Brenworth

PRELIMINARY UNAUDITED FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2026

The preliminary financial information is based on financial statements which are in the process of being audited.

PRELIMINARY UNAUDITED FINANCIAL INFORMATION

CONTENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Unaudited 2026 $000	Audited 2025 $000
Revenue from contracts with customers	5b	106,595	88,424
Cost of sales		(92,034)	(76,903)
Gross profit		14,561	11,521
Other income and gains		135	547
Distribution expenses		(14,986)	(15,111)
Administration expenses		(9,105)	(12,822)
Cyclone Gabrielle related insurance claim	3	-	39,662
Whanganui fire related insurance claim	4	966	(912)
Restructuring costs	5d	(2,784)	(2,725)
Onerous contract	9a	(57)	(896)
		(11,270)	19,264
Finance costs		(818)	(860)
Finance income		900	1,032
(Loss)/Profit before income tax		(11,188)	19,436
Income tax expense		(182)	(333)
(Loss)/Profit after tax for the year		$(11,370)	$19,103
Basic earnings per share (cents)	5c	(16.32)	27.04
Diluted earnings per share (cents)	5c	(16.32)	26.66

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2026

	Unaudited 2026 $000	Audited 2025 $000
(Loss)/Profit after tax for the year	(11,370)	19,103
Other comprehensive income that may be reclassified subsequently to profit or loss		
Effective portion of changes in fair value of cash flow hedges (net of income tax)	(568)	(372)
Net change in fair value of cash flow hedges transferred to profit or loss (net of income tax)	(585)	343
Total other comprehensive loss	(1,153)	(29)
Total comprehensive (loss)/income for the year	$(12,523)	$19,074

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2026

	Share Capital $000	Cash Flow Hedging Reserve $000	Foreign Currency Translation Reserve $000	Share-based Payment Reserve $000	Retained Earnings $000	Total Equity $000
			Unaudited			
Total equity at 1 July 2025	**21,729**	**349**	**(1,420)**	**854**	**51,782**	**73,294**
Total comprehensive income for the year						
Loss after tax	**-**	**-**	**-**	**-**	**(11,370)**	**(11,370)**
Other comprehensive income that may be reclassified subsequently to profit or loss						
Changes in fair value of cash flow hedges (net of income tax)	-	(1,153)	-	-	-	(1,153)
Total comprehensive loss for the year	**-**	**(1,153)**	**-**	**-**	**(11,370)**	**(12,523)**
Transaction with owners in their capacity as owners						
Share-based payments - value of employee services	-	-	-	(2)	-	(2)
Total transaction with owners for the year	**-**	**-**	**-**	**(2)**	**-**	**(2)**
Total equity at 30 June 2026	**$21,729**	**$(804)**	**$(1,420)**	**$852**	**$40,412**	**$60,769**

	Share Capital $000	Cash Flow Hedging Reserve $000	Foreign Currency Translation Reserve $000	Share-based Payment Reserve $000	Retained Earnings $000	Total Equity $000
			Audited			
Total equity at 1 July 2024	22,054	378	(1,420)	732	32,679	54,423
Total comprehensive income for the year						
Profit after tax	-	-	-	-	19,103	19,103
Other comprehensive income that may be reclassified subsequently to profit or loss						
Changes in fair value of cash flow hedges (net of income tax)	-	(29)	-	-	-	(29)
Total comprehensive income for the year	-	(29)	-	-	19,103	19,074
Transaction with owners in their capacity as owners						
Buyback and cancellation of shares	(325)	-	-	-	-	(325)
Share-based payments - value of employee services	-	-	-	122	-	122
Total transaction with owners for the year	(325)	-	-	122	-	(203)
Total equity at 30 June 2025	$21,729	$349	$(1,420)	$854	$51,782	$73,294

