FY
26

SKELLERUP

Annual
Report

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A global leader in precision-engineered products

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

We build strong and enduring partnerships with our customers. By understanding what matters most to them, we develop innovative new products and improvements that deliver the precision, performance and reliability they require.

Our diverse and highly skilled team of more than 800 people is supported by manufacturing and distribution facilities across New Zealand, Australia, China, Vietnam, the UK, Europe and the US.

We will continue to invest in preserving and enhancing our technical capability as the primary cornerstone of Skellerup's competitive advantage.

Graham Leaming

* Normalised EBIT is defined as EBIT adjusted for significant one-off gains, losses, revenues and expenses (refer to page 80)
** Normalised NPAT is defined as NPAT adjusted for the after-tax impact of significant one-off gains, losses, revenues and expenses (refer to page 80)
*** Calculated based on Normalised NPAT (refer to page 80)

Strong financial returns

Revenue growth
▲ 10%
$390.1M
(FY25: $353.5m)

Normalised EBIT*
▲ 14%
$89.3M
(FY25: $78.0m)

Normalised NPAT**
▲ 18%
$64.2M
(FY25: $54.5m)

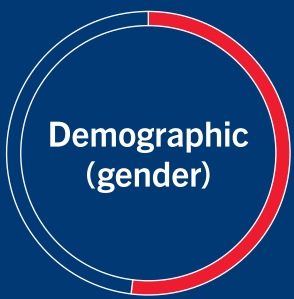
Operating cash flow
▲ 26%
$83.6M
(FY25: $66.5m)

Financial return ratio (RONA)***
▲ 1.8pp
24.5%
(FY25: 22.7%)

Normalised earnings per share (EPS)***
▲ 18%
32.8cps
(FY25: 27.8 cps)

Dividend per share
▲ 18%
30.0cps
(FY25: 25.5 cps)

Diverse and experienced team



- Male (52%)
- Female (48%)

(FY25: 52% / 48%)

People
838
(FY25: 809)

- Fewer than 2 years (24%)
- 2 – 10 years (43%)
- 10 – 20 years (21%)
- Greater than 20 years (12%)

(FY25: 24% / 42% / 22% / 12%)

> “The Group has again benefited from disciplined execution, strong customer relationships and sustained demand for high-performance products across our core industrial and agricultural markets.

John Strowger

Delivering a diverse product range for customers

over **3,900**
Customers
(FY25: over 3,700)

sold to **94**
Countries
(FY25: 87)

over **500**
New products to market
last 24 months
(FY25: 440)

- Dairy (27%)
- Potable Water & Wastewater (incl Plumbing) (25%)
- Roofing & Construction (16%)
- Footwear (7%)
- Automotive & Machinery (5%)
- Sport & Leisure (5%)
- Exploration & Mining (5%)
- Electrical & Appliances (4%)
- Health & Hygiene (3%)
- Other (3%)

Environmental impact

GHG* emissions
(Tonnes CO_2-e) (Scope 1 and 2)
5% (favourable)
3,482
(FY25: 3,649)
*greenhouse gas

GHG emissions / revenue
(Scope 1 and 2)
14% (favourable)
8.9
(FY25: 10.3)
CO_2-e tonnes per $1 million of revenue over the past year

Five
Emissions Reduction Plans
developed for manufacturing sites

Chair's Review

On behalf of the Board of Skellerup Holdings Limited, I am pleased to present this Chair's Review for the 2026 financial year (FY26).

I am pleased to report another very successful year for Skellerup, one in which we continued to demonstrate the strength, resilience and relevance of our business model. The caution evident in my FY25 Review was unfounded. Once again, we have achieved a number of record results.

FY26's net profit after tax (NPAT) before non-recurring items was $64.2 million – a record result, up 18% on the FY25 NPAT of $54.5 million. The after-tax effect of non-recurring items was $3.5 million, bringing the FY26 NPAT after non-recurring items to $67.7 million. This result is off revenues of $390.1 million and earnings before interest and tax (EBIT and before non-recurring items) of $89.3 million (up 14% on FY25).

Stronger post-tax earnings have flowed through to cash flow. The FY26 operating cash flow of $83.6 million was a record result too, up 26% on the prior corresponding period.

The Group has again benefited from disciplined execution, strong customer relationships and sustained demand for high-performance products across our core industrial and agricultural markets.

This year, contributions to the record results came from both our business divisions (Industrial and Agri). Stronger sales into potable water, wastewater, dairy, footwear and sports and leisure applications all contributed.

The diversified nature of Skellerup's customer base – in terms of geographies as well as markets – allowed us to ride out pockets of soft demand. Once again, the United States markets were a key contributor (38% of total FY26 group revenues). As anticipated, we were able to mitigate the impacts of tariffs there, through a combination of sales growth, pricing, costing and manufacturing initiatives. Like a number of others, Skellerup was also a beneficiary of the US Supreme Court's ruling that certain tariffs imposed by the US administration under the International Emergency Economic Powers Act were not authorised. That relief is likely to be temporary, and mitigation strategies will again come to the fore.

In my letter to you last year I mentioned a likely need to consider the development of "in market" manufacturing capability, most obviously in the US. I said that the luxury of a "wait and see" strategy was "highly likely" to come to an end in FY26.

This 'jolt' has not materialised. We continue to target expansion in our key offshore markets, having regard to the product demand of key customers, but will always seek to resource production in a manner which optimises results for both Skellerup and our customers.

> "The diversified nature of Skellerup's customer base – in terms of geographies as well as markets – allowed us to ride out pockets of soft demand.
>
> **John Strowger**

We continue to invest – in people and in plant – for the future. Total capital expenditure in FY26 was $15.1 million (up $5.9 million on FY25), comprising ongoing investment in standardised machinery, additional capability and product development. Standardisation of processes will be a major platform for any expansion of further manufacturing capacity overseas. The Board is by disposition very supportive of capital expenditure investment, where (of course) it stacks up.

We are in the early stages of a more deliberate expansion of our markets in Europe and China. Our preference in these markets is a direct path to customers. In FY26 we purchased (at modest cost) one of our Chinese dairy distributors. Early indications of the attractiveness of our product offering in that market are very encouraging.

We have also added additional people and resources into Europe, but it is early days in that market.

We continue to explore potential opportunities to accelerate expansion into our overseas markets, through acquisition. With very modest debt levels and a market capitalisation of circa $1.35 billion (as at 31 July 2026), there is clearly scope for a debt-funded acquisition. As ever, though, we remain cautious about the deployment of capital into acquisitions; a 'build' strategy is slower but will usually carry less risk.

In the past we have often talked about the strength of Skellerup's relationships with our OEM customers – where we manufacture customer-branded componentry on the customer's behalf, for integration into their products. Meeting customer requirements, and solving their problems through our technical team, creates strong relationships and embedded revenues.

While this remains a core part of what we do, especially within certain business units, Skellerup-branded products represent an increasing proportion of our revenue stream, usually at better margins. Accelerating investment in our own brands where appropriate will continue to be a deliberate strategy.

Climate-related disclosures again comprise a substantial part of this annual report. Our people continue to undertake very effective work in this area. Emissions reduction plans are now in place for five of our largest facilities, and the actions implemented as part of these plans are delivering sound environmental and economic benefits. The revenue growth achieved is being aided by investment in more efficient equipment, which again helped reduce the intensity of our scope 1 and 2 greenhouse gas emissions during FY26. As a reflection of the strong cash flows described above, we continue to maintain a strong balance sheet. Net debt (excluding lease liabilities) at the end of FY26 stood at $2.0 million, down $10.4 million on the prior year-end.

This allows the Board to maintain a strong dividend policy. The total FY26 dividend of 30.0 cents per share equates to an estimated pay-out ratio of 91.6% of normalised FY26 NPAT. This is entirely sustainable considering historic and budgeted earnings, cash flow and capital expenditure. Our approach to dividends remains guided by the objective of providing shareholders with an attractive return while retaining sufficient flexibility to invest in growth, capability and resilience.

In FY27 we anticipate additional conscious investment in business processes and resources, people and market development that will likely reduce the rate of growth relative to recent annual growth rates for earnings and NPAT. As always, it is a case of managing healthy near-term growth while investing for the longer term. And, while not planning to fail, I (again) caution that record results cannot continue ad infinitum. We have, however, now achieved 10 consecutive years of EBIT growth, a record which the investment markets have certainly now recognised, and that is gratifying for both the Board and management.

On behalf of the Board, I would like to thank our Chief Executive Officer, Graham Leaming, the senior leadership team and all Skellerup's people for their commitment and performance throughout the year. While global uncertainty, foreign exchange movements, tariffs and – in particular – raw material availability have all loomed as potential headwinds against FY26 profitability, management has responded to each development with agility and aplomb. The FY26 results again reflect a very good performance by our entire team.

I thank our shareholders for their support for, and confidence in, Skellerup. The Board believes Skellerup is well positioned for the future, with a clear strategy, strong market positioning and a proven team capable of delivering sustainable growth.

John Strowger
Independent Chair

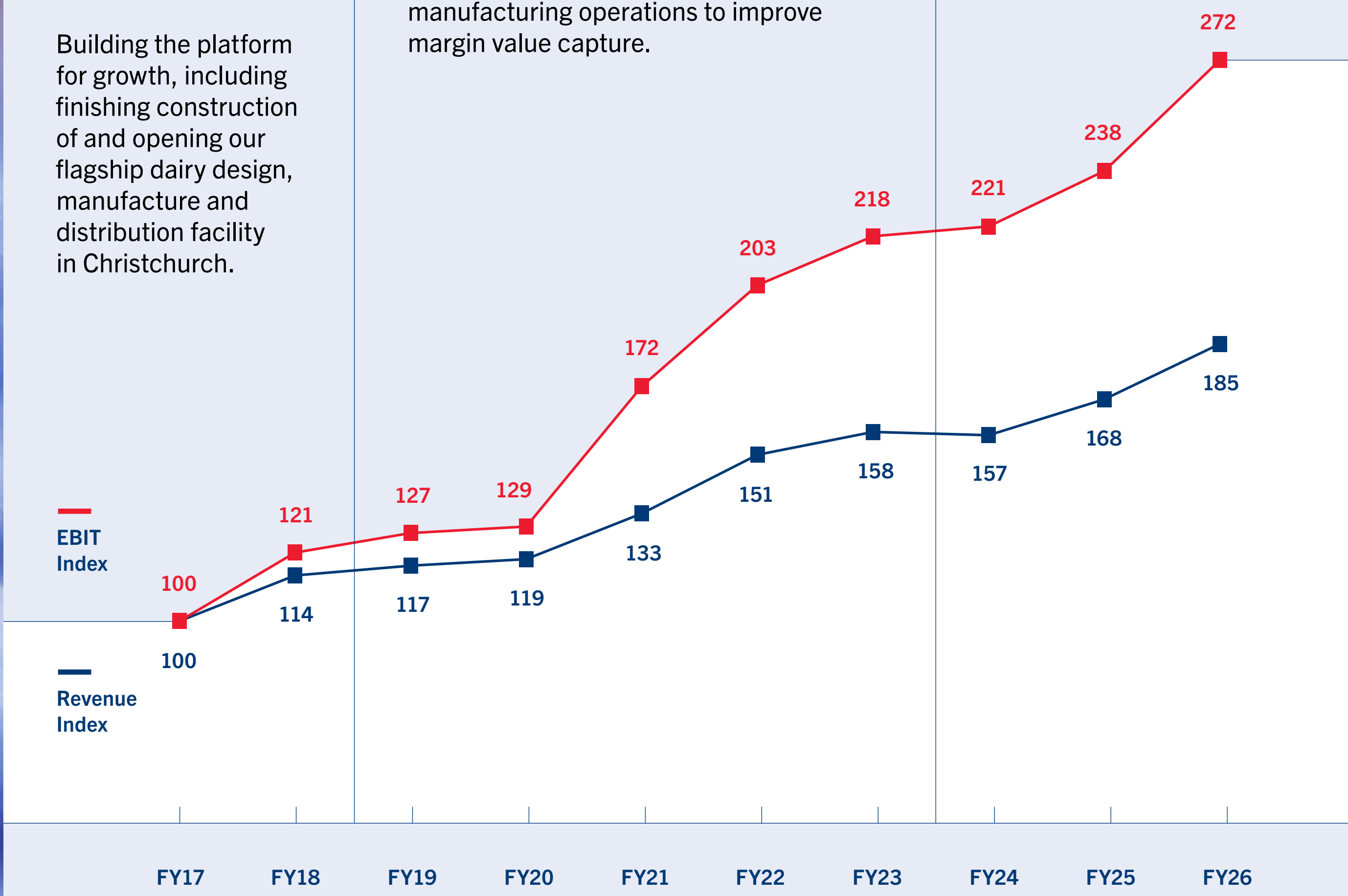
A decade of sustained growth

Across three distinct phases, Skellerup has built its foundations, expanded its technical and manufacturing capability, and increased investment to support continued growth.

Building the platform for growth, including finishing construction of and opening our flagship dairy design, manufacture and distribution facility in Christchurch.

Expanding technical and material capability, improving execution of product development and manufacturing operations to improve margin value capture.

Increasing investment in people, product development and equipment to accelerate revenue growth and maintain earnings growth momentum.



The disciplines behind our growth

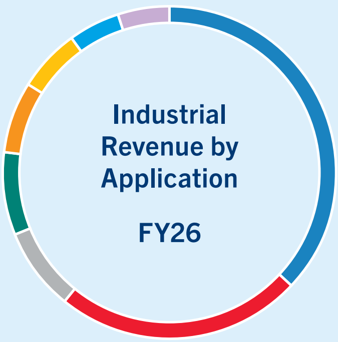
Across each phase, we have developed capable leaders and teams, deepened our materials expertise, invested alongside committed customers in products with clear market potential, and maintained strong operational and financial discipline.

What we do

Industrial Division

The Industrial Division integrates multiple materials to supply products used in potable water, wastewater, roofing, construction and other critical industrial applications.

- North America (40%)
- Australia (17%)
- Asia (12%)
- New Zealand (11%)
- Europe (11%)
- UK & Ireland (9%)



- Potable Water & Wastewater (37%)
- Roofing & Construction (24%)
- Automotive & Machinery (8%)
- Sport & Leisure (8%)
- Exploration & Mining (7%)
- Electrical & Appliances (6%)
- Health & Hygiene (5%)
- Other (5%)

SKELLERUP

GULF engineered rubber and plastics

MASPORT

DEKS

Ultralon FOAM GROUP

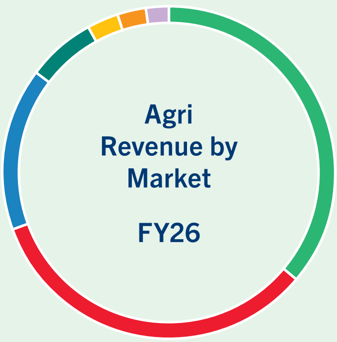
TUMEDEI rubber engineering

Talbot Advanced Technologies

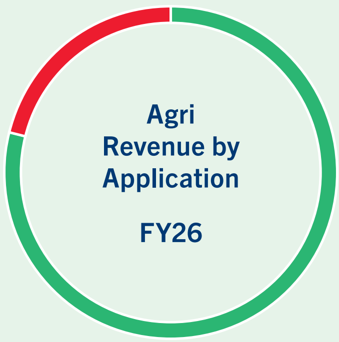
Skellerup uses its deep polymer material expertise to design and manufacture critical products used in a wide range of everyday applications that often must meet stringent food, drinking water, hygiene and safety standards.

Agri Division

The Agri Division is a world leader supplying essential consumables for the global dairy industry and high-performance rubber footwear for Agri, safety and lifestyle use.



- New Zealand (35%)
- North America (34%)
- Europe (16%)
- UK & Ireland (7%)
- Australia (3%)
- Asia (3%)
- Other (2%)



- Dairy (79%)
- Footwear (21%)

SKELLERUP

Conewango

Silclear SILICONE SOLUTIONS

AMBIC

EVOLUTION SKELLERUP

REFLEX BEST FIT FOR HERD

SKELLERUP Thriver

QUATRO

SKELLERUP RED BAND

CEO's Review

The Skellerup team has delivered another excellent year for our shareholders. In FY26 Skellerup's sales revenue was a record $390.1 million, up 10% on the prior year, on the back of strong contributions from both the Industrial and Agri Divisions.

The growth in revenue, along with improved margins, delivered our 10th consecutive increase in normalised earnings before interest and tax (EBIT) of $89.3 million, a 14% improvement over the prior corresponding period (pcp). This consistent growth in earnings is due to our global team steadily and reliably focusing on the design, manufacture and delivery of the products our customers need.

Net profit after tax (NPAT) was $67.7 million. Adjusting to exclude a non-recurring gain of $3.5 million (discussed further on page 16), normalised NPAT was a record $64.2 million – up 18% on the prior record achieved in the pcp.

Cornerstones of Skellerup

We design and manufacture precision, engineered products for demanding applications. Applying our expertise to products that must meet or deliver high-performance and high-conformance standards ensures we build long relationships with outstanding customers where trust is a key to ongoing business.

The foundation of most of our products is engineered polymer. Our formulation and process skills mean we not only maintain consistent high quality alongside the capability to innovate but we are also able to respond and adjust quickly to challenges arising from regulation changes and geopolitical events that impact our supply chains. We will continue to invest in preserving and enhancing our technical capability as the primary cornerstone of Skellerup's competitive advantage.

Our capability has enabled us to build a global business with operations and people located in New Zealand, USA, China, UK, Italy, Australia and the Netherlands and major manufacturing partners across the world, most notably in Vietnam. We believe in having our key people situated within our operating businesses, where markets and applications are fully understood. This ensures best informed decisions and that our development initiatives continue to be driven by committed customers and/or a deep understanding of the market potential. Our largest development centres are in New Zealand and are closely engaged with our people in market as well as with our customers' technical people; this ensures the solutions we develop are based on a clear understanding of needs.

Having our key people in market with a flat organisation structure means we do not have, nor need, a large head office. We have almost 850 people in our global team – eight of whom are at our Head Office in Auckland and five of these cover Group reporting, treasury and tax, as well as with architecting and supporting shared information systems. Tim and I are focused on working with our team leaders to set and implement our strategy, evaluate and allocate capital, and uphold the model of capability and accountability that is another cornerstone of Skellerup's approach to business.

> **"This consistent growth in earnings is due to our global team steadily and reliably focusing on the design, manufacture and delivery of the products our customers need.**
>
> **Graham Leaming**

Results

The Industrial and Agri Divisions both achieved record revenue and EBIT in FY26, overcoming the impact of tariffs into the US market and supply-chain challenges as a result of the conflict in the Middle East.

Industrial

The Industrial Division recorded its sixth successive record EBIT of $56.6 million in FY26, an increase of 17% on the pcp due to revenue growth and improved margins.

The USA market delivered the strongest growth in FY26, up 12% on the pcp. Sales of products into potable water and waste-water applications were well ahead of the pcp. We sell a range of products into these applications including pipe gaskets where demand exceeded our expectation due to the superior quality of our products and reliability of supply. Demand from tapware manufacturers strengthened also and our vacuum systems continue to lead the market. Sales of products into flow-control products for heating, ventilation and air conditioning (HVAC) applications and U-DEK® marine foam increased over the pcp as well.

In the UK and Europe, we again increased sales into roofing and construction applications (solar in particular). This market was also boosted by increased sales of U-DEK® marine foam following the establishment of our conversion and distribution facility in the Netherlands in late FY25. Growth into these applications more than offset the impact of softer demand for products we sell into the automotive sector.

