



2025

ANNUAL
REPORT

WINE SPECTATOR
the **TOP** 100 of
2025





DEAR VALUED SHAREHOLDERS

Fiscal 2025 was a difficult year for the wine category, and Crimson Wine Group was not spared. We experienced decreased demand due to cyclical factors, continued inflation, and constrained discretionary spending, while also working through structural shifts, including evolving consumer preferences revolving around wellness. While we have little influence on these forces, we do control how we respond, and we did so by protecting our liquidity, actively managing inventory, selectively investing in our strongest opportunities, and building consumer loyalty for our brands.

2025 net sales were \$65.1 million, down 11% from \$73.0 million in 2024. Direct to Consumer (DTC) net sales declined 6% to \$26.4 million, and wholesale net sales declined 14% to \$35.5 million.

The U.S. wholesaler landscape has changed significantly in the last 12 months. In June 2025, our largest wholesaler partner (amid its own financial issues) left the California market. We intentionally reduced average inventory levels in its markets to limit our financial exposure, which contributed to fewer shipments and lower reported wholesale net sales, while we vetted and secured a new distribution partner. Despite these challenges, our brands have continued to show strong demand in depletions in the wholesale market and outperformed the category. We ended 2025 with depletions in line with



prior year and up slightly from prior year in total dollar sales, according to Circana¹ tracked channels. Our focused “5 to Drive” strategy with wholesale partners was key to delivering this outcome, as these wines account for approximately 80% of our wholesale-channel volume on average.

In 2025, DTC represented 41% of net sales, more than half of which came through our wine clubs, with the remainder from tasting-room sales, e-commerce, and events. E-commerce achieved modest growth for the second year in a row, giving us greater consumer reach and partially offsetting revenue declines from lower tasting room visitation and wine club memberships.

While the pressure on discretionary consumer spending and softer wine tourism are real and persistent headwinds, we believe deepening our direct relationships with consumers will strengthen our long-term brand equity. Therefore, DTC remains a top commercial priority, and we are investing in technology to maximize customer engagement as well as introducing innovative and unique customer experiences—recently adding Blackstone and Snake River Farms to our corporate partnerships, for instance, to expand our lifestyle consumer base.

The export markets were also negatively impacted last year, primarily driven by decreased sales to Canada, our largest export market. We do not expect export wine sales in Canada to return to historical sales levels in the near term due to continued trade tensions and current U.S. tariff policy. That said, export is a critical long-term growth priority, and we have adjusted our strategy by moving export management to the European Union for more direct customer interaction and in-market activation for markets where we see growth opportunities. We are also focusing our export strategy on selling more of our higher-priced wines that have unique propositions, like Seghesio Single-Vineyard Zinfandels.



Winemaker Andy Robinson honored by Wine Spectator for the “Top Value Wine” in the World, Seghesio Sonoma Zinfandel Vintage 2024.

¹Circana, total U.S. Multi-Outlet, 52 weeks ended on January 18, 2026; Crimson Wine Group +0.42% growth vs. a decline of -2.51% in the \$11 and above wine category in total dollar sales.



IN 2025, OUR BRANDS HAVE CONTINUED TO SHOW STRONG DEMAND IN DEPLETIONS IN THE WHOLESALE MARKET AND OUTPERFORMED THE CATEGORY.

IN 2025, DTC REPRESENTED 41% OF NET SALES, MORE THAN HALF OF WHICH CAME THROUGH OUR WINE CLUBS.



Hosted quarterly, Seghesio's Italian Brunch is becoming a must-do event in Sonoma.

For the past five years, I have shared our ambition to expand our portfolio and increase shareholder returns. I am pleased that we were able to complete the purchase of Raeburn Winery's brands and assets (and corresponding earnings) in February of this year for a purchase price of approximately \$35.2 million, which was based upon a 5x multiple of brand EBIT. This acquisition increases our scale significantly, and it broadens our offerings, particularly in the popular Chardonnay segment by adding to our portfolio a top 10² Chardonnay. Raeburn is a highly focused portfolio with over 60% of its volume coming from Chardonnay, followed by Pinot Noir, Cabernet Sauvignon, and the recent addition of Sauvignon Blanc. The Chardonnay fits perfectly within our "5 to Drive" strategy, as it grew 3%³ in 2025 and outperformed the \$15-\$20 domestic Chardonnay segment, according to Circana. As part of the integration into the Crimson portfolio, we have appointed Colleen FitzGerald, one of our winemakers at Pine Ridge, as the Raeburn winemaker. She previously led Pine Ridge's Chenin Blanc+Viognier program, earning the #27 ranking for the 2023 vintage on *Wine Spectator's* Top 100 Wines of 2025. The Raeburn wines will be made in our California wineries and custom crush facilities. The addition of Raeburn volume will benefit the entire portfolio, bringing our asset utilization closer to optimal capacity.

In an oversupplied market, aligning inventory with demand forecasts is essential. We believe our increased focus on demand planning, disciplined inventory management, and maintaining a conservative balance sheet all serve as competitive advantages. We are actively managing our inventory through smaller harvests (executed in 2025 and planned again in 2026). Based on the current market conditions, we took inventory write-down charges and impaired goodwill associated with Seghesio Family Vineyards and Seven Hills Winery during 2025.

²Circana, total U.S. Multi-Outlet, 52 weeks ended on January 18, 2026: Raeburn Chardonnay ranked #8 in the \$15-20 Chardonnay segment in total dollar sales.

³Circana, total U.S. Multi-Outlet, 52 weeks ended on January 18, 2026: Raeburn Chardonnay +3.10% growth vs. a decline of -4.75% in the \$15-20 Chardonnay segment in total dollar sales.



Colleen FitzGerald - Raeburn Winemaker





We remain focused on thoughtful cost management and capital allocation. Sales and marketing expenses decreased \$1.3 million (7%), and general and administrative expenses decreased \$0.8 million (5%) versus 2024, reflecting lower variable spending. We took steps to preserve liquidity, pausing some capital projects, and remain committed to strengthening water resiliency across our assets.

Other income increased in 2025, driven primarily by a \$2.5 million insurance settlement related to the 2017 wildfires and a \$1.6 million settlement with a utility company due to the 2020 wildfires.

Our objective remains unchanged: to generate long-term value for shareholders by crafting and selling world-class wines. Through disciplined capital allocation, strategic asset management, heightened focus on DTC engagement, and aligning our brands with consumer demand, we believe we are strengthening the foundation of an enduring world-class portfolio.

I want to thank our employees for their dedication through a demanding year, and I appreciate the continued support of our board of directors. Most importantly, I thank you, our shareholders. I encourage you to support our efforts by choosing us as your wine vendor of choice. In addition to our exceptional and critically acclaimed wines, we offer compelling and unique locations for events and gifting.

Sincerely,

Jen Locke,
Chief Executive Officer



Andrus Estate Vineyard at Pine Ridge Stags Leap District, Napa Valley

CRITICAL
ACCLAIM





PINE RIDGE VINEYARDS

98 PTS Somm Journal

2023 Stags Leap District Cabernet Sauvignon

95 PTS Somm Journal, **92 PTS** JamesSuckling.com

2023 Napa Valley Cabernet Sauvignon

92 PTS JamesSuckling.com

2023 Traveler's Series Cabernet Sauvignon

92 PTS VinePair, **92 PTS** Somm Journal

2024 North Coast Sauvignon Blanc

92 PTS Somm Journal, **91 PTS** JamesSuckling.com

2024 Chenin Blanc + Viognier

90 PTS Wine Spectator - Top 100 Wines of 2025

2023 Chenin Blanc + Viognier

90 PTS JamesSuckling.com

2024 North Coast Sauvignon Blanc

RAEBURN WINERY

92 PTS JamesSuckling.com

2023 Sonoma County Chardonnay

92 PTS JamesSuckling.com

2023 Sonoma County Cabernet Sauvignon

92 PTS JamesSuckling.com

2022 High Flier Pinot Noir

90 PTS Tasting Panel

2023 Sonoma County Pinot Noir

90 PTS JamesSuckling.com

2023 North Coast Sauvignon Blanc

90 PTS JamesSuckling.com

2024 Sonoma County Rosé

90 PTS JamesSuckling.com

2022 High Flier Chardonnay

SEGHESIO FAMILY VINEYARDS

95 PTS Wine Spectator, **92 PTS** Wine Enthusiast

2023 Cortina Zinfandel

94 PTS Wine Spectator

2023 Rockpile Zinfandel

94 PTS Wine Spectator

2023 Home Ranch Zinfandel

94 PTS Wine Spectator

2022 Home Ranch Zinfandel

93 PTS Wine Spectator - Top Value Wine of 2024

2022 Sonoma County Zinfandel

92 PTS Wine Spectator

2023 Old Vine Zinfandel

90 PTS Wine Spectator

2023 Sonoma County Zinfandel

ARCHERY SUMMIT

94 PTS Wine Advocate

2023 Arcus Vineyard Pinot Noir

94 PTS Wine Advocate, **93 PTS** Wine Spectator

2022 Arcus Vineyard Pinot Noir

93 PTS Wine Enthusiast - Editors' Choice

91 PTS JamesSuckling.com

2022 Vireton Pinot Noir

92 PTS Wine Enthusiast

2023 Vireton Pinot Gris

92 PTS Wine Spectator, **91 PTS** Wine Advocate

2023 Dundee Hills Pinot Noir

92 PTS Wine Spectator

2023 Dundee Hills Chardonnay

CHAMISAL VINEYARDS

91 PTS Wine Enthusiast

2023 San Luis Obispo Pinot Noir

90 PTS Wine Enthusiast

2023 Malene Rosé

89 PTS Wine Enthusiast

2023 San Luis Obispo Chardonnay

SEVEN HILLS WINERY

94 PTS JamesSuckling.com, **90 PTS** Jeb Dunnock

2022 Pentad Bordeaux Style Red Wine

91 PTS JamesSuckling.com

2023 Walla Walla Valley Cabernet Sauvignon

91 PTS Wine & Spirits Magazine

2022 Columbia Valley Rosé

90 PTS JamesSuckling.com

2023 Walla Walla Valley Merlot

90 PTS JamesSuckling.com

2024 Columbia Valley Sauvignon Blanc

DOUBLE CANYON

92 PTS Tasting Panel, **90 PTS** JamesSuckling.com

2022 Columbia Valley Cabernet Sauvignon

91 PTS JamesSuckling.com, **90 PTS** Wine Enthusiast

2019 Columbia Valley Cabernet Sauvignon

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2025
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 000-54866

CRIMSON WINE GROUP, LTD.

(Exact Name of Registrant as Specified in its Charter)

Delaware **13-3607383**
(State or other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

**5901 Silverado Trail
Napa, California 94558
(800) 486-0503**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Securities registered pursuant to Section 12(b) of the Act: **None.**

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, par value \$0.01 per share

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.:

Large accelerated	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12-b of the Exchange Act). Yes No

Based upon the closing sales price of the Registrant's Common Stock as published by the OTC Market Service as of June 30, 2025, the last business day of the Registrant's most recently completed second fiscal quarter, the aggregate market value of the Registrant's Common Stock held by non-affiliates was approximately \$74,094,000 on that date.

As of March 6, 2026, there were 20,586,027 outstanding shares of the Registrant's Common Stock, par value \$0.01 per share.

CRIMSON WINE GROUP, LTD.
ANNUAL REPORT ON FORM 10-K
TABLE OF CONTENTS

	<u>Page Number</u>
PART I	
Item 1. Business	4
Item 1A. Risk Factors	13
Item 1B. Unresolved Staff Comments	20
Item 1C. Cybersecurity	20
Item 2. Properties	21
Item 3. Legal Proceedings	21
Item 4. Mine Safety Disclosures	21
PART II	
Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	22
Item 6. Reserved	23
Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	23
Item 7A. Quantitative and Qualitative Disclosure About Market Risk	31
Item 8. Financial Statements and Supplementary Data	31
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	31
Item 9A. Controls and Procedures	32
Item 9B. Other Information	32
Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	32
PART III	
Item 10. Directors, Executive Officers and Corporate Governance	33
Item 11. Executive Compensation	37
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	41
Item 13. Certain Relationships and Related Transactions, and Director Independence	43
Item 14. Principal Accountant Fees and Services	44
PART IV	
Item 15. Exhibits and Financial Statement Schedules	45
Item 16. Form 10-K Summary	48
Signatures	49

PART I

Item 1. Business.

Our Company

Unless the context indicates otherwise, the terms the “Company,” “Crimson,” “we,” “our” or “us” as used herein refer to Crimson Wine Group, Ltd. and its subsidiaries. Crimson was incorporated in 1991 under the laws of Delaware and has been conducting business since 1991. Prior to February 25, 2013, Crimson was a wholly-owned subsidiary of Jefferies Financial Group Inc. (formerly known as Leucadia National Corporation) (“Jefferies”). On February 1, 2013, Jefferies declared a pro rata dividend of all of the outstanding shares of Crimson’s common stock in a manner that was structured to qualify as a tax-free spin-off for U.S. federal income tax purposes (the “Distribution”). Jefferies’ common shareholders received one share of Crimson common stock for every ten common shares of Jefferies, with cash in lieu of fractional shares, on February 25, 2013.

Crimson is in the business of producing and selling luxury wines (i.e., wines that retail for over \$16 per 750ml bottle). Crimson is headquartered in Napa, California, and through its wholly-owned subsidiaries, owns seven primary wine estates and brands: Pine Ridge Vineyards, Archery Summit, Chamisal Vineyards, Seghesio Family Vineyards, Double Canyon, Seven Hills Winery and Malene Wines.

Crimson produces wine from estate grown grapes as well as from grapes and bulk wine purchased under contract and on the spot market. Crimson’s business model is a combination of direct to consumer sales and wholesale distributor sales. References to cases of wine herein refer to nine-liter equivalent cases.

Philosophy and Purpose

Our philosophy and purpose are as follows:

To connect people with a taste of what matters most by holding true to our values and focusing on our four strategic pillars outlined below.

Enhance People and Capability. We foster a performance-based culture to help develop and attract top talent. We broaden our capability and increase accountability by enhancing cross functional teams and empowering our employees to be solution oriented. We prioritize safety, wellness and diversity, equity, inclusion, and belonging (“DEIB”).

Maximize Physical Assets. We produce wines of the highest quality and maximize margins through investing for growth and resiliency. We own exceptional vineyards in premier winegrowing regions across California, Oregon and Washington. We farm our vineyards and produce high quality wines in a thoughtful and sustainable way to align our products with consumer values. As part of executing this strategy, as of December 31, 2025, we own approximately 720 plantable acres of vineyard land. We continue to assess other opportunities to enhance the quality of our vineyard holdings and wine portfolio.

Focus on Core Brands. We invest in our core brands with compelling brand propositions and stories. We create outstanding consumer experiences, both in person and online, with a clear route to the consumer for each of our wines. We currently own seven complementary estate-based winegrowing operations and brands, with each having a unique varietal focus best suited to its specific appellation and region. We have a group of accomplished winegrowing teams that are each responsible for crafting benchmark wines from their respective premier wine growing regions. Many of our brands are issued high ratings or scores by local and national wine rating organizations, and we believe our scores are a reflection of our focus on what we do best.

Optimize The Operational Model. We seek to optimize our business model through partnerships with companies that align with our values. With centralized teams and technology-enabled efficiencies, we are committed to delivering value to our internal and external stakeholders. Our direct to consumer business generates higher gross margins, and we intend to continue emphasizing opportunities in this distribution channel in order to further our growth. We are focused on growing our customer database and cultivating customer relationships across all distribution channels. Our wholesale distribution channel continues to drive volume sales to a wide customer market. Our wines are available in all states domestically through our network of nearly 40 distributors, and our export team served customers in approximately 40 countries through independent importers and brokers during 2025.

Recent Developments

On February 9, 2026, Pine Ridge Winery, LLC (“Pine Ridge”), a Delaware limited liability company and the Company’s wholly-owned subsidiary, entered into, and closed the transaction contemplated by, that certain Asset Purchase Agreement, dated as of February 9, 2026 (the “Asset Purchase Agreement”), with Purple Wine Company, LLC, a California limited liability company (“Purple Wine Company”). Pursuant to the terms of the Asset Purchase Agreement, Pine Ridge purchased certain assets associated with the Raeburn wine brand, including certain inventory, certain intellectual property, including rights, trademarks and trade names, and certain consumer and customer lists (collectively, the “Raeburn Assets”), and assumed certain liabilities of Purple Wine Company in connection with the Raeburn Assets. The purchase price for the Raeburn Assets was approximately \$35.2 million. The acquisition of the Raeburn Assets under the Asset Purchase Agreement was funded with cash on hand and borrowings under the Company’s existing revolving credit facility.

Our Wineries and Vineyards

While planted vineyards have great longevity, most of them must be replanted once every quarter century to preserve their productivity in the future. As a proactive vineyard custodian, the Company budgets its vineyard replanting expenditures based on a 25-year renewal plan, on average. As part of the Company’s ongoing vineyard and production review process to align estate grape sourcing with long-term strategic plans, and in a continued effort to support consistent wine quality and profitability, the Company removed vineyard acreage that was underperforming or did not align with long-term production plans.

The following table summarizes the Company’s acreage as of December 31, 2025:

	Plantable Acres - Owned	Currently Planted
Pine Ridge Vineyards	154	85
Archery Summit	92	61
Chamisal Vineyards and Malene Wines	92	44
Seghesio Family Vineyards	308	223
Seven Hills Winery	74	42
Total	<u>720</u>	<u>455</u>

The Company discusses production capacities across all of its winery facilities in the sections to follow. Any and all references to current fermentation and processing capacity may vary from one year to the next and is subject, but not limited, to the following factors: timing of harvest, varietal mix and grape origin.

Pine Ridge Vineyards

Pine Ridge Vineyards was acquired in 1991 and has been conducting operations since 1978. Pine Ridge Vineyards owns acreage in five Napa Valley appellations—Stags Leap District, Rutherford, Oakville, Carneros and Howell Mountain. The winery at Pine Ridge Vineyards has a permitted annual wine production capacity of up to 285,000 gallons, which equates to approximately 120,000 cases of wine; however, current fermentation and processing capacity ranges from approximately 70,000 to 75,000 cases without additional capital investment. The facility includes areas and equipment for crush, fermentation, aging and bottling processes, and also has a tasting room, hospitality center and administrative offices. In addition, there are special event dining areas both indoors and outdoors as well as in the underground caves.

The Pine Ridge Vineyards estate business is focused primarily on the production of high quality Cabernet Sauvignon and Bordeaux-style blends sold by Crimson under the Pine Ridge Vineyards brand name. Pine Ridge Vineyards also produces Chenin Blanc + Viognier, which is sold by Crimson under the Pine Ridge brand name and is made from purchased grapes and bulk wine juice processed at third party custom winemaking facilities with a contracted capacity of up to approximately 200,000 cases for the 2025 harvest year.

Archery Summit

Archery Summit was created by Crimson in 1993. Archery Summit owns acreage in the Dundee Hills American Viticultural Area of the Willamette Valley in Oregon. The winery at Archery Summit, situated on an estate vineyard known as Summit Vineyard, has a permitted annual wine production capacity of up to 50,000 gallons, which equates to approximately 21,000

cases of wine; however, current fermentation and processing capacity ranges from approximately 16,000 to 21,000 cases. The facility includes areas and equipment for crush, fermentation, wine aging and storage, in addition to a tasting room, hospitality center and administrative offices. There are also special event dining areas indoors as well as in the underground caves. In 2023, Archery Summit completed the construction of its tasting room expansion project which added 1,800 square feet of space overlooking its estate vines and the Willamette Valley.

Archery Summit is focused primarily on producing estate grown, expressive single vineyard Pinot Noir and Chardonnay sold by Crimson under the Archery Summit brand name. Archery Summit also produces the Vireton brand, which is sold by Crimson and is made primarily from purchased grapes from the Willamette Valley appellation.

Chamisal Vineyards

Chamisal Vineyards was acquired in 2008 and has been conducting operations since 1973. The Chamisal Vineyard was the first vineyard planted in the Edna Valley in 1973. The winery at Chamisal has a permitted annual wine production capacity of up to 480,000 gallons, which equates to approximately 200,000 cases of wine; however, current fermentation and processing capacity ranges from approximately 55,000 to 65,000 cases without additional capital investment. The facility includes areas and equipment for crush, fermentation, aging and bottling processes, as well as a tasting room, hospitality center and administrative offices. There are special event dining areas outdoors.

Chamisal is focused on producing benchmark Chardonnay and Pinot Noir, which are all produced from top vineyards in the Central Coast and include both purchased and estate grown grapes. The wines are sold by Crimson under the Chamisal Vineyards brand name.

Seghesio Family Vineyards

Seghesio Family Vineyards was acquired in 2011 and has been conducting operations since 1895. Seghesio Family Vineyards owns acreage in two Sonoma County appellations—the Alexander Valley and the Russian River Valley. Seghesio Family Vineyards has a long history of growing and producing Zinfandel and Italian varietal wines in the Sonoma region of California. The winery at Seghesio Family Vineyards has a permitted annual wine production capacity of up to 595,000 gallons, which equates to approximately 250,000 cases of wine; however, current fermentation and processing capacity ranges from approximately 150,000 to 180,000 cases without additional capital investment. The facility includes areas and equipment for crush, fermentation, aging, bottling and warehousing, in addition to a tasting room, private hospitality areas and administrative offices. There are indoor and outdoor special event dining areas.

Seghesio Family Vineyards is focused on producing estate grown, world class Zinfandel and Italian varietal wines as well as a heritage Old Vine Zinfandel and Sonoma County Zinfandel produced from both purchased and estate grown grapes. The wines are sold by Crimson under the Seghesio Family Vineyards brand name.

Double Canyon

Double Canyon produced the first wines bottled under the Double Canyon brand name starting with the 2010 vintage. Double Canyon has a state-of-the-art 47,000-square-foot wine production facility in West Richland, Washington. The winery facility has an annual permitted wine production capacity of up to 595,000 gallons, which equates to approximately 250,000 cases of wine; however, current fermentation and processing capacity ranges from approximately 45,000 to 50,000 cases without additional capital investment. Double Canyon shares its production facility with Seven Hills Winery for the production of certain wines.

Double Canyon is focused on producing Cabernet Sauvignon from Washington State's best appellations. Double Canyon produces its wine from purchased grapes under long-term contracts.

Seven Hills Winery

Seven Hills Winery was established in 1988 and acquired by Crimson in January 2016. Seven Hills owns acreage in the Walla Walla Valley, which includes some of the oldest and highest quality Bordeaux varietal plantings. This historic site, considered the original Seven Hills Winery estate acreage, was planted by the Seven Hills Winery founder and his father. Also included within the acreage are plantings in The Rocks District of Milton-Freewater, which is known for world class Rhone style wines. The winery facility has an annual permitted wine production capacity of up to 48,000 gallons, which equates to approximately 20,000 cases of wine; however, current fermentation and processing capacity ranges from approximately 11,000 to 14,000 cases without additional capital investment. The winery and tasting room are located in downtown Walla Walla in the Crimson-

owned historic Whitehouse-Crawford building. The 15,463 square-foot facility includes areas and equipment for crush, fermentation, aging, bottling processes, as well as a tasting room and administrative offices. There are indoor and outdoor special event dining areas.

Seven Hills Winery is focused on producing Cabernet Sauvignon, Merlot, and Sauvignon Blanc, which are produced from esteemed vineyards in the Walla Walla Valley and the Red Mountain appellations, from both estate grown and purchased grapes. The wines are sold by Crimson under the Seven Hills Winery brand name.

Malene Wines

Malene Wines was created by Crimson in 2016 with the goal of creating America's reference point premium Rosé with a sole focus on premium Rosé produced in the U.S. Malene Wines sources fruit from specific sites throughout the Central Coast intentionally farmed for world class Rosé winemaking. The tasting experience for Malene Wines takes place at the sister estate Chamisal Vineyards' tasting room to enhance guest benefits and streamline operations.

Sales and Marketing

Crimson focuses on brand development and distribution to increase revenues and profitability, which has included acquisitions of vineyards and wineries and the development of new brands with existing assets and the development of new direct sales outlets.

Crimson's sales and marketing team coordinates the sales and distribution of its various brands, maintains domestic and export distributor relationships and oversees the timing and allocation of new releases. The sales team has employees in major markets in the U.S. and, where required, has brokers in certain domestic and international markets. Crimson's wines are available through many principal retail channels for premium table wines, including fine wine restaurants, hotels, specialty shops, supermarkets and club stores, in all states domestically, as well as cruise lines and approximately 40 countries throughout the world.

Crimson believes that the quality and locations of its wineries and tasting rooms help to create demand for its brands at the consumer level, which positively impacts sales to distributors as well. Crimson participates in many wine tasting and other promotional events throughout the country in order to increase awareness and demand for its products. Many of Crimson's brands are issued ratings or scores by local and national wine rating organizations, and higher scores will usually translate into greater demand and higher pricing.

Wholesale

Crimson's wines are primarily sold to distributors, who then sell to retailers and restaurants. The Company's wines are sold in restaurants, bars, and other hospitality locations ("On-Premise") as well as in supermarkets, grocery stores, liquor stores, and other chains, third-party Ecommerce, and independent stores ("Off-Premise"). Domestic sales of Crimson's wines are made through nearly 40 independent wine and spirits distributors. International sales are made through independent importers and brokers. During 2025, domestic distributor sales represented approximately 52% of net sales and export sales represented approximately 3% of net sales. During 2025, two distributors represented approximately 22% and 17% of Crimson's total net sales, respectively. In June 2025, the Company announced and commenced a distribution change in the state of California, which is a key wholesale market. This change in distribution was substantially completed in the third quarter of 2025 and triggered a second distributor to surpass the 10% threshold. During 2024, one distributor represented approximately 30% of Crimson's total net sales. No other distributor represented 10% or more of total net sales in either 2025 and 2024.

Direct to Consumer

As permitted under federal and local regulations, Crimson has increased its emphasis on direct sales to consumers, through wine clubs, the wineries' tasting rooms, and the Ecommerce channel. During 2025, direct sales to consumers represented 41% of net sales. Approximately 57% of the direct to consumer net sales were through wine clubs, 24% were through the wineries' tasting rooms, special events and other sales, and 19% were through Ecommerce. Members typically join the Company's wine clubs after visiting the Company's tasting rooms at various facilities, signing up directly through the Company's website, or after hearing about the Company's wine clubs from other members. Crimson's tasting rooms are located in popular tourist destinations that typically attract consumers interested in winemaking and travel. Direct sales to consumers are more profitable for Crimson as it is able to sell its products at a price closer to retail prices rather than the wholesale price received from distributors; however, for certain direct sales offers, some of the profit is offset by freight subsidies.

Competition

The markets for luxury products in the wine industry are intensely competitive. Crimson's wines compete domestically and internationally with premium or higher quality wines produced in Europe, South America, South Africa, Australia and New Zealand, as well as in the United States. Crimson competes on the basis of quality, price, brand recognition and distribution capability, and the ultimate consumer has many choices of products from both domestic and international producers. As a result of the intense competition and uncertainty regarding trade and tariff policies, there is upward pressure on Crimson's cost of sales and operating expenses. Many of Crimson's competitors are significantly larger with greater financial, production, distribution and marketing resources. Measured in wine volume, the U.S. is dominated by four large wine companies with production largely based in California, representing greater than 60% of the domestic U.S. case sales volume. Further, Crimson's wines may be considered to compete with all alcoholic and nonalcoholic beverages.

