinkedIn impressions, 22,162 Instagram engagements, a 42% monthly Woolgrower Newsletter open rate, 16,306 <i>Beyond the Bale</i> distributions, and 24,408 The Yarn podcast downloads.
	AWI will continue to improve the wool.com website to increase navigability and increase traffic.	Maintain pageviews on wool.com	●	Following the implementation of improved tracking methods in the previous reporting period, Wool.com recorded 978,466 page views in 2025/26, compared with 334,714 in 2024/25.

DEMAND CREATION

Program	Investment focus	Target	Status	Commentary
DEMAND CREATION AND FIBRE ADVOCACY	Consumer education, brand and influencer engagement.	1% increase in awareness of and consideration for Merino wool in USA/China	●	Consumer campaigns contributed to increased awareness and consideration of Merino wool in key markets during FY26. In China, awareness of Merino wool increased by 11 percentage points among campaign audiences. In the United States, consideration of Merino wool apparel increased by 17 percentage points, with 39% of consumers indicating an intention to purchase Merino wool apparel within the following three months. Recognition of Woolmark certification as an indicator of high-quality natural fibre products also increased by 14 percentage points.
	Engaging and educational content creation.	Grow reach and engagement across our owned social channels by 15%	●	Owned social channels recorded 16% follower growth across Instagram, TikTok, LinkedIn and YouTube during FY26. LinkedIn recorded the largest increase in visibility (136% increase in impressions), while TikTok achieved a 51% increase in video views. Overall performance reflected changes in audience engagement behaviour and a 48% reduction in budget compared with the previous year.
	Partner with leading brands and retailers in the premium fashion and performance categories.	Secure 4 high-volume fashion brand/retail and 4 innovative performance partnerships	●	Secured 13 high-volume fashion partnerships and 10 innovative performance partnerships, exceeding the annual target of four in each category. Fashion partnerships included leading brands and retailers across Australia, China, Japan, South Korea, the USA, Italy and India, while performance partnerships included major global brands and high-profile sponsorships such as LUAR x Venus Williams (US Open), Mizuno x the Swedish Ski Team (Milan Winter Olympics), and Mike Horn's "What's Next" global expedition. These partnerships expanded wool's presence across premium fashion and performance markets and increased visibility in key consumer segments.

DEMAND CREATION

Program	Investment focus	Target	Status	Commentary
DEMAND CREATION AND FIBRE ADVOCACY	Brand engagement, conversion marketing to drive purchases of the partners' commercially available wool products.	Average 10% year on year uplift in wool sales with brand and retail partners	●	Reporting partners achieved an average 39% increase in wool sales value and 31% growth in wool units sold, substantially exceeding the annual target of a 10% year on year uplift. Results were driven by strong performance across five reporting partners, including McMullen (82%), Huckberry (54%), Tata CliQ (33%), Ajio Luxe (27%) and Ciele (11%), demonstrating the commercial impact of Woolmark's brand engagement and conversion marketing programs.
	High profile collaborations, influencer engagement, industry and trade-relevant product development, innovation and research.	3,500 earned media clippings relating to Woolmark and Merino wool	●	Generated 3,994 earned media clippings across social, digital and print media, exceeding the annual target of 3,500 by 14%. Media coverage achieved an estimated reach of 3.0 billion and was driven by global partnerships, product innovation, industry collaborations and brand campaigns, maintaining strong global visibility for Woolmark and Merino wool throughout FY26.
	Engagement with European policy makers and advocacy of wool's positive benefits.	Influence impending textile legislation and amplify the ecological attributes of Australian Merino wool	●	Through continued management of the Make The Label Count campaign, engagement with European policymakers, industry stakeholders and coalition members continued to support science-based environmental assessment of natural fibres. The campaign expanded its engagement into France, strengthened technical representation in key policy forums, and continued to contribute to discussions on environmental footprint methodologies relevant to the textile sector.
TRADE ENGAGEMENT	Empower global retail partners with wool knowledge to strengthen fibre advocacy	Deliver retail education programs to a minimum of 40 brands globally	●	Retail education programs exceeded the annual target, engaging 54 global brands and training 2,292 retail staff. The Wool Appreciation Course remained the flagship program, strengthening retail knowledge and advocacy for wool across key international markets.
	Engage the global supply chain to drive demand and promote wool's value.	Execute 30 trade engagement initiatives, including participation in global trade shows and the facilitation of targeted industry workshops	●	40 trade engagement initiatives delivered. Delivery included participation in targeted international trade shows and industry workshops across key global markets. Trade shows included Pitti Filati (Italy), Milano Unica (Italy), Functional Textiles (China), Performance Days (Germany), Functional Fabric Fair (USA), Milipol (France), Bangladesh Denim Expo (Bangladesh), Tokyo Textile Scope (Japan), SaigonTex (Vietnam) and PV Denim Milan (Italy). A total of 20 industry workshops and activations were also delivered across India, Japan, China, South Korea, Thailand, France, Portugal, the UK and Denmark.
	Support commercialisation of new wool innovations across key segments.	Maintain number of product and process development and technical transfer projects across key market categories	●	Delivered 51 processing innovation and product development (PIPD) projects and 11 technical transfer projects across key market segments. Project activity focused on performance, aesthetics and sustainability, with the highest number of projects in Sports/Outdoor, followed by Casual, Fashion, Workwear/Uniform/ Military and Automotive.

