A STRONGER FOUNDATION

ANNUAL REPORT 2026

Bremworth

Bremworth

The fundamentals are in place.

During the 2026 financial year, Bremworth made meaningful progress in addressing the operational and commercial issues that had constrained performance in recent years.

Both our yarn plants are now fully operational. Our product range is more targeted and relevant. Our inventory profile has improved. Our cost base is lower and the way we operate is simpler.

These changes have created a stronger platform for the business. However, we still have work to do to build sustainable earnings and value for shareholders.

That is our focus for FY27.

Rob Hewett – Chair

Craig Woolford – CEO

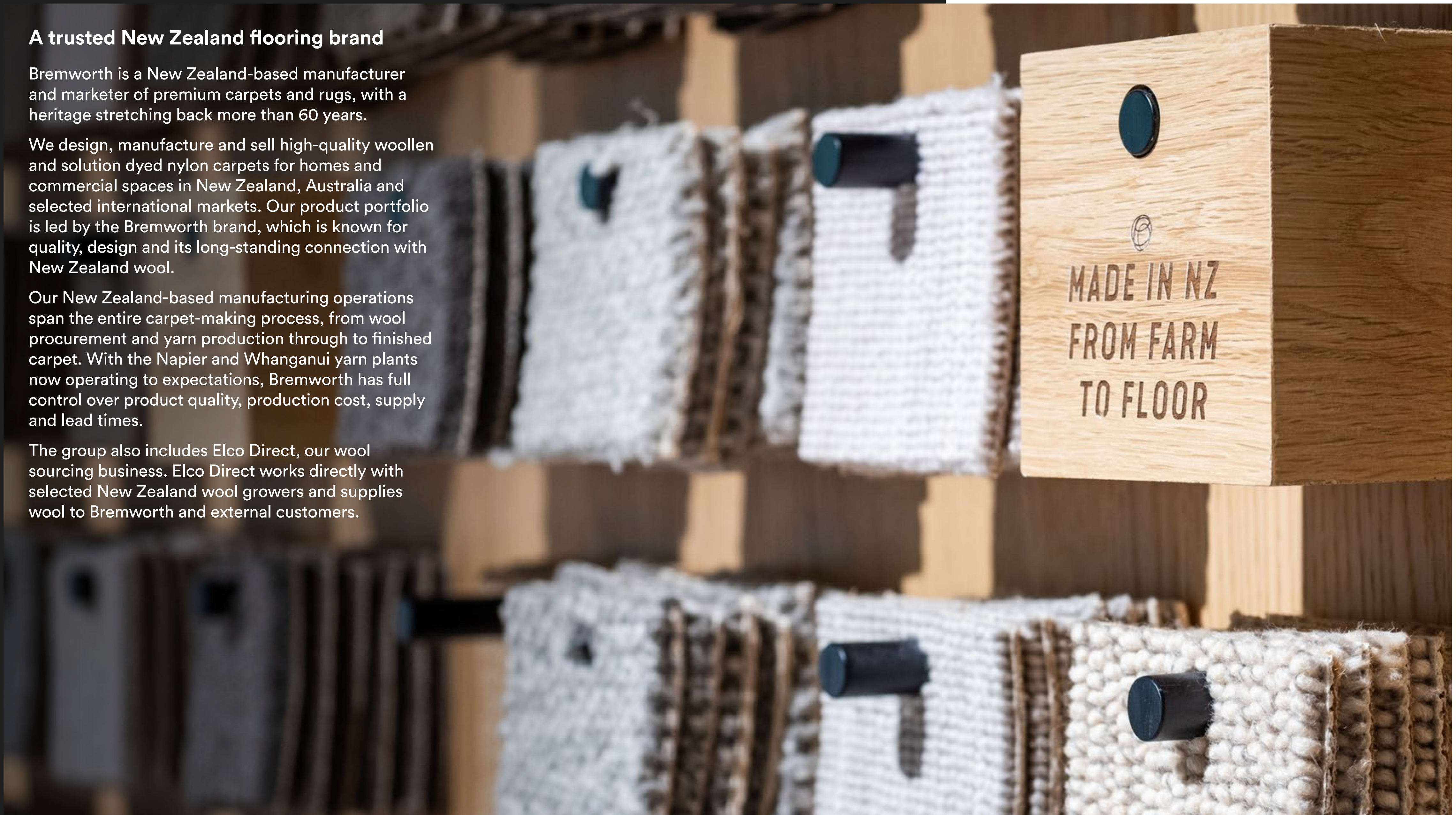
CONTENTS

On behalf of the Board and management of Bremworth Limited, we are pleased to present the Annual Report for the year ended 30 June 2026.

Rob Hewett – Chair
25 September 2026

Craig Woolford – CEO

BREMWORTH AT A GLANCE



A trusted New Zealand flooring brand

Bremworth is a New Zealand-based manufacturer and marketer of premium carpets and rugs, with a heritage stretching back more than 60 years.

We design, manufacture and sell high-quality woollen and solution dyed nylon carpets for homes and commercial spaces in New Zealand, Australia and selected international markets. Our product portfolio is led by the Bremworth brand, which is known for quality, design and its long-standing connection with New Zealand wool.

Our New Zealand-based manufacturing operations span the entire carpet-making process, from wool procurement and yarn production through to finished carpet. With the Napier and Whanganui yarn plants now operating to expectations, Bremworth has full control over product quality, production cost, supply and lead times.

The group also includes Elco Direct, our wool sourcing business. Elco Direct works directly with selected New Zealand wool growers and supplies wool to Bremworth and external customers.

RELEVANT PRODUCTS. STRONG CUSTOMER RELATIONSHIPS. RELIABLE SUPPLY.

CONSISTENT QUALITY. DISCIPLINED COSTS AND CAPITAL.

What we do

Premium wool carpet and rugs

Wool remains at the heart of the Bremworth brand. It provides a high quality, distinctive, natural and premium flooring offer, supported by our relationships with New Zealand wool growers. Bremworth is continually developing new products to remain the colour and style leader in the carpet market.

Solution dyed nylon carpet

During 2025, Bremworth re-established a premium synthetic carpet offer, the Origin Collection. This broadens the market in which we can participate and enables us to provide retail partners with a more complete product range.

Wool sourcing

Elco Direct sources wool directly from farmers to supplement Bremworth's manufacturing operations and for sale to external customers.

FY26 AT A GLANCE

FOR THE 12 MONTHS ENDED 30 JUNE 2026

REVENUE

$106.8m

21% INCREASE PRIMARILY DRIVEN BY ELCO DIRECT ↑

GROSS MARGIN %

13.6%

UP 0.6 PERCENTAGE POINTS ON FY25 ↑

NORMALISED EBIT[1] LOSS

$(9.4)m

$6.5m IMPROVEMENT ON PRIOR YEAR ↑

NET LOSS AFTER TAX

$(11.4)m

INCLUDING $(1.9)m IN NET ABNORMAL ITEMS ↓

OPERATING CASH OUTFLOW[2]

$(9.1)m

$14.6m IMPROVEMENT ON PRIOR YEAR ↑

AVAILABLE CASH[3]

$22.0m

FURTHER $4.9m HELD AS RESTRICTED CASH ↓

[1] Normalised Earnings Before Interest and Tax (EBIT) is a non-GAAP measure and excludes $(1.9)m of abnormal items relating to insurance claims, restructuring costs and an onerous contract provision (FY25 adjustments were positive $35.1m)

[2] Excludes insurance-related income and expenses (FY26 net income of $0.9m; FY25 net income of $39.5m)

[3] Excludes $4.9m in restricted cash and cash equivalents deposited with BNZ as security against bank guarantees and other commitments

NAPIER AND WHANGANUI YARN PLANTS

BOTH SPINNING PLANTS ARE NOW FULLY OPERATIONAL, REDUCING PRODUCT AND SUPPLY-CHAIN COSTS AS WELL AS LEAD TIMES, WHILE MATERIALLY IMPROVING PRODUCT QUALITY.