Demand for luxury wines can rise and fall with general economic conditions. The Company believes the key competitive factors in the luxury segment of the wine industry are quality, price, brand recognition, and product supply. The Company believes it competes favorably with respect to each of these factors. The Company's brands have received high ratings or scores by local and national wine rating organizations and believes its prices are competitive. The Company continues to develop its lifestyle branding through partnerships with complementary brands to attract a larger audience and strengthen brand loyalty. Additionally, the Company continues to bolster its relationships with distributors and trade accounts, introduce new products, and reinforce brand engagement through various national promotions.

Wine production is also significantly affected by grape and bulk wine supply. The Company's 2025 harvest yielded 1,402 tons of fruit or approximately 3.5 tons per producing acre, which was more productive than the year prior and its seven-year average. Depending on the wine, the production cycle from harvest to bottled sales is anywhere from one to three years.

Suggested retail price points for Crimson's wines range from \$16 to \$395 per bottle; however, in the wholesale channel, which represented approximately 90% of Crimson's case volume in both years ended December 31, 2025 and 2024, the majority of volume is in the \$16 to \$30 suggested retail price range.

Business Segments

Crimson reports operating results in two segments: Wholesale and Direct to Consumer. These business segments reflect how the Company's operations are evaluated by senior management and the structure of its internal financial reporting. Both financial and certain non-financial data are reported and evaluated to assist senior management with strategic planning. The Company evaluates performance based on the gross profit of the respective business segments. Selling expenses that can be directly attributable to the segment are included; however, centralized selling expenses and general and administrative expenses are not allocated between operating segments. Non-allocated expenses are reported under Other/Non-allocable which also includes revenues and expenses related to bulk wine and grape sales, event fees, tasting fees and non-wine retail sales. Therefore, net income information for the respective segments is not available. Based on the nature of the Company's business, revenue generating assets are utilized across segments. As a result, discrete financial information related to segment assets and other balance sheet data is not available and such information continues to be aggregated. Further information about segments, including net sales, cost of sales, gross profit (loss), directly attributable selling expenses, and contribution margin of the segments for the years ended December 31, 2025 and 2024 can be found in Note 13 "Business Segment Information" to the consolidated financial statements included in Part IV, Item 15, Exhibits and Financial Statement Schedules, of this Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (the "Report").

Grape Supply

Crimson owns and controls approximately 720 acres of vineyards in the Napa Valley, Sonoma County and Edna Valley in California, and the Willamette Valley, The Rocks District, and the Walla Walla Valley in Oregon. Of the approximate 455 acres of vineyards that are currently planted, 400 acres are producing. Crimson expects to continue vineyard development plans for non-producing acreage in California, Oregon and Washington properties. Newly planted vines take approximately three to five years to reach maturity and vineyards can be expected to have a useful life of approximately 25 years on average before replanting may be necessary.

In 2025, approximately 26% of Crimson's total grape supply came from Crimson-controlled vineyards. This percentage increased despite a decrease in planted acres due to improved harvest yields (as indicated in the table below). Crimson purchased the balance of its supply from approximately 54 independent growers. The grower contracts range from one-year spot market purchases to intermediate and long-term agreements. During 2025, grower A and grower B represented 15% and

13% of Crimson’s grape purchases, respectively. During 2024, grower B represented 11% of Crimson’s grape purchases. No other growers represented more than 10% of Crimson’s grape purchases in 2025 or 2024.

Winemaking and grape growing are subject to a variety of agricultural risks. Various diseases, pests, natural disasters and certain climate conditions can materially and adversely affect the quality and quantity of grapes available to Crimson, thereby materially and adversely affecting the supply of Crimson’s products and its profitability. Given the risks presented by climate conditions and extreme weather, Crimson regularly evaluates the potential and actual impacts of climate conditions and weather on its business and plans to disclose any related material impacts on the business. Along with various insurance policies currently in place, Crimson has made investments to improve its climate resilience and strives to effectively manage grape sourcing to help mitigate the impact of climate change and unforeseen natural disasters. During 2025, Crimson continued to complete upgrades to its facilities to improve water and energy resiliency in addition to performing extensive forest management at Pine Ridge Vineyards for fire mitigation measures. Crimson has plans to advance these initiatives over the next several years.

The table below summarizes Crimson’s wine grape supply and production from the last two harvests:

	Harvest Year	
	2025	2024
Estate grapes:		
Producing acres	400	487
Tons harvested	1,402	1,388
Tons per acre	3.5	2.9
All grapes and purchased juice (in equivalent tons):		
Estate grapes, net of sales	1,379	1,347
Purchased grapes and juice	3,857	5,086
Total (in tons)	<u>5,236</u>	<u>6,433</u>
Total cases bottled during the year	<u>435,000</u>	<u>466,000</u>

The table below summarizes Crimson’s sales of grapes and bulk wine during the last two years:

	Year Ended December 31,	
	2025	2024
Grapes sold (in tons)	22	42
Bulk wine sold (in gallons)	37,273	42,027
Total grape and bulk wine equivalent cases sold	<u>17,200</u>	<u>20,500</u>

Total cases shipped were approximately 372,000 and 408,000 for the years ended December 31, 2025 and 2024, respectively. Cases shipped are disclosed for informational purposes, and do not necessarily correspond to the vintage year the grapes are grown and crushed. Depending on the wine, the production cycle to bottled sales is anywhere from one to three years.

Winemaking

Crimson’s winemaking philosophy includes the use of the latest industry winemaking advances to complement making wine in the traditional manner by starting with high quality fruit and handling it as gently and naturally as possible all the way to the bottle. Each of Crimson’s wineries is equipped with modern crush, fermentation and storage equipment as well as technology that is focused on producing the highest quality wines for each of the varieties it produces.

Government Regulation

Wine production and sales are subject to extensive regulation by the United States Department of Treasury Alcohol and Tobacco Tax and Trade Bureau (“TTB”), state departments regulating alcohol production and sale in California, Oregon and Washington and other federal, state and local governmental authorities that regulate interstate sales, licensing, trade and pricing practices, labeling, advertising and other activities. In addition, federal and state authorities require warning labels on beverages for sale or distribution in the United States containing 0.5% of alcohol by volume or higher. Crimson’s labels require prior approval from the TTB. Additionally, various jurisdictions may seek to adopt significant additional product labeling or warning requirements, limitations, or guidelines on the marketing or sale of wine because of what wine contains or allegations that wine causes health effects. If these types of requirements become applicable to our wine under current or future laws or regulations, they may inhibit sales of wine or increase costs relating to the production and sale of wine. Furthermore, restrictions or taxes imposed by government authorities on the sale of wine could increase the retail price of wine, which could have an adverse effect on demand for wine in general. New or revised regulations or increased licensing fees or excise taxes on wine, if enacted, could reduce demand for wine and have an adverse effect on Crimson’s business, negatively impacting Crimson’s results of operations and cash flows.

On January 1, 2018, the 2017 Craft Beverage Modernization Act (“CBMA”) became effective as part of the Tax Cuts and Jobs Act (Public Law 115-97) and made extensive changes to the Internal Revenue Code of 1986 (“IRC”), including provisions related to alcohol that were administered by TTB favorably impacting the federal alcohol tax rate. The federal alcohol tax rate changed effective January 1, 2018 through December 31, 2019. On December 20, 2019, the CBMA was extended through December 31, 2020, maintaining the reduced federal alcohol tax rates in place at the time. On December 27, 2020, the Taxpayer Certainty and Disaster Tax Act of 2020 was passed, which permanently extended the reduced tax rates and tax credits made available by the CBMA. The previous rate of \$1.07 per gallon for wines with alcohol content at or below 14% has been permanently modified to apply to wines with alcohol content at or below 16%. The previous tax rate of \$1.57 per gallon for wines above 14% but less than 21% has been permanently modified to apply to wines over 16% but less than 21%. The tax rates for wines with alcohol content over 21% has not changed.

The tax law also allows for certain volume production credits that the Company took which further decreases the Company’s excise tax liability. The tax credit allows for a credit of \$1.00 per gallon on the first 30,000 gallons, \$0.90 per gallon on 30,001 up to 130,000 gallons and \$0.535 per gallon on 130,001 up to 750,000 gallons, in each instance when the wine is removed from a producer’s bonded winery facility.

Crimson is also subject to a broad range of federal, state and local regulatory requirements regarding its agricultural operations and practices. Crimson’s agricultural operations are subject to regulations governing the storage and use of fertilizers, fungicides, herbicides, pesticides, fuels, solvents and other chemicals. These regulations are subject to change and could have a significant impact on operating practices, chemical usage, and other aspects of Crimson’s business. The Company is strongly focused on environmental stewardship and maintains a variety of policies and processes designed to protect the environment, the public and the consumers of its wine. Crimson is an active member of the Porto Protocol, a nonprofit organization committed to mitigate the impact of climate change. In addition, many of the Company’s vineyards are certified sustainable through a number of organizations (California Sustainable Winegrowing Alliance, Napa Green, Low Input Viticulture and Enology, Sustainability in Practice, along with several others). Some examples of Crimson’s sustainable practices include waste reduction programs and resource preservation through a combination of electrical and water conservancy. In addition, the Company has formed a Carbon Neutral Council and has joined the International Wineries for Climate Action (“IWCA”), with commitments to minimize the Company’s carbon footprint. IWCA members follow science-based solutions to reduce their greenhouse gas (“GHG”) emissions and in 2024, Crimson’s GHG emissions inventory related to the 2023 fiscal year was audited and certified ISO 14064:3 by a third party. Crimson has also elected to join the United Nation Race to Zero campaign that requires Crimson to halve GHG emissions by 2030 and to achieve net zero emissions by 2050. Many of the expenses for protecting the environment are voluntary; however, the Company is regulated by various local, state and federal agencies regarding environmental laws where the costs of these laws and requirements of these agencies are effectively integrated into regular operations and do not cause significant negative impacts or costs.

Seasonality

There is a degree of seasonality in the growing cycles, procurement and transportation of grapes. The wine industry in general historically experiences seasonal fluctuations in revenues and net income. Typically, Crimson has lower sales and net income during the first quarter and higher sales and net income during the fourth quarter due to seasonal holiday buying as well as wine club shipment timing. Crimson expects these trends to continue but will monitor and provide updates if the acquisition of the Raeburn wine brand significantly impacts these trends in 2026 and beyond.

Human Capital Management

In addition to Crimson's customer base and surrounding communities, the Company's success is greatly dependent on its employees. As of December 31, 2025, Crimson employed 154 full-time, 41 part-time and 24 seasonal employees. Crimson employs part-time and seasonal workers for its vineyard, production and hospitality operations. None of Crimson's employees are represented by a collective bargaining unit and Crimson believes that its relationship with its employees is strong and in good standing.

Crimson prioritizes employee safety and welfare in order to retain and attract the best talent. Crimson offers quality benefit plans, employee development programs, competitive wages, and safety training courses so that employees can avoid injury and remain prepared for unexpected emergencies.

Employee Health and Safety

The health and safety of the Company's employees is a top priority. The Company's Crisis Management Team, composed of the Company's executive officers and other senior leaders, assesses and manages potential workplace risks relating to health and safety. The Company supports employees with general safety, security, and crisis management training, and by putting specific programs in place for those working in potentially high-hazard environments. For example, the Company supports the physical and mental health of employees and their families by offering online wellness resources, webinars, telehealth access, and wellness incentives. The Company maintains a set of operations guidelines to protect the health and safety of all employees, specifically those working in the areas of production, vineyards, tasting rooms, and sales teams.

Recruitment, Retention and Development

The Company strives to attract and retain high-performing individuals across its business. The Company believes in competitive pay practices and a pay-for-performance culture. In addition to competitive pay, eligible employees may receive the following Company benefits:

- Employees may qualify for an annual cash bonus plan or sales commission plans tied to individual and company performances.
- Employees may choose to participate in the Company's 401(k) plan in which the Company matches employee contributions up to a set percentage.
- Employees are offered selections of health insurance plans, and the majority of plan premium costs for employees are paid for by the Company.
- Employees with an eligible Health Savings Account receive Company-funded annual contributions in addition to each employee's contributions.
- Employees are offered paid parental leave and the Company supplements the portion of base pay not covered by state benefits to bring wages equal to 100% of an employee's base pay.
- Employees are provided with a set number of paid holidays, vacation, sick leave, and birthday holiday.
- Employees are encouraged to achieve and maintain a healthy lifestyle with monthly reimbursements towards eligible health and fitness membership fees.
- Employees operating in a remote environment are provided with annual stipends to support home office needs.
- Employees have access to training programs that provide management training and other opportunities for professional and personal development.

The Company believes continued investments in talent development and employee wellness are integral to operational excellence and employee retention. The Company continually reviews compensation against benchmarks and adjusts to ensure wages are competitive.

Diversity, Equity, Inclusion, and Belonging

DEIB is rooted within the Company's strategic pillars to bring the Company's purpose to life and strengthen its workplace culture. Through listening and acting with respect, embracing individuality, and trusting each other's strengths, the Company creates an inclusive environment to support its employees and consumer base. The Company continues to support its employee-led DEIB council. The Company's internal web page, employee newsletters, and company meetings are utilized to share information, opportunities and updates across the organization. The Company is committed to providing equal opportunity in all aspects of employment and does not tolerate discrimination or harassment of any kind. Differing perspectives and backgrounds help build an enduring company; the diversity of the Company should reflect the diversity of its consumers.

Trademarks

Crimson maintains federal trademark registrations for its brands, proprietary products and certain logos, motifs and vineyard names. International trademark registrations are also maintained where it is appropriate to do so. Each of the United States trademark registrations is renewable indefinitely so long as the Company is making a bona fide usage of the trademark. The Company believes that its trademarks provide it with an important competitive advantage and has established a global network of attorneys, as well as branding, advertising and licensing professionals, to procure, maintain, protect, enhance and gain value from these registrations.

Investor Information

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Accordingly, the Company files periodic reports, proxy statements and other information with the Securities and Exchange Commission (the “SEC”). Such reports, proxy statements and other information may be obtained by visiting the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549 or by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site (<http://www.sec.gov>) that contains reports, proxy, information statements and other information regarding the Company and other issuers that file electronically.

The Company’s website is <http://www.crimsonwinegroup.com>. The Company also makes available through its website, without charge, its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after such reports are filed with or furnished to the SEC. All references to our website are inactive references for informational purposes only, and are not intended to incorporate by reference any information from or referenced on our website into this Report.

Cautionary Statement for Forward-Looking Information

Statements in this Report may contain forward-looking statements that are subject to risks and uncertainties. Forward-looking statements give our current expectations relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to current or historical facts. These statements may include words such as “anticipate,” “estimate,” “expect,” “project,” “forecast,” “plan,” “intend,” “believe,” “may,” “should,” “would,” “could,” “likely,” and other words of similar expression.

Forward-looking statements give our expectations about the future and are not guarantees. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements to materially differ from any future results, performance and achievements expressed or implied by such forward-looking statements. We caution you, therefore, not to rely on these forward-looking statements.

Factors that could cause actual results to differ materially from any results projected, forecasted, estimated or budgeted that may materially and adversely affect the Company’s actual results include, but are not limited to, those set forth in Item 1A. Risk Factors of this Report.

These forward-looking statements are applicable only as of the date hereof. Except as may be required by law, we undertake no obligation to modify or revise any forward-looking statements to reflect events or circumstances occurring after the date of this Report.

Item 1A. Risk Factors.

Our business is subject to a number of risks. You should carefully consider the following risk factors, together with all of the other information included or incorporated by reference in this Report, before you decide whether to purchase our common stock. The risks set out below are not the only risks we face. If any of the following risks occur, our business, financial condition and results of operations could be adversely affected. In such case, the trading price of our common stock could decline, and you may lose all or part of your investment.

Business, Economic, Market and Operating Risks

The impact of U.S. and worldwide economic trends and financial market conditions could materially and adversely affect our business, liquidity, financial condition and results of operations. We are subject to risks associated with adverse economic conditions in the U.S. and globally, including an economic slowdown or recession, inflation, changes in prevailing interest rates, and the disruption, volatility and tightening of credit and capital markets. Unfavorable global or regional economic conditions could materially and adversely impact our business, liquidity, financial condition and results of operations. Various factors, including the potential impacts of geopolitical uncertainties and international conflicts, inflationary conditions and fluctuating interest rates, have caused disruptions in the U.S. and global economy, and uncertainty regarding general economic conditions, including concerns about a potential U.S. or global recession, may lead to decreased consumer spending on discretionary items, including wine. In general, positive conditions in the broader economy promote customer spending, while economic weakness generally results in a reduction of customer spending. Unemployment, tax increases, governmental spending cuts, prolonged government shutdowns, or a return to high levels of inflation could affect consumer spending patterns and purchases of our wines and other alcoholic beverage products. These conditions could also create or worsen credit issues, cash flow issues, access to credit facilities and other financial hardships for us and our suppliers, distributors, accounts and consumers. An inability of our suppliers, distributors and retailers to access liquidity could impact our ability to produce and distribute our wines.

The supply availability and cost increases in raw and processed materials, commodities and labor could materially and adversely affect our business, results of operations and financial condition. We use a large volume of grapes and other raw materials to produce and package our wine, including glass, corks, barrels, and winemaking additives. We purchase raw materials and packaging materials from domestic and international suppliers. An inability of any of our suppliers to satisfy our requirements could materially and adversely affect our business. Our production facilities also use a significant amount of energy in their operations. Energy costs could continue to rise, which would result in higher transportation, freight and other operating expenses. Our freight cost could be adversely affected by a number of factors that could reduce the profitability of our operations, including driver shortages, higher fuel costs, increased government regulation, and other matters. We compete with other entities for skilled management and labor specific to the wine and hospitality industries, including entities that operate in different market sectors than us. Costs to recruit and retain adequate personnel, increased labor costs, the loss of certain personnel, our inability to attract and retain other qualified personnel or a labor shortage that reduces the pool of qualified candidates could adversely affect our results of operations. Our supply and the price of raw materials, packaging materials and energy and the cost of energy, freight and labor used in our productions and distribution activities could be affected by a number of factors beyond our control, including market demand, climate change, global geopolitical events, economic factors, inflation, and fluctuating interest rates. To the extent any of these factors affect the prices of ingredients or packaging or we are unable to recoup costs through price increases of wines sold, our business, results of operations and financial results could be materially and adversely affected.

Health pandemics, epidemics or contagious diseases have disrupted, and could continue to disrupt, our operations, which could adversely affect our business and results of operations. Our business could be adversely affected by a widespread outbreak of contagious disease, such as the global pandemic related to COVID-19 and its variants. The effects of outbreaks, pandemics, epidemics or other contagious disease on our business could include disruptions to our operations and restrictions on our employees' ability to travel in affected regions, as well as temporary closures of our tasting rooms and facilities of our suppliers, customers, or other vendors in our supply chain, which could impact our business, interactions and relationships with our customers, third-party suppliers and contractors, and results of operations. In addition, a significant outbreak of contagious disease in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could reduce the demand for our products and likely impact our results of operations.

We are dependent on certain key personnel. Our success depends to some degree upon the continued service of Jennifer L. Locke, our Chief Executive Officer; Adam D. Howell, our Chief Financial Officer; Nicolas M.E. Quillé, our Chief Winemaking and Operations Officer; and our winemakers at our various facilities. The loss of the services of one or more of our key employees could harm our business and our reputation and negatively impact our profitability, particularly if one or more of our key employees resigns to join a competitor or to form a competing company.

Volatility and increases in the costs of grapes, labor and other necessary supplies or services have negatively impacted, and in the future may negatively impact, the Company's net earnings and cash flow. We believe cost increases are possible in the future. If such increases occur or exceed the Company's estimates and the Company is not able to increase the prices of its products or achieve cost savings to offset such increases, its profits and operating results will be harmed. In addition, if the Company increases the prices of its products in response to increases in costs, the Company may not be able to sustain its price increases. Sustained price increases may lead to declines in volume as competitors may not adjust their prices or consumers may decide not to pay the higher prices, which could lead to sales declines and loss of market share.

Various diseases, pests and certain weather conditions could affect quality and quantity of grapes. Various diseases, pests, fungi, viruses, drought, floods, adverse weather conditions (including more frequent and intense heatwaves, frosts, drought and excessive rainfall) could affect the quality and quantity of grapes, decreasing the supply of our products and negatively impacting our operating results. Future government restrictions regarding the use of certain materials used in grape growing may increase vineyard costs and/or reduce production. We cannot guarantee that our grape suppliers will succeed in preventing disease in their existing vineyards or that we will succeed in preventing disease in our existing vineyards or future vineyards we may acquire. For example, Pierce's disease is a vine bacterial disease spread by insects which kills grapevines for which there is no known cure. If our vineyards become contaminated with this or other diseases, operating results would decline, perhaps significantly.

The lack of sufficient water due to drought conditions or water right restrictions could affect quality and quantity of grapes. The availability of adequate quantities of water for application at the correct time can be vital for grapes to thrive. Whether particular vineyards are experiencing water shortages depends, in large part, on their location. Our California vineyards and wineries are primarily dependent on wells accessing shared aquifers and shared reservoirs as a water source. An extended period of drought across much of California may put pressure on the use and availability of water for agricultural uses and in some cases governmental authorities may have to divert water to other uses. Lack of available water could reduce our grape harvest and access to grapes and adversely impact results of operations. Scarcity of adequate water in our grape growing areas may also result in legal disputes among other land owners and water users causing the Company to expend resources to defend its access to water.

We may not be able to grow or acquire enough quality fruit for our wines. While we believe that we can secure sufficient supplies of grapes from a combination of our own production and from grape supply contracts with independent growers, we cannot be certain that grape supply shortages will not occur. Grape supply shortages resulting from a poor harvest can be caused by a variety of factors outside our control, resulting in reduced product that is available for sale. If revenues decline as a result of inadequate grape supplies, cash flows and profitability would also decline.

We face significant competition which could adversely affect our profitability. The wine industry is intensely competitive and highly fragmented. Our wines compete in several wine markets within the wine industry as a whole with many other domestic and foreign wines. Our wines also compete with comparably priced generic wines and with other alcoholic and, to a lesser degree, non-alcoholic beverages. A result of this intense competition has been, and may continue to be, upward pressure on our selling and promotional expenses. Many of our competitors have greater financial, technical, marketing and public relations resources than we do. There can be no assurance that in the future we will be able to successfully compete with our competitors or that we will not face greater competition from other wineries and beverage manufacturers.

We compete for shelf space in retail stores and for marketing focus by our independent distributors, most of whom carry extensive product portfolios. In accordance with federal and state regulatory requirements, we sell our products nationwide primarily through independent distributors and brokers for resale to retail outlets, restaurants, hotels and private clubs across the U.S. and in some overseas markets. Sales to distributors are expected to continue to represent a substantial portion of our net revenues in the future. During 2025, two distributors represented approximately 22% and 17% of our total net sales, respectively. A change in our relationship with any of our significant distributors could have a material impact on our business and have a material impact on our sales. The laws and regulations of several states prohibit changes of distributors, except under certain limited circumstances, making it difficult to terminate a distributor for poor performance without reasonable cause, as defined by applicable statutes and regulations. Any difficulty or inability to replace distributors, poor performance of our major distributors or our inability to collect accounts receivable from our major distributors could have a material impact on our business. There can be no assurance that the distributors and retailers we use will continue to purchase

our products or provide our products with adequate levels of promotional support. Consolidation at the retail tier, among club and chain grocery stores in particular, can be expected to heighten competitive pressure to increase marketing and sales spending or constrain or reduce prices.

Contamination of our wines could harm our business. We are subject to certain hazards and product liability risks, such as potential contamination, through tampering or otherwise, of ingredients or products. Contamination of any of our wines could cause us to destroy our wine held in inventory and could cause the need for a product recall, which could significantly damage our reputation for product quality. We maintain insurance against certain of these kinds of risks, and others, under various insurance policies. However, our insurance may not be adequate or may not continue to be available at a price or on terms that are satisfactory to us and this insurance may not be adequate to cover any resulting liability.

A reduction in consumer demand for wines could harm our business. There have been periods in the past in which there were substantial declines in the overall per capita consumption of wine products in our markets. Wine consumption in the United States has experienced a decline over the last several years and declines in future years are possible. A limited or general decline in consumption in one or more of our product categories could occur in the future due to a variety of factors, including: a general decline in economic conditions; changes in consumer spending habits and preferences in alcoholic beverage products; increased concern about the health consequences of consuming alcoholic beverage products and about drinking and driving; a trend toward a healthier diet including lighter, lower calorie beverages, such as diet soft drinks, juices and water products; the increased activity of anti-alcohol consumer groups; and increased federal, state or foreign excise and other taxes on alcoholic beverage products. Reductions in demand and revenues would reduce profitability and cash flows.

A decrease in wine score ratings by important rating organizations could have a negative impact on our ability to create greater demand and pricing. Many of Crimson's brands are issued ratings or scores by local and national wine rating organizations, and higher scores usually translate into greater demand and higher pricing. Although some of Crimson's brands have been highly rated in the past, and Crimson believes its farming and winemaking activities are of a quality to generate good ratings in the future, Crimson has no control over ratings issued by third parties which may or may not be favorable in the future.

If our intangible assets become impaired, we may be required to record significant charges to earnings. We have substantial intangible assets on our consolidated balance sheet as a result of acquisitions we have completed, in particular the acquisition of Seghesio Family Vineyards. We review intangible assets for impairment annually or more frequently if events or circumstances indicate that these assets might be impaired. Application of impairment tests requires judgment. A significant deterioration in a key estimate or assumption or a less significant deterioration to a combination of assumptions or the sale of a part of a reporting unit could result in an impairment charge in the future, which could have a significant adverse impact on our reported earnings.

We may not be fully insured against risk of catastrophic loss to wineries, production facilities or distribution systems as a result of earthquakes, fires, floods or other events, some of which may be exacerbated by climate change, which may cause us to experience a material financial loss. A significant portion of Crimson's controlled vineyards as well as supplier and inventory storage locations are located in California, which is prone to seismic activity and has recently experienced wildfires and landslides. In recent years, we have seen an increase in the number and severity of extreme temperature events and unusual weather patterns, as well as the increase in both the frequency and severity of natural disasters, including earthquakes, fires and floods. If any of these vineyards and facilities were to experience a catastrophic loss as a result, it could disrupt our operations, delay production, shipments and revenue, and result in potentially significant expenses to repair or replace the vineyard or facility. If such a disruption were to occur, we could breach agreements, our reputation could be harmed, and our business and operating results could be adversely affected. Although we carry insurance to cover property damage and business interruption as well as certain production assets in the case of a catastrophic event, certain significant assets are not covered in the case of certain catastrophes as we believe this to be a prudent financial decision. We cannot be certain that we will be able to insure against all risks that we desire to insure economically or that all of our insurers will be financially viable if we make a claim. Increased incidence or severity of natural disasters in recent years has adversely impacted our ability to obtain adequate property, inventory and business interruption insurance at financially viable rates, if at all. We cannot be certain that continuation of these trends or future climate change will not adversely affect our insurance costs and overall insurability. We take steps to minimize the damage that would be caused by a catastrophic event, but there is no certainty that our efforts would prove successful. If one or more significant catastrophic events occurred damaging our own or third party assets and/or services, we could suffer a major financial loss.

