



FY25

Annual Report

Contents

Business Review

Highlights FY25	4
Chair's Review	8
What We Do	12
Diversified Markets and Reach	14
CEO's Review	16
Skellerup's People	22
Board of Directors	26
Corporate Governance	28
Group Climate Statements	42
Financial Commentary	76

Consolidated Financial Statements

Independent Auditor's Report	82
Directors' Responsibility Statement	85
Income Statement	86
Statement of Comprehensive Income	87
Balance Sheet	88
Statement of Changes in Equity	89
Cash Flow Statement	90
Notes to the Financial Statements	91

Shareholder Information

Directors' Disclosures and Shareholding	120
Corporate Directory	122



A global leader in precision engineered products

Skellerup designs, manufactures and distributes essential high-performance components to customers around the world. Our products are trusted across dairy, potable and wastewater, construction, sport and leisure, electrical, health and medical, automotive and mining sectors globally.

We develop strong and enduring partnerships with customers. We work closely with them to deliver innovative new products and improvements, that keep them ahead of the curve.

We have a diverse and highly skilled team of over 800 people, and manufacturing and distribution facilities in New Zealand, Australia, China, Vietnam, the UK, Europe and the US.



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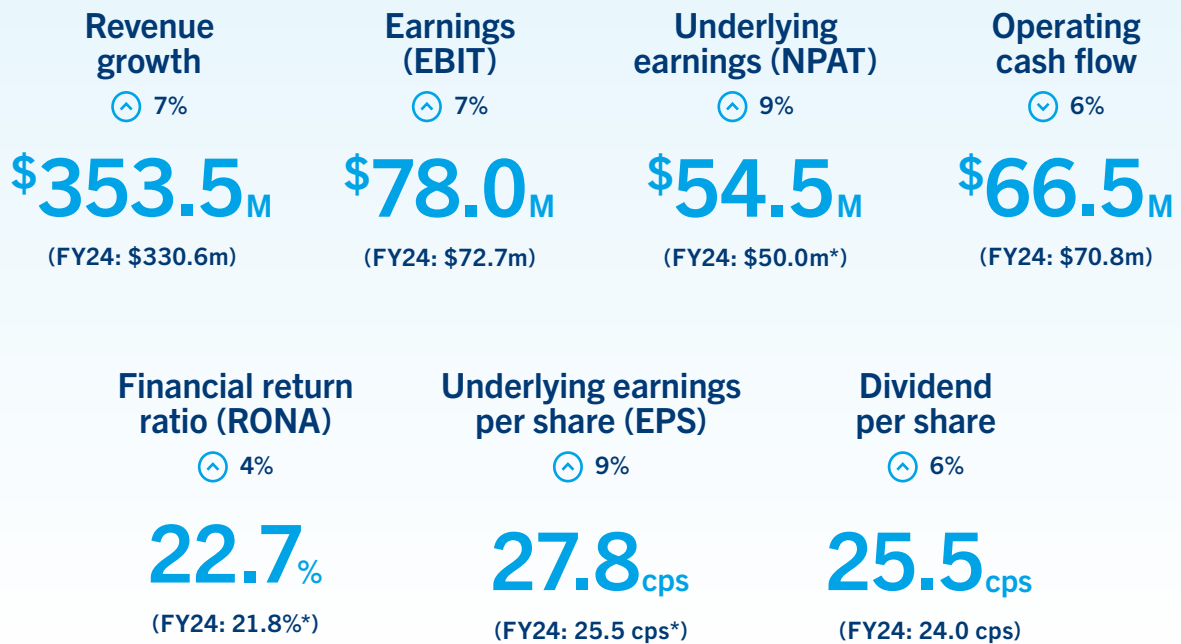
In many ways, there is the potential for the next 12 to 36 months to be quite a watershed period for Skellerup as we move to best configure the business for the future

John Strowger





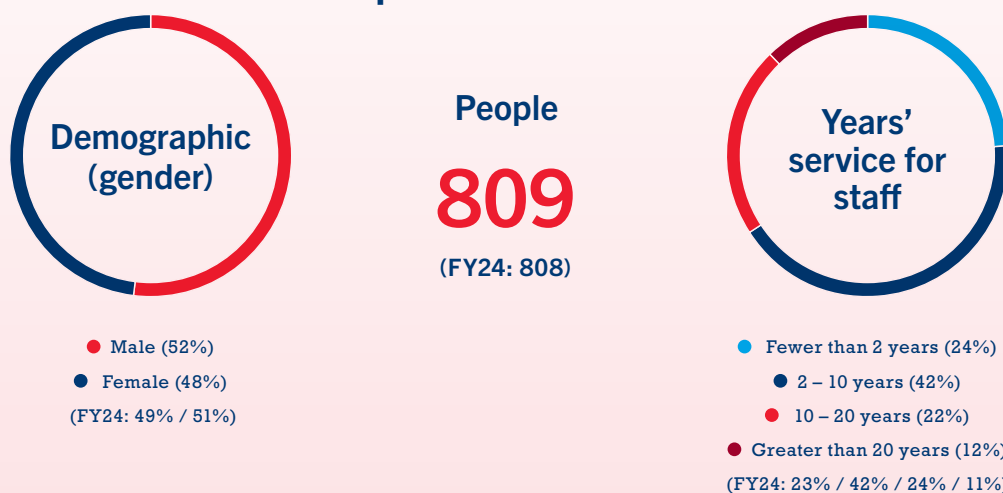
Strong financial returns



*Calculated based on Underlying earnings (NPAT), being NPAT before abnormal tax item.



Diverse & experienced team



“

Our strategy to design
and manufacture
predominantly polymer-
based products for use
in applications which
demand precision,
high-performance, and
conformance remains
unchanged

Graham Leaming





Delivering a diverse product range for customers

over **3,700**
Customers

(FY24: over 3,900)

sold to **87**
Countries

(FY24: 80)

over **440**
New products
to market

last 24 months

(FY24: 580)

New
Distribution
Facility

opened in the
Netherlands

- Dairy (26%)
- Potable Water & Wastewater (incl Plumbing) (24%)
- Roofing & Construction (16%)
- Footwear (7%)
- Automotive & Machinery (6%)



- Exploration & Mining (5%)
- Sport & Leisure (5%)
- Electrical & Appliances (4%)
- Health & Hygiene (4%)
- Other (3%)



Environmental impact

GHG* emissions

(Tonnes CO₂-e) (Scope 1 and 2)

⬆️ 1% (unfavourable)

3,649

(FY24: 3,606)

*greenhouse gas

GHG emissions / revenue

(Scope 1 and 2)

⬆️ 6% (favourable)

10.3

(FY24: 10.9)

CO₂-e tonnes per \$1
million of revenue
over the past year

First Emissions Reduction Plan

developed for
Wigram facility

Chair's Review

I am pleased to report to shareholders that it has been another successful year at Skellerup.

In the 2025 financial year (FY25), we achieved a net profit after tax (NPAT) of \$54.5 million, off revenues of \$353.5 million and earnings before interest and tax (EBIT) of \$78.0 million.

All these metrics are record results for Skellerup – again, and in one of the most challenging, volatile and uncertain business environments that I think any of us can recollect. This is a very good performance by our team.

The respective contributions made to earnings from our two divisions – Agri and Industrial – changed a little from the previous financial year. In short, Agri rediscovered its cadence with results significantly up. Through sheer hard work, and a bit of travel, relationships with key customers in key markets were greatly improved. Some exciting new product lines were developed, which we have high expectations about for FY26 and beyond.

And as always, the quiet and unglamorous work on continuous manufacturing improvements has been maintained. Indeed, we are fortunate that as well as having alert antennae to customer needs and market opportunities, our Agri Division's senior leadership team also has a high level of technical knowledge, which, in my experience, is a rare combination.

The Industrial Division continues to flourish, although its rate of climb in FY25 was not as dramatic as that seen in Agri. Some development projects of our original equipment manufacturer (OEM) customers (to whom we provide key componentry) were delayed in response to market uncertainties, and other customers paused investment decisions in response to geo-political unpredictability. Notwithstanding these headwinds, our team remained relentless in its pursuit of new customers and opportunities and grew the overall business despite challenging conditions in several markets.

In both divisions, we are finding that our technical expertise in new product development is a real differentiator from our competitors.

Through sheer hard work, and a bit of travel, relationships with key customers in key markets were greatly improved

John Strowger





Where appropriate, we are increasingly encouraging the early involvement of our product development centres in customer marketing initiatives. This, together with the need to regularly monitor production and product development at our most significant third-party manufacturing partner in Vietnam, means that a number of our people travel – a lot.

While we differentiate our business into the two divisions, to reflect their different origins, there is an increasing level of collaboration between the two, and by each with our product development centres. This is obviously a healthy trend, which the Board encourages.

In last year's report I talked about the need to further develop 'in market' capabilities, to get us geographically closer to our customers in key markets. We have, in that regard, continued to develop 'local' resources in some key target markets. These initiatives have been modest so far, which has been appropriate given the fluid position in several of our key markets, including obviously the United States (US). To date, our 'wait and see' strategy has been vindicated.

The luxury of maintaining this position is highly likely to come to an end in FY26.

As we told the market in July, Skellerup generates around 37 per cent of Group revenue from sales in the US market. Approximately 85 per cent of this revenue comes from products manufactured at our own and partner facilities (in equal proportions) in each of New Zealand (NZ), China and Vietnam. The tariffs announced during April 2025 (and subsequent changes) have not materially impacted our FY25 results.

Plainly, tariffs will increase costs in future financial years. Over the past four months, we have made steady progress mitigating the impact of tariffs on our business. Recent announcements appear to provide greater certainty on tariffs applicable to products manufactured at some of our global facilities. If incremental tariff rates of 20 per cent in Vietnam, 30 per cent in China and 15 per cent in NZ hold, we expect to offset the impact on future earnings with sales growth, pricing, costing and manufacturing initiatives.

At the time of writing, the final outcome of tariff negotiations between China and the US is unknown; the position appears to change every week. We cannot determine an appropriate response (from the list of the offset mechanisms, referred to above) until a final position has been agreed. But, again, we would hope to mitigate the impact of the final tariff outcome by judicious deployment of one or more of the range of options available to us.

I have talked previously of our preference for incremental growth and development, as a least-risk approach. We are, by nature, conservative. However, some of the future initiatives we may implement (in particular, if the establishment of in-market capability is pursued) will be more significant, from both a financial and operational perspective. In addition, it will be important to develop new markets for our products – the establishment of in-market capability would result in capacity at existing facilities. The management team is undertaking work in this area now, in anticipation of this occurrence in the future.

In many ways, there is the potential for the next 12 to 36 months to be quite a watershed period for Skellerup, as we move to best configure the business for the future. There are exciting times ahead. Shareholders can be assured that we will be cautious in the deployment of capital.

Of course, it helps that we have a very strong balance sheet – net debt at 30 June was \$12.4 million (a \$3.0 million reduction from FY24). This has enabled the Board to declare dividends totalling 25.5 cents per share in FY25 – another record. The increase in dividend (which amounts to a distribution of 92 per cent of FY25's NPAT) is also a reflection of the Board's confidence in Skellerup's future.

You will note substantial climate-related disclosure included in this report. Our investment and actions have again resulted in a reduction in the intensity of our scope 1 and 2 greenhouse gas emissions. Notably, this year management completed the first edition of our adaptation plan and an emissions reduction plan for our largest facility in Christchurch. Implementation of the actions identified in the emissions reduction plan will deliver environmental and commercial benefits for Skellerup.

I have previously (indeed, on several occasions) cautioned shareholders against an expectation that these record results can continue ad infinitum. For the record, I now do so again – although, of course, we are not planning to fail. Skellerup has never been guilty of standing still. New process, product or market initiatives are presented to the Board almost monthly and there is an encouraging spirit and vigour about the management team that augurs well for the future.

It would be wrong, though, to single out the senior leadership team; as they will readily acknowledge, success is derived from the collective efforts of all our loyal staff. I take this opportunity to, on behalf of the Board, sincerely thank each and every one of our people for their tireless contribution to the FY25 result.

I thank shareholders for their continuing support of Skellerup, our people and this Board.



John Strowger
Independent Chair

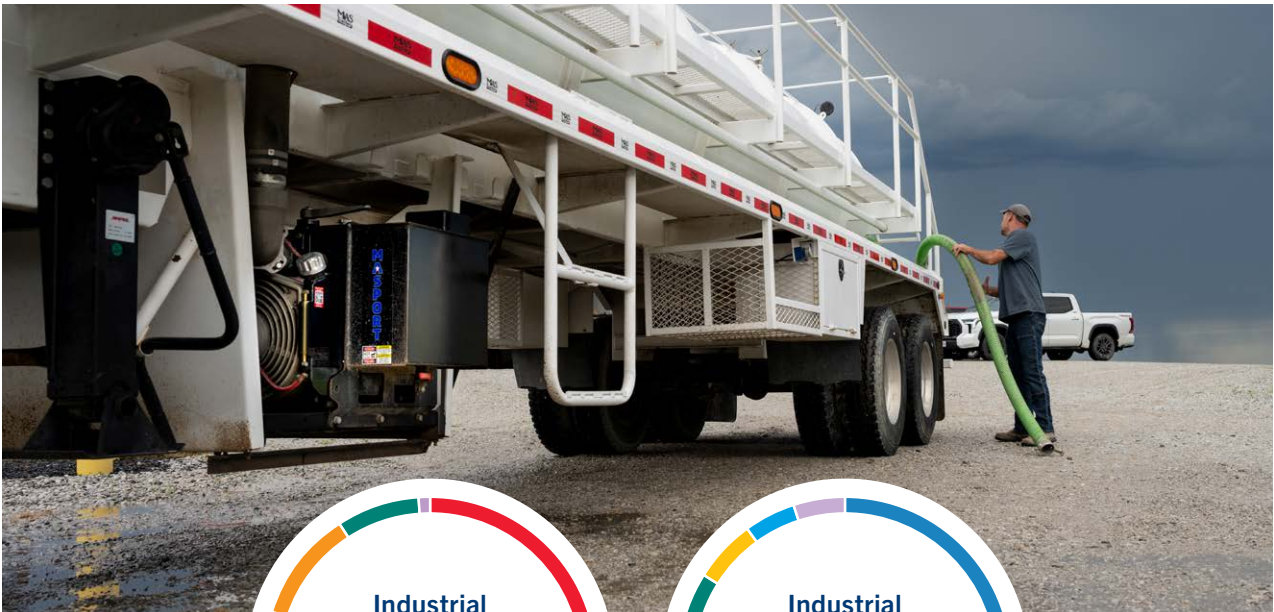




What we do

Industrial Division

The Industrial Division designs and manufactures high value components and products that are often small but critical to applications and performance.

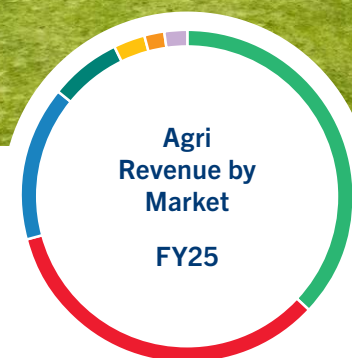
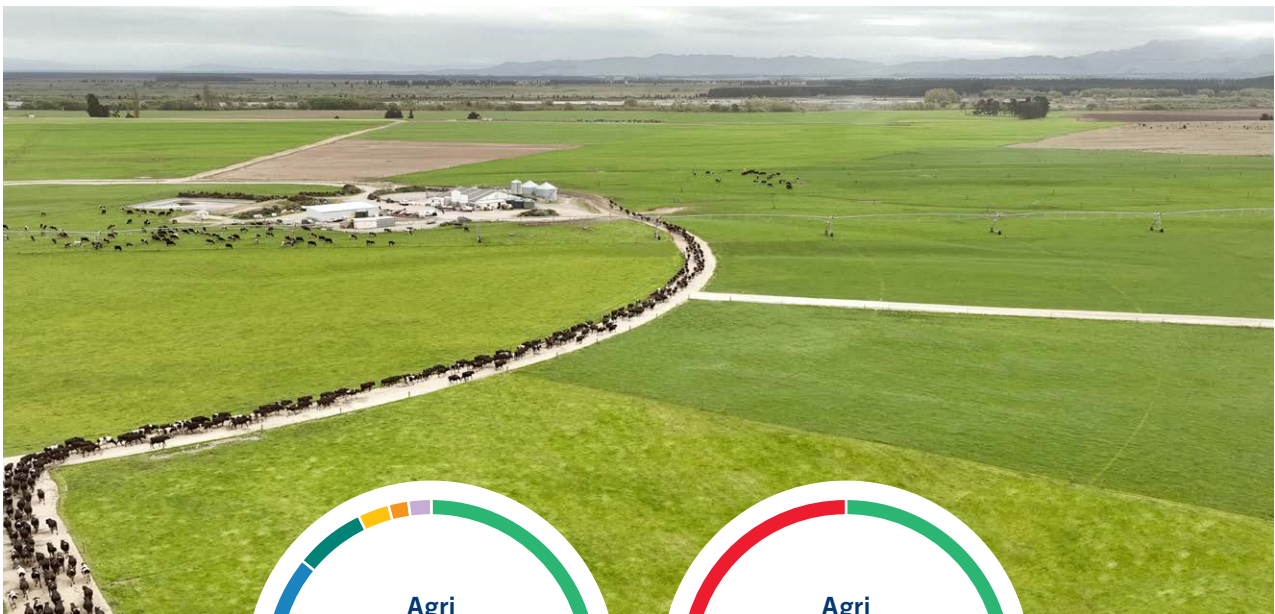


- North America (39%)
- Australia (17%)
- New Zealand (12%)
- Europe (12%)
- Asia (11%)
- UK & Ireland (8%)
- Other (1%)
- Potable Water & Wastewater (37%)
- Roofing & Construction (24%)
- Automotive & Machinery (9%)
- Exploration & Mining (7%)
- Sport & Leisure (7%)
- Electrical & Appliances (6%)
- Health & Hygiene (5%)
- Other (5%)

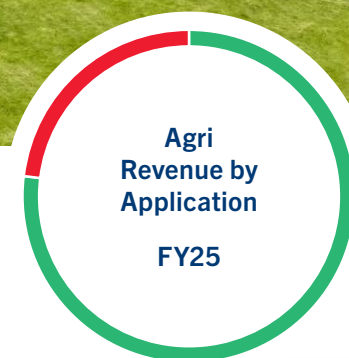
Skellerup designs and manufactures components and products used in a wide range of everyday applications that often must meet stringent food, drinking water, hygiene and safety standards.

Agri Division

The Agri Division is a global leader in essential dairy consumable design and manufacture.



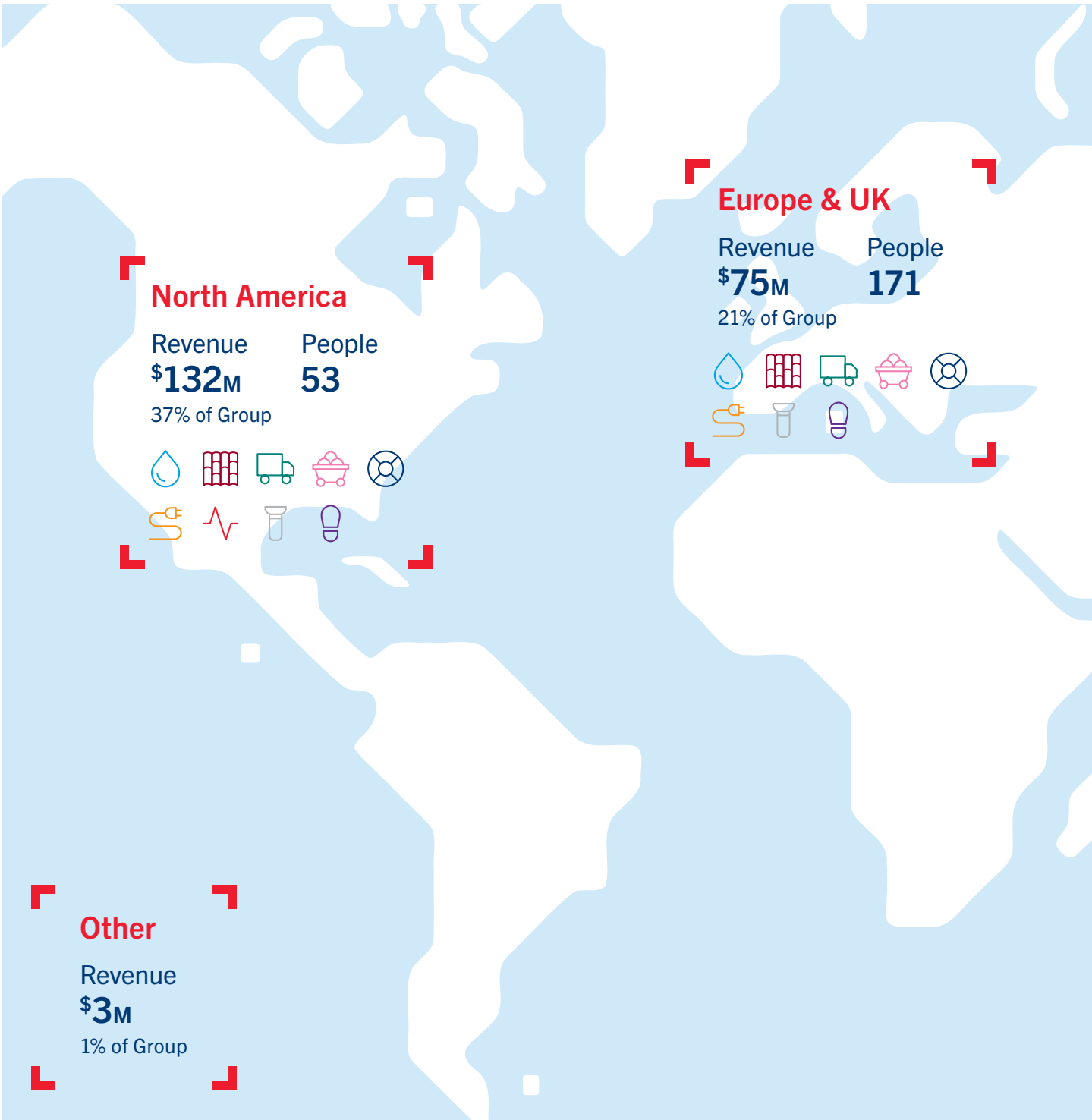
- New Zealand (37%)
- North America (34%)
- Europe (15%)
- UK & Ireland (7%)
- Australia (3%)
- Asia (2%)
- Other (2%)



- Dairy (77%)
- Footwear (23%)

Diversified markets and reach

Skellerup supplies more than 3,700 customers globally,
operating from 20 locations in 7 countries.



Our Product Applications

 Potable Water
& Wastewater

 Roofing &
Construction

 Automotive
& Machinery

 Exploration
& Mining

 Sport &
Leisure

 Electrical &
Appliances

 Health &
Hygiene

 Dairy

 Footwear


CEO's Review

We are pleased to report on an excellent year for Skellerup. Sales reached \$353.5 million, earnings before interest and tax (EBIT) were \$78.0 million and net profit after tax (NPAT) was \$54.5 million – all record results.

FY25 EBIT is the ninth consecutive record result, 2.6 times higher than what we achieved in FY16. Delivering sustained growth in controllable earnings (EBIT) has been enabled and supported by the robust allocation of financial capital and the focus, quality, adaptability and tenacity of our team across the world.

Adaptability has certainly been an important competency in recent years. Having navigated the challenges presented by the COVID-19 pandemic and regional conflicts interrupting freight routes, significant tariff cost increases became the dominant issue in the second half of FY25. The United States market is our largest, with 37% of Group revenue generated from this market in FY25. We anticipated these tariff increases (at least to some extent) and mitigated the impact on FY25 by building inventory ahead of their imposition and then by moving swiftly with pricing and cost initiatives.

Also, and importantly – both ahead of and post their imposition – we have been investing in modernising our manufacturing capability to build a more flexible platform capable of in-market deployment.

We are proud of our growth into a global enterprise founded on our heritage as a New Zealand headquartered business formed 115 years ago. Today we have people, facilities and customers throughout the world not only fuelling the growth we have enjoyed over the past decade but also providing local insight and understanding to enable us to rapidly adapt to changing markets.

Strategy and Structure

Our strategy to design and manufacture predominantly polymer-based products for use in applications which demand precision, high performance and conformance remains unchanged. Our collective expertise in material science, product design and manufacturing processes provide us with a point of difference to deliver valuable, critical products for our global customers.

We are proud of our growth into a global enterprise founded on our heritage as a New Zealand headquartered business

Graham Leaming



Ensuring our product development initiatives are focused on a clear understanding of customer needs is crucial to deploying human and financial capital for the best return and (obviously) meet customer requirements. We focus our time on applications where we have expertise and that capitalise on our capability to integrate multiple materials. We seek to rapidly prototype products to offer our customers with tangible items to evaluate. This builds trust and confidence, and, with customer commitment or market conviction, we are then able to convert these quickly into production.

We continue to operate a business model that is agile where decision-making and accountability are with our business unit leaders where they need to be – close to our customers, suppliers and people. Our business unit leaders are responsible for the financial results of their businesses. Their teams collaborate and work closely with our development centres, leveraging our intellectual property to deliver solutions for their customers. Direction and support are provided by our head office of seven people, including Tim and me.

Results

A consistent performance over the year delivered a record FY25 EBIT of \$78.0 million, an increase of 7 per cent over the prior corresponding period (pcp). This was another year of EBIT growth and was again accompanied by a strong operating cash flow of \$66.5 million, despite a planned increase in inventory to mitigate against the imposition of tariffs by the US.

The Industrial Division recorded its fifth successive record EBIT of \$48.4 million in FY25, an increase of 3 per cent on the pcp.

Growth in FY25 was more modest than in recent years. Sales of engineered polymer products and vacuum systems for potable water, wastewater and industrial control applications were up in the US and Australia. These applications continue to provide significant opportunity for growth, and it is an area we will reinforce with more in-market resource. They demand products that deliver high performance and conformance – a perfect fit for our technical capability. The quality and performance of our products provide us with a leadership position in the US, despite the headwinds of tariffs.



Case study

Extending an icon: introducing Red Band™ Low

The original Red Band™ gumboot has been a staple for generations of New Zealanders, recognised for its durability, comfort and performance in tough conditions.

During FY25 – in response to customer feedback and market insight for a short, light and versatile version of our iconic and classic Red Band™ gumboot – we launched Red Band™ Low. A slip-on, lower-cut boot offering the same quality materials and construction, Red Band™ Low is tailored for quick jobs around the home, garden or farm.

To mark the launch, we took the Red Band™ Low to the streets, debuting the boot at the Red Bull Trolley Race in Auckland. This high-energy, globally recognised event provided a fun and fitting platform from which to introduce the new style, aligning the Red Band™ brand with Kiwi ingenuity, community spirit and everyday adventure. Our involvement was more than sponsorship – it was hands-on. A team of Skellerup staff volunteered their time to design and build the Red Band™ Low trolley cart, which raced down the course in front of thousands of spectators. Giant inflatable Red Band™ boots flanked the track also, drawing attention and reinforcing brand presence with impact and humour. It was a celebration of teamwork, creativity and the iconic status Red Band™ holds in New Zealand culture.

Scan the QR code below to watch the Red Band™ Low's racing debut. Red Band™ Low reflects our continued commitment to insight-led innovation and the evolution of trusted products to suit modern lifestyles. Looking ahead, we are focused on developing an expanded lifestyle footwear range – products designed for how people live, work and move today. The success of Red Band™ Low affirms that even the most enduring brands can evolve while staying true to their roots.





Case study

Smarter digging: a new application for Masport vacuum systems

Establishing a reputation for technical expertise, innovation, quality and consistency provides a strong platform for growth. Our Masport vacuum systems are market leading due to outstanding quality, performance and because our innovative system design integrates many discrete components into a compact footprint which provides significant time and cost savings for truck system builders on installation.

During FY25 we developed a solution for hydro excavation, a new application for our vacuum systems. Hydro excavation is a non-destructive digging (NDD) process using high-pressure water to dig channels into the ground. The debris created is evacuated with the use of a high-powered vacuum pump. Compared to traditional methods, NDD is less expensive, less invasive and minimises the risk of damaging any underground utilities.

Traditionally hydro excavation is performed using large trucks, but these are expensive and not suitable for difficult-to-access locations, as the truck size limits flexibility and manoeuvrability. A customer approached us seeking a trailer-mounted solution to overcome this limitation which is exacerbated by the intensification of construction in urban areas. In less than three months we engineered, built and delivered a prototype system utilising our Cobra rotary vane pump. This system is significantly more compact and has a lower total weight, with a simplified mechanical interface and connection between components. Its design differentiates us from our competitors and provides our customers with savings on installation and operation time, and gives them more flexibility in the use of their trailers. Our first systems are already in operation and are likely to become a strong platform for growth in FY26.



Roofing and construction sales grew, spurred by the installation of solar systems in the UK, more than offsetting the impact of a soft Australasian construction market. Marine foam (U-DEK™) sales into the US began to strengthen in the second half of the year after a prolonged period of low demand and inventory adjustment by our customers.

We opened a U-DEK™ conversion and distribution facility in Europe (located in the Netherlands) in April 2025, where we see excellent potential for growth.

The Agri Division bounced back from a softer result in FY24 to a record FY25 EBIT of \$35.3 million, up 15 per cent on the pcp and an increase of 4 per cent on the previous record result (achieved in FY23).

Demand for essential consumables for the global dairy industry was consistently strong throughout FY25 and in contrast to FY24 where the first half of the year was impacted by customer destocking. FY25 sales in the New Zealand market were up 6 per cent and sales in international markets were up 10 per cent. We have long adopted a multi-channel approach to this market, supplying our food-grade-compliant consumables and products to original equipment manufacturers (OEM) of milking platforms and our own branded products to customers throughout the world. Growth in future years will be underpinned by maintaining these key OEM relationships, innovating our branded products to deliver more value for farmers, and sales growth in the developing eastern European and Asian markets.

Subdued demand in the first half of the year in New Zealand, higher material costs (particularly in the second half) and reduced production to manage inventory levels negatively impacted our footwear contribution in FY25. Countering these impacts, our limited-edition Pink Band gumboot in support of the Breast Cancer Foundation New Zealand (BCFNZ) was again successful (raising over \$80,000 for the BCFNZ) and we launched the Red Band™ Low. We secured new international business for our specialty footwear range as well; this includes fire, forestry, di-electric and mining.

Looking Ahead

We continue to invest in developing products, people and manufacturing capability to ensure that we deliver earnings growth in the future.

Dairy is one of the cornerstones of Skellerup and the demand for protein globally continues to grow. Our focus is to develop innovative products with features that deliver productivity gains for farmers. Over the past 18 months we have successfully launched new high-performance milking liners in the US market and the first products from our Thriver™ calf feeding range into New Zealand and international markets. We have also been investing in modernising our manufacturing capability, which has reduced engineered and production waste, energy consumption, improved productivity and provides a platform for possible future deployment in other markets.

Potable water is another cornerstone application for Skellerup. We supply products critical to the security of water infrastructure and performance of tapware across the world. In late FY25 we launched a new solution for high-pressure water systems in New Zealand. Our proprietary fibre-infused rubber gasket provides water authorities and installers with a high-performance, compliant and easy-to-install solution replacing legacy products prone to leakage.

The Red Band™ gumboot is synonymous with Skellerup and in New Zealand is our most widely recognised and loved brand. During FY25, we launched the Red Band™ Low, tailored for quick jobs around the home, garden or farm. In FY26, we will launch an expanded lifestyle footwear range to provide more customers with the opportunity to enjoy the quality and performance of rubber footwear designed and manufactured by Skellerup.

The common element across our activities at Skellerup is material. Almost 90 per cent of what we sell includes moulded or extruded polymer (be it black rubber, silicone rubber, liquid silicone rubber, engineered plastic or high-performance foam). Our Masport vacuum pump systems are the exception as they are not polymer based. However, the wastewater applications they are used in and the philosophy of integrating elements to provide customers with a more valuable solution most certainly are common to how we do business across the Skellerup Group. In FY25, we launched a solution for hydro excavation, also known as non-destructive digging. We see excellent growth potential for this application over the next few years.



Case study

Investing to improve productivity and agility

Skellerup has a long-established reputation for world-leading design and manufacture of dairy rubberware consumables which are essential for the safe production of milk and milk products.

Global demand for food protein is expected to continue to grow strongly in the years ahead (market and industry estimates vary from 3 to 8% per annum). To ensure we retain our current position as well as capitalise on market growth, we have been investing in the development of our dairy rubberware manufacturing platform at our Wigram facility in Christchurch, New Zealand, and will continue to do so.

During FY25 we commissioned new moulding and rubber processing equipment used for the manufacture of milking liners and accessories for our global customers. By merging the benefits of modern standard equipment with the decades of product-specific processing expertise we will remain a global leader.

The investment we are making not only increases our capacity and reliability; it also reduces engineered waste, reject rates, maintenance costs and energy consumed to ensure our internationally competitive cost base. Significantly our approach preserves and enhances our critical intellectual property and establishes a scalable manufacturing model at Wigram, allowing for deployment in other locations throughout the world to meet future market expansion.