Sales in Australia, New Zealand and Asia increased more than 7% over the pcp, and the weaker New Zealand Dollar provided an additional boost, resulting in aggregate Industrial Division revenue of $262.8 million, up 9% on the prior year.

Agri

The Agri Division recorded its second successive record EBIT of $39.6 million in FY26, an increase of 12% on the pcp.

Sales of essential consumables for the global dairy industry increased again in FY26, up 15% on the pcp. The US and European markets were key drivers, where we increased sales of liners and tubing to original equipment manufacturer (OEM) customers in both regions and through our Conewango distribution channel in the USA. Revenue increased in New Zealand also, due to the economic strength of the dairy industry impacting phasing of demand and growth in sales of Thriver™ calf feeding teats. Demand for dairy milking liners and tubing resulted in record production levels at our New Zealand and UK facilities.

Approach for FY26

A consistent and disciplined strategy

1. **Capability**

Sustain and enhance the people, expertise, equipment and financial strength that underpin our performance.

2. **Application and market focus**

Focus on markets and applications where our capability and customer insight create the most value.

3. **Delivery**

Deliver quality, reliability, consistency and cost competitiveness through capable facilities, systems and teams.

4. **Opportunity**

Build trusted relationships and empowered teams that identify, develop and scale new opportunities.

5. **Accountability**

Maintain clear accountability, efficient processes and disciplined capital allocation to deliver sustainable returns.

Case study

Skellerup Meadow

For generations, Skellerup has been trusted for footwear built with purpose, designed to perform and protect in demanding environments. Today, Skellerup footwear is not only worn on the farm, but also in the trades, in the forests and mines, and on the feet of those fighting fires and maintaining electricity networks.

In May 2026 we took an important step in expanding the Skellerup footwear portfolio with the launch of Skellerup Lifestyle, entering a new consumer category beyond our traditional work and rural markets. The range debuted with the Meadow Ankle Boot, a product that combines the quality, durability and comfort associated with the Skellerup brand in a format created for everyday wear. Meadow is a women's boot designed to transition seamlessly from the garden and sports field to the street and café – made for the rhythm of everyday life.

The launch has been well received by both consumers and retail partners, providing encouraging validation of our strategy to broaden the reach of the Skellerup brand. Building on this momentum, we plan to grow our export activities, introduce the Meadow Knee Boot during FY27 and continue developing the Lifestyle range to meet consumer demand.

As with the Safety and Agri ranges, we also see opportunities to extend the lifestyle range internationally. Preparations are under way to launch Skellerup Lifestyle in the United Kingdom and Europe ahead of the northern hemisphere's winter season. This represents an important milestone in the growth of our footwear business.

We have continued to invest in building capability for product development and manufacturing modernisation. These investments are delivering immediate returns with more rapid development of new products than previously achieved and expanded capacity to efficiently meet the growth in demand.

Footwear revenue increased in FY26 too – up 5% on the pcp. Increased sales of safety footwear (particularly di-electric into the US market) was the main contributor. Sales growth into the New Zealand urban market was also achieved. A highlight late in the year was the launch of our Meadow Lifestyle boot for women in New Zealand during Q4. Demand has been strong and customer feedback excellent. You can read more about the product features and our plans for this range in the case study adjacent. Our limited-edition Pink Band gumboot in support of Breast Cancer Foundation New Zealand (BCFNZ) was again very popular (raising $90,000 for the BCFNZ).

Overall, Agri Division revenue was $128.4 million up 13% on the pcp.

Manufacturing and Supply Chain

Demand for dairy milking liners and tubing in FY26 resulted in record production levels at our New Zealand and UK facilities. The investment we have made (and continue to make) in equipment at our Wigram facility was critical to being able to deliver on customer demand, alongside the contribution of our people at all levels. The Middle East conflict created significant challenges for our procurement and formulation teams. Inventory levels held, rapid action to secure alternative supplies, and in-house formulation expertise meant we were able to avoid any interruption to operations – an outstanding result in early April 2026 which we expected might have been difficult to achieve. Our key manufacturing partner in Vietnam was similarly successful in maintaining operational continuity.

Tariffs on the importation of products into the US presented a significant challenge in FY26 as well. Of course, the level of tariffs changed several times, creating additional uncertainty. Careful management of inventory ahead of (and during) their imposition, together with management of costs and gradual implementation of price increases, means we will start FY27 having largely offset the impact of tariffs (based on tariff levels in place at the end of FY26).

Other

A non-recurring post-tax gain of $3.5 million was recorded in FY26. This item primarily comprises insurance proceeds in relation to a fire in a section of our extrusion line used to manufacture tubing at our Wigram facility that occurred in 2025.

The equipment was damaged beyond repair. Fortunately, no injuries were suffered, and we were able to resume operation on an alternative extrusion line promptly and at a higher utilisation, with no negative impact on our customers. The gain recorded reflects the anticipated insurance settlement net of the book value of the equipment. This gain was partially offset by the impairment of a leased property related to a business acquired in FY19, which has since been vacated. Further details are included in the Financial Commentary later in this report.

Looking Ahead

Our strategy to design and manufacture precision, engineered products for demanding applications will remain unchanged. We consider that the mix of applications and markets we sell into, along with the growth opportunities they present, will continue to provide a strong counter to economic cycles. We will continue to invest in people and equipment to make sure we create excellent value for customers and capture our fair share of the value created. Our future success does not hinge on a single hero product: the growth in Skellerup will continue to be the outcome of our teams remaining focused on serving existing customers well to win more of their business and seeking new customers for the applications in which we have a strong understanding of what is needed and proven expertise to design and manufacture.

The investment in people and capability we have made in the Agri business in recent years has enabled us to innovate more quickly and extend our market and product ambitions.

We hold a strong position, both with OEM customers and our own branded products – most notably in the US, NZ and Australia but also in Europe and Asia. We plan to increase sales into Europe by establishing distribution capability in early FY27. We see strong opportunities for growth in South America and Asia too. In late FY26 we established a technical sales team in China to grow sales of our dairy products which included taking on board customers formerly managed by a distributor. We believe that by getting closer to customers and demonstrating the performance of our products we can grow more quickly in what is already a sophisticated market which places value on quality, reliability and productivity.

We expect our strategy of focusing product development activity on high-performance and productivity will deliver strong revenue growth in the coming years.

Case study

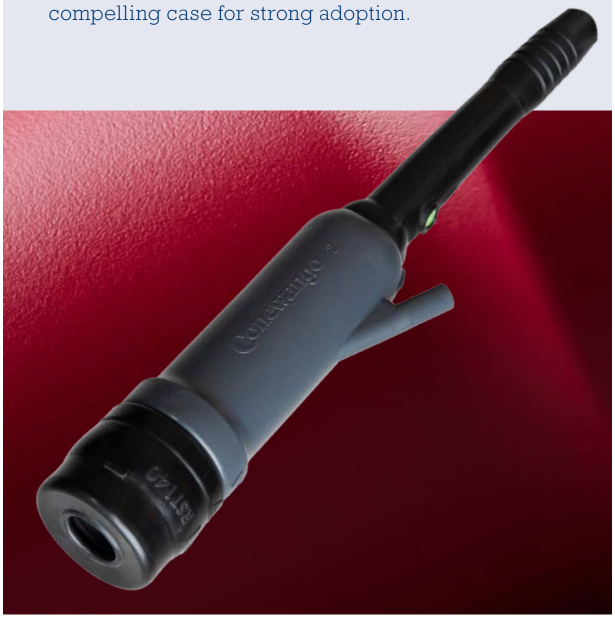
Liner Evolution

From our facility in Christchurch, New Zealand, we design and manufacture essential dairy consumables for some of the largest manufacturers of milking equipment in the world alongside our own Evolution, Conewango, VacPlus and Reflex brands.

The milking liner is the critical consumable used in the milking of cows as it is the only part of a milking machine that directly contacts the cow's teat to stimulate milk production. The design, fit and performance of the liner is not only vital to the health and comfort of the cow, but also to the quality of the milk and the value of subsequent products.

In recent years we have increased our investment and capability in engineering development to better support customers and bring new, innovative products to market more quickly in consistently high quality, while delivering improved performance for farmers.

The two new Evolution 'Driver' liners are emerging products from this investment providing strong and immediate growth opportunity. These systems both comprise a lightweight assembly with the liner loaded in a recyclable single-use shell, incorporating valuable features like strong anti-twist functions and an extended functional barrel length as well as eliminating the need for manual dis- and re-assembly of liners and shells on farm. This reduces costly milking equipment downtime and labour requirements and improves animal hygiene. We have initially launched these high-performing systems in the US market with plans to expand distribution to China and Australasia. Farm trials in China have been successful and present a compelling case for strong adoption.



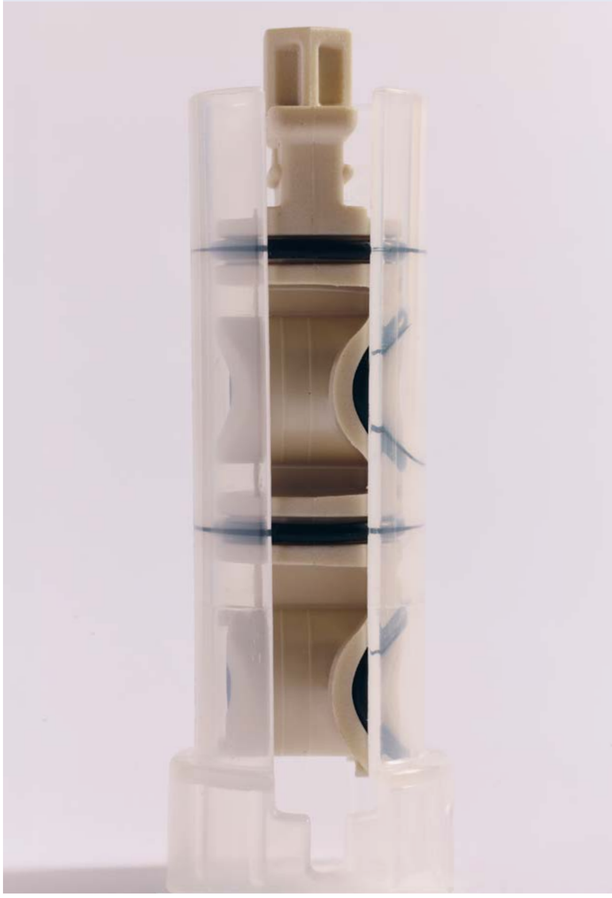
Case study

Product integration for potable water applications

We design and manufacture a range of essential products that ensure safe, efficient and reliable operation in potable water applications. Our products seal and control flow in piping and mixing valves used in tapware (faucets), showers and appliances.

Water mixing valves play a critical role in large commercial and residential buildings. They temper circulating hot water to a safe lower temperature before it reaches the tapware to ensure the safety of the user.

During Q4, a new cartridge assembly for a major OEM customer in the US commenced production. The assembly incorporates precision-engineered plastic and rubber components – including check valves – all designed to meet strict potable water standards. This cartridge simplifies the design of mixing valves and is intentionally packaged in a protective sleeve. This innovative sleeve streamlines the installation of new valves and simplifies the servicing of existing units.



On-farm trial results with innovative milking liner systems in the US, New Zealand and China have demonstrated measurable lift in milk production from our Evolution rubber and silicone liners. By making these available in single-use recyclable shells means much shorter maintenance windows to change out liners on farm – a very attractive benefit, particularly to large-sized farms. Similarly, on-farm trials of our Thriver™ calf feeding range in the US have proved very successful, building our conviction that we can gain a substantial share of this market.

The products manufactured by our Industrial Division are used in a more diverse variety of applications, reflecting the current potential in each market and the capability we have.

Our largest market is the US. During FY26, we strengthened our relationships with OEM customers, met increased demand for existing products and launched new products. We have added extra technical sales resource to ensure we expand the already strong pipeline of new business opportunity. Potable water, wastewater and flow control continue to provide significant growth potential for our Group.

Sales into roofing and construction applications generated 24% of Industrial Division revenue in FY26. Most of these products are sold under our DEKS brand. Our historic focus has been on metal roofing systems. In late FY26, supported by committed customers, we expanded our range to include products for tile and shingle roofing systems in the US. We also launched a new lead-free product that eases installation and improves cable entry management for solar applications for the UK market. In addition, we have several new products poised for launch into the UK, US and Australian markets during FY27.

As a global business, moving products around the world, geopolitical conflicts impacting supply chains and changing trade barriers require careful management and planning. To date, the geographic spread of our manufacturing activity, value of our products, customer relationships and management actions have enabled us to overcome these hurdles. We will continue to evaluate and consider the balance of where we manufacture product relative to our end markets.

In recent years we have increased capital expenditure, particularly in modernising our manufacturing capability to ensure it is efficient, flexible and ready for expansion into other markets if required. In FY26 our capital expenditure was $15.1 million. This spend and dividend payments totalling $52.0 million were funded by a record operating cash flow of $83.6 million. This meant we closed the year with net debt of $2.0 million, placing us in a strong position to execute on organic growth opportunities ahead.

Products for precision, high performance and conformance applications

Polymer-based products for demanding applications

Formulations matched to demanding performance requirements and standards

Expertise across rubber, silicone, engineered plastics, foams and integrated materials

Customer-focused development delivering innovation and performance

Customer requirements translated into practical product design

Rapid prototyping, testing and refinement based on deep material knowledge

Product development focused on performance, conformance and manufacturability

Deep technical expertise

Materials, product design, tooling and manufacturing process knowledge

In-market development and scalable manufacturing capability

Development presence close to customer and end-market requirements

Tooling and processes designed for demanding specifications and repeatable manufacture

Equipment investment supports scale, consistency and flexibility

Quality, reliability and process measurement

Accountability, accuracy and reliability built into production

Measurement and continuous improvement reduce waste and variation

Robust testing and quality systems support conformance and performance

Case study

DEKS roofing flashings for the US

For many years DEKS North America has maintained an almost singular focus on flashings and fastenings for metal roofs. Flashings are integral to ensuring the roof of a building is watertight. Servicing customers with high-quality products and excellent service has enabled us to build a market-leading position in the US for metal roofing systems used extensively for commercial buildings but less significantly for residential dwellings (less than 10 per cent of the market).

Consistency of quality and service is valued by our customers, demonstrated by two of our largest metal roof flashing customers urging us to develop and supply them with an equivalent Dektite roof flashing for shingle roofs. This is the predominant roofing system for residential dwellings in the US (more than 85 per cent of the market). The nature of the shingle roofing system did not leave much room to innovate, so in this instance we have leveraged existing (metal roof) product design, trusted customer relationships and a competitive manufacturing model to gain access for a critical product for shingle roofing systems to almost 2,000 branches across the US. Launched in Q4 of FY26, this product range is expected to provide a steady stream of growth for DEKS and Skellerup over the coming years.

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.

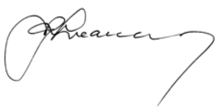
During FY26, we again reviewed the risks and opportunities we identified and reported on in FY25. We did not identify any new risks – rather, we undertook a deeper evaluation of some of the risks we previously recognised, which resulted in a reduced assessment of these risks being realised. Many of Skellerup's products are, and will continue to be, important to responding and adapting to the impacts of climate change. Following on from the emissions-reduction plan for our dairy rubberware facility in Christchurch developed in FY25, in the current year we expanded this plan to include two facilities in Auckland, one in the US, and one in China.

The intensity of scope 1 and 2 greenhouse gas (GHG) emissions reduced for the fifth consecutive year in FY26. As noted in prior years, as we grow our business this decrease will not always be easy to achieve, but we continue to invest in initiatives that will generate incremental reduction in emissions and sound financial returns. We have again reported on scope 3 GHG emissions, which required a considerable 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

The results achieved in FY26 and the platform we have in place for FY27 and beyond are the outcomes of the diligence, accountability, innovation and energy our people consistently deliver. We are well positioned to overcome the challenges that we will inevitably encounter and are ambitious about capitalising on the opportunities ahead. We remain committed to continue to develop and improve our products and business to enable us to deliver great value for our customers and increasing returns for you, our shareholders. Thank you for investing in Skellerup.



Graham Leaming
Chief Executive Officer

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We are well positioned to overcome the challenges that we will inevitably encounter and are ambitious about capitalising on the opportunities ahead.

Graham Leaming

Skellerup's People

At the end of FY26 our team had grown to 838 strong across New Zealand, Australia, the USA, China, the UK, Italy and the Netherlands. This geographic spread brings with it a diverse range of skills alongside vast experience and new ideas which we leverage throughout the Group.

Recognising sustained contribution

We regard building on the long history of innovation and enterprise established over 116 years as a privilege to embrace in continuing to grow the business. During FY26, we celebrated significant milestones for many long-serving employees: One employee reached 40 years' service, three reached 30 years; and five employees reached the 25-year mark. We recognised the accomplishment of these notable milestones at on-site functions around the world.

Prioritising health and safety

We are committed to leading, educating and investing time and resources in protecting our people and others from accidental harm in our workplaces. Our Group Health and Safety Management System (HSMS) has been set up with the objective of keeping our people safe and free from workplace injury. Our shared goal is zero harm, and we constantly seek and make improvements in pursuit of this objective.

Every Skellerup site within the Group has an active health and safety (H&S) committee. They maintain an annual plan of activities and improvements, including internal and external audits, and regularly review hazards, designed to keep their workplaces safe.

Each committee meets monthly to assess priorities and measure progress. Overall responsibility for H&S on each site is held by the most senior manager at that location.

A programme of internal and peer reviews as well as external H&S audits is in place across the Group. These reviews utilise staff with expertise relevant to the activities at a site and experience across similar businesses. This helps share best practice and contribute to continued improvement. The independent expert perspective brought by external audits provides an opportunity to highlight risks that may not otherwise be detected and enables us to take actions to eliminate or mitigate any new risks the reviews identify.

Despite our systems, training, procedures and audits, incidents occur. Investigations are completed and reports are prepared for every injury, medical treatment and near hit. The emphasis of each investigation and report is on determining root cause and the changes implemented to eliminate and, if not possible, reduce or mitigate the risk of recurrence.

The Group H&S Coordinator works closely with the CEO to ensure our HSMS is effective. This function includes reviewing and approving actions in relation

> "We regard building on the long history of innovation and enterprise established over 116 years as a privilege to embrace in continuing to grow the business.

to all incident reports, overseeing the completion of external and peer audits (and timely implementation of improvements identified) and reviewing site hazard registers. These activities enable prompt sharing of best practice, incidents, trends and improvements directly and via the Group Quarterly Safety Bulletins and periodic Safety Alerts. This critical linkage prompts our teams to consider similar risks and hazards and, importantly, elimination or mitigation actions to prevent or reduce the likelihood of similar incidents on their sites.

The CEO holds overall responsibility for Group H&S with oversight provided by the Board's H&S Committee, who meet at least three times each year. A Group H&S Report is submitted by the CEO and reviewed at every H&S Committee Meeting or Board meeting. At least one meeting is held at a Skellerup operating site each year. During FY26, this was held at our largest facility in Christchurch and 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.