Our business and reputation could suffer if we are unable to protect our information systems against, or effectively respond to, cybersecurity incidents, or if our information systems are otherwise disrupted. We depend on information technology, including public websites and cloud-based services, for many activities important to our business, including to interface with our customers and consumers, to engage in digital marketing activities, to enable and improve the effectiveness of our operations, to order and manage materials from suppliers, to maintain financial accuracy and efficiency, to comply with regulatory, financial reporting, legal and tax requirements, to collect and store sensitive data and confidential information and to communicate electronically with our employees and the employees of our suppliers and other third parties. If we do not allocate and effectively manage the resources necessary to build and sustain our information technology infrastructure, if we fail to timely identify or appropriately respond to cybersecurity incidents, or if our information systems are damaged, destroyed or shut down (whether as a result of natural disasters, fires (either directly or through smoke damage), power outages, acts of terrorism or other catastrophic events, network outages, software, equipment or telecommunications failures, user errors, or from deliberate cyberattacks such as malicious or disruptive software, denial of service attacks, malicious social engineering, hackers or otherwise), our business could be disrupted and we could, among other things, be subject to: transaction errors; processing inefficiencies; the loss of, or failure to attract, new customers and consumers; the loss of revenues from unauthorized use, acquisition or disclosure of or access to confidential information; the loss of or damage to intellectual property or trade secrets, including the loss or unauthorized disclosure of sensitive data, confidential information or other assets; damage to our reputation; litigation; regulatory enforcement actions; violation of data privacy, security or other laws and regulations; and remediation costs. Further, our information systems and the information stored therein, could be compromised by, and we could experience similar adverse consequences due to, unauthorized outside parties intent on accessing or extracting sensitive data or confidential information, corrupting information or disrupting business processes or by inadvertent or intentional actions by our employees or agents. Similar risks exist with respect to the third-party vendors we rely upon for aspects of our information technology support services and administrative functions, including but not limited to payroll processing and health and benefit plan administration.

Despite the systems and processes the Company has in place to monitor, detect, mitigate and remediate potential vulnerabilities, on June 30, 2024, the Company detected a cybersecurity incident in which an unauthorized third party gained access to certain information systems of the Company. Upon detection, the Company promptly initiated response protocols and began taking steps to contain, assess and remediate the cybersecurity incident, including launching an investigation with external cybersecurity experts. Although the Company believes that while the cybersecurity incident has not had a material impact on the Company's overall financial condition or results of operations, its evaluation and response to this incident are ongoing, and the Company may discover other impacts or new events related to this incident that may occur that could affect the Company's financial condition or results of operations. As of December 31, 2025, incurred cybersecurity expenses limited to the Company's insurance deductibles are recorded and reflected within the Company's consolidated financial statements and the Company believes such amounts are not material. The Company continues to evaluate additional measures to strengthen its surveillance of cybersecurity threats and to prevent unauthorized cybersecurity incidents on or conducted through its information systems and to strengthen its information backup protocols.

Our failure to adequately maintain and protect or otherwise process personal information of our customers or our employees in compliance with evolving legal requirements could have a material adverse effect on our business. We collect, use, store, disclose, transfer and protect (collectively, "process") personal information, including from employees, customers and potential customers, in connection with the operation of our business. A wide variety of federal, state, local and international laws as well as regulations and industry guidelines apply to the processing of personal information, and may vary between jurisdictions or conflict with other rules. Data protection and privacy laws and regulations are evolving, subject to differing interpretations and being tested in courts and may result in increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. Such laws and regulations include the California Consumer Protection Act, the California Privacy Rights Act, which took effect on January 1, 2023, and the European Union General Data Protection Regulation. Compliance with applicable privacy and data protection laws and regulations is a rigorous and time-intensive process, and we may be required to put in place additional mechanisms ensuring compliance. Our actual or alleged failure to comply with any applicable privacy and data protection laws and regulations, industry standards or contractual obligations, or to protect such information and data that we process, could result in litigation, regulatory investigations, and enforcement actions against us, including fines, orders, public censure, claims for damages by employees, customers and other affected individuals, public statements against us by consumer advocacy groups, damage to our reputation and competitive position and loss of goodwill (both in relation to existing customers and prospective customers), any of which could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Additionally, if third parties that we work with, such as vendors or developers, violate applicable laws or our policies, such violations may also place personal information at risk and have an adverse effect on our business. Even the perception of privacy concerns, whether valid, may harm our reputation, subject us to regulatory scrutiny and investigations, and inhibit adoption of our wines by existing and potential customers.

We may fail to successfully integrate the Raeburn Assets into our existing business in a timely manner, which could have a material adverse effect on our business, financial condition, results of operations, or cash flows, or we may fail to realize all of the expected benefits of the acquisition of the Raeburn Assets, which could negatively impact our future results of operations. Integration of the Raeburn Assets into our existing business will be a complex, time-consuming and potentially costly process. A failure to successfully integrate the Raeburn Assets with our existing business in a timely manner may have a material adverse effect on our business, financial condition, results of operations or cash flows. The difficulties of combining the Raeburn Assets with our existing operations include, among other things, difficulties in the assimilation of the Raeburn Assets into our operations and the diversion of management's attention from other business concerns. If any of these risks or unanticipated liabilities or costs were to materialize, then any desired benefits of the Raeburn Assets may not be fully realized, if at all, and our future results of operations could be negatively impacted. In addition, the costs to operate the Raeburn Assets may be higher than the forecasts we used to evaluate the Raeburn Assets due to factors that are beyond our control. The useful life of the Raeburn Assets may be shorter than we forecast. If the Raeburn Assets cost more to operate than we had forecast or have shorter useful lives than we used to evaluate the Raeburn Assets, then our future results of operations could be negatively impacted.

Flaws in our due diligence in connection with the Raeburn Assets could have a significant negative effect on our financial condition and results of operations. We conducted customary due diligence in connection with the acquisition of the Raeburn Assets prior to closing the Asset Purchase. However, diligence may not reveal all material issues that may affect the Raeburn Assets. In addition, factors outside of our control may later arise. If, during the due diligence process, we failed to identify issues specific to the Raeburn Assets, we may be forced to later write down or write off assets or incur impairment or other charges that could result in other reporting losses. We cannot assure you that we will not have to write-down or impair the Raeburn Assets, which could have a negative effect on our financial condition and results of operations.

The payment of dividends in the future is subject to the discretion of our Board of Directors. No dividends have been paid since the Distribution. We do not have a regular dividend policy and whether or not to pay any dividends will be determined each year by our Board of Directors. The payment of dividends will also be subject to the terms and covenants contained in the Company's revolving credit facility and term loans.

Compliance with changing regulation of corporate governance and public disclosure may result in additional expenses. Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act, create uncertainty for companies such as ours. We are committed to maintaining appropriate corporate governance and public disclosure. As a result, we may see an increase in general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities, which could harm our business prospects.

Regulatory and Legal Risks

We are subject to risks from changes to the trade policies, regulations, and tariffs of the U.S. and foreign governments. Changes in the import and export policies, new or increased tariffs or quotas, or trade restrictions by the U.S. and foreign governments, could have a material adverse effect on our business performance, financial condition, results of operations, and our relationships with customers and suppliers. Any new trade agreements, economic sanctions, or new, expanded or retaliatory tariffs or other measures could result in an increase in the price of our products, could result in boycotts of our products into certain countries, could increase the costs of finished goods and raw materials, could prompt consumers to seek alternative products, and could potentially impact our business, financial condition, or results of operations. The extent and duration of the tariffs and the resulting impact on general economic conditions on our business are uncertain and depend on various factors, including negotiations between the U.S. and affected countries, the responses of other countries or regions, exemptions or exclusions that may be granted, availability and cost of alternative sources of supply, and demand for our products in affected markets. The export business represented less than 5% of the Company's total net sales for each of the years ended December 31, 2025 and 2024.

Climate change and legal, regulatory or market measures to address climate change may negatively affect our business, operations or financial performance, and water scarcity or poor quality could negatively impact our production costs and capacity. Our business depends upon agricultural activity and natural resources, including the availability of water. There has been much public discussion related to concerns that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. Severe weather events and natural disasters, such as drought, flooding and/or wildfires in California, Oregon or Washington, and climate change may negatively affect agricultural productivity in our vineyards. The quality and quantity of water available for use is important to the supply of grapes and our ability to operate our business. Adverse weather, measures

enacted to address climate change, and other environmental factors beyond our control could reduce our grape production and adversely impact our cash flows and profitability.

We may experience significant future increases in the costs associated with environmental regulatory compliance, including fees, licenses, and the cost of capital improvements for our operating facilities to meet environmental regulatory requirements. We may incur costs associated with environmental compliance arising from events we cannot control, such as unusually severe droughts, floods, hurricanes, earthquakes, or fires, which could have a material adverse effect upon our business, financial condition, and/or results of operations.

Environmental issues or hazardous substances on our properties could result in us incurring significant liabilities. We are subject to environmental regulations with respect to our operations, including those related to wastewater, air emissions, and hazardous materials use, storage and disposal. In addition, we own substantial amounts of real property that are critical to our business. If hazardous substances are discovered on any of our properties and the concentrations are such that the presence of such hazardous substances presents an unreasonable risk of harm to public health or the environment, we may be held strictly liable for the cost of investigation and remediation of hazardous substances. The cost of environmental remediation could be significant and adversely impact our financial condition, results of operations and cash flows.

Changes in domestic laws and government regulations or in the implementation and/or enforcement of government rules and regulations may increase our costs or restrict our ability to sell our products in certain markets. Government laws and regulations result in increased farming costs, and the sale of wine is subject to taxation in various state, federal and foreign jurisdictions. The amount of wine that we can sell directly to consumers outside of California is regulated, and in certain states we are not allowed to sell wines directly to consumers and/or the amount that can be sold is limited. Changes in these laws and regulations could have an adverse impact on sales and/or increase costs to produce and/or sell wine. The wine industry is subject to extensive regulation by the TTB and various foreign agencies, state liquor authorities, such as the California Department of Alcoholic Beverage Control, and local authorities. These regulations and laws dictate such matters as licensing requirements, trade and pricing practices, permitted distribution channels, permitted and required labeling, and advertising and relations with wholesalers, distributors and retailers. Additionally, various jurisdictions may seek to adopt significant additional product labeling or warning requirements, limitations, or guidelines on the marketing or sale of our wines because of what our wines contain. Several such labeling regulations or laws may require warnings on any product with substances that the jurisdiction lists as potentially associated with cancer. Wine already raises health and safety concerns for some regulators, and heightened requirements could be imposed. If these types of requirements become applicable to our wine under current or future laws or regulations, they may inhibit sales of our wine or increase our costs.

Any expansion of our existing facilities or development of new vineyards or wineries may be limited by present and future zoning ordinances, environmental restrictions and other legal requirements. In addition, new regulations or requirements, or increases in excise taxes, income taxes, and property and sales taxes, could affect our financial condition or results of operations. From time to time, many states consider proposals to increase, and some of these states have increased, state alcohol excise taxes. New or revised regulations or increased licensing fees, requirements or taxes could have a material adverse effect on our financial condition, results of operations or cash flows.

We may be subject to litigation, for which we may be unable to accurately assess our level of exposure and which if adversely determined, may have a significant adverse effect on our consolidated financial condition or results of operations. Although our current assessment is that there is no pending litigation that could reasonably be expected to have a significant adverse impact, if our assessment proves to be in error, then the outcome of litigation could have a significant impact on our financial condition or results of operations or cash flows. The Company is, and may in the future become, the subject of, or party to, various pending or threatened legal actions, government investigations and proceedings, including consumer class actions, such as negligence claims, violation of consumer fraud and deceptive practice statutes, labor claims, breach of contract claims, antitrust litigation, securities litigation, premises liability claims and litigation in foreign jurisdictions. In general, claims made by or against the Company in litigation, investigations, disputes or other proceedings have been and can in the future be expensive and time-consuming to bring or defend against and could result in settlements, injunctions or damages that could significantly affect the Company's business or financial results or condition. It is not possible to predict the final resolution of the litigation, investigations, disputes, or proceedings with which the Company currently is, or may in the future become, involved. The impact of these matters on the Company's business, results of operations and financial condition could be material.

Financial and Capital Markets and Tax Risks

Our indebtedness could have a material adverse effect on our financial health. In March 2013, we entered into a revolving credit facility, comprised of a revolving loan facility and a term loan facility, with American AgCredit, FLCA (“American AgCredit”) and CoBank, FCB as joint lenders that is secured by certain real property. On June 15, 2023, we amended the revolving credit facility in order to, among other things, extend the termination date of the revolving loan and the term revolving loan to May 31, 2028 and amend provisions related to the interest rate applicable to the borrowings under the revolving credit facility to substitute the London Interbank Offered Rate with the Secured Overnight Financing Rate. Financing arrangements that bear interest at variable rates could increase our vulnerability to interest rate changes. We plan to rely upon the revolving credit facility for potential incremental capital project funding and in the future may use it for acquisitions. No amounts are currently outstanding under the revolving credit facility. In November 2015, our subsidiary, Pine Ridge Winery, LLC, entered into a senior secured term loan agreement with American AgCredit for an aggregate principal amount of \$16.0 million. In June 2017, our subsidiary, Double Canyon Vineyards, LLC, entered into a senior secured term loan agreement with American AgCredit for an aggregate principal amount of \$10.0 million. We are guarantor of the term loans entered into by our subsidiaries, Double Canyon Vineyards, LLC and Pine Ridge Winery, LLC, which are collateralized by certain real property. The term loans entered into by our subsidiaries, Double Canyon Vineyards, LLC and Pine Ridge Winery, LLC, and the revolving credit facility include covenants that require the maintenance of specified debt and equity ratios, limit the incurrence of additional indebtedness, limit dividends and other distributions to stockholders and limit certain mergers, consolidations and sales of assets. If we are unable to comply with these covenants, outstanding amounts could become immediately due and/or there could be a substantial increase in the rate of borrowing.

Negative developments affecting the financial services industry could adversely affect our access to capital, liquidity, financial condition and results of operations. We often maintain our cash at financial institutions in balances that exceed the current Federal Deposit Insurance Corporation (“FDIC”) insurance limits. If any of our lenders or counterparties to any of our financial instruments were to be placed into receivership or become insolvent, our ability to access our capital and liquidity and process transactions could be impaired and could have a material adverse effect on our business, operations and financial condition. In addition, if any of our suppliers, customers or other parties with whom we conduct business are unable to access funds or lending arrangements with relevant financial institutions, such parties’ ability to pay their obligations to us or to enter into new arrangements with us could be adversely affected. In the event of any future closure of other banks or financial institutions, there is no guarantee that the FDIC, the U.S. Federal Reserve and the U.S. Department of the Treasury will provide access, on a timely basis or at all, to uninsured funds. We cannot predict the effects of future disruptions in the financial services industry on our financial condition and operations, nor that of our suppliers, vendors or customers.

Our common stock is not listed on any securities exchange; as a result there may be a limited public market for our common stock. Prices for our common stock are quoted on the Over-The-Counter (“OTC”) Market. Securities whose prices are quoted on the OTC Market do not have the same liquidity as securities that trade on a recognized market or securities exchange. An active trading market for our common stock may not be sustained in the future. As a result, stockholders may find it more difficult to dispose of or obtain accurate quotations as to the market value of our common stock.

Our common stock price may experience volatility. The stock market has from time to time experienced extreme price and volume fluctuations that often have been unrelated to the operating performance of particular companies. Changes in earnings estimates by analysts, if any, and economic and other external factors may have a significant effect on the market price of our common stock. Fluctuations or decreases in the trading price of our common stock may also adversely affect the liquidity of the trading market for our common stock.

Future sales of our shares could depress the market price of our common stock. The market price of our common stock could decline as a result of sales of a large number of shares of our common stock in the market or the perception that these sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. Any disposition by any of our large stockholders of our common stock in the public market, or the perception that such dispositions could occur, could adversely affect prevailing market prices of our common stock.

We are a “smaller reporting company,” and we cannot be certain if the reduced disclosure requirements applicable to smaller reporting companies will make our common stock less attractive to investors. We are a “smaller reporting company,” as defined in Rule 12b-2 of the Exchange Act. As a smaller reporting company, we have relied on exemptions from certain disclosure requirements that are applicable to other public companies that are not smaller reporting companies. These exemptions include reduced financial disclosure and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We may continue to rely on such exemptions for so long as we remain a smaller reporting company under applicable SEC rules and regulations. Accordingly, we cannot predict if investors will find our

common stock less attractive because we rely on these exemptions. If some investors find our common stock less attractive as a result of our reduced disclosures, there may be less active trading in our common stock and our stock price may be more volatile.

Significant influence over our affairs may be exercised by our principal stockholders. As of March 6, 2026, the significant stockholders of our company include our directors Joseph S. Steinberg (approximately 16.5% beneficial ownership, including ownership by trusts for the benefit of his respective family members, but excluding Mr. Steinberg’s private charitable foundation) and John D. Cumming (approximately 17.6% beneficial ownership, including ownership by the Ian M. Cumming Charitable Lead Annuity Trust). Accordingly, Messrs. Steinberg and Cumming could exert significant influence over all matters requiring approval by our stockholders, including the election or removal of directors and the approval of mergers or other business combination transactions.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Risk Management and Strategy

The Company has a structured risk management process for identifying, reviewing, and assessing material risks from cybersecurity threats. These processes are included in the Company’s overall risk management process, which is overseen by the Audit Committee of the Company’s Board of Directors. As part of the cybersecurity risk management process the Company uses various methods to monitor and evaluate its threat environment and its risk profile. These methods include using manual and automated tools such as vulnerability scanning software; monitoring current and emerging cybersecurity threats; studying reports of threats and threat actors; performing scans of the threat environment; assessing our industry’s risk profile; conducting internal and external audits and assessments; and carrying out threat and vulnerability assessments. To manage and mitigate material risks from cybersecurity threats to its information systems and data, the Company implements and maintains a variety of technical, physical, procedural, and organizational measures. These measures include access controls for networks, devices, and applications; firewalls and antivirus/antimalware software; management of network and user device configurations; encryption of data; monitoring of networks, devices, applications, and accounts; penetration testing; asset management procedures; risk assessments; incident detection and response plans; vulnerability management processes; business continuity and disaster recovery plans; internal IT controls; and employee cybersecurity awareness training.

The cybersecurity risk management process also includes the evaluation of risks from cybersecurity threats associated with the use of third-party service providers, such as vendors engaged by the Company to provide the IT systems used in its operations. As a part of the overall risk management process, the Company evaluates new vendors for security risks before onboarding and regularly monitors third-party vendor performance to identify potential cybersecurity risks. The Company periodically engages with third-party consultants, legal advisors, and audit firms in evaluating and testing the Company’s risk management processes.

The Company continues to invest in cybersecurity and the resiliency of its networks and to enhance its processes and procedures, which are designed to help protect its systems and infrastructure, and the information they contain. For example, the Company is in the process of further developing its cybersecurity incident response processes and procedures to enhance its ability to identify, assess, and respond to potential cybersecurity threats. Although the Company faces cybersecurity risks in connection with its business, as of the date of this Report, such risks, including as a result of any previous cybersecurity incidents such as the cybersecurity incident described below, have not materially affected (and are not reasonably likely to materially affect) the Company, including its business strategy, results of operations or financial condition. However, the Company can provide no assurance that there will not be incidents in the future or that they will not materially affect the Company, including its business strategy, results of operations or financial condition.

Despite the systems and processes the Company has in place to monitor, detect, mitigate and remediate potential vulnerabilities, on June 30, 2024, the Company detected a cybersecurity incident in which an unauthorized third party gained access to certain information systems of the Company. Upon detection, the Company promptly initiated response protocols and began taking steps to contain, assess and remediate the cybersecurity incident, including launching an investigation with external cybersecurity experts. As of December 31, 2025, incurred cybersecurity expenses limited to the Company’s insurance deductibles have been recorded and reflected within the Company’s consolidated financial statements and such amounts are not material. For additional information, see Note 14 “Commitments and Contingencies” included in Part IV, Item 15 of this Report.

Governance

Board of Directors

The Audit Committee of the Company's Board of Directors oversees the effectiveness of the Company's internal controls, including controls designed to identify, mitigate, and assess potentially material cybersecurity threats and incidents. The Audit Committee is informed of the status of the cybersecurity risk management processes by management at least quarterly. Reports from management include existing and new cybersecurity risks, status on how management is addressing and/or mitigating those risks, cybersecurity and data privacy incidents (if any), and status on key information security initiatives.

Management

The Company's IT department, under the direction of its Chief Financial Officer, is responsible for the assessment and management of material cybersecurity risks. The IT department includes personnel with experience in information technology, information security, compliance, systems administration, and auditing. The IT department is informed about and monitors the prevention, mitigation, detection and remediation of cybersecurity incidents through management of and participation in the cybersecurity risk management process described above, and regularly reports to the Audit Committee.

Item 2. Properties.

Crimson's vineyards and winemaking facilities are described in Item 1. Business of this Report, which is incorporated by reference. The Company's corporate offices are located at its wholly owned winery, Pine Ridge Vineyards, located at 5901 Silverado Trail, Napa, CA 94558.

Item 3. Legal Proceedings.

The information set forth under Note 14 "Commitments and Contingencies" to the Company's consolidated financial statements included in Part IV, Item 15, Exhibits and Financial Statement Schedules, of this Report is incorporated herein by reference.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

The Company’s common stock is traded in the Over-The-Counter Market under the symbol “CWGL.” The Company’s common stock is not listed on any stock exchange, and price information for the common stock is not regularly quoted on any automated quotation system.

On March 6, 2026, the closing sales price for the Company’s common stock was \$4.76 per share. As of that date, there were approximately 1,193 stockholders of record. Any over-the-counter market quotations of the Company’s common stock reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions. The transfer agent for the Company’s common stock is Equiniti Trust Company, 55 Challenger Road, Floor 2, Ridgefield Park, New Jersey 07660.

Repurchase of Equity Securities

Effective March 21, 2025, upon approval of the Board of Directors, the Company suspended its share repurchase program pursuant to which the Company may repurchase up to an aggregate of 2.0 million shares of the Company’s outstanding common stock. During the fiscal year ended December 31, 2025 and prior to the suspension of its share repurchase program effective March 21, 2025, the Company repurchased 58,252 shares of its common stock at an average purchase price of \$5.92 per share for an aggregate purchase price of \$0.3 million. The Company’s share repurchase program expires on December 31, 2026.

Unregistered Sales of Securities

There were no sales of unregistered securities by the Company during the fiscal year ended December 31, 2025.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table summarizes compensation plans under which the Company's equity securities are authorized for issuance as of December 31, 2025:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	1,143,400	\$ 7.15	356,600
Equity compensation plans not approved by security holders	—	\$ —	—
Total	1,143,400	\$ 7.15	356,600

The terms of equity compensation plans are described in Note 10 "Stockholders' Equity and Stock-Based Compensation" to the consolidated financial statements included in Part IV, Item 15, Exhibits and Financial Statement Schedules, of this Report.

Dividend Policy

No dividends have been paid since the Distribution. The Company does not have a regular dividend policy and whether or not to pay dividends will be determined each year by its Board of Directors. The payment of dividends will also be subject to the terms and covenants contained in the Company's revolving credit facility and term loans.

Item 6. Reserved.

Not required.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The purpose of this section is to discuss and analyze the Company's consolidated financial condition, liquidity and capital resources and results of operations. This analysis should be read in conjunction with the consolidated financial statements, related disclosures and "Cautionary Statement for Forward-Looking Information," which appear elsewhere in this Report.

Overview of Business

The Company generates revenues from sales of wine to wholesalers and direct to consumers, sales of bulk wine and grapes, custom winemaking services, special event fees, tasting fees and other non-wine retail sales such as merchandise ("non-wine sales").

The Company's wines are primarily sold to distributors, who then sell to retailers and restaurants. Where permitted, the Company also sells directly to consumers through wine clubs, at the wineries' tasting rooms and through the Ecommerce channel. Direct sales to consumers are more profitable for the Company. The Company may occasionally sell grapes or bulk wine whenever such grapes or bulk wine does not meet quality standards, market conditions have changed resulting in reduced demand for certain products, or because the Company may have produced more of a particular varietal than it can use. When these sales occur, they may result in a loss.

Cost of sales includes grape and bulk wine costs, whether purchased or produced from the Company's controlled vineyards, crush costs, winemaking and processing costs, bottling, packaging, warehousing and shipping and handling costs. For the Company's produced grapes, grape costs include annual farming labor costs, harvest costs and depreciation of vineyard assets. For wines that age longer than one year, winemaking and processing costs continue to be incurred and capitalized to the cost of wine, which can range from three to 36 months. Reductions to the carrying value of inventories are also included in cost of sales.

Seasonality

As discussed in Item 1. Business of this Report, the wine industry in general, historically experiences seasonal fluctuations in revenues and net income. The Company typically has lower net sales and net income during the first quarter and higher net sales and net income during the fourth quarter due to seasonal holiday buying as well as wine club shipment timing. The Company anticipates similar trends in the future but will monitor and provide updates if the acquisition of the Raeburn wine brand significantly impacts these trends in 2026 and beyond.

Shipments versus Depletions

Within the wholesale segment, shipments represent the quantity of wine sold to the distribution channel (such as wholesale distributors and retailers). The Company recognizes revenue for wholesale orders upon shipment of the wine from the Company's third-party warehouse facilities. See Note 3 "Revenue" included in Part IV, Item 15 of this Report for additional information on the Company's revenue recognition policy. Within the industry, depletions is a measurement used to capture the quantity of wine sold from distributors to retailers. Shipments can vary from depletions depending on the timing and inventory management decisions by the distributors and retailers.

Climate Conditions and Extreme Weather Events

Winemaking and grape growing are subject to a variety of agricultural risks. Various diseases, pests, natural disasters and certain climate conditions can materially and adversely affect the quality and quantity of grapes available to Crimson thereby materially and adversely affecting the supply of Crimson's products and its profitability. Given the risks presented by climate conditions and extreme weather, Crimson regularly evaluates impacts of climate conditions and weather on its business and plans to disclose any material impacts on the business. Along with various insurance policies currently in place, Crimson has made investments to improve its climate resilience and strives to effectively manage grape sourcing to help mitigate the impact of climate change and unforeseen natural disasters. During 2025, Crimson continued to complete upgrades to its facilities to improve water and energy resiliency in addition to performing extensive forest management at Pine Ridge Vineyards for fire mitigation measures. Crimson has plans to advance these initiatives over the next several years. However, we cannot guarantee that such efforts will successfully minimize any damage from a catastrophic event. See "We may not be fully insured against risk of catastrophic loss to wineries, production facilities or distribution systems as a result of earthquakes, fires, floods or other events, some of which may be exacerbated by climate change, which may cause us to experience a material financial loss" under Item IA. Risk Factors of this Report.