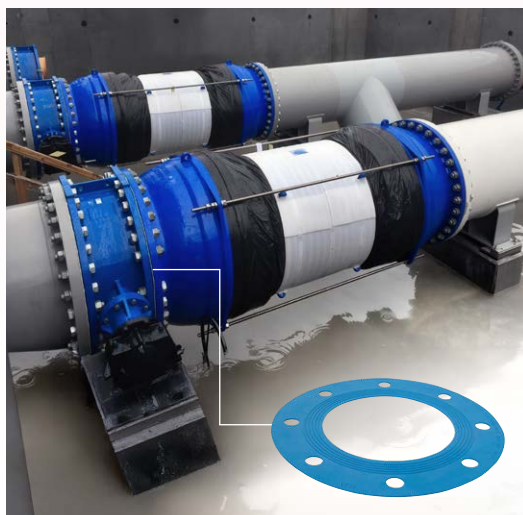
Case study

Reducing Potable Water leakage

Supplying engineered products for potable water applications that demand high performance and conformance to demanding standards is a significant global focus for Skellerup.

In late FY24 we began a project with a leading infrastructure distributor in New Zealand to deliver a market-first solution for high-pressure potable watermain gaskets to address a long-standing industry issue where pipe joints using legacy fabric-reinforced gaskets were susceptible to leakage.

Leveraging our deep expertise in polymer development and understanding of industry standards, we engineered a custom-moulded gasket with a unique fibre-infused formulation that not only meets potable water and material testing regulations but also enhances on-site installation and improves sealing performance. The product was launched in June 2025, and with major water authorities in New Zealand rapidly approving the gasket, it is now on the path to becoming the nationally endorsed solution.



We fund these organic growth opportunities and capability investments from the consistently strong operating cash flow we generate. This cash flow and the very low level of debt we carry offer possibilities for acquisitions as well. We look for businesses that complement our existing capability, expertise, market application and geographic footprint. We also look for businesses that may provide us with an opportunity to accelerate our growth plans in markets where we have a smaller position and consider will expand more rapidly in the future. However, our focus remains tight, and we will not deviate from our guiding parameters and return expectations.

Climate Reporting

This Annual Report includes reporting under the New Zealand Climate-related Disclosure Regime. We acknowledge the impact of climate change and our responsibility to seek and implement solutions for Skellerup.

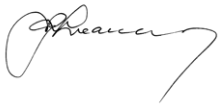
During FY25, we reviewed the risks and opportunities we identified and reported on in FY24. We did not identify any changes to what we determined last year. Many of Skellerup's products are, and will continue to be, important to responding and adapting to the impacts of climate change. This year we also developed transition plans to mitigate the impacts of climate change on our business and built an emissions-reduction plan for our dairy rubberware facility in Christchurch, New Zealand.

The intensity of scope 1 and 2 greenhouse gas (GHG) emissions reduced for the fourth consecutive year in FY25. As we grow our business this will not always be easy to achieve, but, as noted in our emissions-reduction plan, we have several initiatives that will generate incremental reduction in emissions and financial payback. We have again reported on scope 3 GHG emissions, which required a significant amount of time from our global team members.

You can review the opportunities and risks, a summary of our transition and emissions-reduction plan and our GHG emissions on pages 42 to 75 of this report.

Your Team

We are grateful to have a talented and committed group of leaders, specialists and team members. Across the world, we are committed to delivering high-quality and innovative products, capitalising on the platform and expertise we have. Our clear guiding principle is to create outstanding solutions for our customers that deliver great value for them and increasing returns for you, our shareholders. Thanks for investing in Skellerup.



Graham Leaming
Chief Executive Officer



Case study

Innovation on farm: boosting productivity with Thriver™

In FY25, Skellerup deepened its commitment to practical on-farm innovation with the launch of Thriver™ – a new generation of feeding solutions designed to support animal health, streamline rearing practices, and improve productivity for farmers.

Developed in New Zealand by our engineering teams in Christchurch and Auckland, in collaboration with technical specialists and calf rearers, Thriver™ responds directly to the challenges faced during calf rearing – a critical, high-pressure period for dairy and livestock operations.

Manufactured at our Christchurch facility, the Thriver™ range includes both pull-through and screw-on teats, offering flexibility to suit different feeder systems and farmer preferences. While the designs differ in fitting specifications, both deliver consistent performance, hygienic handling, and a strong focus on calf comfort and health.

Thriver™ incorporates a concave tip design that helps the teat slit seal after feeding, reducing leakage, minimising milk wastage, and keeping feeders cleaner. The shell is durable, yet soft, developed through ozone, ultraviolet and tensile testing, to ensure long-lasting use and calf-friendly texture. The range was rigorously tested on farms during development, making sure that every feature – from flow rate to fit – met the demands of daily use.

The market response has been extremely positive and exceeded our expectations, with farmers noting strong calf acceptance, reduced mess and handling time, and the ease of integrating Thriver™ into existing feeding routines.

The Thriver™ range sets a strong foundation for future development – where design, durability and animal well-being go hand in hand. Thriver™ development represents Skellerup's broader approach to innovation: solving real-world problems with smart, practical design.



Skellerup's People

Our team of 800-plus is based across the globe in New Zealand, Australia, the USA, China, the UK and Europe.

This geographic spread brings with it a diverse range of skills alongside vast experience, broad expertise and new ideas which we leverage across the Group.

Recognising sustained contribution

As befits the heritage of being a business founded 115 years ago, we have many long-serving employees. During FY25, we celebrated some notable milestones: 2 employees reached 50 years of service, a remarkable achievement of sustained contribution and loyalty; a further 2 employees passed 40 and 2 passed 30 years' service; and 1 employee reached the 25-year mark. The outstanding service of these employees was honoured at on-site functions around the world.

Prioritising health and safety

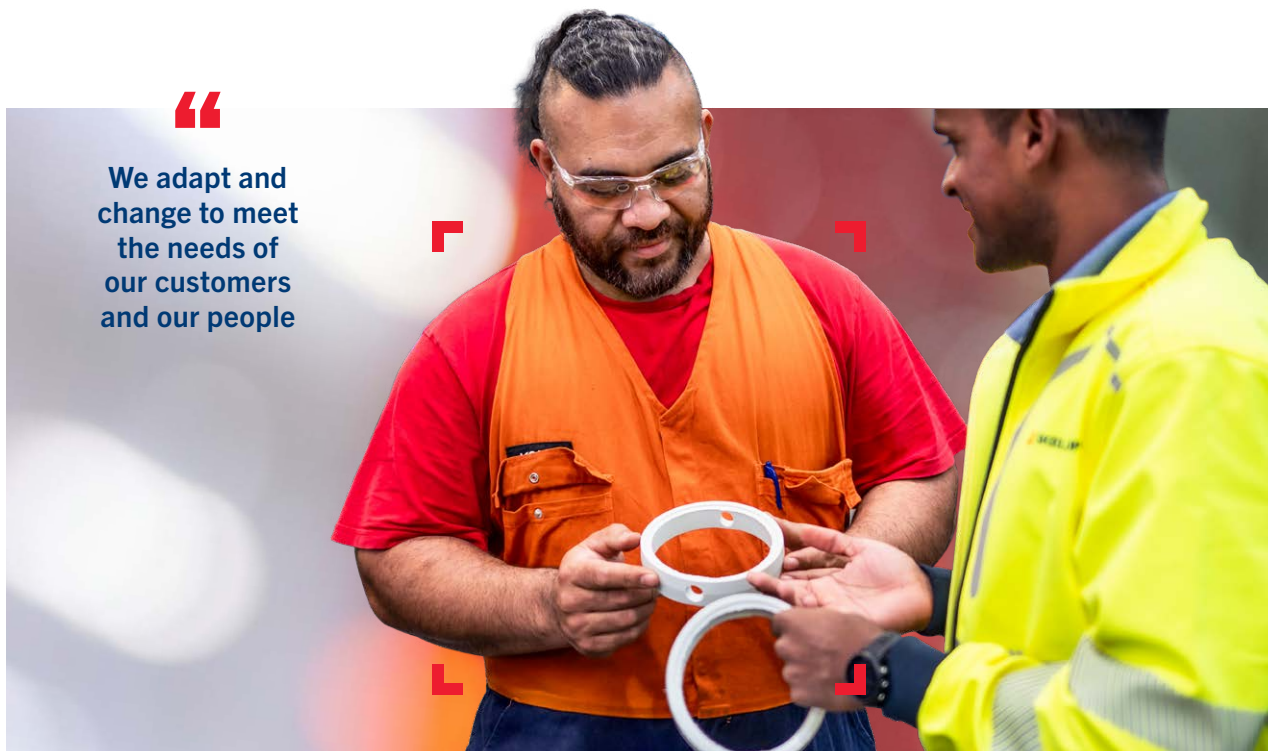
The safety of our people and others from accidental harm in our workplaces remains our highest priority. All our practices and programmes are established with the objective of keeping our people safe and free

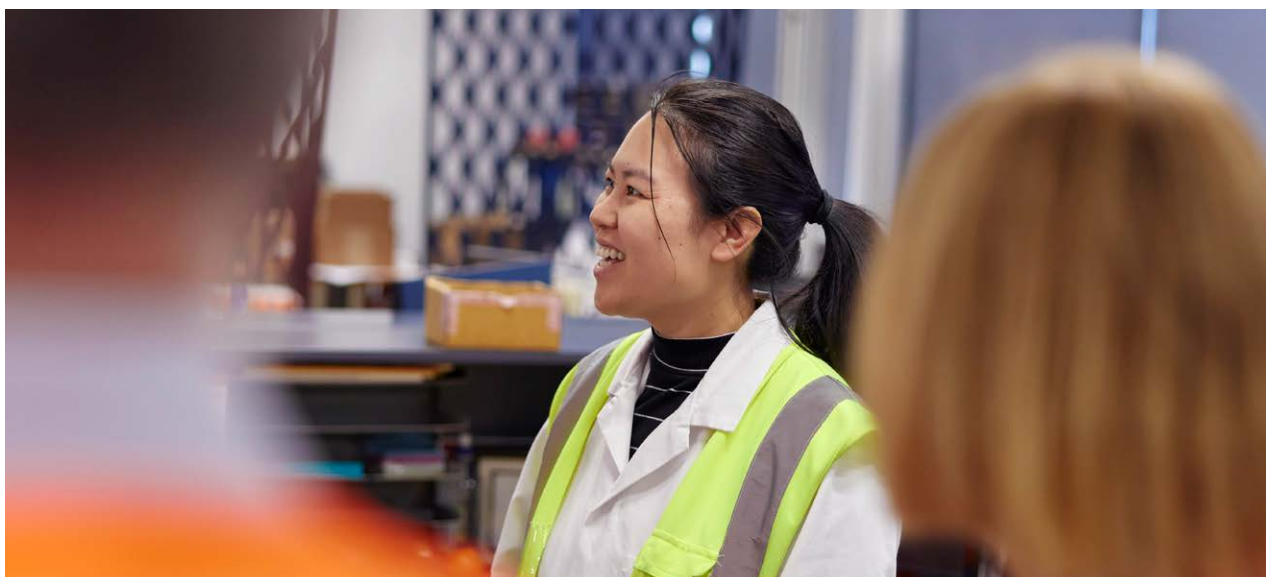
from workplace injury. Our shared objective is zero harm, and we constantly seek and make improvements in pursuit of this objective.

During FY25, we added a global programme of external health and safety (H&S) audits to complement our existing practice of internal and peer reviews. The independent and expert perspective brought by external reviews provides an opportunity to highlight risks that may not otherwise be detected and enables us to take additional actions to eliminate or mitigate any new risks the reviews identify.

We have also introduced an internal Quarterly Group Safety Bulletin. The Bulletin includes sharing business unit results and trends, highlighting and profiling common or significant incidents and near hits experienced across the Group. This prompts our teams to consider similar risks and, importantly, elimination or mitigation actions to prevent similar occurrences on their sites. The response to the Bulletin has been excellent with several improvements implemented at our sites across the world because of the information shared.

**“
We adapt and
change to meet
the needs of
our customers
and our people**





A key element of H&S at Skellerup continues to be the active H&S Committees we have at every site throughout the Group. They meet monthly, and have an annual plan of activities and improvements including a review of hazards, designed to keep their workplaces safe. Every H&S Committee reports the minutes of their meetings to the CEO and the Skellerup Board Health & Safety Committee.

For our most significant sites, we have been gradually implementing ISO 45001 certification. This provides an internationally recognised framework for managing occupational H&S risks. Seven of our global sites are certified, including our two largest in Christchurch, New Zealand and Jiangsu, China. We plan to certify three further sites in FY26.

Oversight of our H&S programmes is provided by the Board's H&S Committee, who meet four times each year. In FY25, one of these meetings was held at our dairy rubberware facility in Christchurch, one at our Ultralon foam facility in Auckland and another at our Skellerup Rubber Services facility also in Auckland; this provided the opportunity for Board members to observe activities, meet and discuss with our managers and teams, and assure themselves of our plans and behaviours. In addition to the oversight provided by this Committee, a Group H&S Report is submitted by the CEO and reviewed at every Board meeting.

Ultimately, the success of our programmes is measured by the number of injuries and incidents that occur. Our total injury rate¹ (TIR) increased slightly

during FY25, as shown in the table on page 25; this follows consecutive reductions in the prior two years. We complete and review incident reports for every injury, medical treatment and near hit. The emphasis of the report is on what actions will be implemented to initially eliminate and, if not possible, reduce or mitigate the risk of recurrence. While we are disappointed with every injury and the increase in TIR in FY25, we are pleased that for the seventh successive year, we did not record any serious-harm injuries or fatalities. We remain committed to leading, educating and investing time and resources in protecting our people and others from accidental harm in our workplaces.

Working arrangements

We recognise and embrace the opportunity to retain our best and attract new talent by offering differing employment arrangements including various shift patterns, permanent part-time and hybrid roles. The key criterion is always that the arrangement is both good for Skellerup and good for the employee. We adapt and change to meet the needs of our customers and our people and to optimise returns for our shareholders. Some of our sites operate four-day, ten-hour shifts, and have differing start and finish times to more effectively and efficiently meet the needs of customers and provide better working arrangements for our people.

¹ The total injury rate (TIR) is the total number of serious harm injuries, lost-time injuries and medically treated injuries multiplied by 2,000 (the estimated annual hours worked by an individual), divided by the actual year-to-date hours worked, annualised and expressed as a percentage. The TIR represents the percentage likelihood of being injured on each site. Zero TIR is the benchmark that all sites are striving to achieve. Lost time injury rate (LTIR) is an equivalent measure for lost-time injuries only.

Mechanisation and automation of manufacturing activities and changes in customer demand impact on the way we work also. This means that as we grow our business, the number of people we need increases at a slower rate and the make-up of our teams changes. We need more people to design, implement and support new products and equipment, more people to secure new business and service customers but smaller increases in operating personnel. We have had no large-scale redundancies within the Group over the past decade. At the end of FY25 our global team stood at 809 (FY24: 808 people).

Supporting our people and partners

We operate a global business in a rapidly changing world. Maintaining our reputation is critical to our success. Each year, we provide training on the behaviours that are required as outlined in our Code of Ethics, as well as in our key Policies including Modern Slavery, Diversity and Inclusion, and Information Security. In FY25, this training was again delivered by a video prepared by the CEO and CFO, with local business leaders initiating subsequent discussion including how staff respond and report in the event they do witness or suspect behaviour inconsistent with our Code of Ethics and Policies.

Skellerup's global footprint includes working with our manufacturing partners and international suppliers. These partners and suppliers are important to the successful delivery of critical products to our customers. Our systems, processes and people ensure our standards are met in all respects and include seeking assurance that our supply chain is free of modern slavery. During FY25, we again sought and received confirmation of compliance with our Supplier Code of Conduct from our leading global suppliers and we did not receive any reports of, nor identify any instances of, modern slavery within our supply chain.

A diverse workplace

We do not discriminate on the basis of gender or gender identity, race, ethnicity, cultural background, physical ability or attributes, age, sexual orientation, religious or political beliefs. A breakdown of our gender composition for our management group is shown on page 31 and our entire team is shown on page 5. Our 809-strong team identifies as 52 per cent male and 48 per cent female.



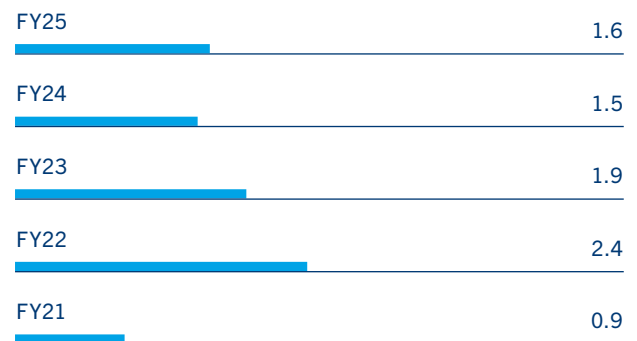
Cyber security

We complete an annual cyber security risk assessment of all businesses within the Skellerup Group to ensure our platforms and security are at the required standard and, if there is any gap, to implement a remediation plan to eliminate. We also provide regular online cyber security training, supplemented by periodic internal audits to make sure our control environment is working effectively and identify where improvements are needed.

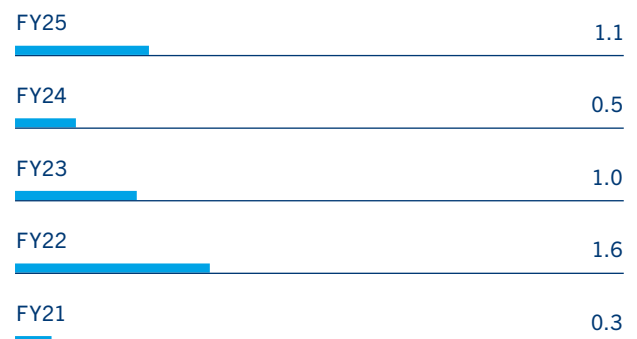
Our team

We are proud of the skill, commitment, tenacity and adaptability our people bring to continue to improve our business to deliver high-performing and quality products for our customers and excellent returns for our shareholders.

Total injury rate (%)



Lost time incident rate (%)



Board of Directors



John Strowger
(LLB Hons)

Independent Chair



John was appointed Chair in October 2022, and was previously appointed to the Board in March 2015. John retired as a partner at Chapman Tripp on 30 November 2022. John specialised in corporate, contract and securities law, mergers & acquisitions as well as heading the firm's China desk. He was named NZ Deal Maker of the Year at the 2015, 2017 and 2019 Australasian Law Awards. John sits on the board of, and advisory committees to, a number of private sector businesses, and is a director of listed company, Sanford Limited. John is Chair of the Health and Safety, Remuneration and Nomination Committees and is a member of the Audit Committee.

David Cushing
(BCom, ACA)

Independent Director



David was appointed to the Skellerup Holdings Board in August 2017. He is currently Executive Chairman of Rural Equities Limited and Managing Director of private investment company H&G Limited. David is a former investment banker with over 25 years' experience as a director of listed companies. He has expertise across a broad range of industries having previously been a director of Fruitfed Supplies Limited, Williams & Kettle Limited, Tourism Holdings Limited, Acurity Health Group Limited, PGG Wrightson Limited, Red Steel Limited, Webster Limited and NPT Limited. David is a member of the Audit, Health and Safety, Remuneration and Nomination Committees.

Alan Isaac
(CNZM, BCA, FCA, DistFlntD)

Independent Director



Alan was appointed to the Skellerup Holdings Board in August 2016. He has considerable experience governing and leading businesses and sporting organisations. Alan is currently Chairman of the New Zealand Community Trust. He is also a director of Oceania Healthcare Limited and Scales Corporation Limited. He was Chairman of KPMG NZ for 10 years until 2006, is a past Chairman of Cricket NZ, past President of the International Cricket Council and the New Zealand Institute of Directors. Alan's contribution to sport and business was acknowledged with his appointment as a Companion of the New Zealand Order of Merit (CNZM) in 2013. He is Chair of the Audit Committee and also a member of the Sustainability and Remuneration Committees.

Director Core Competences

- ESG (6/6)**
Prior relevant Board and leadership experience, ESG best practice
- Financial (3/6)**
Experience in international finance, accounting, reporting, controls and taxation

- Risk Management (6/6)**
Financial and non-financial risk frameworks, and risk evaluation
- Capital Markets (6/6)**
Experience with equity and debt markets and capital structuring, including mergers, acquisitions and divestments, and investment analysis

- Regulatory (5/6)**
Experience across regulatory environments
- Human Resources (5/6)**
Leading team development, performance and remuneration structures for international business
- Health & Safety (6/6)**
Health and safety management for a global business

The experience and diverse range of skills across Skellerup's Board ensures our plans are robust and pursued with vigour and sound business discipline.



Paul Shearer

(BCom)

Independent Director



Paul was appointed to the Skellerup Holdings Board in August 2020. He was Senior Vice President - Sales and Marketing for Fisher & Paykel Healthcare for 30 years and has global business experience with proven success growing international markets and leading multi-disciplinary teams across 50 countries. He is a member of the Health and Safety, Sustainability and Remuneration Committees.



Rachel Farrant

(BCom, PGDipCom, FCA, CFioD)

Independent Director



Rachel was appointed to the Skellerup Holdings Board in May 2022. She is a partner at BDO Wellington Limited and has over 20 years' experience in chartered accountancy and business advisory services and more than 10 years' experience as a director across a diverse range of sectors including construction, technology, financial and property. Rachel is currently a director of New Plymouth Airport, The Property Group Limited and Fairway Resolution Limited and was previously a director of Fulton Hogan Limited. She is Chair of the Sustainability Committee and is a member of the Audit Committee.



David Mair

(BE, MBA)

Non-Executive Director



David was appointed to the Skellerup Holdings Board in November 2006. He led the Group as CEO for over 12 years during which time it achieved significant revenue and earnings growth by focusing on designing and delivering critical engineered products for OEM customers. In March 2022, David was recognised as CEO of the Year in the Deloitte Top 200 Awards. David is currently CEO and a director of Sanford Limited and a director of Forté Funds Management Limited. David is a member of the Health & Safety Committee and the Sustainability Committee.

● International (5/6)

Experience, across businesses with a substantial global presence, and understanding of OEM customers

● Growth (6/6)

A track record of successful and sustainable business growth strategy

● Agriculture (3/6)

International and domestic agriculture experience

● Infrastructure, Leisure & Health (4/6)

Infrastructure for potable water, construction, sport and leisure, health and hygiene experience

● Manufacturing & Supply Chain (4/6)

Manufacturing expertise, international contract oversight, international logistics and supply chain expertise. Understanding of contractual arrangements with large OEM customers

● Technology (5/6)

Strong technological experience and development and protection of IP

Corporate Governance

This section of the Annual Report outlines our corporate governance structures and processes, and how they have been applied during the year.

This Corporate Governance statement was approved by the Board of Skellerup Holdings Limited (Skellerup, or the Company) on 20 August 2025. The information contained in this Corporate Governance statement is current as at that date.

Skellerup's Board and management are committed to achieving high standards of corporate governance. We believe this is central to the effective management of the business and to maintaining the confidence of our shareholders. The Board and management are focused on ensuring the long-term success of the Company and its subsidiaries (Group) and are committed to building long-term shareholder value.

The Board regularly reviews and assesses Skellerup's governance policies, procedures and practices to ensure they are appropriate and effective. Skellerup has reported against the recommendations of the updated NZX Corporate Governance Code dated 31 January 2025 (the NZX Code) in respect of the financial year ended 30 June 2025 (FY25). Skellerup is in full compliance with all recommendations of the NZX Code for FY25.

Skellerup's Constitution and each of the Charters and Policies referred to in this Corporate Governance statement are available on the Governance section of the Company's website at www.skellerupholdings.com.

Our compliance with the NZX Code for the financial year ended 30 June 2025 is detailed below under headings for each of the eight Principles of the NZX Code.

Principle 1 – Ethical Standards

Skellerup complies with the recommendations of Principle 1.

Skellerup's Directors set high standards of ethical behaviour and require members of the management team to conduct themselves similarly. The Directors hold management accountable for delivering these standards throughout the Group.

Skellerup's Code of Ethics provides a framework of minimum standards of ethical behaviour according to which Directors, management and all employees of the Group are expected to conduct themselves.



The Code of Ethics outlines the Company's expectations for all personnel. It includes consideration of conflicts of interest, conduct, compliance with all applicable policies, laws and regulations, confidentiality, the offering and acceptance of gifts and the use of the Group's property, assets and corporate information. Skellerup's Code of Ethics is reviewed annually by the Board of Directors; the last review being conducted in June 2025.

Skellerup communicates its Code of Ethics and where to find it to Directors and employees, explaining the Code's purpose and the mechanism for reporting any unethical behaviour. During FY25, the CEO and CFO prepared a video presentation on the Code of Ethics, together with other key Group policies. This presentation was made available to all employees to be trained on the Code of Ethics and other key Group policies during June 2025. Group and Business Managers then confirmed training attendance back to the CFO. The Code of Ethics is available to all employees on Skellerup's website.

Under Skellerup's Code of Ethics, contributions to political parties are expressly prohibited.

Skellerup's procedure for reporting and dealing with any concerns in respect of the conduct of its Directors or employees is set out in its Whistleblower Policy. Skellerup has not received any reports of serious instances of unethical behaviour during FY25.

Skellerup is committed to ensuring its Directors and employees understand its policy on and rules for dealing in Skellerup ordinary shares or any other quoted financial products issued by Skellerup or derivatives thereof. Skellerup's Financial Products Trading Policy notes that insider trading is always prohibited and provides examples of material information to assist Directors and employees with compliance. It imposes further restrictions on Directors and senior management by permitting trading only in prescribed trading windows (unless an exemption is granted by the Board) and requires such persons to seek consent for any trading. The policy is available on the Company's website. Details of Directors' shareholdings as at 30 June 2025 are set out in the Shareholder Information section on page 120.

Principle 2 – Board Composition and Performance

Skellerup complies with the recommendations of Principle 2.

The Board has adopted a written Board Charter, which sets out the roles and responsibilities of the Board and distinguishes and discloses the respective roles and responsibilities of the Board and management.

Written agreements have been entered into for all Director appointments since 2017.

The members of Skellerup's Board collectively provide the broad range of strategic, business, commercial and financial skills and knowledge, and the independence and experience required to lead and govern the Company effectively.

The Board regularly reviews its performance and composition to ensure it has the range of capabilities required.

The Board recognises that a skills matrix can assist with identifying and assessing existing Directors' skills and competencies as well as new skills and competencies which may be needed to meet Skellerup's future governance requirements. The skills and experience the Board has determined are important to Skellerup's strategic direction, and those held by the current Directors, are shown on pages 26 and 27.

The maximum and minimum number of elected Directors and the procedures for their appointment, retirement and re-election at Annual Meetings are set out in Skellerup's Board Charter, Nomination Committee Charter, Constitution and the NZX Listing Rules. All Directors must retire by rotation and, if eligible, may stand for re-election at the third annual meeting, or three years after their last election, whichever is longer. Any Director appointed by the Board since the previous annual meeting must also retire and is eligible for re-election.

Currently, the Board comprises five non-executive, independent Directors and one non-executive Director. The independence of Directors is reconsidered at least annually. Skellerup's Board most recently reviewed each Director's independence at its Board Meeting as at 30 June 2025. Having regard to the NZX Listing Rules and the NZX Code, five of the six non-executive Directors have been determined to be independent. David Mair is not considered independent as he is the former CEO of the Company, having resigned on 31 March 2024. Mr Mair continues on the Board as a non-executive director. None of the factors in Table 2.4 of the NZX Code applies to any of the independent Directors. The Directors and the Board have specifically considered the applicability of Code Factor 2 from Table 2.4 of the NZX Code, which applies where a director derives a substantial portion of his or her annual revenue from Skellerup. Each independent Director has confirmed to the Board that they are satisfied that they are independent under the NZX Listing Rules and Corporate Governance Code, specifically having considered the requirements of Code Factor 2 at a meeting held on 29 May 2025.

See pages 26 and 27 or the Company's website for more information on the tenure, skills and experience of Skellerup's current Board. As at the date of this Annual Report, the Directors, including the dates of their appointment and independence, are:

Board Appointment and Independence – 1 July 2024 to 30 June 2025

Director	Qualifications	Gender	Date of Appointment	Tenure (completed years)	Independence
John Strowger	LLB (Hons)	Male	4 March 2015	10	Yes
David Cushing	BCom, ACA	Male	21 August 2017	7	Yes
Rachel Farrant	BCom, PGDipCom, FCA, CFiOD	Female	2 May 2022	3	Yes
Alan Isaac	CNZM, BCA, FCA, DistFInstD	Male	1 August 2016	9	Yes
David Mair	BE, MBA	Male	29 November 2006	18	No*
Paul Shearer	BCom	Male	21 August 2020	4	Yes

*David Mair is not independent because he is the former CEO of Skellerup.

The Board Charter requires that the Chair be an independent, non-executive Director and that the roles of the Chair and CEO are separate. The Chair is currently an independent, non-executive Director and is also considered to be independent of the CEO. The table on page 33 shows each Director's Board Committee memberships, the number of meetings of the Board and its Committees held during the year and the number of meetings attended by each Director. Minutes are taken of all Board and Committee meetings.

The Board is responsible for managing conflicts of interest identified by Directors. Each Director is responsible for minimising the possibility of any conflict of interest as regards their involvement with the Company by restricting involvement in other businesses that would likely lead to a conflict of interest. A Directors' interests register is maintained by the Company. Particulars of the entries made in the interests register during FY25 are disclosed in the Shareholder Information section on page 120.

Directors are not required to own shares in the Company, although five of the six Directors are currently shareholders of Skellerup. Refer to page 120 for details of the current shareholdings of Directors.

Board procedures ensure that all Directors have the information needed to contribute to informed discussions and decisions consistently and to carry out their duties effectively. Senior management makes direct presentations to the Board as required to give the Directors an understanding of management strategies, priorities, style and capabilities. Directors also visit Skellerup's facilities throughout the world as part of their ongoing engagement to ensure they are familiar with all aspects of the business of the Group.

Training is made available to Directors, and in FY25 Directors participated in training on a wide range of issues.

Skellerup has a written Diversity and Inclusion Policy in place. Diversity at Skellerup includes (but is not limited to) gender, race, ethnicity and cultural background, disability and physical capability, age, sexual orientation, and religious or political belief. A gender composition table of the Skellerup Directors, officers and management is included on the following page, and a graph for the Group's entire workforce is on page 5. Skellerup maintains a merit-based environment which provides equal opportunity for development and recognition based on performance and a flexible and inclusive work environment that values differences that create value. Skellerup equitably remunerates equivalent roles.

Skellerup's Diversity Policy requires measurable objectives to be set by the Board and reviewed annually. For FY25 Skellerup set measurable objectives and reports progress as follows:

1. No discrimination

Skellerup aims to operate an inclusive workplace where employees are not discriminated against on the grounds of gender, gender identity, sexual orientation, colour, race/ethnicity/cultural background, disability, age, or religious beliefs. Group and business unit leaders are required to confirm that no such discrimination has taken place within their areas of responsibility, as part of the annual remuneration review process, which takes place annually in June and July.

Gender and Diversity as at 30 June 2025

Self-identify as:	Directors		Officers		Management	
	2025	2024	2025	2024	2025	2024
Male	5	5	2	2	24	24
Female	1	1	-	-	8	8
Gender diverse	-	-	-	-	-	-
Total	6	6	2	2	32	32

In FY25, Skellerup adopted a target of zero complaints/findings of harassment, discrimination or victimisation. No such incidents were reported in FY25.

2. Flexible workplace environment

Skellerup aims to provide a workplace that accommodates flexible working arrangements to encourage diversity in our workforce. Our goal is to ensure that workplace arrangements do not impede the retention of existing employees or the attraction of new employees. Supported by a Working from Home Policy, flexible workplace arrangements are implemented throughout the Group where suitable, to meet the needs of the business and the circumstances of employees. These arrangements include reviewing shift working hours for operating activities and part-time employment and working-from-home arrangements for certain roles. In recent years, Skellerup moved operating hours at several manufacturing sites to four-day, ten-hour shifts, which more effectively and efficiently meet the needs of our business and provide an additional clear non-working day for our people. We plan to consider similar arrangements for other facilities in the future. As of 30 June 2025, the Group employed 41 employees on permanent part-time arrangements and 68 employees on hybrid working-from-home arrangements.

3. Pay equity

Skellerup is committed to ensuring all employees are paid equitably. We deploy a skills-based model in our manufacturing facilities, which strengthens the effectiveness of our teams and ensures employees are rewarded in accordance with the skill level they achieve and maintain. At each annual salary review, our target is for there to be nil equity remuneration issues arising. At the last annual salary review in June and July 2025, business unit leaders reviewed and confirmed all roles were clearly defined, and that remuneration was based on relevant skills, experience, responsibility, effort and performance, independent of the person in the role. No equity issues arose from this review. Leaders are also empowered to monitor performance, development and changes in the scope of roles so that remuneration changes can be

recommended and considered outside of the annual salary review. Recruitment for new or replacement roles is based on documented job descriptions, with the assistance of external agencies to establish a shortlist of candidates that meet the requirements of each role and to provide an insight into the market level of remuneration for each role.

Principle 3 – Board Committees

Skellerup complies with the recommendations of Principle 3.

The Board has appointed five Board Committees to assist in carrying out its responsibilities effectively, each of which operates under a written charter. The Board regularly reviews the performance of each standing Committee against its specific written charter. The delegated responsibilities, powers and authorities of these Committees are described below.

1. Audit Committee

The Audit Committee comprises four non-executive, independent Directors, one of whom is appointed as Chair. Other Directors are permitted to attend meetings of the Audit Committee. The CEO, the Chief Financial Officer (CFO) and representatives of the external auditors attend by standing invitation of the Audit Committee; unless the Chair requests otherwise.