A BROADER PRODUCT RANGE

BREMWORTH RE-ESTABLISHED ITS PREMIUM SOLUTION DYED NYLON RANGE, COMPLEMENTING ITS WOOL OFFER AND WIDENING ITS ADDRESSABLE MARKET.

A SIMPLER, LOWER-COST BUSINESS

A COMPREHENSIVE COST REVIEW REDUCED COMPLEXITY AND ESTABLISHED A COST BASE MORE APPROPRIATE FOR CURRENT MARKET CONDITIONS.

BETTER-QUALITY INVENTORY

SUB-STANDARD YARN AND CARPET SOLD DOWN, SLOWER-MOVING LINES RATIONALISED AND SHARPENED FOCUS ON THE AVAILABILITY OF KEY PRODUCTS AND SAMPLES.

GREATER CUSTOMER COVERAGE

SALES TEAMS WERE EXPANDED IN AUSTRALIA AND REALIGNED IN NEW ZEALAND TO STRENGTHEN RETAIL RELATIONSHIPS AND POSITION BREMWORTH TO CAPTURE FUTURE DEMAND.

INTERNATIONAL OPPORTUNITIES

A RENEWED FOCUS ON NORTH AMERICA AND CHINA HAS CREATED EARLY OPPORTUNITIES FOR MEDIUM-TERM REVENUE GROWTH.

SIGNIFICANT OPERATIONAL PROGRESS MUST NOW TRANSLATE INTO FINANCIAL PERFORMANCE

CHAIR'S LETTER

Rob Hewett – Chair

"The Board spent a significant part of the past 18 months assessing credible opportunities available to Bremworth. Throughout, we have consistently sought to maximise value and preserve choice for all shareholders."

Dear Shareholders,

FY26 was an important year of change for Bremworth with meaningful progress made in addressing a number of the operational and commercial issues that had constrained the business in recent times.

However, the financial result remains below where the Board expects Bremworth to perform over time. While revenue, earnings and margin, as well as cash outflow, improved, we were disappointed to record another net loss after tax.

While the improvement is encouraging, continuing losses are not sustainable. The focus now is on converting the operational progress made in FY26 into sustainable earnings, cash generation and shareholder value.

Strengthening the business

Over the past year, the Board has maintained close oversight of three priorities: resetting costs, recovering revenue and protecting capital.

A major milestone was the reinstatement of the Napier yarn plant, with both spinning plants now fully operational. This gives the business greater control over quality, cost and supply, while removing much of the complexity and expense associated with the post-Cyclone Gabrielle yarn supply chain.

The Board has also supported management's delivery of the cost reset and operating simplification programme, with resources redirected towards the capabilities most important to future performance.

Investment in product, sales and customer capability has created a stronger platform for revenue recovery, although these initiatives must now demonstrate an appropriate financial return.

Cash and capital discipline

The Board is acutely aware of the need to preserve Bremworth's financial position while earnings recover.

Generating positive operating cash flow remains a key measure of management performance. While the position improved materially during the year, the business continued to use funds to support its operations. Bremworth ended the year with $22.0 million in available cash, excluding a further $4.9 million held on a restricted basis.

Preserving the Company's financial strength remains a key Board priority. Investment continues to be assessed against clear return criteria, with management accountable for improving cash generation.

Shareholder and ownership matters

The Board spent a significant part of the past 18 months assessing credible opportunities available to Bremworth. Throughout, we have consistently sought to maximise value and preserve choice for all shareholders.

The proposed Scheme of Arrangement with Floorscape Limited (the Scheme) occupied a significant part of FY26. The Board entered into the Scheme because of the opportunities available at the time and as it offered what the Board believed to be the best pathway to delivering value for shareholders.

The regulatory approval process took considerably longer than anticipated. Following clearance from the New Zealand Commerce Commission at the end of June 2026, a group of shareholders representing approximately 38% of Bremworth's shares committed to vote against the Scheme – forcing the Board to abandon the Scheme.

On 4 September 2026, Mangawhai Collective Limited, which then held 19.73% of Bremworth, formally made a partial takeover offer at $0.90 per share to acquire sufficient shares to take its holding to 55%, subject to the terms and conditions of that offer.

This was preceded by a revised offer from Floorscape on 3 September 2026 of $0.95 per share for 100% of Bremworth. However, discussions with major shareholders indicated there would not be sufficient support to warrant progressing the revised Floorscape offer and the Scheme was accordingly terminated.

The Directors' recommendation on the Mangawhai partial offer, together with the Independent Adviser's Report, has been set out in the Target Company Statement sent to shareholders on 17 September 2026. While the Directors do not believe the Mangawhai offer is the highest value outcome for all of Bremworth's shareholders in comparison to the Floorscape revised offer, given that the offer price is within the Independent Adviser's range and the very high likelihood of the offer becoming unconditional, the Directors have recommended that shareholders accept the offer. This is a pragmatic outcome that provides all shareholders the opportunity to realise cash value for a portion of their shares now.

While these ownership matters have required considerable Board and management attention, the business itself has continued to move forward. The Board has continued to focus on the business and has worked closely with management to rebuild and reset Bremworth, with significant progress seen in the last 12 months. But there is a lot more yet to be done.

"Last year was about rebuilding the foundations. This year, we are focused on growth."

Leadership and accountability

In July 2026, the Board appointed Craig Woolford as Chief Executive on a permanent basis. Craig has provided steady leadership through a period of significant operational and ownership uncertainty, working closely with our people, customers and suppliers while maintaining a clear focus on the performance and strategic direction of the business.

The Board believes continuity of leadership is important as Bremworth moves from rebuilding capability to delivering financial results. Craig and his leadership team have clear accountability for growing carpet sales, improving manufacturing recovery and margin, maintaining cost and capital discipline, and returning the business to positive results and operating cash flow.

Board update

As previously announced, three of Bremworth's independent directors – Trevor Burt, Julie Bohnenn and Murray Dyer – have tendered their resignations. In doing so, the resigning directors advised, that having considered recent developments, they believed it appropriate to step down and allow the Board to transition for Bremworth's next phase.

On behalf of Bremworth, I want to thank Trevor, Julie and Murray for the considerable time, energy and commitment they have given to the Company. I particularly want to acknowledge the professionalism and integrity they have brought to the Board during a period of complex and difficult decisions. Throughout, they have approached their responsibilities carefully and independently, with the interests of Bremworth and all shareholders at the forefront.

Their resignations take effect on 25 September 2026.

I will remain on the Board to provide continuity.

Two new Directors have been appointed, effective concurrently with the three existing directors stepping down.

David Ferrier is the sole director of Mangawhai Collective Limited, a substantial Bremworth shareholder, which is currently making a partial takeover offer for Bremworth. He has extensive commercial and wool-industry experience, together with a strong shareholder perspective.