PERFORMANCE AGAINST ANNUAL PLAN TARGETS (CONTINUED)

DEMAND CREATION

Program	Investment focus	Target	Status	Commentary
TRADE ENGAGEMENT	Build future-ready through digital learning platforms.	Maintain Woolmark Learning Centre course completions	●	Recorded 1,624 Woolmark Learning Centre course completions during the year. The most completed courses were Wool Appreciation Course, Knitwear Design and Make, and Wool Fibre Science, with the highest levels of engagement from Australia, Italy, India, the USA and the United Kingdom. Course registrations and completions were lower than planned due to resourcing constraints, including reduced budgets and staffing across education programs.
	Generate engaging and educational Woolmark+ content creation; presence at key global events.	Drive awareness and engagement of Woolmark+ initiatives	●	Woolmark+ initiatives were promoted through presentations to global brands, supply chain partners and government stakeholders, educational resources, industry events and the launch of a hybrid Fellowship model during FY26.
	Expand brand trust and market reach via Woolmark certification uptake.	3% increase in Woolmark licensees Minimum 30% of The Wool Lab suppliers are Woolmark licensees	●	The Wool Lab included 55 Woolmark-licensed suppliers, representing 32% of the 172 suppliers featured during the year and exceeding the target of at least 30%. Woolmark-licensed suppliers contributed 316 of 683 swatches (46%) submitted to The Wool Lab. The highest levels of participation among Woolmark-licensed suppliers were from China, Italy and India.
	Engage new supply chain partners in target emerging markets.	Engage 30+ new partners across 3 emerging regions; track active collaborations	●	Established 32 new supply chain partnerships across emerging markets, exceeding the target of 30 new partners across three emerging regions. New partnerships were established in Portugal (14), Bangladesh (8), Thailand (6), Vietnam (2) and Sri Lanka (2).
	Expand trusted wool branding globally; strengthen AWI's downstream influence and product assurance.	+10 new licensees in emerging markets	●	One new Woolmark licensee was secured in an emerging market during FY26. Business development activities continued throughout the year, with a pipeline of opportunities established in emerging markets to support future licence growth, alongside the ongoing management of existing licensee renewals.
EMERGING MARKETS	Establish and support new supply chain partners who are interested in or want to increase their knowledge of wool. Visit and exhibit at trade shows to build trade leads and conduct market research.	Visit 5 trade shows and exhibit in 2	●	AWI participated in 5 international trade shows across Bangladesh, Vietnam, Peru, Mexico and the United States, including exhibitions at Bangladesh Denim Expo and SaigonTex Vietnam. These activities generated 95 trade visitors, 36 key industry discussions and six ongoing business opportunities, supporting supply chain engagement and market intelligence.
	To continue assessing the growth potential of wool in select markets through relationship building to improve local market intelligence for wool consumption.	Establish meaningful relationships in a minimum of three additional markets beyond the current emerging market focus of Bangladesh, Vietnam, and Portugal	●	AWI continued expanding its supply chain network beyond its established emerging markets through market scoping, technical collaboration and relationship building. Activities during the year included a technical transfer project in Peru, market scoping in Guatemala that identified 6 potential supply chain partners, and the establishment of six new supply chain partnerships in Mexico.