Inflation, Tariffs and Market Conditions

The Company expects profit margins to remain steady or increase if it is able to effectively manage cost of sales and operating expenses, subject to any volatility in the bulk wine markets, increased labor costs, increased commodity costs, including dry goods and packaging materials, and increased transportation costs. The Company continues to monitor the impact of inflation in an attempt to minimize its effects through pricing strategies and cost reductions. If, however, the Company's operations are impacted by significant inflationary pressures, it may not be able to completely offset increased costs through price increases on its products, negotiations with suppliers, cost reductions, or production improvements.

Due to trade tensions between the U.S. and Canada, shipments of the Company's wines were suspended to Canada from the end of the first quarter throughout the second quarter of 2025. While export wine sales began to slowly resume in certain Canadian markets during the second half of 2025, the Company cannot predict when trade tensions will be reduced and demand will return to levels observed prior to 2025. See "We are subject to risks from changes to the trade policies, regulations, and tariffs of the U.S. and foreign governments" under Item IA. Risk Factors of this Report.

Critical Accounting Estimates

The Company's discussion and analysis of its financial condition and results of operations are based upon its consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP"). The preparation of these consolidated financial statements requires the Company to make estimates and assumptions that affect the reported amounts in the financial statements and disclosures of contingent assets and liabilities. On an ongoing basis, the Company evaluates all of these estimates and assumptions. The following areas have been identified as critical accounting estimates because they have the potential to have a significant impact on the Company's consolidated financial statements, and because they are based on assumptions which are used in the accounting records to reflect, at a specific point in time, events whose ultimate outcome will not be known until a later date. Actual results could differ from these estimates.

Inventory – Inventory consists of mainly bulk and bottled wine and is stated at the lower of cost or net realizable value, with cost being determined on the first-in, first-out method. Costs associated with winemaking, and other costs associated with the manufacturing of products for resale, are recorded as inventory. In accordance with general practice within the wine industry, wine inventories are included in current assets, although a portion of such inventories may be aged for periods longer than one year. As required, the Company reduces the carrying value of inventories that are obsolete or in excess of estimated net realizable value. The Company's estimates of net realizable value are based on analyses and assumptions including, but not limited to, historical usage, projected future demand and market requirements. Reductions to the carrying value of inventories are recorded in cost of sales. If future demand and/or profitability for the Company's products are less than previously estimated, then the carrying value of the inventories may need to be reduced, resulting in additional expense and reduced profitability. The Company's inventory write-downs may consist of reductions to bottled or bulk wine inventory. Crop insurance proceeds from farming losses may be recorded as offsets against previously recognized write-downs. Inventory write-downs of \$2.1 million and \$0.9 million were recorded during each of the years ended December 31, 2025 and 2024, respectively.

Vineyard Development Costs – The Company capitalizes internal vineyard development costs when developing new vineyards or replacing or improving existing vineyards. These costs consist primarily of the costs of the vines and expenditures related to labor and materials to prepare the land and construct vine trellises. Amortization of such costs is recorded on a straight-line basis over the estimated economic useful life of the vineyard, which can be up to 25 years. As circumstances warrant, the Company re-evaluates the recoverability of capitalized costs, and will record impairment charges if required. The Company recorded \$1.1 million and \$0.4 million of asset disposals related to vineyard development during each of the years ended December 31, 2025 and 2024, respectively. As part of the Company's ongoing vineyard and production review process to align estate grape sourcing with long-term strategic plans, and in a continued effort to support consistent wine quality and profitability, the Company removed vineyard acreage that was underperforming or did not align with long-term production plans.

Review of Intangible and Long-lived Assets for Impairment – For intangible assets with definite lives, impairment testing is required if conditions exist that indicate the carrying value may not be recoverable. For intangible assets with indefinite lives and for goodwill, impairment testing is required at least annually or more frequently if events or circumstances indicate that these assets might be impaired. Other than goodwill, the Company currently has no intangible assets with indefinite lives. All of the Company's goodwill and substantially all definite-lived intangible assets resulted from the acquisitions of Seghesio Family Vineyards in May 2011 and Seven Hills Winery in January 2016. Amortization of definite-lived intangible assets is recorded on a straight-line basis over the estimated useful lives of the assets, which range from 10 to 20 years. The Company evaluates goodwill for impairment at the end of each year or more often if a triggering event occurs. During the Company's qualitative assessment for the year ended December 31, 2025, it determined goodwill associated with these reporting units was more likely than not to be impaired. The persistent, multi-year downturn of the wine industry and declining market conditions for both consumption and production indicated a potential longer-term shift within the industry. In accordance with FASB ASC 350, the Company performed a quantitative impairment test as the considerations of these triggering events on the Company's outlook of its financial performance lead management to believe goodwill is more likely than not to be impaired. Based on the results of the quantitative impairment test performed at Seghesio Family Vineyards and Seven Hills Winery, the Company concluded goodwill associated with both reporting units were fully impaired for the year ended December 31, 2025. The Company recorded \$1.3 million of goodwill impairment for the year ended December 31, 2025. No goodwill impairment was recorded for the year ended December 31, 2024. For additional information, see Note 7 "Goodwill and Intangible and Other Non-Current Assets" included in Part IV, Item 15 of this Report.

The Company evaluates long-lived assets, including definite-lived intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. Long-lived assets consist primarily of property and equipment and intangible assets with definite lives. Circumstances that might cause the

Company to evaluate its long-lived assets for impairment could include a significant decline in the prices the Company or the industry can charge for its products, which could be caused by general economic or other factors, changes in laws or regulations that make it difficult or more costly for the Company to distribute its products to its markets at prices which generate adequate returns, natural disasters, significant decrease in demand for the Company's products or significant increase in the costs to manufacture the Company's products.

Recoverability of long-lived assets is measured using a comparison of the carrying amount of an asset group to the fair value or future undiscounted net cash flows expected to be generated by the asset group. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The Company groups its long-lived assets with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities (or asset group). This would typically be at the wine estate and brand level which is discussed in Item 1. Business of this Report.

The Company recorded no impairment charges for long-lived assets during the years ended December 31, 2025 and 2024.

Depletion allowances – The Company pays depletion allowances to its distributors based on their sales to their customers. These allowances are estimated on a monthly basis by the Company, and allowances are accrued as a reduction of sales. Subsequently, distributors will bill the Company for actual depletions, which may be different from the Company's estimates. Any such differences are recognized in sales when the bill is received. The Company has historically been able to estimate depletion allowances without any material differences between actual and estimated expense.

Results of Operations

In this section, we discuss the results of our operations for the year ended December 31, 2025 compared to the year ended December 31, 2024. For a discussion of the year ended December 31, 2024 compared to the year ended December 31, 2023, please refer to Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2024.

Net Sales

<i>(in thousands, except percentages)</i>	Year Ended December 31,			
	2025	2024	Increase (Decrease)	% change
Wholesale	\$ 35,527	\$ 41,079	\$ (5,552)	(14)%
Direct to Consumer	26,422	27,968	(1,546)	(6)%
Other	3,136	3,938	(802)	(20)%
Total net sales	<u>\$ 65,085</u>	<u>\$ 72,985</u>	<u>\$ (7,900)</u>	(11)%

Wholesale

Wholesale net sales decreased \$5.6 million, or 14%, in 2025 as compared to 2024, primarily driven by a decrease in domestic wine sales of \$4.0 million and a decrease in export wine sales of \$1.6 million.

The decrease in domestic wine sales was primarily a result of the combined negative impacts of both lower shipment volume and higher discounts to wholesale distributors compared to prior year. Amidst challenging market conditions in the wine industry, the Company reduced the average levels of inventory at certain key wholesale distributors in 2025 versus levels maintained in prior years. This resulted in fewer shipments for the Company, which negatively impacted net sales for the period. The Company noted that 2025 depletions were in line with 2024 depletions, which more closely follows consumer demand. Although the Company does not expect this gap between depletions and shipments to be a long-term trend, it cannot predict how demand (both consumer and distributor) and inventory management decisions by distributors and retailers will impact the Company’s shipments in future periods.

The decrease in export wine sales was primarily driven by decreased shipments to Canada and Europe. Changing trade policies resulted in reduced U.S. alcoholic products sold in key markets throughout most of 2025. Despite uncertainty in global trade policies, there were no other significant impacts on the Company’s 2025 results.

Direct to Consumer

Direct to Consumer net sales decreased \$1.5 million, or 6%, in 2025 as compared to 2024. The overall decrease was primarily driven by a decrease in sales from wine clubs and tasting rooms as compared to 2024. The Company experienced a decrease in wine club memberships and tasting room visitations in 2025. Ecommerce sales for 2025 were slightly above 2024, yielding positive momentum and growth in consecutive years despite challenging industry conditions.

Other

Other net sales, which include bulk wine and grape sales, custom winemaking services, event fees, tasting fees and non-wine retail sales, decreased \$0.8 million, or 20%, in 2025 as compared to 2024. The decrease was primarily driven by lower revenue generated from custom winemaking services, bulk wine sales, and tasting fees revenue.

Gross Profit

	Year Ended December 31,			
	2025	2024	Increase (Decrease)	% change
<i>(in thousands, except percentages)</i>				
Wholesale	\$ 14,058	\$ 16,248	\$ (2,190)	(13)%
<i>Wholesale gross margin percentage</i>	40 %	40 %		
Direct to Consumer	17,362	18,108	(746)	(4)%
<i>Direct to consumer gross margin percentage</i>	66 %	65 %		
Other	(705)	697	(1,402)	(201)%
Total gross profit	<u>\$ 30,715</u>	<u>\$ 35,053</u>	<u>\$ (4,338)</u>	(12)%

Wholesale gross profit decreased \$2.2 million, or 13%, in 2025 as compared to 2024 primarily driven by a decrease in overall shipments. Wholesale gross margin percentage, which is defined as wholesale gross profit as a percentage of wholesale net sales, for the current year was comparable to 2024.

Direct to Consumer gross profit decreased \$0.7 million, or 4%, in 2025 as compared to 2024 primarily driven by a decrease in overall wine sales. Direct to Consumer gross margin percentage increased 100 basis points in 2025 as compared to 2024, primarily driven by sales mix of higher margin wines sold through wine clubs.

“Other” includes gross profit (loss) on bulk wine and grape sales, custom winemaking services, event fees, tasting fees, non-wine retail sales, and inventory write-downs. Profitability decreased \$1.4 million, or 201%, in 2025 as compared to 2024, and is primarily driven by higher inventory write-downs related to inventory expected to be sold at a loss due to current market conditions.

Operating Expenses

	Year Ended December 31,			
	2025	2024	Increase	% change
<i>(in thousands, except percentages)</i>				
Sales and marketing	\$ 17,341	\$ 18,596	\$ (1,255)	(7)%
General and administrative	14,748	15,584	(836)	(5)%
Total operating expenses	<u>\$ 32,089</u>	<u>\$ 34,180</u>	<u>\$ (2,091)</u>	(6)%

Sales and marketing expenses decreased \$1.3 million, or 7%, in 2025 as compared to 2024 primarily driven by decreased spend on selling and promotional expenses in line with lower overall sales, product design, events, and other professional services.

General and administrative expenses decreased \$0.8 million, or 5%, in 2025 compared to 2024 due primarily to one-time settlements of sales taxes incurred in the prior year.

Other (Expense) Income

	Year Ended December 31,			
	2025	2024	Change	% change
<i>(in thousands, except percentages)</i>				
Interest expense, net	\$ (741)	\$ (781)	\$ 40	5%
Other income, net	5,345	1,834	3,511	191%
Total other income, net	<u>\$ 4,604</u>	<u>\$ 1,053</u>	<u>\$ 3,551</u>	337%

Interest expense, net, in 2025 decreased slightly in comparison to 2024 due to lower interest expense on declining principal balances on the 2015 Term Loan and 2017 Term Loan.

Other income, net, increased \$3.5 million, or 191%, in 2025 as compared to 2024 primarily driven by a \$2.5 million insurance settlement with the Company’s underwriters related to the 2017 wildfires and a \$1.6 million settlement with a utility company related to the 2020 wildfires, both of which impacted the Company’s operations and damaged its inventory. The overall net increase was partially offset by decreased investment income driven by a lower interest rate environment in the current year.

Income Tax Provision

The Company's effective income tax rate was 30.0% for 2025 as compared to 24.1% for 2024. The increase in the effective income tax rate was primarily due to changes in state apportionment during the prior year which yielded a larger tax benefit in the initial year of change. The difference between the consolidated effective income tax rate and the U.S. federal statutory rate for 2025 and 2024 was primarily attributable to state income taxes and other nondeductible items.

Liquidity and Capital Resources

General

The Company's principal sources of liquidity are its available cash and cash equivalents, investments in available for sale securities, funds generated from operations and bank borrowings. The Company's primary cash needs are to fund working capital requirements and capital expenditures. The Company has maintained adequate liquidity to meet working capital requirements, fund capital expenditures, meet payroll, repay scheduled principal and interest payments on debt, and maintain compliance with debt covenants.

In response to the current macro-economic environment and challenged markets within the wine industry, the Company continued to protect its financial position and liquidity as evidenced by the following items: the Company managed both operating expense and capital expenditure increases closely, limited discretionary spending, and actively managed its working capital, including supporting its business partners and closely monitoring its customers' solvency and collectability. As a result, the Company believes that cash flows generated from operations and its cash, cash equivalents, and marketable securities balances, as well as its borrowing arrangements, will be sufficient to meet its presently anticipated cash requirements for capital expenditures, working capital, debt obligations and other commitments during the next twelve months. For additional information regarding the Company's debt obligations and purchase contracts, refer to Note 9 "Debt", Note 14 "Commitments and Contingencies" and Note 16 "Subsequent Events" included in Part IV, Item 15, Exhibits and Financial Statement Schedules, of this Report. Any projections of future cash needs and cash flows beyond the next twelve months are subject to risks and uncertainties as discussed within Item 1A. Risk Factors of this Report, but the Company believes cash flows generated from operations combined with its sources of liquidity as discussed above will be sufficient to meet its long-term cash requirements.

Revolving Credit Facility

In March 2013, Crimson and its subsidiaries entered into a \$60.0 million revolving credit facility (the "Revolving Credit Facility") with American AgCredit, as agent for the lenders. The Revolving Credit Facility is comprised of a revolving loan facility (the "Revolving Loan") and a term revolving loan facility (the "Term Revolving Loan"), which together are secured by substantially all of Crimson's assets. On June 15, 2023, the Company executed a fifth amendment to the Revolving Credit Facility with American AgCredit, which extended the termination date of the Revolving Loan and the Term Revolving Loan to May 31, 2028 along with updates to other terms of the Revolving Credit Facility. The Revolving Loan is for up to \$10.0 million of availability in the aggregate for a five year term, and the Term Revolving Loan is for up to \$50.0 million in the aggregate for a fifteen year term. In addition to unused line fees ranging from 0.125% to 0.225%, rates for the borrowings are priced based on a performance grid tied to certain financial ratios and the Term Secured Overnight Financing Rate. The Revolving Credit Facility can be used to fund acquisitions, capital projects and other general corporate purposes. Covenants include the maintenance of specified debt and equity ratios, limitations on the incurrence of additional indebtedness, limitations on dividends and other distributions to stockholders and restrictions on certain mergers, consolidations, and sales of assets. Crimson and its subsidiaries were in compliance with all debt covenants as of December 31, 2025. As of December 31, 2025, no amounts had been borrowed under the Revolving Credit Facility. In connection with the asset acquisition on February 9, 2026 as described below, we borrowed an aggregate of \$29.0 million under the Revolving Credit Facility.

Impact of Raeburn Asset Acquisition on Liquidity and Capital Resources

On February 9, 2026, the Company completed the acquisition of the Raeburn Assets from Purple Wine Company for approximately \$35.2 million pursuant to the Asset Purchase Agreement. The acquisition of the Raeburn Assets was funded with cash on hand and borrowings under the Revolving Credit Facility in the amount of \$29.0 million. As a result of such borrowings, as of February 9, 2026, the remaining available borrowing capacity under the Revolving Credit Facility was approximately \$31.0 million. Following this asset acquisition, the Company believes that it has adequate capital resources in the aggregate and cash flows generated from operations to meet its presently anticipated cash requirements for capital expenditures, working capital, debt obligations and other commitments during the next twelve months as well as long-term cash requirements.

Term Loans

The Company's term loans consist of the following:

(i) On November 10, 2015, Pine Ridge Winery, LLC ("PRW Borrower"), a wholly-owned subsidiary of Crimson, entered into a senior secured term loan agreement (the "2015 Term Loan") with American AgCredit for an aggregate principal amount of \$16.0 million. Amounts outstanding under the 2015 Term Loan bear a fixed interest rate of 5.24% per annum. The 2015 Term Loan will mature on October 1, 2040. The 2015 Term Loan can be used to fund acquisitions, capital projects, and other general corporate purposes. As of December 31, 2025, \$9.6 million in principal was outstanding on the 2015 Term Loan, and unamortized loan fees were less than \$0.1 million.

(ii) On June 29, 2017, Double Canyon Vineyards, LLC (collectively with the PRW Borrower, "Borrower"), a wholly-owned subsidiary of Crimson, entered into a senior secured term loan agreement (the "2017 Term Loan") with American AgCredit for an aggregate principal amount of \$10.0 million. Amounts outstanding under the 2017 Term Loan bear a fixed interest rate of 5.39% per annum. The 2017 Term Loan will mature on July 1, 2037. The 2017 Term Loan can be used to fund acquisitions, capital projects, and other general corporate purposes. As of December 31, 2025, \$5.9 million in principal was outstanding on the 2017 Term Loan, and unamortized loan fees were less than \$0.1 million.

Borrower's obligations under the 2015 Term Loan and 2017 Term Loan are guaranteed by the Company. All obligations of Borrower under the 2015 Term Loan and 2017 Term Loan are collateralized by certain real property of the Company. Borrower's covenants include the maintenance of a specified fixed charge coverage ratio and certain customary affirmative and negative covenants, including limitations on the incurrence of additional indebtedness, limitations on distributions to stockholders, and restrictions on certain investments, the sale of assets, and merging or consolidating with other entities. The Company was in compliance with all debt covenants as of December 31, 2025.

Consolidated Statements of Cash Flows

The following table summarizes the Company's cash flow activities for the years ended December 31, 2025 and 2024 (in thousands):

Net cash provided by (used in):	2025	2024
Operating activities	\$ 1,419	\$ 2,677
Investing activities	(363)	(906)
Financing activities	(1,491)	(3,518)

Cash provided by operating activities

Net cash provided by operating activities was \$1.4 million in 2025, consisting primarily of \$0.6 million of net income adjusted for \$12.9 million of non-cash items and \$12.1 million of net cash outflows related to changes in operating assets and liabilities. Adjustments for non-cash items primarily consist of depreciation, amortization, loss on the write-down of inventory, goodwill impairment, net loss on disposal of property and equipment, and deferred income taxes. The change in operating assets and liabilities was primarily due to an increase in inventory, accounts receivable, and other current assets and decrease in accounts payable.

Net cash provided by operating activities was \$2.7 million in 2024, consisting primarily of \$0.9 million of net income adjusted for \$10.1 million of non-cash items and \$8.3 million of net cash outflows related to changes in operating assets and liabilities. Adjustments for non-cash items primarily consist of depreciation, amortization, loss on the write-down of inventory, net loss on disposal of property and equipment, deferred income taxes, along with other offsetting items. The change in operating assets and liabilities was primarily due to an increase in inventory and accounts receivable and decrease in accounts payable and customer deposits, partially offset by a decrease in other current assets.

Cash used in investing activities

Net cash used in investing activities was \$0.4 million in 2025, consisting primarily of capital expenditures of \$3.9 million partially offset by net redemptions of available for sale investments of \$3.5 million.

Net cash used in investing activities was \$0.9 million in 2024, consisting primarily of capital expenditures of \$5.4 million partially offset by net redemptions of available for sale investments of \$4.4 million and proceeds from disposals of property and equipment and principal payments received on notes receivable totaling \$0.1 million.

Cash used in financing activities

Net cash used in financing activities was \$1.5 million in 2025, consisting of the principal payments on the Company's 2015 and 2017 Term Loans of \$1.1 million and the repurchase of shares of the Company's common stock at an aggregate purchase price of \$0.4 million.

Net cash used in financing activities was \$3.5 million in 2024, consisting of the repurchase of shares of the Company's common stock at an aggregate purchase price of \$2.4 million and the principal payments on the Company's 2015 and 2017 Term Loans of \$1.1 million.

Share Repurchases

In March 2023, the Company commenced the 2023 Repurchase Program that provided for the repurchase of up to 2,000,000 shares of outstanding common stock. Under the 2023 Repurchase Program, any repurchased shares are constructively retired. Effective March 21, 2025, upon approval of the Board of Directors, the Company suspended the 2023 Repurchase Program. The 2023 Repurchase Program expires on December 31, 2026. During the twelve months ended December 31, 2025 and prior to the suspension of the 2023 Repurchase Program, the Company repurchased 58,252 shares of its common stock at an average purchase price of \$5.92 per share for an aggregate purchase price of \$0.3 million. In 2024, the Company repurchased a total of 389,299 shares of its common stock at an average purchase price of \$6.02 per share for an aggregate purchase price of \$2.4 million. The Company's repurchase was funded through cash on hand, and the shares were retired.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk.

Not required.

Item 8. Financial Statements and Supplementary Data.

Financial Statements and supplementary data required by this Item 8 are set forth at the pages indicated in Item 15(a)(i) of this Report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Conclusion Regarding Effectiveness of Disclosure Controls and Procedures.

The Company's management evaluated, with the participation of the Company's principal executive and principal financial officers, the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of December 31, 2025. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports filed or submitted under the Exchange Act is accumulated and communicated to management, including the Company's principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. Based on their evaluation, the Company's principal executive and principal financial officers concluded that the Company's disclosure controls and procedures were effective as of December 31, 2025.

Management's Annual Report on Internal Control over Financial Reporting.

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of the Company's financial statements would be prevented or detected. Also, projections of any evaluation of internal control effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with internal control policies or procedures may deteriorate. Under the supervision and with the participation of its management, including its CEO and CFO, the Company conducted an evaluation of the effectiveness of its internal control over financial reporting based on the framework in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, the Company's management concluded that its internal control over financial reporting was effective as of December 31, 2025.

For the year ended December 31, 2025, the Company's independent registered public accounting firm, BPM LLP, was not required to report on the effectiveness of the Company's internal control over financial reporting due to exemptions allowed to filers with a non-accelerated filer status in accordance with Section 404(a) of the Sarbanes-Oxley Act of 2002.

Changes in Internal Control over Financial Reporting.

There has been no change in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the Company's fiscal quarter ended December 31, 2025, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information.

Rule 10b5-1 Trading Plans

During the three months ended December 31, 2025, no director or officer of the Company adopted or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as such terms are defined under Item 408(a) of Regulation S-K).

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

As of March 17, 2026, the directors and executive officers of the Company, their ages, the positions with the Company held by each of them, the periods during which they have served in such positions and a summary of their recent business experience is set forth below. Each of the biographies of the current directors listed below also contains information regarding such person's service as a director, business experience, director positions with other public companies held currently or at any time during the past five years, and the experience, qualifications, attributes and skills that the Board of Directors considered in selecting each of them to serve as a director of the Company.

John D. Cumming, age 58, was elected as Chairman of the Board of Directors of Crimson in June 2015 after serving as a director of the Company since February 2013. Mr. Cumming is Founder and Executive Chairman of POWDR Corp., a private ski resort and summer camp operating company. In addition to leading POWDR Corp., Mr. Cumming holds many positions in related fields, including Chairman of Snowbird Holdings LLC, Board Member of the Cumming Foundation, Chairman of Cumming Capital Management, formerly known as American Investment Company, Chairman of Teton Holdings Corporation CCS and U.S. Ski & Snowboard Foundation Trustee. He is Founder and Chairman Emeritus of The Park City Community Foundation, Chairman Emeritus of Outside TV and a founding shareholder of Mountain Hardware.

Annette D. Alvarez-Peters, age 64, was elected as a director of the Company in May 2021. She is the founder of annette a.p. Wine & Spirits Inc., a consultancy focused on business development and merchandising for the wine and spirits industry. Ms. Alvarez-Peters previously had a 37-year career with Costco Wholesale, including 25 years in the Beverage Alcohol Department, retiring as Assistant Vice President and General Merchandise Manager. A top leader in the industry, Ms. Alvarez-Peters has been recognized by M. Shanken Communications, publisher of Wine Spectator; Wine Business Monthly; Decanter; and Wine Enthusiast. She holds the Diploma Certification from the Wine & Spirits Education Trust and the Certified Wine Educator designation from the Society of Wine Educators.

Avraham M. Neikrug, age 56, was elected as a director of the Company in February 2013. Mr. Neikrug has extensive managerial and investment experience through the founding, development, and operation of several international ventures, including Goldenhill Ventures, a private investment firm focused on acquiring and building businesses in partnership with management teams; JIR Inc., which developed regional cable television networks throughout Russia; JIRP, a business-to-business internet service provider based in Austria; and M&A Argentina, a private equity investment platform focused on strategic acquisitions and value creation initiatives. Mr. Neikrug is a first cousin, once removed, of Joseph S. Steinberg.

Colby A. Rollins, age 51, was elected as a director of the Company on April 25, 2018. Mr. Rollins is currently the Managing Director and Co-CEO of Cumming Capital Management, a family-owned investment company with diversified holdings. Previously, he served as the Chief Operations Officer of Cumming Capital Management from January 2009 to December 2021. Mr. Rollins served as a Director, Chief Operations Officer, and Chief Financial Officer of Wing Enterprises, Inc., a privately-owned ladder company, from 2004 to 2008. He also has managerial and investment experience, including serving on the board of directors for POWDR Corp., IPT LLC (dba PayLock), PMH Investors, LLC, Snowbird Holdings, LLC, City Roasting Company, LLC and Pawtree, LLC. Mr. Rollins was also a certified public accountant with Deloitte and Touche.

Joseph S. Steinberg, age 82, was elected as a director of the Company in February 2013. Mr. Steinberg has been Chairman of the Board of Directors of Jefferies Financial Group, Inc. since its 2013 merger with Leucadia National Corporation, where he served as Director and President beginning in 1979. Mr. Steinberg has represented Jefferies' investments on several boards including HomeFed Corporation until its merger with Jefferies Financial Group in 2019; HRG Group, Inc.; Spectrum Brands Holdings, Inc.; and Fidelity & Guaranty Life. Mr. Steinberg also served on the board of Pershing Square Tontine Holdings, Ltd. Mr. Steinberg is the Chairman of St. Ann's Warehouse, a theater in DUMBO, Brooklyn, a Life Trustee of New York University, and Trustee of the National Film Preserve, the presenter of the Telluride Film Festival and also New York City Center. A graduate of New York University in 1966 and Harvard Business School in 1970, Mr. Steinberg previously served as a Peace Corps Volunteer in Jamaica, West Indies.