The Audit Committee meets a minimum of four times each year. Its responsibilities include (but are not limited to):

- Advising the Board on accounting policies, practices and disclosures;
- Reviewing the scope and outcome of the external audit and the performance of the auditors; and
- Reviewing the annual and half-yearly statements before approval by the Board.

The Audit Committee reports the proceedings of each of its meetings to the full Board.



The current composition of the Audit Committee is Alan Isaac (Chair), John Strowger, David Cushing and Rachel Farrant. The members of the Audit Committee have a broad range of commercial, financial and risk management experience, as well as relevant qualifications, as outlined on pages 26 and 27.

2. Health and Safety Committee

The Health and Safety (H&S) Committee comprises three non-executive, independent Directors, one of whom is appointed as Chair, plus one non-executive Director. Other Directors are permitted to attend meetings of the H&S Committee. The CEO and CFO also attend meetings at the invitation of the H&S Committee.

The H&S Committee meets a minimum of three times each year. Its responsibilities include:

- Providing leadership and policy for H&S management within the Group;
- Advising the Board on H&S strategy and policy and specifying targets to track performance;
- Reviewing management systems to ensure that they are appropriate to manage the hazards and risks of the business; and
- Monitoring and reviewing performance by specifying and receiving timely reports on incidents, investigations and resultant actions and with the assistance of internal and external audits.

The H&S Committee reports the proceedings of each of its meetings to the full Board. The current composition of the H&S Committee is John Strowger (Chair), David Cushing, Paul Shearer and David Mair.

3. Sustainability Committee

The Sustainability Committee currently comprises three non-executive, independent Directors, one of whom is appointed as Chair, plus one non-executive Director. Other Directors are permitted to attend meetings of the Sustainability Committee. The CEO and CFO also attend meetings at the invitation of the Sustainability Committee.

The Sustainability Committee meets a minimum of three times per year. Its responsibilities include:

- Assisting the Board in setting a sustainability strategy that captures the material issues relevant to Skellerup and creates long-term value;
- Guiding the development and implementation of sustainability policies, initiatives, programmes and activities;
- Considering current and emerging sustainability-related matters that may affect Skellerup and its business, operations or performance and making recommendations;
- Ensuring alignment between community engagement and investment initiatives with sustainability and business objectives;

- Ensuring appropriate reporting mechanisms are in place as well as processes to assess the effectiveness of any sustainability policies and initiatives; and
- Monitoring compliance with any relevant sustainability policies and reviewing the alignment of Skellerup's activities with its commitment to sustainability matters.

The Sustainability Committee reports the proceedings of each of its meetings to the full Board. The current composition of the Sustainability Committee is Rachel Farrant (Chair), Alan Isaac, Paul Shearer and David Mair.

4. Remuneration Committee

The Remuneration Committee comprises four non-executive, independent Directors, one of whom is appointed as Chair. Other Directors are permitted to attend meetings of the Committee.

The Remuneration Committee meets as required to:

- Review the remuneration packages of the CEO and senior managers; and
- Make recommendations to shareholders concerning non-executive Directors' remuneration packages.

Remuneration packages are reviewed annually. Independent external surveys are used as a basis for establishing competitive packages. The CEO and CFO only attend Remuneration Committee meetings at the invitation of the Committee.

The current composition of the Remuneration Committee is John Strowger (Chair), Alan Isaac, Paul Shearer and David Cushing.

5. Board Nomination Committee

The Board Nomination Committee comprises two non-executive, independent Directors, one of whom is appointed as Chair. Other Directors are permitted to attend meetings of the Board Nomination Committee.

It meets as required to recommend new appointments to the Board.

Board composition is regularly reviewed by the full Board and the Board Nomination Committee to ensure the collective skillset is appropriate for the Group and to ensure appropriate succession planning.

The current composition of the Board Nomination Committee is John Strowger (Chair) and David Cushing.

Skellerup has a Takeover Response Policy in place. The purpose of the policy is to ensure that Skellerup is well prepared for an approach relating to a control transaction and, therefore, it will be better able to control the response process and respond to any approach in a professional, timely and coordinated manner and the best interests of Skellerup and its shareholders. The Takeover Response Policy includes the option of establishing an independent control transaction committee and the likely composition of such a committee should it be required.

Principle 4 – Reporting and Disclosure

Skellerup complies with the recommendations of Principle 4.

1. Financial Reporting

The Board demands integrity in financial reporting and in the timeliness and balance of information disclosed.

The financial progress of Skellerup's two divisions is reported separately to the Board each month to enable divisional financial performance to be reviewed in the context of the Company's strategies and objectives. Monthly reporting also provides information on H&S, key opportunities, personnel, customers and suppliers, risks facing the business, and the steps being taken to optimise outcomes.

Board and Committee Attendance – 1 July 2024 to 30 June 2025

Director	Board	Audit	Health & Safety	Sustainability	Remuneration	Nomination
John Strowger	8 of 8	4 of 5	4 of 4	N/A	2 of 2	None
David Cushing	8 of 8	5 of 5	4 of 4	N/A	2 of 2	None
Rachel Farrant	8 of 8	5 of 5	N/A	3 of 3	N/A	N/A
Alan Isaac	8 of 8	5 of 5	N/A	3 of 3	2 of 2	N/A
David Mair	8 of 8	N/A	4 of 4	3 of 3	N/A	N/A
Paul Shearer	8 of 8	N/A	4 of 4	2 of 3	2 of 2	N/A

The Audit Committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness and timeliness of financial statements. The Company seeks to provide clear, balanced and objective financial statements and recognises the value of providing shareholders with financial and non-financial information, including environmental, economic and social sustainability risk management, as reported in this Annual Report.

Management accountability for the integrity of the Company's financial reporting is reinforced in writing by the certification of the CEO and CFO to the Board that the financial statements fairly present the financial results and position of the Group.

2. Non-financial Reporting

The Company combines its non-financial reporting within its Annual Report, recognising the interdependence of financial and non-financial matters (including climate-related matters) to the long-term sustainability of the business. Non-financial reporting disclosures (other than scope 1 and 2 greenhouse gas (GHG) inventories) are not subject to external review. These disclosures are compiled by employees with the appropriate knowledge and experience and reviewed and approved by the CFO and CEO.

The Company continues to develop its climate-related disclosures in line with the mandatory climate reporting under the Climate-related Disclosures (CRD) regime in New Zealand established by the External Reporting Board (XRB). For the Group's FY25 Climate Statements, see page 42.

The Company continues to develop its wider Environmental, Social Sustainability and Governance (ESG) Framework and to pursue ESG initiatives on a prudent and commercial basis.

3. Continuous Disclosures

The Company has a written Continuous Disclosure Policy and clear processes in place to ensure compliance with the continuous disclosure requirements that come with being a listed company. This policy is reviewed annually and circulated to Directors and managers, along with further guidance on the application of the policy and additional reminders about its purpose and importance. Continuous disclosure is a standing agenda item for each Board meeting. At each meeting, the Board considers whether there is any relevant material information that should be disclosed to the market and minutes the outcome of that consideration, whether or not any disclosure obligation is identified.

Principle 5 – Remuneration

Skellerup complies with the recommendations of Principle 5.

This section outlines the Group's overall remuneration governance and strategy for the year ended 30 June 2025 and provides detailed information on the remuneration arrangements in place for the Directors, CEO and other executives. This disclosure is aligned with the NZX Remuneration Reporting Template for Listed Issuers published by the NZX in December 2023.

Remuneration Governance

Skellerup has a Board Remuneration Committee comprised of a minimum of three independent non-executive Directors, one of whom is elected by the Board as chair of the Committee. Membership of the Remuneration Committee and the attendance of members at Committee meetings are listed on page 33. Management only attends Remuneration Committee meetings by invitation.

The Remuneration Committee operates under a written Charter, outlining its membership, procedures, responsibilities and authority. The Remuneration Committee Charter is available to view on the Company's website.

The Remuneration Committee is responsible for:

- Reviewing and recommending changes to the remuneration structure and policy of the Group, including Directors' fees,
- Reviewing the remuneration packages of the CEO and senior managers reporting directly to the CEO, and
- Reviewing the Group Diversity and Inclusion Policy, the diversity objectives and achievement against these objectives.

Skellerup has a written Remuneration Policy in place, which is available on the Company's website. The Remuneration Policy outlines the remuneration principles that apply to the Directors and senior managers of Skellerup to ensure that remuneration practices are fair and appropriate for the Group, and that there is a clear link between remuneration and performance. The guiding principles of this policy are that the remuneration of Directors, officers and managers will be transparent, fair and reasonable to meet the needs of the business and shareholders. Skellerup does not make discretionary sign-on, retention or departure payments to incoming or existing employees (including non-executive Directors).

The Remuneration Policy may be amended from time to time and is reviewed at least annually by the Remuneration Committee. The Group has also established several additional key policies to support a strong governance framework.

Disclosure of employees (other than employees who are Directors) who received remuneration and any other benefits in their capacity as employees, the value of which was or exceeded \$100,000 per year, in brackets of \$10,000, as required by the Companies Act 1993 is included on page 38.

No loans or other forms of financial assistance have been provided to the CEO or any other executives or non-executive Directors of the Skellerup Group.

Executive and Employee Remuneration

Executive and employee remuneration may be comprised of a fixed and at-risk component, depending on the scope and complexity of the role.

Fixed Annual Remuneration

Fixed annual remuneration includes base salary and employer superannuation contributions, where provided. Base salary is determined by the scale and complexity of the role. The Group undertakes remuneration reviews annually and as needed, informed by an assessment of relative external market data and organisational context.

Short-term Incentives (STI)

Senior executives' remuneration comprises a combination of fixed and at-risk components. Payment of the at-risk component is linked to exceeding the previous best annual financial performance in the areas of the business for which each executive is responsible or, in some circumstances, the achievement of specific targets. The goals and targets set in each category are specific, objective and measurable, such that there is an accurate judgement each year as to whether the goal has been achieved or not. The STI earned is paid as cash remuneration.

The CEO approves (with notification to the Remuneration Committee) the annual STI payments for all entitled staff other than the CEO and CFO. STI payments are fully accrued in the year to which they relate. The Board approves the annual STI payments for the CEO and CFO and their targets for the year ahead.

In addition to the STI scheme, ad-hoc bonus payments may be made to any employee where certain outcomes are considered to positively impact the performance of the Group. These payments are only made with the express approval of the CEO.

Performance, Development and Remuneration Review

Performance and development reviews are completed to inform decisions around remuneration adjustments. The remuneration review process also includes consideration of market information and, in the case of employees under Collective Employment Agreements, negotiations with unions.

CEO Remuneration

The CEO's remuneration consists of fixed remuneration and variable (at-risk) remuneration in the form of a short-term incentive (STI) and long-term incentive (LTI) scheme. This structure is reviewed annually by the Remuneration Committee and is subject to approval by the Board.

Total remuneration paid to the CEO in FY25 and prior financial years, together with a description of the share-based LTI scheme in place for the CEO, is detailed below.

David Mair resigned as CEO on 31 March 2024 and was replaced by Graham Leaming on 1 April 2024. The disclosures below cover the period each served as CEO of Skellerup.

Fixed Annual Remuneration

The fixed annual remuneration of the CEO includes base salary and employer superannuation contributions, where provided. Base salary is benchmarked against comparable listed companies. The latest benchmarking exercise was completed by the Board in March 2024.

CEO Remuneration

\$000		Fixed Salary	Kiwisaver	STI ²	Subtotal	LTI	Total
Graham Leaming	FY25	704	21	294	1,019	-	1,019
Graham Leaming ¹	FY24	176	5	19	201	-	201
David Mair ¹	FY24	863	-	-	863	-	863

¹ The remuneration above reflects the period of FY24 in the role as CEO (Mair until 31 March 2024 and Leaming from 1 April 2024).

² The FY25 STI was accrued but not paid at 30 June 2025.



Short-term Incentives (STI)

The CEO's at-risk remuneration includes an STI scheme that is directly linked to the overall financial and operational performance of the Group. Achievement of the STI is connected to exceeding the previous best annual financial performance of the Group under the CEO's leadership, measured based on earnings before interest and taxes (EBIT) adjusted to exclude certain non-recurring items of income and expense and changes in the composition of the Group, such as acquisitions and divestments. The targets set are specific, objective and measurable, such that there is an accurate judgement each year as to whether the target has been achieved or not. The STI earned is paid as a taxable cash bonus. As the STI scheme is a profit share scheme, there is no cap on the maximum amount payable under the arrangement.

The FY25 STI is the amount assessed as earned in FY25 but will be paid in FY26 as the assessment of the STI performance was made after the FY25 reporting date.

Long-term Incentives (LTI)

The Company operates a LTI scheme for the benefit of the CEO and other senior executives. The LTI scheme is intended to reward and retain key employees (including the CEO), drive longer-term performance and decision-making, and align incentives with the interests of shareholders.

The LTI scheme is a share option scheme which permits the Board to grant options to acquire fully paid shares in the Company. Upon exercise, option holders will be issued one share per option exercised. The exercise price is payable by the option holder before shares are issued or transferred. Alternatively, on exercise, option holders may direct the Company to facilitate a cashless (net settled) exercise by issuing to the option holder, such number of shares as is equal to the difference between the market value of a share and the exercise price per option, multiplied by the number of options being exercised, and divided by the market value of a share. The most recent grant was made in October 2024. Details of options granted in the current and preceding financial years are shown below.

CEO Long-term Incentive Scheme

	Financial Year of Grant	Number of Options	Price per Option NZ\$	Exercise Period	Share Price at Exercise NZ\$	Value at Exercise \$000
Graham Leaming	FY25	300,000	4.85	1 Sept 2027 to 1 Nov 2027	N/A	N/A
Graham Leaming	FY23	800,000	5.17	1 Sept 2024 to 1 Nov 2024	Note 1	Note 1

CEO Remuneration: Five Year Summary

\$000		Fixed Salary	Kiwisaver	STI	Subtotal	LTI	Total	LTI Exercise	LTI Performance Period
Graham Leaming	FY25	704	21	294	1,019	-	1,019	-	Lapsed FY25
						-	-	-	2024-2027
Graham Leaming ¹	FY24	176	5	19	201	-	201	-	2022-2024
David Mair ¹	FY24	863	-	-	863	-	863	-	Lapsed FY24
David Mair	FY23	725	-	265	990	2,303	3,293	100%	2020-2022
						-	-	-	2022-2024
David Mair	FY22	690	-	497	1,187	-	1,187	-	2020-2022
David Mair	FY21	740	-	626	1,367	813	2,180	100%	2018-2020
						-	-	-	2020-2022

¹ The remuneration reflected above reflect the period of FY24 in the role as CEO (Mair until 31 March 2024 and Leaming from 1 April 2024).

Graham Leaming was granted 300,000 options on 3 October 2024, at an exercise price of NZ\$4.85 per share. The exercise price was the weighted average share price on the twenty trading day period preceding issuance. The options will be exercisable in the period beginning on 1 September 2027 and ending on 1 November 2027.

Note 1

Graham Leaming was granted 800,000 options on 1 November 2022, at an exercise price of NZ\$5.17 per share. The exercise price was the weighted average share price on the twenty trading day period preceding issuance. The options were exercisable in the period beginning on 1 September 2024 and ending on 1 November 2024. As the Skellerup share price was below the exercise price upon vesting, these options were not exercised and lapsed on 1 November 2024.

CEO/Worker Ratio

The CEO/worker ratio represents the number of times greater the CEO's remuneration is than an employee paid at the median of all Group employees. As of 30 June 2025, the CEO's base salary at \$725,000 was 10.1 times that of the median employee at \$71,652 per annum (30 June 2024 – the CEO's base salary at \$725,000 was 10.9 times that of the median employee at \$66,500 per annum).



Remuneration Range \$000	Number of Employees	Remuneration Range \$000	Number of Employees
100-110	32	300-310	1
110-120	16	310-320	2
120-130	15	320-330	1
130-140	14	330-340	1
140-150	16	350-360	1
150-160	12	360-370	1
160-170	10	370-380	1
170-180	5	380-390	1
180-190	6	390-400	1
190-200	2	400-410	1
200-210	8	410-420	2
210-220	8	440-450	1
220-230	4	460-470	1
230-240	4	490-500	1
240-250	3	510-520	1
250-260	4	710-720	1
270-280	1	750-760	1
280-290	4	820-830	1
290-300	1	1,010-1,020	1

Gender Pay Gap

The gender pay gap measures the median base remuneration between men and women regardless of the nature of work. The Group operates in several regions, which makes comparisons between employees in different regions less meaningful. Skellerup, as a New Zealand-listed Company, has measured the gender pay gap of its New Zealand workforce, which represents 41% of its total workforce at 30 June 2025 (30 June 2024 – 40%).

As at 30 June 2025, the gender pay gap is 11.3% (30 June 2024 – 9.6%). That is, women earn \$0.89 for every \$1 that men earn. The median pay is \$75,020 (FY24 – \$70,300) for the Group's New Zealand employees.

Remuneration Bands

The above table notes the number of employees or former employees of the Group, not being Directors, who, during the reporting period, received remuneration and any other benefits in their capacity as employees, the value of which was or exceeded \$100,000 per annum, in brackets of \$10,000. The Group paid remuneration above \$100,000 to 186 current and former employees in FY25 (FY24 - 169 current and former employees).

Directors' Remuneration

Non-executive Directors' remuneration is paid in the form of Director's fees and non-executive Directors have no entitlement to any performance-based remuneration or to participate in any share incentive schemes. Additional fees are paid to the Chairs of the Board, Audit Committee and Sustainability Committee to reflect the additional responsibilities of these positions. Skellerup does not pay retirement benefits to non-executive Directors.

The fee pool available for remuneration payable to non-executive Directors is approved by shareholders. The current approved annual fee pool available for the payment of non-executive Directors is \$850,000. This was approved by shareholders at the Annual Meeting on 24 October 2024. Skellerup's Board comprised five non-executive independent Directors and one non-executive Director at the time the fee pool was approved. In FY25, total fees paid to non-executive Directors amounted to \$750,000. Details of the Directors' remuneration are shown on the following page.

Director Remuneration

	Board Chair	Board Director	Audit Chair	Sustainability Chair	Total
John Strowger	100,000	100,000			200,000
David Cushing		100,000			100,000
Rachel Farrant		100,000		25,000	125,000
Alan Isaac		100,000	25,000		125,000
David Mair		100,000			100,000
Paul Shearer		100,000			100,000
Total	100,000	600,000	25,000	25,000	750,000

The Remuneration Committee may commission studies and surveys and obtain external advice on the remuneration structure and policy of the Company, including Directors' fees, and determine whether those fees are appropriate. The Board and Remuneration Committee seek to set aggregate remuneration for non-executive Directors at a level which provides the Company with the ability to attract and retain Directors of the appropriate calibre and experience at a cost which represents fair value for shareholders.

Non-executive Directors are encouraged but are not required to hold shares in the Company.

Principle 6 – Risk Management

Skellerup complies with the recommendations of Principle 6.

The Board is responsible for the Group's risk management and internal control system. Each Director has a sound understanding of the key risks faced by Skellerup. The Board reviews the Group's Risk Management Report prepared by the CEO and management on a semi-annual basis and specific items including the Group's approach to managing information systems risks are monitored monthly. The Risk Management Report identifies key risks and strategies to manage these risks. Climate risk reporting is integrated into the Group's risk management systems. Climate risks are reviewed by the Board at least annually, with significant risks reported as part of the Group's key risks. The Sustainability Committee assists the Board in setting appropriate sustainability strategies aligned to Group objectives.

The Board ensures that adequate external insurance coverage is in place appropriate to the Company's size and risk profile. The appropriateness of this coverage is considered annually by the Audit Committee, with recommendations presented by management.

There were no material information security breaches in FY25, and the preceding year.

The Audit Committee monitors the Company's system of internal financial control with the aid of reviews and reports prepared by external providers and periodic certification by the CEO and CFO. This system includes clearly defined policies controlling treasury operations and capital expenditure authorisation. The CFO is responsible for ensuring that all operations within the Group adhere to the Board-approved financial control policies.

The H&S Committee leads and monitors H&S management within the Group. The Company operates a comprehensive H&S framework across all its businesses to identify and address workplace hazards and to monitor and review compliance with H&S policies and procedures. Board review of H&S is a priority and is facilitated by both the activities of the H&S Committee and the receipt and review of H&S reports at each Board meeting. This review is further facilitated by regular visits to key sites, providing the opportunity to engage and query staff at all levels of the Group. In FY25, the Board visited key sites in Christchurch and Auckland.

Details of Skellerup's key H&S risks and its performance for FY25 are included in the People section on pages 22 to 25.

Principle 7 – Auditors

Skellerup complies with the recommendations of Principle 7.

The Board ensures the quality and independence of the external audit process, which culminates in the audit report issued in relation to the annual financial statements.

The Board has an established framework for Skellerup's relationship with its external auditor, and to ensure independence of the Company's external auditor is maintained, a written Audit Independence Policy has been implemented.

The Audit Independence Policy sets out guidelines to be followed to ensure that related assurance and other services provided by Skellerup's auditor are not perceived as conflicting with the independent role of the external auditor. The Audit Committee approves any non-audit services that are provided by the external auditor. Management and the external auditor are invited to attend meetings of the Audit Committee. The Audit Committee meets with the external auditor without any representatives of management present at least twice per year.

Skellerup's external auditor is Ernst & Young (EY). EY were first appointed as auditors of the Company in 2002. The Board annually reviews the appointment of the external auditors. The EY audit partner responsible for the Skellerup audit was appointed during FY23 and will act for a maximum of five years. The EY audit partner attends the Annual Meetings and is available to answer questions relating to the audit. The EY audit partner attended the 2024 Annual Shareholders' Meeting and is expected to attend the 2025 Annual Shareholders' Meeting.

EY provided the Audit Committee with written confirmation that, in their view, they were able to operate independently during the FY25 audit. The total amount paid and payable to EY for the FY25 audit of the Group financial statements is \$944,000. During the year, the external auditor provided approved non-audit services as follows:

- Limited assurance services related to Skellerup's greenhouse gas emissions disclosures. The fee for this service was \$55,000.
- Provision of market remuneration information for management roles within the Group's Australian subsidiaries. The fee for this service was \$6,300.

Skellerup maintains an internal audit function with the assistance of external advisors. Skellerup reviews the residual risks from its semi-annual Risk Management Report to determine priorities for consideration for internal audit review. The Audit Committee reviews and approves all internal audit activity and meets with the internal auditors as required.

The significant issues and judgements considered by the Audit Committee are disclosed in Note [f] of the financial statements on page 92.

Principle 8 – Shareholder Rights and Relations

Skellerup complies with the recommendations of Principle 8.

The Board aims to ensure that shareholders are kept informed of developments affecting the Company and encourages shareholders to engage with the Company. Information is communicated to shareholders and other key stakeholders through the annual and interim reports, disclosures to the NZX, and at Annual Meetings.



The Board encourages shareholders to attend and participate fully at Annual Meetings to ensure they exercise the opportunity to ask questions about the Company and its performance. Voting of shareholders is by poll, based on one share, one vote. In 2024, the Company's Annual Meeting was a hybrid meeting, allowing those not present at the meeting venue in Auckland, New Zealand, to actively participate, and shareholders were provided with a virtual meeting guide ahead of the Annual Meeting. Shareholders and their proxies were able to vote, ask questions and view the live presentations, whether they attended the meeting in person or online.

All shareholders have the option to elect to receive electronic communications from the Company through the Company's share registrar (Computershare) and by electing to receive email notifications of investor news from the Company.

In addition to shareholders, Skellerup has a wide range of stakeholders and maintains open channels of communication for all audiences, including the investing community, regulators, employees, customers and suppliers.

The Company maintains information for shareholders on its website at www.skellerupholdings.com. This includes a description of Skellerup's business and structure, copies of key corporate governance

documents and policies, and all information released to the NZX. Shareholders can receive all communication from Skellerup electronically.

The Board respects the interests of all shareholders in the Company. Skellerup strives to manage its business in a manner that delivers long-term shareholder value by delivering consistent quality solutions for customers, a work environment that is safe and delivers development opportunities for its employees and meets or exceeds the compliance requirements in the environments in which the Group operates.

No major decisions which may change the nature of Skellerup were made during FY25 and therefore no such matters were required to be put to shareholders. Similarly, Skellerup did not seek additional equity capital in FY25 and therefore there was no such offer to be made to shareholders on a pro-rata basis.

The Company's Notice of its 2025 Annual Meeting will be released on the NZX Market Announcement Platform at least 20 working days before the Annual Meeting and will also be made available on the Company's website. Notice of the 2024 Annual Meeting (being the only meeting of shareholders called in FY25) was given more than 20 working days before the meeting.



Group Climate Statements

We recognise that the effects of climate change will impact where and how Skellerup will invest for future growth and how we will ensure the safety of our people and operations to continue to deliver to our customers.

We also understand that the global transition to a low-emissions, climate-resilient future will present both risks and opportunities for the Group over the short, medium and long term. A detailed understanding of the current and future impacts of climate change is necessary to ensure appropriate adaptation to, or acceleration of, strategies to mitigate climate risks and capitalise on the opportunities arising from climate change.

Skellerup is classified as a climate reporting entity and is required to report under the mandatory climate-related disclosures framework in Part 7A of the Financial Markets Conduct Act 2013, which came into effect on 1 January 2023. This requires Skellerup to prepare group climate statements in accordance with the Aotearoa New Zealand Climate Standards (NZ CS).

The NZ CS require reporting under the four pillars described below:

Governance	The role of the Board of Directors in overseeing Skellerup’s climate-related risks and opportunities, and the role management plays in assessing and managing those climate-related risks and opportunities.
Strategy	How climate change is currently impacting Skellerup and how it might do so in the future. This includes scenario analysis undertaken by Skellerup, identified climate-related risks and opportunities, anticipated impacts, and how Skellerup will position itself as the global economy transitions towards a low-emissions, climate-resilient future.
Risk Management	How Skellerup identifies, assesses and manages climate-related risks and how these processes are integrated into existing risk management processes within the Group.
Metrics and Targets	Disclosures of information on how climate-related risks and opportunities are measured and managed.



“
The Group’s first Climate Transition Plan outlines how we propose to respond to the risks and opportunities posed by climate change

The new Evolution SST-Driver is an innovative silicone liner with a lightweight recyclable shell, which reduces farm waste

Statement of Compliance

FY25 is Skellerup's second reporting period under the Climate-related Disclosures regime. These disclosures are prepared in compliance with the NZ CS. Where necessary, allowable adoption provisions have been applied to ensure compliance with the NZ CS. The Group (as defined in the Glossary on page 75) has relied on the following adoption provisions in preparing these climate-related disclosures:

Adoption Provision 2: Anticipated Financial Impacts	Exemption from the requirements to disclose the anticipated financial impacts of climate-related risks and opportunities and a description of the time horizons over which the financial impacts could reasonably be expected to occur.
Adoption Provision 4: Scope 3 GHG Emissions	Exemption from the requirements to disclose all scope 3 greenhouse gas (GHG) emissions sources, or a selected subset of the Group's scope 3 GHG emissions sources. Skellerup has elected to disclose a subset of scope 3 categories. Further details are included on pages 64 to 70.
Adoption Provision 6: Comparatives for Metrics	Exemption permits, in the second reporting period, disclosure of only one year of comparative information for each metric disclosed. Skellerup has included at least one year of comparative information for all metrics, and two years of comparative information for those metrics where measurement was previously undertaken.
Adoption Provision 7: Analysis of Trends	Exemption from the requirements to disclose an analysis of the main trends evident from a comparison of each metric from previous reporting periods to the current reporting period. Skellerup has disclosed trends for scope 1 and 2 GHG emissions, but not for other disclosed metrics.
Adoption Provision 8: Scope 3 GHG Emissions Assurance	Exemption from the requirement to include scope 3 GHG emissions disclosures in the scope of the Group's assurance engagement. Skellerup also relies on the Financial Markets Conduct (Climate-related Disclosures—Assurance Engagement) Exemption Notice 2025.

Disclaimer

Climate change is an evolving challenge, with high levels of uncertainty as to the scale and timing of anticipated impacts on Skellerup. This report sets out Skellerup's approach to scenario analysis, our understanding of and response to our climate-related risks and opportunities, our current and anticipated impacts of climate change, and the transition plan

aspects of the Group's strategy that aim to align Skellerup with a low-carbon, climate-resilient future. This reflects Skellerup's current understanding as at 20 August 2025, in respect of the financial year ending 30 June 2025 (FY25).

These climate-related disclosures contain forward-looking statements, including climate-related scenarios, targets, assumptions, projections, forecasts, statements of Skellerup's future intentions, estimates and judgements. These statements are based on current expectations, estimates and assumptions and are therefore subject to significant uncertainties. The risks and opportunities described here might not eventuate or might be more or less significant than anticipated. Many factors could cause Skellerup's actual results, performance or achievement of climate-related metrics (including targets) to differ materially from those described, including economic and technological viability, as well as climatic, government, consumer, supplier and market factors outside of our control. We have sought to ensure there is a reasonable basis for forward-looking statements and are committed to progressing our response to climate-related risks and opportunities over time; however, our assessment is necessarily constrained by the novel and developing nature of this subject matter. We therefore caution reliance on aspects of this report that are necessarily less reliable than other aspects of our annual reporting. We remain committed to progressing our response to climate-related risks and opportunities over time, and to report our progress each year.

To the maximum extent permitted by law, Skellerup and our subsidiaries, directors, officers, employees and contractors shall not be liable for any loss or damage arising in any way from or in connection with any information provided or omitted as part of these climate-related disclosures.

Nothing in this report should be interpreted as capital growth, earnings or any other legal, financial, tax or other advice or guidance.

Governance

The Group operates as a global designer, manufacturer and distributor of precision-engineered products. Skellerup has manufacturing and distribution facilities in seven countries spanning four continents. The Group operates as a collection of closely aligned business units, with management and resources close to our customers and end markets. The Group supplies customers in a wide range of end markets, focussing on delivering innovative and enhanced products. Skellerup supplies over 3,700 customers globally across 87 countries.

The Group operates across 20 locations, representing a combination of manufacturing and distribution sites. Skellerup also has a significant contract manufacturing partner in Vietnam.

Skellerup's Board of Directors has ultimate responsibility for the Group's approach to climate change, including the approach to climate-related risks and opportunities affecting the Group.

Membership of each of the Board committees is summarised on page 33.

Responsibilities for the oversight and management of the Group's approach to climate change are summarised below:

Governance process and frequency

The Board oversees and reviews Skellerup's sustainability framework and strategy, including climate-related risks and opportunities. Climate-related risks and opportunities are considered by the Board when considering broader strategy, including as part of Skellerup's annual business planning cycle. Examples of the Board's consideration of climate-related risks and opportunities in FY25 included:



- Bi-annual review of the Group's Risk Assessment Report, with integrated climate-related risks,
- Discussion of the opportunities presented through the impacts of extreme weather events in the key US market on demand for the Group's roofing and construction products, and
- An update on environmental matters and opportunities as part of the Board's annual review of the Group's business plans.

Risk is a regular subject of discussion at Board meetings. Formal updates and reporting on the Group's risk assessment are presented to the Board approximately every six months. Where any new or changed climate risks are identified outside of the annual review cycle, these will be reviewed, considered and reported to the Board and the Sustainability Committee, as appropriate.

Key risks (including any material climate-related risks) are monitored by the Board and are subject to formal review at least twice per year. Risks are identified and reported by management to the Board.

The Board has delegated responsibility for sustainability-related (including climate) strategy, policies, initiatives, measurement and reporting to the Board Sustainability Committee, including oversight of identifying, assessing, monitoring and managing climate-related risks and opportunities. The Sustainability Committee also has a role in considering, approving and recommending targets to the Board, including GHG emissions reduction targets. The Sustainability Committee formally reviews climate-change scenarios, climate-related risks and opportunities and the development of, and progress against climate transition plans, at least annually. The progress made on the development of transition plans during FY25 is summarised on pages 57 to 62.

The Sustainability Committee meets at least three times per year. All proceedings at Sustainability Committee meetings are reported back to the full Board.

The Board is assisted by the Audit Committee in discharging its responsibilities relative to external reporting (including climate-related disclosures), the risk management framework and monitoring compliance with that framework, regulatory conformance and other accounting requirements. The Audit Committee meets a minimum of four times each year and reports the proceedings of each of its meetings to the full Board. The Chair of the Audit Committee presents an annual report to the Board summarising the Audit Committee's activities throughout the year and any relevant significant results and findings.

Board skill set

The Board aims to ensure appropriate skills and capabilities are available to provide oversight of climate-related risks and opportunities through the maintenance of a skills matrix, which includes competencies around environmental, social and governance (ESG) strategies (refer to pages 26 and 27). To build on the education on Climate-related Disclosures undertaken by the Board in the financial year ended 30 June 2024 (FY24), management shares relevant material with the Board, Audit Committee and Sustainability Committee around developments in climate reporting, in addition to the broader education Skellerup directors undertake through their own continuing professional development.

Management's role

Management is responsible for monitoring sustainability and climate-related risks and ensuring these are integrated into the Group's risk management framework, as well as progressing climate-related opportunities.

The CEO (in consultation with the Board) is responsible for the Group's overall strategy, and the day-to-day management of the Group, including risk management processes (which incorporate climate-related risks and opportunities).

The CFO leads the Group's ESG strategy and development in conjunction with the CEO and is responsible for the day-to-day management of:

- ESG data and analysis;
- Sustainability initiatives (in conjunction with the CEO); and
- ESG reporting (including climate-related reporting).