Greg Knowles is an experienced director and a former senior partner and board member of KPMG New Zealand, with a strong financial background.

In accordance with the NZX listing rules, the Board has determined that Greg Knowles is an independent director, while David Ferrier is not independent by virtue of his interests in Mangawhai Collective Limited.

I look forward to welcoming David and Greg to the Board and working with them to build on the progress made and support Bremworth's continued development.

Looking ahead

Last year was about rebuilding the foundations. This year, we are focused on growth. We expect performance to improve in FY27 as the benefits of the initiatives completed during the year progressively flow through. This expectation remains subject to market conditions and successful execution, while noting that operating conditions in both key markets have remained challenging.

The measure of the progress made will be stronger carpet sales, improved margins, positive operating cash flow and, ultimately, sustainable value for shareholders.

On behalf of the Board, I thank our shareholders for their continued engagement through a period of significant change. I also acknowledge our people, customers and suppliers for their support throughout the year.

Rob Hewett – Chair

THE FOCUS NOW IS ON DELIVERY

CEO'S REPORT

Craig Woolford – Chief Executive Officer

FY26 was about getting the fundamentals of Bremworth's business right.

We restored required yarn production at Napier, reduced costs and complexity, improved the quality of our inventory, expanded our sales coverage and returned high-quality synthetic carpet to our product portfolio. Together, these changes have made Bremworth a more relevant, responsive and operationally capable business.

We also improved our underlying financial performance. Revenue increased 21% to $106.8 million, primarily due to a strong contribution from Elco Direct. Gross margin improved modestly to 13.6%, while the normalised EBIT loss reduced from $(15.9) million to $(9.4) million. Operating cash outflow, excluding insurance-related items, improved by $14.6 million to $(9.1) million.

However, Bremworth was still loss-making and cash eroded in FY26. The task ahead of us is to translate the work completed during the year into stronger carpet revenue, better margins and positive operating cash flow.

A challenging market

Flooring demand remained subdued throughout FY26. Residential construction and renovation activity in New Zealand and Australia continued to be weak, while pressure on household budgets affected discretionary spending on products such as carpet.

The proposed scheme of arrangement with Floorscape Limited (the Scheme) created an additional level of uncertainty for the business and for our customers. A sizable section of our customer base deferred purchasing decisions while the Scheme process was underway. With the Scheme now terminated, we expect greater customer support to come through during FY27.

The increase in group revenue was primarily driven by Elco Direct. The wool sourcing business had a strong year, with a significant increase in demand in the second half, particularly from wool exporters. Higher volumes and stronger wool prices contributed to its performance.

The carpet business continued to operate in a difficult market. Wool carpet remained the dominant part of our flooring portfolio, accounting for 95% of carpet sales volumes. While wool carpet sales in New Zealand and Australia were ahead of the prior year, the overall level of carpet demand was not sufficient to deliver the manufacturing utilisation and financial performance we require.

Back in control of our yarn supply

One of the most important milestones of FY26 was the completion of the latest staged-reinstatement of the Napier yarn plant.

Cyclone Gabrielle caused extensive damage to the site in February 2023. The hybrid yarn supply chain established after the cyclone enabled us to continue manufacturing carpet, but it also added cost, complexity, long lead times and quality challenges.

Both of Bremworth's spinning plants are now operating to expectations with 100% of our woollen yarn being produced internally compared to 44% in April last year. This has restored an important part of our end-to-end manufacturing capability and gives us much greater control over the yarn used in our carpets.

The benefits are already evident. Internally produced yarn is delivering a material improvement in product quality while reducing product and supply-chain costs.

Pleasingly, it has also allowed us to employ more people in the regions, with a team of 194 people - up from 120 at the start of 2025 – at the two spinning plants.

The full financial benefit of the latest round of plant reinstatement will be seen in FY27 – as we continue to focus on optimising inventory levels, reliable production, increased plant utilisation and capturing the full cost and quality benefits of the reinstatement.

"With Bremworth's direction now clearer, we expect greater customer support to come through during FY27."

"Pleasingly, it has also allowed us to employ more people in the regions, with a team of 194 people – up from 120 at the start of 2025 – at the two spinning plants."

A broader product offer

Wool is central to Bremworth. It is a natural, renewable material and a key point of difference for our brand. Our premium wool ranges remain the foundation of our product offer and our relationships with New Zealand wool growers remain an important part of the business.

Our Product Development team has a clear direction and is focused on creating innovative new products that reinforce our leadership in style and colour across the New Zealand and Australian markets. However, retailers and consumers also expect choice. Solution dyed nylon (SDN) represents a significant majority of the residential carpet market, and our previous wool-only position limited the customers we could serve and the conversations our sales teams could have with retailers.

We have now re-established Bremworth's premium synthetic offer through the launch of the Origin Collection, a range of high-quality solution dyed nylon carpets. These ranges were developed with input from retail partners and designed to complement the look and feel of our wool portfolio.

The launch took longer than originally planned and SDN made only a small contribution to FY26 sales. With the ranges now in market, displays and samples being placed with retailers and our sales coverage expanded, we expect a growing contribution from SDN in FY27.

The purpose is not to diminish the role of wool. A broader range makes Bremworth relevant to more retailers and more consumers. It creates opportunities to participate across more of the market and, importantly, opens more doors for our premium wool products.

Rebuilding customer momentum

Customer relationships are at the centre of our revenue recovery.

During the year, we expanded our frontline sales team in Australia and realigned our New Zealand team. The increased coverage is allowing us to spend more time with retail partners, respond more quickly and better understand the products, service and support they need.

We have also changed how we manage our range and inventory. Our focus is increasingly on having the right products and samples available when customers need them, supported by a simpler supply chain and more consistent quality.

Customer uptake has increased as these changes have been implemented. Wool carpet sales in both New Zealand and Australia were ahead of the prior year, although the market headwinds and Scheme process limited the rate of improvement. Our FY27 priority is to convert better engagement, stronger product availability and a broader range into sustained volume growth.

In our home markets, this means strengthening relationships with our existing retail partners, while increasing the number of stores that actively range Bremworth products and earning a greater share of their flooring sales.

Better inventory, better availability

Inventory quality was a major focus during FY26.

Following the disruption to yarn production and changes made to the product portfolio in previous years, Bremworth held sub-standard yarn and carpet, as well as a long tail of slower-moving products. This added complexity, absorbed working capital and did not always support what customers wanted to buy.

During FY26, we successfully sold down all sub-standard yarn and carpet. This affected short-term sales mix and margin, but it resulted in a healthier inventory profile and removed product that did not meet the requirements of the future business.

We also rationalised slower-moving lines and shortened the supply chain. The result is a more focused inventory profile with greater emphasis on key SKUs and samples and less working capital tied up in products that do not support current demand.

Year-end inventory was $29.1 million, compared with $28.0 million a year earlier. Although the overall value was slightly higher, its quality and composition improved considerably. Reducing the cash held in inventory, while maintaining reliable availability of the ranges customers value, remains a priority for FY27.

A simpler cost base

We completed a comprehensive review of costs and operating structures during the year. The objective was to create a cost base appropriate for current market conditions while retaining the technical, manufacturing and customer-facing capabilities required for growth.