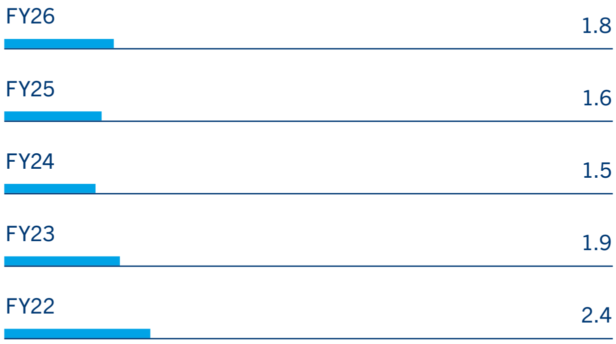
Our most significant global sites are ISO 45001 certified. This provides an internationally recognised framework for managing occupational H&S risks. At the end of FY26 seven of our manufacturing sites – comprising 91% of our global personnel on manufacturing sites – hold this certification. One of our largest distribution facilities also carries ISO 45001 certification.

Ultimately, the success of our programmes is measured by the number of injuries and incidents that occur. Our total injury rate[1] (TIR) and our lost-time injury rate (LTIR) in FY26 were up slightly on the prior year. Our near-hit rate (NHR) reduced in FY26 again. Details are shown in the graphs above. For the eighth successive year, we did not record any serious-harm injuries or fatalities.

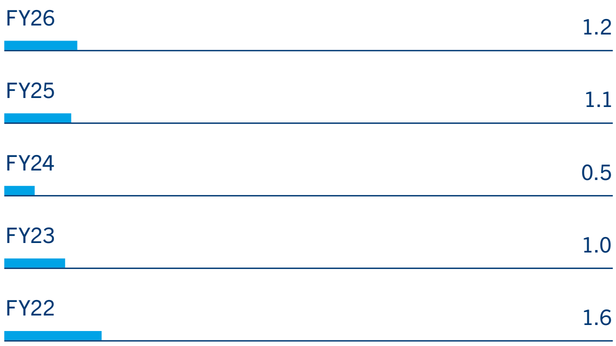
Working arrangements

We recognise and embrace the opportunity to retain our best and attract new talent by offering differing employment arrangements including various shift patterns, as well as 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.

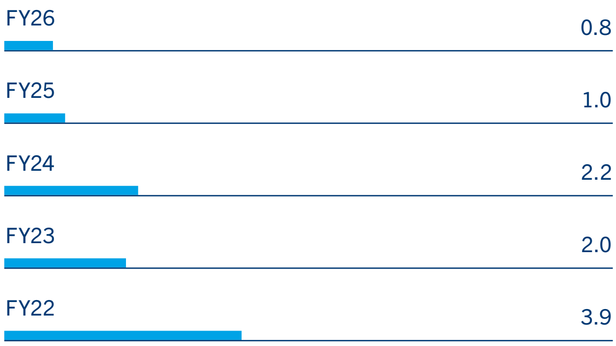
Total Injury Rate (%)



Lost-time Injury Rate (%)



Near-hit Rate (%)



1 The total injury rate (TIR) is the total number of serious-harm injuries, lost-time injuries (LTI) and medically treated injuries (MTI) 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. LTIR is an equivalent measure for lost-time injuries only. NHR is an equivalent measure for near hits only.

Employee Turnover (%)

Mechanisation and automation of manufacturing activities and changes in customer demand impact on the way we work too. 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' change. We need more people to design, implement and support new products and equipment, and 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 FY26 our global team stood at 838 people (FY25: 809).

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, Bribery and Corruption, Diversity and Inclusion, and Information Security. In FY26, 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. Key leaders and staff also undertake annual bribery and corruption training.

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 FY26, 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

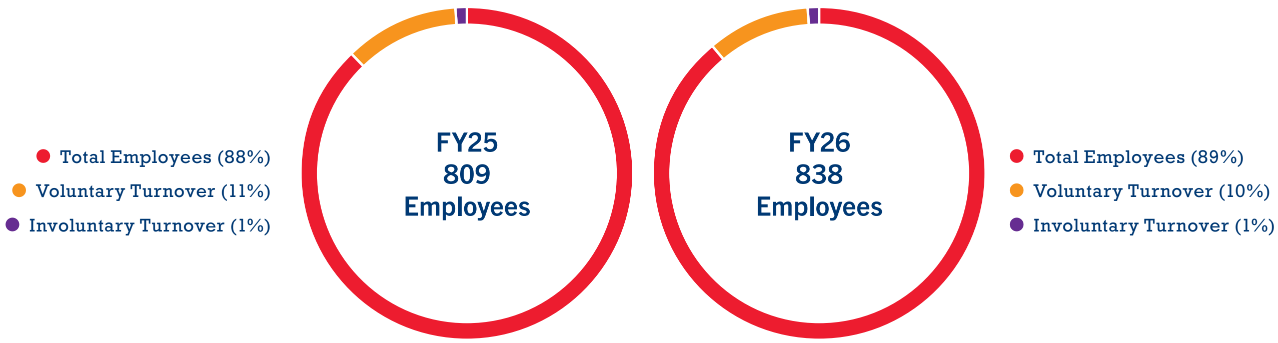
We do not discriminate on the basis of gender or gender identity, race, nationality, ethnicity, cultural background, physical ability or attributes, age, sexual orientation, religious or political beliefs. A breakdown of our gender composition for our management group is shown on page 31 and our entire team is shown on page 5. Our 838-strong team identifies as 52% male and 48% 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

Our leaders and teams continue to combine innovation, consistency and tenacity to deliver high-performing and quality products for our customers and excellent returns for our shareholders.




QUATRO
Setting the standard

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, having 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 companies, Sanford Limited and KMD Brands Limited. John is Chair of the Health and Safety, Remuneration and Nomination Committees and is a member of the Audit Committee.

Alan Isaac
(CNZM, BCA, FCA, DistFInstD)

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. 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.

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.

Director Core Competencies

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 more than 20 years and has global business experience with proven success growing international markets and leading multi-disciplinary teams across 50 countries. Paul is currently a Director of Aroa Biosurgery Limited. 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 non-executive 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 were applied during the year.

This Corporate Governance statement was approved by the Board of Skellerup Holdings Limited (Skellerup, or the Company) on 19 August 2026. 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 March 2026 (the NZX Code) for the financial year ended 30 June 2026 (FY26). Skellerup is in full compliance with all recommendations of the NZX Code for FY26.

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 2026 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 was conducted in May 2026.

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 FY26, 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 2026. Group and Business Managers then confirmed training attendance back to the CFO. The Code of Ethics and video presentation are available to all employees on Skellerup's intranet site.

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 FY26.

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 2026 are set out in the Shareholder Information section on page 122.

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, including the performance of its directors and committees, to ensure that 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 2026. 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.

In assessing independence, the Board has had regard to all relevant factors and each of the Code Factors set out in Table 2.4 of the NZX Code, including whether each Director is free of any interest, position or relationship that may materially interfere with the exercise of independent judgement. The Board also takes Director tenure into account in considering independence. The NZX Code recommends that issuers consider the effect of tenure on independence after 12 years of service.

None of the factors in Table 2.4 applies to any of the independent Directors. 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 NZX Code Factor 2 (which applies where a director derives a substantial portion of his or her annual revenue from Skellerup) at a meeting held on 28 May 2026.

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 2025 to 30 June 2026

Director	Qualifications	Gender	Date of Appointment	Tenure (completed years)	Independence
John Strowger	LLB (Hons)	Male	04 March 2015	11	Yes
David Cushing	BCom, ACA	Male	21 August 2017	8	Yes
Rachel Farrant	BCom, PGDipCom, FCA, CFIoD	Female	02 May 2022	4	Yes
Alan Isaac	CNZM, BCA, FCA, DistFInstD	Male	01 August 2016	10	Yes
Paul Shearer	BCom	Male	21 August 2020	5	Yes
David Mair	BE, MBA	Male	29 November 2006	19	No*

*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 FY26 are disclosed in the Directors' Disclosures section on page 122.

Directors are not required to own shares in the Company, although five of the six Directors are currently shareholders of Skellerup. Refer to page 122 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 FY26, the 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, nationality, 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 page 31, 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 FY26, 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/nationality/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. In FY26, Skellerup again adopted a target of zero complaints/findings of harassment, discrimination or victimisation. No such incidents were reported in FY26 (FY25 – none).

Gender and Diversity as at 30 June 2026

	Directors		Officers		Management	
Self-identify as:	**2026**	2025	**2026**	2025	**2026**	2025
Male	**5**	5	**2**	2	**26**	24
Female	**1**	1	**-**	-	**10**	8
Gender diverse	**-**	-	**-**	-	**-**	-
Total	**6**	6	**2**	2	**36**	32

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 meets the needs of our business and provides 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 2026, the Group employed 42 employees on permanent part-time arrangements and 30 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 no equity remuneration issues arising. At the last annual salary review in June and July 2026, business unit leaders reviewed and confirmed that 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.

The Chair is both an independent director and has an accounting background. The Chair does not have any association with Skellerup's external audit firm, EY.

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.

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.

Board and Committee Attendance – 1 July 2025 to 30 June 2026

Director	Board	Audit	Health & Safety	Sustainability	Remuneration	Nomination
John Strowger	8 of 8	4 of 4	4 of 4	N/A	2 of 2	None
David Cushing	6 of 8	2 of 4	3 of 4	N/A	2 of 2	None
Rachel Farrant	8 of 8	4 of 4	N/A	3 of 3	N/A	N/A
Alan Isaac	8 of 8	4 of 4	N/A	3 of 3	2 of 2	N/A
Paul Shearer	8 of 8	N/A	4 of 4	3 of 3	2 of 2	N/A
David Mair	7 of 8	N/A	3 of 4	2 of 3	N/A	N/A

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. Evaluation of the Group's performance against its non-financial targets is included throughout this report.

The Company is pleased to present its third 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 FY26 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 2026 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 FY26 and prior financial years, together with a description of the share-based LTI scheme in place for the CEO, is detailed as follows.

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.

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

CEO Remuneration

$000		Fixed Salary	Kiwisaver	STI[1]	Subtotal	LTI	Total
Graham Leaming	FY26	769	31	585	1,385	-	1,385
Graham Leaming	FY25	704	21	294	1,019	-	1,019

1 The FY26 STI was accrued but not paid at 30 June 2026.

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 FY26 STI is the amount assessed as earned in FY26 but will be paid in FY27, as the assessment of the STI performance was made after the FY26 reporting date.

Long-term Incentives (LTI)

The Company operates an 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, provided they remain employed, 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 2025. Details of options granted in the current and preceding financial years are shown below.

FY26 Scheme - Graham Leaming was granted 300,000 options on 06 October 2025, at an exercise price of NZ$5.01 per share. The exercise price was the weighted average share price on the twenty-day trading period preceding issuance. The options are exercisable in the period beginning on 01 September 2028 and ending on 01 November 2028[2].

FY25 Scheme - Graham Leaming was granted 300,000 options on 03 October 2024, at an exercise price of NZ$4.85 per share. The exercise price was the weighted average share price on the twenty-day trading period preceding issuance. The options are exercisable in the period beginning on 01 September 2027 and ending on 01 November 2027[3].

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	FY26	300,000[2]	5.01	01 Sep 2028 to 01 Nov 2028	N/A	N/A
Graham Leaming	FY25	300,000[3]	4.85	01 Sep 2027 to 01 Nov 2027	N/A	N/A

2 The fair value of the options granted, $267,000, was determined using the Black-Scholes model.

3 The fair value of the options granted, $257,000, was determined using the Black-Scholes model.

CEO Remuneration: Five Year Summary

$000		Fixed Salary	Kiwisaver	STI	Subtotal	LTI	Total	LTI Exercise	LTI Performance Period
Graham Leaming	FY26	769	31	585	1,385	-	1,385	-	FY25 Scheme: 2024 - 2027
						-	-	-	FY26 Scheme: 2025 - 2028
Graham Leaming	FY25	704	21	294	1,019	-	1,019	-	FY23 Scheme: Lapsed FY25
						-	-	-	FY25 Scheme: 2024 - 2027
Graham Leaming[4]	FY24	176	5	19	201	-	201	-	FY23 Scheme: 2022 - 2024
David Mair[4]	FY24	863	-	-	863	-	863	-	FY23 Scheme: Lapsed FY24
David Mair	FY23	725	-	265	990	2,303	3,293	100%	FY21 Scheme: Vested FY23
						-	-	-	FY23 Scheme: 2022 - 2024
David Mair	FY22	690	-	497	1,187	-	1,187	-	FY21 Scheme: 2020 - 2022

4 The remuneration shown above reflects the period of FY24 in the role as CEO (Mair until 31 March 2024 and Leaming from 01 April 2024).

CEO/Worker Ratio

The CEO/worker ratio represents the number of times greater the CEO's remuneration is than that of an employee paid at the median of all Group employees. As of 30 June 2026, the CEO's base salary at $800,000 was 10.4 times that of the median employee at $77,135 per annum (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).

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 43% of its total workforce at 30 June 2026 (30 June 2025 – 41%).

As at 30 June 2026, the gender pay gap is 10.2% (30 June 2025 – 11.3%). That is, women earn $0.90 for every $1 that men earn. The median pay is $78,431 (FY25 – $75,020) for the Group's New Zealand employees.

Remuneration Range $000	Number of Employees	Remuneration Range $000	Number of Employees
100-110	35	300-310	1
110-120	33	310-320	1
120-130	22	320-330	1
130-140	12	370-380	3
140-150	14	380-390	2
150-160	13	390-400	1
160-170	12	400-410	1
170-180	8	410-420	1
180-190	9	420-430	1
190-200	6	430-440	1
200-210	2	450-460	1
210-220	2	490-500	1
220-230	9	520-530	2
230-240	2	590-600	1
240-250	6	610-620	1
260-270	4	740-750	1
270-280	3	940-950	1
280-290	4	1,080-1,090	1
290-300	1		

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 219 current and former employees in FY26 (FY25 – 186 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 FY26, total fees paid to non-executive Directors amounted to $750,000. Details of the Directors' remuneration are shown below:

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
Paul Shearer		100,000			100,000
David Mair		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 FY26, 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 FY26, the Board visited key sites in Christchurch and Auckland.

Details of Skellerup's key H&S risks and its performance for FY26 are included on pages 22 and 23.

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 2025 Annual Shareholders' Meeting and is expected to attend the 2026 Annual Shareholders' Meeting.

EY provided the Audit Committee with written confirmation that, in their view, they were able to operate independently during the FY26 audit. The total amount paid and payable to EY for the FY26 audit of the Group financial statements is $999,000 (FY25 - $944,000).

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 94.

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 2025, the Company's Annual Meeting was a hybrid meeting, allowing those not present at the meeting venue in Christchurch, 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 FY26 and therefore no such matters were required to be put to shareholders. Similarly, Skellerup did not seek additional equity capital in FY26 and therefore there was no such offer to be made to shareholders on a pro-rata basis.

The Company's Notice of its 2026 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 2026 Annual Meeting (being the only meeting of shareholders called in FY26) was given more than 20 working days before the meeting.


Thriver
The next generation of Calf Teats.
Product Catalog
2024–2025
CALF TEATS
Inspired by nature. Improved by engineering.
The next generation of calf teats.
Thriver
The next generation of calf teats.

Group Climate Statements

We recognise that the effects of climate change will continue to impact where and how Skellerup will invest for future growth, and how we will ensure the safety and well-being of our people and the continuity of our operations, to provide certainty of supply to our customers.

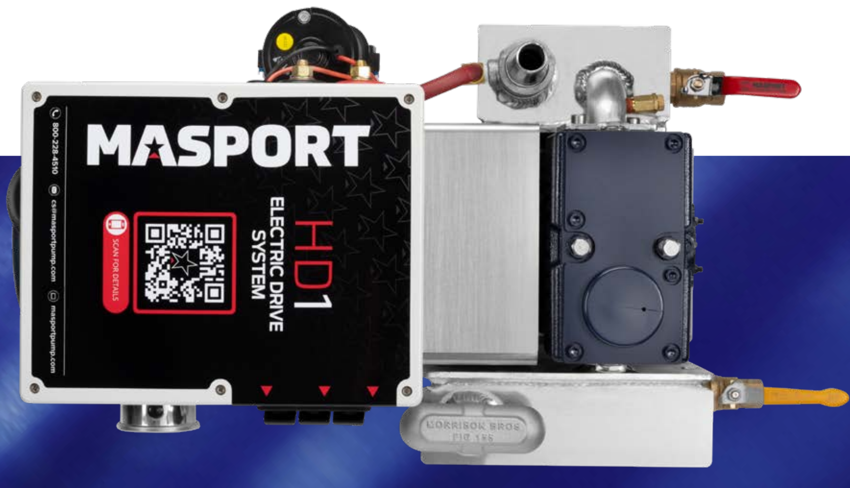
We also understand that the global transition to a low-emissions, climate-resilient future will present both risks and opportunities for the Group over the short, medium and long term. A detailed understanding of the current and future impacts of climate change is necessary to ensure appropriate adaptation 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 01 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 alongside:

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.

Masport's range of electric motor systems deliver proven power and durability while eliminating pump emissions and dramatically reducing pump noise.



> Emissions reduction plans are now in place for five of our largest facilities.
>
> John Strowger

Statement of Compliance

FY26 is Skellerup's third 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. Skellerup anticipates including these disclosures in its FY28 annual report.
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 page 70. Skellerup anticipates disclosing emissions from all scope 3 GHG emissions sources in its FY28 annual report.
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. Scope 3 GHG emissions will be included within the scope of the assurance engagement for the financial year ending 30 June 2028.

Disclaimer

Climate change is an evolving challenge, with high levels of uncertainty as regards the scale and timing of anticipated impacts on Skellerup and of Skellerup's impact on the climate. 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 19 August 2026, in respect of the financial year ending 30 June 2026.

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 applications, focusing on delivering innovative and enhanced products. Skellerup supplies over 3,900 customers globally across 94 countries.

The Group operates across 19 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 the impacts of climate change, including the approach to climate-related risks and opportunities affecting the Group. The Board oversees the Group's response to climate change through certain Board committees.

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 FY26 included:

- Bi-annual review of the Group's Risk Assessment Report, with integrated climate-related risks, and
- An update on environmental matters and opportunities as part of the Board's annual review of the Group's business plans.

Climate change oversight and management

Board of Directors

Ultimate responsibility for response to climate change.

Sustainability Committee

The Sustainability Committee receives reporting from the CEO and CFO on climate matters at each of its meetings.

Audit Committee

The Audit Committee receives reporting from the CEO and CFO on climate matters at its quarterly meetings, as required, including an annual review of CRD.

Management

The **CEO** is responsible for the Group's overall strategy and day-to-day management (including climate related risks and opportunities as appropriate).

The **CEO** reports to the Board and/or Board Committees as required, including a formal risk report to the Board (including climate risks).

The **CFO** leads the Group's ESG strategy and development (together with the CEO), and is responsible for management of operational climate-related matters, implementation of strategy to manage climate-related risks and implementation of workstreams arising from climate-related opportunities.

The **CFO** reports to the **CEO** regularly, as required, on climate-related matters.

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 and plans. 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 FY26 is summarised on pages 56 to 61.

The Sustainability Committee meets at least three times per year. All Sustainability Committee proceedings 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 to 27). Management shares relevant material with the Board, Audit and Sustainability Committees 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 identifying and progressing the Group's response to 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).

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 such as the development and implementation of emissions reduction plans (in conjunction with the CEO); and
- ESG reporting (including climate-related reporting).