In FY25, the CFO, with the support of external advisers, led wider engagement with Group and business unit leaders and other subject matter experts from across the Group to review and update the climate-related risks and opportunities identified in FY24. Where material, climate-related risks are incorporated into the Group-wide risk management process, which is overseen by the Board of Directors.

The CEO and CFO attend each meeting of the Audit Committee and Sustainability Committee by invitation and maintain direct lines of communication with the Committee Chairs.

In FY25, the CEO and CFO attended each of the meetings of the Sustainability Committee to discuss the review and update of climate change scenarios and climate-related risks and opportunities, review and approve Skellerup's first Climate Transition Plan, and to prepare for updates required to climate-related disclosures. In FY25, the Audit Committee discussed climate-related risk at two of its quarterly meetings, attended by the CEO and CFO.

The CFO is supported by the Group Financial Controller, Group and business unit managers and other relevant subject matter experts in the preparation of annual climate-related disclosures and the collation, reporting and analysis of metrics and targets.

As per FY24, climate-related performance metrics are not currently incorporated into remuneration policies.

Strategy

Current climate-related impacts

We acknowledge that climate change is already having an impact on the markets in which the Group operates. As an international business with operations on four continents and customers in 87 countries, the Group has been exposed to various physical impacts of climate change during FY25, none of which have had a material impact on the Group, its operations or supply chains. Regular reporting of any physical impacts of climate change is provided by Group and business unit leaders.

The current impacts on the Group of the transition to a lower-emission and climate-resilient economy have been limited. Additional cost associated with compliance with the mandatory reporting requirements has been incurred, including engaging external experts and the increased cost of assurance. The financial impact of these transition impacts has not been material in FY25 (FY24 – not material).

The Group has noted an increase in the number of requests from customers around reporting ESG initiatives and performance. This includes requests for the Group to make commitments to customers and suppliers, provide information to third-party platforms and agree to comply with supplier codes of conduct.

Although this has had no material impact on the Group in FY25 (FY24 – no material impact), non-compliance with progressively more stringent customer requirements might present a risk in future. This is captured within the Group's transition risks on pages 53 and 54.

Scenario Analysis

Scenario analysis undertaken

In FY24, the Group engaged in a stand-alone process of climate-related scenario analysis to support our assessment of the potential physical and transitional impacts of climate change on business, strategy and planning. A comprehensive review of this climate-related scenario analysis was carried out during FY25, with the results of this review reported back to the Sustainability Committee. The Sustainability Committee provides oversight of the scenario analysis process by reviewing and giving feedback on the scenarios and associated risks and opportunities. The most recent scenario analysis was reviewed and approved by the Sustainability Committee in December 2024.

Due to the diverse nature of its operations and the varying markets served by the Group, Skellerup has not been involved in any industry- or sector-level scenario development. Accordingly, our scenario analysis is based on publicly available scenarios including the Shared Socioeconomic Pathways (SSPs) developed as part of the Intergovernmental Panel on Climate Change (IPCC¹) Sixth Assessment Report, with input from scenarios developed by the Network for Greening the Financial System (NGFS²) and the International Energy Agency (IEA³) public scenarios.

Given the nature of the Group, its extensive value chains and end markets, the approach taken was to utilise and adapt global reference scenarios by developing foundational scenario narratives, augmenting these scenarios through understanding the Group's contextual environment and challenging these against the value chain drivers mapped for each of the Group's key product applications. Our chosen scenarios were foundationally based on the IPCC reference scenarios. The six steps followed in our scenario development process are set out on page 47.

¹ The IPCC is a body of the United Nations. Its remit is to advance scientific knowledge about climate change caused by human activities. The IPCC has created reference scenarios that are widely used to understand the potential future impacts of climate change.

² The NGFS is a network of 114 central banks and financial supervisors that aims to accelerate the scaling up of green finance and develop recommendations for central banks' role in climate change.

³ The IEA is an autonomous intergovernmental organisation that works with countries around the world to shape energy policies for a secure and sustainable future. The IEA has created reference scenarios that focus on future energy usage.

⁴ Reports include environmental, chronic (slow onset) and acute (extreme) climatic variables. Future climate change scenarios are modelled in accordance with the Group's chosen baseline climate-change scenarios (i.e. SSP1-RCP2.6, SSP2-RCP4.5 and SSP3-RCP7.0).

The NZ CS require a minimum of three climate-related scenarios to be considered, including a 1.5°C scenario and a scenario greater than 3.0°C. The three scenarios developed by Skellerup are a 1.5°C scenario ("Aggressive Transition Ambition"), a 2.5°C scenario ("Middle of the Road") and a 4.0°C scenario ("Hothouse").

The Aggressive Transition Ambition and Hothouse scenarios are in line with the mandated scenarios contained in the NZ CS. They represent a transitional risk-weighted scenario (Aggressive Transition Ambition) and an extreme physical risk-weighted scenario (Hothouse). The Middle of the Road scenario fulfils the requirement for a third climate-related scenario and presents a middle ground where transition and physical risks are both elevated. All three scenarios continue to present plausible, challenging descriptions of how the future might unfold, both in New Zealand and the global markets in which the Group operates. However, each scenario presents a different set of challenges, issues and opportunities that the Group would have to navigate.

Scenario development and review process

1. In FY24, initial scenario narratives were developed utilising the SSPs, IEA and NGFS public scenarios. These scenarios were used to identify and agree on the macro-defining elements comprising each of the three selected scenarios.
2. Drivers relating to Skellerup's contextual environment were then developed, considering those drivers relating to policy and legal, market, technology and consumer sentiment in the Group's key markets.
3. Initial scenarios were refined during FY24 through workshops involving senior management and subject-matter experts covering the Group's five most material (key) product applications (refer to page 63).
4. A final review of scenarios was completed by management to ensure internal consistency before presentation to and final approval of the scenarios by the Sustainability Committee.
5. During FY25, the Group undertook a review of its climate-related scenarios, including industry comparisons and reviews against market publications and findings. This review identified no material changes to the Group's climate-related scenarios. These scenarios were reviewed and re-approved by the Sustainability Committee in December 2024.
6. We continue to monitor market and sector scenario development to augment our understanding.

An overview of each of our climate-related scenarios is set out on page 48.

Climate-related Risks and Opportunities

Physical risk exposure and analysis

Physical risks are defined in NZ CS 1 as those risks related to the physical impacts of climate change. Physical risks emanating from climate change can be event-driven (acute), such as increased severity of extreme weather events, or can relate to longer-term shifts (chronic) in precipitation and temperature and increased variability of weather patterns, such as sea-level rise.




Skellerup has manufacturing and distribution sites in several locations across the globe. The Group considers that the geographical diversity of its site locations contributes to the Group's resilience because no singular climatic event is reasonably expected to impact more than one of the Group's key sites. In FY24, detailed geospatial exposure assessments⁴ were carried out by a specialist in physical climate risk modelling on our six key manufacturing sites (as outlined below), in relation to our core product applications. The assessments covered baseline (2005), short-term (2030), medium-term (2050) and long-term (2100) timeframes. We consider annually the need to review these assessments. We determined a further review was not required in FY25 due to the short time since their preparation and because no significant updates have been made to these sites, nor have material interruptions linked to climate change been experienced. We will continue to monitor the levels of climate-related disruptions at our sites to inform the timing of further detailed reviews.

The sites identified, as listed below, are all managed by the Group except for the site in Ho Chi Minh City, which is owned and operated by our partner.

- Christchurch, New Zealand;
- Baocheng, Haimen City, Jiangsu Province, PR China;
- Ho Chi Minh City, Vietnam;
- Auckland, New Zealand (two sites); and
- Lincoln, Nebraska, United States of America.

Key climate-related hazards have been identified, evaluated and rated, to the extent relevant for each site. These hazards are evaluated on the baseline, short-, medium- and long-term time horizons and for the three climate-related scenarios outlined on page 48. We have reviewed the risk scores arising from these assessments to determine the requirement and timing of mitigation plans and actions.

Climate-related scenario overview

Description ⁵	<div>  Aggressive Transition Ambition </div> <div>  Middle of the Road </div> <div>  Hothouse </div>		
	<p>In this scenario, the world pursues aggressive emissions reductions, and this succeeds in limiting global temperature increases to 1.5°C, with global net-zero emissions being achieved by 2050. This scenario envisions a relatively optimistic trend for human development, with substantial investments in education and health, rapid economic growth, and well-functioning institutions, driven by an increasing shift towards sustainability.</p>	<p>In this scenario, New Zealand and most of the developed world continue to pursue net-zero targets by 2050. However, the rest of the developing world does not follow suit, leading to a rise in global temperatures between 2.0°C and 3.0°C by the end of the century.</p>	<p>Global emissions continue to grow unabated largely due to a failure of principal emissions-reduction policies in key developed, high-emitting countries. This leads to warming levels that reach 2.0°C by 2050, and continue to increase steeply thereafter, reaching 4.0°C by the end of the century. Climate 'chaos' enters mainstream discourse, across all sectors and communities.</p>
Macro Scenario Trends	<ul style="list-style-type: none"> Global co-operation Accelerated technological development Global economic growth Strong environmental policy Low global population growth Declining inequity Renewables and energy efficiency Dietary shifts 	<ul style="list-style-type: none"> Continuation of past social, economic and technology trends Uneven global economic growth Environmental degradation Uneven global population growth Persistent inequality Some renewables and energy efficiency, principally in developed countries 	<ul style="list-style-type: none"> Regional competition Low technological development Environmental and social goals are low priority Focus on domestic resources and resource security Uneven global population growth Slowing global economic growth
Policy Ambition⁶	1.5°C	2.5°C	4.0°C
Pathways	IPCC SSP1 RCP2.6	IPCC SSP2 RCP4.5	IPCC SSP3 RCP7.0
Policy	Immediate, strong and global policy uniformity, carbon prices increasing until 2035, policies and regulations addressing land and resource use, material use, transport and product take-back schemes.	Delayed and inconsistent policy adoption, increasing carbon prices until 2035 and beyond, additional tariffs imposed in key markets to protect local industries, regulations focus on adaptation to deal with extreme physical impacts of climate change.	Policy focus shifts to adaptation, supply chain and resource security and managing disruptions, low carbon prices and little regulation of emissions-related activities, regulations focus on limiting development in hazard-exposed areas.
Social Behaviour Change	Customers and markets demand action, including an increased scrutiny of emissions, and a shift to localised supply chains.	Response varies by jurisdiction and sector, with an increasing focus on product and supply chain resilience.	Sentiment focused on product and supply chain resilience, increasing prevalence of national protectionism and market access restrictions.
Technology	Accelerated technological development in new low-carbon technology across all sectors, increasing low-carbon material innovations, and new low-carbon modes of transport.	Development varies across sectors and geographies, with divergence leading to the proliferation of products to meet varying market requirements, and the rate of new transport technology is slower.	Minimal focus on emissions reduction technology, with focus shifting to resilience, transport technology remains dominated by fossil fuels, no substantial shift to low carbon materials.
Financial Markets	Economic growth, significant capital flows to low-carbon sectors and technologies, with funding for high-carbon sectors and businesses becoming limited.	Access to finance is limited and cost-restrictive, access to insurance for extreme events becomes more expensive and is subject to increasing instances of managed retreat.	Insurance is unavailable or prohibitively expensive, capital markets are constrained.
Environmental	Lower intensity, frequency, special coverage and duration of physical impacts of climate change.	Increasing disruptions to supply chains and end markets, with ongoing impacts of extreme temperatures on facilities owned or operated by the Group.	Access to raw materials impacted by climate hazards, facilities and supply chains impacted by extreme weather events, ongoing impacts of extreme temperatures on facilities owned or operated by the Group.
Physical Risk Severity	Lower in severity due to aggressive transition efforts.	Moderate to high.	High to extreme. ⁷

⁵ These scenarios did not expressly consider carbon sequestration from afforestation and nature-based solutions or technology assumptions such as negative emissions technology.

⁶ Temperature change by the end of the century

Skellerup have integrated the consideration of climate-related risks and opportunities into our internal capital approval process. Climate-related risks and opportunities are considered when determining the motivation and viability of a capital expenditure project, while return on investment calculations ensure its commercial viability. This approach has been taken during FY25 when considering the emissions reduction initiatives that will be implemented for Skellerup's emissions reduction plan. Refer to page 61 for further information on the emissions reduction plan and outcomes.

Transition risk exposure and analysis

Transition risks are those risks related to the transition to a low-emissions, climate-resilient global and domestic economy, such as policy, legal, technology, market and reputation changes associated with the mitigation and adaptation requirements relating to climate change.

To identify potential material transition risks affecting the Group, a qualitative assessment was performed against the three scenarios outlined on page 48 to identify possible climate hazards. Given the nature of the transition risk assessments driven by the scenarios and for simplicity, it has been assumed for our assessment that exposure to an identified transition risk will be a certainty (as opposed to physical risks, where different assets are exposed to different physical risks).

Risk and Opportunity Identification and Assessment

Drawing on the results of the physical and transition exposure assessments, we have defined climate-related risks and opportunities for each of our key product applications (refer to page 63). Risks are then assessed across our three climate scenarios for the short-term (2030), medium-term (2050) and long-term (2100) time horizons using the Group's existing risk management framework and based on consequence and vulnerability:

- In the context of climate change, we have considered vulnerability to be the predisposition to be adversely affected by a climate hazard or transition element. To determine the level of vulnerability, we consider the sensitivity and the adaptive capacity of each element, such as inputs, processes, outputs, markets and customers, when exposed to a hazard or transition element. Sensitivity can be influenced by age, condition, material and design. Adaptive capacity is how efficiently an at-risk element can adapt or be adapted when exposed to a climate hazard or transition element. Adaptive capacity can be influenced by multiple factors such as ease or cost of repair or the level of redundancy.
- Consequence is the outcome of a climate event affecting the Group's objectives. This is assessed based on the severity of potential financial, health and safety, staff, legislative and reputational impacts.

The residual risk rating is based on consequence and vulnerability as outlined within the matrix below:

Climate Risk Matrix		Vulnerability				
		Very Low VL	Low L	Moderate M	High H	Extreme E
Consequence	Severe 5	VL5	L5	M5	H5	E5
	Significant 4	VL4	L4	M4	H4	E4
	Moderate 3	VL3	L3	M3	H3	E3
	Minor 2	VL2	L2	M2	H2	E2
	Low 1	VL1	L1	M1	H1	E1

⁷ Extreme climatic conditions cause global disruption from 2035, leading to widespread economic impacts for all economies. Global supply chains are increasingly disrupted by extreme climatic conditions. This, in turn causes geopolitical unrest, exacerbating supply chain disruptions and constraining availability of critical inputs and materials.

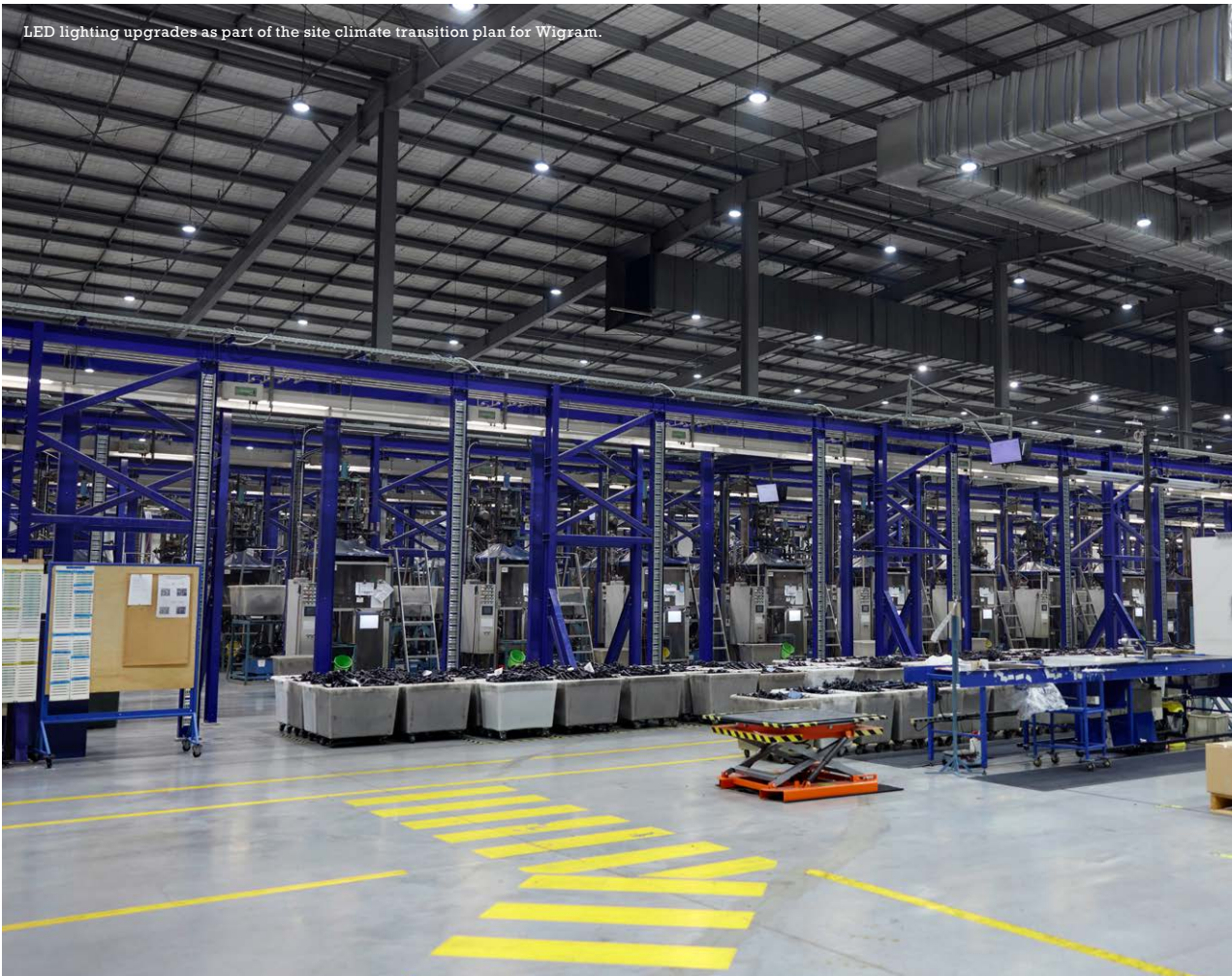
The tables on pages 51 to 56 set out the material⁸ climate-related risks and opportunities identified by the Group. To determine the potential impact, these risks and opportunities were assessed against the internal materiality thresholds applied by the Group in its Group-wide risk management process. Immaterial risks and opportunities, being those with a present risk rating of low (or very low), have not been disclosed unless our assessments have indicated a high or extreme impact of physical or transition risks in future. Material and immaterial risks and opportunities continue to be monitored and will be included in disclosures in future reflecting changes in materiality and risk rating.

The time horizons used to assess climate-related risks and opportunities are:

	Period	Dates
Short-term	0 to 5 years	2025 to 2030
Medium-term	5 to 25 years	2030 to 2050
Long-term	25 to 75 years	2050 to 2100

The short-term time horizon aligns well with the Group's internal planning cycle of three years. Medium- and long-term horizons are not aligned to strategic planning and capital deployment planning timeframes, but more broadly in line with the Group's anticipated timeframes for meeting climate-change targets.

8 NZ CS 3 defines information as material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that primary users make based on an entity's climate-related disclosures.



LED lighting upgrades as part of the site climate transition plan for Wigram.

Risk Ratings and Anticipated Impacts for Climate-related Risks and Opportunities Across Identified Scenarios

Legend

Risk Rating:^{9,10}

- Very Low
- Low
- Moderate
- High
- Extreme

Time Horizon:

- ST Short-term
- MT Medium-term
- LT Long-term

Risk level change from FY24:

- ⬆ Increased risk level
- ➡ No change in risk level
- ⬇ Decreased risk level

Physical Risks (Acute and Chronic)

Risk Description and Anticipated Impacts	Climate Hazard	Aggressive Transition Ambition	Middle of the Road	Hothouse	Risk level change from FY24	Mitigations Currently in Place
		(SSP1-RCP2.6)	(SSP2-RCP4.5)	(SSP3-RCP7.0)		
PR101- Extreme weather can disrupt the operations of key suppliers either through physical impacts or result from power supply interruption, causing an interruption of the supply of key raw materials and ingredients. <i>Revenue decrease, cost increase</i>	Drought, Floods, Temperature, Humidity, Wind	ST MT LT	ST MT LT	ST MT LT	➡	Multiple suppliers for key raw materials and components, sourced from different geographies. Multiple formulations for key compounds. Skellerup has not experienced climate-related impacts on the availability of key raw materials to date, however, supply may become constrained in future.
PR102 - Heat and humidity can disrupt manufacturing operations either through physical impacts on the production process, power outages or impacts on the health and safety of our people. <i>Revenue decrease, cost increase</i>	Temperature, Humidity	ST MT LT	ST MT LT	ST MT LT	➡	Manufacturing sites are in diverse locations. Skellerup's physical risk modelling shows resilience in the location of key manufacturing sites. Skellerup is undertaking ongoing investigations of alternative power sources. The impacts of heat and humidity on staff working in the Group's facilities are currently managed with cooling equipment and by changing shift patterns.
PR103 - As a global business, the disruptions that extreme weather causes to supply chains (road, rail, sea) may be significant, impacting both supplies of raw materials and ingredients and delivery of products to end markets. <i>Revenue decrease, cost increase</i>	Floods, Temperature, Wind	ST MT LT	ST MT LT	ST MT LT	➡	Manufacturing sites are in diverse locations and resilient geographies; suppliers and customers are geographically spread. Engagement in initial in-market manufacturing capabilities with plans to develop further, which may alleviate some of this risk.

9 Risk ratings reflect the Group's assessment of both consequence and vulnerability of the specific risk.

10 No climate risks presented in the table above have an extreme risk rating (noting Group risks with risk ratings of low and very low are considered immaterial and not presented).

Physical Risks (Acute and Chronic) (continued)

Risk Description and Anticipated Impacts	Climate Hazard	Aggressive Transition Ambition	Middle of the Road	Hothouse	Risk level change from FY24	Mitigations Currently in Place
		(SSP1-RCP2.6)	(SSP2-RCP4.5)	(SSP3-RCP7.0)		
<p>PR104 - A third of Group revenue is derived from products sold into agricultural applications. Extreme weather may result in a shift of farming location and change to the method (e.g. pastoral to barn) and in some cases increased costs will impact the viability of some farming operations altogether, impacting on demand for products.</p> <p><i>Revenue decrease</i></p>	Drought, Floods, Temperature	<div>ST</div> <div>MT</div> <div>LT</div>	<div>ST</div> <div>MT</div> <div>LT</div>	<div>ST</div> <div>MT</div> <div>LT</div>	<div>></div>	<p>The Group has no control over the location of farming activities or the methods applied. The key driver of demand for products is milk production; therefore, sales are location (and to some extent method) agnostic. However, changes in the viability of farming operations may impact overall milk volume and consequently the volume of products sold. Skellerup has a presence in all major dairy markets, which helps to mitigate the risk of a reduction in milk production in any one market.</p>
<p>PR105 - Extreme weather (particularly flooding and sea-level rise) may impact customer and end-market operations, with resultant impacts on the demand for the Group's products.</p> <p><i>Revenue decrease</i></p>	Floods, Sea Level Rise	<div>ST</div> <div>MT</div> <div>LT</div>	<div>ST</div> <div>MT</div> <div>LT</div>	<div>ST</div> <div>MT</div> <div>LT</div>	<div>></div>	<p>The Group has no control over the location of customer operations. However, the Group sells to many customers, none of which individually represent a material portion of Group revenue. As a large proportion of Group revenue is derived from products used in the supply of fresh milk and water, Skellerup anticipates end markets will continue to adapt to meet increasing world demand for fresh water and dairy protein.</p>

Transition Risks

Risk Description and Anticipated Impacts	Transition Risk Element	Aggressive Transition Ambition	Middle of the Road	Hothouse	Risk level change from FY24	Mitigations Currently in Place
		(SSP1-RCP2.6)	(SSP2-RCP4.5)	(SSP3-RCP7.0)		
<p>TR101 - Policy changes such as tariffs, carbon prices and carbon import duties to favour domestically produced products, creating additional cost for the Group and potential exclusion from certain end international markets.</p> <p><i>Revenue decrease, cost increase</i></p>	Policy and legal	<div>ST</div> <div>MT</div> <div>LT</div>	<div>ST</div> <div>MT</div> <div>LT</div>	<div>ST</div> <div>MT</div> <div>LT</div>	<div>></div>	<p>Actions are already being taken to trial and prove in-market manufacturing capabilities. Skellerup is expanding distribution activities closer to end customers and markets and will need to ensure ongoing customer engagement to understand future requirements and concerns.</p>
<p>TR102 - Risk that emissions pricing and associated costs drive up raw material and/or freight costs, which may not be fully recoverable due to the competitive environment.</p> <p><i>Cost increase</i></p>	Policy and legal	<div>ST</div> <div>MT</div> <div>LT</div>	<div>ST</div> <div>MT</div> <div>LT</div>	<div>ST</div> <div>MT</div> <div>LT</div>	<div>></div>	
<p>TR103 - Global dairy industry shrinks due to emission price increases and shrinkage of land suitable to farming as substitution for lower-carbon industries (e.g. cropping, forestry, carbon farming etc.) and the move to perceived 'greener' or cheaper sources of protein..</p> <p><i>Revenue decrease</i></p>	Policy and legal	<div>ST</div> <div>MT</div> <div>LT</div>	<div>ST</div> <div>MT</div> <div>LT</div>	<div>ST</div> <div>MT</div> <div>LT</div>	<div>></div>	<p>High global demand for protein means Skellerup expects demand will remain but may shift to economies or methods of production with higher environmental performance standards. Customer engagement continues to enable understanding and implementation of development requirements.</p>
<p>TR104 - Risk of access to capital if the business does not decarbonise relative to others. Implications on demand if the Group and its value chain fail to decarbonise (i.e. customer demand reduced due to their own challenges decarbonising). Debt may become more expensive because of the perception of climate inaction.</p> <p><i>Revenue decrease, cost increase</i></p>	Policy and legal	<div>ST</div> <div>MT</div> <div>LT</div>	<div>ST</div> <div>MT</div> <div>LT</div>	<div>ST</div> <div>MT</div> <div>LT</div>	<div>></div>	<p>Comprehensive annual climate-related reporting is prepared. Skellerup expects to maintain continued engagement with funding providers (investors, analysts and banks) around requirements and expectations, and to evaluate operating and distribution methods and implement change where necessary. First transition plan developed in FY25, with emissions reductions initiatives identified and prioritised.</p>

Transition Risks (continued)

Risk Description and Anticipated Impacts	Climate Hazard	Aggressive Transition	Middle of the Road	Hothouse	Risk level change from FY24	Mitigations Currently in Place
		(SSP1-RCP2.6)	(SSP2-RCP4.5)	(SSP3-RCP7.0)		
<p>TR105 - Coal and other fossil fuels are decommissioned, so power becomes unreliable, intermittent or more expensive in some markets. This could impact production and raise costs either through delays or needing to invest in backup power.</p> <p><i>Revenue decrease, cost increase</i></p>	Policy and legal, technology	<div>ST</div> <div>MT</div> <div>LT</div>	<div>ST</div> <div>MT</div> <div>LT</div>	<div>ST</div> <div>MT</div> <div>LT</div>	<div>></div>	<p>Installation of solar has already been completed at one of the Group's facilities in New Zealand. Consideration of the commercial viability of other installations is ongoing. As appropriate in future, Skellerup may consider alternative sources of power and the appropriateness of the location of manufacturing facilities.</p>
<p>TR106 - Risk of higher costs because of the need to implement product take-back or recycling programmes.</p> <p><i>Cost increase</i></p>	Policy and legal, technology, market	<div>ST</div> <div>MT</div> <div>LT</div>	<div>ST</div> <div>MT</div> <div>LT</div>	<div>ST</div> <div>MT</div> <div>LT</div>	<div>></div>	<p>Development underway to support sustainable or recyclable materials being used in products. Product recycling/take-back schemes are being considered, trial dairy rubberware recovery scheme launched in New Zealand in FY25.</p>
<p>TR107 - Customer scrutiny and requirements for low-carbon products drive materials and/or formulation changes and/or relocation of activities to manufacturing in market to reduce transport miles (manufacture closer to customers and markets).</p> <p><i>Cost increase</i></p>	Market, reputation	<div>ST</div> <div>MT</div> <div>LT</div>	<div>ST</div> <div>MT</div> <div>LT</div>	<div>ST</div> <div>MT</div> <div>LT</div>	<div>></div>	<p>Skellerup intends to continue to work with customers to understand market and end-user requirements. Skellerup is considering development of lower-emitting products and implementation of in-market manufacturing which will help to limit transport emissions.</p>

Climate-related Opportunities and Reasonably Anticipated Impacts

Legend



Part of the Group's current strategic plans



Being considered as part of future strategic planning

Opportunity Type	Opportunity Description	Physical (P) or Transitional (T)	Anticipated Impacts	Time horizon	Transition Planning
Customers / end markets	O101 - More intensive farming or changes in farming methods to control methane emissions, leading to increased demand for dairy consumable products.	T	Increased market opportunity	Short-term	
	O102 - Increased demand for footwear due to climate change (more extreme conditions).	P	Increased market opportunity	Short-term	
	O103 - Increasing global rainfall in certain areas may result in increased milk production and higher demand for dairy-consumable products.	P	Increased market opportunity	Short- to medium-term	
	O104 - Vacuum systems are used in disasters and clearing wastewater because of infrastructure damage and are required for the rebuild.	P	Increased market opportunity	Short- to medium-term	
	O105 - Increasing extreme weather events, damage to buildings and local infrastructure and resilience investment leading to renewals, upgrades and maintenance spending and opportunities to develop new climate-resilient products.	P	Increased market opportunity	Short- to medium-term	
	O106 - Rising temperatures requiring increases in HVAC installations (and therefore roof penetrations) and physical impacts on power grids necessitating an increase in solar installations may create more demand for roofing products (existing and new).	P, T	Increased market opportunity	Short- to medium-term	
	O107 - Regulation and legislation requiring an increase in solar or other renewable installations and/or requirements to lower-carbon and more resilient solutions may create more demand for roofing products (existing and new).	T	Increased market opportunity	Medium-term	
	O108 - Urban intensification (driven by physical or transition impacts) leads to the opportunity to sell more products used in infrastructural investment. Dedensification is an opportunity as more remote locations require liquid waste services.	P, T	Increased market opportunity	Medium-term	

Climate-related Opportunities and Reasonably Anticipated Impacts (continued)

Opportunity Type	Opportunity Description	Physical (P) or Transitional (T)	Anticipated Impacts	Time horizon	Transition Planning
Resource efficiency	O109 - Ageing water infrastructure, combined with increasing extreme events (causing pipe displacement and leakage) and resilience investment, leading to renewals, upgrades and maintenance spending.	P	Increased market opportunity	Short-term	✓
	O110 - Develop new and supply existing products for water management and effluent management in response to new legislation around, for example, water management and quality. This may also include increasing levels of investment in irrigation infrastructure, hydroponics, automated harvesting, food processing, and reforestation.	T	Increased market opportunity	Short- to medium-term	→
	O111 - Future shifts (through policy or cost) to electric vacuum systems to complement changes in modes of transportation (i.e. electrification of the vehicle fleet).	T	Increased market opportunity	Short- to medium-term	✓
	O112 - The development of low-emission vacuum systems presents an opportunity as the policy focus shifts to ancillary equipment.	T	Increased market opportunity	Medium-term	✓
Capital markets	O113 - Access to green capital presents an opportunity to reduce the overall cost of funding.	T	Reduced cost	Medium-term	→



Climate Transition Plan

The Group's first Climate Transition Plan outlines how we propose to respond to the risks and opportunities posed by climate change, including how our business model and strategy might change to address our climate-related risks and seize opportunities. The plan also addresses how the Group intends to decarbonise its operations and supply chains, thereby reducing its contribution to global GHG emissions. The Climate Transition Plan was reviewed and approved by the Skellerup Board in March 2025.

Our Climate Transition Plan is made up of two components:

- An Adaptation Plan; and
- An Emissions Reduction Plan.

Our current business model and strategy

Our business model sees the Group operating as a global designer, manufacturer and distributor of precision-engineered products. Skellerup has manufacturing and distribution facilities in seven countries spanning four continents. The Group operates as a collection of closely aligned business units, with management and resources close to our customers and end markets.

The Group supplies customers in a wide range of end markets, through the implementation and delivery of our four strategic objectives noted below:

Our Strategic Objectives



Capacity

We focus on building in-market presence, development hubs and manufacturing scalability. By increasing our capacity to deploy more in-market manufacturing (addressing geo-political, restrictive trade and climate change impacts), we are reducing our existing customers' risk and the need to consider alternative suppliers, as well as being attractive to new customers.



Capability

We focus on developing critical capability (people and equipment) to design and manufacture precision elastomer products for high-performance and high-conformance applications. We also ensure maintenance of our balance sheet capability to fund organic growth through innovation of new products and innovation.



Customers

We service our Global customers through customer-focused development, utilising our deep technical expertise and rapid prototyping capabilities.



People

We operate under a model of accountability, capability and measurement for all our business units. We focus on attracting, retaining and developing the right skills to ensure we have the people necessary to deliver to our customers.