The review reduced overheads and complexity across the business. Savings were reinvested selectively in initiatives that can improve revenue, productivity and inventory quality, including expanded sales coverage and the restoration of domestic yarn production.

The benefits of the cost-out programme contributed to the improvement in normalised EBIT from a loss of $(15.9) million to $(9.4) million. Further benefits are expected in FY27 with the new operating model and completed initiatives in place for the full year.

However, to return Bremworth to profitability requires more than just cost-out. We also need higher carpet volumes, a stronger sales mix, increased manufacturing utilisation and better recovery of fixed production costs. Resources are therefore being directed towards our customers, products and markets that can provide sustainable returns.

Disciplined management of cash

Cash and liquidity remain critical priorities.

Operating cash outflow, excluding insurance-related cash items, was $(9.1) million. This was a $14.6 million improvement on FY25, reflecting the benefit of lower costs, increased revenue and improved working capital management. It nevertheless represents continued cash use and must improve further.

Available cash at 30 June 2026 was $22.0 million, with no borrowings. A further $4.9 million is held as restricted cash to support bank guarantees and other commitments.

We are maintaining tight control over operating costs, inventory, working capital and capital expenditure. Investment decisions are assessed against clear return criteria. Our immediate objective is to return Bremworth to positive operating cash flow while preserving the capabilities required to grow the business.

Growth beyond our home markets

New Zealand and Australia remain our core markets and our immediate commercial focus. At the same time, Bremworth's brand, premium wool products and New Zealand provenance have potential appeal in selected international markets.

During FY26, we renewed our focus on North America and China. We have identified early opportunities for both wool carpet and wool yarn and are working to develop them into sustainable, long-term commercial relationships.

These markets could provide meaningful medium-term growth, but we will take a measured approach.

Opportunities must demonstrate appropriate demand, margin, route to market and return on the working capital required. We will not pursue revenue at the expense of profitability.

Priorities for FY27

With the major rebuilding initiatives substantially completed, FY27 is about execution.

Our priorities are clear:

- **Grow carpet revenue.** Strengthen customer relationships and increase wool and SDN sales in New Zealand and Australia.
- **Improve gross margin.** Lift sales mix, capture the benefits of internal yarn production and improve manufacturing overhead recovery.
- **Increase manufacturing utilisation.** Build volumes through our plants while maintaining quality, service and cost discipline.
- **Improve working capital.** Further strengthen inventory composition and reduce the cash tied up in the business.
- **Return to positive operating cash flow.** Maintain tight control of costs and capital while converting operational progress into earnings.

The timing and pace of a wider recovery in residential construction and renovation remain uncertain. We cannot control the market, but we can control how well we serve customers, the relevance and quality of our products, how efficiently we operate and how carefully we manage cash.

Bremworth enters FY27 with a stronger manufacturing platform, a broader product range, better-quality inventory, deeper customer coverage and a simpler cost base. The fundamentals are in place. Our focus is now on making them deliver.

I thank our people for their hard work and commitment during a year of significant operational change. I also thank our customers, suppliers and wool-grower partners for their continued support.

Craig Woolford – Chief Executive Officer

BOARD OF DIRECTORS

AS AT 30 JUNE 2026

Bremworth's Directors have brought significant commitment, experience and expertise to their roles over the past year, guiding the Company through a period of considerable change with a clear focus on delivering value for all shareholders.

ROB HEWETT
INDEPENDENT CHAIR

Rob's experience: Rob was appointed to the Board in March 2025 and has significant governance experience spanning agriculture, horticulture, exporting, supply chain and logistics, renewable energy, and retail.
He is currently Chair of Farmlands Co-operative Limited, Woolscour Holdings Limited (Woolworks), Hilton Haulage Limited, Fern Energy Limited, Pioneer Energy Limited, AgrizeroNZ Limited and Rewiring Aotearoa Limited. He is immediate past Chair of Silver Fern Farms Limited and Silver Fern Farms Co-operative Limited, a former Councillor of Lincoln University and past Chair of Wool Impact. He was awarded the Deloitte Top 200 Chair of the Year in 2023 and in 2019 received the Cooperative Business New Zealand Outstanding Contribution Award. Rob also is a sheep and beef farmer, farming 10,000 stock units on a carbon positive 1,020ha medium hill country farm with significant forestry assets in South Otago.
Rob is a Chartered Fellow of the Institute of Directors and an alumni of Lincoln University, with a Masters in Commerce and a B.Com (Ag) Economics.

MURRAY DYER
INDEPENDENT DIRECTOR

Murray's experience: Murray was appointed to the Board in March 2025 and is a member of the People and Performance Committee. He has 30 years of agribusiness, energy and international trade experience.
Murray's career started in the wool industry with Reid Farmers, has included executive and director roles in textile trading and co-founding an energy and commodity services business in London.
Murray founded and was Managing Director of Simply Energy. Murray is a shareholder and director of Utility Data Services and an investor in agritech. He is a Chartered Member of the Institute of Directors, a graduate of the Kellogg Rural Leaders Program and completed an MIT Sloan Management Executive program on AI.

JULIE BOHNENN
INDEPENDENT DIRECTOR

Julie's experience: Julie is an experienced Director and Business Advisor with expertise across agriculture, retail, health, leisure and corporate travel, and wealth management sectors. She joined the Board in March 2025 and is Chair of the Audit Committee. Julie is a Fellow Chartered Accountant with a proven track record as both a Chair and Audit & Risk Chair. Julie has extensive experience in business restructuring, market disruption, mergers & acquisitions, stakeholder engagement, regulatory compliance and project governance. Her current board roles are with Farmlands Co-operative Society (Chair of Audit and Risk), Forte Health Group, Reform Radiology and Moana Heights. Previously she has held board positions with J Ballantyne (Chair) and House of Travel Group (Executive Director).

TREVOR BURT
INDEPENDENT DIRECTOR

Trevor's experience: Trevor was appointed a Director in March 2025 and has significant experience leading large and complex corporate organisations, and a proven record of implementing change and achieving results.
He is Chair of the People and Performance Committee and a member of the Audit Committee.
Trevor has held significant leadership roles in the global industrial gas sector in Australia, China, the USA and Germany.
He currently sits on the boards of New Zealand Lamb Company (Chair), Market Gardeners Limited, Landpower NZ Limited, NZ Drinks Limited and Hossack Station.
Previously, Trevor has been a board member of MHM Automation (Chair), Ngāi Tahu Holdings Corporation (Chair), Lyttelton Port (Chair), PGG Wrightson (Deputy Chair), Silver Fern Farms and Mainpower NZ (Director).

GRANT BIEL
DIRECTOR EMERITUS

Grant's experience: Our inaugural Director Emeritus Grant Biel is a pivotal player in Bremworth's history. With employment at Bremworth dating back to 1964, his passion for mechanical engineering was established early. Co-founding Cavalier Carpets alongside Tony Timpson, Grant and Tony would go on to acquire the original Bremworth business, creating the dream team in the carpet sector. The deep expertise and heritage created by Grant and Tony are invaluable to the history and future of Bremworth.