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Note	Unaudited 2026 $000	Audited 2025 $000
ASSETS			
Property, plant and equipment - owned		20,354	16,959
Property, plant and equipment - right-of-use		7,439	7,915
Intangible assets		385	36
Restricted cash and cash equivalents	6b	2,200	-
Deferred tax asset		571	488
Total non-current assets		30,949	25,398
Cash and bank	6a	22,033	42,245
Restricted cash and cash equivalents	6b	2,676	-
Trade receivables, other receivables and prepayments		14,134	11,050
Inventories	7	29,066	27,954
Asset held for sale	8	240	-
Derivative financial instruments		-	516
Total current assets		68,149	81,765
Total assets		99,098	$107,163
EQUITY			
Share capital		21,729	21,729
Cash flow hedging reserve		(804)	349
Foreign currency translation reserve		(1,420)	(1,420)
Share-based payment reserve		852	854
Retained earnings		40,412	51,782
Total equity		60,769	73,294
LIABILITIES			
Lease liabilities		14,155	15,168
Employee benefits		341	371
Provisions	9a	1,312	1,769
Total non-current liabilities		15,808	17,308
Trade payables and accruals		14,822	10,049
Customer deposits		77	151
Employee benefits		61	74
Employee entitlements		3,677	3,387
Lease liabilities		1,660	1,540
Provisions	9a	835	1,122
Derivative financial instruments		1,018	54
Deferred income		99	48
Income tax payable		272	136
Total current liabilities		22,521	16,561
Total liabilities		38,329	33,869
Total equity and liabilities		99,098	$107,163

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Unaudited 2026 $000	Audited 2025 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		103,968	86,886
Cash paid to suppliers and employees		(113,280)	(108,784)
		(9,312)	(21,898)
Government grants received		-	176
Other receipts		158	10
GST paid		(118)	(2,097)
Interest paid - loans and borrowings		(32)	(35)
Interest component of lease payments		(786)	(825)
Interest received		900	1,113
Income tax paid		(129)	(217)
Whanganui fire related insurance income	4	1,067	-
Cyclone Gabrielle related insurance income		-	42,230
Cyclone Gabrielle related expenses		-	(2,721)
Net cash flow from operating activities		(8,252)	15,736
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		61	70
Acquisition of plant and equipment		(5,702)	(5,541)
Maturities of short term deposits		27,000	5,000
Whanganui fire related insurance income	4	123	477
Investments in short term deposits		-	(27,000)
Advances to employees pursuant to the Bremworth Equity Plan		-	181
Cyclone Gabrielle related insurance income		-	1,485
Net cash flow from investing activities		21,482	(25,328)
CASH FLOWS FROM FINANCING ACTIVITIES			
Buyback and cancellation of shares		-	(325)
Principal component of lease payments		(1,659)	(1,457)
Transfer to restricted cash and cash equivalents - non-current	6b	(2,200)	-
Transfer to restricted cash and cash equivalents - current	6b	(2,676)	-
Net cash flow from financing activities		(6,535)	(1,782)
Net increase/(decrease) in cash and cash equivalents		6,695	(11,374)
Cash and cash equivalents at beginning of the year		15,245	26,645
Effect of exchange rate changes on cash		93	(26)
Cash and cash equivalents at end of the year		$22,033	$15,245

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Unaudited 2026 $000	Audited 2025 $000
(Loss)/Profit after tax for the year		(11,370)	19,103
Add/(Deduct) non-cash items:			
Depreciation - owned assets		1,660	1,166
Depreciation - right-of-use assets		1,242	1,129
Amortisation - intangible assets		25	25
Impairment of buildings		-	600
Share-based payments - value of employee services		(2)	122
Deferred tax		(83)	(86)
Net gain on sale of plant and equipment		(28)	(13)
Net (gain)/loss on foreign currency balance		(93)	26
Deduct insurance related cash items:			
Whanganui fire related insurance income	4	(123)	(477)
Changes in working capital items:			
Trade receivables, other receivables and prepayments		(3,084)	(1,874)
Inventories		(1,112)	1,394
Trade payables and accruals		4,773	(6,301)
Customer deposits		(74)	12
Employee benefits and entitlements		247	(428)
Provisions		(745)	1,385
Derivative financial instruments		328	-
Deferred income		51	(250)
Income tax payable		136	203
Net cash flow from operating activities		$(8,252)	$15,736

1 COMPANY INFORMATION

Bremworth Limited ("Bremworth" or "the Company") is a limited liability company that is domiciled and incorporated in New Zealand.

The preliminary financial information presented is for Bremworth and its subsidiaries ("the Group") as at, and for the year ended, 30 June 2026.

The Company is registered under the Companies Act 1993 and is an FMC reporting entity for the purposes of the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013. The preliminary financial information has been prepared in accordance with these Acts.