Luanne D. Tierney, age 62, was elected as a director of the Company on November 5, 2018. Ms. Tierney is the Chief Marketing Officer at Mission Cloud. Ms. Tierney is a seasoned board director and advisor with a broad depth of experience driving companies to best leverage technology, data, information, and the cloud in the digital age. Ms. Tierney has over 25 years in leadership, marketing strategy roles, and driving growth through partner ecosystems. Ms. Tierney has deep Go-To-Market and P&L experience navigating through multiple stages of growth, global expansion, leadership transitions, strategy development, planning, people, and change management. She is an active Board director and advisor for both public and private companies. Ms. Tierney is a guest lecturer at Pepperdine Graziadio School of Business. She is active in multiple organizations that support

and prepare women in technology to advance their careers. She is a frequent speaker for industry events, leadership panels, and in university courses.

Jennifer L. Locke, age 53, has served as Chief Executive Officer of Crimson since December 2019 and was elected as a director of the Company in October 2024. Ms. Locke brings to the Company inspirational leadership skills and an industry-wide reputation for delivering results and leading high-performing teams in a collaborative and innovative style. Prior to joining Crimson, Ms. Locke was Senior Vice President of U.S. Luxury and Direct-to-Consumer Sales, Americas, at Treasury Wine Estates, a publicly traded global wine company, based in Melbourne, Australia. A Northwest native, Ms. Locke previously was Director of National Wholesale, Export and Direct-to-Consumer Sales at Willakenzie Estate and was Pacific Senior Regional Sales Manager at Chalone Wine Group. She began her hospitality industry career more than 20 years ago as a wine buyer and training manager at several fine-dining restaurants in Seattle.

Adam D. Howell, age 39, has served as Chief Financial Officer of Crimson since December 2023. Prior to joining Crimson, Mr. Howell held a variety of roles since 2018 at The Duckhorn Portfolio, Inc., serving most recently as Senior Vice President, Finance and Accounting since December 2022. From May 2020 to December 2022, Mr. Howell's responsibilities as Vice President, Finance included oversight of key areas including corporate finance, financial reporting, and tax. Mr. Howell is a Certified Public Accountant.

Nicolas M.E. Quillé, MW, age 53, has served as Chief Winemaking and Operations Officer since May 2018. Mr. Quillé previously was the General Manager and Head Winemaker of Banfi Vintners' boutique portfolio of wineries in the Pacific Northwest. He spent the last 30 years in a variety of winegrowing positions in both France and the United States. In addition to his role with Banfi, his U.S. experience includes winegrowing and management positions with Pacific Rim and Bonny Doon. Prior to moving to the United States, Mr. Quillé worked in Burgundy (Antonin Rodet and Domaine Prieur), Provence (Domaine de la Courtade), Champagne (Laurent Perrier) and Portugal (Taylor's Port). Mr. Quillé is a member of the Institute of Masters of Wine.

Meetings and Committees

During 2025, the Board of Directors met four times. All seven of the Company's then directors attended the 2025 Annual Meeting of Stockholders.

The Board of Directors has standing Audit, Compensation, and Nominating Committees. The Board of Directors determined that establishing these standing committees is an important element of sound corporate governance.

Procedures for Recommending Nominees

A stockholder entitled to vote in the election of directors may nominate one or more persons for election as director at a meeting if written notice of that stockholder's intent to make the nomination has been given to the Company, with respect to an election to be held at an annual meeting of stockholders, no earlier than 150 days and no later than 120 days before the first anniversary of the last annual meeting, and, with respect to an election to be held at a special meeting of stockholders, no earlier than 150 days before such special meeting and no later than 120 days before such special meeting. The notice shall provide such information as required under the Company's bylaws, including, without limitation, the name and address of the stockholder and their nominees, a representation that the stockholder is entitled to vote at the meeting and intends to nominate the person, a description of all arrangements or understandings between the stockholder and each nominee, other information as would be required to be included in a proxy statement soliciting proxies for the election of the stockholder's nominees, the consent of each nominee to serve as a director of the Company if so elected, information concerning the stockholder's direct and indirect ownership of securities of the Company, including with respect to any beneficial owner of securities of the Company held by the stockholder, and compensation received by or relationships between such stockholder with respect to the securities of the Company from any beneficial owner of such securities. The Company may require any proposed nominee to furnish other information as it may reasonably require to determine the eligibility of the proposed nominee to serve as a director of the Company. Please refer to the Company's bylaws for additional information and requirements regarding director nominations from stockholders. When evaluating nominees, the Company is committed to considering qualified candidates with a diversity of experience and perspective, including diversity with respect to areas of expertise, gender, race, ethnicity, experience and geography.

Audit Committee

The Audit Committee is established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Board of Directors has adopted a charter for the Audit Committee, which is available on the Company's website, www.crimsonwinegroup.com. The Audit Committee consists of Mr. Rollins, who serves as the Chairman, and Mr. Neikrug. Effective July 22, 2025, Mr. Rollins was elected as the Chairman of the Audit Committee. Mr. Rollins has been a member of the Audit Committee since 2018. The Board of Directors has determined that Mr. Rollins is qualified as an audit committee financial expert within the meaning of regulations of the SEC and that each of Messrs. Rollins and Neikrug is independent applying the NASDAQ Stock Market's listing standards for independence and the SEC's independence requirements for audit committee members. During 2025, the Audit Committee met four times.

Compensation Committee

The Compensation Committee, formed in 2018, (i) reviews and approves the compensation of the Company's executive officers, (ii) establishes, oversees and administers compensation policies and programs for the Company's employees, and (iii) administers the Company's incentive compensation plan. The Board of Directors has adopted a charter for the Compensation Committee, which is available on the Company's website, www.crimsonwinegroup.com. The Compensation Committee currently consists of Mr. Rollins, who serves as the Chairman, and Mr. Neikrug, each of whom is independent applying the NASDAQ Stock Market's listing standards for independence and the SEC's independence requirements for compensation committee members. Each member of the Compensation Committee is also a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and an outside director, as defined pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended. During 2025, the Compensation Committee met two times.

Nominating Committee

The Nominating Committee, formed in 2021, evaluates and nominates candidates for appointment or election to the Board, as applicable. The Board of Directors has adopted a charter for the Nominating Committee, which is available on the Company's website, www.crimsonwinegroup.com. The Nominating Committee currently consists of Mr. Neikrug, who serves as the Chairman, Mr. Steinberg and Mr. Rollins, each of whom is independent applying the NASDAQ Stock Market's listing standards for independence for nominating committee members. Each member of the Nominating Committee is also a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act, and an outside director, as defined pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended.

The Nominating Committee is responsible for determining the qualifications, qualities, skills, and other expertise required to be a director and to develop, and recommend to the Board for its approval, criteria to be considered in selecting nominees for director. The Nominating Committee is also responsible for nominating qualified candidates to serve on the Board of Directors, taking into account the composition and skills of the entire Board and specifically ensuring a sufficient number of the members of the Board are financially literate. The Nominating Committee may, at its sole discretion, obtain third-party resources to assist in the process and make final director candidate recommendations to the Board. The basic qualifications that the Nominating Committee looks for in a director include such factors as: integrity and accountability; informed judgment; peer respect; and high performance standards.

The Nominating Committee shall periodically review the appropriate skills and characteristics of members of the Board. While there is no formal policy for considering diversity when evaluating director nominees, the Nominating Committee, as well as any third-party search firm that it engages, is committed to considering qualified candidates with a diversity of experience and perspective, including diversity with respect to areas of expertise, gender, race, ethnicity, experience and geography. This assessment includes the following factors: diversity (including diversity of skills, background, and experience); business and professional background; financial literacy and expertise; availability and commitment; independence; and other criteria that the Nominating Committee or the full Board finds relevant. When searching for new director nominees, the Committee, as well as any third-party search firm that it engages, is committed to considering qualified candidates with a diversity of experience and perspective, including diversity with respect to areas of expertise, gender, race, ethnicity, experience, and geography. During 2025, the Nominating Committee met one time.

Section 16(a) Reports

Section 16(a) of the Exchange Act requires the Company's executive officers and directors, and persons who beneficially own more than 10% of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the SEC. Based solely upon a review of these reports filed electronically with the SEC and written representations from the Company's executive officers and directors, the Company believes that all persons subject to the reporting requirements of Section 16(a) filed the required reports on a timely basis during fiscal year 2025.

Code of Business Practice

The Company has adopted a Code of Business Practice that applies to all of its directors, officers and employees (including the Company's principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions), and a Code of Practice, which is applicable to its principal executive officer, principal financial and accounting officer and other senior financial officers. Both the Code of Business Practice and the Code of Practice are available to any person on the Company's website at <https://crimsonwinegroup.investorroom.com/corporate-governance>, or in print to any stockholder who requests it from the Company's Corporate Secretary at 5901 Silverado Trail, Napa, CA 94558, free of charge. Any amendments to, or waivers from, a provision of the Code of Business Practice or the Code of Practice requiring disclosure under applicable rules with respect to any of the Company's executive officers or directors will be posted on its website within four business days of such amendment or waiver at www.crimsonwinegroup.com.

Insider Trading Policy

The Company has adopted the Insider Trading and Anti-Tipping Policy (the "Insider Trading Policy") governing the purchase, sale, and/or other dispositions of its securities by its directors, officers and employees that it believes is reasonably designed to promote compliance with insider trading laws, rules and regulations applicable to the Company. While the Insider Trading Policy does not apply to the Company directly, it is the Company's practice to follow the same guidelines and restrictions on transactions involving our securities that apply to our directors, officers and employees. A copy of the Insider Trading Policy is filed as Exhibit 19.1 to this Report.

Item 11. Executive Compensation.

Introduction

The Compensation Committee makes all decisions regarding executive officer compensation. The Compensation Committee periodically reviews the elements of compensation for executive officers and, subject to any existing employment agreements, sets each element of compensation for the Chief Executive Officer and the other executive officers, including annual base salary and annual incentive bonus.

Stock Ownership Requirements

The Company does not have a formal stock ownership requirement, although two of its directors, Messrs. John D. Cumming and Joseph S. Steinberg, respectively, beneficially own approximately 17.6% and 16.5% of the Company's outstanding common stock as of March 6, 2026.

Accounting and Tax Matters

As of December 31, 2025, a total of 1,143,400 shares of option grants were issued and remained outstanding. There were 129,600 shares of option grants forfeited with no stock activities related to exercises or expirations during 2025. As of December 31, 2025, 375,900 shares of option grants vested and are exercisable. For additional information, refer to Note 10 "Stockholders' Equity and Stock-Based Compensation" included in Part IV, Item 15, Exhibits and Financial Statement Schedules, of this Report.

Executive Compensation

The following table shows, for fiscal years 2025 and 2024, all of the compensation earned by, awarded to or paid to the Company's named executive officers (as defined by Item 402(m)(2) of Regulation S-K).

Summary Compensation Table

Name and Principal Position	Year	Salary⁽¹⁾	Option Awards⁽²⁾	Non-equity Incentive Plan Compensation⁽³⁾	All Other Compensation⁽⁴⁾	Total
Jennifer L. Locke	2025	\$425,006	\$—	\$135,175	\$20,582	\$580,763
Chief Executive Officer	2024	\$412,673	\$—	\$179,526	\$24,837	\$617,036
Adam D. Howell	2025	\$322,633	\$—	\$82,500	\$21,509	\$426,642
Chief Financial Officer	2024	\$315,000	\$300,396	\$50,000	\$17,888	\$683,284
Nicolas M.E. Quillé	2025	\$333,066	\$—	\$84,615	\$23,711	\$441,392
Chief Winemaking and Operations Officer	2024	\$323,401	\$—	\$113,163	\$22,115	\$458,679

(1) Base salary under employment agreements with subsequent increases at the Board of Directors' sole discretion.

(2) Amount represents the aggregate grant date fair value of option awards computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 10 "Stockholders' Equity and Stock-Based Compensation" included in Part IV, Item 15, Exhibits and Financial Statement Schedules, of this Report. See "2025 Outstanding Equity Awards at Fiscal Year-End" for additional information regarding all options awards outstanding as of December 31, 2025. The option award amounts are non-cash in the year of grant as each grant has both time-based and performance-based vesting requirements that must be met before a set number of shares of option grants vest and become exercisable.

(3) Non-equity incentive plan amounts for 2025 were determined by the Company in its discretion up to an agreed-upon target percentage of base salary (as outlined under "Executive Agreements") and based upon the Company's performance and individual performance, as determined by the Company, against goals mutually agreed upon between these individuals and the Company.

(4) Includes 401(k) contributions, car allowances, and health club reimbursements paid by the Company.

2025 Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information concerning outstanding option awards held by the Company's named executive officers at December 31, 2025.

Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards:	Option Exercise Price (\$)	Option Expiration Date
				Number of Securities Underlying Unexercised Options (#)		
Jennifer L. Locke	12/04/2019 ⁽¹⁾	89,000	—		\$6.87	12/03/2026
	07/06/2021 ⁽²⁾	66,000	—		\$8.88	07/06/2028
	03/11/2022 ⁽³⁾	87,500	62,500	350,000	\$7.50	03/10/2032
Nicolas M.E. Quillé	07/06/2021 ⁽²⁾	49,000	—		\$8.88	07/06/2028
	03/01/2023 ⁽⁴⁾	4,600	6,900	103,500	\$5.95	03/01/2033
Adam D. Howell	03/22/2024 ⁽⁴⁾	—	—	115,000	\$5.78	03/22/2034

- (1) These options vest in equal annual installments over five years on each one-year anniversary of the date of grant and expire after seven years.
- (2) These options vest in four equal increments on each of January 4, 2022, January 4, 2023, January 4, 2024 and January 4, 2025, and expire after seven years.
- (3) These options are divided into four tranches, subject to both performance-based and time-based vesting requirements and expire ten years from the date of grant. The performance-based vesting requirements are tied to annual or cumulative Adjusted EBITDA targets, as defined within the underlying option award agreement.
- (4) These options are divided into five tranches, subject to both performance-based and time-based vesting requirements and expire ten years from the date of grant. The performance-based vesting requirements are tied to annual or cumulative Adjusted EBITDA targets, as defined within the underlying option award agreement.

Executive Agreements

Jennifer L. Locke. On December 2, 2019, the Company entered into an agreement with Ms. Locke, which was amended on March 11, 2022. The agreement continues until terminated by the Company or Ms. Locke at any time and for any reason or for no reason with or without notice. Beginning January 1, 2022, Ms. Locke is eligible for an annual bonus in an amount to be determined by the Company in its discretion up to 50% bonus target of base salary (35% bonus target of base salary prior to January 1, 2022). The amount of any annual bonus will be based upon the Company's performance and Ms. Locke's performance, as determined by the Company, against goals mutually agreed upon between Ms. Locke and the Company. Pursuant to the agreement, Ms. Locke is eligible to participate in a long term incentive plan, receive an annual car allowance benefit of \$12,000 and participate in standard company benefits. Ms. Locke is entitled to certain benefits if her employment is terminated or upon other events. See "Potential Payments on Termination or Change of Control" below.

Nicolas M.E. Quillé. On March 14, 2018, the Company entered into an agreement with Mr. Quillé. The agreement continues until terminated by the Company or Mr. Quillé at any time and for any reason or for no reason with or without notice. Mr. Quillé is eligible for an annual bonus in an amount to be determined by the Company in its discretion up to 40% bonus target of base salary. The amount of any annual bonus will be based upon the Company's performance and Mr. Quillé's performance, as determined by the Company, against goals mutually agreed upon between Mr. Quillé and the Company. Pursuant to the agreement, Mr. Quillé is eligible to participate in a long term incentive plan, receive an annual car allowance benefit of \$10,200 and participate in standard company benefits. Mr. Quillé is entitled to certain benefits if his employment is terminated or upon other events. See "Potential Payments on Termination or Change of Control" below.

Adam D. Howell. On December 12, 2023, the Company entered into an agreement with Mr. Howell. The agreement continues until terminated by the Company or Mr. Howell at any time and for any reason or for no reason with or without notice. Mr. Howell is eligible for an annual bonus in an amount to be determined by the Company in its discretion up to 40% bonus target of base salary. The amount of any annual bonus will be based upon the Company's performance and Mr. Howell's performance, as determined by the Company, against goals mutually agreed upon between Mr. Howell and the Company. Pursuant to the agreement, Mr. Howell is eligible to participate in a long term incentive plan, receive an annual car allowance benefit of \$10,200 and participate in standard company benefits. Additionally, under such agreement, for 2024, Mr. Howell was eligible to earn a "stub-year" cash bonus of up to \$50,000, 50% of which was paid within 10 days following the successful completion of the Company's 2023 year end close and audit and 50% of which was paid within 10 days following the successful completion of the Company's first quarter 2024 close, provided that Mr. Howell remained employed with the Company through the applicable payment dates. Mr. Howell is entitled to certain benefits if his employment is terminated or upon other events. See "Potential Payments on Termination or Change of Control" below.

Potential Payments Upon Termination or Change of Control

The information below describes and quantifies certain compensation that would become payable under each named executive officer's employment agreement if, as of December 31, 2025, their employment had been terminated (including termination in connection with a change in control). Due to the number of factors that affect the nature and amount of any benefits provided upon the events discussed below, any actual amounts paid or distributed may be different. Factors that could affect these amounts include the timing during the year of any such event.

Jennifer L. Locke. In the event Ms. Locke's employment is terminated by the Company without Cause (as defined in her employment agreement) or by her with Good Reason (as defined in her employment agreement), and she signs a customary release in favor of the Company, she will be entitled to receive a cash severance payment equal to the sum of: (i) 12 months of her then base salary; (ii) an amount equal to her then target annual incentive amount; and (iii) 12 times the monthly amount that is charged to COBRA qualified beneficiaries for the same medical coverage options elected by her immediately prior to her last day of employment (collectively, the "Base Severance Amount"). The Base Severance Amount will be paid to her in installments over a 12 month period, in accordance with the Company's normal payroll cycle. In addition, Ms. Locke's equity award of stock options are subject to full acceleration of vesting upon the occurrence of certain events, including: (i) a Change of Control (as defined in the Company's 2022 Omnibus Incentive Plan); (ii) the termination of employment by the Company without Cause, and (iii) the termination of employment by her for Good Reason.

Nicolas M.E. Quillé. In the event Mr. Quillé's employment is terminated by the Company without Cause (as defined in his employment agreement) or his termination is deemed by him to have been "Constructive Discharged" (as defined in his employment agreement), he shall be entitled to receive as severance, payment of his base salary in effect at the time of termination for 12 months. The severance shall be paid to him in equal installments on the Company's regularly scheduled payroll dates beginning after the date of termination and his execution of a release agreement. The Company will make available COBRA benefits for 18 months, subject to legal limitations at the time, and reimbursement of up to 3 months of COBRA cost.

In addition, Mr. Quillé's equity award of stock options are subject to full acceleration of vesting upon the occurrence of certain events, including: (i) a Change of Control (as defined in the Company's 2022 Omnibus Incentive Plan); (ii) the termination of employment by the Company without Cause, and (iii) the termination of employment by him for Good Reason.

Adam D. Howell. In the event Mr. Howell's employment is terminated by the Company without Cause (as defined in his employment agreement) or by him with Good Reason (as defined in his employment agreement), he will be entitled to receive a cash severance payment equal to 12 months of his then base salary. The severance will be paid to him in installments over a 12 month period, in accordance with the Company's normal payroll cycle. In addition, Mr. Howell's equity award of stock options are subject to full acceleration of vesting upon the occurrence of certain events, including: (i) a Change of Control (as defined in the Company's 2022 Omnibus Incentive Plan); (ii) the termination of employment by the Company without Cause, and (iii) the termination of employment by him for Good Reason.

Director Compensation

As approved in March 2013 and amended in November 2024, the Company's non-employee directors receive an annual retainer of \$35,000 for serving on the Board of Directors. Mr. Rollins receives an additional \$36,000 annually for serving as Chairman of the Audit Committee, and Mr. Neikrug receives an additional \$27,000 annually for serving on the Audit Committee. Mr. Rollins receives an additional \$31,000 annually for serving as the Chairman of the Compensation Committee and Mr. Neikrug receives an additional \$22,000 annually for serving on the Compensation Committee. The Company reimburses directors for reasonable travel expenses incurred in attending board and committee meetings. The 2025 director compensation for the Company's non-employee directors is set forth below. The compensation of Ms. Locke is set forth in the Summary Compensation Table. She did not receive any compensation for her duties as a member of the Board of Directors.

Director Compensation Table

Name	Fees Earned or Paid in Cash
Directors	
Avraham M. Neikrug ⁽¹⁾⁽²⁾	\$84,000
Douglas M. Carlson ⁽⁵⁾	\$53,250
Luanne D. Tierney	\$35,000
Annette D. Alvarez-Peters	\$35,000
John D. Cumming	\$35,000
Colby A. Rollins ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	\$93,000
Joseph S. Steinberg	\$35,000

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) Chairman of the Audit Committee.

(4) Chairman of the Compensation Committee effective July 22, 2025.

(5) Effective July 22, 2025, Mr. Carlson was no longer a member of the Board of Directors. Mr. Carlson served as the Chairman of the Audit Committee until July 22, 2025. The fees paid to Mr. Carlson were prorated for services provided during 2025.

Compensation Policies and Risk Management

The Company does not have a formal compensation plan for any of its employees. Annually, the Compensation Committee will consider making incentive compensation awards that are purely discretionary, taking into account the employee's individual performance as well as the Company's performance for the particular year. Accordingly, the Company believes that its compensation policies do not reward employees for imprudent risk taking.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Equity Compensation Plan Information

The Company's Board of Directors previously adopted an equity compensation plan, which allows the Company to grant incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, and other stock-based awards, and performance-based compensation awards to its officers, employees, and non-employee directors. The equity compensation plan was approved by the Board of Directors and administered by the Compensation Committee, which is authorized to recommend the officers, employees and non-employee directors to whom awards will be granted, and to determine the type and amount of such awards. The maximum number of shares available for issuance under the plan is 1,500,000 with additional information on outstanding awards of stock options and remaining available as of December 31, 2025 detailed below.

The following table summarizes compensation plans under which the Company's equity securities are authorized for issuance as of December 31, 2025:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	1,143,400	\$ 7.15	356,600
Equity compensation plans not approved by security holders	—	\$ —	—
Total	1,143,400	\$ 7.15	356,600

The terms of equity compensation plans are described in Note 10 "Stockholders' Equity and Stock-Based Compensation" to the consolidated financial statements included in Part IV, Item 15, Exhibits and Financial Statement Schedules, of this Report.

Present Beneficial Ownership

Set forth below is certain information as of March 6, 2026, except to the extent indicated otherwise in the footnotes, with respect to the beneficial ownership of common shares, determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934, as amended, by (1) each person who, to the Company's knowledge, is the beneficial owner of more than five percent of the total outstanding common shares, which is the Company's only class of voting securities, (2) each director, (3) each of the named executive officers included in the Summary Compensation Table under "Executive Compensation," (4) charitable foundations established by its directors and (5) all of its current executive officers and directors as a group. The percentage ownership information under the column entitled "Percent of Class" is based on 20,586,027 shares of common stock outstanding as of March 6, 2026. Unless otherwise stated, (i) the business address of each person listed is c/o Crimson Wine Group, 5901 Silverado Trail, Napa, CA 94558 and (ii) each person and entity listed has sole voting power and sole dispositive power with respect to the shares indicated as beneficially owned.

Name and Address of Beneficial Owner	Number of Shares and Nature of Beneficial Ownership		Percent of Class
Named directors and executive officers			
John D. Cumming	3,627,629	(a)(e)(g)	17.6 %
Joseph S. Steinberg	3,388,666	(b)(f)	16.5 %
Jennifer L. Locke	280,000	(c)	1.4 %
Avraham M. Neikrug	4,000		*
Annette D. Alvarez-Peters	2,500		*
Colby A. Rollins	1,900		*
Luanne D. Tierney	68		*
Nicolas M.E. Quillé	58,400	(d)	*
Adam D. Howell	—		—

All directors and current executive officers as a group (9)	7,363,163	35.8 %
Charitable foundations and 5% or greater stockholder		
Cumming Foundation	27,486 (e)	0.1 %
Joseph S. and Diane H. Steinberg 1992 Charitable Trust	33,000 (f)	0.2 %
The Ian M. Cumming Charitable Lead Annuity Trust PO Box 4902 Jackson, WY 83001	2,410,828 (g)	11.7 %
Beck, Mack & Oliver LLC 565 Fifth Avenue New York, NY 10017	1,842,295 (h)	8.9 %
Elgethun Capital Management 231 S. Phillips Ave, Suite 201 Sioux Falls, SD 57104	1,657,948 (i)	8.1 %
Mario J. Gabelli One Corporate Center Rye, New York 10580-1435	1,225,503 (j)	6.0 %
* Less than 1%.		

- (a) Includes 1,216,801 (5.9%) shares owned directly by Mr. John D. Cumming and 2,410,828 (11.7%) shares owned by The Ian M. Cumming Charitable Lead Annuity Trust (the “CLAT”).
- (b) Includes 1,264,537 (6.1%) shares owned directly owned by Mr. Joseph S. Steinberg and 13,920 (less than 0.1%) shares of common stock beneficially owned by Mr. Steinberg’s wife and daughter, 1,786,627 (8.7%) shares of common stock held by corporations that are wholly owned by Mr. Steinberg, or held by corporations that are wholly owned by family trusts as to which Mr. Steinberg has sole voting and dispositive control, or held by such trusts, and 323,582 (1.6%) shares of common stock held in a trust for the benefit of Mr. Steinberg’s children as to which Mr. Steinberg may be deemed to be the beneficial owner.
- (c) Amount represents shares issuable to Ms. Locke upon exercise of options that have vested as of March 6, 2026.
- (d) Amounts include shares issuable to Mr. Quillé upon exercise of options that have vested as of March 6, 2026.
- (e) Mr. John D. Cumming is a trustee of the Cumming Foundation, a private charitable foundation, and disclaims beneficial ownership of the shares of common stock held by the foundation.
- (f) Mr. Steinberg and his wife are the trustees of the charitable trust. Mr. Steinberg and his wife disclaim beneficial ownership of the shares of common stock held by the charitable trust.
- (g) Based on a Schedule 13D/A filed by the CLAT, Teton Holdings Corporation CCS (“Teton”), John D. Cumming, David Cumming and the Estate of Ian M. Cumming with the SEC on May 28, 2021. Teton is the trustee of the CLAT, and each of Mr. John D. Cumming and Mr. David Cumming owns a 50% interest in Teton and serves as a member of the board of directors and as a member of the investment committee of Teton. The CLAT and Teton reported sole voting and dispositive power over the 2,410,828 shares held by the CLAT, and each of Mr. John D. Cumming and Mr. David Cumming reported shared voting and dispositive power over the 2,410,828 shares held by the CLAT.
- (h) Based on a Schedule 13G/A filed by Beck, Mack & Oliver LLC with the SEC on February 14, 2024.
- (i) Based on a Schedule 13G/A filed by Elgethun Capital Management with the SEC on February 6, 2026.
- (j) Based on a Schedule 13D filed by Mr. Gabelli with the SEC on March 3, 2016. All shares are held directly or indirectly in entities that Mr. Gabelli either controls or for which he acts as chief investment officer, including 345,000 shares (1.7%) owned by GAMCO Asset Management Inc., 370,503 shares (1.8%) owned by Gabelli Funds, LLC and 510,000 shares (2.5%) owned by Teton Advisors, Inc.