While the identified adaptation responses to our climate-related risks and opportunities and emissions reduction initiatives broadly align with our strategic objectives, we will continue to monitor and adjust the strategic aims of our Climate Transition Plan to support our key strategic objectives, as we continue to embed our Climate Transition Plan.



Aligned with

Climate Transition Plan		
Adaptation Plan	Identification and prioritisation of adaptation responses to our material climate-related risks and opportunities within the Group's key product applications.	
	Key adaptation responses (short to medium term): <ul style="list-style-type: none">• Manufacture in or nearer market• Develop and promote new solutions• Evaluate and establish alternative suppliers/ manufacturing partners• Evaluate and develop new markets• Evaluate and establish alternative sources of raw materials• Establish waste recovery and recycling schemes	
Emissions Reduction Plan	How the Group plans to reduce its GHG emissions through identification and implementation of emissions reductions initiatives in a stepped approach:	
	<div>1</div> <div>FY25 - Wigram Pilot (scope 1 and 2)</div>	<div>Short Term (2025 to 2030)</div> <div>Initiatives include optimising office and factory heating, ventilation, and air conditioning systems, replacement of lighting with LED, cryogenic deflasher replacement, replacing injection moulding machines</div> <div>Medium Term (2030 to 2050)</div> <div>Initiatives include substituting diesel boiler, introducing natural lighting, continuous vulcanisation extruder replacement, washer/electric boiler replacement, replacing petrol hybrid vehicles with electric vehicles</div>
	<div>2</div> <div>FY26 - Other owned manufacturing sites (scope 1 and 2)</div>	
	<div>3</div> <div>FY27 - Other facilities and supply chain emissions (All scopes)</div>	

Requiring

Capital Investment

The cost of implementation of our Climate Transition Plan will require an investment of capital. Allocation of capital expenditure will be reviewed as part of quarterly forecasting and annual business planning cycles, with approval obtained from the Board and Management for investment that is aligned with short-, medium- and long-term climate and wider commercial targets.

Adaptation Plan

Our Adaptation Plan documents the adaptation responses to our material climate-related risks and opportunities within the Group's key value streams.

To identify these adaptation responses, workshops were held with senior management and key subject matter experts to develop a long list of potential adaptation responses to our material climate-related risks and opportunities. We then undertook an exercise to consider the inter-dependencies between the adaptation responses, before ranking and prioritising them. Individual action plans were then developed for the selected adaptation responses, including the establishment of timelines, assignment of responsibility and where appropriate, allocation of capital funding.

The key adaptation responses are noted below, along with the material climate-related risks and/or opportunities they are addressing:

These adaptation responses are closely aligned with the Group's strategy and, as such, are strategic, commercially viable activities that often already form part of the Group's strategic planning. We have also identified adaptation options in response to our transitional and physical climate-related opportunities. As part of our analysis, we have identified that certain opportunities do not require a specific adaptation initiative to be developed as the Group has the capability to exploit these opportunities, which are being exercised as part of normal operating activities.

The adaptation responses to our climate-related risks and opportunities will be reviewed on a bi-annual basis, with a progress update reported to the Sustainability Committee. We also expect to establish monitoring processes to track progress on our adaptation options against action plans and review and update adaptation responses as changes to our operating environment occur.

Adaptation responses to key climate-related risks and opportunities

Adaptation Response (and alignment to strategic objectives)	Description	FY25 Progress	Link to Climate-Related Risks and Opportunities (see pages 51 to 56)
Manufacturing in or nearer end markets <i>Capacity, capability, people</i>	Skellerup currently has its key manufacturing activities in New Zealand, China and Italy (with significant contract manufacturing in Vietnam), which together service Global markets. Through expansion of alternative manufacturing locations (including in or nearer end markets), we are building in contingency, resilience and potential permanent alternatives to our manufacturing capacity.	<ul style="list-style-type: none"> Continued investment in standard equipment Investment in modernising manufacturing capacity in existing United Kingdom facilities 	PR101, PR102, PR103, TR101, TR102, TR105, TR107
Develop and promote new solutions <i>Capability, customers</i>	Skellerup's strategic objectives include having the capability to be able to undertake customer-focused development through deep technical expertise and rapid prototyping. By widening our scope of product offerings, we are not only meeting the commercial requirements of our customers but also reducing dependency on single manufacturing bottlenecks.	<ul style="list-style-type: none"> Improved visibility of and engagement with Product Development Centre (PDC), including a widening of engagement across the Group 	PR104, TR103, TR106, TR107, O111, O112
Evaluate and establish alternative suppliers of materials <i>Capacity</i>	A significant portion of Skellerup products are required to meet high performance or conformance standards, of which access to suitable raw materials is a key component. Through the establishment of alternative suppliers of approved materials, we are ensuring continuity of our materials supply while also allowing for contract flexibility.	<ul style="list-style-type: none"> Ongoing evaluation of alternative suppliers Critical consideration of sources of raw materials 	PR101, TR107, O108
Validate alternative manufacturing partners <i>Capacity, capability</i>	Skellerup's global footprint includes working with manufacturing partners who are key to the successful delivery of critical products to our customers. By validating alternative manufacturing partners, this gives us flexibility of supply.	<ul style="list-style-type: none"> Validation of alternative vacuum pump assembly locations Expanding the range of products sourced from alternative manufacturers 	PR102

Adaptation responses to key climate-related risks and opportunities (continued)

Adaptation Response (and alignment to strategic objectives)	Description	FY25 Progress	Link to Climate-Related Risks and Opportunities (see pages 51 to 56)
Evaluate and implement distribution into new markets <i>Customers, capability</i>	Skellerup's drive for continued growth means we require the capacity to respond more quickly to changes in existing and new customers' requirements and volumes. By establishing in-market distribution capability in key markets, we are improving the time to respond and available capacity for the Group's products.	<ul style="list-style-type: none"> Operation established to distribute our high-performance marine foam products into European markets New dairy rubberware distribution facility established in the United States 	PR104, TR103
Evaluate and establish alternative sources of raw materials for existing and new products <i>Capacity, capability</i>	A significant portion of Skellerup products are required to meet high performance or conformance standards, which involves significant testing and approval processes by relevant industry bodies. Establishing more than one supply line for each critical raw material will help to decrease the risk of supply chain interruption.	<ul style="list-style-type: none"> Ongoing engagement with key suppliers Investment in laboratory capability at PDC to trial new materials and compounds 	PR101, TR107
Establish waste recovery and recycling schemes ahead of regulations <i>Customers</i>	A quarter of our Group's revenue comes from dairy products, which are consumable in nature, meaning the implementation of regulations around waste recovery and recycling schemes could have a significant impact on our cost of servicing the market. By establishing a waste recovery and recycling scheme, we provide ourselves with an opportunity to get ahead of the regulation (cost and time to implement), and to influence the model adopted by the industry.	<ul style="list-style-type: none"> Engagement with industry players on potential waste recovery schemes Launch of silicone liner and recyclable shell as the first step in a liner recovery programme 	TR106
Continue to report in line with reporting requirements for climate-related disclosures and review suitability and cost of implementation of carbon reducing activities <i>Capability</i>	With the emergence and continuing development of regulatory and legislative requirements for climate-related disclosures, the Group must ensure compliance with the banks' requirements around decarbonisation and disclosure to ensure continued access to capital. We also need to ensure the commercial viability and integration with our strategic objectives of our selected emissions reduction initiatives.	<ul style="list-style-type: none"> First climate-related disclosures published August 2024 Development of the Group's first Climate Transition Plan in 2025 Pilot emissions reduction evaluation completed for Wigram site – initiatives shortlisted and planned 	TR104
Monitor customer risk profile around extreme weather events and respond to customer problems, while also ensuring customer concentration risk is reviewed and managed <i>Customers</i>	The incidence of extreme weather events can impact the demand levels of our customers, and depending on the level of customer concentration, will have a relative impact on the Group's profitability. By determining and implementing suitable stock levels for our customers, the Group improves its ability to respond to supply disruptions by ensuring continued customer supply.	<ul style="list-style-type: none"> Ongoing engagement by senior Group and business unit leaders with key customers 	PR105

Emissions Reduction Plan

The Emissions Reduction Plan outlines how Skellerup aims to reduce GHG emissions to meet its short-, medium- and long-term emissions reduction objectives and contribute to efforts to limit global temperature rise.

As Skellerup continues to grow in line with our strategy and growth plans, and in the absence of change, our absolute emissions will most likely increase. Skellerup aims to implement appropriate, commercially viable improvements to our facilities and supply chains to reduce or limit emissions growth. We also aim to identify whether these improvements are sufficient to bring our emissions in line with the goal of limiting global warming to 1.5°C above pre-industrial levels, thereby supporting New Zealand's commitment under the Paris Agreement.

To assess the performance of our climate-related investments, Skellerup intends to develop and set interim and long-term emissions-reduction targets that are science-based. These targets are expected to contemplate absolute reductions in emissions as well as reductions in the intensity of emissions.

Due to the diverse nature of our operations and the varying markets served by the Group, we are necessarily taking a stepped approach to developing and implementing emissions reduction plans and targets in the short term (FY25 to FY27). During FY25, we reviewed our largest manufacturing site in Christchurch, New Zealand (Wigram), as a pilot for identifying, measuring and prioritising emissions reduction initiatives (scope 1 and 2 only).

In FY26, we expect to roll this methodology out to all other manufacturing sites for scope 1 and 2 emissions, with all other facilities (scope 1 and 2) and supply chain emissions (scope 3) considered for emissions reduction plans during FY27. We anticipate the momentum of identifying and implementing emissions reduction initiatives will increase over the short term as:

- These initiatives increasingly become part of the Group's planning and capital allocation activities,
- The process of identifying and evaluating emissions reduction initiatives is rolled out to the wider Group, and
- Emissions reduction technologies improve due to the global focus on decarbonisation.

Emissions reduction pilot – Wigram facility

Due to the diverse nature of our operations and the varying markets served by the Group, our FY25 focus has been on a pilot emissions reduction programme for our largest manufacturing facility in Wigram.

Our pilot Emissions Reduction Plan for Wigram contains 10 short-listed initiatives that were identified by the operations and development teams at Wigram and are planned to be implemented over the next 20 years. These initiatives were prioritised from a list of potential options after workshops held with senior management and subject matter experts. The initiatives have been prioritised based on the relative cost per tonne of CO₂ equivalent saved (\$/tonne CO₂-e), with consideration also given to the net present value of the cost/benefit of the initiative, and commercial viability and alignment with our strategic objectives. The cost of implementing these identified initiatives is not considered material to the Group, with potential benefits often believed to outweigh the incremental cost of implementation.

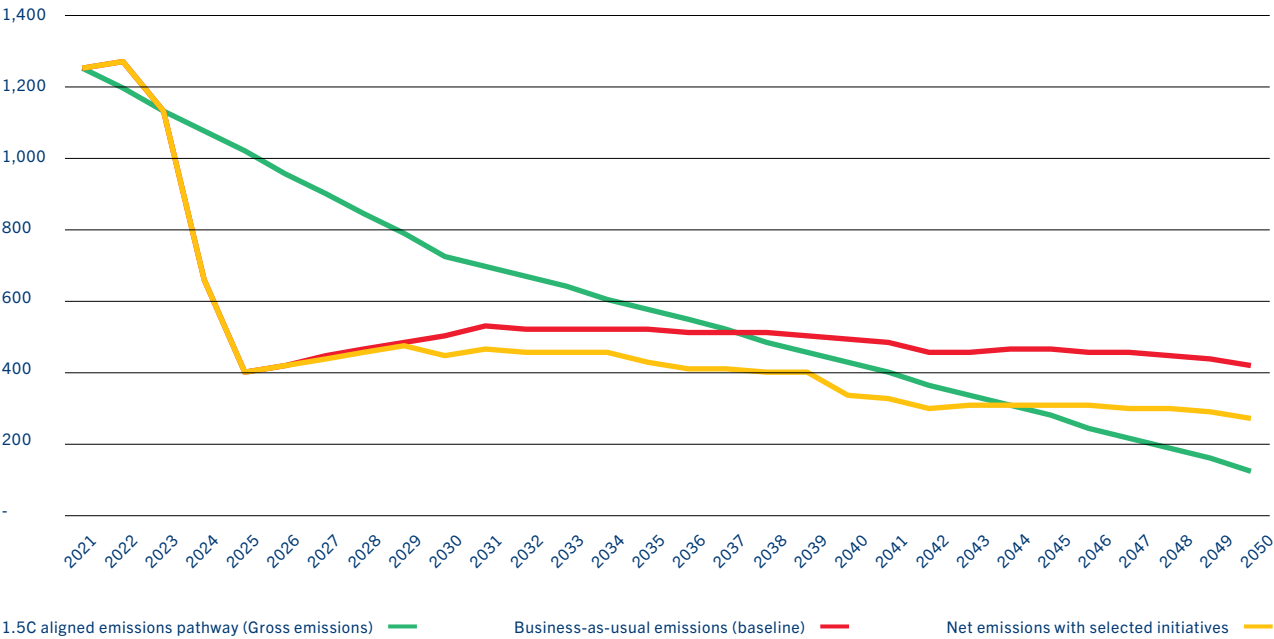
The modelled emissions reductions for our Wigram pilot are anticipated to amount to an 11% reduction against the FY24 baseline (142 tonnes of CO₂-e). Assuming these emissions reductions continue as planned, we anticipate reducing Wigram's directly controllable emissions (scope 1 and 2) to a level sufficient to meet the 1.5 degree aligned pathway (per NZ Climate Commission) projection until 2045.

The chart on page 62 illustrates the anticipated impacts of the implementation of planned emission reduction initiatives against a 1.5-degree aligned pathway.

Management provides periodic updates on GHG emissions inventories to the Sustainability Committee, including updates on the progress of emissions reduction initiatives and the consideration of emerging emissions reduction technologies and developments. Systems are in place to measure and report GHG emissions inventories, and monitoring and reporting against identified initiatives will be developed in future as initiatives are executed and emissions reductions realised.

By June 2025, work has commenced on implementing five of the 10 short-listed initiatives, with one initiative already completed by the time of this report. Capital expenditure had been incurred or has been included in the Group's business plans for three of the 10 initiatives.

Wigram emissions reduction pathways



Capital Allocation and Investment

Alignment with capital deployment and funding processes

The implementation of our Climate Transition Plan will necessarily require an investment of capital. Allocation of capital is considered as part of annual business planning cycles. During business planning, consideration is given to the alignment of proposed capital expenditure with Skellerup's strategic objectives, with the Board and management approving investment into commercially justified climate-related projects.

Capital investment

All capital expenditure requests require a commercially supportable business case with a focus on alignment with business strategies rather than isolated projects. Climate-related risks and opportunities are considered when determining the motivation and viability of the capital expenditure, while return on investment calculations ensure the commercial viability of the project. Changes to the Group's capital expenditure approval process have been made to incorporate the consideration of climate-related risks and opportunities as part of all capital requests.

Adaptation responses are closely aligned with existing Group strategic initiatives and therefore consideration of capital investment in these activities forms part of the Group's overall capital expenditure approval process. Identified emissions reduction initiatives for

the Wigram pilot have been evaluated based on the net present value of the cost/benefit of the initiative as well as \$/tonne CO₂-e avoided.

Only those initiatives with commercial justification were considered for implementation.

The capital expenditure and investment for FY25 that contributed to the management of Skellerup's climate-related risks and opportunities or targeted to emissions reduction activities was 41% of total capital expenditure. Refer to the table on page 71.

Risk Management

Risk and opportunity identification

Skellerup's risk and opportunity identification is undertaken by the Group, led by the CEO and CFO and with appropriate engagement from internal subject-matter experts and external advisors where specific knowledge or expertise is required in a particular area.

Drawing on the results of the physical and transition exposure assessments outlined on pages 47 to 50, we have identified and assessed climate-related risks and opportunities for each of our key product applications. We define key product applications based on consideration of multiple factors, which include financial (e.g. sectors with the highest contribution to Group earnings) and non-financial factors (such as customer, technological and environmental impacts and policy contexts).

For FY25, the key applications outlined below contributed more than 70 per cent to Group revenue and represented more than 65 per cent of Group tangible assets at 30 June 2025. These key applications are:

- Dairy;
- Potable Water;
- Wastewater;
- Roofing and Construction; and
- Footwear.

The materiality of other product applications are considered on an annual basis to determine whether other applications should be added into the Group's climate-related risk and opportunity identification processes. In years where these applications are material, they will be incorporated to augment to our understanding of Group-wide climate-related risks and opportunities.

In completing our risk and opportunity identification process during FY24, we mapped the value chains of our five key product applications listed above. This encompassed a thorough and detailed review of inputs, distribution activities, processing and end markets. In FY25, a detailed evaluation of the value chains was undertaken, with identified updates implemented.

The identification of risks and opportunities was based on input from subject-matter experts in sourcing, distribution, manufacturing and sales and marketing from across the Group's operations and key locations. Both physical and transition risks and opportunities were identified and evaluated as part of this process.

Risk assessment

Identified climate-related risks, which were investigated through detailed physical assessments and using scenario analysis, were evaluated using the Group's existing risk management framework¹¹ and based on the consequence of impact and vulnerability (derived from sensitivity to the risk and the Group's assessed adaptive capacity) in line with the matrix on page 49. As with other commercial and business risks, climate-related risks have been assigned a risk owner who takes responsibility for day-to-day risk management and mitigation.

Risks are given an initial exposure rating based on the likelihood of an event happening. This assessment is both quantitative for an event impacting a single element of the value chain and qualitative for an event impacting a wide number of elements.

Similar risks were grouped where appropriate, and ratings were moderated for consistency and completeness. During FY25, the risk registers were reviewed and updated in workshops including the CEO, CFO, senior management and subject matter experts. Following this review, the updated climate risk registers were presented to the Sustainability Committee for approval in December 2024. Material climate-related risks are included in the Group risk assessment report, which is formally considered by the Board twice annually.

Frequency of risk assessment

Risk is a regular subject of discussion at Board meetings. Formal updates and reporting on the Group's risk assessment are presented to the Board approximately every six months. In conjunction with the regular review and reporting of strategic and operational risks, we will carry out an annual review and update on climate-related risks in line with our review of the climate-related scenario analysis. Where any new or changed climate risks are identified outside of the annual review cycle, these will be considered and reported to the Board and Sustainability Committee, as appropriate.

Value chain exclusions

As previously noted, our risk identification and assessment process has focused on the Group's most material product applications. It is therefore possible that some elements of the Group's value chain, which are applicable or specific to those product applications not included in the risk assessment, may have been excluded from our consideration. Given the complex and diverse nature of the Group's activities, it is impractical to conduct a detailed risk assessment process for each product application and its related value chain elements. However, Group management and subject-matter experts involved in the climate risk assessment have a broad knowledge of the Group's activities, and accordingly, we are confident that all material risks and opportunities have been identified. We continue to refine and develop our approach to climate risk management.

¹¹ The Group's existing risk management framework evaluates Group-wide risks based on defined parameters for likelihood of occurrence and magnitude of impact.

Metrics and Targets

Our GHG emissions

The Group has been measuring its scope 1 and scope 2 GHG emissions since FY20. In FY25, we measured and reported our material scope 3 GHG emissions for the second time. Our total measured emissions were 64,947 tonnes of CO₂-e in FY25 (FY24 – 59,015 tonnes CO₂-e). A table summarising the Group's GHG emissions is shown on page 67.

Purchased electricity and gas are the significant sources of our scope 1 and 2 emissions as they are used in all the Group's manufacturing operations and in distribution and other administrative centres. As the Group continues to grow in line with its strategy and plans, in the absence of change, our absolute emissions will likely increase. The Group is implementing appropriate, commercially sound improvements to our facilities and supply chains to limit the growth of emissions, in addition to those emissions reduction initiatives identified as part of our first Climate Transition Plan, specifically for the Wigram manufacturing site. Given the Group's growth strategy, emissions intensity measures will be the most relevant for evaluating performance. We do not apply internal emissions pricing within the Group.

Measurement of GHG emissions¹²

We measure our emissions under the GHG Protocol: A Corporate Accounting and Reporting Standard, with reference to the additional guidance provided in the GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard) and GHG Protocol: Technical Guidance for Calculating Scope 3 Emissions (Scope 3 Guidance).

Scope 1 and 2 emissions are measured for all subsidiaries in the Group. Data for scope 1 and 2 emissions is gathered directly from our underlying operating systems.

We have expanded our scope 3 emissions measurement to all operating subsidiaries in FY25 (in FY24, we excluded scope 3 emissions generated by non-material companies). Data for the measurement of scope 3 emissions is sourced directly from suppliers or calculated using alternative methods as prescribed by the GHG Protocol and guidance as appropriate. Scope 3 categories 8 (upstream leased assets), 10 (processing of sold products), 11 (use of sold products), 13 (downstream leased assets), 14 (franchises) and 15 (investments) have been excluded. All other categories of scope 3 emissions are included.

Due to the global nature of the Group's business and value chain, emission factors have been sourced from multiple issuing authorities. The sources of emission factors for the Group's largest sources of emissions used to build up the Group's GHG inventories are included on pages 65 and 66.

The Global Warming Potential (GWP) attached to each of the different GHG emissions is calculated using appropriate emission factor sources.

¹² The GHG Protocol: A Corporate Accounting and Reporting Standard, Scope 3 Standard and Scope 3 Guidance are published by the World Resources Institute and the World Business Council for Sustainable Development. They were developed to provide a standardised approach and set of principles for companies to use in preparing GHG emissions inventories.

Methods, assumptions, estimates and uncertainties in measuring emissions

Scope	Emissions Category	Activity	Data Source	GWP and Emissions Factor source	Methodology, Data Quality, Uncertainty (Qualitative)
Scope 1	Purchased natural gas	Consumed in operation of owned and leased facilities	Invoices	<p>MfE guidelines 2025 (AR5)</p> <p>Australian National Greenhouse Account Factors 2024 (2006 IPCC)</p> <p>UK Government GHG Conversion Factors 2025 (AR5)</p> <p>US EPA Emissions Factors for GHG Inventories 2025 (AR5)</p> <p>Climatiq - China natural gas emissions factor 2025 (AR6)</p>	Quantity of natural gas consumed multiplied by associated country emission factor. High quality data, low uncertainty.
	Stationary combustion	Fossil fuels used to power equipment	Invoices	<p>MfE guidelines 2025 (AR5)</p> <p>Australian National Greenhouse Account Factors 2024 (2006 IPCC)</p>	Distances travelled converted to fuel consumed based on market data. Quantity of fuel consumed multiplied by the associated emission factor for each fuel type. High quality data, low uncertainty.
	Mobile combustion	Fossil fuels consumed in operation of owned and leased vehicles and forklifts	Fuel purchase transaction history, odometer readings, invoices	<p>UK Government GHG Conversion Factors 2025 (AR5)</p> <p>US EPA Emissions Factors for GHG Inventories 2025 (AR5)</p>	
Scope 2	Purchased electricity	Electricity consumption in operation of owned and leased facilities	Invoices	<p>MfE guidelines 2025 (AR5)</p> <p>Australian National Greenhouse Account Factors 2024 (2006 IPCC)</p> <p>UK Government GHG Conversion Factors 2025 (AR5)</p> <p>US EPA Emissions Factors for GHG Inventories 2025 (AR5)</p> <p>Carbon Database Initiative: Country-specific emissions factors for Italy, PR China and Netherlands (AR6)</p>	Location-based method. High data quality and low uncertainty due to invoice sets. Selection of electricity grid factors by operating location applying either national averages by country (NZ, UK, China, Italy and Netherlands) or state-based factors (Australia, US).
Scope 3	Purchased goods and services	Emissions from goods and services purchased and used in operations	<p>Purchase transaction history</p> <p>Supplier-provided data</p>	<p>UK Government GHG Conversion Factors 2025 (AR5)</p> <p>The Japan Automobile Tyre Manufacturers Association CO₂ Calculation Guidelines Ver. 2.0 (AR5)</p> <p>US EPA USEEIO Emission Factors 2022 (AR5)</p> <p>Climatiq: Emissions factor inventory for Textile emissions (AR6)</p> <p>World Stainless: Stainless Steels and CO₂: Industry Emissions and Related Data 2024 (AR6)</p> <p>Researchgate Lifecycle Emissions Assessments for Adhesives and Silicone Rubber (AR5)</p> <p>International Aluminium GHG Emissions Intensity: Primary Aluminium (AR6)</p>	Hybrid method. Quantity (kgs) of goods and services purchased allocated to an emission factor category and multiplied by the associated emission factor. Spend-based approach utilised when quantity consumed could not be obtained. Variable data quality, medium uncertainty overall.

Methods, assumptions, estimates and uncertainties in measuring emissions (continued)

Scope	Emissions Category	Activity	Data Source	GWP and Emissions Factor source	Methodology, Data Quality, Uncertainty (Qualitative)
Scope 3	Upstream transportation and distribution	Movement of product from suppliers, or to customers when shipping paid for by the Group	Purchase and sales transaction history Distance travelled calculated using online distance calculator	UK Government GHG Conversion Factors 2025 (AR5) US EPA Emissions Factors for GHG Inventories 2025 (AR5)	Hybrid method. Distance-based method where amount of material transported and the distance travelled (calculated using departure and destination addresses in web-based distance calculation tools) are multiplied by the emissions factor specific to the method of transportation (sea, road, rail or air). Supplier-provided data and spend-based methods also utilised. Variable data quality, medium uncertainty overall.
	Downstream transportation and distribution	Movement of product to customers when shipping paid by customer	Supplier-provided data	US EPA USEEIO Emission Factors 2022 (AR5)	
	Waste generated in operations	Disposal and treatment of waste off-site but generated by the Group	Invoices Supplier-provided data	MfE guidelines 2025 (AR5) US EPA Emissions Factors for GHG Inventories 2025 (AR5) US EPA USEEIO Emission Factors 2022 (AR5)	Hybrid method. Weight-based where data is available (or can be reliably calculated), otherwise spend-based approach. Variable data quality, medium uncertainty overall.
	Business travel	Air travel	Invoices, credit card purchase history Supplier-provided data	US EPA Emissions Factors for GHG Inventories 2025 (AR5)	Hybrid method. Distance-based where data available, otherwise spend-based approach. Variable data quality, medium uncertainty overall.
		Rental cars, taxis	Invoices, credit card purchase history Supplier-provided data	US EPA USEEIO Emission Factors 2022 (AR5)	Spend-based method. Variable data quality, medium uncertainty overall.
	Employee commuting	Commuting to and from work	Internal employee data and reports, staff surveys Numbers of employees	MfE guidelines 2025 (AR5)	Distance-based method to determine commuting. Data quality low due to difficulty in validating survey results. High uncertainty. Total quantum of emissions is relatively minor.
	Capital goods	Emissions from capital goods purchased and used in operations	Purchase transaction history	US EPA USEEIO Emission Factors 2022 (AR5)	Spend-based method. High data quality, medium uncertainty overall.

Our organisational boundary

Organisational boundaries are defined as the boundaries that determine the operations owned or controlled by Skellerup, depending on the consolidation approach taken. We have elected to apply the control approach to consolidate the GHG emissions of the Group. Under the control approach, we account for our GHG emissions from operations over which the Group has control (noting our exclusion of immaterial emissions sources, as defined on page 70). Skellerup will not account for GHG emissions from operations in which we own an interest but have no control (Skellerup had no such entities during FY25).

Control can be defined in either financial or operational terms. Skellerup applies the financial control criterion, which aligns with our financial consolidation approach. Financial control is defined as having the ability to direct the financial and operating policies of an operation to gain economic benefits from its activities.

The consolidation approach is summarised as:

Subsidiaries	Include 100% of GHG emissions for operations accounted for as subsidiaries, regardless of the equity interest owned.
Non-incorporated joint ventures/ partnerships/ operations where partners have joint financial control	Include GHG emissions proportionate to the Group's interest in the operation. Skellerup has no non-incorporated joint ventures, partnerships or operations with joint financial control in FY25.
Associated / affiliated companies	Do not include GHG emissions from operations accounted for using the equity method in the consolidated financial statements. Skellerup had no associated or affiliated companies in FY25.

Our operational boundary

Operational boundaries are used to determine the direct and indirect emissions associated with operations owned or controlled by the Group.

The Group reports relevant indirect (scope 3) emissions from activities in our value chain outside of the Group's operational boundary. For scope 3 emissions, the boundary is currently defined on a category-by-category basis due to data limitations.

Our reported GHG emissions inventories for scopes 1, 2 and 3 accounted for using the financial control approach are subject to inherent uncertainties arising from reliance on data obtained from third parties, or necessarily estimated or assumed, and may not be accurate or complete, although we consider that all practical controls have been put in place to mitigate this risk as far as possible.

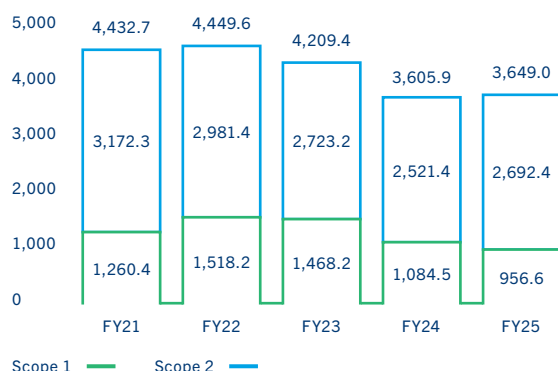
GHG emissions

Gross emissions in tonnes of CO ₂ -e	FY25	FY24*
Scope 1	956.6	1,084.5
Scope 2 (location based)	2,692.4	2,521.4
Total scope 1 and 2	3,649.0	3,605.9
Scope 3	61,297.7	55,409.3
Total measured Group emissions	64,946.7	59,015.2
Scope 1 and 2 emissions (tonnes CO₂-e) per \$1 million revenue (GHG emissions intensity by revenue)	10.3	10.9
Total Group emissions (tonnes CO₂-e) per \$1 million revenue (GHG emissions intensity by revenue)	183.7	178.5

*Emissions for FY24 have been restated (refer to page 68 and 69)

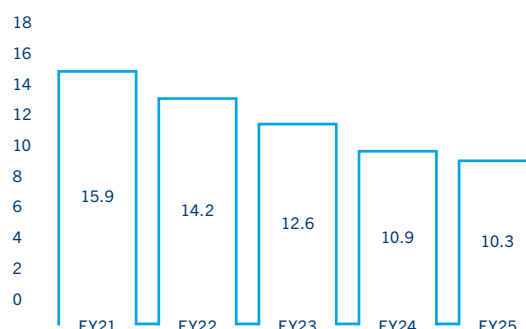
Scope 1 and 2 GHG emissions

(tonnes CO₂-e)



Scope 1 and 2 GHG emissions per \$1 million revenue

(tonnes CO₂-e per \$1 million revenue)



Scope 1 and 2 GHG Emissions

The main sources of the Group's scope 1 and 2 emissions are purchased electricity and natural gas, which are used in operating its owned and leased facilities, with a smaller consumption of fossil fuels used directly in powering equipment and vehicles.

Emissions for FY24 have been restated from that previously reported as follows:

- Scope 1 emissions have been reduced by 48 tonnes CO₂-e due to minor corrections in data gathering and calculation processes;

- Scope 2 emissions have increased by 215 tonnes CO₂-e because of the identification of a more appropriate location-based emission factor for purchased electricity in China.

Skellerup considers the restatement of FY24 emissions as appropriate to provide more comparable year-on-year information.

The table below summarises the Group's scope 1 and 2 emissions over the past five financial years, as well as measurements of consumption for the key sources of these emissions.

Scope 1 and 2 GHG emissions and consumption

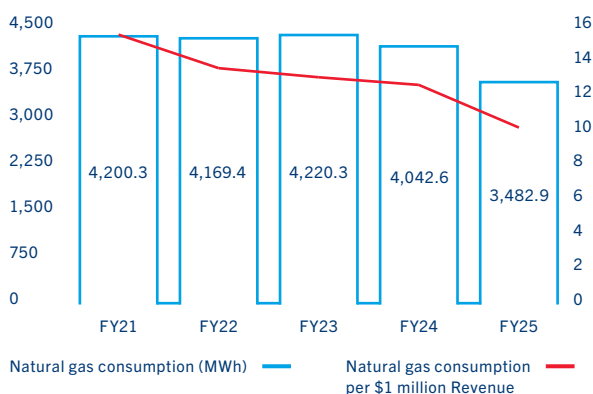
	FY25	FY24*	FY23	FY22	FY21
Scope 1	956.6	1,084.5	1,486.2	1,518.2	1,260.4
Scope 2 (location-based)	2,692.4	2,521.4	2,723.2	2,981.4	3,172.3
Total Scope 1 and 2 (in tonnes of CO₂-e)	3,649.0	3,605.9	4,209.4	4,499.6	4,432.7
Scope 1 and 2 per \$1 million Revenue	10.3	10.9	12.6	14.2	15.9
Electricity consumption (MWh)	14,739.2	13,840.4	14,545.7	15,681.0	14,213.4
Electricity consumption per \$1 million Revenue	41.7	41.9	43.6	49.5	50.9
Natural gas consumption (MWh)	3,482.9	4,042.6	4,220.3	4,169.4	4,200.3
Natural gas consumption per \$1 million Revenue	9.9	12.2	12.7	13.2	15.0
Fossil fuel consumption (kL)	119.9	125.2	139.3	150.2	NM

NM – Not measured

*Data for FY24 has been restated, refer above

Natural gas consumption

(MWh and MWh per \$1 million revenue)



Our scope 1 and 2 emissions in FY25 have increased by one per cent against the prior competitive period (pcp). This increase was as a result of two key factors:

- Changes in the level of activity at our key manufacturing sites, with higher volumes for our dairy rubberware manufacturing in Wigram, albeit more than offset by the impact of lower manufacturing volumes in Jiangsu, China; and
- A 36% increase in the New Zealand electricity emission factor published by the MfE.