[1] *Murray Dyer, Julie Bohnenn and Trevor Burt resigned as Directors following the release of this Annual Report. Concurrent with their resignations, David Ferrier and Greg Knowles have been appointed to the Board of Directors.*

LEADERSHIP TEAM

Chief Executive Officer – **Craig Woolford**

Chief Financial Officer – **Victor Tan**

Chief Technology Officer – **Caio Diehl**

General Manager Sales New Zealand – **Warren Drinkwater**

General Manager Sales Australia – **Michael Ingham**

General Manager Wool Procurement – **Shane Eades**

Bremworth enters FY27 with a stronger manufacturing platform, a broader product range, better-quality inventory, deeper customer coverage and a simpler cost base.

Craig Woolford – Chief Executive Officer

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

CONTENTS

CONSOLIDATED FINANCIAL STATEMENTS
DIRECTORS' RESPONSIBILITY STATEMENT

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of the consolidated financial statements of Bremworth Limited and subsidiaries ("the Group"). The Directors discharge this responsibility by ensuring that the consolidated financial statements comply with Generally Accepted Accounting Practice and fairly present the financial position of the Group as at balance date and of its operations and cash flows for the year ended on that date.

ACCOUNTING POLICIES

The Directors consider that the accounting policies used in the preparation of the consolidated financial statements are appropriate, consistently applied, and supported by reasonable estimates and judgements. All relevant financial reporting and accounting standards have also been followed.

ACCOUNTING RECORDS

The Directors believe that proper accounting records, which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate the compliance of the consolidated financial statements with the Financial Markets Conduct Act 2013, have been kept.

SAFEGUARDING OF ASSETS AND INTERNAL CONTROLS

The Directors consider that they have taken adequate steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

The Directors present, on pages 28 to 71, the consolidated financial statements for the year ended 30 June 2026.

These audited consolidated financial statements were authorised for issue by the Directors on 25 September 2026 and, as required by section 461(1)(b) of the Financial Markets Conduct Act 2013, are dated and signed as at that date.

Rob Hewett
Chair of the Board of Directors

Julie Bohnenn
Chair of the Audit Committee

CONSOLIDATED FINANCIAL STATEMENTS INDEPENDENT AUDITOR'S REPORT

To the shareholders of Bremworth Limited

OUR OPINION

In our opinion, the accompanying consolidated financial statements (the financial statements) of Bremworth Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 30 June 2026, its financial performance, and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

What we have audited

The Group's financial statements comprise:

- the consolidated statement of financial position as at 30 June 2026;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 (PES 1) and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with PES 1 and the IESBA Code.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group. Certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business.

CONSOLIDATED FINANCIAL STATEMENTS INDEPENDENT AUDITOR'S REPORT (CONT'D)

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How our audit addressed the key audit matter
Inventory valuation and costing	
The carrying value of the Group's inventory at 30 June 2026 was $29.1 million (30 June 2025: $28.0 million) net of inventory provisions of $3.1 million (30 June 2025: $5.2 million). The cost of manufactured inventories and work in progress includes raw materials and manufacturing costs, including allocation of production overheads based on normal operating capacity. The Group has recorded inventory provisions, which represent a deduction from the cost of inventory. The Group applies provisions to estimate the likely net realisable value for inventory that is obsolete, aged, discontinued, or defective. Management applies judgement in identifying and categorising inventory by product status, and in applying provisioning rates informed by inventory rationalisation plans, consumer demand and trends, available distribution channels, and historical sales and margin data. Management attributes the reduction in the inventory provision from $5.2 million to $3.1 million to the improved inventory profile following its focus on quality issues and the disposal of obsolete, aged, discontinued and defective inventory during the period ended 30 June 2026. Valuation and costing of inventory is a key audit matter due to the significance of the inventory balance, complexity of the costing process and the judgements involved in estimating the inventory provisions. Note 8c of the consolidated financial statements describes the accounting policy on inventories and the judgements and estimates applied by management to determine the inventory provision.	To audit the cost of inventory, our procedures included: — Gaining an understanding of the inventory costing process and controls; — Testing the accuracy of the application of inventory costing by reperforming the calculations made to adjust standard costs to actual costs; — Verifying inputs, on a sample basis, of the finished goods, work in progress, and yarn inventory cost by agreeing them to supporting documents; — Testing the cost of raw material inventory, on a sample basis, to supplier invoices; and — Evaluating the nature and appropriateness of factory overheads capitalised into inventory, based on normal operating capacity, and testing the mathematical accuracy of the overhead allocation calculation. To audit the inventory valuation, our procedures included: — Gaining an understanding of, and assessing, the Group's inventory provisioning process and related controls, taking into consideration key attributes used such as piece sizes, grade quality, age, discontinued products and recent sale prices; — Testing of accuracy of inputs into the inventory provision calculation, on a sample basis, including these key attributes; — Recalculations over the provision to ensure its mathematical accuracy; — Observing management's stocktake process by attending selected locations to confirm the existence and condition of the inventory; — Assessing the reasonableness of management's estimate of provisioning by comparing prior year provision to actual sales; — Performing sales and margin analysis on finished goods at a stock keeping unit (SKU) level post balance sheet date; — Testing the net realisable value of finished goods, on a sample basis, by comparing the carrying value with most recent sales prices and margins; and — Considering the appropriateness of disclosures in the consolidated financial statements against the relevant accounting standards.

CONSOLIDATED FINANCIAL STATEMENTS
INDEPENDENT AUDITOR'S REPORT (CONT'D)

OUR AUDIT APPROACH

Overview

Overall group materiality: $1,000,000, which represents approximately 1% of total revenue.

We chose total revenue as the benchmark because, in our view, it is a key financial statement metric used in assessing the performance of the Group and it is a generally accepted benchmark.

We performed a full scope audit over the consolidated financial information of the Group.

As reported above, we have one key audit matter, being:

— Inventory valuation and costing

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They 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 the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures, and to evaluate the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

CONSOLIDATED FINANCIAL STATEMENTS
INDEPENDENT AUDITOR'S REPORT (CONT'D)

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS Accounting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to 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 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 ISAs (NZ) and ISAs 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 financial statements.

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

This description forms part of our auditor's report.

WHO WE REPORT TO

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which 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.

The engagement partner on the audit resulting in this independent auditor's report is Maxwell John Dixon.

For and on behalf of:

PricewaterhouseCoopers

PricewaterhouseCoopers — Auckland, New Zealand

25 September 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2026

	Note	2026 $000	2025 $000
Revenue from contracts with customers	5b	106,804	88,424
Cost of sales		(92,243)	(76,903)
Gross profit		14,561	11,521
Other income and (losses)/gains	5d	(590)	547
Distribution expenses		(14,986)	(15,111)
Administration expenses		(8,380)	(12,822)
Cyclone Gabrielle related insurance claim	3	-	39,662
Whanganui fire related insurance claim	4	966	(912)
Restructuring costs	5f	(2,784)	(2,725)
Onerous contract	10c	(57)	(896)
Earnings before interest and tax		(11,270)	19,264
Finance costs	5i	(818)	(860)
Finance income		900	1,032
(Loss)/Profit before income tax		(11,188)	19,436
Income tax expense	5j	(224)	(333)
(Loss)/Profit after tax for the year		$(11,412)	$19,103
Basic (loss)/earnings per share (cents)	5c	(16.38)	27.04
Diluted (loss)/earnings per share (cents)	5c	(16.38)	26.66

This Consolidated Statement of Profit or Loss is to be read in conjunction with the notes on pages 35 to 71.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2026