The principal activities of the Group comprise wool acquisition, and carpet and rug manufacturing and sales.

All Group subsidiaries are wholly-owned.

2 GENERAL INFORMATION RELATING TO PREPARATION OF PRELIMINARY FINANCIAL INFORMATION

2a BASIS OF PREPARATION

The preliminary financial information has been prepared on the historical cost basis, except for derivative financial instruments which are measured at fair value.

The preliminary financial information is presented in New Zealand dollars, which is Bremworth's functional and presentation currency. Unless otherwise indicated, all financial information presented in New Zealand dollars has been rounded to the nearest thousand.

The Consolidated Statements of Profit or Loss, Comprehensive Income, Changes in Equity and Cash Flows are stated exclusive of GST. All items in the Consolidated Statement of Financial Position are stated exclusive of GST, except for trade receivables and trade payables, which include GST invoiced.

2 GENERAL INFORMATION RELATING TO PREPARATION OF PRELIMINARY FINANCIAL INFORMATION (continued)

2b GOING CONCERN

The Group prepares its consolidated financial statements on a going concern basis and expects to be able to realise its assets and meet its financial obligations in the normal course of business.

Cash and bank (excluding restricted cash and cash equivalents) at balance date of $22.0 million is down $20.2 million on the $42.2 million equivalent as at 30 June 2025. This reduction reflects largely the following:

- $4.9 million that was transferred to restricted cash and cash equivalents during the year as explained in detail in note 6b;
- $5.8 million cash out flows from trading activities, reflecting the ongoing difficult trading conditions;
- $2.5 million cash out flows relating to costs associated with the proposed scheme of arrangement;
- $5.5 million cash out flows for property, plant and equipment, including $4.4 million towards the staged reinstatement of the Napier spinning plant assets that were damaged during Cyclone Gabrielle; and
- $1.7 million cash out flows towards lease obligations.

Notwithstanding the reduction in cash and bank during the period, the Group's financial position remains strong, with equity to total assets of 61.3% (compared with 68.4% as at 30 June 2025) and current ratio (measured by dividing its current assets by its current liabilities) of 3.03 (compared with 4.94 as at 30 June 2025).

The net working capital (being current assets (excluding cash and bank and restricted cash and cash equivalents) less current liabilities) employed by the Group as at balance date of $20.9 million compares with $23.0 million as at 30 June 2025 - reflecting the ongoing focus on working capital employed by the business.

The Board remains committed to the future of the existing carpet business, with a number of decisions taken to strengthen the Company's financial performance, position and cash flows. These decisions included the following:

- the re-entry into the synthetic carpet markets in New Zealand and Australia to provide the carpet business with additional volume while also meeting ongoing requests for synthetic carpet from its channel partners;
- the reinstatement of key items of plant and equipment at the Napier yarn plant following Cyclone Gabrielle;
- the review of its cost base, with the assistance of external consultants and industry experts; and
- the simplification of the business structure and the way of doing business going forward.

The Group has also prepared forecasts of its financial performance, while also assessing cash flows and financial position as part of the Board's ongoing review of the business.

In preparing these forecasts, management considered and, where required, made assumptions in relation to:

- the additional costs, and time it would take, to re-introduce synthetic carpet into its pre-existing woollen carpet offerings with earlier product launch plans taking longer than anticipated to execute;
- the capital expenditure that will be required to support the business going into the future;
- the cost savings that have been achieved from the review of its cost base and the simplification of its business structure; and
- the further cost savings and reduction in working capital requirements that have been identified.

The Board considers that although there are uncertainties relating to these forecasts, these uncertainties are not significant enough to lead to a material uncertainty relating to going concern.

The Board expects that sufficient funds are available to fund the Group’s operations while also providing the Board with optionality to continue to look at opportunities to return the business to profitability.

2 GENERAL INFORMATION RELATING TO PREPARATION OF PRELIMINARY FINANCIAL INFORMATION (continued)

2c BASIS OF CONSOLIDATION

The consolidated financial information incorporate the assets and liabilities of all subsidiaries of the Group as at 30 June 2026 and the results of all subsidiaries for the year then ended. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial information. Unrealised losses are also eliminated unless the underlying intra-group transaction provides evidence that the asset transferred is impaired.

2d CHANGES IN ACCOUNTING POLICIES

There were no changes in accounting policies during the year ended 30 June 2026.