We measure our scope 1 and 2 emissions intensity as a factor of revenue. Our intensity measure of 10.3 tonnes of CO₂-e per \$1 million of revenue is six per cent lower than the result for FY24.

Scope 1 – Natural gas

Natural gas is primarily used in heating for the Group's operating facilities in North America and Europe, and in operating the natural gas boiler at its manufacturing site in Jiangsu, China.

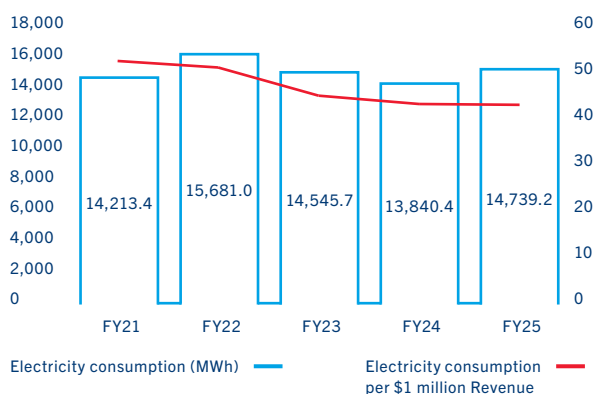
FY25 natural gas consumption has reduced by 14 per cent against pcp through a combination of more benign weather in North America and relocation to a newer, more energy-efficient site in Chicago.

Scope 2 – Purchased electricity

As the level of activity in the Group increased in FY25, electricity consumption increased. The six per cent increase in the amount of electricity consumed is in line with the Group's revenue growth, meaning that when measured relative to the growth in revenue, consumption per \$1 million of revenue is relatively flat at 41.7 MWh per \$1 million of revenue earned.

Electricity consumption

(MWh and MWh per \$1 million revenue)



Fluctuations in activity levels at the Group's sites around the world meant a six per cent increase in underlying electricity consumption resulted in a seven per cent increase in scope 2 GHG emissions. The Group continues to evaluate and implement electricity efficiency initiatives where commercially appropriate.

Scope 3 GHG Emissions

The Group measured its scope 3 emissions for the second time in FY25. Scope 3 emissions made up 94% of total emissions for FY25 (FY24 – 94%). The source of scope 3 emissions by category is summarised on page 70 and reflects most scope 3 emissions being embedded in the Group's purchased goods and services, with 86% of scope 3 emissions in this category (FY24 – 85%), followed by transportation and distribution emissions at 8% of scope 3 emissions in FY25 (FY24 – 9%).

The Group's measurement of scope 3 emissions continues to be refined. FY24 measured emissions excluded certain smaller operating subsidiaries from the scope of the initial data gathering exercise. Scope 3 emissions data has now been gathered for these subsidiaries, which has resulted in a restatement of comparative information. Further, data collection methods and calculation techniques continue to be enhanced, with minor amendments being made to previously reported data to improve comparability. FY24 scope 3 reported emissions have been restated upwards by 4,945 tonnes, an increase of 10 per cent on that previously reported. The majority of the increase relates to the inclusion of subsidiaries not measured and reported in the Group's FY24 report and minor corrections in the categorisation of purchased goods and services.

Scope 3 GHG Emissions

	FY25		FY24	
	Tonnes of CO ₂ -e	% of scope 3 emissions measured	Tonnes of CO ₂ -e	% of scope 3 emissions measured
Category 1 – Purchased goods and services	52,937.6	86.4	47,007.2	84.8
Category 2 – Capital goods	876.9	1.4	1,058.2	1.9
Category 4 – Upstream transportation and distribution	3,833.5	6.3	3,463.4	6.3
Category 5 – Waste generated in operations	1,291.7	2.1	1,157.9	2.1
Category 6 – Business travel	533.9	0.9	686.3	1.2
Category 7 – Employee commuting	747.9	1.2	692.3	1.2
Category 9 – Downstream transportation and distribution	1,076.2	1.7	1,344.0	2.5
Total Scope 3	61,297.7	100.0	55,409.3	100.0
Scope 3 per \$1 million Revenue	173.4		167.6	

During FY25, the Group has continued to execute its growth plans, which have precipitated an increase in absolute scope 3 emissions of 5,888 tonnes CO₂-e against the restated pcp, an increase of 11 per cent. The intensity of scope 3 emissions (as measured by tonnes of CO₂-e per \$1 million of revenue) has increased by three per cent, reflective of the mix of businesses within the Group. Changes in scope 3 emissions, which have significantly increased the gross emissions reported, are:

- An increase in the level of activity at the Group's largest contract manufacturer in Vietnam;
- Greater levels of activity at the Group's roofing and construction-focused business in the UK, primarily in the supply of third-party sourced product which is used in solar installations; and
- Higher production levels at the Group's main facility in Christchurch, New Zealand.

These increases were partly offset by lower production of rubber footwear at the Group's facility in China, principally to manage finished goods inventory levels.

The measurement of scope 3 emissions is still subject to estimation and uncertainty. We have captured the activities, data and emissions factor sources and methodology, data quality and uncertainties in the table on pages 65 and 66.

Emissions sources identified and excluded

Several GHG emissions have been excluded from the scope of our inventory. Emissions sources identified and excluded are:

- Scope 1: Fugitive and process emissions are considered immaterial.
- Scope 3 - Category 1: Purchased goods and services – non-inventory-related purchases of goods and services (i.e. those purchases not directly related to our manufacturing processes) are considered immaterial.
- Scope 3 - Category 3: Transmission and distribution losses – the entire category is considered immaterial.
- Scope 3 - Category 12: End-of-life treatment of sold products – based on the nature of products sold by the Group and the likely end-of-life treatment, this category is considered immaterial. We continue to evaluate its measurement as we develop and implement product take-back and recycling schemes.

Other metrics

- The amount or percentage of assets or business activities vulnerable to physical risks – Skellerup's risk assessment, detailed on pages 47 to 50, identified that none of its material assets were rated above a moderate risk rating in any scenario. As such, Skellerup's present assessment of the percentage of its assets vulnerable to physical risks is 0% (FY24 – 0%).
- The amount or percentage of assets or business activities vulnerable to transition risks - Skellerup's transition risk assessment, detailed on page 49, identified that none of its business activities were exposed to risks rated above a moderate risk rating in a Middle of the Road Scenario over the short term. As such, Skellerup's present assessment of the percentage of its assets vulnerable to transitional risks in this time frame is 0% (FY24 – 0%).
- The amount or percentage of assets or business activities aligned with climate-related opportunities – Skellerup assesses that its dairy, potable and wastewater, roofing and construction and footwear product applications are aligned with climate-related opportunities, being the opportunities to supply these sectors with increased quantities of products, or new products, in response to physical effects of climate change (for example, increased storm events). These product lines represent 72% of Skellerup's FY25 revenue (FY24 – 71% of Group revenue).

Capital deployed toward climate-related risks and opportunities

Metric	Amount of capital deployed towards climate-related risks and opportunities
Total capital expenditure for FY25 (\$'000)	9,201
Capital expenditure towards climate-related risks and opportunities, and emissions reduction activities (\$'000)	3,784
Percentage of total capital expenditure for FY25 deployed towards climate-related risks and opportunities, and emissions reduction activities	41%

Across FY25, the Group deployed capital expenditure towards the following commercially justified climate-related projects:

- Investment into standardised equipment, particularly at our largest manufacturing facility at Wigram, allowing for production efficiencies and building out the capability to manufacture in or nearer market;

- Upgrades to equipment and facilities to reduce waste and electricity consumption;
- Improvements to existing tooling with higher engagement from the Group's Product Development Centre providing expertise around make-up of tooling materials, compounds and processes in order to drive energy efficiency and reduce process waste; and
- Establishment of an operation in Netherlands to distribute our high-performance marine foam products into European markets.

No capital was specifically allocated towards climate-related risks and opportunities in FY24.

Assurance of GHG emissions

Ernst & Young Limited (EY) has provided independent, third-party limited assurance on our scope 1 and 2 (location-based) emissions for FY25, per the New Zealand Standards on Assurance Engagements 1 Assurance Engagements over Greenhouse Gas Emissions Disclosures (NZ SAE 1) and in accordance with the International Standard for Assurance Engagements (New Zealand): Assurance Engagements on Greenhouse Gas Statements (ISAE (NZ) 3410).

Skellerup have elected to use Adoption Provision 8: Scope 3 GHG emissions assurance and to rely on the Financial Markets Conduct (Climate-related Disclosures – Assurance Engagement) Exemption Notice 2025, which means that in FY25, we have not obtained independent assurance over our scope 3 emissions.

EY's assurance opinion is included on pages 72 to 74.

Approval by the Board of Directors

These climate-related disclosures were authorised for issue by the Board of Directors for Skellerup Holdings Limited on 21 August 2025.

For and on behalf of the Directors



John Strowger
Independent Chair




Alan Isaac
Independent Director





Independent limited assurance report to Skellerup Holdings Limited

Assurance conclusion – Scope 1 and Scope 2 (location based only) GHG emissions

Based on our limited assurance procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Skellerup Holdings Limited's consolidated gross scope 1 and 2 (location based only) Greenhouse Gas ("GHG") emissions, related additional required disclosures of gross GHG emissions and gross GHG emissions methods, assumptions and estimation uncertainty, within the scope of our limited assurance engagement (as outlined below) (together "GHG disclosures") included in Skellerup Holdings Limited's Group Climate Statements for the year ended 30 June 2025 ("Climate Statement") are not fairly presented and not prepared, in all material respects, in accordance with the Aotearoa New Zealand Climate Standards ("NZ CS") issued by the External Reporting Board (XRB).

Scope

Ernst & Young Limited ("EY") has undertaken a limited assurance engagement, to report on Skellerup Holdings Limited's (the "Company" or "Skellerup"):

- Consolidated gross GHG emissions:
 - Scope 1 on page 67;
 - Scope 2 (location based) on page 67;
- Related additional requirements for the disclosure of consolidated GHG emissions on pages 64 to 67 and 70;
- Related GHG emissions methods, assumptions and estimation uncertainty on pages 65 to 67

included in the Climate Statement for the year ended 30 June 2025 (the "Subject Matter" or "GHG disclosures"). The reported amounts and disclosures relate to the Company and its subsidiaries (together "the Group") as explained in the Climate Statement.

Our assurance engagement does not extend to any other information included, or referred to, in the Climate Statement on pages 1 to 63, 68 to 69, 71 and 75 to 123. We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it.

Criteria applied by Skellerup

In preparing the GHG disclosures, Skellerup applied NZ CS (the "Criteria"). In applying the Criteria the methods and assumptions used are described on pages 65 to 67 of the GHG disclosures, as are the estimation uncertainties inherent in the methods and assumptions used.

Key matters

We have determined that there are no key matters to communicate in our report.

Skellerup's responsibility

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the GHG disclosures in accordance with NZ CS. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the GHG disclosures, such that they are free from material misstatement, whether due to fraud or error.



EY's responsibility

Our responsibility is to express a limited assurance conclusion on the GHG disclosures based on the procedures we have performed and the evidence we have obtained.

Our engagement was conducted in accordance with New Zealand Standard on Assurance Engagements 1 *Assurance Engagements over Greenhouse Gas Emissions Disclosures* ("NZ SAE 1") and in accordance with the International Standard for Assurance Engagements (New Zealand): *Assurance Engagements on Greenhouse Gas Statements* ("ISAE (NZ) 3410"). Those standards require that we plan and perform this engagement to obtain limited assurance about whether the GHG disclosures have been prepared, in all material respects, in accordance with the Criteria. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

As we are engaged to form an independent conclusion on the GHG Disclosures prepared by management, we are not permitted to be involved in the preparation of the GHG information as doing so may compromise our independence.

EY provides financial statement audit too the Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.

Our independence and quality management

We have complied with the independence and other ethical requirements of NZ SAE 1 *Assurance Engagements over Greenhouse Gas Emissions Disclosures* issued by the External Reporting Board (XRB) and the Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than, for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the report and related information and applying analytical and other relevant procedures.



**Shape the future
with confidence**

Our procedures included:

- Obtaining, through inquiries, an understanding of Skellerup's organisational and operational boundaries, control environment, processes and information systems relevant to the preparation of the GHG Disclosures. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;
- Assessing the appropriateness of the emission factors used;
- Performing analytical procedures on particular emission categories to support expectations regarding the direction of trends, relationships and ratios of reported GHGs emitted and made inquiries of management to obtain explanations for any significant differences we identified;
- Testing, on a limited sample basis, underlying source information to assess the accuracy of the data; and
- Considering the presentation and disclosure of the GHG Disclosures.

We also performed such other procedures as we considered necessary in the circumstances.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

Inherent uncertainties

The GHG quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Other matters

The comparative GHG disclosures (that is GHG disclosures for the period ended 30 June 2021, 30 June 2022, 30 June 2023 and 30 June 2024) have not been subject to assurance. As such, these disclosures are not covered by our assurance conclusion.

Use of our assurance report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than Skellerup, or for any purpose other than that for which it was prepared.

Our review included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.

The engagement partner on the engagement resulting in this independent assurance conclusion is Matthew Cowie.

Ernst & Young Limited
Auckland, New Zealand
21 August 2025

Glossary of key terms used in Group Climate Statements

Adaptation Plan	Our strategy that outlines adaptation responses to our material climate-related risks and opportunities, both physical and transitional within the Group's key product applications, forming part of the Group's Climate Transition Plan
Climate-related Opportunities	The potential positive impacts of climate change on the Group.
Climate-related Risks	The potential negative impacts of climate change on the Group, both physical and transitional.
Climate Transition Plan	The internal process of how the Group will formulate, implement, monitor and adjust our strategy to enable the Group to operate, generate sustainable returns, protect its assets and finance itself in a low-emissions, climate-resilient future.
Emissions Reduction Plan	Our strategy outlining how the Group will reduce its GHG emissions, including to meet specific targets when set, forming part of the Group's Climate Transition Plan.
Greenhouse Gas (GHG) Emissions	The release of GHGs into the atmosphere. Gross emissions are total GHG emissions excluding any removals, and excluding any purchase, sale or transfer of GHG emission offsets or allowances.
Global Warming Potential (GWP)	An index to translate the level of emissions of various greenhouse gases into a common measure in order to compare the relative radiative forcing of different gases. GWPs are calculated as the ratio of the radiative forcing that would result from the emissions of one kilogram (kg) of a greenhouse gas to that from the emission of one kg of CO ₂ over a period of time (usually 100 years). GWPs are applied to the non-CO ₂ gases to enable meaningful comparisons among the gas types compared with CO ₂ . Where GWPs are applied to these gases, GHG emissions are commonly expressed as their carbon dioxide equivalent (or CO ₂ -e). The larger the GWP, the more a given gas warms the earth, compared with CO ₂ over that period. The time period usually used for GWPs is 100 years, to align with UNFCCC greenhouse gas inventory reporting requirements. The IPCC provides more information on how these factors are calculated.
Greenhouse Gas (GHG)	The greenhouse gases listed in the Kyoto Protocol: Carbon Dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), nitrogen trifluoride (NF ₃), perfluorocarbons (PFCs) and sulphur hexafluoride (SF ₆)
Group	Skellerup Holdings Limited and its subsidiaries. A listing of significant subsidiaries is provided on page 118.
Group Climate Statements	The climate-related disclosures for a climate reporting entity as at and for the year ended on the reporting date that are required to be prepared under the Financial Markets Conduct Act 2013.
2006 IPCC, AR4, AR5 and AR6	2006 IPCC Guidelines for National Greenhouse Gas Inventories (2006 IPCC), Fourth Assessment Report (AR4), Fifth Assessment Report (AR5) and Sixth Assessment Report (AR6) are publications from the IPCC which include comprehensive evaluations of climate change science, impacts, adaptation, and mitigation. AR6 is the most recent publication, released in 2023, AR5 was published in 2014, AR4 in 2007 and 2006 IPCC was published in 2006. Emission factor sources are constructed using methodologies contained in one of these publications.
MfE Guidelines 2025	New Zealand Ministry for the Environment Measuring Emissions Guidance is utilised by the Group to source several emission factors to calculate scope 1, 2 and 3 GHG emissions.
Scenario Analysis	A process for systematically exploring the effects of a range of plausible future events under conditions of uncertainty. Engaging in this process helps to identify climate-related risks and opportunities and develop a better understanding of the resilience of the business model and strategy.
Scope 1 GHG Emissions	Direct GHG emissions from sources owned or controlled by the Group
Scope 2 GHG Emissions	Indirect GHG emissions from the consumption of purchased electricity, heat or steam. These emissions are measured using the location-based method which includes GHG emission intensity factors for energy production in a defined local or national region.
Scope 3 GHG Emissions	Other indirect GHG emissions not covered in scope 2 that occur in the value chain of the Group, including upstream and downstream GHG emissions. Relevant scope 3 categories for the Group are purchased goods and services, capital goods, upstream and downstream transportation and distribution, waste generated in operations, business travel, and employee commuting.
USEEIO	US Environmentally-extended Input-Output is a model to estimate the potential impacts (environmental and economic) associated with the production or consumption of goods and services. The Group utilises several USEEIO emissions factors to calculate scope 3 GHG emissions.
Value Chain	The full range of activities, resources and relationships related to the Group's business model and the external environment in which the Group operates. A value chain encompasses the activities, resources and relationships the Group uses and relies on to create its products from conception to delivery, consumption and end of life.

Financial Commentary

For the year ended 30 June 2025 (FY25), earnings before interest and tax (EBIT) grew seven per cent to a record \$78.0 million, the Group's ninth consecutive year of EBIT growth.

Increased revenue, up seven per cent on the prior corresponding period (pcp), and a small improvement in gross margin percentage drove the improvement in Group EBIT. As anticipated, finance costs reduced as a result of declining market interest rates and lower average net borrowings. An increase in the effective tax rate partially eroded gains, with net profit after tax (NPAT) of \$54.5 million, up nine per cent on the underlying¹ NPAT for FY24.

Our Industrial Division's EBIT growth of three per cent fell below the levels seen in previous years as divisional performance across key markets and applications was mixed. We continued to see growth in sales of our products used in potable water and wastewater applications through a combination of market share growth and the introduction of innovative new products. Sales of roofing and construction products grew strongly in the US and UK but were somewhat offset by a slow construction market in Australasia.

Agri Division's EBIT increased 15 per cent on the pcp as demand for dairy rubberware products remained strong throughout FY25. Revenue increased by eight per cent against the pcp, and the higher production volumes through our largest manufacturing facility in Christchurch drove improved margins. Despite increasing sales of rubber footwear, higher raw material costs and the impact of lower production volumes through our rubber footwear facility in Jiangsu, China, meant footwear margins fell below the pcp.

Operating cash flow of \$66.5 million was down six per cent on the pcp as growth in after-tax earnings was reduced by the impact of deliberate increases in inventory holdings for several businesses to mitigate against the impacts of US trade tariffs and ongoing supply chain interruptions. Net debt closed at \$12.4 million, down \$3.0 million from June 2024.

Our balance sheet remains well managed, enabling a focus on delivering sustainable growth in financial returns for our shareholders and opportunities for our employees. Capital allocation is carefully administered, and all projects are scrutinised thoroughly. FY25 has seen \$9.2 million invested in improvements to equipment and processes, as well as funding for new capacity towards future growth.

Our balance sheet remains well managed, enabling a focus on delivering sustainable growth in financial returns for our shareholders

Tim Runnalls



Underlying¹ Net Profit After Tax (\$m)

FY25	54.5
FY24	50.0
FY23	50.9
FY22	47.8
FY21	40.2
FY20	29.1
FY19	29.1

Dividend Declared (cents per share)

FY25	25.5
FY24	24.0
FY23	22.0
FY22	20.5
FY21	17.0
FY20	13.0
FY19	13.0

FY25 Group Earnings and Dividends

The FY25 audited NPAT of \$54.5 million was up 16 per cent on the comparative result for FY24. The FY25 NPAT was up nine per cent when compared with the underlying FY24 NPAT of \$50.0 million. A gross dividend pay-out in respect of FY25 of 25.5 cents per share (50 per cent imputed) is up six per cent on the pcg and reflects the Group's continued robust financial results and cash flow position.

The FY25 gross dividend pay-out declared is up 1.5 cents per share (six per cent) on the pcg and represents a gross yield² for our shareholders of 5.4 per cent.

We segment and measure our performance by two divisions – Industrial and Agri.

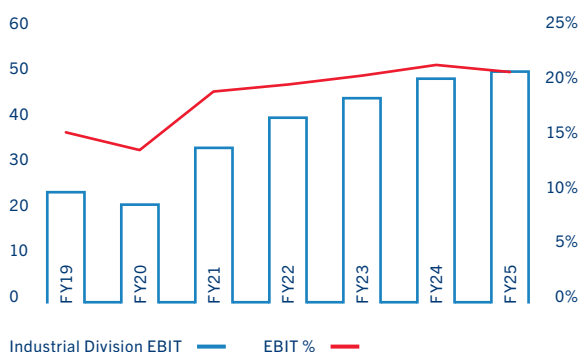
Industrial Division

Our Industrial Division's sales were another record result of \$241.3 million, up seven per cent on the pcg. EBIT was \$48.4 million – a fifth consecutive increase in earnings, up three per cent on FY24. Although slightly

lower than the pcg, EBIT as a percentage of revenue for FY25 remained above 20 per cent for the Division.

Our Industrial Division generates more than 85 per cent of its revenue from international markets. FY25 revenue growth reflects mixed market conditions. Increased revenue from potable water and wastewater applications was due to higher sales of products used in infrastructural pipe, sales of gaskets for pipe networks and vacuum systems for liquid waste. This was offset slightly by lower revenue from products used in tapware. Roofing and construction revenue grew strongly, particularly through sales of roof flashing products sold in North America as well as those used in solar installations in the UK. A slow construction market continued to impact roofing and construction revenue in Australasia.

Revenue growth translated to another record EBIT for the Industrial Division, up three per cent on FY24. Product mix impacted returns, along with the effect of exchange rates and increases in freight costs which could not be fully recovered.

Industrial Division EBIT (\$m)**Agri Division EBIT (\$m)**

¹ FY24's NPAT was adjusted for the effect of a non-recurring non-cash tax impact of removing tax depreciation on commercial and industrial buildings in New Zealand of \$3.1 million.

² Gross yield is determined by comparing the FY24 gross distribution (dividends paid and declared, plus imputation credits at 50% imputation) of 28.7 cents per share, with the closing share price of \$3.76 on 30 June 2024.

The North American market accounts for almost 40 per cent of the Industrial Division's revenue. The FY25 result has not been materially affected by the impacts of US trade tariffs and resultant market uncertainty.

The essential nature of many of the Group's products has meant that demand for the majority of our products has remained strong.

Agri Division

Sales for our Agri Division were \$113.8 million, up eight per cent on the pc. EBIT of \$35.3 million was up 15 per cent on the pc and up four per cent on the previous record result achieved in FY23. Operating margins remained strong at 31 per cent.

Our Agri Division is a world leader in the design and manufacture of essential consumables for the global dairy industry and the design and manufacture of rubber footwear for farming and other speciality applications including electricity, fire and forestry.

FY25 presented consistent demand from export customers in the dairy industry. Following sizable destocking activities from several of our large customers in the first half of FY24, ordering returned to more normal patterns, and revenue from sales of dairy rubberware products into international markets grew 12 per cent on the pc. Sales in the New Zealand domestic market were up six per cent on the pc. Higher sales volumes translated to higher manufacturing throughput, favourably impacting margins.

Despite pressure on consumer spending, particularly in the key New Zealand market, sales of our Red Band™ and speciality footwear products were up six per cent on the pc. Raw material cost increases and the effect of the lower production volumes that were required to manage decreased inventory levels impacted margins.

Corporate

The Group is serviced by a corporate office in Auckland, the cost of which includes fees paid to Directors and Group management, listing and compliance costs and expenses. FY25 corporate costs of \$5.7 million were tightly controlled and represent less than two per cent of Group revenue.

FY25 Financial Position

Skellerup's financial position remains healthy with continual management of working capital and critical evaluation of capital investment decisions. Excellent operating cash flows and low levels of debt provide us with the opportunity to invest in growth and improvement initiatives. Our focus remains on the appropriate allocation of capital (both financial and human) to deliver ongoing excellent returns on shareholders' funds.

At the close of FY25, inventory stood at \$77.8 million, reflecting an increase of \$6.3 million from FY24. Deliberate actions were taken during the year to increase inventory levels in market to manage tariff risks and supply chain disruptions. We anticipate that, given ongoing uncertainty, we will maintain carrying a higher level of inventories to service customers effectively, at least in the short term. Our teams continue to navigate challenging and uncertain markets and supply chains efficiently.

Trade receivables closed at \$54.0 million on 30 June 2025, up five per cent on the pc. This increase is reflective of the increase in revenue and a result of the timing of sales. A continued strong focus on collections, fairer payment terms, simpler electronic payment options for customers and discount structures for prompt payment all contributed to solid collections. At the close of FY25, receivables represented 47 days of sales outstanding, an improvement on 48 days recorded in the pc.

Operating Cash Flow (\$m)

FY25	66.5
FY24	70.8
FY23	54.1
FY22	43.3
FY21	58.8
FY20	48.0
FY19	28.9

Normalised Return on Net Assets* (%)

FY25	22.7
FY24	21.8
FY23	22.6
FY22	22.6
FY21	20.5
FY20	15.7
FY19	16.3

*For FY24, calculated as NPAT before abnormal items, divided by net assets

This increased investment working capital and higher cash tax payments (resulting from higher earnings) resulted in an operating cash flow of \$66.5 million, down six per cent on the record pc. The strong operating cash flow funded payments for right-of-use asset lease obligations of \$7.1 million, capital expenditure of \$9.2 million, dividends to shareholders of \$48.0 million and repayments of borrowings of \$4.0 million. Net debt remains low at \$12.4 million, \$3.0 million below the pc, and represents just four per cent of our total assets.

Seven-Year Financial Review

The table below shows the financial results and position of the Skellerup Group for each of the last seven years. During this period, revenue has grown by 44 per cent, NPAT has increased by 88 per cent, and our operating cash flow is 130 per cent higher than that reported in FY19. Return on net assets has increased by 39 per cent. The sustained earnings growth has enabled a rise in the gross dividend pay-out (excluding imputation credits) of 96 per cent over the same period.

Period Ended 30 June	FY25 \$000	FY24 \$000	FY23 \$000	FY22 \$000	FY21 \$000	FY20 \$000	FY19 \$000
Total Revenue	353,478	330,578	333,537	316,829	279,515	251,389	245,792
EBIT	78,036	72,688	71,659	66,760	56,361	42,486	41,798
Finance Costs	3,773	4,939	4,594	2,249	2,081	2,582	1,785
Share of net profit of associates	-	-	(78)	(224)	(35)	(73)	23
Profit before tax	74,263	67,749	66,987	64,287	54,245	39,831	40,036
Tax before abnormal tax item	19,714	17,735	16,046	16,474	14,070	10,767	10,973
Net profit after tax before abnormal tax item	54,549	50,014	50,941	47,813	40,175	29,064	29,063
Income tax expense relating to building depreciation	-	3,121	-	-	-	-	-
Net profit after tax	54,549	46,893	50,941	47,813	40,175	29,064	29,063
EPS before abnormal tax item (cents)	27.8	25.5	26.0	24.5	20.6	14.9	15.0
EPS (cents)	27.8	23.9	26.0	24.5	20.6	14.9	15.0
Dividend per share (cents)	25.5	24.0	22.0	20.5	17.0	13.0	13.0
Operating cash flow	66,487	70,845	54,114	43,322	58,796	48,006	28,920
Net debt	12,412	15,371	26,830	25,204	8,736	28,513	36,576
Total assets	349,294	335,127	342,977	336,644	284,874	283,642	257,059
Total liabilities	109,104	105,635	117,541	125,436	88,725	99,079	78,667
Net assets	240,190	229,492	225,436	211,208	196,149	184,563	178,392
Normalised return on net assets ³	22.7%	21.8%	22.6%	22.6%	20.5%	15.7%	16.3%
Return on net assets ³	22.7%	20.4%	22.6%	22.6%	20.5%	15.7%	16.3%
Net tangible assets per share (cents)	88.6	84.0	81.2	75.9	70.0	65.3	65.1
Global team (number of people)	809	808	807	869	813	798	796

3 Calculated as Earnings (NPAT) divided by Net Assets





Consolidated Financial Statements

for the year ended 30 June 2025



Independent auditor's report to the shareholders of Skellerup Holdings Limited

Opinion

We have audited the financial statements of Skellerup Holdings Limited (the "Company") and its subsidiaries (together the "Group") on pages 86 to 119, which comprise the consolidated balance sheet of the Group as at 30 June 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended of the Group, and the notes to the consolidated financial statements including material accounting policy information.

In our opinion, the consolidated financial statements on pages 86 to 119 present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2025 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Ernst & Young has provided sustainability assurance services and remuneration benchmarking services to the Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



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Group audit planning and co-ordination

Why significant	How our audit addressed the key audit matter
<p>The Skellerup group comprises more than 20 businesses (components) whose operations are spread across the world, with approximately 80% of the group's revenue generated in countries other than New Zealand.</p> <p>International Standard on Auditing (ISA) 600 (Revised) for group audits was effective for the first time in the current year audit. Under this revised standard, the group auditor has greater responsibility for identifying and assessing risks of material misstatement for the entire Group with input from the component audit teams (being other audit teams performing work in relation to some of the Group's businesses).</p> <p>A significant area of focus when conducting the audit was performing a risk assessment in relation to the Group's financial statements, determining the nature and extent of procedures to be performed by each component audit team and our involvement in the work of component audit teams, which includes assessing adequacy of their work.</p>	<p>As the coordinating primary team ("group audit team" or "we"), EY New Zealand performed risk assessment for the entire group with input from component audit teams. The group audit team considered risks of material misstatement to the Group financial statements to determine the accounts and extent of work assigned to each component audit team in relevant locations. Consideration was given to the nature, size and risks associated with each of the group's businesses and the results of our risk assessment procedures performed.</p> <p>In fulfilling our responsibilities as the group audit team, we:</p> <ul style="list-style-type: none"> ▪ sent instructions to the component audit teams, including significant risk areas to be considered, audit testing thresholds and the information to be reported back to the group audit team. The component and group audit teams then determined the extent and nature of audit procedures to be performed. ▪ performed centralised testing over certain accounts and performed work in relation to a number of business units. ▪ communicated with component audit teams as their audits progressed and performed review of the reporting from component audit teams which explained the results of, and significant matters arising during, their audits. ▪ evaluated the work performed by the component audit teams for adequacy for our purpose. This included reviewing certain audit workpapers of the component audit teams which responded to higher risk areas. <p>During the year, members of the group audit team visited management and component audit teams in China. We also held discussions with the component audit teams for all relevant non-New Zealand locations. During these discussions, the work performed by each team was considered, and the key judgements were discussed, as were findings relevant to the group audit.</p> <p>We reported to the Audit Committee:</p> <ol style="list-style-type: none"> i) The results of audit procedures and testing performed by both the group and components teams; and ii) Any misstatements identified that warrant reporting based on quantitative or qualitative grounds.



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with confidence**

Information other than the financial statements and auditor's report

The directors of the Company are responsible for the other information. The other information comprises the annual report, which includes the Climate Statement but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1-1/>. This description forms part of our auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Susan Jones.

Chartered Accountants
Auckland
21 August 2025

Directors' Responsibility Statement

for the year ended 30 June 2025

The Directors are responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements, which present fairly, in all material respects, the financial position of the Skellerup Holdings Limited Group as at 30 June 2025, and the financial performance and cash flows for the year ended 30 June 2025.

The Directors consider that the financial statements of the Group have been prepared using accounting policies appropriate to the Group's circumstances, consistently applied and supported by reasonable judgements and estimates, and that all applicable New Zealand Equivalents to International Financial Reporting Standards have been followed.

The Directors have responsibility for ensuring that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and enable them to ensure that the financial statements comply with the Financial Markets Conduct Act 2013.

The Directors have responsibility for the maintenance of a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. The Directors consider that adequate steps have been taken to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are pleased to present the Group financial statements of Skellerup Holdings Limited for the year ended 30 June 2025.

The Group financial statements are dated 21 August 2025 and are signed in accordance with a resolution of the Directors made pursuant to section 211 of the Companies Act 1993.