As of March 6, 2026, Cede & Co. held of record 16,470,922 shares of the Company’s common stock (approximately 80.01% of the Company’s total common stock outstanding). Cede & Co. held such shares as a nominee for broker-dealer members of The Depository Trust Company, which conducts clearing and settlement operations for securities transactions involving its members.

Stockholders are advised to carefully monitor their ownership of the Company’s common stock and consult their own legal advisers and/or the Company to determine whether their ownership of the Company’s common shares approaches the proscribed level.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Policies and Procedures with Respect to Transactions with Related Persons

The Board has adopted a written policy for the review, approval and ratification of transactions that involve “related persons” and potential conflicts of interest (the “Related Person Transaction Policy”).

The Related Person Transaction Policy applies to each director and executive officer of the Company, any nominee for election as a director of the Company, any security holder who is known to own of record or beneficially more than five percent of any class of the Company’s voting securities, any immediate family member of any of the foregoing persons, and any corporation, firm, association or other entity in which one or more directors of the Company are directors or officers, or have a substantial financial interest (each a “Related Person”).

Under the Related Person Transaction Policy, a Related Person Transaction is defined as a transaction or arrangement involving a Related Person in which the Company is a participant or that would require disclosure in the Company’s filings in accordance with SEC rules.

Under the Related Person Transaction Policy, Related Persons must disclose to the Audit Committee any potential Related Person Transactions and must disclose all material facts with respect to such transaction. All Related Person Transactions will be reviewed by the Audit Committee and, in its discretion, approved or ratified. In determining whether to approve or ratify a Related Person Transaction, the Audit Committee will consider the relevant facts and circumstances of the Related Person Transaction, which may include factors such as the relationship of the Related Person with the Company, the materiality or significance of the transaction to the Company and the Related Person, the business purpose and reasonableness of the transaction, whether the transaction is comparable to a transaction that could be available to the Company on an arms-length basis, and the impact of the transaction on the Company’s business and operations.

From time to time, the Company’s directors and officers may engage in purchases of company products at substantial discounts (but not below cost) as determined to be reasonable under the circumstances. Generally, the Company does not believe any such transactions to be material to the Company or the related person and do not believe that any such transactions would impair the independence of any director. The Board has considered these possible purchases under the Related Person Transaction Policy and has determined that no such purchase will require prior approval by the Audit Committee.

Director Independence

The Company’s Board of Directors has determined that Messrs. Cumming, Steinberg, Neikrug, and Rollins and Ms. Tierney and Alvarez-Peters are independent applying the NASDAQ Stock Market’s listing standards for independence.

Item 14. Principal Accountant Fees and Services.

The Board of Directors has adopted a policy for pre-approval by the Audit Committee of all audit and non-audit work performed by the Company's independent registered public accounting firm and has pre-approved (i) certain general categories of work where no specific case-by-case approval is necessary ("general pre-approvals") and (ii) categories of work which require the specific pre-approval of the Audit Committee ("specific pre-approvals"). For additional services or services in an amount above the annual amount that has been pre-approved, additional authorization from the Audit Committee is required. The Audit Committee has delegated to the Chairman of the Audit Committee the ability to pre-approve all of these services in the absence of the full committee. Any pre-approval decisions made by the Chairman of the Audit Committee under this delegated authority will be reported to the full Audit Committee. All requests for services to be provided by the Company's independent registered public accounting firm that do not require specific approval by the Audit Committee must be submitted to the Chief Financial Officer of the Company, who shall determine whether such services are in fact within the scope of those services that have received the general pre-approval of the Audit Committee. The Chief Financial Officer reports to the Audit Committee periodically, at a minimum quarterly.

Audit Fees

In accordance with the SEC's definitions and rules, Audit Fees are fees paid to the Company's independent registered public accounting firm for professional services for the audit of the Company's consolidated financial statements included in the Company's Form 10-K and the review of financial statements included in the Company's Form 10-Qs or services that are normally provided in connection with statutory and regulatory filings or engagements. Audit Related Fees include the fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements, including the audit of the Company's 401(k) plan. For the years ended December 31, 2025 and 2024, BPM LLP, the Company's independent registered public accounting firm did not perform any tax related or other services for the Company.

Fees paid to the Company's independent public accountant associated with the 2025 and 2024 audit consisted of the following:

	Year Ended December 31,	
	2025	2024
Audit Fees	\$ 374,500	\$ 363,200
Audit Related Fees	18,000	17,100
Total	<u>\$ 392,500</u>	<u>\$ 380,300</u>

All fees described above were approved by the Audit Committee.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a)(1) Financial Statements.

Page Reference

Report of Independent Registered Public Accounting Firm (PCAOB ID No. 207)	<u>F-1</u>
Consolidated Balance Sheets at December 31, 2025 and 2024	<u>F-3</u>
Consolidated Statements of Operations for the years ended December 31, 2025 and 2024	<u>F-4</u>
Consolidated Statements of Comprehensive Income for the years ended December 31, 2025 and 2024	<u>F-5</u>
Consolidated Statements of Cash Flows for the years ended December 31, 2025 and 2024	<u>F-6</u>
Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2025 and 2024	<u>F-7</u>
Notes to Consolidated Financial Statements	<u>F-8</u>

(a)(2) Financial Statement Schedules.

Schedules are omitted because they are not required or applicable or because the required information is shown in the financial statements or notes thereto.

(a)(3) See Item 15(b) below for a complete list of Exhibits to this Report including Executive Compensation Plans and Arrangements.

(b) Exhibits.

We will furnish any exhibit upon request made to our Corporate Secretary, 5901 Silverado Trail, Napa, CA 94558. We charge \$0.50 per page to cover expenses of copying and mailing.

All documents referenced below were filed pursuant to the Securities Exchange Act of 1934, as amended, by the Company, file number 000-54866, unless otherwise indicated.

Exhibit No.	Description
2.1#	Asset Purchase Agreement, dated February 9, 2026, by and between Pine Ridge Winery, LLC, and Purple Wine Company, LLC. (filed as Exhibit 2.1 to the Company's Form 8-K filed on February 9, 2026).
3.1	Amended and Restated Certificate of Incorporation (filed as Exhibit 3.1 to the February 25, 2013 Form 8-K).
3.2	Amended and Restated Bylaws (filed as Exhibit 3.2 to the February 25, 2013 Form 8-K).
4.1	Description of Securities (incorporated by reference to Exhibit 4.1 to Form 10-K filed on March 19, 2024).
4.2	Form of Specimen Stock Certificate (filed as Exhibit 4.1 to Amendment No. 2 to the Company's Registration Statement on Form 10-12G).
10.1+	Offer Letter between Crimson Wine Group, Ltd. and Jennifer Locke, dated November 4, 2019 (filed as Exhibit 10.1 to the Company's Form 8-K filed on November 7, 2019).
10.2+	Crimson Wine Group, Ltd. 2013 Omnibus Incentive Plan (filed as Exhibit 10.3 to the Company's Form 8-K filed on February 25, 2013).
10.3	Credit Agreement dated as of March 22, 2013 among Crimson Wine Group, Ltd., Pine Ridge Winery, LLC, Chamisal Vineyards, LLC and Double Canyon Vineyards, LLC, and American AgCredit, FLCA, as Agent for the Lenders and for itself as a Lender (filed as Exhibit 10.6 to the Company's Form 10-K filed on March 28, 2013).
10.4	Loan Agreement, dated November 10, 2015 by and between Pine Ridge Winery, LLC and American AgCredit, FLCA (filed as Exhibit 10.1 to the Company's Form 8-K filed on November 17, 2015).
10.5	Term Loan Promissory Note issued by Pine Ridge Winery, LLC, dated November 10, 2015 (filed as Exhibit 10.2 to the Company's Form 8-K filed on November 17, 2015).
10.6	Guaranty, dated November 10, 2015, by and between Crimson Wine Group, Ltd. and American AgCredit, FLCA (filed as Exhibit 10.3 to the Company's Form 8-K filed on November 17, 2015).
10.7	Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated November 10, 2015, from Pine Ridge Winery, LLC to Fidelity National Title Company for the benefit of American AgCredit, FLCA (filed as Exhibit 10.4 to the Company's Form 8-K filed on November 17, 2015).
10.8	Loan Agreement, dated June 29, 2017 by and between Double Canyon Vineyards, LLC and A Fine Old Building, LLC and American AgCredit, FLCA (incorporated by reference to Exhibit 10.1 to Form 8-K filed on July 3, 2017).
10.9	Term Loan Promissory Note issued by Double Canyon Vineyards, LLC and A Fine Old Building, LLC, dated June 29, 2017 (incorporated by reference to Exhibit 10.2 to Form 8-K filed on July 3, 2017).
10.10	Guaranty, dated June 29, 2017, by and between Crimson Wine Group, Ltd. and American AgCredit, FLCA (incorporated by reference to Exhibit 10.3 to Form 8-K filed on July 3, 2017).
10.11	Trust Deed, Assignment of Rents, Security Agreement and Fixture Filing, dated June 29, 2017, from Double Canyon Vineyards, LLC to First American Title Insurance Company for the benefit of American AgCredit, FLCA (incorporated by reference to Exhibit 10.4 to Form 8-K filed on July 3, 2017).
10.12	Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated June 29, 2017, from A Fine Old Building, LLC to First American Title Insurance Company for the benefit of American AgCredit, FLCA (incorporated by reference to Exhibit 10.5 to Form 8-K filed on July 3, 2017).
10.13	Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated June 29, 2017, from Double Canyon Vineyards, LLC to First American Title Insurance Company for the benefit of American AgCredit, FLCA (incorporated by reference to Exhibit 10.6 to Form 8-K filed on July 3, 2017).
10.14	Second Amendment to Credit Agreement, dated March 21, 2018 by and among Crimson Wine Group, Ltd. Pine Ridge Winery, LLC., Chamisal Vineyards, LLC and Double Canyon Vineyards, LLC and American AgCredit FLCA (incorporated by reference to Exhibit 10.1 to Form 8-K filed on March 27, 2018).
10.15	Promissory Note, dated April 20, 2020, by and between Crimson Wine Group, Ltd. and American AgCredit, PCA (incorporated by reference to Exhibit 10.1 to Form 8-K filed on April 4, 2020).

10.16+	Offer Letter and Termination Agreement between Crimson Wine Group, Ltd. and Nicolas M.E. Quillé, dated March 14, 2018 (incorporated by reference to Exhibit 10.22 to Form 10-K filed on March 12, 2019).
10.17+	Form of Notice of Grant of Nonqualified Stock Options and Nonqualified Stock Option Award Agreement under the Crimson Group, Ltd. 2013 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to Form 10-Q filed on August 5, 2021).
10.18+	First Amendment to Employment Agreement, dated March 11, 2022, by and between Crimson Wine Group, Ltd. And Jennifer L. Locke (incorporated by reference to Exhibit 10.1 to Form 8-K filed on April 12, 2022).
10.19+	2022 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to Form 8-K filed on July 27, 2022).
10.20+	Form of Notice of Grant of Nonqualified Stock Options and Nonqualified Stock Option Award Agreement under the Crimson Group, Ltd. 2022 Omnibus Incentive Plan.
10.21	Third Amendment to Credit Agreement, dated March 3, 2023, by and among Crimson Wine Group, Ltd. Pine Ridge Winery, LLC., Chamisal Vineyards, LLC and Double Canyon Vineyards, LLC and American AgCredit FLCA (incorporated by reference to Exhibit 10.23 to Form 10-K filed on March 19, 2024).
10.22	Fourth Amendment to Credit Agreement, dated May 31, 2023, by and among Crimson Wine Group, Ltd., Pine Ridge Winery, LLC, Chamisal Vineyards, LLC, Double Canyon Vineyards, LLC and American AgCredit, FLCA (incorporated by reference to Exhibit 10.1 to Form 8-K filed on June 5, 2023).
10.23	Fifth Amendment to Credit Agreement, dated June 15, 2023, by and among Crimson Wine Group, Ltd., Pine Ridge Winery, LLC, Chamisal Vineyards, LLC, Double Canyon Vineyards, LLC and American AgCredit, FLCA (incorporated by reference to Exhibit 10.1 to Form 8-K filed on June 16, 2023).
10.24+	Offer Letter, dated November 17, 2023, between Crimson Wine Group, Ltd. and Adam D. Howell (incorporated by reference to Exhibit 10.28 to Form 10-K filed on March 19, 2024).
14.1	Crimson Wine Group, Ltd. Code of Business Practice (incorporated by reference to Exhibit 14.1 to Form 10-K filed on March 13, 2023).
14.2	Crimson Wine Group, Ltd. Code of Practice for the Principal Executive Officer and Senior Financial Officer (incorporated by reference to Exhibit 14.1 to Form 10-K filed on March 13, 2023).
19.1	Insider Trading and Anti-Tipping Policy (incorporated by reference to Exhibit 19.1 to Form 10-K filed on March 18, 2025).
21.1	List of Subsidiaries of Crimson Wine Group, Ltd. (filed as Exhibit 21.1 to the Company's Registration Statement on Form 10-12G).
23.1*	Consent of BPM LLP, independent registered public accounting firm.
24.1*	Power of Attorney (included on signature page hereto).
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document – the XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	The cover page from the Annual Report on Form 10-K of Crimson Wine Group, Ltd. for the year ended December 31, 2025, formatted in Inline XBRL.

* Filed herewith.

** Furnished herewith.

+ Management Employment Contract or Compensatory Plan/Arrangement.

The schedules and exhibits to the Asset Purchase Agreement have been omitted in accordance with Item 601(a)(5) of Regulation S-K. The Company hereby undertakes to furnish copies of any of the omitted schedules and exhibits to the Securities and Exchange Commission upon request.

#

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CRIMSON WINE GROUP, LTD.

March 17, 2026

By: /s/ Jennifer L. Locke

Name: Jennifer L. Locke

Title: Chief Executive Officer and Director

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Jennifer L. Locke and Adam D. Howell, severally, his or her attorneys-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or her substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>Date</u>	<u>Signature</u>	<u>Title</u>
March 17, 2026	By: <u>/s/ Jennifer L. Locke</u> Jennifer L. Locke	Chief Executive Officer and Director (Principal Executive Officer)
March 17, 2026	By: <u>/s/ Adam D. Howell</u> Adam D. Howell	Chief Financial Officer (Principal Financial and Accounting Officer)
March 17, 2026	By: <u>/s/ John D. Cumming</u> John D. Cumming	Chairman of the Board of Directors
March 17, 2026	By: <u>/s/ Annette D. Alvarez-Peters</u> Annette D. Alvarez-Peters	Director
March 17, 2026	By: <u>/s/ Avraham M. Neikrug</u> Avraham M. Neikrug	Director
March 17, 2026	By: <u>/s/ Colby A. Rollins</u> Colby A. Rollins	Director
March 17, 2026	By: <u>/s/ Joseph S. Steinberg</u> Joseph S. Steinberg	Director
March 17, 2026	By: <u>/s/ Luanne D. Tierney</u> Luanne D. Tierney	Director

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Crimson Wine Group, Ltd.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Crimson Wine Group, Ltd. and subsidiaries (the “Company”) as of December 31, 2025 and 2024, and the related consolidated statements of operations, comprehensive income, changes in stockholders’ equity, and cash flows for each of the two years in the period ended December 31, 2025, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Inventory Valuation

As discussed in Notes 2 and 4 to the consolidated financial statements, inventory consists mainly of bulk and bottled wine and is stated at the lower of cost or net realizable value, with cost being determined on the first-in, first-out basis. Costs associated with winemaking and manufacturing products for sale include costs incurred directly and indirectly in production which includes material, labor, and an allocation of overhead. As required, the Company reduces the carrying value of inventory that is obsolete or in excess of estimated usage, or for which cost exceeds sales price, to estimated net realizable value. Estimates of net realizable value include the Company’s analysis of market prices, historical usage, anticipated demand, alternative uses of its inventory, as well as other qualitative factors. Adjustments to reduce the cost of inventory to its net realizable value, if required, are charged to cost of sales. Inventory, net of write-downs of \$2.1 million and \$0.9 million, respectively, was \$67.0 million and \$62.1 million as of December 31, 2025 and 2024, respectively.

The principal considerations for our determination that performing procedures relating to the valuation of inventory and net realizable value adjustments to inventory is a critical audit matter are the significant amount of judgment by management in developing the assumptions of the forecasted changes in demand, product pricing, physical deterioration and quality issues,

which in turn led to significant auditor judgment, subjectivity, and effort in performing audit procedures and evaluating audit evidence relating to these factors.

The primary procedures we performed to address the critical audit matter included the following: obtaining an understanding of the Company's inventory write-down review process, including the assumptions and data underlying the valuation of excess and obsolete inventory, including inventory for which cost exceeds sales price, testing management's process for developing the estimates of the adjustments for inventory, testing the completeness and accuracy of the underlying data used in the estimates, and evaluating management's assumptions of forecasted product demand, which are affected by market and economic conditions outside the Company's control. Evaluating management's estimates for reasonableness involved considering historical sales by product and determining whether the demand forecast used was consistent with evidence obtained in other areas of the audit.

Sincerely,

BPM LLP

We have served as the Company's auditor since 2018.

Santa Rosa, California
March 17, 2026

CRIMSON WINE GROUP, LTD.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts and par value)

	December 31, 2025	December 31, 2024
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 20,595	\$ 21,030
Investments available for sale	—	3,750
Accounts receivable, net	12,135	9,365
Inventory	66,965	62,094
Other current assets	1,808	1,730
Assets held for sale	7,715	—
Total current assets	109,218	97,969
Property and equipment, net	102,787	114,436
Goodwill	—	1,262
Intangible assets and other non-current assets, net	3,472	4,492
Total non-current assets	106,259	120,190
Total assets	\$ 215,477	\$ 218,159
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 9,747	\$ 11,626
Customer deposits	471	390
Current portion of long-term debt, net of unamortized loan fees	1,131	1,130
Total current liabilities	11,349	13,146
Long-term debt, net of current portion and unamortized loan fees	14,281	15,412
Deferred tax liability, net	3,059	3,012
Other non-current liabilities	17	25
Total non-current liabilities	17,357	18,449
Total liabilities	28,706	31,595
Commitments and contingencies (Note 14)		
<u>Stockholders' Equity</u>		
Common shares, par value \$0.01 per share, authorized 150,000,000 shares; 20,586,027 and 20,644,279 shares issued and outstanding at December 31, 2025 and 2024, respectively	205	206
Additional paid-in capital	278,565	278,456
Accumulated other comprehensive income	—	164
Accumulated deficit	(91,999)	(92,262)
Total stockholders' equity	186,771	186,564
Total liabilities and stockholders' equity	\$ 215,477	\$ 218,159

The accompanying notes are an integral part of these consolidated financial statements.

CRIMSON WINE GROUP, LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	Year ended December 31,	
	2025	2024
Net sales (net of excise taxes of \$666 and \$691, respectively)	\$ 65,085	\$ 72,985
Cost of sales	34,370	37,932
Gross profit	<u>30,715</u>	<u>35,053</u>
Operating expenses:		
Sales and marketing	17,341	18,596
General and administrative	14,748	15,584
Total operating expenses	<u>32,089</u>	<u>34,180</u>
Net loss on disposal of property and equipment	1,092	805
Goodwill impairment	1,262	—
(Loss) income from operations	<u>(3,728)</u>	<u>68</u>
Other (expense) income:		
Interest expense, net	(741)	(781)
Other income, net	5,345	1,834
Total other income, net	<u>4,604</u>	<u>1,053</u>
Income before income taxes	876	1,121
Income tax provision	263	270
Net income	<u>\$ 613</u>	<u>\$ 851</u>
Basic and fully diluted weighted-average shares outstanding	<u>20,593</u>	<u>20,794</u>
Basic and fully diluted earnings per share	<u>\$ 0.03</u>	<u>\$ 0.04</u>

The accompanying notes are an integral part of these consolidated financial statements.

CRIMSON WINE GROUP, LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	<u>Year ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Net income	\$ 613	\$ 851
Net unrealized holding (losses) gains on investments arising during the year, net of tax	(164)	76
Comprehensive income	<u>\$ 449</u>	<u>\$ 927</u>

The accompanying notes are an integral part of these consolidated financial statements.

CRIMSON WINE GROUP, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year ended December 31,	
	2025	2024
<u>Net cash flows from operating activities:</u>		
Net income	\$ 613	\$ 851
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization of property and equipment	6,874	7,088
Amortization of intangible assets	1,168	1,287
Loss on write-down of inventory	2,109	942
Provision for credit losses	11	(136)
Net loss on disposal of property and equipment	1,092	805
Goodwill impairment	1,262	—
Deferred income tax provision	263	270
Stock-based compensation expense (reversal)	109	(124)
Net change in operating assets and liabilities:		
Accounts receivable	(2,781)	(1,544)
Inventory	(6,980)	(4,942)
Other current assets	(78)	313
Other non-current assets	29	30
Accounts payable and accrued liabilities	(2,355)	(1,914)
Customer deposits and other payables	91	(265)
Other non-current liabilities	(8)	16
Net cash provided by operating activities	<u>1,419</u>	<u>2,677</u>
<u>Net cash flows from investing activities</u>		
Purchase of investments available for sale	(10,970)	(21,392)
Redemption of investments available for sale	14,500	25,750
Acquisition of property and equipment	(3,921)	(5,369)
Principal payments received on notes receivable	—	43
Proceeds from disposals of property and equipment	28	62
Net cash used in investing activities	<u>(363)</u>	<u>(906)</u>
<u>Net cash flows from financing activities:</u>		
Principal payments on long-term debt	(1,140)	(1,140)
Repurchase of common stock	(351)	(2,378)
Net cash used in financing activities	<u>(1,491)</u>	<u>(3,518)</u>
Net decrease in cash and cash equivalents	(435)	(1,747)
Cash and cash equivalents - beginning of year	21,030	22,777
Cash and cash equivalents - end of year	<u>\$ 20,595</u>	<u>\$ 21,030</u>
<u>Supplemental disclosure of cash flow information</u>		
Cash paid during the period for:		
Interest, net of capitalized interest	\$ 904	\$ 932
Income tax payments, net	\$ 34	\$ 9
Non-cash investing and financing activity:		
Unrealized holding (losses) gains on investments, net of tax	\$ (164)	\$ 76
Acquisition of property and equipment invoiced or accrued but not yet paid	\$ 139	\$ 562

The accompanying notes are an integral part of these consolidated financial statements.

CRIMSON WINE GROUP, LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In thousands, except share amounts)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive	Accumulated Deficit	Total
	Shares	Amount		Income (Loss)		
Balance, December 31, 2023	21,033,578	\$ 210	\$ 278,580	\$ 88	\$ (90,720)	\$ 188,158
Net income	—	—	—	—	851	851
Other comprehensive income	—	—	—	76	—	76
Stock-based compensation reversal	—	—	(124)	—	—	(124)
Repurchase of common stock	(389,299)	(4)	—	—	(2,393)	(2,397)
Balance, December 31, 2024	20,644,279	206	278,456	164	(92,262)	186,564
Net income	—	—	—	—	613	613
Other comprehensive loss	—	—	—	(164)	—	(164)
Stock-based compensation expense	—	—	109	—	—	109
Repurchase of common stock	(58,252)	(1)	—	—	(350)	(351)
Balance, December 31, 2025	20,586,027	\$ 205	\$ 278,565	\$ —	\$ (91,999)	\$ 186,771

The accompanying notes are an integral part of these consolidated financial statements.

CRIMSON WINE GROUP, LTD.

Notes to Consolidated Financial Statements

1. Nature of Operations

Crimson is in the business of producing and selling luxury wines (i.e., wines that retail for over \$16 per 750ml bottle). Crimson is headquartered in Napa, California and through its wholly-owned subsidiaries owns seven primary wine estates and brands: Pine Ridge Vineyards, Archery Summit, Chamisal Vineyards, Seghesio Family Vineyards, Double Canyon, Seven Hills Winery, and Malene Wines.

Pine Ridge Vineyards was acquired in 1991 and has been conducting operations since 1978. Pine Ridge Vineyards owns 154 acres of estate vineyards in five Napa Valley, California appellations – Stags Leap District, Rutherford, Oakville, Carneros and Howell Mountain. Approximately 85 acres are currently planted.

Archery Summit was created by Crimson in 1993. Archery Summit owns 92 acres of estate vineyards in the Willamette Valley, Oregon. Approximately 61 acres are currently planted.

Double Canyon produced the first wines bottled under the Double Canyon brand name starting with the 2010 vintage. In September 2017, Double Canyon completed construction of a 47,000 square-foot wine production facility in West Richland, Washington.

Chamisal Vineyards was acquired in 2008 and has been conducting operations since 1973. Chamisal Vineyards owns 92 acres of vineyards in the Edna Valley, California, of which 44 acres are currently planted.

Seghesio Family Vineyards was acquired in 2011 and has been conducting operations since 1895. Seghesio Family Vineyards owns 308 acres of vineyards in two Sonoma County, California appellations, the Alexander Valley and Russian River Valley, of which approximately 223 acres are currently planted.

Seven Hills Winery, which has been conducting operations since 1988, was acquired in January 2016 and is located in Walla Walla, Washington. Seven Hills Winery owns 74 acres of estate vineyards in the Walla Walla Valley, Washington. Approximately 42 acres are currently planted.

Malene Wines was created by Crimson in 2016. Malene wines has certain estate acres within the Chamisal Vineyards property and its wines are produced at the Chamisal winemaking facility.

Crimson's revenue model is a combination of direct to consumer and wholesale distributor sales. The Company's wines are available through many principal retail channels for premium table wines, including fine wine restaurants, hotels, specialty shops, supermarkets and club stores, in all states domestically and in approximately 40 countries throughout the world. In addition, Crimson's wines are available, where legal, via Ecommerce sites and social media platforms from the wine estates and third party websites and social media platforms.

2. Significant Accounting Policies

(a) Critical Accounting Estimates: The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The preparation of these consolidated financial statements requires the Company to make estimates and assumptions that affect the reported amounts in the financial statements and disclosures of contingent assets and liabilities. On an ongoing basis, the Company evaluates all of these estimates and assumptions. The following areas have been identified as critical accounting estimates because they have the potential to have a significant impact on the Company's consolidated financial statements, and because they are based on assumptions which are used in the accounting records to reflect, at a specific point in time, events whose ultimate outcome will not be known until a later date. Actual results could differ from these estimates.