3 IMPACT OF CYCLONE GABRIELLE

Dealing with impact of Cyclone Gabrielle in February 2023

The following table summarises the impact of Cyclone Gabrielle on the Consolidated Statement of Profit or Loss:

	Unaudited	Audited
	2026	2025
Impact of Cyclone Gabrielle	**$000**	$000
Insurance proceeds secured and recognised as income	-	42,230
Ongoing payroll costs recognised as expenses	-	(240)
Ongoing costs as a result of the cyclone as well as professional fees (including claims preparation costs) incurred that have been recognised as expenses	-	(151)
Other additional costs incurred to avoid loss of revenue that have also been recognised as expenses	-	(2,177)
	-	$39,662

The $42.2 million of Cyclone Gabrielle related insurance income recognised during the year ended 30 June 2025 represents the final amount that was received following the settlement of the Company's Cyclone Gabrielle insurance claims, with that amount representing the $104.2 million full and final settlement that was agreed with the insurers less progress payments received to that date of $62.0 million.

4 IMPACT OF FIRE AT THE WHANGANUI YARN SPINNING PLANT

Dealing with impact of the fire at the Whanganui yarn spinning plant in May 2025

On 4 May 2025, a fire broke out at the Whanganui yarn spinning plant.

The losses were substantially covered by insurance, and the Group settled its insurance claim on 26 February 2026.

The following table summarises the impact of the fire at the Whanganui yarn spinning plant on the Consolidated Statement of Profit or Loss:

Impact of fire	Unaudited 2026 $000	Audited 2025 $000
Insurance proceeds secured and recognised as income	1,140	527
Proceeds from salvage of damaged inventory	187	-
Ongoing costs as a result of the fire as well as professional fees (including claims preparation costs) incurred that have been recognised as expenses	(361)	-
Damaged buildings derecognised to the extent appropriate	-	(600)
Damaged or destroyed inventory written off to the extent appropriate	-	(839)
	$966	$(912)

The $1,140,000 of Whanganui fire related insurance income recognised during the year ended 30 June 2026 represents the final payment that was agreed with the insurers as settlement of the Group's insurance claim (2025: progress payment of $750,000 less deductible of $223,000).

Accounting policies
Insurance proceeds are recognised as income and as a receivable when receipt is virtually certain and to the extent that the amount can be reliably estimated.

In the event that insurance proceeds cannot be recognised as income and as a receivable because receipt is not virtually certain and/or the amount cannot be reliably estimated, they are disclosed as contingent assets.

Progress payments received

	Unaudited 2026 $000	Audited 2025 $000
Whanganui fire related insurance income recognised	1,140	527
Add payments relating to income recognised in the previous year	50	-
Less payments received in the following year	-	(50)
Insurance recovery progress payments received	$1,190	$477

Insurance recovery progress payments received have been recognised in the Consolidated Statement of Cash Flows as follows:

Operating activities	1,067	-
Investing activities	123	477
Insurance recovery progress payments received	$1,190	$477

5 FINANCIAL PERFORMANCE

5a SEGMENT PERFORMANCE

Reportable segments

The Group's reportable and operating segments are:

- Carpet, with this segment involved in the manufacturing and sales of carpet and rugs in New Zealand, Australia and rest of the world; and
- Wool, with this segment involved in the acquisition of wool for the carpet segment and for sales to external customers in New Zealand.

An operating segment is a component of the Group:

- that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components;
- whose operating results are regularly reviewed by the Group's chief operating decision maker - in this case, the Chief Executive Officer - to make decisions about the resources to be allocated to the segment and to assess its performance; and
- for which discrete financial information is available.

The Chief Executive Officer uses total revenue, segment result before depreciation, insurances, restructuring and onerous contract and segment result after depreciation but before insurances, restructuring and onerous contract to assess the performance of the operating segments. Total assets and total liabilities are also reviewed for the operating segments.

Inter-segment transactions

Inter-segmental sales during the year and intercompany profits on stocks at balance date are eliminated on consolidation.

Geographical areas

In presenting information on the basis of geographical areas, revenue is based on the geographical location of customers and non-current assets are based on the geographical location of those assets.