In FY26, the CFO, led wider engagement with business unit leaders and other subject matter experts from across the Group to review and update the climate-related risks and opportunities. 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 FY26, the CEO and CFO attended each of the meetings of the Sustainability Committee to discuss the review and update of climate-related scenarios and climate-related risks and opportunities, review progress against the Climate Transition Plan (which included the development of a further four emissions reduction plans for key manufacturing sites in the Group), and to prepare for updates required to climate-related disclosures. In FY26, the Audit Committee discussed climate-related risk at 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 FY25, 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 94 countries, the Group has been exposed to various physical impacts of climate change during FY26, none of which have had a material impact on the Group, its operations or supply chains. Regular reporting of any physical impacts on climate change is provided by Divisional, 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 costs associated with compliance with the mandatory reporting requirements have been incurred, including engaging external experts and the increased cost of assurance. The financial impact of these transition impacts has not been material in FY26 (FY25 – not material).

The Group has continued to see an increase in the number of requests from customers around reporting of 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. Over the last few years, this has not had a material impact on the Group, but the potential for more stringent customer requirements will continue to be monitored and the need to include this within our key transition risks will be assessed (not deemed necessary for FY26).

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 and FY26, with the results of these reviews 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 2025.

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 (IPCC[1]) Sixth Assessment Report, with input from scenarios developed by the Network for Greening the Financial System (NGFS[2]) and the International Energy Agency (IEA[3]) 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.

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 2.7°C scenario ("Middle of the Road") and a 3.6°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).

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.

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

Climate-related scenarios were developed in FY24 as described in steps 1 to 4 below.

1. The 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 through workshops involving senior management and subject-matter experts covering the Group's five most material (key) product applications (refer to page 61).
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. The Group undertakes an annual review of its climate-related scenarios, including industry comparisons and reviews against market publications and findings. The most recent 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 2025.
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 pages 48 and 49.

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 19 locations across the globe, as well as a significant contract manufacturing partner in Vietnam. 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 assessments[4] were carried out by a specialist in physical climate risk modelling on our six key manufacturing sites, including our partner site in Vietnam (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 FY26 due to no significant updates having been made to these sites, nor any climate-related interruptions experienced. We will continue to monitor the levels of climate-related disruptions at our sites through monthly reporting of any physical climate-related impacts, 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;
- Jiangsu Province, PR China;
- Ho Chi Minh City, Vietnam;
- Auckland, New Zealand (two sites); and
- Nebraska, United States of America.

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-RCP1.9, SSP2-RCP4.5 and SSP3-RCP7.0).

Climate-related scenario overview

	Aggressive Transition Ambition	Middle of the Road	Hothouse
Description[5]	This scenario depicts a world achieving net-zero global CO_2 emissions around 2050. Society transitions to sustainable practices, prioritising well-being over economic growth. Investments in education and health rise. Although extreme weather events become more frequent, the worst impacts of climate change are averted. This is the only scenario aligning with the Paris Agreement's 1.5°C warming limit, with temperatures peaking at 1.5°C.	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 3.5°C by the end of the century.	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 roughly double from current levels by 2100, reaching 3.6°C by the end of the century. Climate 'chaos' enters mainstream discourse, across all sectors and communities.
Macro Scenario Trends	• Global co-operation • Accelerated technological development • Economic growth, but well-being is prioritised • Strong environmental policy • Low global population growth • Declining inequity • Renewables and energy efficiency • Dietary shifts	• 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	• 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 Ambition (temperature change by the end of the century)	1.5°C	2.7°C	3.6°C
Pathways	IPCC SSP1-1.9 RCP1.9	IPCC SSP2-4.5 RCP4.5	IPCC SSP3-7.0 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.

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

Climate-related scenario overview (continued)

Description[5]	Aggressive Transition Ambition	Middle of the Road	Hothouse
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. Focus on equitable development and well-functioning institutions.	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, and the 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. 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 the availability of critical inputs and materials.
Transition Risk Severity	Moderate to high	High	Low

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 above. We have reviewed the risk scores arising from these assessments to determine the requirement and timing of mitigation plans and actions. From FY25, Skellerup has 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 and FY26 when considering the emissions reduction initiatives that are being implemented as part of Skellerup's emissions reduction plan.

Refer to page 59 for further information on the emission reduction plans 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 pages 48 and 49 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 61). 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 the 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 on the following page.

The tables on pages 52 to 55 set out the material[6] 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 will 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	2026 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.

6 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.

Climate Risk Matrix

Consequence	Very Low VL	Low L	Moderate M	High H	Extreme E
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

The DEKS Battleship is engineered for maximum durability and weather resistance which provides a watertight seal for multiple cables, whether fitting solar, communications or electric ventilation systems.

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

Legend

Risk Rating:[7,8]

- 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 (SSP1-RCP1.9)	Middle of the Road (SSP2-RCP4.5)	Hothouse (SSP3-RCP7.0)	Risk Level Change from FY25	Mitigations Currently in Place
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. *Revenue decrease, cost increase*	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. *Revenue decrease, cost increase*	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 through the use of 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. *Revenue decrease, cost increase*	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.

Transition Risks

Risk Description and Anticipated Impacts	Transition Risk Element	Aggressive Transition Ambition (SSP1-RCP1.9)	Middle of the Road (SSP2-RCP4.5)	Hothouse (SSP3-RCP7.0)	Risk Level Change from FY25	Mitigations Currently in Place
TR101 - Policy changes such as tariffs, carbon prices and carbon import duties, as well as emissions taxes, to favour domestically produced products, creating additional cost for the Group and potential exclusion from certain end international markets. As a response to economic recession or political pressure fuelled by climate change concerns, import tariffs are introduced to protect local industries and employment. Further, climate change may accelerate mass migration, and the political consequences of this are a risk to the Group's exporting businesses. *Revenue decrease, cost increase*	Policy and legal	ST MT LT	ST MT LT	ST MT LT		Actions are already being taken to trial and prove in-market manufacturing capabilities. Skellerup is expanding distribution activities and evaluating the potential for manufacturing facilities to be located closer to end customers and markets, and is engaging with customers to understand future requirements and concerns.
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. *Cost increase*	Policy and legal	ST MT LT	ST MT LT	ST MT LT		

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

8 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).

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 higher-performing dairy consumable products.	T	Increased market opportunity	Short-term	✓
	O102 - Increased demand for footwear due to climate change (more extreme weather conditions).	P	Increased market opportunity	Short-term	✓
	O103 - Increasing global rainfall in certain areas may result in increased milk production and higher demand for higher-performing dairy-consumable products.	P	Increased market opportunity	Short- to medium-term	✓
	O104 - Vacuum systems are used in disasters and for 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 resultant roof penetrations and sealing) and physical impacts on power grids necessitating an increase in solar installations 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	Short- to medium-term	✓
	O108 - Urban intensification (driven by physical or transition drivers) 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	Short- to 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 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	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	→

Our innovative Evolution® liners not only improve milking performance and last longer but are supplied pre-loaded in a recyclable single-use shell, saving both time and money, and delivering an environmentally friendly solution to farmers.

Climate Transition Plan

The Group's Climate Transition Plan outlines how the Group will respond to the risks and opportunities posed by climate change, including how its business model and strategy might change to address material 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 2026.

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 polymer products and vacuum systems. 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 product applications, through the implementation and delivery of our four strategic objectives noted below:

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.

Our Strategic Objectives

Capacity	Capability	Customers	People

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):

- Manufacture in or nearer market
- Develop and promote new solutions
- Evaluate and establish alternative suppliers/ manufacturing partners
- Evaluate and establish alternative sources of raw materials

Emissions Reduction Plan

How the Group plans to reduce its GHG emissions through identification and implementation of emissions reductions initiatives in a stepped approach:

1 FY25 - Christchurch Pilot (scope 1 and 2)

Short Term (2026 to 2030)
Initiatives include optimising office and factory HVAC, replacing lighting with LED, cryogenic deflasher replacement, replacing injection moulding machines, CV extruder replacement, substituting the diesel boiler, and washer/electric boiler upgrades

Medium Term (2030 to 2050)
Initiatives include introducing natural lighting, replacing petrol hybrid vehicles with electric vehicles

2 FY26 - Other Skellerup manufacturing sites (scope 1 and 2)

Short Term (2026 to 2030)
Initiatives include replacing compression moulding machines, optimising office HVAC, replacing lighting with LED or solar, replacing vehicles with electric or hybrid alternatives, introducing light sensors, and enhancing insulation in temperature-controlled rooms

Medium Term (2030 to 2050)
Initiatives include replacing compression moulding machines, replacing mills, decommissioning a calendar mill, and replacing petrol vehicles with hybrid vehicles

3 FY27 Onwards - All other Skellerup sites (scope 1 and 2) and consideration of indirect (scope 3) emissions reductions initiatives

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 outlines the adaptation responses to the Group's material climate-related risks and opportunities within its 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 material climate-related risks and opportunities. The inter-dependencies of the adaptation responses were examined, 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 allocation of capital funding. The Adaptation Plan was reviewed and approved by the Sustainability Committee in March 2026.

The key adaptation responses are noted below, along with the material climate-related risks and opportunities addressed:

Adaptation responses to key climate-related risks and opportunities

Adaptation Response (and alignment to strategic objectives)	**Description**	**FY26 Progress**	**Link to Climate-Related Risks and Opportunities** (see pages 52 to 55)
Manufacturing in or nearer end markets *Capacity, capability, people*	Skellerup currently has its key manufacturing activities in New Zealand and China (with significant contract manufacturing in Vietnam), and smaller manufacturing operations in Italy, the UK, USA and New Zealand, which together service Global markets. Through expansion of alternative manufacturing locations (including in or nearer to end markets), we are developing contingency, resilience and potential permanent alternatives to our manufacturing capacity.	• Continued investment in standard moulding equipment at the Christchurch site. • Investment in further silicone liner capacity in the UK.	PR102, PR103, TR101, TR102
Develop and promote new solutions *Capability, customers*	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.	• Continued investment in people, equipment and capability in our development centres in New Zealand.	O110, O112
Evaluate and establish alternative suppliers and sources of materials *Capacity*	A significant number 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 and sources of approved materials, we are ensuring continuity of our materials supply while also allowing for contract flexibility.	• Several alternative suppliers validated to reduce reliance and improve risk profile. • Ongoing engagement with key suppliers on alternative sources of materials. • Group-wide engagement on raw material sourcing. • Investment in laboratory capability at our development centres to trial new materials and compounds.	PR101, PR103, O108
Validate alternative manufacturing partners *Capacity, capability*	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.	• Validation of alternative vacuum pump assembly locations during FY26. • Expanding the range of products sourced from alternative manufacturers.	PR102

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 are reviewed on a bi-annual basis, with a progress update reported to the Sustainability Committee. Monitoring processes have been established in FY26 to track progress on our adaptation options against action plans, and adaptation responses will continue to be reviewed and updated as changes to our operating environment occur.

Emissions Reduction Plan

The Emissions Reduction Plan outlines how Skellerup aims to reduce GHG emissions to meet its short-term, medium-term, 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, provided such improvements are commercially viable and aligned with the Group's strategic vision. 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.

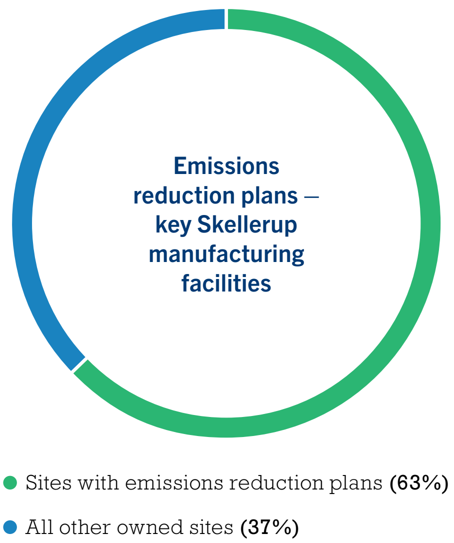
To assess the performance of our climate-related investments, Skellerup intends to develop and set interim and long-term emissions-reduction targets that are science-based. These targets are expected to contemplate absolute reductions in emissions as well as reductions in the intensity of emissions.

Due to the diverse nature of our operations and the varying markets served by the Group, we are taking a stepped approach to developing and implementing emissions reduction plans and targets in the short term (FY25 to FY30). During FY25, we reviewed our largest manufacturing site in Christchurch, New Zealand, as a pilot for identifying, measuring and prioritising emissions reduction initiatives for scope 1 and 2 GHG emissions only. In FY26, this methodology was rolled out to four other Skellerup manufacturing sites – those in Jiangsu, PR China, Nebraska, USA and two sites in Auckland, New Zealand.

From FY27, we will extend this to all other Skellerup facilities (for scope 1 and 2 GHG emissions) and consider developing emissions reduction initiatives for our supply chain emissions (scope 3).

Emissions reduction plans – key Skellerup manufacturing facilities

Our FY25 focus was on a pilot emissions reduction programme for our largest manufacturing facility in Christchurch, New Zealand. In FY26, this programme was expanded to other key manufacturing sites in Jiangsu, PR China, Nebraska, USA and two sites in Auckland, New Zealand. Together, these five key manufacturing sites make up 63% of the Group's scope 1 and 2 emissions (FY25: 65% of the Group's scope 1 and 2 emissions).



The Emissions Reduction Plans developed in FY25 and FY26 for the five key manufacturing sites contain 26 short-listed initiatives that were identified by the operations and development teams at the respective sites and are planned to be implemented over the next one to 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 CO_2 equivalent saved ($/tonne CO_2-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.

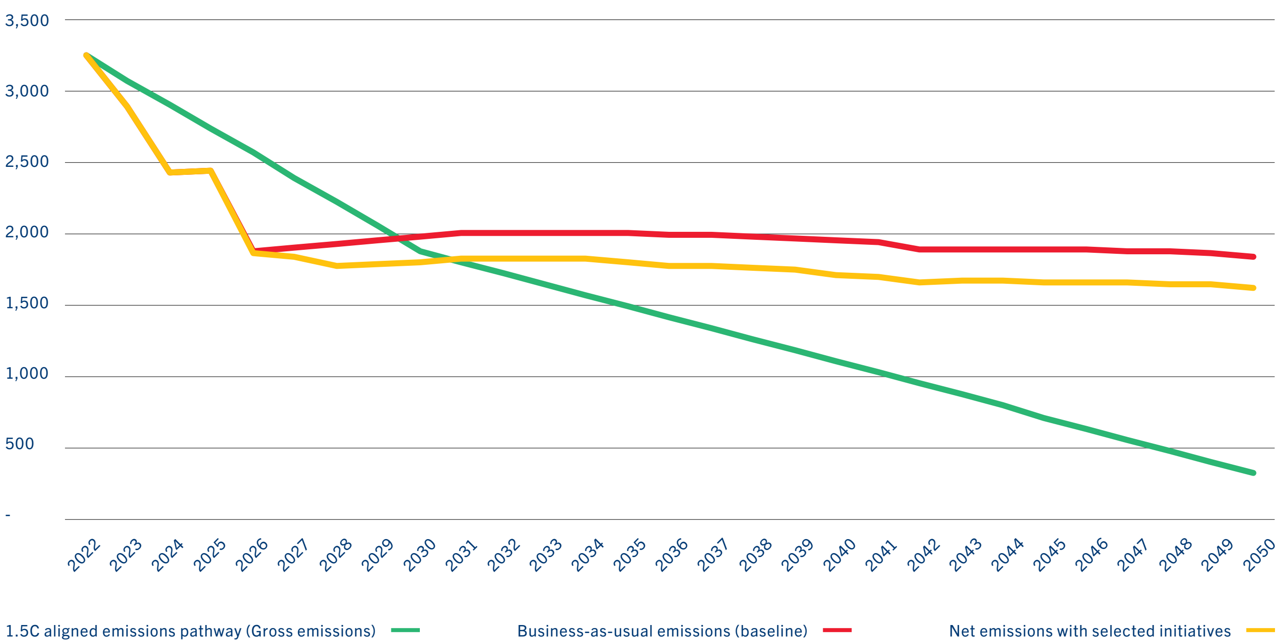
In line with our annual review process for the emissions reduction plans, we also reviewed the Christchurch site plan during FY26, updating it for changes in timing and likely outcomes. The main changes to the 10 modelled initiatives related to earlier implementation of three initiatives, which will now yield emissions reductions earlier than planned, as well as an improvement in the net present value of the total benefit achieved from the initiatives. No new emissions reduction initiatives were identified as part of the review that would require inclusion within the Christchurch plan.

The consolidated emissions reductions for our five key Skellerup manufacturing sites resulting from the 26 modelled initiatives amount to an expected 7% reduction in scope 1 and 2 GHG emissions (221 tonnes of CO_2-e). Assuming these emissions reductions continue as planned, we anticipate reducing directly controllable emissions (scopes 1 and 2) for these five sites to a level sufficient to meet the 1.5 degree aligned pathway (per the NZ Climate Commission) projection until 2031. We anticipate the momentum of identifying and implementing emissions reduction initiatives will increase in future, 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.

The chart below illustrates the anticipated impacts of the implementation of planned emission reduction initiatives for the five key Skellerup manufacturing sites against a 1.5-degree aligned pathway:

Sites with modelled emissions reduction pathways



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, with monitoring and reporting against identified initiatives continuing to be developed during FY26 as initiatives are executed and emissions reductions realised.

At the end of June 2026, work has commenced on implementing nine of the 26 short-listed initiatives, with four initiatives already completed by the time of this report. Capital expenditure had been incurred or has been included in the Group's three-year business plans for 16 of the 26 initiatives.

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 expenditure is considered part of annual business planning cycles. During business planning, consideration is given to the alignment of proposed capital expenditure with the Group's strategic objectives, with the Board and management approving investment into commercially justified climate-related improvement 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 project, 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 our five key Skellerup manufacturing sites have been evaluated based on the net present value of the cost/benefit of the initiative as well as $/tonne CO_2-e avoided.

Only those initiatives with commercial justification were considered for implementation.

The capital expenditure and investment for FY26 that contributed to the management of Skellerup's climate-related risks and opportunities, or targeted to emissions reduction activities, was 42% 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 page 47, 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 FY26, the key applications outlined below contributed more than 75% to Group revenue and represented more than 63% of Group tangible assets at 30 June 2026. These key applications are:

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

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

In completing our risk and opportunity identification process, 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 FY26, a detailed evaluation of the value chains was undertaken, with identified updates implemented.

The identification of climate-related 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 framework[9] 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 51. 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 FY26, 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 2025. 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 have been identified. We continue to refine and develop our approach to climate risk management.

Metrics and Targets

Our GHG emissions

The Group has been measuring its scope 1 and scope 2 GHG emissions since FY20 and its most significant scope 3 GHG emissions since FY24. Our total measured emissions were 73,879 tonnes of CO_2-e in FY26 (FY25 – 64,947 tonnes CO_2-e, FY24 – 59,015 tonnes CO_2-e). A table summarising the Group's GHG emissions is shown on page 67.

Purchased electricity and natural gas are the significant sources of our scope 1 and 2 emissions as they are used in 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 Climate Transition Plan, specifically for the five key Skellerup manufacturing sites. 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.

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

Measurement of GHG emissions[10]

We measure our emissions in accordance with the *GHG Protocol: A Corporate Accounting and Reporting Standard* (2004), and 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* (2011).

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 maintained our scope 3 emissions measurement across all operating subsidiaries in FY26. 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 64 and 65.

GHG emissions are calculated using published Global Warming Potential (GWP) values and emission factors relevant to each emission source.

10 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.