CORPORATE SERVICES

Program	Investment focus	Target	Status	Commentary
DIGITAL	Provide responsive and effective support to the business for all IT and digital-related requests, including hardware, software, digital communications (e.g. e-newsletters), website updates, and CRM improvements.	Maintain or improve user ease-of-use rating	●	Corporate Services survey results recorded a user ease-of-use rating of 9.0 for IT services and 8.3 for Digital services during FY26, compared with 8.8 and 8.2, respectively, in the previous year.
		Achieve all SLAs 90% of time	●	IT service levels were maintained during FY26, with 98.72% of service desk tickets (2,116 tickets) resolved within 24 hours. The average resolution time was 2 hours and 18 minutes.
		Conduct internal cybersecurity audits annually	●	The annual internal cybersecurity audit was completed during FY26. Audit recommendations began to be implemented during the reporting period, contributing to an increase in Microsoft's Secure Score from 52% to 62%.
MARKET INTELLIGENCE	Demonstrate the demand and utility of MI insights. Justifies continued investment in timely, accessible, high-quality reporting that shapes supply chain decisions.	Increase unique visits to the Market Intelligence section of wool.com	●	Recorded 213,882 visits across the Market Intelligence section of wool.com during FY2025/26, representing an 85% increase compared with the previous financial year (115,481).
	Validate the reach and practical uptake of MI. Supports resourcing for CRM improvements, targeted content delivery, and cross-team integration of intelligence.	Maintain active subscriber numbers; open/click-through rates	●	Maintained 8,862 email subscribers to Market Intelligence reports, while improving email engagement, with the open rate increasing from 37.2% to 40.2% and the click-through rate increasing from 4.2% to 4.8%. Weekly and daily SMS subscribers decreased slightly to 3,863 and 3,575, respectively.
	Support investment in skilled analysts, timely data sourcing, and tools to speed up stakeholder-responsive analysis.	Report audits (data source count); response logs; stakeholder satisfaction surveys	●	Responded to 40 requests for Market Intelligence information from stakeholders and staff during the year, with an average response time of two business days.
SUPPORT & ADMIN – LEGAL SUPPORT & ADMIN – FINANCE	Support staff with commercially sound legal solutions. In addition to providing legal advice, the team is responsible for managing the Intellectual Property (IP) portfolio and advising on IP matters, assisting with corporate governance matters and company secretary work for AWI and TWC and its subsidiaries and advising on privacy and data protection matters.	Continue to review and update AWI/TWC contract templates to incorporate changes to relevant national laws	●	The review and update of AWI and TWC global contract templates was completed during FY26. The revised templates were finalised to reflect relevant changes in national laws and are available for business use.
	Monitor and manage corporate financial compliance and reporting requirements globally, acknowledging the complexity and changing governance requirements across the company's global footprint.	Global rollout of new invoice approval process in all jurisdictions	●	The new invoice approval process was implemented across all AWI subsidiaries and was in use across all jurisdictions for the majority of FY26. The system established a consistent global invoice approval process and supported finance operations across the organisation.

PERFORMANCE AGAINST ANNUAL PLAN TARGETS (CONTINUED)

CORPORATE SERVICES

Program	Investment focus	Target	Status	Commentary
SUPPORT & ADMIN – LEGAL SUPPORT & ADMIN – FINANCE	Manage the company's global investment and foreign currency exposures within the approved policies to safeguard corporate funds and minimise currency risk exposure. Provide useful and accurate financial reports to the business to enable effective decision making that meets the global financial compliance requirements.	Unqualified audit report delivered	●	The 2024/25 annual financial statements received an unqualified audit opinion during FY26. Foreign currency exposures continued to be monitored on a fortnightly basis, with hedging undertaken against known future expenditure in accordance with approved policies.
SUPPORT & ADMIN – M&E	Provide a framework to measure, analyse, evaluate, and report on the performance of AWI's Investments on behalf of its stakeholders. Implement and update systems and processes to assist in the consistent collection and analysis of information and data to inform investment decisions and report against AWI strategic and operational targets.	At least 3 impact assessments published	●	Impact assessments completed. Currently under review prior to publication



The Wool Lab connects brands and product developers with commercially available wool fabrics and innovations, helping demonstrate how wool can be applied across emerging sports, active, workwear and fashion categories.



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