For and on behalf of the Directors



John Strowger
Independent Chair



Alan Isaac
Independent Director



Income Statement

for the year ended 30 June 2025

	Note	2025 \$000	2024 \$000
Revenue	2	353,478	330,578
Cost of sales		(200,079)	(187,311)
Gross profit		153,399	143,267
Other income/(expenses)	4	216	354
Selling, general and administration expenses		(75,579)	(70,933)
Profit for the year before tax and finance costs		78,036	72,688
Finance costs	16	(3,773)	(4,939)
Profit for the year before tax		74,263	67,749
Income tax expense before abnormal tax item	5	(19,714)	(17,735)
Net profit for the year before abnormal tax item		54,549	50,014
Income tax expense relating to building depreciation	5, 25	-	(3,121)
Net after-tax profit for the year, attributable to owners of the Parent		54,549	46,893
Profit for the year before tax		74,263	67,749
Income tax expense	5	(19,714)	(20,856)
Net after-tax profit for the year, attributable to owners of the Parent		54,549	46,893
Earnings per share before abnormal tax item			
Basic earnings per share (cents)	19	27.82	25.51
Diluted earnings per share (cents)	19	27.72	25.40
Earnings per share			
Basic earnings per share (cents)	19	27.82	23.92
Diluted earnings per share (cents)	19	27.72	23.82

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

Statement of Comprehensive Income

for the year ended 30 June 2025

	Note	2025 \$000	2024 \$000
Net profit after tax for the year		54,549	46,893
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net gains/(losses) on cash flow hedges	17	285	2,135
Income tax related to gains/(losses) on cash flow hedges	5	(79)	(598)
Foreign exchange movements on translation of overseas subsidiaries	17	3,554	(313)
Income tax related to gains/(losses) on foreign exchange movements of loans with overseas subsidiaries	5	144	(6)
Other comprehensive income net of tax		3,904	1,218
Total comprehensive income for the year attributable to equity holders of the Parent		58,453	48,111

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

Balance Sheet

as at 30 June 2025

	Note	2025 \$000	2024 \$000
Current assets			
Cash and cash equivalents	6	15,588	16,629
Trade receivables	7	53,964	51,238
Prepayments and other receivables	7	10,300	7,480
Inventories	8	77,818	71,563
Income tax receivable		51	218
Derivative financial assets	22	1,017	568
Total current assets		158,738	147,696
Non-current assets			
Property, plant and equipment	9	89,583	90,068
Right-of-use assets	14	28,324	26,810
Deferred tax assets	5	3,685	3,772
Goodwill	10	64,844	63,517
Intangible assets	10	2,667	2,585
Derivative financial assets	22	1,453	679
Total non-current assets		190,556	187,431
Total assets		349,294	335,127
Current liabilities			
Trade and other payables	11	31,769	27,607
Provisions	12	5,338	5,480
Income tax payable		4,583	3,918
Lease liabilities – short term	14	7,496	6,623
Derivative financial liabilities	22	733	337
Total current liabilities		49,919	43,965
Non-current liabilities			
Provisions	12	1,440	1,341
Interest-bearing loans and borrowings	13	28,000	32,000
Deferred tax liabilities	5	5,978	5,867
Lease liabilities – long term	14	23,286	22,426
Derivative financial liabilities	22	481	35
Total non-current liabilities		59,185	61,669
Total liabilities		109,104	105,634
Net assets		240,190	229,493
Equity			
Equity attributable to equity holders of the Parent			
Share capital	15	72,406	72,406
Reserves	17	1,737	(1,777)
Retained earnings	20	166,047	158,864
Total equity		240,190	229,493

The above Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2025

		Fully Paid Ordinary Shares	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	Employee Share Plan Reserve	Retained Earnings	Total
	Note	\$000	\$000	\$000	\$000	\$000	\$000
Balance 1 July 2023		72,406	(827)	(2,779)	549	156,087	225,436
Net profit after tax for the year ended 30 June 2024		-	-	-	-	46,893	46,893
Other comprehensive income		-	1,537	(319)	-	-	1,218
Total comprehensive income for the year		-	1,537	(319)	-	46,893	48,111
Share incentive scheme		-	-	-	62	-	62
Dividends		-	-	-	-	(44,116)	(44,116)
Balance 30 June 2024		72,406	710	(3,098)	611	158,864	229,493
Net profit after tax for the year ended 30 June 2025		-	-	-	-	54,549	54,549
Other comprehensive income	17	-	206	3,698	-	-	3,904
Total comprehensive income for the year		-	206	3,698	-	54,549	58,453
Share incentive scheme	18	-	-	-	(390)	672	282
Dividends	20	-	-	-	-	(48,038)	(48,038)
Balance 30 June 2025		72,406	916	600	221	166,047	240,190

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

Cash Flow Statement

for the year ended 30 June 2025

	Note	2025 \$000	2024 \$000
Cash flows from operating activities			
Receipts from customers		348,393	328,717
Interest received		186	115
Dividends received		3	3
Payments to suppliers and employees		(259,614)	(237,746)
Income tax paid		(18,708)	(15,340)
Interest and bank fees paid		(2,375)	(3,510)
Interest on right-of-use asset leases		(1,398)	(1,429)
Net cash flows from/(used in) operating activities		66,487	70,810
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		559	781
Payments for property, plant and equipment		(8,257)	(8,901)
Payments for intangible assets		(944)	(543)
Net cash flows from/(used in) investing activities		(8,642)	(8,663)
Cash flows from financing activities			
Proceeds from/(repayments of) loans and advances	13	(4,000)	(10,299)
Repayments of lease liabilities		(7,087)	(6,336)
Dividends paid to equity holders of Parent		(48,038)	(44,116)
Net cash flows from/(used in) financing activities		(59,125)	(60,751)
Net increase/(decrease) in cash and cash equivalents		(1,280)	1,396
Cash and cash equivalents at the beginning of the year		16,629	15,470
Effect of exchange rate fluctuations		239	(237)
Cash and cash equivalents at the end of the year	6	15,588	16,629

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

Reconciliation of net profit after tax to net cash flow from operations

	2025 \$000	2024 \$000
Net profit after tax	54,549	46,893
Adjustments for:		
Depreciation and impairment – property, plant and equipment	8,735	8,323
Depreciation and impairment – right-of-use assets	7,283	6,734
Amortisation	889	775
(Gain)/loss on sale of assets	(45)	7
Foreign currency movements	(221)	(145)
Bad debts written off	47	5
Increase/(decrease) in provision for doubtful debts	139	54
Net movement in working capital	(4,889)	8,164
Net cash inflow from operating activities	66,487	70,810

Notes to the Financial Statements

for the year ended 30 June 2025

Reporting Entity

Skellerup Holdings Limited ('the Company' or 'the Parent') is a limited liability company incorporated and domiciled in New Zealand. It is registered under the Companies Act 1993 with its registered office at Level 3, 205 Great South Road, Greenlane, Auckland. The Company is a Reporting Entity in terms of the Financial Markets Conduct Act 2013 and is listed on the New Zealand Exchange (NZX Main Board) with the ticker SKL. These financial statements were authorised for issue in accordance with a resolution of the directors on 21 August 2025.

(a) Nature of operations

The Skellerup Group of companies design, manufacture, and distribute engineered products for a variety of specialist industrial and agricultural applications. Skellerup's operations are split into two units: the Agri Division, a world leading provider of food grade dairy rubberware, filters, and animal health products to the global dairy industry; and the Industrial Division, a global specialist for technically demanding products used in water, roofing, plumbing, sport and leisure, electrical, health and hygiene, automotive and mining applications.

(b) Basis of preparation

These financial statements of the Group, a profit-oriented business, are for the year ended 30 June 2025.

(c) Statement of compliance

The consolidated financial statements for the year ended 30 June 2025 have been prepared in accordance with New Zealand Generally Accepted Accounting Practices (NZ GAAP) and the requirements of the Financial Markets Conduct Act 2013. For the purpose of complying with NZ GAAP, the Group is a for-profit entity. The financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). The financial statements also comply with International Financial Reporting Standards (IFRS). The financial statements are presented in New Zealand dollars (NZD) and all values are rounded to the nearest thousand dollars (\$000) unless indicated otherwise.

The Group's accounting policies have been applied consistently to all periods presented in those financial statements, and have been applied consistently by all Group entities.

To ensure consistency with the current period, comparative figures have been amended to conform with current period presentation where appropriate.

The accounting principles recognised as appropriate for the measuring and reporting of profit and loss and financial position on a historical-cost basis have been applied, except for derivative financial instruments, which have been measured at fair value.

The preparation of financial statements in accordance with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Critical accounting judgements, estimates and assumptions are detailed in Note (f).

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together 'the Group') as at 30 June 2025. Control is achieved when the Group is exposed, or has rights, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value. Fair value is calculated as the sum of: the acquisition-date fair values of the assets transferred by the Group; the liabilities incurred by the Group to former owners; the equity issued by the Group; and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

In preparing the consolidated financial statements, all inter-company balances, income and expense transactions, and profit and losses resulting from intra-Group activities, have been eliminated.

(e) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the 'functional currency'). The consolidated financial statements are presented in New Zealand dollars (the 'presentation currency'), which is the functional currency of the Parent.

Transactions and balances

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to New Zealand dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement, except when deferred in OCI as qualifying cash flow hedges.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to New Zealand dollars at foreign exchange rates ruling at the dates the fair value was determined.

Group companies

The assets and liabilities of all Group companies that have a functional currency that differs from the presentation currency, including goodwill and fair value adjustments arising on consolidation, are translated to New Zealand dollars at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of these foreign operations are translated to New Zealand dollars at rates approximating the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from the translation of foreign operations are recognised in the foreign currency translation reserve. On any disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the foreign exchange rates ruling at the balance sheet date.

(f) Significant accounting judgements and assumptions

In the process of applying the Group's accounting policies, a number of judgements have been made and estimates of future events applied. Judgements and estimates which are material to the financial statements are found in the following note.

- Note 10 Impairment of goodwill page 103

1. Segment Information

An operating segment is a distinguishable component of the entity which is reported as an organisational unit, engages in business activities, earns revenue and incurs expenses, and whose operating results are reviewed regularly by the chief operating decision-maker to allocate resources and assess performance.

The Group's operating segments are Agri and Industrial, being the divisions reported to the executive management and Board of Directors to assess performance of the Group and allocate resources. The principal measure of performance for each segment is EBIT (earnings before interest and tax). As a result, finance costs and taxation have not been allocated to each segment.

Agri Division

The Agri Division manufactures and distributes dairy rubberware which includes milking liners, tubing, filters and feeding teats, together with other related agricultural products and rubber footwear to global agricultural markets.

Industrial Division

The Industrial Division manufactures and distributes engineered products across a range of industrial applications, including potable and waste water, roofing, plumbing, sport and leisure, electrical, health and hygiene.

Corporate Division

The Corporate Division is not an operating segment, and includes the Parent company and other central administration expenses that have not been allocated to the Agri and Industrial Divisions.

(a) Business segment analysis

For the year ended 30 June 2025	Agri \$000	Industrial \$000	Corporate \$000	Eliminations \$000	Total \$000
Revenue	113,779	241,278	-	(1,579)	353,478
Expenses					
Cost of inventories recognised as an expense	55,458	138,183	-	(1,587)	192,054
Employee benefits expense	27,505	38,633	2,645	-	68,783
Segment EBIT	35,339	48,411	(5,712)	(2)	78,036
Profit before tax and finance costs					78,036
Finance costs					(3,773)
Profit for the year before tax					74,263
Income tax expense					(19,714)
Net after-tax profit					54,549
Assets and liabilities					
Segment assets	131,803	194,466	23,025	-	349,294
Segment liabilities	16,369	51,133	41,602	-	109,104
Net assets	115,434	143,333	(18,577)	-	240,190
Other segment information					
Additions to fixed assets and intangibles	4,273	4,856	72	-	9,201
Cash flow					
Segment EBIT	35,339	48,411	(5,712)	(2)	78,036
Adjustments for:					
- Depreciation and amortisation	5,289	11,470	148	-	16,907
- Non-cash items	-	-	(80)	-	(80)
Movement in working capital	1,975	(6,348)	(518)	2	(4,889)
Segment cash flow	42,603	53,533	(6,162)	-	89,974
Finance and tax cash expense					(21,083)
Movement in finance and tax accrual					(2,404)
Net cash flow from operating activities					66,487

1. Segment Information (continued)

For the year ended 30 June 2024	Agri \$000	Industrial \$000	Corporate \$000	Eliminations \$000	Total \$000
Revenue	105,294	226,216	-	(932)	330,578
Expenses					
Cost of inventories recognised as an expense	51,695	129,350	-	(932)	180,113
Employee benefits expense	27,248	35,183	2,726	-	65,157
Segment EBIT	30,699	46,900	(4,900)	(11)	72,688
Profit before tax and finance costs					72,688
Finance costs					(4,939)
Profit for the year before tax					67,749
Income tax expense before abnormal tax item					(17,735)
Net profit for the year before abnormal tax item					50,014
Income tax expense relating to building depreciation					(3,121)
Net after-tax profit					46,893
Assets and liabilities					
Segment assets	127,355	184,763	23,009	-	335,127
Segment liabilities	12,490	48,526	44,618	-	105,634
Net assets	114,865	136,237	(21,609)	-	229,493
Other segment information					
Additions to fixed assets and intangibles	3,416	5,796	232	-	9,444
Cash flow					
Segment EBIT	30,699	46,900	(4,900)	(11)	72,688
Adjustments for:					
- Depreciation and amortisation	5,026	10,677	129	-	15,832
- Non-cash items	-	-	(79)	-	(79)
Movement in working capital	1,567	4,610	1,978	9	8,164
Segment cash flow	37,292	62,187	(2,872)	(2)	96,605
Finance and tax cash expense					(18,850)
Movement in finance and tax accrual					(6,945)
Net cash flow from operating activities					70,810

Major customers

The Agri and Industrial Divisions generate revenue from a large number of customers. For the Agri Division, the three largest customers account for 36.9% (2024: 34.5%) of the Agri Division revenue. For the Industrial Division, the three largest customers account for 7.8% (2024: 9.3%) of the Industrial Division revenue.

1. Segment Information (continued)

(b) Geographical revenue

Revenue from external customers by geographical locations is detailed below. Revenue is attributed to each geographical location based on the location of the customers. Differences in foreign currency translation rates can impact comparisons between years.

	2025 \$000	2024 \$000
North America	132,481	121,980
New Zealand	69,576	67,270
Europe	46,413	41,877
Australia	43,947	43,940
Asia	29,808	29,752
United Kingdom and Ireland	28,320	23,035
Other	2,933	2,724
Total revenue	353,478	330,578

(c) Assets by geographical location

The non-current segment assets are scheduled by the geographical location in which the asset is held. The non-current assets, which include property, plant and equipment, right-of-use assets, goodwill and intangible assets for each geographical location, are as follows:

	2025 \$000	2024 \$000
New Zealand	119,949	121,127
United Kingdom and Ireland	19,644	17,776
Europe	14,404	12,740
North America	13,188	11,651
Australia	12,124	12,669
Asia	6,109	7,017
Non-current assets	185,418	182,980

2. Operating Revenue

The Group is in the business of designing, manufacturing and distributing engineered products. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group has concluded that it is the principal in its revenue arrangements, because it controls the goods and services before transferring them to the customer.

The Agri and Industrial segments have similar performance obligations. The performance obligation is satisfied upon delivery of product and payment is generally due within 30 to 120 days of delivery. Some contracts provide customers with volume rebates which give rise to variable consideration and are accounted for accordingly. There are no maintenance or service contracts with customers.

3. Expenditure included in Net Profit for the Year

Net profit for the year has been arrived at after charging the items noted below. Where the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, the GST/VAT is recognised as part of the expense item as applicable.

	Note	2025 \$000	2024 \$000
Cost of inventories recognised as an expense		192,054	180,113
Employee benefits expense			
Wages and salaries (including annual leave, long-service leave, sick leave and executive share scheme)		64,626	60,953
Termination benefits		272	726
Defined contribution expense		3,885	3,478
Total employee benefit expense		68,783	65,157
Depreciation, amortisation and impairment expense			
Depreciation and impairment of property, plant and equipment	9	8,735	8,323
Depreciation and impairment of right-of-use assets	14	7,283	6,734
Amortisation of intangible assets	10	889	775
Total depreciation, amortisation and impairment expense		16,907	15,832
Total (gain)/loss on disposal of property, plant and equipment		(45)	7
Total product development costs		3,330	3,245
Short term and low value lease costs		434	450
Remuneration of auditors			
Audit of the financial statements by Parent company auditors		944	927
Other auditors' fees for the audit of financial statements in foreign jurisdictions		42	53
Other assurance services provided by Parent company auditors			
Limited assurance engagement over scope 1 and 2 greenhouse gas reporting disclosures		55	-
Other services provided by Parent company auditors			
Salary benchmarking services		6	-
Pre-assessment review over scope 3 greenhouse gas emissions inventories for Skellerup Industries Limited		-	45
Total remuneration of auditors		1,047	1,025

4. Other Income/(Expenses)

	2025 \$000	2024 \$000
Interest income	186	115
Government grants received	12	45
Realised and unrealised foreign currency gains/(losses)	(418)	(1,202)
Other sundry income	436	1,396
Total other income/(expenses)	216	354

5. Taxation

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

5. Taxation (continued)

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- For a deferred income tax liability arising from the initial recognition of goodwill; or
- Where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

(a) Income statement

	Note	2025 \$000	2024 \$000
Current income tax			
Current income tax charge/(credit)		20,087	18,203
Prior year adjustments		(478)	80
Deferred income tax			
Temporary differences		(484)	(599)
Prior year adjustments		588	38
Effect of movements in tax rates		1	13
Income tax expense before abnormal tax item		19,714	17,735
Deferred tax on removal of tax depreciation on buildings	25	-	3,121
Income tax expense as per income statement		19,714	20,856

(b) Amounts charged/(credited) to other comprehensive income

	Note	2025 \$000	2024 \$000
Current income tax			
Fair value of derivative financial instruments	17	79	598
Translation of foreign operations	17	(144)	6
Total income tax expense/(credit) relating to other comprehensive income		(65)	604

(c) Reconciliation

	Note	2025 \$000	2024 \$000
Total profit before tax as reported		74,263	67,749
Tax percentage at Parent company rate		28%	28%
Tax at Parent company rate		20,794	18,970
Non-deductible expenses/(non-assessable income)		183	141
Tax effects of non-New Zealand profits		(1,374)	(1,507)
Adjustments for prior years		110	118
Effect of movements in tax rates		1	13
Income tax expense before abnormal tax item		19,714	17,735
Deferred tax on removal of tax depreciation on buildings	25	-	3,121
Income tax expense as per income statement		19,714	20,856

5. Taxation (continued)

(d) Deferred tax assets and liabilities

	2025 \$000	2024 \$000
Deferred tax asset	3,685	3,772
Deferred tax liability	(5,978)	(5,867)
Net tax (liability)/asset	(2,293)	(2,095)

The movement in the net deferred tax assets and liabilities is provided below:

2025	Opening Balance \$000	Charged to Income \$000	Charged to Other Comprehensive Income \$000	Foreign Currency Movements \$000	Closing Balance \$000
Property, plant and equipment	(13,234)	(290)	-	(38)	(13,562)
Provisions and accruals	11,416	185	-	24	11,625
Financial derivatives	(277)	-	(79)	-	(356)
Net tax (liability)/asset	(2,095)	(105)	(79)	(14)	(2,293)

2024	Opening Balance \$000	Charged to Income \$000	Charged to Other Comprehensive Income \$000	Foreign Currency Movements \$000	Closing Balance \$000
Property, plant and equipment	(11,294)	(1,946)	-	6	(13,234)
Provisions and accruals	12,053	(627)	-	(10)	11,416
Financial derivatives	321	-	(598)	-	(277)
Net tax (liability)/asset	1,080	(2,573)	(598)	(4)	(2,095)

(e) Imputation credit account

	Note	2025 \$000	2024 \$000
Balance at the beginning of the year		3,230	5,628
Attached to dividends paid	20	(8,994)	(8,264)
Income tax paid/payable in New Zealand		8,981	5,866
Total imputation credits		3,217	3,230

6. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

In New Zealand, some Group companies operate bank accounts in overdraft. Under the Group facilities arrangement, bank facility overdrafts have a legal right of set-off against bank accounts in funds. Therefore, only the net in funds position has been disclosed.

All cash is available and under the control of the Group and there are no restrictions relating to the use of the cash balances disclosed.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Cash flows are included in the cash flow statement on a net basis and the GST/VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as operating cash flows.

	2025 \$000	2024 \$000
Cash at banks and on hand	15,588	16,629
Cash and cash equivalents per cash flow statement	15,588	16,629

7. Trade and Other Receivables and Prepayments

Trade receivables represent the Group's right to an amount of consideration that is unconditional. Trade receivables are recognised and measured at the transaction price determined under NZ IFRS 15 Revenue from contracts with customers. The Group recognises an allowance for expected credit losses where there is an increase in credit risk subsequent to initial recognition.

	Note	2025 \$000	2024 \$000
Trade receivables		54,239	51,374
Less allowance for doubtful debts		(275)	(136)
		53,964	51,238
Other receivables		774	814
	22	54,738	52,052
GST/VAT receivable		504	684
Prepayments		9,022	5,982
Total trade and other receivables and prepayments		64,264	58,718

The average credit period for the sale of goods is 47 days (2024: 48 days). The Group offers credit terms ranging from 30 to 120 days to those customers for whom the Group has been able to validate acceptable credit quality. The credit terms and limits are reviewed monthly. No interest is charged on the trade receivables.

Of the trade receivables balance at the end of the year, \$10.7 million (2024: \$11.1 million) representing 19.8% (2024: 21.6%) of the trade receivables are due from the Group's three largest customers. The balances due from these customers are current and are considered to be a low credit risk to the Group.

Ageing of past due but not impaired trade receivables	2025 \$000	2024 \$000
One to 30 days	3,535	4,730
31 to 60 days	378	364
61 days plus	73	100
Total past due trade receivables	3,986	5,194
Movement in the allowance for doubtful debts:		
Balance at the beginning of the year	136	86
Impairment losses recognised	200	66
Amounts written off as uncollectable	(53)	(3)
Impairment losses reversed	(14)	(11)
Net foreign currency exchange differences	6	(2)
Balance at the end of the year	275	136

8. Inventories

The Group applies an inventory valuation policy of valuing at the lower of original cost or net realisable value. Where inventory is written down below cost, estimates are made of the realisable value less cost to sell to determine the net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials as the purchase cost on a first-in, first-out basis;
- Finished goods and work-in-progress as the cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Upon sale, the carrying value of inventories is recognised in cost of sales in the income statement.

	2025 \$000	2024 \$000
Raw materials	17,550	17,786
Work-in-progress	2,223	1,804
Finished goods	58,045	51,973
Total inventories	77,818	71,563

The value of inventories is net of \$2,493,531 (2024: \$2,158,164) in respect of write-downs across all categories of inventory to net realisable value. All inventory write-down movements are included in the cost of sales.

9. Property, Plant and Equipment

All classes of property, plant and equipment are recorded initially at cost, including costs directly attributable to bringing the asset to working condition and ready for its intended use. Subsequently, property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment. Depreciation of property, plant and equipment, other than freehold land, which is carried at cost, is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Buildings:	40 years
Plant and equipment:	Two to 30 years
Furniture, fittings and other:	Two to 10 years
Right-of-use assets:	Term of the lease

The estimation of the useful lives of assets has been based on historical experience, manufacturers' warranties and management's judgement on the performance of the asset. Adjustments to useful lives are made when considered necessary. At each reporting date, the Group assesses whether or not there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

9. Property, Plant and Equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year in which the item is derecognised.

	Note	Freehold Land \$000	Freehold Buildings \$000	Plant and Equipment \$000	Furniture, Fittings and Other \$000	Total \$000
Cost						
Balance 1 July 2023		7,084	34,483	132,657	9,648	183,872
Additions		-	89	6,766	2,038	8,893
Disposals		-	-	(2,012)	(465)	(2,477)
Net foreign currency exchange differences		-	-	(170)	(6)	(176)
Balance 30 June 2024		7,084	34,572	137,241	11,215	190,112
Additions		-	-	6,900	1,357	8,257
Disposals		-	-	(2,806)	(619)	(3,425)
Net foreign currency exchange differences		-	-	2,549	175	2,724
Balance 30 June 2025		7,084	34,572	143,884	12,128	197,668
Accumulated depreciation and impairment						
Balance 1 July 2023		-	6,072	81,219	6,261	93,552
Depreciation expense	3	-	913	6,426	984	8,323
Disposals		-	-	(1,213)	(477)	(1,690)
Net foreign currency exchange differences		-	-	(126)	(15)	(141)
Balance 30 June 2024		-	6,985	86,306	6,753	100,044
Depreciation expense	3	-	913	6,717	1,105	8,735
Disposals		-	-	(2,299)	(615)	(2,914)
Net foreign currency exchange differences		-	-	2,007	213	2,220
Balance 30 June 2025		-	7,898	92,731	7,456	108,085
Carrying value						
As at 30 June 2024		7,084	27,587	50,935	4,462	90,068
As at 30 June 2025		7,084	26,674	51,153	4,672	89,583

Plant and equipment and freehold buildings include work in progress of \$1,550,000 (2024: \$1,085,000).

Capital expenditure commitments are \$2,765,000 (2024: \$1,514,000).

10. Intangible Assets

The Group's intangible assets consist mainly of goodwill, software costs and customer relationships.

	Note	Goodwill \$000	Software \$000	Other \$000	Total \$000
Cost					
Balance 1 July 2023		63,596	5,814	812	70,222
Additions		-	550	-	550
Disposals		-	(130)	-	(130)
Net foreign currency exchange differences		(79)	(3)	-	(82)
Balance 30 June 2024		63,517	6,231	812	70,560
Additions		-	944	-	944
Disposals		-	(444)	-	(444)
Net foreign currency exchange differences		1,327	56	-	1,383
Balance 30 June 2025		64,844	6,787	812	72,443
Accumulated amortisation					
Balance 1 July 2023		-	3,393	418	3,811
Amortisation expense	3	-	649	126	775
Disposals		-	(130)	-	(130)
Net foreign currency exchange differences		-	2	-	2
Balance 30 June 2024		-	3,914	544	4,458
Amortisation expense	3	-	761	128	889
Disposals		-	(443)	-	(443)
Net foreign currency exchange differences		-	28	-	28
Balance 30 June 2025		-	4,260	672	4,932
Carrying value of goodwill and intangible assets					
As at 30 June 2024		63,517	2,317	268	66,102
As at 30 June 2025		64,844	2,527	140	67,511

(a) Goodwill

Goodwill acquired in a business combination is measured initially at cost, being the excess of the consideration transferred over the fair value of the Group's net identifiable assets acquired and liabilities assumed. If this consideration transferred is lower than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised in the income statement. Separately recognised goodwill is tested annually for impairment and carried at cost less any accumulated impairment losses. Impairment losses on goodwill are not reversed.

Goodwill is tested annually for impairment. An impairment loss is recognised when the carrying amount of the cash generating unit (CGU) exceeds its recoverable amount, which is the greater of its value in use and fair value less costs to sell. This requires certain assumptions being made in determining the recoverable amount of the CGU, using a value-in-use discounted cash flow methodology, to which the goodwill has been allocated. The assumptions used in determining the recoverable amount and the carrying amount of goodwill are detailed below.

10. Intangible Assets (continued)

(b) Software and other intangible assets

Identifiable intangible assets, which are acquired separately or in a business combination, are capitalised at cost at the date of acquisition and stated at cost less any accumulated amortisation and impairment losses. Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Software costs are recorded as intangible assets and amortised over periods of five to 10 years.

(c) Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can be regarded reasonably as assured. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and impairment losses.

Any expenditure carried forward is amortised over the period of expected future sales from the related project.

The amortisation period and amortisation method for development costs are reviewed at each financial year-end. If the useful life or method of consumption is different from that of the previous assessment, changes are made accordingly.

(d) Impairment tests for goodwill

(i) Description of cash-generating units

Goodwill acquired through business combinations has been allocated to the business units they form part of, with the exception of the purchase of Silclear Limited and Talbot Advanced Technologies Limited, which have their own CGUs. In some circumstances business units are combined into a larger CGU for the purposes of testing to determine fairly the carrying value of the CGU against the value in use.

The goodwill allocated to each CGU is shown in the table below. The changes in goodwill recorded are attributable to exchange rate movements on the translation of the goodwill balances denominated in foreign currencies. The net present value of future estimated cash flows exceeds the carrying value of the CGU based on a value-in-use calculation. A pre-tax discount rate of 13.35% (2024: 13.44%) has been applied to discount future estimated cash flows to their present value.

Cash-generating unit	2025 \$000	2024 \$000
Gulf	36,294	35,492
Ambic	8,997	8,267
Talbot	6,455	6,455
Silclear	4,674	4,816
Ultralon	4,163	4,163
Deks	3,830	3,893
Stevens Filterite	431	431
Total goodwill	64,844	63,517

(ii) Assumptions used to determine the recoverable amount

The estimated future cash flows generated have been determined from the business plans and detailed budgets prepared by management as part of the annual business planning that is reviewed and approved by the Board of Directors. Such forecasts analyse and quantify a range of growth objectives which form the basis for determining the business growth and direction over the next three years.

The estimated cash flow in perpetuity is based upon the forecast year five cash flows and then an estimate of sustainable growth beyond this time period of 1.5% per annum.

10. Intangible Assets (continued)

Key assumptions used in the value-in-use calculations are as follows:

Revenue assumptions

Revenue has been forecast to increase in a range of 3% to 7% per annum (2024: -2% to 19%) on a weighted average basis over the following five-year period in line with the Group's strategic business plans to develop and introduce new products, in addition to continuing to support and grow the Group's existing global customer relationships.

Discount rate assumptions

The discount rate is intended to reflect the time value of money and the risks specific to the Group achieving its forecast cash flows. In determining the appropriate discount rate, regard has been given to the weighted average cost of capital (WACC) of the Group, which has been updated as at 30 June 2025, to reflect the current market interest rates and the additional cost of capital applicable in the current risk environment. Any reasonable change to WACC is not expected to result in any impairment of goodwill.

Commodity cost pricing assumptions

With the base raw material component being synthetic and natural rubbers sourced from Asia, the pricing of these raw materials can fluctuate: many of the synthetics are by-products of the petrochemical industry, and natural rubbers are influenced by global supply and demand factors. Pricing assumptions have been made in the Group forecasts that any cost increases driven by commodity price changes will be passed through to customers.

Market share assumptions

In preparing forecasts, the Group's business plans show no loss of market share. The Group's strategy is to continue to expand in global markets, especially in North America and Europe. This is the case particularly for the Gulf CGU, which has dedicated manufacturing and distribution capabilities established in these markets.

Growth rate assumptions

The growth rates have been based on business plan assumptions applied in the preparation of the annual business plans for the new financial year and the following two years, with assumed lower growth rates of 2% (2024: 2%) in years four and five and 1.5% (2024: 1.5%) in perpetuity. This process is based on key strategies that have been quantified at a product and customer level, reviewed by senior management and approved by the Board of Directors.

(iii) Sensitivity to assumption changes

Estimates made of future cash flows are based on current market conditions. With trading across a number of different products covering a wide industry base, and through a number of international markets, the risk of significant change to cash flow projections is mitigated. Any change in future cash flow projections, which is influenced by price changes, foreign currency movements and competitor activities, is expected to have only minimal impact and is unlikely to cause an impairment risk to the goodwill allocated to the various CGUs, particularly with the estimated net present value of each CGU tested well above the carrying value of assets, including goodwill.

No reasonably possible change in assumptions would lead to an impairment of goodwill.

11. Trade and Other Payables

Trade and other payables are carried at amortised cost and, due to their short-term nature, are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid, and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and paid usually within 30 to 60 days of recognition.

	Note	2025 \$000	2024 \$000
Trade payables		15,165	12,379
Sundry payables and accruals		10,038	9,443
	22	25,203	21,822
Employee entitlements		4,646	3,737
GST/VAT payable		1,920	2,048
Total trade and other payables		31,769	27,607

The average credit period on purchases of all goods and services represents an average of 28 days credit (2024: 25 days credit).

12. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. Provisions are measured at the present value of management's best estimates of the expenditure required to settle the present obligation at the balance date.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

	2025 \$000	2024 \$000
Provisions		
Employee entitlements for annual and long-service leave	6,483	6,166
Warranties	295	655
Total provisions	6,778	6,821
Current	5,338	5,480
Non-current	1,440	1,341
Total provisions	6,778	6,821
Warranties	2025 \$000	2024 \$000
Balance at the beginning of the year	655	1,031
Additional provisions recognised	74	90
Reductions arising from payments/sacrifices of economic benefits	(435)	(83)
Reductions arising from remeasurement or settlement without cost	-	(383)
Net foreign currency exchange differences	1	-
Balance at the end of the year	295	655

(a) Employee entitlements

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long-service leave

The liability for long-service leave is recognised and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using a probability calculation of the employee reaching the future service milestones. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields on high quality corporate bonds at the reporting date with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

12. Provisions (continued)

(iii) Defined contribution scheme

The Group contributes to post-employment schemes for its employees. Under these schemes, the benefits received by the employee are determined by the amount of the contribution paid by the Group, together with any investment returns and, hence, the actuarial and investment risk is borne entirely by the employee. Therefore, because the Group's obligations are determined by the amount paid during each period, no actuarial assumptions are required to measure the obligation or the expense.

(b) Warranties

In determining the level of provision required for warranties, the Group has made judgements in respect of the expected performance of products and the costs of rectifying any products that do not meet the customers' quality standards. The provision for warranty claims represents the present value of the Directors' best judgement or estimate of the future outflow of economic benefits that will be required under the Group's various product warranty programmes.

The actual cost may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

13. Interest-bearing Loans and Borrowings

All loans and borrowings are recognised initially at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

	2025 \$000	2024 \$000
Secured at amortised cost		
Balance at the beginning of the year	32,000	42,300
Drawdowns	46,500	36,000
Repayments	(50,500)	(46,299)
Net foreign currency exchange differences	-	(1)
Balance at the end of the year	28,000	32,000
Effective interest rate	4.86%	7.36%

The carrying amounts disclosed above approximate fair value. Bank loans are provided under a \$55 million (2024: \$70 million) multi-currency syndicated facility agreement with ANZ Bank New Zealand Limited and ASB Bank Limited (2024: ANZ Bank New Zealand Limited and Bank of New Zealand) which has an expiry date of 31 August 2028 (2024: expiry date of 31 August 2026).