Case study

Closing the Loop on Dairy Rubberware

Skellerup partnered with Agrecovery to trial New Zealand's first dedicated dairy rubberware recovery programme, encouraging farmers in the South Waikato, Matamata-Piako and Waipā districts to return used milking liners, air tubes and claw and pulse tubes for responsible end-of-life management. The initiative is designed to support more sustainable farming practices by reducing on-farm waste and advancing circular economy outcomes for the agricultural sector.

The trial explored practical solutions for recovering and repurposing used dairy rubberware. Following assessment of several recycling pathways, the collected material was directed to a cement kiln, where it replaces coal as a fuel source, reducing environmental risk while providing a productive use for the recovered rubber. The programme also served as an important step in evaluating options for a long-term national recovery scheme in New Zealand.

Delivered in partnership with Agrecovery, New Zealand's only government-accredited farm plastics recycling scheme, the programme leveraged existing collection infrastructure and farmer engagement channels to maximise participation. The trial reflects Skellerup's commitment to sustainability and innovation, while supporting customers to reduce waste and improve environmental outcomes across the dairy industry.

The North Island trial confirmed that a waste recovery solution for dairy rubberware is operationally viable. Collection, processing and end use pathways were successfully proven at trial scale, providing confidence that a broader model can function in practice.

On the back of this trial, we intend to proceed toward a national recovery model in partnership with Agrecovery, subject to industry agreement on structure and commercial settings. Implementation planning is under way, and a full-scale model is expected to be rolled out in the near future.

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	Stationary combustion - natural gas	Consumed in operation of owned and leased facilities	Invoices	MFE guidelines 2026 (AR5) Australian National Greenhouse Account Factors 2025 (2006 IPCC) UK Government GHG Conversion Factors 2026 (AR5) US EPA Emissions Factors for GHG Inventories 2025 (AR5) Climatiq - China natural gas emissions factor 2022 (AR6)	Quantity of natural gas consumed multiplied by associated country emission factor. High quality data, low uncertainty.
	Stationary combustion - diesel	Fossil fuels used to power equipment	Invoices	MFE guidelines 2026 (AR5) Australian National Greenhouse Account Factors 2025 (2006 IPCC) UK Government GHG Conversion Factors 2026 (AR5) US EPA Emissions Factors for GHG Inventories 2025 (AR5)	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		
Scope 2	Purchased electricity	Electricity consumption in operation of owned and leased facilities	Invoices	MFE guidelines 2026 (AR5) Australian National Greenhouse Account Factors 2025 (2006 IPCC) UK Government GHG Conversion Factors 2026 (AR5) US EPA Emissions Factors for GHG Inventories 2025 (AR5) Carbon Database Initiative: Country-specific emissions factors for Italy, PR China and Netherlands (AR6)	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	Purchase transaction history Supplier-provided data	UK Government GHG Conversion Factors 2026 (AR5) The Japan Automobile Tyre Manufacturers Association CO_2 Calculation Guidelines Ver. 2.0 (AR5) US EPA USEEIO Emission Factors 2022 (AR5) Climatiq: Emissions factor inventory for Textile emissions (AR6) World Stainless: Stainless Steels and CO_2: Industry Emissions and Related Data 2024 (AR6) Researchgate Lifecycle Emissions Assessments for Adhesives and Silicone Rubber (AR5) International Aluminium GHG Emissions Intensity: Primary Aluminium (AR6)	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 Supplier-provided data	UK Government GHG Conversion Factors 2026 (AR5) US EPA Emissions Factors for GHG Inventories 2025 (AR5) US EPA USEEIO Emission Factors 2022 (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			
	Waste generated in operations	Disposal and treatment of waste off-site but generated by the Group	Invoices Supplier-provided data	MFE guidelines 2026 (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) US EPA USEEIO Emission Factors 2022 (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		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 2026 (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 financial control approach to consolidate the GHG emissions of the Group, which aligns with our financial consolidation approach. Under the financial control approach, we account for our GHG emissions from operations over which the Group has control, which is defined as having the ability to direct the financial and operating policies of an operation to gain economic benefits from its activities. 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 FY26).

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 FY26.
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 FY26.

Certain immaterial emissions sources, as defined on page 70, have been excluded from our calculation.

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

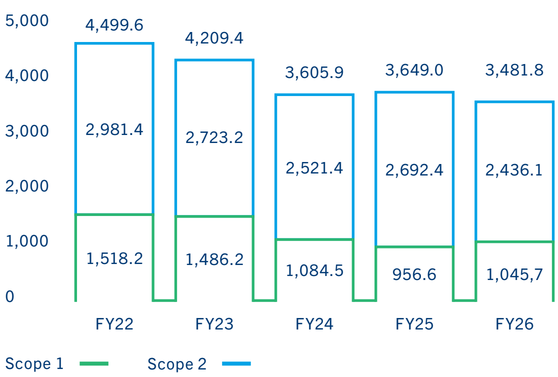
Gross emissions in tonnes of CO_2-e	FY26	FY25	FY24
Scope 1	1,045.7	956.6	1,084.5
Scope 2 (location-based)	2,436.1	2,692.4	2,521.4
Total scope 1 and 2*	3,481.8	**3,649.0**	**3,605.9**
Scope 3 (reported categories only - refer to page 70)	70,397.2	61,297.7	55,409.3
Total measured Group emissions	73,879.0	**64,946.7**	**59,015.2**
Scope 1 and 2 emissions (tonnes CO_2-e) per $1 million revenue (GHG emissions intensity by revenue)	8.9	**10.3**	**10.9**
Total Group emissions (tonnes CO_2-e) per $1 million revenue (GHG emissions intensity by revenue)	189.4	**183.7**	**178.5**

*Only scope 1 and 2 GHG emissions for FY26 and FY25 have been subject to the limited assurance engagement.

Recent investments in modernised moulding equipment at our purpose-built dairy rubberware manufacturing facility in Christchurch have delivered positive outcomes through reduced cycle times, favourably impacting electricity consumption as well as saving on engineered waste and rejects.

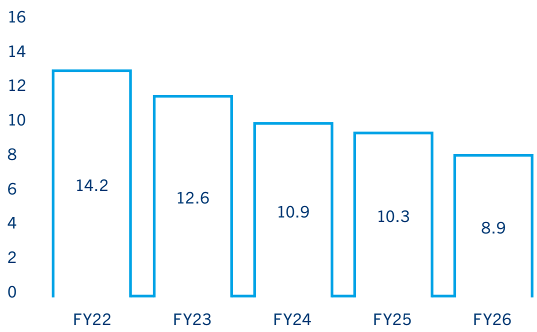
Scope 1 and 2 GHG emissions

(tonnes CO_2-e)



Scope 1 and 2 GHG emissions per $1 million revenue

(tonnes CO_2-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.

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

Our scope 1 and 2 emissions in FY26 have decreased by five percent against the prior comparative period (pcp). The decrease was driven by two key factors:

- Changes in the level of activity at our key manufacturing sites, with production volumes for several sites increasing versus pcp; offset by
- A 22% decrease in the New Zealand electricity emission factor published by the MfE, contrasted with a 36% increase in the same emission factor in the pcp; and a 16% decrease in the electricity emission factor for our manufacturing facility in Jiangsu, China.

We measure our scope 1 and 2 emissions intensity as a factor of revenue. Our intensity measure of 8.9 tonnes of CO_2-e per $1 million of revenue is 14% lower than the result for FY25.

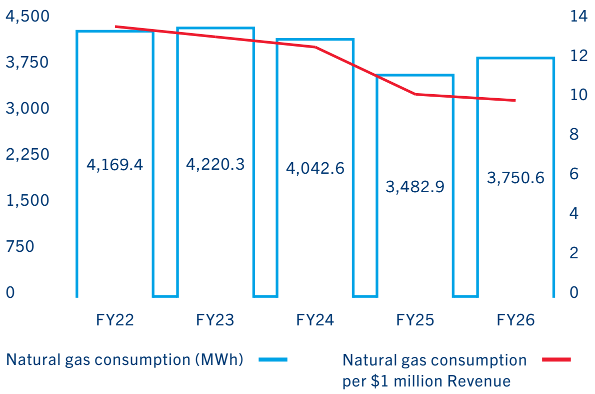
Scope 1 and 2 GHG emissions and consumption

	FY26	FY25	FY24	FY23	FY22
Scope 1	1,045.7	956.6	1,084.5	1,486.2	1,518.2
Scope 2 (location-based)	2,436.1	2,692.4	2,521.4	2,723.2	2,981.4
Total Scope 1 and 2 (in tonnes of CO_2-e)*	**3,481.8**	**3,649.0**	**3,605.9**	**4,209.4**	**4,499.6**
Scope 1 and 2 per $1 million Revenue	**8.9**	**10.3**	**10.9**	**12.6**	**14.2**
Electricity consumption (MWh)	15,514.3	14,739.2	13,840.4	14,545.7	15,681.0
Electricity consumption per $1 million Revenue	39.8	41.7	41.9	43.6	49.5
Natural gas consumption (MWh)	3,750.6	3,482.9	4,042.6	4,220.3	4,169.4
Natural gas consumption per $1 million Revenue	9.6	9.9	12.2	12.7	13.2
Fossil fuel consumption (kL)	132.8	119.9	125.2	139.3	150.2

*Only scope 1 and 2 GHG emissions for FY26 and FY25 have been subject to the limited assurance agreement.

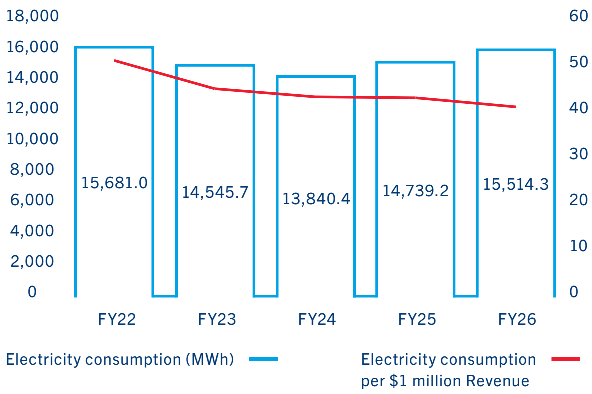
Natural gas consumption

(MWh and MWh per $1 million revenue)



Electricity consumption

(MWh and MWh per $1 million revenue)



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.

FY26 natural gas consumption has increased by eight per cent against pcp, driven principally through an increase in production levels in Jiangsu, China, with the intensity of natural gas consumed per $1 million of revenue reducing by five per cent against pcp.

Scope 2 – Purchased electricity

As the level of activity in the Group increased in FY26, electricity consumption increased. Increased operational efficiency has meant that the increase in the amount of electricity consumed lags the Group's 10% revenue growth, meaning that when measured relative to this growth in revenue, consumption per $1 million of revenue was five per cent lower than pcp, at 39.8 MWh per $1 million of revenue earned.

Despite a five per cent increase in underlying electricity consumption, favourable emission factor updates in key geographies (most notably, New Zealand and China) resulted in a ten per cent decrease 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 third time in FY26. Scope 3 emissions made up 95% of total emissions for FY26 (FY25 – 94%, 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 88% of scope 3 emissions in this category (FY25 – 86%, FY24 – 85%), followed by transportation and distribution emissions of 7% of scope 3 emissions in FY26 (FY25 – 8%, FY24 – 9%).

The Group's measurement of scope 3 emissions continues to be refined. Scope 3 emissions data has been gathered for all subsidiaries since FY25. Further, data collection methods and calculation techniques continue to be enhanced.

During FY26, the Group has continued to execute its growth plans, which have precipitated an increase in absolute scope 3 emissions of 9,100 tonnes CO_2-e against the pcp, an increase of 15%. The intensity of scope 3 emissions (as measured by tonnes of CO_2-e per $1 million of revenue) has increased by 4%, reflective of the mix of businesses within the Group.

Changes in scope 3 emissions, which have significantly increased the gross emissions reported, are:

- Higher production levels at the Group's facilities in Christchurch, New Zealand for Dairy rubberware products and Jiangsu, China for rubber footwear;
- An increase in the level of activity at the Group's largest contract manufacturer in Vietnam; and
- Greater sales and manufacturing volumes of silicone products, which have a higher carbon content, primarily in the supply of silicone liners and tubing used in dairy applications.

These increases were partly offset by lower transportation and distribution emissions, with a lower proportion of air freight utilised against pcp.

Scope 3 GHG Emissions

	FY26		FY25		FY24	
	Tonnes of CO_2-e	% of scope 3 emissions measured	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	61,633.7	87.6	52,937.6	86.4	47,007.2	84.8
Category 2 – Capital goods	1,452.3	2.1	876.9	1.4	1,058.2	1.9
Category 4 – Upstream transportation and distribution	3,423.4	4.9	3,833.5	6.3	3,463.4	6.3
Category 5 – Waste generated in operations	1,320.0	1.9	1,291.7	2.1	1,157.9	2.1
Category 6 – Business travel	521.0	0.7	533.9	0.9	686.3	1.2
Category 7 – Employee commuting	689.2	1.0	747.9	1.2	692.3	1.2
Category 9 – Downstream transportation and distribution	1,357.6	1.8	1,076.2	1.7	1,344.0	2.5
Total Scope 3	**70,397.2**	**100.0**	**61,297.7**	**100.0**	**55,409.3**	**100.0**
Scope 3 per $1 million Revenue	**180.5**		**173.4**		**167.6**	

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 64 and 65.

Emissions sources identified and excluded

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

- Scope 1: 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 51, 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% (FY25: 0%, FY24: 0%).
- The amount or percentage of assets or business activities vulnerable to transition risks - Skellerup's transition risk assessment, detailed on pages 49 and 50, 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% (FY25: 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 75% of Skellerup's FY26 revenue (FY25: 72% of Group revenue, FY24: 71% of Group revenue).

Capital deployed toward climate-related risks and opportunities

The table below summarises the amount of capital deployed towards climate-related risks and opportunities.

	FY26 $000	FY25 $000
Total capital expenditure for FY26	15,102	9,201
Capital expenditure towards climate-related risks and opportunities, and emissions reduction activities	6,324	3,784
Proportion of total capital expenditure deployed towards climate-related risks and opportunities	42%	41%

Across FY26, the Group deployed capital expenditure towards the following commercially justified climate-related projects:

- Investment into standardised equipment, particularly at our largest manufacturing facility in Christchurch, allowing for production efficiencies and building out the capability to manufacture in or nearer market;
- Replacement of a continuous vulcanisation line with lower emissions technology; and
- Upgrades to equipment and facilities to reduce waste and electricity consumption.

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 FY26, 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 FY26, we have not obtained independent assurance over our scope 3 emissions.

EY's assurance report 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 20 August 2026.

For and on behalf of the Directors

John Strowger
Independent Chair

Alan Isaac
Independent Director

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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 the Skellerup FY26 Group Climate statements (within the FY26 Annual report) for the year ended 30 June 2026 ("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 63 to 64, 66 and 70;
- Related GHG emissions methods, assumptions and estimation uncertainty on pages 64 and 66

included in the Climate Statement for the year ended 30 June 2026 (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 Annual Report on pages 1 to 65, 67 to 71 and 75 to 125. 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 63, 64 and 66 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.

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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.

Ernst & Young provides financial statement audit 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. 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.

Our procedures included:

- Obtaining, through inquiries, an understanding of the Group's 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 by comparing the expected GHGs emitted to reported GHGs emitted and made inquiries of management to obtain explanations for any significant differences we identified; and
- Considering the presentation and disclosure of the GHG disclosures.

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

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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 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

Ernst & Young Limited
Auckland
20 August 2026

Glossary of key terms used in Climate-Related Disclosures

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_2O), 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 120.
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

The year ended 30 June 2026 (FY26) has been one of significant achievement for the Group.

We are delighted to once again report record operating earnings and cash flows, despite the challenges which presented in the form of tariffs, the impacts of the Middle East conflict on the availability and cost of raw materials, and the resulting flow-on effects to global shipping times and costs. Net profit after tax (NPAT) was $67.7 million, inclusive of a non-recurring gain of $3.5 million. Adjusting to exclude this gain, normalised NPAT was $64.2 million, an increase of $9.7 million or 18% over the prior corresponding period (pcp).

The non-recurring gain arose from an insurable fire event which impacted a section of the extrusion lines at our facility in Christchurch, an impairment loss arising from the vacancy of a leased premise acquired under a business combination in FY19, and the transfer of ownership of certain manufacturing assets to a contract manufacturing partner. Normalising earnings to exclude the effect of these one-off transactions enables us to appropriately reflect Skellerup's underlying performance and sustainable earnings. A reconciliation between earnings reported under GAAP (New Zealand Equivalents to International Financial Reporting Standards) and the non-GAAP earnings referred to throughout this report is included on pages 80 and 81.

Normalised earnings before interest and tax (normalised EBIT) grew 14% to a record $89.3 million, which marks the Group's 10th consecutive year of EBIT growth. Increased revenue, up 10% on the pcp, and further improvement in gross margin percentage drove the increase in normalised EBIT.

As has been the trend in recent years, finance costs reduced from lower average net borrowings and declining market interest rates. A slight decrease in the effective tax rate further enhanced earnings, resulting in normalised NPAT of $64.2 million.

Our Industrial Division performed strongly to deliver normalised EBIT growth of 17% on the pcp. Divisional performance across key markets and applications was broadly positive. Sales of products used in potable water and wastewater applications continued to grow, particularly in the key US market. Growth in sales of roofing and construction products was strong, specifically in Australia and the UK where demand for solar installations continued at pace. Revenue from products sold in marine applications in the US has rebounded well following the subdued levels during FY24 and FY25, with revenues up 20% in that market. This was partly offset by declining sales into the automotive industry in Europe.

The Agri Division's normalised EBIT increased 12% on the pcp as demand for dairy rubberware products remained strong throughout FY26, particularly in export markets. Revenue from the sale of dairy rubberware and specialist footwear into the US market increased 13% on the pcp, Europe increased by 23%, and the UK and Ireland by 20%. New Zealand, the Agri Division's

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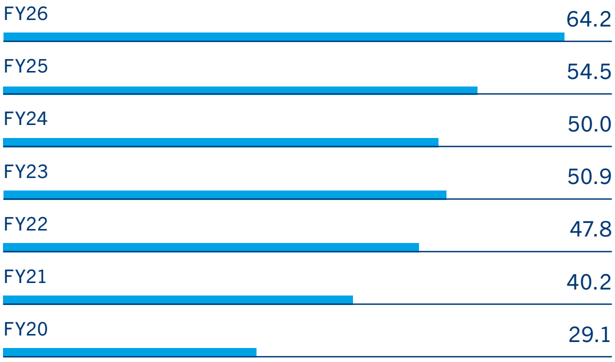
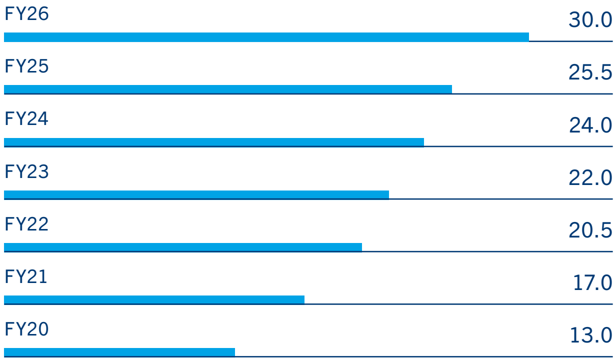
Our balance sheet remains well managed, enabling a focus on delivering sustainable growth in financial returns for our shareholders.

Tim Runnalls

Net Profit After Tax ($m)



Dividend Declared (cents per share)



largest market, delivered sales growth of six per cent. Increased production volumes of dairy rubberware and footwear through our manufacturing facilities in New Zealand and China drove improved margins.