Inventory – Inventory consists of mainly bulk and bottled wine and is stated at the lower of cost or net realizable value, with cost being determined on the first-in, first-out method. Costs associated with winemaking, and other costs associated with the manufacturing of products for resale, are recorded as inventory. In accordance with general practice within the wine industry, wine inventories are included in current assets, although a portion of such inventories may be aged for periods longer than one year. As required, the Company reduces the carrying value of inventories that are obsolete or in excess of estimated net realizable value. The Company's estimates of net realizable value are based on analyses and assumptions including, but not

limited to, historical usage, projected future demand and market requirements. Reductions to the carrying value of inventories are recorded in cost of sales. If future demand and/or profitability for the Company's products are less than previously estimated, then the carrying value of the inventories may need to be reduced, resulting in additional expense and reduced profitability. The Company's inventory write-downs may consist of reductions to bottled or bulk wine inventory. Crop insurance proceeds from farming losses may be recorded as offsets against previously recognized write-downs. Inventory write-downs of \$2.1 million and \$0.9 million were recorded during each of the years ended December 31, 2025 and 2024, respectively.

Vineyard Development Costs – The Company capitalizes internal vineyard development costs when developing new vineyards or replacing or improving existing vineyards. These costs consist primarily of the costs of the vines and expenditures related to labor and materials to prepare the land and construct vine trellises. Amortization of such costs is recorded on a straight-line basis over the estimated economic useful life of the vineyard, which can be up to 25 years. As circumstances warrant, the Company re-evaluates the recoverability of capitalized costs, and will record impairment charges if required. The Company recorded \$1.1 million and \$0.4 million of asset disposals related to vineyard development during each of the years ended December 31, 2025 and 2024, respectively. As part of the Company's ongoing vineyard and production review process to align estate grape sourcing with long-term strategic plans, and in a continued effort to support consistent wine quality and profitability, the Company removed vineyard acreage that was underperforming or did not align with long-term production plans.

Review of Intangible and Long-lived Assets for Impairment – For intangible assets with definite lives, impairment testing is required if conditions exist that indicate the carrying value may not be recoverable. For intangible assets with indefinite lives and for goodwill, impairment testing is required at least annually or more frequently if events or circumstances indicate that these assets might be impaired. Other than goodwill, the Company currently has no intangible assets with indefinite lives. All of the Company's goodwill and substantially all definite-lived intangible assets resulted from the acquisitions of Seghesio Family Vineyards in May 2011 and Seven Hills Winery in January 2016. Amortization of definite-lived intangible assets is recorded on a straight-line basis over the estimated useful lives of the assets, which range from 10 to 20 years. The Company evaluates goodwill for impairment at the end of each year or more often if a triggering event occurs. During the Company's qualitative assessment for the year ended December 31, 2025, it determined goodwill associated with these reporting units was more likely than not to be impaired. The persistent, multi-year downturn of the wine industry and declining market conditions for both consumption and production indicated a potential longer-term shift within the industry. In accordance with FASB ASC 350, the Company performed a quantitative impairment test as the considerations of these triggering events on the Company's outlook of its financial performance lead management to believe goodwill is more likely than not to be impaired. Based on the results of the quantitative impairment test performed at Seghesio Family Vineyards and Seven Hills Winery, the Company concluded goodwill associated with both reporting units were fully impaired for the year ended December 31, 2025. The Company recorded \$1.3 million of goodwill impairment for the year ended December 31, 2025. No goodwill impairment was recorded for the year ended December 31, 2024.

The Company evaluates long-lived assets, including definite-lived intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. Long-lived assets consist primarily of property and equipment and intangible assets with definite lives. Circumstances that might cause the Company to evaluate its long-lived assets for impairment could include a significant decline in the prices the Company or the industry can charge for its products, which could be caused by general economic or other factors, changes in laws or regulations that make it difficult or more costly for the Company to distribute its products to its markets at prices which generate adequate returns, natural disasters, significant decrease in demand for the Company's products or significant increase in the costs to manufacture the Company's products.

Recoverability of long-lived assets is measured using a comparison of the carrying amount of an asset group to the fair value or future undiscounted net cash flows expected to be generated by the asset group. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The Company groups its long-lived assets with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities (or asset group). This would typically be at the wine estate and brand level which is described in Note 1 above. The Company recorded no impairment charges for long-lived assets during the years ended December 31, 2025 and 2024.

Depletion allowances – The Company pays depletion allowances to its distributors based on their sales to their customers. These allowances are estimated on a monthly basis by the Company, and allowances are accrued as a reduction of sales. Subsequently, distributors will bill the Company for actual depletions, which may be different from the Company's estimates. Any such differences are recognized in sales when the bill is received. The Company has historically been able to estimate depletion allowances without any material differences between actual and estimated expense.

(b) Consolidation policy: The consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly-owned. All intercompany balances and transactions are eliminated in consolidation.

(c) Cash and cash equivalents: The Company considers cash held at banks and all highly liquid investments with original maturities of 90 days or less, including certificates of deposit and money market mutual funds, to be cash and cash equivalents. The Company had money market mutual funds of approximately \$15.3 million and \$20.3 million at December 31, 2025 and 2024, respectively.

(d) Financial instruments and fair value: There were no investments available for sale at December 31, 2025 and investments available for sale consist of only Certificates of Deposit at December 31, 2024. All of the Company's available for sale securities are classified as Level 2 (see 'Fair value hierarchy' section below) and are recorded at fair value. Available for sale securities that mature greater than 12 months from original investment are recorded as short-term because the securities represent the investment of funds that are available for current operations. Net unrealized gains and losses, net of tax, on available for sale equity securities are recorded in other income (expense). Net unrealized gains and losses, net of tax, on available for sale debt securities are recorded in accumulated other comprehensive income (loss). Unrealized losses that are considered other than temporary are recorded in other income (expense), net, with the corresponding reduction to the carrying basis of the investment. No other than temporary losses were recorded during the years ended December 31, 2025 and 2024.

Fair value hierarchy: In determining fair value, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect the Company's assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The Company applies a hierarchy to categorize its fair value measurements which is broken down into three levels based on the transparency of inputs as follows:

Level 1: Quoted prices are available in active markets for identical assets or liabilities at the reported date.

Level 2: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reported date. The nature of these financial instruments include cash instruments for which quoted prices are available but traded less frequently, derivative instruments whose fair value has been derived using a model where inputs to the model are directly observable in the market, or can be derived principally from or corroborated by observable market data, and instruments that are fair valued using other financial instruments, the parameters of which can be directly observed.

Level 3: Instruments that have little to no pricing observability at the reported date. These financial instruments are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation.

Financial instruments are valued at quoted market prices, if available. Certain financial instruments have bid and ask prices that can be observed in the marketplace. For financial instruments whose inputs are based on bid-ask prices, the financial instrument is valued at the point within the bid-ask range that meets the Company's best estimate of fair value. The Company uses prices and inputs that are current at the measurement date. For financial instruments that do not have readily determinable fair values using quoted market prices, the determination of fair value is based upon consideration of available information, including types of financial instruments, current financial information, restrictions on dispositions, fair values of underlying financial instruments and quotations for similar instruments.

The valuation of financial instruments may include the use of valuation models and other techniques. Adjustments to valuations derived from valuation models may be made when, in management's judgment, features of the financial instrument such as its complexity, the market in which the financial instrument is traded and risk uncertainties about market conditions require that an adjustment be made to the value derived from the models. Adjustments from the price derived from a valuation model reflect management's judgment that other participants in the market for the financial instrument being measured at fair value would also consider in valuing that same financial instrument. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment.

The availability of observable inputs can vary and is affected by a wide variety of factors, including, for example, the type of financial instrument and market conditions. As the observability of prices and inputs may change for a financial instrument from period to period, this condition may cause a transfer of an instrument among the fair value hierarchy levels. Transfers among the levels are recognized at the beginning of each period. The degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

(e) Accounts receivable, net: Accounts receivable are reported net of an allowance for credit losses. The Company's accounts receivable balance is net of an allowance for credit losses of less than \$0.1 million at December 31, 2025 and 2024. Interest is not accrued on past-due amounts. Accounts are charged against the allowance for credit losses as they are deemed uncollectible based on a periodic review of the accounts. In estimating an allowance for credit losses that is representative of the lifetime expected credit losses on its trade receivables, the Company utilizes historical loss data adjusted for current conditions (current balance and aging categories) and reasonable and supportable estimates of future defaults based on collection attempts and communication.

(f) Property and equipment: Property and equipment are stated at cost net of accumulated depreciation and amortization and are depreciated using the straight-line method over the related assets estimated useful lives. Costs of maintenance and repairs are charged to expense as incurred; significant renewals and betterments are capitalized. Costs incurred developing vineyards are capitalized until the vineyard becomes commercially productive. Interest is capitalized during the active construction period of major capital projects. Capitalized interest is added to the cost of the underlying assets and is depreciated over the useful lives of those assets. During each of the years ended December 31, 2025 and 2024, capitalized interest was less than \$0.1 million.

(g) Loan fees: Fees incurred with the issuance of the Company's debt are recorded in the consolidated balance sheets as a reduction to associated debt balances, consistent with the short-term or long-term classification of the related debt outstanding at the end of the reporting period. The Company amortizes debt discount to interest expense over the contractual or expected term of the debt using the effective interest method.

(h) Concentrations of risk: The Company sells the majority of its wine through distributors and retailers. Receivables arising from these sales are not collateralized. For the year ended December 31, 2025, two distributors accounted for approximately 22% and 17% of total net sales, respectively. Amounts due from these two distributors represented approximately 37% and 45% of net accounts receivable as of December 31, 2025, respectively. For the year ended December 31, 2024, one distributor accounted for approximately 30% of total net sales. Amounts due from this distributor represented approximately 44% of net accounts receivable as of December 31, 2024.

The Company maintains its cash in bank deposit accounts that, at times, may exceed FDIC insurance thresholds.

(i) Revenue recognition: Revenue is recognized once performance obligations under the terms of the Company's contracts with its customers have been satisfied; this occurs at a point in time when control of the promised product or service is transferred to customers. Generally, the majority of the Company's contracts with its customers have a single performance obligation and are short term in nature. Revenue is measured in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities. The Company accounts for shipping and handling activities as costs to fulfill its promise to transfer the associated products. Accordingly, the Company records amounts billed for shipping and handling costs as a component of net sales, and classifies such costs as a component of costs of sales. The Company's products are generally not sold with a right of return unless the product is spoiled or damaged. Historically, returns have not been material to the Company.

For additional information on the Company's revenue recognition policies, refer to Note 3 "Revenue – Revenue Recognition."

(j) Cost of sales: Includes grape, juice and bulk wine costs, whether purchased or grown, crush costs, winemaking and processing costs, bottling, packaging, warehousing, property costs, and shipping and handling costs. For vineyard produced grapes, grape costs include annual farming costs and depreciation of vineyard development expenditures. For wines that age longer than one year, winemaking and processing costs continue to be incurred and capitalized to the cost of wine, which can range from three to 36 months. No further costs are allocated to inventory once the product is bottled and available for sale.

(k) Taxes not on income: Excise taxes are levied by government agencies on the sale of alcoholic beverages, including wine. These taxes are not collected from customers but are instead the responsibility of the Company. Excise taxes of \$0.7 million were recognized as a reduction to wine sales in each of the years ended December 31, 2025 and 2024. Sales taxes that are collected from customers and remitted to governmental agencies are not reflected as revenues.

(l) Advertising costs: Advertising costs are expensed as incurred and were \$1.1 million and \$1.0 million for each of the years ended December 31, 2025 and 2024, respectively.

(m) Website and internal-use software costs: The Company capitalizes certain qualifying costs incurred in the acquisition and development of software for internal use, including the costs of the software, materials, consultants and payroll and payroll-related costs for employees during the application development stage. Internal and external costs incurred during the

preliminary project stage and post implementation-operation stage, mainly training and maintenance costs, are expensed as incurred. Costs incurred for enhancements that are expected to result in additional material functionality are capitalized. Once the application is substantially complete and ready for its intended use, qualifying costs are amortized on a straight-line basis over the software's estimated useful life.

(n) Business combinations: Business combinations are accounted for using the acquisition method of accounting. The acquisition method of accounting requires an acquirer to record the assets acquired and the liabilities assumed based on their estimated fair values as of the acquisition date. To determine the fair values, the Company utilizes third parties for certain valuations, such as appraisals, or internal valuations based on discounted cash flow analyses or other valuation techniques. The excess of the purchase price over those fair values is recorded as goodwill. Acquisition-related costs are expensed as incurred. During the measurement period, the Company records adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. After the measurement period, which could be up to one year after the acquisition date, subsequent adjustments are recorded to the Company's consolidated statements of operations.

(o) Income taxes: Income taxes are accounted for under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statements and the tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enacted date.

Net tax assets are recorded to the extent the Company believes these assets will more likely than not be realized. In making such determination, the Company considers all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial results of operations.

The Company does not have any unrecognized tax benefits; however, if it did, the Company would record accrued interest and penalties related to unrecognized tax benefits as income tax expense. The Company records deferred income tax liabilities and assets as noncurrent in its consolidated balance sheets. See Note 11 for more detail on income tax for the Company.

(p) Stock-based compensation: Equity awards issued in exchange for services rendered by the Company's employees, officers or directors are accounted for pursuant to FASB ASC Topic 718, *Compensation-Stock Compensation*. The Company measures equity awards at fair value at their grant date. Compensation cost is recognized in general and administrative expenses over the vesting period. The Company estimates the grant date fair value of the awards using the Black-Scholes-Merton option-pricing valuation model. The Company accounts for forfeitures as they occur. See Note 10 for more detail on stock-based compensation.

(q) Net earnings per share: The Company's basic earnings per share amounts have been computed based on the average number of shares of common stock outstanding for the period. Diluted earnings per share is calculated using the treasury stock method to reflect the assumed exercise of stock options for all potentially dilutive securities.

(r) Recent accounting pronouncements: The Company evaluated Accounting Standards Update ("ASU") 2025-01 through 2025-12 issued by Financial Accounting Standards Board ("FASB") and concluded the released accounting pronouncements either have an immaterial effect, are not applicable to Crimson's consolidated financial statements, or are not yet effective for the Company.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. ASU 2023-09 was issued to improve the disclosures related to effective tax rate reconciliations and income taxes paid. The Company adopted ASU 2023-09 effective December 31, 2025, on a retrospective basis, and has included the required new disclosures in this report.

Management is currently assessing the impact from the future adoption of ASU 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40)*, *Disaggregation of Income Statement Expenses*. Adoption of ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and for interim periods, effective for fiscal years beginning after December 15, 2027. Early adoption is permitted.

3. Revenue

Revenue Recognition

Revenue is recognized once performance obligations under the terms of the Company's contracts with its customers have been satisfied; this occurs at a point in time when control of the promised product or service is transferred to customers. Generally, the majority of the Company's contracts with its customers have a single performance obligation and are short term in nature. Revenue is measured in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities. The Company accounts for shipping and handling activities as costs to fulfill its promise to transfer the associated products. Accordingly, the Company records amounts billed for shipping and handling costs as a component of net sales, and classifies such costs as a component of costs of sales. The Company's products are generally not sold with a right of return unless the product is spoiled or damaged. Historically, returns have not been material to the Company.

Wholesale Segment

The Company sells its wine to wholesale distributors under purchase orders. The Company transfers control and recognizes revenue for these orders upon shipment of the wine from the Company's third-party warehouse facilities. Payment terms to wholesale distributors typically range from 30 to 120 days. The Company pays depletion allowances to its wholesale distributors based on their sales to their customers. The Company estimates these depletion allowances and records such estimates in the same period the related revenue is recognized, resulting in a reduction of wholesale product revenue and the establishment of a current liability. Subsequently, wholesale distributors will bill the Company for actual depletions, which may be different from the Company's estimate. Any such differences are recognized in sales when the bill is received. The Company has historically been able to estimate depletion allowances without significant differences between actual and estimated expense.

Direct to Consumer Segment

The Company sells its wine and other merchandise directly to consumers through wine club memberships, at the wineries' tasting rooms and through its website, third-party websites, direct phone calls, and other online sales ("Ecommerce").

Wine club membership sales are made under contracts with customers, which specify the quantity and timing of future wine shipments. Customer credit cards are charged in advance of quarterly wine shipments in accordance with each contract. The Company transfers control and recognizes revenue for these contracts upon shipment of the wine to the customer.

Tasting room and internet wine sales are paid for at the time of sale. The Company transfers control and recognizes revenue for this wine when the product is either received by the customer (on-site tasting room sales) or upon shipment to the customer ("Ecommerce sales").

Other

From time to time, the Company sells grapes or bulk wine because the grapes or wine do not meet the quality standards for the Company's products, market conditions have changed resulting in reduced demand for certain products, or because the Company may have purchased or produced more of a particular varietal than it can use. Grape and bulk sales are made under contracts with customers which include product specification requirements, pricing and payment terms. Payment terms under grape contracts are generally structured around the timing of the harvest of the grapes and are generally due 30 days from the time the grapes are delivered. Payment terms under bulk wine contracts are generally 30 days from the date of shipment and may include an upfront payment upon signing of the sales agreement. The Company transfers control and recognizes revenue for grape sales when product specification has been met and title to the grapes has transferred, which is generally on the date the grapes are harvested, weighed and shipped. The Company transfers control and recognizes revenue for bulk wine contracts upon shipment.

The Company provides custom winemaking services at Double Canyon, Chamisal Vineyards, and Pine Ridge Vineyard's winemaking facilities. Custom winemaking services are made under contracts with customers which include specific protocols, pricing, and payment terms and generally have a duration of less than one year. The customer retains title and control of the wine during the winemaking process. The Company recognizes revenue for winemaking services when contract specific performance obligations are met.

Estates hold various public and private events for customers and their wine club members. Upfront consideration received from the sale of tickets or under private event contracts for future events is recorded as deferred revenue. The balance of payments are due on the date of the event. The Company recognizes event revenue on the date the event is held.

Other revenue also includes tasting fees and retail merchandise sales, which are paid for and received or consumed at the time of sale. The Company transfers control and recognizes revenue for tasting fees and retail merchandise sales at the time of sale.

Refer to Note 13 “Business Segment Information” for revenue by sales channel amounts for the years ended December 31, 2025 and 2024.

Contract Balances

When the Company receives payments from customers prior to transferring goods or services under the terms of a contract, the Company records deferred revenue, which it classifies as customer deposits on its consolidated balance sheets, and represents a contract liability. Customer deposits are liquidated when revenue is recognized. Revenue that was included in the contract liability balance at the beginning of each of the 2025 and 2024 years consisted primarily of wine club revenue, grape and bulk sales, and event fees. Changes in the contract liability balance during the twelve months ended December 31, 2025 and 2024, were not materially impacted by any other factors.

The outstanding contract liability balances were \$0.5 million at December 31, 2025 and \$0.4 million at December 31, 2024. Of the amounts included in the opening contract liability balances at the beginning of each year, approximately \$0.3 million and \$0.5 million were recognized as revenue during each of the years ended December 31, 2025 and 2024, respectively.

Accounts Receivable, Net

The Company’s beginning and ending balances for accounts receivable, net for each of the years ended December 31, 2025 and 2024 are as follows (in thousands):

Accounts receivable, net	2025		2024	
Balance at January 1,	\$	9,365	\$	7,685
Balance at December 31,	\$	12,135	\$	9,365

Accounts receivable are reported net of an allowance for credit losses. Credit is extended based upon an evaluation of the customer’s financial condition. In estimating an allowance for credit losses that is representative of the lifetime expected credit losses on its trade receivables, the Company utilizes historical loss data adjusted for current conditions (current balance and aging categories) and estimates of future defaults. The Company does not have any contract assets associated with the future right to invoice its customers.

The following table reflects changes in the allowance for credit losses balance during each of the years ended December 31, 2025 and 2024 (in thousands):

Allowance for credit losses	2025		2024	
Balance at January 1,	\$	37	\$	173
Current period provision		8		(136)
Write-offs charged against the allowance		(19)		—
Balance at December 31,	\$	26	\$	37

4. Inventory

A summary of inventory at December 31, 2025 and 2024 is as follows (in thousands):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Finished goods	\$ 32,725	\$ 27,046
In-process goods	33,919	34,042
Packaging and bottling supplies	321	1,006
Total inventory	<u>\$ 66,965</u>	<u>\$ 62,094</u>

The Company's inventory balances are presented at the lower of cost or net realizable value. Inventory write-downs of \$2.1 million and \$0.9 million were recorded during each of the years ended December 31, 2025 and 2024, respectively. The rise in inventory write-downs reflects inventory expected to be sold at a loss due to current market conditions.

5. Property and Equipment and Assets Held for Sale

A summary of property and equipment at December 31, 2025 and 2024, and depreciation and amortization for the years ended December 31, 2025 and 2024, is as follows (in thousands):

	Depreciable Lives (in years)	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Land and improvements	N/A	\$ 43,957	\$ 44,912
Buildings and improvements	20-40	59,899	66,846
Winery and vineyard equipment	3-25	38,873	40,592
Vineyards and improvements	7-25	30,933	33,014
Caves	20-40	5,639	5,639
Vineyards under development	N/A	4,724	5,101
Construction in progress	N/A	2,124	2,171
Total		<u>186,149</u>	<u>198,275</u>
Accumulated depreciation and amortization		<u>(83,362)</u>	<u>(83,839)</u>
Total property and equipment, net		<u>\$ 102,787</u>	<u>\$ 114,436</u>

	<u>Year ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Depreciation and amortization:</u>		
Capitalized into inventory	\$ 5,020	\$ 5,043
Expensed to general and administrative	1,854	2,045
Total depreciation and amortization	<u>\$ 6,874</u>	<u>\$ 7,088</u>

Towards the end of 2025, the Company began actively marketing its Double Canyon property located in West Richland, Washington for sale. In accordance with FASB ASC 205, the Company reclassified approximately \$7.7 million from property and equipment to assets held for sale as of December 31, 2025 and depreciation was ceased as of the same date. Alongside meeting certain assets held for sale classification criteria, the Company has an active program to locate a buyer and expects to complete the sale within twelve months from the reclassification date of December 31, 2025. No impairment charges have been recognized as the fair value less estimated cost to sell is above the carrying value of the property and equipment as of December 31, 2025.

6. Financial Instruments

The Company's material financial instruments include cash and cash equivalents, investments classified as available for sale, and short-term and long-term debt. Investments classified as available for sale and money market mutual funds are the only financial assets or liabilities that are measured at fair value on a recurring basis.

Investments available for sale

All of the Company's investments mature within one year or less. The par value, amortized cost, gross unrealized gains and losses, and estimated fair value of investments classified as available for sale as of December 31, 2025 and 2024 are as follows (in thousands):

<u>December 31, 2025</u>	<u>Par Value</u>	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total Fair Value Measurements</u>
Certificates of Deposit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

<u>December 31, 2024</u>	<u>Par Value</u>	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total Fair Value Measurements</u>
Certificates of Deposit	\$ 3,750	\$ 3,750	\$ —	\$ —	\$ —	\$ 3,750	\$ 3,750

The Company believes the gross unrealized losses are temporary as it does not intend to sell these securities and it is more likely than not that the Company will not be required to sell these securities before the recovery of their amortized cost basis.

Cash and cash equivalents

Money market mutual funds are highly liquid investments that are valued using quoted market prices, which represent a Level 1 measurement within the fair value hierarchy. Money market mutual funds are included in Cash and cash equivalents within the consolidated balance sheets. The Company had money market mutual funds of approximately \$15.3 million and \$20.3 million as of December 31, 2025 and 2024, respectively.

For cash and cash equivalents, the carrying amounts approximate their fair values due to the short-term nature of such financial instruments.

Debt

For short-term debt, the carrying amounts of such financial instruments approximate their fair values. As of December 31, 2025, the Company has estimated the fair value of its outstanding debt to be approximately \$13.2 million compared to its carrying value of \$15.5 million, based upon discounted cash flows with Level 3 inputs, such as the terms that management believes would currently be available to the Company for similar issues of debt, taking into account the current credit risk of the Company and other factors. Level 3 inputs include market rates obtained from American AgCredit, FLCA ("American AgCredit") as of December 31, 2025 of 7.01% and 6.94% for the 2015 Term Loan (as defined below) and 2017 Term Loan (as defined below), respectively, as further discussed in Note 9, "Debt."

Other

As of December 31, 2025 and 2024, the Company did not have any financial assets or liabilities measured at fair value on a nonrecurring basis.

The Company does not invest in any derivatives or engage in any hedging activities.

7. Goodwill and Intangible and Other Non-Current Assets

Goodwill

A summary of goodwill carrying amounts at December 31, 2025 and 2024, and goodwill impairment for the years ended December 31, 2025 and 2024, is as follows (in thousands):

	2025		2024	
Balance at January 1,	\$	1,262	\$	1,262
Goodwill impairment		(1,262)		—
Balance at December 31,	\$	—	\$	1,262

The Company performed a quantitative assessment for the purpose of its 2025 annual goodwill impairment analysis during the fourth quarter of 2025. Seghesio Family Vineyards and Seven Hills Winery reported goodwill balances of \$1.1 million and \$0.2 million, respectively. The fair values of the aforementioned reporting units containing goodwill were determined using a discounted cash flow methodology. The discounted cash flow projections were based on a long-term forecast which incorporated historical results, current market conditions, estimates by management of future market conditions, current and future strategic and operational plans and future financial performance. Significant assumptions used in the discounted cash flow projection include projected sales volumes based on current production capacities, future sales prices, cost of sales, operating expenses, income taxes, capital expenditures to maintain operations, terminal growth rates, and discount rates. The future cash flows were discounted to present value using a discount rate ranging from 10.0% to 12.0%. Based on the quantitative tests performed during the fourth quarter of 2025, the Company determined that the fair value of each of the reporting units containing goodwill was lower than the net carrying amount for each of the respective reporting units. As a result, the Company recorded \$1.3 million of goodwill impairment for the year ended December 31, 2025. No goodwill impairment was recorded for the year ended December 31, 2024.

Intangible and Other Non-Current Assets

A summary of intangible and other non-current assets at December 31, 2025 and 2024, and amortization expense for the years ended December 31, 2025 and 2024, is as follows (in thousands):

	Amortizable lives (in years)	December 31, 2025			December 31, 2024		
		Gross carrying amount	Accumulated amortization	Net book value	Gross carrying amount	Accumulated amortization	Net book value
Brand	15 - 17	\$ 18,000	\$ (15,343)	\$ 2,657	\$ 18,000	\$ (14,280)	\$ 3,720
Distributor relationships	10 - 14	2,700	(2,700)	—	2,700	(2,612)	88
Legacy permits	14	250	(250)	—	250	(243)	7
Trademark	20	200	(173)	27	200	(163)	37
Total		\$ 21,150	\$ (18,466)	\$ 2,684	\$ 21,150	\$ (17,298)	\$ 3,852
Deferred tax asset ⁽¹⁾				713			536
Other non-current assets				75			104
Total intangible and other non-current assets, net				\$ 3,472			\$ 4,492

⁽¹⁾ Deferred tax asset is presented separate from deferred tax liability within the Company's consolidated balance sheets as offsets between different tax jurisdictions are not allowed pursuant to FASB ASC 740-10-45-6.