	2026 $000	2025 $000
(Loss)/Profit after tax for the year	(11,412)	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)
Amount reclassified from cash flow hedge reserve to profit or loss (net of income tax)	(585)	343
Total other comprehensive loss	(1,153)	(29)
Total comprehensive (loss)/income for the year	$(12,565)	$19,074

This Consolidated Statement of Comprehensive Income is to be read in conjunction with the notes on pages 35 to 71.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	Note	Share Capital $000	Cash Flow Hedging Reserve $000	Foreign Currency Translation Reserve $000	Share-based Payment Reserve $000	Retained Earnings $000	Total Equity $000
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		-	-	-	-	(11,412)	(11,412)
Other comprehensive income that may be reclassified subsequently to profit or loss							
Movement in cash flow hedge reserve (net of income tax)		-	(1,153)	-	-	-	(1,153)
Total comprehensive loss for the year		-	(1,153)	-	-	(11,412)	(12,565)
Transaction with owners in their capacity as owners							
Share-based payments - value of employee services	10b	-	-	-	(2)	-	(2)
Total transaction with owners for the year		-	-	-	(2)	-	(2)
Total equity at 30 June 2026		$21,729	$(804)	$(1,420)	$852	$40,370	$60,727

This Consolidated Statement of Changes in Equity is to be read in conjunction with the notes on pages 35 to 71.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

For the year ended 30 June 2026

	Note	Share Capital $000	Cash Flow Hedging Reserve $000	Foreign Currency Translation Reserve $000	Share-based Payment Reserve $000	Retained Earnings $000	Total Equity $000
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							
Movement in cash flow hedge reserve (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	10b	-	-	-	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

This Consolidated Statement of Changes in Equity is to be read in conjunction with the notes on pages 35 to 71.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	2026 $000	2025 $000
ASSETS			
Property, plant and equipment - owned	7a	**20,354**	16,959
Property, plant and equipment - right-of-use	10a	**7,439**	7,915
Intangible assets		**385**	36
Restricted cash and cash equivalents	6d	**2,200**	-
Deferred tax asset	5j	**499**	488
Total non-current assets		**30,877**	25,398
Cash and bank	8a	**22,033**	42,245
Restricted cash and cash equivalents	6d	**2,676**	-
Trade receivables, other receivables and prepayments	8b	**14,134**	11,050
Inventories	8c	**29,066**	27,954
Asset held for sale	10j	**240**	-
Derivative financial instruments	9	**-**	516
Total current assets		**68,149**	81,765
Total assets		**99,026**	$107,163
EQUITY			
Share capital	6b	**21,729**	21,729
Cash flow hedging reserve	6b	**(804)**	349
Foreign currency translation reserve	6b	**(1,420)**	(1,420)
Share-based payment reserve	6b10b	**852**	854
Retained earnings		**40,370**	51,782
Total equity		**60,727**	73,294
LIABILITIES			
Lease liabilities	10a	**14,155**	15,168
Employee benefits		**341**	371
Provisions	10c	**1,312**	1,769
Total non-current liabilities		**15,808**	17,308
Trade payables and accruals	8d	**14,822**	10,049
Customer deposits	5b	**77**	151
Employee benefits		**61**	74
Employee entitlements		**3,677**	3,387
Lease liabilities	10a	**1,660**	1,540
Provisions	10c	**835**	1,122
Derivative financial instruments	9	**1,018**	54
Deferred income		**99**	48
Income tax payable		**242**	136
Total current liabilities		**22,491**	16,561
Total liabilities		**38,299**	33,869
Total equity and liabilities		**99,026**	$107,163

This Consolidated Statement of Financial Position is to be read in conjunction with the notes on pages 35 to 71.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	Note	2026 $000	2025 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		**104,177**	86,886
Cash paid to suppliers and employees		**(112,590)**	(108,784)
		(8,413)	(21,898)
Government grants received		**8**	176
Hedge ineffective exchange loss		**(733)**	-
Other receipts		**158**	10
GST paid		**(118)**	(2,097)
Interest paid - bank guarantees		**(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**	-
Whanganui fire related expenses (net of salvage)	4	**(174)**	-
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	7a	**(5,327)**	(5,541)
Acquisition of intangible assets		**(375)**	-
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	10a	**(1,659)**	(1,457)
Transfer to restricted cash and cash equivalents	6d	**(4,876)**	-
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

This Consolidated Statement of Cash Flows is to be read in conjunction with the notes on pages 35 to 71.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

For the year ended 30 June 2026

	Note	2026 $000	2025 $000
(Loss)/Profit after tax for the year		**(11,412)**	19,103
Add/(Deduct) non-cash items:			
Depreciation - owned assets	7a	**1,660**	1,166
Depreciation - right-of-use assets	10a	**1,242**	1,129
Amortisation - intangible assets		**25**	25
Write down of buildings		**-**	600
Share-based payments - value of employee services	10b	**(2)**	122
Deferred tax		**(11)**	(86)
Net gain on sale of plant and equipment		**(28)**	(13)
Net (gain)/loss on foreign currency balance		**(93)**	26
Deduct insurance related cash items:			
Whanganui fire related insurance income	4	**(123)**	(477)
Changes in working capital items:			
Trade receivables, other receivables and prepayments		**(3,084)**	(1,874)
Inventories		**(1,112)**	1,394
Trade payables and accruals		**4,773**	(6,301)
Customer deposits		**(74)**	12
Employee benefits and entitlements		**247**	(428)
Provisions		**(745)**	1,385
Derivative financial instruments		**328**	-
Deferred income		**51**	(250)
Income tax payable		**106**	203
Net cash flow from operating activities		**$(8,252)**	**$15,736**

This Consolidated Statement of Cash Flows is to be read in conjunction with the notes on pages 35 to 71.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

1. COMPANY INFORMATION

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

The consolidated financial statements presented are 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 consolidated financial statements have 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 CONSOLIDATED FINANCIAL STATEMENTS

2a STATEMENT OF COMPLIANCE

The consolidated financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), other applicable New Zealand accounting standards and authoritative notices as appropriate for Tier 1 For-Profit entities. The consolidated financial statements also comply with International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

2b BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) as appropriate for Tier 1 For-Profit entities.

They have been prepared on the historical cost basis, except for derivative financial instruments which are measured at fair value as disclosed in note 9 (Risks and financial instruments) to the consolidated financial statements.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in New Zealand dollars, which is Bremworth Limited'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, other receivables and trade payables, which include GST invoiced.

2c CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND MATERIAL ACCOUNTING POLICIES

The preparation of the consolidated financial statements in conformity with NZ IFRS requires the Directors to make estimates, judgements and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about estimates and judgements that have a material effect on the amounts recognised in the consolidated financial statements are disclosed in the following notes:

Note 5j – measurement and recoverability of tax losses

Note 7a – recoverability of property, plant and equipment

Note 8c – inventory provisioning

Note 10a – determination of lease term

Note 10c – measurement of provisions, including warranties

Material accounting policies and critical estimates, judgements and assumptions are also disclosed in the relevant notes to the consolidated financial statements and identified using the following coloured boxes:

Accounting policies | **Estimates, judgements and assumptions**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

2. GENERAL INFORMATION RELATING TO PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2d BASIS OF CONSOLIDATION

The consolidated financial statements 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 statements. Unrealised losses are also eliminated unless the underlying intra-group transaction provides evidence that the asset transferred is impaired.