Operating cash flow of $83.6 million was up 26% on the pcp as strong growth in after-tax earnings was partly offset by the impact of deliberate increases in inventory holdings to meet greater customer demand and to mitigate against the challenges to the supply of raw materials caused by the Middle East conflict. Capital spend was higher, at $15.1 million, reflective of an increased investment in manufacturing capability. Strong cash flows have allowed the Group to maintain a dividend pay-out ratio close to 90% of after-tax earnings. Net debt closed at $2.0 million, down $10.4 million from a year prior, driven by our robust operating cash flow.

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

FY26 Group Earnings and Dividends

The FY26 normalised NPAT of $64.2 million was up 18% on the comparative result for FY25. A gross dividend pay-out for FY26 of 30.0 cents per share is up 18% on the pcp and reflects the Group's continued sound financial position and strong cash flow generation. The imputation rate has been reduced to 40% (from 50% previously) reflecting the lower proportion of our tax-paid earnings that are generated in New Zealand.

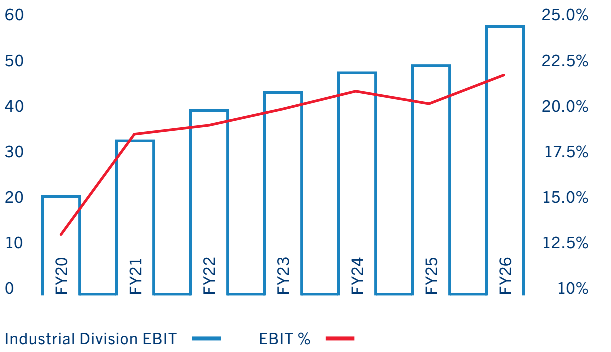
The FY26 gross dividend pay-out declared is up 4.5 cents per share (18%) on the pcp and represents a gross yield[1] for shareholders of 5.3%.

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

Industrial Division

Our Industrial Division's sales represented another record of $262.8 million, up nine per cent on the pcp. Normalised EBIT was $56.6 million – a sixth consecutive increase in earnings, up 17% on FY25.

Industrial Division EBIT ($m)



Agri Division EBIT ($m)

1 Gross yield is determined by comparing dividends declared in respect of FY26, totalling 30.0 cents per share (plus imputation credits thereon), with the closing share price of $6.60 as at 30 June 2026.

Operating margins have seen a strong improvement, with normalised EBIT as a percentage of revenue increasing to a record of 21.5% (FY25: 20.1%).

Our Industrial Division generates almost 90% of its revenue from international markets. FY26 revenue growth was strong across most product applications. Increased revenue from potable water and wastewater applications was driven by higher sales of seals and gaskets used in infrastructural pipe networks and vacuum systems for liquid waste. Roofing and construction revenue increased also, particularly from the ongoing growth in demand for products used in solar installations in the UK, as well as continued growth in our DEKS business in Australia. Strong customer relationships in the US and the first full year of operation for our distribution centre in Europe have driven healthy growth in sales for marine foam products. Challenging conditions in the European market caused a five per cent reduction in revenue from products used in automotive applications.

The North American market accounts for 40% of the Industrial Division's revenue. Our US-based businesses and customers were not immune to the impacts of US tariffs. Our teams responded quickly, taking appropriate action to minimise impacts across the Group; in some instances this meant carrying a higher level of inventory to better meet customer needs. We do not expect these stock levels to reduce in the near term, as ongoing geopolitical tensions continue to challenge global supply chains.

Revenue growth translated to another record EBIT for the Industrial Division. Gross margins improved across the board, despite the challenges presented by US tariffs, as well as increases in raw material and freight costs. Targeted investments have been made in strengthening our in-market sales presence, driving a slightly higher increase in operating costs than the levels seen in recent years.

Agri Division

Sales for our Agri Division were $128.4 million, up 13% on the pcp. Normalised EBIT was a new record, of $39.6 million, up 12% on the pcp. Operating margins reduced slightly on the pcp, but were still healthy, at 30.8%.

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.

FY26 was a year of strong demand across our dairy rubberware customer base, including both from original equipment manufacturers (OEMs) and for our own branded products. Customer orders remained at robust levels throughout the financial year. Sales growth in international markets was strong, particularly in the key North American and European markets. Higher sales volumes translated to greater volumes through our manufacturing facilities in New Zealand and the UK, enhancing operating margins.

The demand for speciality footwear in the US market continued to grow, especially from within the electricity industry, and saw revenues increase strongly. In our largest footwear market, New Zealand, the impacts of subdued customer demand and more benign weather conditions have meant revenues finished in line with the pcp. The launch of the first products in our lifestyle footwear range (as described on page 16) is an initial but meaningful step in broadening our product offering.

Corporate

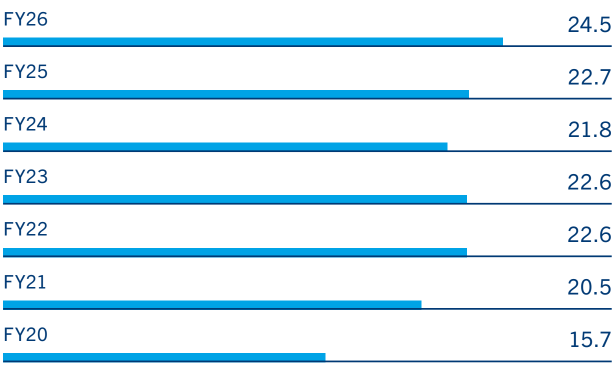
The Group is serviced by a corporate office in Auckland, the cost of which includes fees paid to directors and Group management, listing and compliance costs, and expenses. FY26 corporate costs of $6.8 million remained tightly controlled and represented less than two per cent of Group revenue.

FY26 Financial Position and Returns

Skellerup's financial position remains healthy, with continuous management of working capital and critical evaluation of capital investment decisions providing a very sound base for the future. Our focus continues to be on the appropriate allocation of capital (both financial and human) to deliver ongoing excellent returns for shareholders.

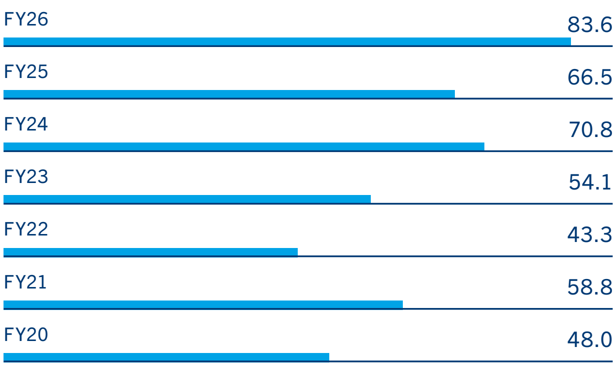
At the close of FY26, inventory stood at $81.3 million, an increase of $3.5 million from FY25. A combination of increased raw material costs and the need to hold

Return on Net Assets* (%)



* Calculated as normalised NPAT divided by net assets

Operating Cash Flow ($m)



slightly higher levels of inventory – to meet customer demand and mitigate the risks of ongoing supply chain disruptions – has meant a small rise in inventory holding against the year before, to alleviate the impacts of US tariffs.

Trade receivables closed at $63.3 million on 30 June 2026, up 17% on the pcp. This increase is reflective of the 10% growth in revenue and a result of the timing of sales and change in shipping terms for a large customer. A continued strong focus on collections, payment terms, simpler electronic payment options for customers and discount structures for prompt payment all contributed to solid collections. At 30 June 2026, receivables represented 50 days' sales outstanding, slightly below the 47 days recorded in the pcp.

FY26 Cash Flow

In spite of the increased investment in working capital and higher cash tax payments (resulting from higher earnings), the Group has generated a record operating cash flow of $83.6 million, up 26% on the pcp and up 18% on the previous record operating cash flow reported in FY24. Operating cash flows funded payments for right-of-use asset lease obligations of $7.6 million, capital expenditure of $15.1 million, dividends to shareholders of $52.0 million and repayment of borrowings of $6.0 million.

Net debt is $2.0 million, $10.4 million below the pcp, and represents less than one per cent of 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, compound annual growth rates have been seven per cent for revenue, 11% for normalised EBIT and 12% for normalised NPAT. The operating cash flow compound annual growth rate is 16%. Return on net assets has increased by 55%, from 15.7% in FY20 to 24.5% in FY26. This sustained earnings and cash flow growth has enabled a rise in the gross dividend pay-out (excluding imputation credits) of 131% over the last seven years.

Period Ending 30 June	FY26 $000	FY25 $000	FY24 $000	FY23 $000	FY22 $000	FY21 $000	FY20 $000
Total revenue	**390,059**	353,478	330,578	333,537	316,829	279,515	251,389
Normalised EBIT	**89,281**	78,036	72,688	71,659	66,760	56,361	42,486
Non-recurring items	**4,786**	-	-	-	-	-	-
EBIT	**94,067**	78,036	72,688	71,659	66,760	56,361	42,486
Finance costs	**3,008**	3,773	4,939	4,594	2,249	2,081	2,582
Share of net loss of associates	**-**	-	-	(78)	(224)	(35)	(73)
Profit before tax	**91,059**	74,263	67,749	66,987	64,287	54,245	39,831
Income tax expense	**23,380**	19,714	20,856	16,046	16,474	14,070	10,767
Net after-tax profit	**67,679**	54,549	46,893	50,941	47,813	40,175	29,064
Non-recurring items	**(4,786)**	-	-	-	-	-	-
Tax on non-recurring items	**1,340**	-	3,121	-	-	-	-
Normalised NPAT	**64,232**	54,549	50,014	50,941	47,813	40,175	29,064
Normalised EPS (cents)	***32.8***	*27.8*	*25.5*	*26.0*	*24.4*	*20.6*	*14.9*
EPS (cents)	***34.5***	*27.8*	*23.9*	*26.0*	*24.4*	*20.6*	*14.9*
Dividend per share (cents)	***30.0***	*25.5*	24.0	22.0	20.5	17.0	13.0
Operating cash flow	**83,572**	66,487	70,845	54,114	43,322	58,796	48,006
Net debt	**1,971**	12,412	15,371	26,830	25,204	8,736	28,513
Total assets	**375,165**	349,294	335,127	342,977	336,644	284,874	283,642
Total liabilities	**112,477**	109,104	105,635	117,541	125,436	88,725	99,079
Net assets	**262,688**	240,190	229,492	225,436	211,208	196,149	184,563
Normalised return on net assets[1]	**24.5%**	22.7%	21.8%	22.6%	22.6%	20.5%	15.7%
Return on net assets[2]	**25.8%**	22.7%	20.4%	22.6%	22.6%	20.5%	15.7%
Net tangible assets per share (cents)	**102.1**	88.6	84.0	81.2	75.9	70.0	65.3
Global team	**838**	809	808	807	869	813	798

1. Calculated as normalised NPAT divided by net assets
2. Calculated as earnings (NPAT) divided by net assets

Non-GAAP Profit Reporting Measures

The Group's standard profit measure prepared under New Zealand GAAP is net after-tax profit (NPAT). The Group has used non-GAAP profit measures when discussing financial performance in the Annual Report.

The Directors believe that these measures provide useful information as they are used internally to evaluate performance of business units, to establish operational goals and to allocate resources.

Non-GAAP profit measures are not prepared in accordance with NZ IFRS (New Zealand International Financial Reporting Standards) and are not uniformly defined. Therefore, the non-GAAP profit measures reported in the Annual Report may not be comparable with those that other companies report and should not be viewed in isolation or considered as a substitute for measures reported in accordance with NZ IFRS.

Non-GAAP measures used in the Annual Report are defined as:

EBIT	Earnings before interest, taxation and share of net profit (loss) of associates
Normalised EBIT	EBIT adjusted for significant one-off gains, losses, revenues and expenses
Segment Normalised EBIT	Segment EBIT adjusted for significant one-off gains, losses, revenues and expenses
EBITDA	Earnings before interest, taxation, depreciation, amortisation, impairment losses (and reversal thereof) and share of net profit (loss) of associates
Normalised EBITDA	EBITDA adjusted for significant one-off gains, losses, revenues and expenses
Normalised NPAT	NPAT adjusted for the after-tax impact of significant one-off gains, losses, revenues and expenses
Normalised earnings per share	Earnings per share adjusted for significant one-off gains, losses, revenues and expenses

GAAP to Non-GAAP Reconciliation - Normalised EBIT and EBITDA

	2026 $000	2025 $000
Reported net after-tax profit for the year	**67,679**	**54,549**
Add back: Income tax expense	23,380	19,714
Add back: Finance costs	3,008	3,773
EBIT	**94,067**	78,036
Add back (deduct): Non-recurring items		
- Insurance proceeds (net of costs)[1]	(6,252)	-
- Impairment of right-of-use asset[2]	1,065	-
- Loss on asset transfer[3]	401	-
Normalised EBIT	**89,281**	**78,036**
Add back: Depreciation and amortisation	17,306	16,907
Normalised EBITDA	**106,587**	**94,943**

1 During the year, the Group recognised insurance proceeds (net of costs incurred) of $6.3 million (before tax) relating to the settlement of claims arising from an insurance event at its manufacturing facility in Christchurch, which caused damage to certain assets. The net amount represents gross insurance recoveries received or receivable, less the write-off of damaged assets, related costs of claims assessment, professional fees, and additional costs of working and claims preparation costs. The Group considers these net proceeds to be non-recurring in nature because it arises from an isolated event that is not representative of the Group's normal operating activities.

GAAP to Non-GAAP Reconciliation - Normalised NPAT

	2026 $000	2025 $000
Reported net after-tax profit for the year	**67,679**	**54,549**
Add back (deduct): Non-recurring items	(4,786)	-
Add back (deduct): Tax on non-recurring items	1,340	-
Normalised NPAT	**64,233**	**54,549**

GAAP to Non-GAAP Reconciliation - Normalised earnings per share

	2026 $000	2025 $000
Earnings per share		
Basic earnings per share	**34.52**	27.82
Diluted earnings per share	**34.21**	27.72
Normalised earnings per share		
Basic earnings per share	**32.76**	27.82
Diluted earnings per share	**32.47**	27.72

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

	2026 $000	2025 $000
Earnings used in the calculation of earnings per share	**67,679**	54,549
Earnings used in the calculation of normalised earnings per share	**64,233**	54,549
Weighted average number of ordinary shares for		
- Basic earnings per share	**196,071,582**	196,071,582
- Diluted earnings per share	**197,839,664**	196,811,308

GAAP to Non-GAAP Reconciliation - Segment Normalised EBIT

For the year ended 30 June 2026

	Agri $000	Industrial $000	Corporate $000	Eliminations $000	Total $000
Segment EBIT	**45,846**	**55,114**	**(6,819)**	**(74)**	**94,067**
Add back (deduct): Non-recurring items					
- Insurance proceeds (net of costs)[1]	(6,252)	-	-	-	(6,252)
- Impairment of right-of-use asset[2]	-	1,065	-	-	1,065
- Loss on asset transfer[3]	-	401	-	-	401
Segment Normalised EBIT	**39,594**	**56,580**	**(6,819)**	**(74)**	**89,281**

For the year ended 30 June 2025

	Agri $000	Industrial $000	Corporate $000	Eliminations $000	Total $000
Segment EBIT and Segment Normalised EBIT	35,339	48,411	(5,712)	(2)	78,036

2 The Group recognised an impairment loss of $1.1 million (before tax) on a right-of-use asset assumed as part of a business combination, which was determined to be surplus to operational requirements. The premises were sub-leased to a third party until 30 June 2025. Following the end of a sub-lease arrangement, the Group has been unsuccessful in securing a further sub-tenant, and the recoverable amount of the right-of-use asset was determined to exceed its carrying value, resulting in the impairment of the full remaining carrying value of the right-of-use asset. The impairment has been classified as a non-recurring item as it arose directly from the specific post-acquisition integration of business units, rather than the ongoing operating performance of the Group's existing business.

3 During the year, the Group transferred ownership of certain manufacturing equipment with a carrying value of $0.4 million (before tax) to a third party as part of a commercial arrangement to address a historical change in the manner of operation of this equipment. As no consideration was received for the transfer, the carrying value of the equipment was recognised as an expense in the current period. The transfer has been treated as non-recurring as it does not relate to the Group's ordinary trading activities.

Consolidated Financial Statements

for the year ended
30 June 2026

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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 88 to 121, which comprise the consolidated balance sheet of the Group as at 30 June 2026, 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 88 to 121 present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2026 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 as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standard 1.

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 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.

Group audit planning and co-ordination

Why significant	How our audit addressed the key audit matter
Skellerup is an international business with over 80% of the Group's revenue being generated in countries other than New Zealand. A significant area of focus when conducting the audit was assessing that sufficient audit evidence was obtained by each component audit team to enable us to reach our opinion on the consolidated financial statements as a whole. This was both with	As the coordinating primary team ("group audit team"), EY New Zealand performed risk assessment for the Group, incorporating feedback from component teams where relevant. The group audit team considered risks of material misstatement to the Group financial statements to determine the accounts and level of work assigned to each component team in significant locations.

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Why significant	How our audit addressed the key audit matter
respect to the determination and allocation of materiality as well as the determination of the nature and extent of procedures to be performed by each component audit team.	Consideration was given to the nature, size and risks associated with each of the Group's businesses and the results of our risk assessment analytical procedures performed. As a result of this assessment, each business was allocated specific accounts and scope reflecting the extent of audit procedures required. The group audit team communicated to the component audit teams significant risk areas to be considered 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. To obtain sufficient coverage of Group balances, the group audit team performed centralised testing over certain accounts and performed work in relation to a number of components. All component teams provided written confirmation to the group audit team summarising the results of their work including any significant findings or observations. In addition, the Group audit team regularly communicated with the component audit teams and reviewed certain workpapers responding to risk areas. Members of the group audit team visited Skellerup management and component audit teams in Melbourne and Sydney and held discussions with the component teams for all non-New Zealand locations (Australia, China, Italy and United Kingdom). 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.

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, other than our separately reported assurance in relation to selected greenhouse gas emissions disclosures included in the Climate Statement.

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.

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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.

Ernst + Young

Chartered Accountants
Auckland
20 August 2026

Directors' Responsibility Statement

for the year ended 30 June 2026

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 2026, and the financial performance and cash flows for the year ended 30 June 2026.

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 2026.