	Unaudited 2026 $000	Audited 2025 $000
Revenue		
New Zealand	77,154	57,298
Australia	27,934	29,443
Canada	1,222	903
USA	200	661
Rest of the world	85	119
	$106,595	$88,424

	Unaudited As at 30 June 2026 $000	Audited As at 30 June 2025 $000
Non-current assets		
New Zealand	29,738	24,437
Australia	1,211	961
	$30,949	$25,398

5 FINANCIAL PERFORMANCE (continued)

5a SEGMENT PERFORMANCE (continued)

Major customers

None of the Group's external customers contributed revenues in excess of 10% of the Group's total revenues.

	Carpet and rugs sales and manufacturing		Wool acquisition		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	2026	2025	2026	2025	2026	2025
	$000	$000	$000	$000	$000	$000
External revenue	61,805	59,504	44,790	28,920	106,595	88,424
Inter-segment revenue	-	-	4,617	2,441	4,617	2,441
Total revenue	61,805	59,504	49,407	31,361	111,212	90,865
Elimination of inter-segment revenue					(4,617)	(2,441)
Consolidated revenue					$106,595	$88,424
Segment result before depreciation, insurances, restructuring and onerous contract	(8,239)	(13,824)	2,560	1,301	(5,679)	(12,523)
Depreciation - owned assets	(1,446)	(1,000)	(214)	(166)	(1,660)	(1,166)
Depreciation - right-of-use assets	(1,069)	(956)	(173)	(173)	(1,242)	(1,129)
Amortisation - intangible assets	(25)	(25)	-	-	(25)	(25)
Segment result before insurances, restructuring and onerous contract	(10,779)	(15,805)	2,173	962	(8,606)	(14,843)
Cyclone Gabrielle related insurance claim	-	39,662	-	-	-	39,662
Whanganui fire related insurance claim	966	(912)	-	-	966	(912)
Restructuring costs	(2,784)	(2,725)	-	-	(2,784)	(2,725)
Onerous contract	(57)	(896)	-	-	(57)	(896)
Segment result	(12,654)	19,324	2,173	962	(10,481)	20,286
Elimination of inter-segment profits					7	20
Unallocated corporate costs					(796)	(1,042)
Results from operating activities					(11,270)	19,264
Finance costs					(818)	(860)
Finance income					900	1,032
(Loss)/Profit before income tax					(11,188)	19,436
Income tax expense					(182)	(333)
(Loss)/Profit after tax for the year					$(11,370)	$19,103

5 FINANCIAL PERFORMANCE (continued)

5a SEGMENT PERFORMANCE (continued)

	Carpet and rugs sales and manufacturing		Wool acquisition		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	2026	2025	2026	2025	2026	2025
	$000	$000	$000	$000	$000	$000
Reportable segment assets	61,111	56,591	11,078	8,327	72,189	64,918
Unallocated assets - Cash and bank					22,033	42,245
Unallocated assets - Restricted cash					4,876	-
Total assets					$99,098	$107,163
Capital expenditure	5,395	5,114	307	428	$5,702	$5,542
Reportable segment liabilities	17,535	15,141	4,979	2,020	22,514	17,161
Unallocated liabilities - Lease liabilities					15,815	16,708
Total liabilities					$38,329	$33,869

5b REVENUE FROM CONTRACTS WITH CUSTOMERS

	Unaudited	Audited
	2026	2025
	$000	$000
Sales of goods		
Carpet	60,374	58,160
Rugs	970	1,164
Wool	44,790	28,920
Other	461	180
Total revenue	$106,595	$88,424

5c EARNINGS PER SHARE

Basic earnings per share (Basic EPS)

	Unaudited	Audited
	2026	2025
(Loss)/Profit after tax attributable to shareholders of the Company ($000)	(11,370)	19,103
Weighted average number of ordinary shares outstanding	69,666,127	70,657,464
Basic (loss)/earnings per share (cents)	(16.32)	27.04

Diluted earnings per share (Diluted EPS)

	Unaudited	Audited
	2026	2025
(Loss)/Profit after tax attributable to shareholders of the Company ($000)	(11,370)	19,103
Weighted average number of ordinary shares outstanding and potential ordinary shares	69,666,127	71,657,464
Diluted (loss)/earnings per share (cents)	(16.32)	26.66

In calculating the diluted earnings per share, the Company has taken into account the maximum number of shares that the holders could be issued with under the Bremworth Share Option Scheme.