2e CHANGES IN ACCOUNTING POLICIES

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

2f 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 6d;
— $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;
— $5.3 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

2. GENERAL INFORMATION RELATING TO PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2f GOING CONCERN (CONT'D)

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 in the foreseeable future, while also providing the Board with optionality to continue to look at opportunities to return the business to profitability.

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:

Impact of Cyclone Gabrielle	2026 $000	2025 $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	2026 $000	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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
For the year ended 30 June 2026

4. IMPACT OF FIRE AT THE WHANGANUI YARN SPINNING PLANT (CONT'D)

Insurance recovery progress payments received

	2026 $000	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:

	2026 $000	2025 $000
Operating activities	**1,067**	-
Investing activities	**123**	477
Insurance recovery progress payments received	**$1,190**	$477

5. FINANCIAL PERFORMANCE

This section deals with the financial performance of the Group and addresses, among other things, the financial performance of the Group's reportable segments and the key areas that impact on the Group's profitability, including operating revenue, other income, gains/losses on sale of property, plant and equipment, expenses and taxation.

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

Segment results are reported on the same accounting basis as the consolidated financial statements, except that certain corporate costs, financing balances and treasury-related items are not allocated to operating segments.

Corporate costs of $796,000 (2025: $1,042,000) have not been allocated to individual operating segments as they relate to centralised group functions, including executive management, finance, governance and other head office activities. These costs are reviewed separately by the Chief Executive Officer and are not included in the measure of segment performance used to assess operating segment results.

Cash and cash equivalents, restricted cash and lease liabilities are managed centrally by the Group and are therefore not allocated to operating segments.

Inter-segment transactions
Inter-segmental sales - being wool from the Wool segment to the Carpet segment - are made on commercial terms that are intended to approximate market-based or arm's length pricing.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
For the year ended 30 June 2026

5. FINANCIAL PERFORMANCE (CONT'D)

5a SEGMENT PERFORMANCE (CONT'D)

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.

	2026 $000	2025 $000
Revenue		
New Zealand	**77,363**	57,298
Australia	**27,934**	29,443
Canada	**1,222**	903
USA	**200**	661
Rest of the world	**85**	119
	$106,804	$88,424

	As at 30 June 2026 $000	As at 30 June 2025 $000
Non-current assets[1]		
New Zealand	**27,466**	24,437
Australia	**712**	473
	$28,178	$24,910

[1] *Non-current assets for geographical disclosures exclude restricted cash and cash equivalents and deferred tax asset*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

5. FINANCIAL PERFORMANCE (CONT'D)

5a SEGMENT PERFORMANCE (CONT'D)

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	
	2026 $000	2025 $000	2026 $000	2025 $000	2026 $000	2025 $000
External revenue	62,014	59,504	44,790	28,920	106,804	88,424
Inter-segment revenue	-	-	4,617	2,441	4,617	2,441
Total revenue	62,014	59,504	49,407	31,361	111,421	90,865
Elimination of inter-segment revenue					(4,617)	(2,441)
Consolidated revenue					$106,804	$88,424
Segment result before depreciation, amortisation, 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					(224)	(333)
(Loss)/Profit after tax for the year					$(11,412)	$19,103

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

5. FINANCIAL PERFORMANCE (CONT'D)

5a SEGMENT PERFORMANCE (CONT'D)

	Carpet and rugs sales and manufacturing		Wool acquisition		Total	
	2026 $000	2025 $000	2026 $000	2025 $000	2026 $000	2025 $000
Reportable segment assets	61,039	56,591	11,078	8,327	72,117	64,918
Unallocated assets - Cash and bank					22,033	42,245
Unallocated assets - Restricted cash					4,876	-
Total assets					$99,026	$107,163
Capital expenditure	5,395	5,114	307	428	$5,702	$5,542
Reportable segment liabilities	17,505	15,141	4,979	2,020	22,484	17,161
Unallocated liabilities - Lease liabilities					15,815	16,708
Total liabilities					$38,299	$33,869

5b REVENUE FROM CONTRACTS WITH CUSTOMERS

	2026 $000	2025 $000
Sales of goods		
Carpet	60,374	58,160
Rugs	970	1,164
Wool	44,790	28,920
Other	670	180
Total revenue	$106,804	$88,424

Credit terms for carpet and rug sales through wholesale distribution channels within New Zealand and Australia are generally no later than 30 days after the month in which invoices are raised. Credit terms for sales of carpet overseas are generally 60 to 90 days from date of invoice and for sales of carpet yarn overseas 120 days from date of invoice.

Payment terms for wool sales in New Zealand are between 14 and 42 days of invoice date. If despatch of wool is required by the customer before payment due date, payment must be made before despatch of wool.

Rugs sold through direct-to-consumer channels are for cash, with payment at the time orders are placed. All amounts received are accounted for as customer deposits in the first instance, with $77,000 of customers deposits booked as at balance date (2025: $151,000).

Accounting policies

Revenue is recognised at a point in time when or as performance obligations are satisfied by transferring control of the products sold to the customer at the transaction price specified in the contract. Control transfers to the customers for carpet, rug and carpet yarn sales on delivery of the goods to the customer. For wool sales, control passes on the earlier of payment or delivery. The transaction price includes all amounts which the Group expects to be entitled to, net of goods and services tax and other indirect taxes, expected rebates and discounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

5. FINANCIAL PERFORMANCE (CONT'D)

5c EARNINGS PER SHARE

Basic earnings per share (Basic EPS)

	2026	2025
(Loss)/Profit after tax attributable to shareholders of the Company ($000)	**(11,412)**	19,103
Weighted average number of ordinary shares outstanding	**69,666,127**	70,657,464
Basic (loss)/earnings per share (cents)	**(16.38)**	27.04

Diluted earnings per share (Diluted EPS)

	2026	2025
(Loss)/Profit after tax attributable to shareholders of the Company ($000)	**(11,412)**	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)	**(16.38)**	26.66

In calculating the diluted earnings per share, the Company took into account the maximum number of shares that could be issued under the Bremworth Share Option Scheme (“Share Option Scheme”) as further discussed at note 10b (Share-based payment) to the consolidated financial statements, with the 1,000,000 options issued under the Share Option Scheme considered to be dilutive instruments.

The 1,000,000 options lapsed during the year as a result of the failure to meet the vesting conditions set out under the terms of the Share Option Scheme as further discussed at note 10(b) (Share-based payment) to the consolidated financial statements. As a consequence, there were no dilutive instruments at balance date (2025: 1,000,000).

5d OTHER INCOME AND (LOSSES)/GAINS

	Note	2026 $000	2025 $000
Government grants recognised	5h	**8**	524
Net gain on sale of plant and equipment		**28**	13
Hedge ineffective exchange loss		**(733)**	-
Other		**107**	10
Total other income and (losses)/gains		**$(590)**	$547

5e AUDIT FEES AND EXPENSES

	2026 $000	2025 $000
Audit fees and expenses paid and payable for audit of consolidated financial statements		
Current year	**666**	861
Prior year	**-**	15
Total fees and expenses paid and payable to auditors	**$666**	$876

Audit fees and expenses are included in administration expenses in the Consolidated Statement of Profit or Loss.