<u>Amortization expense</u>	Year Ended December 31,	
	2025	2024
Total amortization expense	\$ 1,168	\$ 1,287

The estimated aggregate future amortization of intangible assets as of December 31, 2025 is identified below (in thousands):

Years Remaining:	Amortization	
2026	\$	1,073
2027		1,073
2028		469
2029		33
2030		33
Thereafter		3
Total	\$	<u>2,684</u>

8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following as of December 31, 2025 and 2024 (in thousands):

	December 31, 2025	December 31, 2024
Accounts payable and accrued grape liabilities	\$ 5,030	\$ 5,605
Accrued compensation related expenses	2,127	2,907
Sales and marketing	678	735
Acquisition of property and equipment	139	562
Accrued interest	205	220
Depletion allowance	1,117	962
Production and farming	57	219
Other accrued expenses	394	416
Total accounts payable and accrued liabilities	<u>\$ 9,747</u>	<u>\$ 11,626</u>

9. Debt

A summary of debt as of December 31, 2025 and 2024 is as follows (in thousands):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Revolving Credit Facility ⁽¹⁾	\$ —	\$ —
Senior Secured Term Loan Agreement due 2040, with an interest rate of 5.24% ⁽²⁾	9,600	10,240
Senior Secured Term Loan Agreement due 2037, with an interest rate of 5.39% ⁽³⁾	5,875	6,375
Unamortized loan fees	(63)	(73)
Total debt	<u>15,412</u>	<u>16,542</u>
Less current portion of long-term debt	1,131	1,130
Long-term debt due after one year, net	<u>\$ 14,281</u>	<u>\$ 15,412</u>

- (1) The Revolving Credit Facility, a \$60.0 million revolving credit facility between the Company and American AgCredit, as agent for the lenders thereunder, is comprised of a revolving loan facility (the “Revolving Loan”) and a term revolving loan facility (the “Term Revolving Loan”), which together are secured by substantially all of Crimson’s assets. The Revolving Loan provides up to \$10.0 million of availability in the aggregate for a five years term, and the Term Revolving Loan provides up to \$50.0 million in the aggregate for a fifteen year term. In addition to unused line fees ranging from 0.125% to 0.225%, rates for the borrowings are priced based on a performance grid tied to certain financial ratios and the Term Secured Overnight Financing Rate.
- (2) Pine Ridge Winery, LLC, a wholly-owned subsidiary of Crimson, is party to a senior secured term loan agreement due on October 1, 2040 (the “2015 Term Loan”). Principal and interest are payable in quarterly installments.
- (3) Double Canyon Vineyards, LLC, a wholly-owned subsidiary of Crimson, is party to a senior secured term loan agreement due on July 1, 2037 (the “2017 Term Loan”). Principal and interest are payable in quarterly installments.

Debt covenants include the maintenance of specified debt and equity ratios, a specified fixed charge coverage ratio, and certain customary affirmative and negative covenants, including limitations on the incurrence of additional indebtedness, limitations on dividends and other distributions to stockholders and restrictions on certain investments, certain mergers, consolidations and sales of assets. The Company was in compliance with all existing debt covenants as of December 31, 2025.

A summary of debt maturities as of December 31, 2025 is as follows (in thousands):

Principal due in 2026	\$	1,140
Principal due in 2027		1,140
Principal due in 2028		1,140
Principal due in 2029		1,140
Principal due in 2030		1,140
Principal due thereafter		9,775
Total	<u>\$</u>	<u>15,475</u>

10. Stockholders' Equity and Stock-Based Compensation

Share Repurchase

In March 2023, the Company commenced a share repurchase program (the “2023 Repurchase Program”) that provided for the repurchase of up to 2,000,000 shares of outstanding common stock. Under the 2023 Repurchase Program, any repurchased shares are constructively retired. The 2023 Repurchase Program expires on December 31, 2026. Effective March 21, 2025, upon approval of the Company’s Board of Directors, the Company suspended the 2023 Repurchase Program.

During the twelve months ended December 31, 2025, the Company repurchased 58,252 shares of its common stock at an average purchase price of \$5.92 per share for an aggregate purchase price of \$0.3 million. During the twelve months ended December 31, 2024, the Company repurchased a total of 389,299 shares of its common stock at an average purchase price of \$6.02 per share for an aggregate purchase price of \$2.4 million. The Company’s repurchase was funded through cash on hand, and the shares were retired.

Stock-Based Compensation

The Company is authorized to issue 15,000,000 shares of one or more series of preferred stock; no preferred stock has been issued.

In February 2013, the Company adopted the 2013 Omnibus Incentive Plan (the “2013 Plan”), which provides for the granting of up to 1,000,000 stock options or other common stock-based awards. In July 2022, upon the approval of the Board of Directors and the Company’s stockholders, the Company adopted the 2022 Omnibus Incentive Plan (the “2022 Plan”) to supersede and replace the 2013 Plan. The 2022 Plan provides for the granting of up to 678,000 stock options or other common stock-based awards. The terms of awards that may be granted, including vesting and performance criteria, if any, will be determined by the Board of Directors.

In December 2019, stock option awards for 89,000 shares were granted to the Company’s Chief Executive Officer under the 2013 Plan. The options vest annually over five years and expire seven years from the date of grant. In July 2021, stock option awards for 233,000 shares were granted to certain members of management. The options vest annually over four years and expire seven years from the date of grant. In March 2022, stock option awards for 500,000 shares were granted to the Company’s Chief Executive Officer. Such options are divided into four tranches, are subject to both performance-based and time-based vesting requirements, and expire ten years from the date of grant. In March 2023 and March 2024, stock option awards for 500,000 and 115,000 shares, respectively, were granted to certain officers and employees of the Company. Such options are divided into five tranches, are subject to both performance-based vesting requirements and time-based vesting requirements, and expire ten years from the date of grant. The performance-based vesting requirements for the grants made from 2022 through 2024 are tied to annual or cumulative “Adjusted EBITDA targets”, as defined within the respective underlying option award agreements. The exercise price for all respective options was either the closing price or average trading price on the date of grant.

As of December 31, 2025, the Company determined the achievement of certain targets for the aforementioned performance-based option awards was not probable based on the Company’s financial projections and assumptions regarding industry conditions. The Company has recorded the related stock-based compensation expense for the twelve months ended December 31, 2025 for options that have either vested or are probable of vesting.

Estimates of stock-based compensation expense require the application of judgment, including the selection of an option pricing model and determining appropriate inputs and assumptions that impact fair value calculations. The Company determined the grant date fair value of the awards using the Black-Scholes-Merton option-pricing valuation model.

During the twelve months ended December 31, 2025 and 2024, the following number of shares were issued and fair value assigned to these grants was computed based on the following assumptions:

	<u>2025</u>	<u>2024</u>
Shares issued	—	115,000
Expected term ^(a)	—	7.39 - 9.39 years
Expected dividend yield	—	— %
Risk-free interest rate ^(b)	—	4.22 %
Expected stock price volatility ^(c)	—	28% - 30%
Stock price	— \$	5.78
Weighted-average grant date fair value	— \$	2.61
<u>Grant date fair value (in thousands)</u>	<u>— \$</u>	<u>300</u>

(a) The Company utilized the full expected term for shares to vest.

(b) Estimate derived from the U.S. Treasury Constant Maturity Rates for the period of the expected term.

(c) Estimate based on an analysis of the historical volatility of the Company's stock price.

A summary of stock option activity in 2025 is presented below:

	<u>Shares</u>	<u>Weighted- Average Exercise Price</u>
Outstanding, January 1, 2025	1,273,000	\$ 7.03
Granted	—	\$ —
Exercised	—	\$ —
Forfeited or expired	(129,600)	\$ 5.95
Outstanding, December 31, 2025	<u>1,143,400</u>	\$ 7.15
Vested and expected to vest, December 31, 2025	453,400	\$ 7.83
Exercisable, December 31, 2025	375,900	\$ 7.96

<i>(\$ in thousands)</i>	<u>2025</u>	<u>2024</u>
Stock-based compensation expense (reversal)	\$ 109	\$ (124)
Income tax (benefit) expense	\$ (33)	\$ 30
Total fair value of options vested during the year	\$ 230	\$ 290
Total intrinsic value of options outstanding at end of year	\$ —	\$ 220
Total intrinsic value of options exercisable at end of year	\$ —	\$ 3
Total weighted-average remaining vesting period in years	2.42 years	3.43 years
Total weighted-average remaining contractual life period in years (options outstanding)	5.61 years	6.77 years
Total weighted-average remaining contractual life period in years (options exercisable)	3.19 years	3.79 years

As of December 31, 2025, the total stock-based compensation expense not yet recognized is \$1.9 million, which will be amortized through the remaining vesting periods of the outstanding options.

11. Income Taxes

Effective December 31, 2025, the Company adopted ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The amendments were applied on a retrospective basis and primarily affect the Company's annual income tax disclosures, including enhanced effective tax rate reconciliation and income taxes paid information, as presented below.

The income tax provision for the years ended December 31, 2025 and 2024 is as follows (in thousands):

	<u>2025</u>	<u>2024</u>
State income tax provision		
Current	\$ 213	\$ 13
Deferred	(132)	7
Total state income tax provision	<u>81</u>	<u>20</u>
Federal income tax provision		
Current	124	5
Deferred	58	245
Total federal income tax provision	<u>182</u>	<u>250</u>
Total income tax provision	<u>\$ 263</u>	<u>\$ 270</u>

The Company's income tax returns are subject to examination in the U.S. federal and state jurisdictions. To the extent the Company has unutilized net operating loss ("NOL") carryforwards, the statute of limitations does not begin to run until the NOL carryforwards are utilized. Therefore, the Company has tax years open dating back to 2018 for federal tax purposes and tax years open dating back to 2008 for state tax purposes. The Company had no unrecognized tax benefits as of December 31, 2025 or 2024.

The principal components of deferred taxes at December 31, 2025 and 2024 are as follows (in thousands):

	<u>2025</u>	<u>2024</u>
Deferred tax asset		
Federal NOL carryforward	\$ 3,690	\$ 4,754
State NOL carryforward	1,823	1,829
Accrued vacation	171	198
Equity compensation plan	257	235
California alternative minimum tax credit	—	109
Inventory	38	—
Other	39	195
Total deferred tax asset	<u>6,018</u>	<u>7,320</u>
Deferred tax liability		
Property and equipment	(6,139)	(6,632)
Intangible assets and goodwill	(2,039)	(2,122)
Inventory	—	(787)
Other	(186)	(255)
Total deferred tax liability	<u>(8,364)</u>	<u>(9,796)</u>
Net deferred tax liability, non-current	<u>\$ (2,346)</u>	<u>\$ (2,476)</u>

As of December 31, 2025, the amount and expiration dates of the Company's NOL carryforwards are as follows (in thousands):

	Federal
Carried forward indefinitely	\$ 17,530
	State
2029-2042	\$ 26,364

Under certain circumstances, the ability to use the NOL carryforwards and credits could be substantially reduced if certain changes in ownership were to occur.

The table below reconciles the statutory federal income tax rate, presented in dollars and percentages, to the Company's effective income tax rate (\$ amount in thousands) for the years ended December 31, 2025 and 2024:

	2025		2024	
	Amount	Percent	Amount	Percent
U.S. federal statutory tax rate	\$ 184	21.0 %	\$ 235	21.0 %
State and local income tax, net of federal income tax effects ⁽¹⁾	36	4.2	17	1.5
Tax credits				
General business credits	—	—	(10)	(0.9)
Nontaxable or nondeductible items				
Nondeductible meals and entertainment	21	2.4	25	2.2
Other nondeductible items	3	0.3	2	0.2
Other adjustments				
Adjustment to intangible assets and goodwill deferred tax liability	15	1.7	—	—
Other	\$ 4	0.4	\$ 1	0.1
Effective income tax rate	\$ 263	30.0 %	\$ 270	24.1 %

- (1) State taxes in California and Illinois contributed to the majority (greater than 50%) of the tax effect in this category in 2025. State taxes in California and Florida contributed to the majority (greater than 50%) of the tax effect in this category in 2024.

The Company's effective income tax rate was 30.0% for 2025 as compared to 24.1% for 2024. The increase in the effective income tax rate was primarily due to changes in state apportionment during the prior year which yielded a larger tax benefit in the initial year of change.

The amounts of cash income taxes paid (net of refunds) by the Company for the years ended December 31, 2025 and 2024 are as follows (in thousands):

	2025	2024
Federal	\$ 10	\$ —
State	24	9
Total	\$ 34	\$ 9

Cash income taxes paid (net of refunds) exceeded five percent of total income taxes paid (net of refunds) in the following jurisdictions (in thousands):

	<u>2025</u>	<u>2024</u>
California	\$ 5	\$ 1
Oregon	2	2
Pennsylvania	4	—
Florida	3	—
Illinois	3	—
Texas	7	6
State total	<u>\$ 24</u>	<u>\$ 9</u>

In July 2025, the One Big Beautiful Bill Act (“OBBBA”), was enacted into law in the United States. The legislation includes several provisions that may impact the timing and magnitude of certain tax deductions. The Company has assessed the effects of the OBBBA and concluded there is no material impact on the tax rate for the twelve months ended December 31, 2025.

12. Employee Benefit Plan

A 401(k) profit sharing plan is provided to all employees who meet certain service requirements. The current Company match is 100% of a participant’s first 1% of compensation deferred plus 50% match on compensation deferrals between 1% and 6%. Total Company contributions to the plan were \$0.5 million for each of the years ended December 31, 2025 and 2024.

13. Business Segment Information

The Company has identified two operating segments, Wholesale and Direct to Consumer, which are reportable segments for financial statement reporting purposes, based upon their different distribution channels, margins and selling strategies. Wholesale reflects sales through a third party where prices are given at a wholesale rate, whereas Direct to Consumer reflects retail sales in the Company's tasting rooms, wine club sales, direct phone sales, Ecommerce sales, and other sales made directly to the consumer.

The two segments reflect how the Company's operations are evaluated by its chief operating decision maker ("CODM") and the structure of its internal financial reporting. The Company evaluates performance based on the gross profit of the respective business segments. Selling expenses that can be directly attributable to the segment are allocated accordingly. However, centralized selling expenses and general and administrative expenses are not allocated between operating segments. Therefore, net income information for the respective segments is not available. Based on the nature of the Company's business, revenue generating assets are utilized across segments. Therefore, discrete financial information related to segment assets and other balance sheet data is not available and that information continues to be aggregated.

The Company's CODM is its Chief Executive Officer, the individual responsible for allocating resources and assessing company performance. The CODM uses both net sales and gross profit financial metrics in assessing each segment's performance and determining how to allocate resources among segments. The CODM uses gross profit to evaluate segment margin profitability because it provides insights into product pricing and costs. Additionally, sales and marketing expenses are deducted from gross profit to arrive at income from operations. This enables the CODM to evaluate profitability and performance on a consistent and comparable basis when determining resource allocation. The Company reconciles gross profit (loss) and income (loss) from operations for each segment and other non-allocable to the consolidated amounts included in the Company's consolidated financial statements.

The following table outlines the net sales, cost of sales, gross profit (loss), directly attributable selling expenses, net loss on disposal of property and equipment, and income (loss) from operations for the Company's reportable segments for the years ended December 31, 2025 and 2024, and also includes a reconciliation to consolidated income (loss) from operations. Other/Non-allocable net sales and gross profit (loss) include bulk wine and grape sales, event fees, tasting fees and non-wine retail sales. Sales figures are net of related excise taxes. Other/Non-allocable expenses include centralized corporate expenses not specific to an identified reporting segment.

	Year Ended December 31,							
	Wholesale		Direct to Consumer		Other/Non-Allocable		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
<i>(in thousands)</i>								
Net sales	\$ 35,527	\$ 41,079	\$ 26,422	\$ 27,968	\$ 3,136	\$ 3,938	\$ 65,085	\$ 72,985
Cost of sales	21,469	24,831	9,060	9,860	3,841	3,241	34,370	37,932
Gross profit (loss)	14,058	16,248	17,362	18,108	(705)	697	30,715	35,053
Operating expenses:								
Sales and marketing	6,171	6,244	7,439	7,990	3,731	4,362	17,341	18,596
General and administrative	—	—	—	—	14,748	15,584	14,748	15,584
Total operating expenses	6,171	6,244	7,439	7,990	18,479	19,946	32,089	34,180
Net loss on disposal of property and equipment	—	—	—	—	1,092	805	1,092	805
Goodwill impairment	—	—	—	—	1,262	—	1,262	—
Income (loss) from operations	\$ 7,887	\$ 10,004	\$ 9,923	\$ 10,118	\$ (21,538)	\$ (20,054)	\$ (3,728)	\$ 68

14. Commitments and Contingencies

Supply Contracts

To supplement a portion of the Company's future grape requirements, long-term contracts are procured to purchase grapes from certain third parties and related parties of employees within the Company. The lengths of the contracts vary from one to ten years and although prices are pre-established, final payments are largely dependent on the grape quantities required by the Company and the availability of grapes that meet quality standards. If no grapes are produced that meet contractual quality standards, the grapes may be rejected, and no payment would be due. Based on grape contracts in place as of December 31, 2025, the maximum value of the contractual obligations through 2033 is estimated at approximately \$10.7 million with \$0.5 million from related parties. In addition to long-term contracts, the Company also purchases additional grapes and bulk wine under one-time purchase or short-term agreements.

The total of all grapes and bulk wine purchased was \$7.1 million and \$10.9 million for the years ended December 31, 2025 and 2024, respectively. Included in the totals of all grapes and bulk wine purchased are related party purchases of \$0.5 million for each of the years ended December 31, 2025 and 2024.

Litigation

The Company and its subsidiaries may become parties to legal proceedings that are considered to be either ordinary, routine litigation incidental to their business or not significant to the Company's consolidated financial position or liquidity. The Company does not believe that there is any pending litigation that could have a significant adverse impact on its consolidated financial position, liquidity or results of operations.

2017 Wildfires

In October 2017, significant wildfires impacted the Company's operations and damaged its inventory. The Company has pursued recoveries through both applicable insurance policies and the Fire Victim Trust (the "Fire Victim Trust"). The Fire Victim Trust was formed in connection with PG&E Corporation and Pacific Gas and Electric Company's (together, "PG&E") joint plan of reorganization under Chapter 11 to, among other things, review and resolve eligible claims arising from certain wildfires.

The Company has settled insurance claims totaling \$1.3 million related to such wildfires through August 2020. In September 2025, the Company received an additional settlement with its insurance underwriters for \$2.5 million, which the Company has recorded in other income, net.

In September 2023, the Company accepted a settlement from the Fire Victim Trust. To-date, the settlement payout received by the Company has totaled \$2.2 million, which the Company has recorded in other income, net. Of the total payout received, no amounts were received during the twelve months ended December 31, 2025, and \$0.3 was received during the twelve months ended December 31, 2024. The payments received to-date represent a portion of the total amount approved by the Fire Victim Trust for lost business income over a 36-month period from October 2017 to September 2020. As the Fire Victim Trust seeks to wind down the claims program, the Company may be receiving an additional payout from this settlement; however, the amount, if any, and timing are not guaranteed and could vary contingent on additional funding from PG&E towards the Fire Victim Trust for all fire victims. Settlement gains are recognized when realized or realizable.

2020 Wildfires

In August and September 2020, a series of major wildfires broke out in regions across the Western United States, including Napa and Sonoma counties in California, as well as Umatilla and Yamhill Counties in Oregon. The wildfires and ensuing smoke caused damage to grapes at the vineyard properties and traffic reduction at the Company's tasting rooms. Some of the inventory losses and smoke damage to grapes were partially covered under existing crop insurance policies, which were settled during 2021. In November 2025, the Company accepted and received an additional \$1.6 million settlement from a utility company, which the Company has recorded in other income, net.

Cybersecurity

As previously disclosed in the Company's Current Reports on Form 8-K as filed with the SEC on July 5, 2024 and July 25, 2024, the Company detected a cybersecurity incident in which an unauthorized third party gained access to certain information systems of the Company on June 30, 2024. Upon detection, the Company promptly initiated response protocols and began

taking steps to contain, assess and remediate the cybersecurity incident, including launching an investigation with external cybersecurity experts. Although the Company believes that the cybersecurity incident has not had a material impact on its overall financial condition or results of operations, its evaluation and response to this incident are ongoing and the Company may discover other impacts or new events related to this incident may occur that could affect the Company's financial condition or results of operations. As of December 31, 2025, incurred cybersecurity expenses limited to the Company's insurance deductibles have been recorded and reflected within the Company's consolidated financial statements and such amounts are not material.

On December 23, 2024, a purported class action lawsuit was filed against the Company in the United States District Court for the Northern District of California. The complaint asserts claims for negligence, negligence per se, breach of contract, breach of implied contract, violation of the Illinois Consumer Fraud and Deceptive Practices Act, invasion of privacy, unjust enrichment and declaratory judgment, and seeks, among other things, damages of an unspecified amount. The Company intends to vigorously defend itself against this lawsuit. As the lawsuit is in a preliminary phase, the outcome is currently not determinable and a reasonable estimate of loss or range of loss cannot be made. It is at least reasonably possible that the estimate will change in the near term and the effect of the change would be material.

15. Earnings Per Share

The following table reconciles the weighted-average common shares outstanding used in the calculations of the Company's basic and diluted earnings per share:

	<u>Year ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
<i>(\$ and shares in thousands, except per share amounts)</i>		
Net income	\$ 613	\$ 851
Common shares:		
Weighted-average number of common shares outstanding - basic	20,593	20,794
Dilutive effect of stock options outstanding	—	—
Weighted-average number of common shares outstanding - diluted	<u>20,593</u>	<u>20,794</u>
Earnings per share:		
Basic	\$ 0.03	\$ 0.04
Diluted	\$ 0.03	\$ 0.04
Antidilutive stock options ⁽¹⁾	453	462

(1) Amounts represent stock options that are excluded from the diluted earnings per share calculations because the options are antidilutive.

16. Subsequent Events

On February 9, 2026, Pine Ridge Winery, LLC ("Pine Ridge"), wholly-owned subsidiary of the Company, entered into, and closed the transaction contemplated by, that certain Asset Purchase Agreement, dated as of February 9, 2026 (the "Asset Purchase Agreement"), with Purple Wine Company, LLC, a California limited liability company ("Seller"). Pursuant to the terms of the Asset Purchase Agreement, Pine Ridge purchased certain assets associated with the Raeburn wine brand, including certain inventory, certain intellectual property, including rights, trademarks and trade names, and certain consumer and customer lists, and assumed certain liabilities of Seller in connection with the acquired assets. The purchase price for the assets was approximately \$35.2 million. The acquisition of the assets under the Asset Purchase Agreement was funded with cash on hand and borrowings under the Revolving Credit Facility in the aggregate amount of \$29.0 million. The Asset Purchase Agreement contains customary representations, warranties, covenants and indemnification provisions.

The Company has evaluated subsequent events through the filing of this Annual Report on Form 10-K for the fiscal year ended December 31, 2025, and determined no other events have occurred that would require adjustments to its disclosures in the consolidated financial statements.

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CRIMSON WINE GROUP DIRECTORS AND OFFICERS



Pine Ridge Vineyards Winemaker Josh Widaman perfecting his blend for FORTIS Cabernet Sauvignon.

JOHN D. CUMMING
Chairman

ANNETTE D. ALVAREZ-PETERS
Director

AVRAHAM M. NEIKRUG[†]◇△
Director

COLBY A. ROLLINS[†]◇△
Director

JOSEPH S. STEINBERG△
Director

LUANNE D. TIERNEY
Director

JENNIFER L. LOCKE
Director and Chief Executive Officer

ADAM D. HOWELL
Chief Financial Officer

NICOLAS M.E. QUILLÉ, MW
Chief Winemaking and
Operations Officer

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Ridgefield Park, NJ 07660
www.equiniti.com

† Audit Committee ◇ Compensation Committee △ Nominating Committee

The Company's common stock is traded in the over-the-counter market, OTC Market, under the symbol "CWGL".

PINE RIDGE
VINEYARDS

Raeburn
WINERY

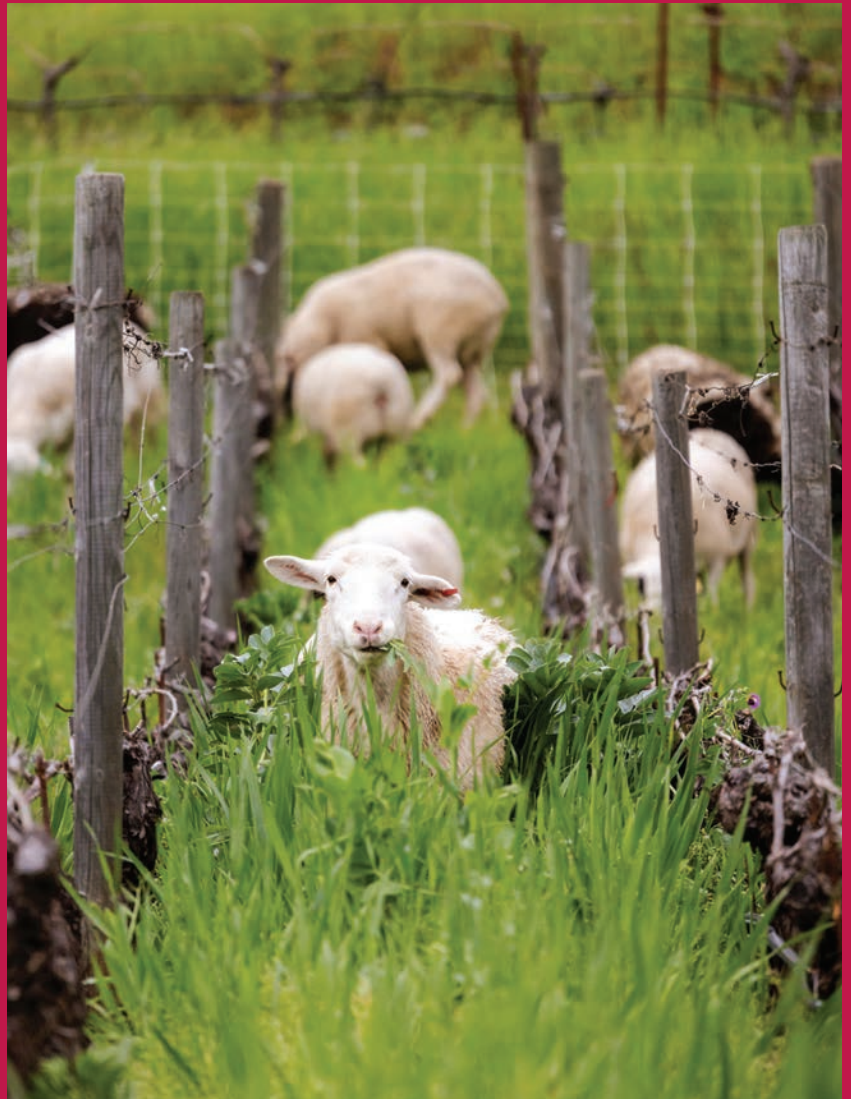
EST. 1895
SEGHE SIO
FAMILY VINEYARDS

Archery Summit

ESTD 1973
CHAMISAL
VINEYARDS

SEVEN HILLS
WINERY

**DOUBLE
CANYON**



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