5 FINANCIAL PERFORMANCE (continued)

5d RESTRUCTURING COSTS

	Unaudited 2026 $000	Audited 2025 $000
Termination payments	276	1,986
Board-led strategic review	2,508	444
Costs associated with review of cost base	-	295
Total restructuring costs	**$2,784**	$2,725

Board-led strategic review costs include the costs incurred on the proposed scheme of arrangement with Floorscape Limited pursuant to the scheme implementation agreement entered into in October 2025.

6 CASH

6a CASH AND BANK

Cash and bank at balance date comprise the following:

	Unaudited 2026 $000	Audited 2025 $000
Cash and cash equivalents	22,033	15,245
Short term deposits	-	27,000
	$22,033	$42,245

Accounting policies

Cash is cash on hand and demand deposits and is net of bank overdrafts used for cash management purposes where formal arrangements for set off has been agreed with the Bank of New Zealand ("the Bank"). Under these set off arrangements, the Group is able to set off overdrawn balances up to a maximum of $1,000,000 against credit balances in selected accounts as long as the net balance of all these accounts (including overdrawn accounts) as a whole remains in credit. At balance date, there were no overdrawn amounts subject to set off (2025: Nil). Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash (that is, there is insignificant risk of changes in value) with maturity no more than three months from balance date. Short term deposits are investments with maturities greater than three months but no more than twelve months from balance date.

6b RESTRICTED CASH AND CASH EQUIVALENTS

	Unaudited 2026 $000	Audited 2025 $000
Total	**$4,876**	-
Non-current	2,200	-
Current	2,676	-
Total	**$4,876**	**-**

The Group's banking facilities include guarantees by the Bank to third parties relating to the Group's lease and other operating commitments.

At reporting date, the Group held restricted cash and cash equivalents of $4,876,000 (2025: Nil), with this balance relating to cash and cash equivalents deposited with the Bank as security against the guarantees provided by the Bank. These cash and cash equivalents are subject to security restrictions and are not available for general operating purposes by the Group.

Restricted cash and cash equivalents are classified as current or non-current based on the expected timing of release of the security restrictions. Amounts restricted for less than 12 months after balance date are classified as current assets, while amounts restricted for more than 12 months after balance date are classified as non-current assets.

7 INVENTORIES

Inventories, net of provision, are summarised in the table below:

	Unaudited 2026 $000	Audited 2025 $000
Raw materials and consumables	9,349	10,708
Raw materials in transit	488	111
Work in progress	1,363	1,501
Finished goods	17,866	15,634
	$29,066	$27,954
Inventory provision at 1 July	5,238	2,614
Change in provision during the year	(2,089)	2,624
Inventory provision at 30 June	$3,149	$5,238

The approach to inventory provisioning in 2026 is substantially consistent with 2025, with the decrease in provision attributable to the significant improvement in the Group's inventory profile as a result of the focus that was given during the year to address quality issues and to dispose off obsolete, aged and discontinued, as well as defective, inventories.

Accounting policies
Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Estimates, judgements and assumptions
Inventory provisions are recognised for oddments and obsolete, aged and discontinued , as well as defective, inventories to arrive at their likely net realisable value.

Estimates and judgement are applied in identifying and categorising - to the extent applicable - obsolete, aged, discontinued and defective inventories and determining the level of provisioning that is required – with a range of factors including inventory rationalisation plans, consumer demand and trends, available distribution channels and historical sales and margin data considered.

8 ASSET HELD FOR SALE

	Unaudited 2026 $000	Audited 2025 $000
Land situated at Napier	$240	-

The Group entered into an agreement for the sale of surplus land at its Napier yarn spinning plant in November 2025, with settlement 10 workings days after the Group notifies the purchaser in writing that Land Information New Zealand has issued new title for the land subject to the sale.

New title for the land subject to the sale is expected to be issued in December 2026.

The Group has classified this asset as an asset held for sale under NZ IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) because its value will be recovered through a sale rather than through continued use at balance date - with the asset available for immediate sale in its present condition and the sale being highly probable.