Derivative financial instruments are used by the Group in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates.

The carrying amount of tangible assets of the Charging Group (which excludes Skellerup Jiangsu Limited and other smaller entities in the Group) totalling \$234 million (2024: \$225 million) is pledged as security to secure the above term loans. Tangible assets are defined in the facility agreement as cash at bank, receivables, inventory and property, plant and equipment.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset which necessarily takes a substantial period of time to prepare for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period in which they occur.

14. Right-of-use Assets and Lease Liabilities

The Group has entered into commercial leases on properties, motor vehicles and plant. The Group recognises right-of-use leased assets and liabilities at the present value of future lease payments for existing lease terms and all lease renewal options that are reasonably certain to be exercised. Certain low value and short-term leases are excluded. Lease payments are recorded as a repayment of the lease obligation and interest expense instead of as an operating expense in the income statement. Right-of-use assets are depreciated on a straight-line basis over the current lease term. Lease payments are discounted at the rate implicit in the lease, or if not readily determinable, the Group's incremental borrowing rate.

The costs of low value and short-term leases are recognised as an expense in the income statement.

(a) Right-of-use Assets

	Note	Land and Buildings \$000	Other assets \$000	Total \$000
Cost				
Balance 1 July 2023		50,346	2,202	52,548
Additions		1,336	334	1,670
Disposals		(1,085)	-	(1,085)
Net foreign currency exchange differences		(629)	(209)	(838)
Balance 30 June 2024		49,968	2,327	52,295
Additions		8,167	254	8,421
Disposals		(2,935)	(465)	(3,401)
Net foreign currency exchange differences		769	31	801
Balance 30 June 2025		55,969	2,147	58,116
Accumulated depreciation and impairment				
Balance 1 July 2023		19,458	1,251	20,709
Depreciation expense	3	6,281	453	6,734
Disposals		(1,085)	-	(1,085)
Net foreign currency exchange differences		(680)	(193)	(873)
Balance 30 June 2024		23,974	1,511	25,485
Depreciation expense	3	6,846	437	7,283
Disposals		(2,935)	(442)	(3,377)
Net foreign currency exchange differences		398	3	401
Balance 30 June 2025		28,283	1,509	29,792
Carrying value				
As at 30 June 2024		25,994	816	26,810
As at 30 June 2025		27,686	638	28,324

(b) Lease Liabilities

	Note	2025 \$000	2024 \$000
Balance at the beginning of the year		29,049	33,712
Additions/terminations		8,421	1,670
Accretion of interest	16	1,398	1,429
Payments		(8,485)	(7,765)
Net foreign currency exchange differences		399	3
Balance at the end of the year		30,782	29,049
Current		7,496	6,623
Non-current		23,286	22,426
Balance at the end of the year		30,782	29,049

14. Right-of-use Assets and Lease Liabilities (continued)

The Group is subject to certain lease arrangements where future lease payments depend on an index. Future changes in lease payments arising from movements in the index have not been included in the measurement of lease liabilities.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio to align with the Group's business needs. Management exercises judgment in determining whether these extension and termination options are reasonably certain to be exercised.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term applied to the measurement of lease liabilities.

	2025 \$000	2024 \$000
Within five years	6,555	5,457
More than five years	32,596	24,825
Total extension and termination options	39,151	30,282

15. Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

	Number of Shares	Value \$000
Balance 1 July 2023	196,071,582	72,406
Balance 30 June 2024	196,071,582	72,406
Balance 30 June 2025	196,071,582	72,406

All shares are fully paid and have no par value. Each ordinary share confers on the holder one vote at any shareholder meeting of the Company and carries the right to dividends.

The Directors' objective is to ensure the entity continues as a going concern, as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Directors aim to provide a capital structure which:

- Provides an efficient and cost-effective source of funds;
- Is balanced with external debt to provide a secure structure to support the short and long-term funding of the Group; and
- Ensures that the ratio of funds sourced from shareholders and external debt is maintained proportionately at a level which does not create a credit and liquidity risk to the Group.

The Company is listed on the New Zealand Exchange and is, therefore, subject to continuous disclosure obligations to inform shareholders and the market of any matters which affect the capital of the Company. This includes changes to the capital structure, new share issues, dividend payments and any other significant matter which affects the creditworthiness or liquidity of the Group.

The Group is not subject to any externally imposed capital requirements.

16. Finance Costs

	2025 \$000	2024 \$000
Interest on bank overdrafts and borrowings	1,917	2,984
Bank facility fees	458	526
Interest on capitalised leases	1,398	1,429
Total finance costs in income statement	3,773	4,939

17. Reserves

	2025 \$000	2024 \$000
Reserve balances		
Cash flow hedge reserve	916	710
Foreign currency translation reserve	600	(3,098)
Employee share plan reserve	221	611
Total reserves	1,737	(1,777)

(a) Cash flow hedge reserve

The cash flow hedge reserve is intended to recognise the fair value movements of the effective derivatives held to hedge interest rate and foreign currency risk. A summary of movements is shown in the table below.

	Note	2025 \$000	2024 \$000
Balance at the beginning of the year		710	(827)
Gain/(loss) recognised on cash flow hedges:			
- Foreign exchange contracts and options		285	2,135
- Income tax related to gains/(losses) recognised in other comprehensive income	5	(79)	(598)
Movement for the year		206	1,537
Balance at the end of the year		916	710

(b) Foreign currency translation reserve

Exchange differences relating to the translation of values from the functional currencies of the Group's foreign subsidiaries into New Zealand dollars are brought to account by entries made directly to the foreign currency translation reserve. A summary of movements is shown in the table below.

	Note	2025 \$000	2024 \$000
Balance at the beginning of the year		(3,098)	(2,779)
Gain/(loss) recognition:			
- Foreign exchange movements on translation of foreign operations		3,554	(313)
- Income tax related to gains/(losses) recognised in other comprehensive income	5	144	(6)
Movement for the year		3,698	(319)
Balance at the end of the year		600	(3,098)

(c) Employee share plan reserve

The employee share plan reserve is used to record the value of share-based payments provided to employees, including key management personnel, as part of their remuneration. A summary of movements is shown in the table below.

	Note	2025 \$000	2024 \$000
Balance at the beginning of the year		611	549
Expense recognised/(redeemable shares paid) for the year	18	282	711
Share options lapsed during the year	18	(672)	-
Share options forfeited during the year	18	-	(649)
Movement for the year		(390)	62
Balance at the end of the year		221	611

18. Share-based Incentive Scheme

Skellerup Group operates a long-term incentive scheme for the benefit of senior executives and management. The scheme permits the Board to grant options to acquire fully paid shares in the Company. The options can be exercised by the recipients, subject to their continued employment in a future period as determined by the Board of Skellerup.

(a) 2024 Incentive Scheme

On 3 October 2024, the Board awarded 1,000,000 options to the CEO, CFO, and four senior managers (the participants), issued at an exercise price of \$4.85, being the weighted average price of Skellerup's shares in the prior twenty-day trading period. The options can be exercised in the period beginning on 1 September 2027 and ending on 1 November 2027. Upon exercise, participants will be issued one ordinary share in Skellerup per option exercised, or they may elect to be issued the number of shares as is equal to the difference between the market value of Skellerup's ordinary shares on the exercise date and the exercise price. The options have been fair valued on the grant date using the Black-Scholes formula. The fair value has been determined as \$858,000 for the 1,000,000 options on issue. The expense recognised in the current period for the incentive scheme is \$221,000 (2024: nil).

(b) 2022 Incentive Scheme

On 1 November 2022, the Board awarded 1,800,000 options to the former CEO and former CFO (current CEO), issued at an exercise price of \$5.17, being the weighted average price of Skellerup's shares in the prior twenty-day trading period. On 28 March 2024, 1,000,000 options were forfeited on the retirement of the former CEO from the Company. The expense that had been recognised up to the date of forfeiture of \$649,000 was reversed in FY24. On 1 November 2024, the remaining 800,000 options issued to the current CEO lapsed as the exercise price of the options exceeded the Company's share price. The options were fair valued on the grant date using the Black-Scholes formula. The fair value was determined as \$671,550 for the 800,000 options granted to the current CEO. The expense recognised in the current period was \$61,000 (2024: \$711,000). Upon lapsing, the fair value of the options lapsed has been transferred from the Employee Share Plan Reserve to Retained Earnings.

19. Earnings per Share

Earnings per share is calculated as net profit attributable to members of the Parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares.

	2025 Cents per Share	2024 Cents per Share
Earnings per share before abnormal tax item		
Basic earnings per share	27.82	25.51
Diluted earnings per share	27.72	25.40
Earnings per share		
Basic earnings per share	27.82	23.92
Diluted earnings per share	27.72	23.82

The earnings and weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

	2025 \$000	2024 \$000
Earnings used in the calculation of earnings per share before abnormal tax item	54,549	50,014
Earnings used in the calculation of earnings per share	54,549	46,893
Weighted average number of ordinary shares for		
- Basic earnings per share	196,071,582	196,071,582
- Diluted earnings per share	196,811,308	196,871,582

20. Retained Earnings

	2025 \$000	2024 \$000
Balance at the beginning of the year	158,864	156,087
Net profit for the year	54,549	46,893
Share incentive scheme	672	-
Payment of dividends	(48,038)	(44,116)
Balance at the end of the year	166,047	158,864

During the report period a dividend of 15.5 cents per share (imputed 50%) was paid on 18 October 2024 and 9.0 cents per share (imputed 50%) on 20 March 2025. The imputation tax credits totalled \$8,994,432 (2024: \$8,263,523).

21. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise receivables, payables, bank loans and overdrafts, lease liabilities, cash and derivatives. Because of these financial instruments, the principal financial risks to the Group are movements in foreign currency and interest rates. Credit risk and liquidity risk are considered also to be risk areas and are, therefore, closely managed.

The Board reviews and agrees upon policies for managing financial risk. The Group enters into derivative transactions, principally forward foreign currency contracts and options and interest rate swaps. The purpose is to manage the currency and interest rate risks arising from the Group's operations and its sources of finance.

Credit risk is managed through regular review of aged analysis of receivable ledgers. The credit risk exposures are the receivables recorded in Note 7. Liquidity risk is monitored through the review of future rolling cash flow forecasts. These cash flow forecasts are updated on a weekly basis with particular emphasis placed on the prospective four-week period. These forecasts are monitored constantly against limitations of the entire debt facility.

(a) Interest rate risk

(i) Risk exposures and responses

The Group's exposure to market interest rates relates primarily to the Group's long-term debt obligations. Interest rates on bank loans are linked to short-term market interest rates plus agreed margins.

The Group's policy is to monitor its interest rate exposure and to hedge the volatility arising from interest rate changes by entering into interest rate swap contracts that cover a minimum of 25% and a maximum of 75% of the core debt where forecast core debt is greater than \$20 million. Where forecast core debt is less than \$20 million, there is no minimum level of fixed interest rates.

The level of debt is disclosed in Note 13. A reasonably expected movement in the interest rate would not have a material impact on profit or equity. At reporting date, the Group had the following mix of financial assets and liabilities exposed to interest rate risk.

	2025 \$000	2024 \$000
Financial assets		
Cash and cash equivalents	15,588	16,629
Financial liabilities		
Bank loans	(28,000)	(32,000)
Net exposure	(12,412)	(15,371)

(b) Foreign currency risk

The Group imports raw materials and finished goods from, and exports finished goods to, a number of foreign suppliers and customers. The main foreign currencies traded are US dollars (USD), Australian dollars (AUD), British pounds (GBP) and Euro (EUR).

21. Financial Risk Management Objectives and Policies (continued)

The Group seeks to cover up to 100% of the net foreign currency cash flow forecast, for the next 12-month period, with foreign currency contracts and options. Where the foreign currency cash flows can be forecasted reliably beyond the future 12-month period, such cash flows may also be covered by foreign currency contracts of up to 75% of the forecast cash flows.

The Group also has translational currency exposures. Such exposures arise from subsidiary operating entities that transact in currencies other than the Group's functional currency. Currently, the Group does not hedge these exposures.

(i) Foreign currency net monetary assets

The Group has the following net monetary assets in foreign currency values which are in different currencies from the subsidiary's base currency and will revalue either through the income statement or the statement of comprehensive income:

	Cash and Cash Equivalents \$000	Receivables \$000	Payables \$000	Net Monetary Assets \$000
30 June 2025				
USD	2,152	3,762	1,821	4,093
AUD	192	979	67	1,104
GBP	48	100	-	148
EUR	972	1,978	920	2,030
30 June 2024				
USD	2,214	4,240	1,749	4,705
AUD	367	1,004	76	1,295
GBP	10	56	2	64
EUR	656	2,551	876	2,331

The foreign currency denominated values as shown in the table above are converted to New Zealand dollars as follows:

	2025 \$000	2024 \$000
Financial assets		
Cash and cash equivalents	5,929	5,213
Trade and other receivables	11,286	12,664
	17,215	17,877
Financial liabilities		
Trade and other payables	(4,843)	(4,499)
Net exposure	12,372	13,378

(ii) Foreign currency sensitivity

	Net Profit after Tax		Net Equity	
Higher/(Lower)	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Foreign currency rates				
Increase +10%	(826)	(842)	(12,704)	(11,890)
Decrease -5%	478	487	7,355	6,883

Significant assumptions used in the foreign currency exposure sensitivity analysis are as follows:

- The range of possible foreign exchange rate movements was determined by a review of the last two years' historical movements and economists' views of future movements.
- The Group's trend of trading in foreign currency values is not expected to change materially over future periods.
- The Group's net exposure to foreign currency at balance date is representative of past periods and is expected to remain relatively consistent for the future 12-month period.
- The price sensitivity of derivatives has been based on a reasonably possible movement of the spot rate applied at balance date.

21. Financial Risk Management Objectives and Policies (continued)

The effect on other comprehensive income results from foreign currency revaluations through the cash flow hedge reserve and the foreign currency translation reserve. The sensitivity analysis does not include financial instruments that are non-monetary items as these are not considered to give rise to a currency risk.

(c) Credit risk

All customers who trade with any Group subsidiary on credit terms are subject to credit verification procedures including an assessment of their independent credit rating and financial position. Risk limits are set for individual customers according to the risk profile of each and, where it is considered appropriate, registrations are made to record a secured interest in the products supplied. Receivable balances are monitored on an ongoing basis with appropriate allowances for expected credit losses.

(d) Liquidity risk

The Group monitors its future cash inflows and outflows through rolling cash flow forecasts. At balance date, the liquidity risk is considered to be low with the bank facility not fully drawn, compliance with bank covenants, and forecast cash flows reporting positive operating cash generation for the Group over the next financial year. The following maturity analysis shows the profile of future payment commitments of the Group. With the available bank facility and the ability for the business to generate future positive operating cash inflows, the obligation to meet the forward commitments is considered to be a low risk.

(i) Maturity analysis of undiscounted financial liabilities (net of derivative financial assets)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Balance 30 June 2025	Balance Sheet \$000	Contractual Cash Out/ (In) Flows \$000	Zero to Six Months \$000	Seven to 12 Months \$000	One to Five Years \$000	More than Five Years \$000
Non-derivative financial liabilities						
Trade and other payables	25,203	25,203	25,005	45	153	-
Lease liabilities	30,782	34,054	4,268	4,185	22,759	2,842
Interest-bearing loans	28,000	30,948	680	680	29,588	-
	83,985	90,205	29,953	4,910	52,500	2,842
Derivative financial (assets) /liabilities						
Derivative assets	(2,470)	(1,970)	(464)	(329)	(1,177)	-
Derivative liabilities	1,214	1,565	436	436	693	-
	(1,256)	(405)	(28)	107	(484)	-
Total financial liabilities (net of derivative financial assets)	82,729	89,800	29,925	5,017	52,016	2,842

Balance 30 June 2024	Balance Sheet \$000	Contractual Cash Out/ (In) Flows \$000	Zero to Six Months \$000	Seven to 12 Months \$000	One to Five Years \$000	More than Five Years \$000
Non-derivative financial liabilities						
Trade and other payables	21,822	21,822	21,649	75	98	-
Lease liabilities	29,049	32,558	3,933	3,800	19,796	5,029
Interest-bearing loans	32,000	37,103	1,178	1,178	34,747	-
	82,871	91,483	26,760	5,053	54,641	5,029
Derivative financial (assets) /liabilities						
Derivative assets	(1,247)	(1,530)	(184)	(446)	(900)	-
Derivative liabilities	372	618	364	203	51	-
	(875)	(912)	180	(243)	(849)	-
Total financial liabilities (net of derivative financial assets)	81,996	90,571	26,940	4,810	53,792	5,029

21. Financial Risk Management Objectives and Policies (continued)

(ii) Fair value

The financial instruments that have been fair valued by the Group are detailed in Note 22 and have a fair value of \$1,256,000 (2024: \$875,000).

Under NZ IFRS, there are three methods available for estimating the fair value of financial instruments. These are:

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

In determining the fair value of all derivatives, the Group has applied valuation techniques such as forward pricing and swap models, using present value calculations. The models incorporate inputs such as foreign exchange spot and forward rates, interest and forward rate curves.

22. Financial Instruments

Financial assets and liabilities in the scope of NZ IFRS 9 Financial Instruments are classified as either financial assets and liabilities at fair value through profit or loss, debt instruments at amortised cost, derivatives designated as hedging instruments, or interest bearing loans. When financial assets and liabilities are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets and liabilities on initial recognition. Reclassifications of financial assets are only made upon a change to the Group's business model. Financial liabilities are not reclassified.

(a) Recognition and derecognition

All regular purchases and sales of financial assets are recognised on the trade date: i.e. the date that the Group commits to purchase the asset. Regular purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the Group no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party. Gains and losses on financial assets are exclusive of interest and dividends, which are recognised separately.

(i) Financial assets and liabilities

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit and loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are classified also as held for trading unless they are designated as effective hedging instruments.

Detail of the Group's financial assets and liabilities are shown below. Material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis in which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument, are disclosed in the preceding notes.

	Cash and Bank Balances \$000	Trade and Other Receivables \$000	Derivatives \$000	Total Financial Assets \$000
Financial Assets				
Balance 30 June 2025				
Cash and cash equivalents at amortised cost	15,588	-	-	15,588
Debt instruments at amortised cost	-	54,738	-	54,738
Derivatives designated as hedging instruments	-	-	2,470	2,470
Total financial assets	15,588	54,738	2,470	72,796
Balance 30 June 2024				
Cash and cash equivalents at amortised cost	16,629	-	-	16,629
Debt instruments at amortised cost	-	52,052	-	52,052
Derivatives designated as hedging instruments	-	-	1,247	1,247
Total financial assets	16,629	52,052	1,247	69,928

22. Financial Instruments (continued)

Financial Liabilities	Trade and Other Payables \$000	Derivatives \$000	Borrowings \$000	Total Financial Liabilities \$000
Balance 30 June 2025				
Derivatives designated as hedging instruments	-	1,214	-	1,214
Other financial liabilities at amortised cost	25,203	-	-	25,203
Interest bearing loans	-	-	28,000	28,000
Total financial liabilities	25,203	1,214	28,000	54,417
Balance 30 June 2024				
Derivatives designated as hedging instruments	-	372	-	372
Other financial liabilities at amortised cost	21,822	-	-	21,822
Interest bearing loans	-	-	32,000	32,000
Total financial liabilities	21,822	372	32,000	54,194

Where the financial assets and financial liabilities are shown at amortised cost, their cost approximates fair value. The Group uses derivative financial instruments such as forward currency contracts and options and interest rate swaps to hedge its risks associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are recognised initially at fair value on the date on which a derivative contract is entered into and are remeasured subsequently to fair value. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year. The fair values of forward currency contracts and options are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair values of interest rate swap contracts are determined by reference to market values for similar instruments.

For the purposes of hedge accounting, hedges are classified as:

- Fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability; or
- Cash flow hedges when they hedge the exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a forecast transaction.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, and the risk management objectives and strategies for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair values or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair values or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

22. Financial Instruments (continued)

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

(ii) Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows, which is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in the statement of comprehensive income, while the ineffective portion is recognised in the income statement.

Amounts taken to the statement of comprehensive income are transferred out of the statement of comprehensive income and included in the measurement of the hedged transaction (sales or inventory purchases) when the forecast transaction occurs. If the forecast transaction is no longer expected to occur, amounts previously recognised in the statement of comprehensive income are transferred to the income statement.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or, if its designation as a hedge is revoked, amounts previously recognised in the statement of comprehensive income remain in the statement of comprehensive income until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is recognised in the income statement.

(b) Derivative financial instruments

Details of the derivatives held and their fair values at balance date were as follows:

	2025 \$000	2024 \$000
Current assets		
Forward currency contracts and options - cash flow hedge	1,017	568
Current assets	1,017	568
Non-current assets		
Forward currency contracts and options - cash flow hedge	1,453	679
Non-current assets	1,453	679
Total assets	2,470	1,247
Current liabilities		
Forward currency contracts and options - cash flow hedge	733	337
Current liabilities	733	337
Non-current liabilities		
Forward currency contracts and options - cash flow hedge	481	35
Non-current liabilities	481	35
Total liabilities	1,214	372
Net assets/(liabilities)	1,256	875

22. Financial Instruments (continued)

(c) Forward currency contracts and options

The Group imports a large proportion of its raw materials and finished goods, and has export sales to a number of customers. As a result, the Group has both inward and outward foreign currency cash flows. Both the inward cash flows and the outward cash flows are tested and the net value is hedged against highly probable forecasted sales and purchases. The main currency exposures are in US dollars, Euro, Australian dollars and British pounds. At balance date, details of outstanding foreign currency contracts and options are as follows:

	Notional Amount (NZD)		Average Exchange Rates	
	2025 \$000	2024 \$000	2025	2024
Buy NZD/Sell EUR				
Maturing 2025: one to 34 months (2024: two to 24 months)	6,456	4,198	0.5267	0.5479
Buy NZD/Sell GBP				
Maturing 2025: one to 36 months (2024: two to 24 months)	28,456	9,973	0.4621	0.4813
Buy NZD/Sell USD				
Maturing 2025: two to 32 months (2024: one to 34 months)	67,245	57,161	0.5934	0.6001
Buy NZD/Sell AUD				
Maturing 2025: one to 17 months (2024: one to 21 months)	7,728	13,965	0.9057	0.9023
Buy CNY/Sell AUD				
Maturing 2025: one to three months (2024: one to 12 months)	1,424	5,951	0.2097	0.2089
Buy CNY/Sell USD				
Maturing 2025: two to nine months (2024: nil)	3,583	-	0.1398	-
Buy USD/Sell AUD				
Maturing 2025: one to six months (2024: nil)	2,468	-	1.5305	-

The forward currency contracts and options are considered to be highly effective hedges as they are matched against forecast inventory purchases and export sales, and any gain or loss on the contracts attributable to the hedge risk is taken directly to other comprehensive income.

Amounts are transferred out of other comprehensive income and included in the measurement of the hedged transaction (sales or purchases) when the forecast transaction occurs. Movements in the cash flow hedge reserve are recorded in the Statement of Comprehensive Income.

(d) Interest rate swap agreements

The Group seeks to fix a minimum of 25% and a maximum of 75% of its interest rate risk considering current and projected debt levels, when forecast core debt is expected to exceed \$20 million. At 30 June 2025 the Group had no interest rate swap agreements in place as forecast core debt (core debt expected balance in 12 months from reporting date) is not expected to exceed \$20 million.

(e) Credit risk

Credit risk arises from potential failure of counterparties to meet their obligations at the maturity dates of contracts. Because the counterparties of the above financial derivatives are ANZ Bank New Zealand Limited and ASB Bank Limited (2024: ANZ Bank New Zealand Limited and Bank of New Zealand), there is minimal credit risk.

23. Related Parties

The consolidated financial statements incorporate the following significant companies:

(a) Subsidiary companies

Name of Entity	Principal Activities	Country of Incorporation	Holding		Balance Date
			2025	2024	
Skellerup Industries Limited	Manufacturing and Sales	New Zealand	100%	100%	30 June
Skellerup Growth Limited	Property	New Zealand	100%	100%	30 June
Ambic Equipment Limited	Manufacturing and Sales	UK	100%	100%	30 June
Conewango Products Corporation	Distribution	USA	100%	100%	30 June
Deks Industries Europe Limited	Distribution	UK	100%	100%	30 June
Deks Industries Pty Limited	Manufacturing and Sales	Australia	100%	100%	30 June
Deks North America Incorporated	Distribution	USA	100%	100%	30 June
Gulf Rubber Australia Pty Limited	Manufacturing and Sales	Australia	100%	100%	30 June
Gulf US Incorporated	Distribution	USA	100%	100%	30 June
Masport Incorporated	Manufacturing and Sales	USA	100%	100%	30 June
Silclear Limited	Manufacturing and Sales	UK	100%	100%	30 June
Skellerup Gulf Nantong Trading Limited	Distribution	China	100%	100%	31 December
Skellerup Jiangsu Limited	Manufacturing and Sales	China	100%	100%	31 December
Skellerup Rubber Services Limited	Manufacturing and Sales	New Zealand	100%	100%	30 June
Talbot Advanced Technologies Limited	Manufacturing and Sales	New Zealand	100%	100%	30 June
Tumedei SpA	Manufacturing and Sales	Italy	100%	100%	30 June
Ultralon Foam International Limited	Manufacturing and Sales	New Zealand	100%	100%	30 June
Ultralon Foam Europe B.V.	Distribution	Netherlands	100%	0%	30 June

(b) Compensation of Directors and key management

The remuneration of Directors and senior management personnel during the year was as follows:

	2025 \$000	2024 \$000
Short-term benefits		
Directors' fees	750	650
Senior management's salaries and incentives	3,927	3,637
Contribution to defined contribution scheme for senior management personnel	121	86
Long-term benefits		
Share-based incentive scheme expensed/(redeemable shares paid) during the year	282	62

Key management personnel includes directors, the executive and key management of the Group. Outside of the non-executive directors, key management personnel includes six employees at 30 June 2025 (six employees at 30 June 2024).

24. Contingent Liabilities

	2025 \$000	2024 \$000
Bank guarantee provided to NZX Limited	75	75

The Group receives claims from time to time in relation to products supplied. Where the Group expects to incur a cost to replace or repair the product supplied and can reliably measure that cost, that cost is recognised. The Group has general liability and professional indemnity insurance in the event that there are warranty claims.

25. Abnormal Tax Item

Abnormal items are determined in accordance with the principles of consistency, relevance and clarity. Transactions considered for classification as abnormal items are transactions or events outside of the Group's ongoing operations that have a significant impact on reported profit after tax.

During the year the Group had no abnormal pre-tax expenses (2024: nil). The abnormal tax item was nil (2024: \$3,121,000).

	2024 Pre-Tax \$000	2024 Tax \$000	2024 After Tax \$000
Deferred tax on removal of tax depreciation on buildings	-	(3,121)	(3,121)

On 28 March 2024, the New Zealand Government enacted changes to tax legislation to remove the ability to depreciate buildings with a life over 50 years for tax deduction purposes. For the Group the application of this taxation change under NZ IAS 12 Income Taxes creates a tax carrying value for the Wigram building of nil from 1 July 2024 onwards. This increases the deferred taxation liability by \$3,121,000 and creates a one-off non-cash accounting adjustment to the taxation expense for deferred tax on buildings for the year ended 30 June 2024 of \$3,121,000. The application of NZ IAS 12 which creates this deferred taxation liability does not reflect taxation payable if the assets were sold.

26. Significant Events after Balance Date

The Directors agreed to pay a final dividend, imputed to 50%, of 16.5 cents per share on 17 October 2025, to shareholders on the register at 5.00pm on 3 October 2025. This dividend is not recorded in the financial statements.

There are no other events subsequent to balance date that require additional disclosure.

27. New Accounting Standards, Amendments and Interpretations

The new and amended standards and interpretations that are issued, but have not yet commenced to apply, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

NZ IFRS 18 Presentation and Disclosure in Financial Statements

NZ IFRS 18 introduces new requirements around the presentation of the income statement. It also requires disclosure of management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information.

NZ IFRS 18, and the related amendments to other standards, is effective for reporting periods beginning on or after 1 January 2027 and will apply retrospectively.

The Group is currently working to identify the amendments required to the primary financial statements and notes to the financial statements.

Other new and amended standards and interpretations issued but not yet effective are not expected to have a material impact on the Group's financial statements.

Directors' Disclosures and Shareholding

Directors Holding Office During the Year and their Shareholdings

Directors held interests in the following shares in the Company as at 30 June 2025.

Director	Designation	Held with Beneficial Interest	Held with Non-beneficial Interest	Held by Associated Persons
John Strowger	Independent	-	-	143,920
David Cushing	Independent	-	-	7,000,000
Rachel Farrant	Independent	-	-	-
Alan Isaac	Independent	-	-	62,411
David Mair	Non-Executive	-	-	3,600,000
Paul Shearer	Independent	100,000	-	-

Directors' Interests

Pursuant to section 140(2) of the Companies Act 1993 and section 299 of the Financial Markets Conduct Act 2013, the Directors named below have made a general disclosure of interest during the period 1 July 2024 to 11 August 2025 by a general notice disclosed to the Board and entered in the Company's Interest Register.

David Cushing

- Interest in 7,000,000 shares held by H&G Limited following the sale of 1,366,169 shares between 29 August and 4 September 2024.

Distribution of Ordinary Shares and Shareholders as at 11 August 2025

Range	Number of Shareholders	Number of Shares	% of Shares
1 - 999	540	238,838	0.12
1,000 - 9,999	3,371	13,649,207	6.96
10,000 - 49,999	1,556	29,951,380	15.28
50,000 - 99,999	179	11,736,794	5.99
100,000 - 499,999	109	18,449,148	9.41
500,000 - 999,999	11	6,868,147	3.50
1,000,000 Over	19	115,178,068	58.74
Total	5,785	196,071,582	100.00%

Substantial Product Holders

Pursuant to the Financial Markets Conduct Act 2013, the following parties had given notice as at 11 August 2025 that they were substantial product holders in the Company and held a relevant interest in the number of ordinary shares shown below:

Name	Number of Shares	%
Forsyth Barr Investment Management Limited	24,018,609	12.25
First Cape Group Limited	12,972,610	6.62

Twenty Largest Shareholders as at 11 August 2025

Rank	Name	Number of Shares	%
1	Forsyth Barr Custodians Limited	32,458,012	16.55
2	FNZ Custodians Limited	13,074,229	6.67
3	BNP Paribas Nominees (NZ) Limited	9,381,336	4.78
4	Custodial Services Limited	9,078,071	4.63
5	Accident Compensation Corporation	7,378,096	3.76
6	H & G Limited	7,000,000	3.57
7	New Zealand Depository Nominee Limited	5,120,638	2.61
8	HSBC Nominees A/C NZ Superannuation Fund Nominees Limited	4,143,506	2.11
9	Forsyth Barr Custodians Limited	3,827,714	1.95
10	David William Mair & John Gordon Phipps	3,600,000	1.84
11	Tea Custodians Limited Client Property Trust Account	3,469,179	1.77
12	HSBC Nominees (New Zealand) Limited A/C State Street	3,194,219	1.63
13	Citibank Nominees (New Zealand) Limited	3,193,939	1.63
14	FNZ Custodians Limited (Non Resident A/C)	2,410,869	1.23
15	Simplicity Nominees Limited	2,111,506	1.08
16	Public Trust (Booster Investments) Nominees Limited	1,770,082	0.90
17	JBWere (NZ) Nominees Limited	1,478,172	0.75
19	Mint Nominees Limited	1,347,975	0.69
18	Forsyth Barr Custodians Limited	1,140,525	0.58
20	Investment Custodial Services Limited	991,882	0.51

Corporate Directory

Directors

WJ Strowger, LLB (Hons)
 BD Cushing, BCom, ACA
 RH Farrant, BCom, PGDipCom, FCA, CFloD
 AR Isaac, CNZM, BCA, FCA, DistFInstD
 DW Mair, BE, MBA
 PN Shearer, BCom

Officers

GR Leaming, BCom, CA
 Chief Executive Officer
 TS Runnalls, BCom (Hons), CA
 Chief Financial Officer

Registered Office

L3, 205 Great South Road
 Greenlane
 Auckland 1051
 New Zealand

PO Box 74526
 Greenlane
 Auckland 1546
 New Zealand

Email: ea@skellerupgroup.com
 Telephone: +64 9 523 8240
 Website: www.skellerupholdings.com

Legal Advisors

Chapman Tripp
 L34, PwC Tower
 15 Customs Street West
 Auckland 1010
 New Zealand

Bankers

ANZ Bank New Zealand Limited

23-29 Albert Street
 Auckland 1010
 New Zealand

ASB Bank Limited

12 Jellicoe Street
 Auckland 1010
 New Zealand

Auditors

Ernst & Young
 2 Takutai Square
 Britomart
 Auckland 1010
 New Zealand

Share Registrar

Computershare Investor Services Limited

Private Bag 92119
 Auckland 1442
 New Zealand

159 Hurstmere Road
 Takapuna
 Auckland 0622
 New Zealand



Managing your shareholding

Online

To change your address, update your payment instructions and to view your investment portfolio including transactions, please visit:
www.computershare.co.nz/investorcentre

General Enquiries

Email: enquiry@computershare.co.nz
Telephone: +64 9 488 8777
Facsimile: +64 9 488 8787

Please assist our registrar by quoting your Common Shareholder Number (CSN)



Skellerup Holdings Limited

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