The Group financial statements are dated 20 August 2026 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 2026

	Note	2026 $000	2025 $000
Revenue	2	390,059	353,478
Cost of sales		(217,056)	(200,079)
Gross profit		173,003	153,399
Other income/(expenses)	4	7,758	216
Selling, general and administration expenses		(86,694)	(75,579)
Profit for the year before tax and finance costs		94,067	78,036
Finance costs	16	(3,008)	(3,773)
Profit for the year before tax		91,059	74,263
Income tax expense	5	(23,380)	(19,714)
Net after-tax profit for the year, attributable to owners of the Parent		67,679	54,549
Earnings per share			
Basic earnings per share (cents)	19	34.52	27.82
Diluted earnings per share (cents)	19	34.21	27.72

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

Statement of Comprehensive Income

for the year ended 30 June 2026

	Note	2026 $000	2025 $000
Net after-tax profit for the year		67,679	54,549
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net gains/(losses) on cash flow hedges	17	(5,772)	285
Income tax related to (gains)/losses on cash flow hedges	5	1,611	(79)
Foreign exchange movements on translation of overseas subsidiaries	17	10,133	3,554
Income tax related to (gains)/losses on foreign exchange movements of loans with overseas subsidiaries	5	(174)	144
Other comprehensive income net of tax		5,798	3,904
Total comprehensive income for the year attributable to equity holders of the Parent		73,477	58,453

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

Balance Sheet

as at 30 June 2026

	Note	2026 $000	2025 $000
Current assets			
Cash and cash equivalents	6	20,029	15,588
Trade receivables	7	63,347	53,964
Other receivables and prepayments	7	15,894	10,300
Inventories	8	81,343	77,818
Income tax receivable		497	51
Derivative financial assets	22	310	1,017
Total current assets		181,420	158,738
Non-current assets			
Property, plant and equipment	9	95,001	89,583
Right-of-use assets	14	23,257	28,324
Goodwill	10	66,702	64,844
Intangible assets	10	2,384	2,667
Deferred tax assets	5	4,301	3,685
Derivative financial assets	22	104	1,453
Total non-current assets		191,749	190,556
Total assets		373,169	349,294
Current liabilities			
Trade and other payables	11	40,854	31,769
Provisions	12	5,789	5,338
Lease liabilities – short term	14	7,244	7,496
Income tax payable		2,575	4,583
Derivative financial liabilities	22	3,055	733
Total current liabilities		59,517	49,919
Non-current liabilities			
Provisions	12	1,492	1,440
Interest-bearing loans and borrowings	13	22,000	28,000
Lease liabilities – long term	14	19,189	23,286
Deferred tax liabilities	5	6,420	5,978
Derivative financial liabilities	22	1,863	481
Total non-current liabilities		50,964	59,185
Total liabilities		110,481	109,104
Net assets		262,688	240,190
Equity			
Equity attributable to equity holders of the Parent			
Share capital	15	72,406	72,406
Reserves	17	8,515	1,737
Retained earnings	20	181,767	166,047
Total equity		262,688	240,190

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

Statement of Changes in Equity

for the year ended 30 June 2026

	Note	Fully Paid Ordinary Shares	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	Employee Share Plan Reserve	Retained Earnings	Total
		$000	$000	$000	$000	$000	$000
Balance 1 July 2024		72,406	710	(3,098)	611	158,864	229,493
Net after-tax profit for the year ended 30 June 2025		-	-	-	-	54,549	54,549
Other comprehensive income		-	206	3,698	-	-	3,904
Total comprehensive income for the year		-	206	3,698	-	54,549	58,453
Share incentive scheme		-	-	-	(390)	672	282
Dividends		-	-	-	-	(48,038)	(48,038)
Balance 30 June 2025		72,406	916	600	221	166,047	240,190
Net after-tax profit for the year ended 30 June 2026		-	-	-	-	67,679	**67,679**
Other comprehensive income	17	-	(4,161)	9,959	-	-	**5,798**
Total comprehensive income for the year		**-**	**(4,161)**	**9,959**	**-**	**67,679**	**73,477**
Share incentive scheme	18	-	-	-	535	-	**535**
Deferred tax on share incentive scheme	5	-	-	-	445	-	**445**
Dividends	20	-	-	-	-	(51,959)	**(51,959)**
Balance 30 June 2026		**72,406**	**(3,245)**	**10,559**	**1,201**	**181,767**	**262,688**

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 2026

	Note	2026 $000	2025 $000
Cash flows from operating activities			
Receipts from customers		386,467	348,393
Interest received		80	186
Dividends received		3	3
Payments to suppliers and employees		(275,742)	(259,614)
Income tax paid		(24,228)	(18,708)
Interest and bank fees paid		(1,603)	(2,375)
Interest on right-of-use asset leases		(1,405)	(1,398)
Net cash flows from/(used in) operating activities		83,572	66,487
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		269	559
Payments for property, plant and equipment	9	(14,452)	(8,257)
Payments for intangible assets	10	(650)	(944)
Net cash flows from/(used in) investing activities		(14,833)	(8,642)
Cash flows from financing activities			
Proceeds from/(repayments for) loans and advances	13	(6,000)	(4,000)
Repayments of lease liabilities		(7,572)	(7,087)
Dividends paid to equity holders of Parent		(51,959)	(48,038)
Net cash flows from/(used in) financing activities		(65,531)	(59,125)
Net increase/(decrease) in cash and cash equivalents		3,208	(1,280)
Cash and cash equivalents at the beginning of the year		15,588	16,629
Effect of exchange rate fluctuations		1,233	239
Cash and cash equivalents at the end of the year	6	20,029	15,588

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

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

	Note	2026 $000	2025 $000
Net after-tax profit		67,679	54,549
Adjustments for:			
Depreciation and impairment – property, plant and equipment	9	9,238	8,735
Depreciation and impairment – right-of-use assets	14	8,170	7,283
Amortisation	10	963	889
(Gain)/loss on sale of assets		813	(45)
Foreign currency movements		428	(221)
Bad debts written off	7	271	47
Increase/(decrease) in provision for doubtful debts	7	(157)	139
Net movement in working capital		(3,833)	(4,889)
Net cash inflow from operating activities		83,572	66,487

Notes to the Financial Statements

for the year ended 30 June 2026

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 20 August 2026.

(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 2026.

(c) Statement of compliance

The consolidated financial statements for the year ended 30 June 2026 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 2026. 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 (NZD or $) (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 105

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 2026	Agri $000	Industrial $000	Corporate $000	Eliminations $000	Total $000
Revenue	128,389	262,844	32	(1,206)	390,059
Expenses					
Cost of inventories recognised as an expense	62,250	146,563	-	(1,206)	207,607
Employee benefits expense	30,672	41,472	3,213	-	75,357
Segment EBIT	45,846	55,114	(6,819)	(74)	94,067
Profit before tax and finance costs					94,067
Finance costs					(3,008)
Profit for the year before tax					91,059
Income tax expense					(23,380)
Net profit after-tax					**67,679**
Assets and liabilities					
Segment assets	145,294	201,732	26,143	-	373,169
Segment liabilities	18,312	53,690	38,479	-	110,481
Net assets	**126,982**	**148,042**	**(12,336)**	**-**	**262,688**
Other segment information					
Additions to fixed assets and intangibles	8,239	6,842	21	-	15,102
Cash flow					
Segment EBIT	45,846	55,114	(6,819)	(74)	94,067
Adjustments for:					
- Depreciation, amortisation and impairment	5,702	12,528	141	-	18,371
- Non-cash items	249	401	705	-	1,355
Movement in working capital	(4,929)	1,644	(601)	53	(3,833)
Segment cash flow	46,868	69,687	(6,574)	(21)	109,960
Finance and tax cash expense					(27,236)
Movement in finance and tax accrual					848
Net cash flow from operating activities					**83,572**

1. Segment Information (continued)

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 profit after-tax					**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					(22,481)
Movement in finance and tax accrual					(1,006)
Net cash flow from operating activities					**66,487**

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 37.2% (2025: 36.9%) of the Agri Division revenue. For the Industrial Division, the three largest customers account for 9.2% (2025: 7.8%) of the Industrial Division revenue.

1. Segment Information (continued)

(b) Geographical revenue

Revenue from external customers by geographical location 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.

	2026 $000	2025 $000
North America	148,468	132,481
New Zealand	72,553	69,576
Europe	49,903	46,413
Australia	48,015	43,947
Asia	34,767	29,808
United Kingdom and Ireland	33,220	28,320
Other	3,133	2,933
Total revenue	390,059	353,478

(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:

	2026 $000	2025 $000
New Zealand	118,904	119,949
United Kingdom and Ireland	19,700	19,644
North America	15,423	13,188
Europe	15,029	14,404
Australia	12,740	12,124
Asia	5,548	6,109
Non-current assets	187,344	185,418

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	2026 $000	2025 $000
Cost of inventories recognised as an expense		207,607	192,054
Employee benefits expense			
Wages and salaries (including annual leave, long-service leave, sick leave and executive share scheme)		70,810	64,626
Termination benefits		-	272
Defined contribution expense		4,547	3,885
Total employee benefit expense		75,357	68,783
Depreciation, amortisation and impairment expense			
Depreciation and impairment of property, plant and equipment	9	9,238	8,735
Depreciation and impairment of right-of-use assets	14	8,170	7,283
Amortisation of intangible assets	10	963	889
Total depreciation, amortisation and impairment expense		18,371	16,907
Total (gain)/loss on disposal of property, plant and equipment		813	(45)
Total product development costs		3,528	3,330
Short term and low value lease costs		359	434
Remuneration of auditors			
Audit of the financial statements by Parent company auditors		999	944
Other auditors' fees for the audit of financial statements in foreign jurisdictions		46	42
Other assurance services provided by Parent company auditors			
Limited assurance engagement over scope 1 and 2 greenhouse gas reporting disclosures		38	55
Other services provided by Parent company auditors			
Salary benchmarking services		-	6
Total remuneration of auditors		1,083	1,047

2026 other assurance services include a limited assurance engagement over scope 1 and 2 greenhouse gas reporting disclosures (2025: limited assurance engagement over scope 1 and 2 greenhouse gas reporting disclosures and salary benchmarking services).

4. Other Income/(Expenses)

	2026 $000	2025 $000
Interest income	80	186
Government grants received	23	12
Realised and unrealised foreign currency gains/(losses)	(2,114)	(418)
Insurance proceeds	8,183	-
Other sundry income	1,586	436
Total other income/(expenses)	7,758	216

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.

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

	2026 $000	2025 $000
Current income tax		
Current income tax charge/(credit)	22,291	20,087
Prior year adjustments	(937)	(478)
Deferred income tax		
Temporary differences	1,620	(484)
Prior year adjustments	406	588
Effect of movements in tax rates	-	1
Income tax expense as per income statement	23,380	19,714

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

	Note	2026 $000	2025 $000
Current/deferred income tax			
Deferred tax effect of fair value of derivative financial instruments	17	(1,611)	79
Current tax effect of translation of foreign operations	17	174	(144)
Total income tax expense/(credit) relating to other comprehensive income		(1,437)	(65)

(c) Reconciliation

	2026 $000	2025 $000
Total profit before tax as reported	91,059	74,263
Tax percentage at Parent company rate	28%	28%
Tax at Parent company rate	25,497	20,794
Non-deductible expenses/(non-assessable income)	71	183
Tax effects of non-New Zealand profits	(1,871)	(1,374)
Unrecognised tax losses	214	-
Adjustments for prior years	(531)	110
Effect of movements in tax rates	-	1
Income tax expense as per income statement	23,380	19,714

5. Taxation (continued)

(d) Deferred tax assets and liabilities

	2026 $000	2025 $000
Deferred tax asset	4,301	3,685
Deferred tax liability	(6,420)	(5,978)
Net tax (liability)/asset	(2,119)	(2,293)

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

2026	Opening Balance $000	Charged to Income $000	Charged to Other Comprehensive Income $000	Recognised directly in equity $000	Foreign Currency Movements $000	Closing Balance $000
Property, plant and equipment	(13,562)	666	-	-	(360)	**(13,256)**
Provisions and accruals	11,625	(2,819)	-	-	504	**9,310**
Share-based incentive scheme	-	127	-	445	-	**572**
Derivatives	(356)	-	1,611	-	-	**1,255**
Net tax (liability)/asset	**(2,293)**	**(2,026)**	**1,611**	**445**	**144**	**(2,119)**

2025	Opening Balance $000	Charged to Income $000	Charged to Other Comprehensive Income $000	Recognised directly in equity $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
Derivatives	(277)	-	(79)	-	-	(356)
Net tax (liability)/asset	**(2,095)**	**(105)**	**(79)**	**-**	**(14)**	**(2,293)**

(e) Imputation credit account

	Note	2026 $000	2025 $000
Balance at the beginning of the year		3,217	3,230
Attached to dividends paid	20	(9,019)	(8,994)
Income tax paid/payable in New Zealand		8,914	8,981
Total imputation credits		3,112	3,217

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.

	2026 $000	2025 $000
Cash at banks and on hand	20,029	15,588
Cash and cash equivalents per cash flow statement	20,029	15,588

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	2026 $000	2025 $000
Trade receivables		63,465	54,239
Less allowance for doubtful debts		(118)	(275)
		63,347	53,964
Other receivables		6,770	774
	22	70,117	54,738
GST/VAT receivable		952	504
Prepayments		8,172	9,022
Total trade and other receivables and prepayments		79,241	64,264

The average credit period for the sale of goods is 50 days (2025: 47 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, $11.0 million (2025: $10.7 million) representing 17.3% (2025: 19.8%) 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	2026 $000	2025 $000
One to 30 days	4,056	3,535
31 to 60 days	650	378
61 days plus	27	73
Total past due trade receivables	4,733	3,986
Movement in the allowance for doubtful debts:		
Balance at the beginning of the year	275	136
Impairment losses recognised	104	200
Amounts written off as uncollectable	(271)	(53)
Impairment losses reversed	-	(14)
Net foreign currency exchange differences	10	6
Balance at the end of the year	118	275

Other receivables include an insurance receivable of $4.6 million, as recovery from the insurers is considered virtually certain at 30 June 2026.

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.

	2026 $000	2025 $000
Raw materials	18,271	17,550
Work-in-progress	2,418	2,223
Finished goods	60,654	58,045
Total inventories	81,343	77,818

The value of inventories is net of $2,880,000 (2025: $2,494,000) 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 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
Additions		-	-	12,872	1,580	14,452
Disposals		-	(109)	(5,741)	(154)	(6,004)
Net foreign currency exchange differences		-	-	5,785	454	6,239
Balance 30 June 2026		7,084	34,463	156,800	14,008	212,355
Accumulated depreciation and impairment						
Balance 1 July 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
Depreciation expense	3	-	913	7,047	1,278	9,238
Disposals		-	(26)	(4,805)	(125)	(4,956)
Net foreign currency exchange differences		-	-	4,578	409	4,987
Balance 30 June 2026		-	8,785	99,551	9,018	117,354
Carrying value						
As at 30 June 2025		7,084	26,674	51,153	4,672	89,583
As at 30 June 2026		7,084	25,678	57,249	4,990	95,001

Plant and equipment and freehold buildings include work in progress of $4,878,000 (2025: $1,550,000).
Capital expenditure commitments are $5,355,000 (2025: $2,765,000).

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 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
Additions		-	650	-	650
Disposals		-	(266)	-	(266)
Net foreign currency exchange differences		1,858	185	-	2,043
Balance 30 June 2026		66,702	7,356	812	74,870
Accumulated amortisation					
Balance 1 July 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
Amortisation expense	3	-	823	140	963
Disposals		-	(231)	-	(231)
Net foreign currency exchange differences		-	120	-	120
Balance 30 June 2026		-	4,972	812	5,784
Carrying value of goodwill and intangible assets					
As at 30 June 2025		64,844	2,527	140	67,511
As at 30 June 2026		66,702	2,384	-	69,086

(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 on pages 105 to 106.

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 12.95% (2025: 13.35%) has been applied to discount future estimated cash flows to their present value.

Cash-generating unit	2026 $000	2025 $000
Gulf	37,388	36,294
Ambic	9,332	8,997
Talbot	6,455	6,455
Silclear	4,608	4,674
Deks	4,325	3,830
Ultralon	4,163	4,163
Stevens Filterite	431	431
Total goodwill	66,702	64,844

(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 2% to 8% per annum (2025: 3% to 7%) 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 2026, 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% (2025: 2%) in years four and five and 1.5% (2025: 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	2026 $000	2025 $000
Trade payables		20,542	15,165
Other payables and accruals		11,729	10,038
	22	32,271	25,203
Employee entitlements		6,691	4,646
GST/VAT payable		1,892	1,920
Total trade and other payables		40,854	31,769

The average credit period on purchases of all goods and services represents an average of 38 days credit (2025: 28 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.

	2026 $000	2025 $000
Provisions		
Employee entitlements for annual and long-service leave	6,957	6,483
Warranties	324	295
Total provisions	7,281	6,778
Current	5,789	5,338
Non-current	1,492	1,440
Total provisions	7,281	6,778

Warranties	2026 $000	2025 $000
Balance at the beginning of the year	295	655
Additional provisions recognised	196	74
Reductions arising from payments/sacrifices of economic benefits	(166)	(435)
Reductions arising from remeasurement or settlement without cost	(5)	-
Net foreign currency exchange differences	4	1
Balance at the end of the year	324	295

(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.

	2026 $000	2025 $000
Secured at amortised cost		
Balance at the beginning of the year	28,000	32,000
Drawdowns	49,000	46,500
Repayments	(55,000)	(50,500)
Balance at the end of the year	22,000	28,000
Effective interest rate	4.15%	4.86%

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

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 $261 million (2025: $234 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 2024		49,968	2,327	52,295
Additions		8,167	254	8,421
Disposals		(2,935)	(465)	(3,400)
Net foreign currency exchange differences		769	31	800
Balance 30 June 2025		55,969	2,147	58,116
Additions		**1,552**	**444**	**1,996**
Disposals		**(1,848)**	**(747)**	**(2,595)**
Net foreign currency exchange differences		**2,100**	**(27)**	**2,073**
Balance 30 June 2026		**57,773**	**1,817**	**59,590**
Accumulated depreciation and impairment				
Balance 1 July 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
Depreciation and impairment expense	3	**7,791**	**379**	**8,170**
Disposals		**(1,848)**	**(747)**	**(2,595)**
Net foreign currency exchange differences		**1,008**	**(42)**	**966**
Balance 30 June 2026		**35,234**	**1,099**	**36,333**
Carrying value				
As at 30 June 2025		27,686	638	28,324
As at 30 June 2026		**22,539**	**718**	**23,257**

(b) Lease Liabilities

	Note	2026 $000	2025 $000
Balance at the beginning of the year		**30,782**	29,049
Additions/Terminations		**1,996**	8,421
Accretion of interest	16	**1,405**	1,398
Payments		**(8,977)**	(8,485)
Net foreign currency exchange differences		**1,227**	399
Balance at the end of the year		**26,433**	30,782
Current		**7,244**	7,496
Non-current		**19,189**	23,286
Balance at the end of the year		**26,433**	30,782

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.

Potential future rental payments	2026 $000	2025 $000
Within five years	7,938	6,555
More than five years	30,489	32,596
Total extension and termination options	38,427	39,151

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 2024	196,071,582	72,406
Balance 30 June 2025	196,071,582	72,406
Balance 30 June 2026	**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

	2026 $000	2025 $000
Interest on bank overdrafts and borrowings	1,245	1,917
Bank facility fees	358	458
Interest on capitalised leases	1,405	1,398
Total finance costs in income statement	3,008	3,773

17. Reserves

	2026 $000	2025 $000
Reserve balances		
Cash flow hedge reserve	(3,245)	916
Foreign currency translation reserve	10,559	600
Employee share plan reserve	1,201	221
Total reserves	8,515	1,737

(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	2026 $000	2025 $000
Balance at the beginning of the year		916	710
Gain/(loss) recognised on cash flow hedges:			
- Foreign exchange contracts and options		(5,772)	285
- Income tax related to (gains)/losses recognised in other comprehensive income	5	1,611	(79)
Movement for the year		(4,161)	206
Balance at the end of the year		(3,245)	916

(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	2026 $000	2025 $000
Balance at the beginning of the year		600	(3,098)
Gain/(loss) recognition:			
- Foreign exchange movements on translation of foreign operations		10,133	3,554
- Income tax related to (gains)/losses on foreign exchange movements of loans with overseas subsidiaries	5	(174)	144
Movement for the year		9,959	3,698
Balance at the end of the year		10,559	600

(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	2026 $000	2025 $000
Balance at the beginning of the year		221	611
Expense recognised for the year	18	535	282
Deferred tax on share incentive scheme	5	445	-
Share options lapsed during the year	18	-	(672)
Movement for the year		980	(390)
Balance at the end of the year		1,201	221

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.