9 OTHERS

9a PROVISIONS

	Onerous contract $000	Warranties $000	Others $000	Total $000
Unaudited				
Balance at 1 July 2025	896	1,955	40	2,891
Provided during the year	57	910	-	967
Utilised during the year	(912)	(799)	-	(1,711)
Balance at 30 June 2026	$41	$2,066	$40	$2,147
Non-current	-	1,272	40	1,312
Current	41	794	-	835
Balance at 30 June 2026	$41	$2,066	$40	$2,147
Audited				
Balance at 1 July 2024	-	1,315	191	1,506
Provided during the year	896	1,512	-	2,408
Utilised during the year	-	(872)	(151)	(1,023)
Balance at 30 June 2025	$896	$1,955	$40	$2,891
Non-current	486	1,243	40	1,769
Current	410	712	-	1,122
Balance at 30 June 2025	$896	$1,955	$40	$2,891

Onerous contract

The provision for onerous contract relates to a contract for the supply of product that was entered into during the year ended 30 June 2025. This contract will terminate on the delivery of the balance of product required to be supplied under the contract or 31 December 2026 whichever is the earlier.

The provision has been recognised at the present value of the future net cash outflows relating to the contract, with a corresponding expense to the Consolidated Statement of Profit or Loss.

Accounting policies

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability.

9 OTHERS (continued)

9b NET TANGIBLE ASSETS PER SHARE

	Unaudited 2026	Unaudited 2025
Net tangible assets of the Group ($000)	**52,374**	64,855
Number of ordinary shares outstanding	**69,089,365**	70,561,519
Net tangible assets per share ($)	**0.76**	0.92

9c EVENTS AFTER THE REPORTING PERIOD

On 14 August 2026, Mangawhai Collective Limited ("MCL") which has legal and beneficial ownership of 13,444,899 ordinary shares in the Company while also controlling the exercise of voting rights of a further 188,943 ordinary shares (with the total number of shares of 13,633,842 representing 19.734% of the 69,089,365 ordinary shares on issue) filed a notice of intention to make a partial takeover offer under the Takeovers Code for ordinary shares in the Company that it does not already own or control.

The notice of intention is not a formal offer. Rather, it entitles (but does not oblige) MCL to make a partial takeover offer for 43.937% of the ordinary shares in the Company that it does not already own or control at a price of $0.90 per ordinary share. If an offer is made and is successful, this would result in MCL owning or controlling up to 55.0% (and no less than 50.001%) of the voting rights in the Company.

As announced to the market on 10 August 2026, MCL has entered into lock-up deeds with shareholders representing 32.241% of the ordinary shares in the Company, obliging those shareholders to accept (or procure the acceptance of) the partial takeover offer, if made, for all of the shares in Bremworth that they or their relevant related trusts or entities own or control. Copies of the lock-up deeds are attached to MCL's substantial product holder notice lodged with NZX on 10 August 2026.

The Board has formed a Board sub-committee to oversee Bremworth's response, with the sub-committee comprising Trevor Burt, Julie Bohnnen and Murray Dyer. The Bremworth Board considers it too early to comment on the merits of the draft offer at this time.

DISCLOSURE OF NON-GAAP FINANCIAL INFORMATION

The Directors believe that the non-GAAP financial information contained within the financial information pack (more particularly, the non-GAAP measures of financial performance such as "EBITDA (normalised)", "EBIT (normalised)", "(Loss)/Profit before tax (normalised)" and "(Loss)/Profit after tax (normalised)" as well as the various other financial ratios that are based on normalised results – for example, earnings per share) provide useful information to investors regarding the performance of the Group because the calculations exclude items that are not expected to occur on a regular basis either by virtue of quantum or nature (including insurance claims, restructuring costs and onerous contract).

In arriving at this view, the Directors have also taken cognisance of the regular requests by users of the Group's financial information, including shareholders, regarding the nature and quantum of abnormal items within the GAAP-compliant results and the way shareholders distinguish between GAAP and non-GAAP measures of profit.

The disclosure of the non-GAAP financial information is also consistent with how the financial information for the Group is reported internally, and reviewed by the Chief Executive Officer as its chief operating decision maker, and provides what the Directors and management believe gives a more meaningful insight into the underlying financial performance of the Group and a better understanding of how the Group is tracking after taking into account items of an abnormal nature, including items that are unlikely to recur or otherwise unusual in nature.

Non-GAAP financial information does not have standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information prescribed by other entities.

In presenting non-GAAP financial information, the Directors have taken into account all of the requirements within the FMA guidance note. More specifically, these include:

- outlining why non-GAAP financial information is useful to investors and how it is used internally by management;
- identifying the source of non-GAAP financial information;
- ensuring that:
    - non-GAAP financial information is not presented with undue and greater prominence, emphasis or authority than the most directly comparable GAAP financial information;
    - presentation of non-GAAP financial information does not in any way confuse or obscure presentation of GAAP financial information;
    - a reconciliation from the non-GAAP financial information to the most directly comparable GAAP financial information, including that for the previous period, can be easily accessed (see below);
    - a consistent approach is adopted from period to period with respect to the presentation of non-GAAP financial information, including that for comparative periods;
    - where there is any change in approach from the previous period, the nature of the change is explained and the reasons and financial impact provided;
    - non-GAAP financial information is unbiased; and
- taking care when describing, or referring to, items as 'one-off' or 'non-recurring'.

DISCLOSURE OF NON-GAAP FINANCIAL INFORMATION (continued)

RECONCILIATION OF GAAP-COMPLIANT TO NON-GAAP-COMPLIANT MEASURES OF PERFORMANCE

	Year ended 30 June 2026			Year ended 30 June 2025		
	GAAP $000	Adjustments $000	Normalised $000	GAAP $000	Adjustments $000	Normalised $000
Revenue	106,595	-	106,595	88,424	-	88,424
EBITDA	(8,343)	1,875	(6,468)	21,584	(35,129)	(13,545)
Depreciation - owned assets	(1,660)	-	(1,660)	(1,166)	-	(1,166)
Depreciation - right-of-use assets	(1,242)	-	(1,242)	(1,129)	-	(1,129)
Amortisation - intangible assets	(25)	-	(25)	(25)	-	(25)
EBIT	(11,270)	1,875	(9,395)	19,264	(35,129)	(15,865)
Finance costs	(818)	-	(818)	(860)	-	(860)
Finance income	900	-	900	1,032	-	1,032
(Loss)/Profit before tax	(11,188)	1,875	(9,313)	19,436	(35,129)	(15,693)
Tax expense	(182)	-	(182)	(333)	-	(333)
(Loss)/Profit after tax	(11,370)	1,875	(9,495)	19,103	(35,129)	(16,026)
Abnormal items		(1,875)	(1,875)		35,129	35,129
(Loss)/Profit after tax (GAAP)		-	$(11,370)		-	$19,103

Analysis of abnormal items

	Year ended 30 June 2026			Year ended 30 June 2025		
	Before tax $000	Tax effect [1] $000	After tax $000	Before tax $000	Tax effect [1] $000	After tax $000
Cyclone Gabrielle related income	-	-	-	42,230	-	42,230
Cyclone Gabrielle related asset write offs, expenses and asset impairment reversed	-	-	-	(2,568)	-	(2,568)
Whanganui spinning plant fire related income	1,140	-	1,140	527	-	527
Whanganui spinning plant fire related asset write offs, salvage and expenses	(174)	-	(174)	(1,439)	-	(1,439)
Restructuring costs	(2,784)	-	(2,784)	(2,725)	-	(2,725)
Onerous contract	(57)	-	(57)	(896)	-	(896)
Total	$(1,875)	-	$(1,875)	$35,129	-	$35,129

[1] Tax effect nil because of unrecognised tax losses

Calculation of basic and diluted earnings/(loss) per share under GAAP and non-GAAP measures of profit after tax

Year ended 30 June 2026	GAAP-compliant reported (loss)/profit after tax	Reverse abnormal items (net of tax) where applicable	Non-GAAP-compliant normalised (loss)/profit after tax
Loss attributable to shareholders ($000)	$(11,370)	$1,875	$(9,495)
Weighted average number of ordinary shares (basic)	69,666,127		69,666,127
Loss per share (basic) (cents)	(16.32)		(13.63)
Weighted average number of ordinary shares (diluted)	69,666,127		69,666,127
Loss per share (diluted) (cents)	(16.32)		(13.63)
Year ended 30 June 2025			
Profit/(Loss) attributable to shareholders ($000)	$19,103	$(35,129)	$(16,026)
Weighted average number of ordinary shares (basic)	70,657,464		70,657,464
Earnings/(Loss) per share (basic) (cents)	27.04		(22.68)
Weighted average number of ordinary shares (diluted)	71,657,464		71,657,464
Earnings/(Loss) per share (diluted) (cents)	26.66		(22.36)