	2026 No of Options	2025 No of Options
Balance at the beginning of the year	1,000,000	800,000
Granted	1,050,000	1,000,000
Lapsed	-	(800,000)
Balance at the end of the year	2,050,000	1,000,000

(a) 2025 Incentive Scheme

On 06 October 2025, the Board awarded 1,050,000 options to the CEO, CFO, and four senior managers (the participants), issued at an exercise price of $5.01, 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 01 September 2028 and ending on 01 November 2028. 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 $935,000 for the 1,050,000 options on issue. The expense recognised in the current period for the incentive scheme is $241,000 (2025: nil).

(b) 2024 Incentive Scheme

On 03 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 01 September 2027 and ending on 01 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 $294,000 (2025: $221,000).

(c) 2022 Incentive Scheme

On 01 November 2024, 800,000 options that has been issued to the CEO on 01 November 2022 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 $672,000 and the expense recognised in 2025 was $61,000. Upon forfeiture, the fair value of the options forfeited 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.

Earnings per share	2026 Cents per Share	2025 Cents per Share
Basic earnings per share	34.52	27.82
Diluted earnings per share	34.21	27.72

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

	2026 $000	2025 $000
Earnings used in the calculation of earnings per share	67,679	54,549
Weighted average number of ordinary shares for		
- Basic earnings per share	196,071,582	196,071,582
- Diluted earnings per share	197,839,664	196,811,308

20. Retained Earnings

	2026 $000	2025 $000
Balance at the beginning of the year	166,047	158,864
Net profit for the year	67,679	54,549
Share incentive scheme	-	672
Payment of dividends	(51,959)	(48,038)
Balance at the end of the year	181,767	166,047

During the reporting period a dividend of 16.5 cents per share (imputed 50%) was paid on 17 October 2025 and 10.0 cents per share (imputed 40%) was paid on 19 March 2026. The imputation tax credits attaching to these dividends totalled $9,019,000 (2025: $8,994,000).

21. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise receivables, payables, bank loans, 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.

	2026 $000	2025 $000
Financial assets		
Cash and cash equivalents	20,029	15,588
Financial liabilities		
Bank loans	(22,000)	(28,000)
Net exposure	(1,971)	(12,412)

(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 2026				
USD	**2,982**	**5,874**	**3,586**	**5,270**
AUD	**429**	**1,570**	**232**	**1,767**
GBP	**157**	**76**	**-**	**233**
EUR	**571**	**1,416**	**1,273**	**714**
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

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

	2026 $000	2025 $000
Financial assets		
Cash and cash equivalents	**7,321**	5,929
Trade and other receivables	**15,344**	11,286
	22,665	17,215
Financial liabilities		
Trade and other payables	**(9,200)**	(4,843)
Net exposure	**13,465**	12,372

(ii) Foreign currency sensitivity

	Net After-tax Profit		Net Equity	
Higher/(Lower)	2026 $000	2025 $000	2026 $000	2025 $000
Foreign currency rates				
Increase +10%	**(911)**	(826)	**(13,915)**	(12,704)
Decrease -5%	**528**	478	**8,056**	7,355

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

(a) 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.

(b) The Group's trend of trading in foreign currency values is not expected to change materially over future periods.

(c) 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.

(d) 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 2026	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	32,271	32,271	31,951	135	185	-
Lease liabilities	26,433	28,084	4,214	3,841	19,031	998
Interest-bearing loans	22,000	23,979	457	457	23,065	-
	80,704	84,334	36,622	4,433	42,281	998
Derivative financial (assets) /liabilities						
Derivative assets	(414)	(297)	(142)	(155)	-	-
Derivative liabilities	4,918	7,097	1,991	1,752	3,354	-
	4,504	6,800	1,849	1,597	3,354	-
Total financial liabilities (net of derivative financial assets)	85,208	91,134	38,471	6,030	45,635	998

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

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 $4,504,000 (2025: $1,256,000).

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.

Financial Assets	Cash and Bank Balances $000	Trade and Other Receivables $000	Derivatives $000	Total Financial Assets $000
Balance 30 June 2026				
Cash and cash equivalents at amortised cost	20,029	-	-	20,029
Debt instruments at amortised cost	-	70,117	-	70,117
Derivatives designated as hedging instruments	-	-	414	414
Total financial assets	20,029	70,117	414	90,560
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

22. Financial Instruments (continued)

Financial Liabilities	Trade and Other Payables $000	Derivatives $000	Borrowings $000	Total Financial Liabilities $000
Balance 30 June 2026				
Derivatives designated as hedging instruments	-	4,918	-	4,918
Other financial liabilities at amortised cost	32,271	-	-	32,271
Interest bearing loans	-	-	22,000	22,000
Total financial liabilities	32,271	4,918	22,000	59,189
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

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:

	2026 $000	2025 $000
Current assets		
Forward currency contracts and options - cash flow hedge	310	1,017
Current assets	310	1,017
Non-current assets		
Forward currency contracts and options - cash flow hedge	104	1,453
Non-current assets	104	1,453
Total assets	414	2,470
Current liabilities		
Forward currency contracts and options - cash flow hedge	3,055	733
Current liabilities	3,055	733
Non-current liabilities		
Forward currency contracts and options - cash flow hedge	1,863	481
Non-current liabilities	1,863	481
Total liabilities	4,918	1,214
Net assets/(liabilities)	(4,504)	1,256

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	
	2026 $000	2025 $000	2026	2025
Buy NZD/Sell EUR				
Maturing 2026: one to 22 months (2025: one to 34 months)	2,886	6,456	0.5335	0.5267
Buy NZD/Sell GBP				
Maturing 2026: one to 38 months (2025: one to 36 months)	34,543	28,456	0.4502	0.4621
Buy NZD/Sell USD				
Maturing 2026: one to 29 months (2025: two to 32 months)	81,333	67,245	0.5889	0.5934
Buy NZD/Sell AUD				
Maturing 2026: one to 33 months (2025: one to 17 months)	23,650	7,728	0.8710	0.9057
Buy CNY/Sell AUD				
Maturing 2026: none (2025: one to three months)	-	1,424	-	0.2097
Buy CNY/Sell USD				
Maturing 2026: one to eight months (2025: two to nine months)	6,204	3,583	0.1474	0.1398
Buy USD/Sell AUD				
Maturing 2026: one to 12 months (2025: one to six months)	10,747	2,468	1.4289	1.5305
Buy EUR/Sell AUD				
Maturing 2026: one to eight months (2025: none)	3,228	-	1.6505	-

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 2026 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, 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 2026	Holding 2025	Balance Date
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
Skellerup Trading Limited	Distribution	China	100%	0%	31 December
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%	100%	30 June

(b) Compensation of Directors and key management

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

	2026 $000	2025 $000
Short-term benefits		
Directors' fees	750	750
Senior management's salaries and incentives	4,973	3,927
Contribution to defined contribution scheme for senior management personnel	182	121
Long-term benefits		
Share-based incentive scheme expensed/(redeemable shares paid) during the year	535	282

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 2026 (six employees at 30 June 2025).

24. Contingent Liabilities

	2026 $000	2025 $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. Significant Events after Balance Date

The Directors resolved to pay a final dividend, imputed to 40%, of 20.0 cents per share on 16 October 2026, to shareholders on the register at 5.00 pm on 02 October 2026. This dividend is not recorded in the financial statements.

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

26. 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 are 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.

Amendments to NZ IFRS 9 and NZ IFRS 7 – Classification and Measurement of Financial Instruments

The amendments clarify certain requirements for the classification and measurement of financial instruments, including the derecognition of financial liabilities settled through electronic payment systems and the assessment of contractual cash flow characteristics for financial assets with contingent features. The amendments also introduce additional disclosure requirements for certain financial instruments. The amendments are effective for reporting periods beginning on or after 1 January 2026, with early adoption permitted. The Group is currently assessing the impact of the amendments; however, they are not expected to have a material impact on the Group's 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 2026.

Director	Designation	Held with Beneficial Interest	Held with Non-beneficial Interest	Held by Associated Persons
John Strowger	Independent	-	-	143,920
David Cushing	Independent	-	-	6,000,000
Rachel Farrant	Independent	-	-	-
Alan Isaac	Independent	-	-	62,411
David Mair	Non-Executive	-	-	1,800,000
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 2025 to 10 August 2026 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 inheritance of 200,015 shares and subsequent sale of the same shares between 19 May and 26 May 2026.
- Interest in 6,000,000 shares held by H&G Limited following the sale of 1,000,000 shares between 19 June and 23 June 2026.

David Mair

- Interest in 1,800,000 shares held by DM2 Investment Trust following the sale of 1,800,000 shares on 20 February 2026.

Paul Shearer

- Appointed as a Director of Aroa Biosurgery Limited on 31 October 2025.

John Strowger

- Appointed as a Director of KMD Brands Limited on 24 June 2026.

Distribution of Ordinary Shares and Shareholders as at 10 August 2026

Range	Number of Shareholders	Number of Shares	% of Shares
1 - 999	523	233,142	0.12
1,000 - 9,999	3,225	13,096,572	6.68
10,000 - 49,999	1,446	28,029,789	14.30
50,000 - 99,999	176	11,626,791	5.93
100,000 - 499,999	94	16,061,791	8.19
500,000 - 999,999	13	8,312,909	4.24
1,000,000 Over	20	118,710,588	60.54
Total	**5,497**	**196,071,582**	**100.00%**

Substantial Product Holders

Pursuant to the Financial Markets Conduct Act 2013, the following parties had given notice as at 10 August 2026 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	26,567,542	13.55
First Cape Group Limited	12,972,610	6.62

Twenty Largest Shareholders as at 10 August 2026

Rank	Name	Number of Shares	%
1	Forsyth Barr Custodians Limited	31,216,453	15.92
2	FNZ Custodians Limited	11,994,860	6.12
3	BNP Paribas Nominees (NZ) Limited	11,606,653	5.92
4	Custodial Services Limited	9,846,619	5.02
5	Accident Compensation Corporation	6,933,038	3.54
6	H & G Limited	6,000,000	3.06
7	HSBC Nominees A/C NZ Superannuation Fund Nominees Limited	5,069,744	2.59
8	New Zealand Depository Nominee Limited	4,965,752	2.53
9	Apex Custodian Nominees (NZ) Limited	4,411,352	2.25
10	Citibank Nominees (New Zealand) Limited	4,235,901	2.16
11	Forsyth Barr Custodians Limited	3,652,089	1.86
12	HSBC Nominees (New Zealand) Limited A/C State Street	2,907,873	1.48
13	HSBC Nominees (New Zealand) Limited	2,707,442	1.38
14	Simplicity Nominees Limited	2,309,695	1.18
15	BNP Paribas Nominees (NZ) Limited	2,118,450	1.08
16	Public Trust (Booster Investments) Nominees Limited	2,076,882	1.06
17	JBWere (NZ) Nominees Limited	1,962,056	1.00
18	David William Mair & John Gordon Phipps	1,800,000	0.92
19	FNZ Custodians Limited (Non Resident A/C)	1,664,818	0.85
20	JPMorgan Chase Bank NA NZ Branch	1,230,911	0.63

Corporate Directory

Directors

WJ Strowger, LLB (Hons)

BD Cushing, BCom, ACA

RH Farrant, BCom, PGDipCom, FCA, CFIoD

AR Isaac, CNZM, BCA, FCA, DistFInstD

DW Mair, BE, MBA

PN Shearer, BCom

Officers

GR Leaming, BCom, FCA
Chief Executive Officer

TS Runnalls, BCom (Hons), CA
Chief Financial Officer

Registered Office

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New Zealand

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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

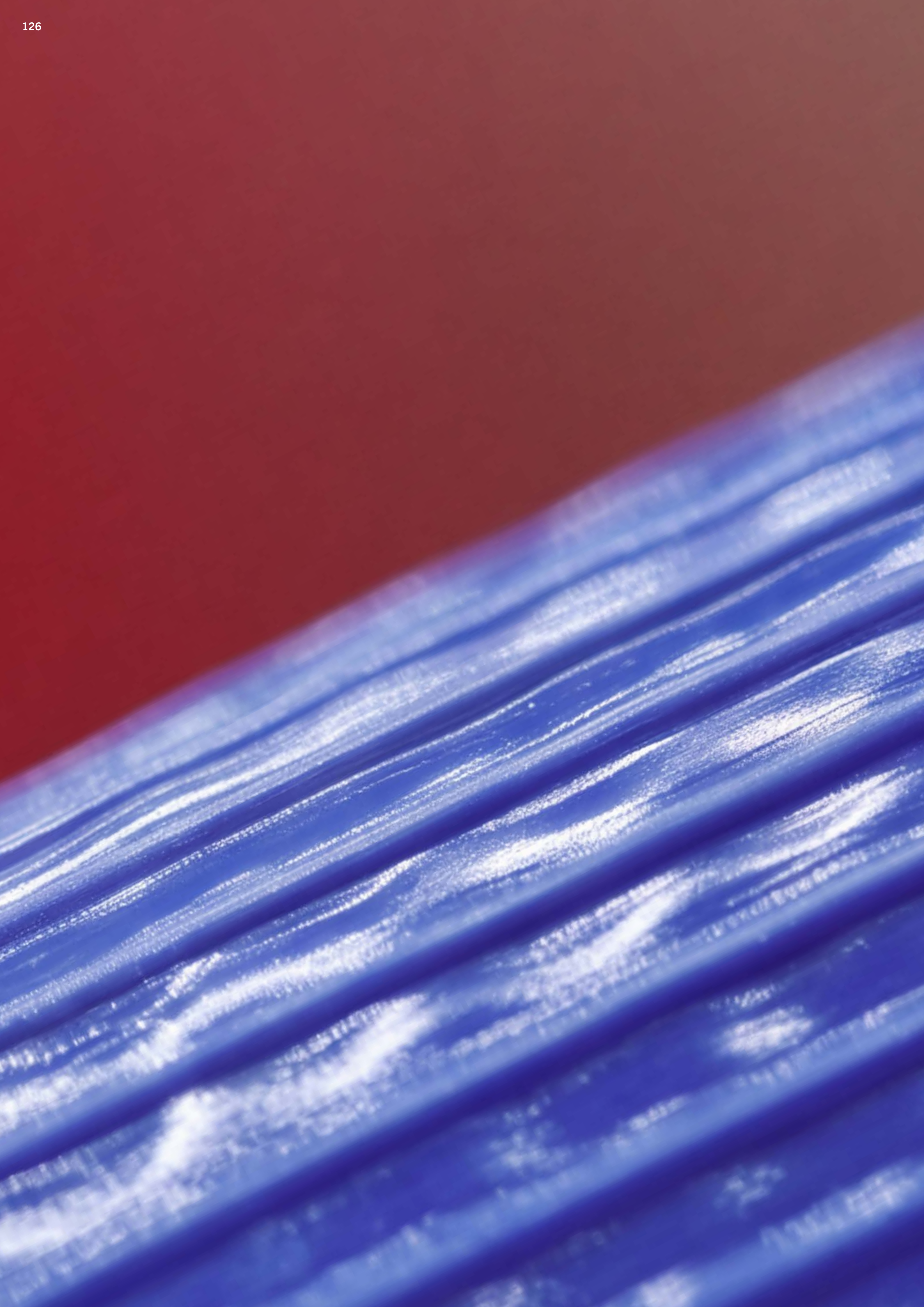
Online

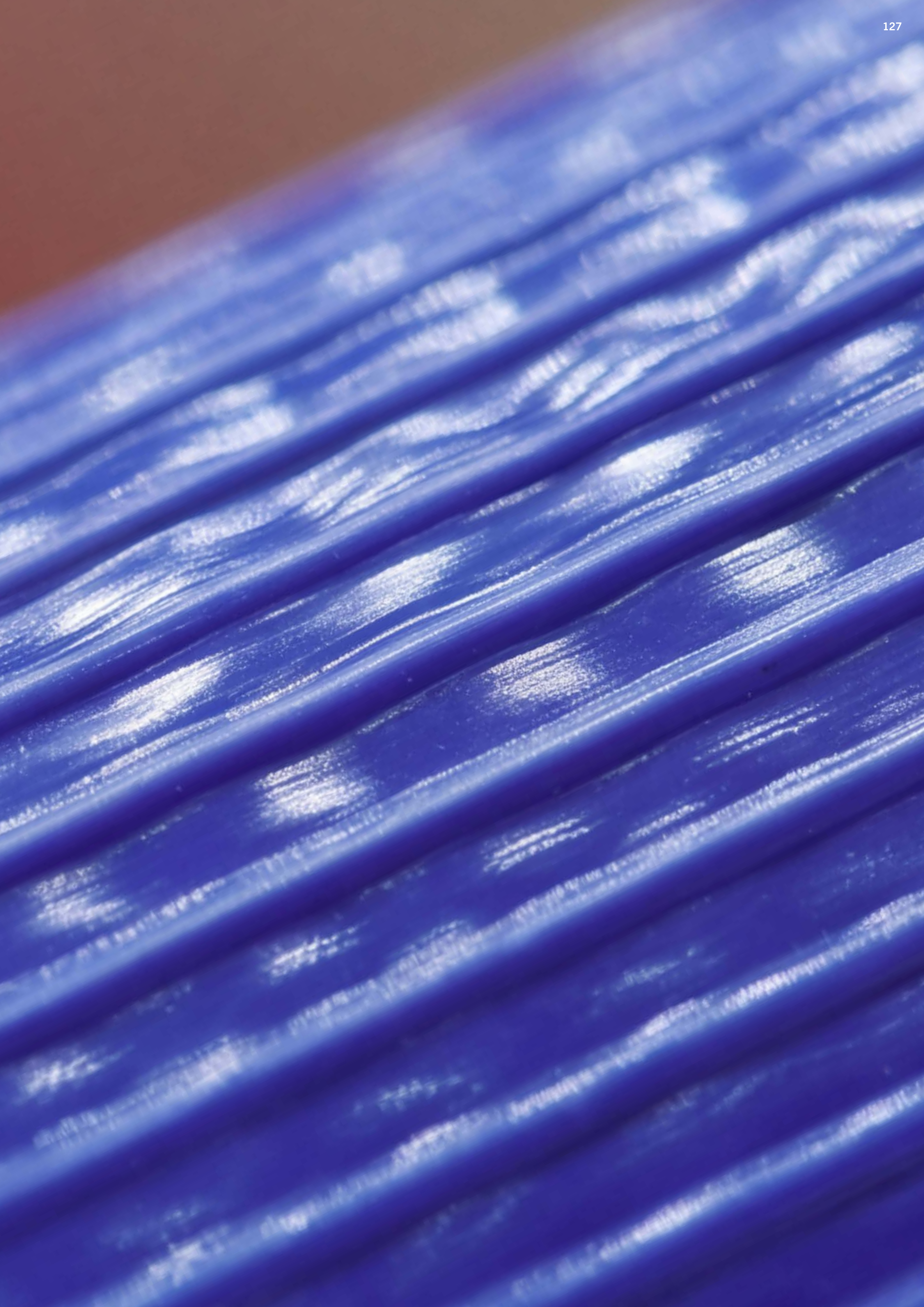
To change your address, update your payment instructions and to view your investment portfolio including transactions, please visit: www.computershare.co.nz/investorcentre

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)





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