5f RESTRUCTURING COSTS

	2026 $000	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. The scheme implementation agreement was terminated in September 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

5. FINANCIAL PERFORMANCE (CONT'D)

5g PERSONNEL EXPENSES

	Note	2026 $000	2025 $000
Directors’ fees	10e	**328**	406
Wages, salaries, bonuses, holiday pay and termination payments	5f	**28,101**	26,385
Other employee related costs		**1,185**	1,031
Employee benefits		**867**	683
(Decrease)/Increase in liability for retiring allowances and long service leave		**(12)**	27
Total personnel expenses		**$30,469**	$28,532

Personnel expenses are included in cost of sales, distribution expenses and administration expenses in the Consolidated Statement of Profit or Loss.

Personnel expenses include termination payments of $276,000 (2025: $1,986,000) as disclosed at note 5f (Restructuring costs) to the consolidated financial statements.

Employee benefits include those benefits provided to employees as part of their employee arrangements with the Group and cover the provision of motor vehicles, income protection insurances, life insurances, medical insurances and associated fringe benefits taxes. Employee benefits also include the costs of providing on-site staff amenities.

5h GOVERNMENT GRANTS

	2026 $000	2025 $000
Sustainable Food and Fibre Futures Fund	**8**	349
Energy Efficiency and Conservation Authority	**-**	175
Total government grants	**$8**	$524

Government grants that have been deferred, either because they relate to future costs to be incurred or assets, totalled $40,000 at balance date (2025: $48,000).

Accounting policies

Grants from the government are recognised at their fair value where there is a reasonable assurance that the Group will comply with all attached conditions and the grants will be received.

Government grants relating to costs that have been incurred are credited to profit or loss while grants relating to future costs are included in current liabilities as deferred income and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

5i FINANCE COSTS

	2026 $000	2025 $000
Interest component of lease payments	**(786)**	(825)
Facility fees - Bank guarantees	**(32)**	(35)
Total finance costs	**$(818)**	$(860)

Accounting policies

Finance costs include interest expense on loans and borrowings, interest component of lease payments and facility fees for the Bank’s guarantee of the Group’s commitments. All interest expense are recognised in the Consolidated Statement of Profit or Loss using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

5. FINANCIAL PERFORMANCE (CONT'D)

5j INCOME TAX

	2026 $000	2025 $000
Income tax expense in the Consolidated Statement of Profit or Loss		
Current tax expense		
Current year	**235**	311
Adjustment for prior years	**-**	108
	235	419
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	**(11)**	(86)
	(11)	(86)
Income tax expense	**$224**	$333
Reconciliation of effective tax rate		
Profit after tax for the year	**(11,412)**	19,103
Income tax expense	**224**	333
(Loss)/Profit excluding income tax	**$(11,188)**	$19,436

	2026 $000	2025 $000
Income tax using the Company's domestic tax rate of 28% (2025: 28%)	**(3,133)**	5,442
Non-deductible expenses	**585**	297
Non-assessable income	**-**	(8,279)
Effect of tax rate difference in foreign jurisdiction	**15**	10
Adjustment for prior years	**-**	108
Unrecognised deferred tax asset	**2,757**	2,755
Income tax expense	**$224**	$333

	2026 $000	2025 $000
Imputation credits available to shareholders of the Company	**$7,701**	$7,701

The partial takeover of the Company as further discussed at note 10g (Events after the reporting period) to the consolidated financial statements and the consequent breach of the shareholder continuity rule for the carry forward of imputation credits, if it goes unconditional, will result in the $7,701,000 of imputation credits being lost to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

5. FINANCIAL PERFORMANCE (CONT'D)

5j INCOME TAX (CONT'D)

Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2026 $000	2025 $000	2026 $000	2025 $000	2026 $000	2025 $000
Property, plant and equipment	**184**	156	**-**	-	**184**	156
Employee benefits	**72**	62	**-**	-	**72**	62
Lease liabilities	**134**	66	**(128)**	(63)	**6**	3
Provisions	**237**	267	**-**	-	**237**	267
Net tax assets/(liabilities)	**$627**	$551	**$(128)**	$(63)	**$499**	$488

Deferred tax assets at balance date relate to the Group's Australian carpet sales operation where it is expected that there will be taxable profits in future periods to allow for the utilisation of the deferred tax assets.

Deferred tax assets for the Group's New Zealand entities are not recognised, with temporary differences and tax loss carry-forwards totalling $16,372,000 at balance date (2025: $14,400,000).

While the Board has confidence in the prospects of the business as discussed at note 2f (Going concern) to the consolidated financial statements, it has concluded that the progress with the execution of the Group's strategy to focus on wool carpets in 2020 and to reintroduce solution dyed nylon carpet in 2025 do not warrant the re-recognition of deferred tax assets as it still not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Deferred tax assets have also not been recognised in respect of temporary differences and tax loss carry-forwards totalling $24,150,000 (2025: $24,150,000) relating to an Australian subsidiary that currently does not have trading activity on the basis that it is also not probable that future taxable profit will be available against which the Group can use the benefits therefrom, taking the total deferred tax assets unrecognised to $40,522,000 (2025: $38,550,000).

Notwithstanding the derecognition of deferred tax assets for accounting purposes, these deferred tax assets remain available to the Group for income tax purposes.

Movement in temporary differences during the year:

	Balance 30 June 2025 $000	Recognised in Consolidated Statement of Profit or Loss $000	**Balance 30 June 2026 $000**
Property, plant and equipment	156	28	**184**
Employee benefits	62	10	**72**
Lease liabilities	3	3	**6**
Provisions	267	(30)	**237**
Total	$488	$11	**$499**

	Balance 30 June 2024 $000	Recognised in Consolidated Statement of Profit or Loss $000	Balance 30 June 2025 $000
Property, plant and equipment	199	(43)	156
Employee benefits	95	(33)	62
Lease liabilities	1	2	3
Provisions	107	160	267
Total	$402	$86	$488

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

5. FINANCIAL PERFORMANCE (CONT'D)

5j INCOME TAX (CONT'D)

Accounting policies

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Estimates, judgements and assumptions

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each balance date and adjusted to the extent that it is no longer probable that sufficient taxable profits will be available in the future to utilise the deferred tax asset.

6. CAPITAL AND FUNDING

This section looks at the Group's two key sources of funding, how it manages its funding and other related matters.

6a CAPITAL MANAGEMENT

The Group's capital includes share capital, reserves and retained earnings.

The Group's capital management policy is aimed at maintaining a strong capital base so as to maintain investor, creditor and market confidence in the Group and to enable it to continue to fund the ongoing needs of the business and to sustain its future development.

The impact of the level of capital on shareholders' return is also recognised, as is the return to shareholders in the form of dividends paid and growth in share price, and the Group works to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital base.

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

The allocation of capital between the Group's specific business segment operations and activities is, to a large extent, driven by the opportunities that exist within each of these segments and the optimisation of the return achieved on the capital allocated. The process of allocating capital to specific business segment operations and activities is determined by the Chief Executive Officer in consultation with the Board and is therefore undertaken independently of those responsible for the operation.

The Group's policies in respect of capital management and allocation are reviewed regularly by the Board.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

6. CAPITAL AND FUNDING (CONT'D)

6b SHARE CAPITAL, DIVIDENDS AND RESERVES

Share capital

	2026	2025
Shares on issue		
Balance at 1 July	**70,561,519**	70,069,426
Issued during the year	**-**	992,093
Buyback and cancellation during the year	**(1,472,154)**	(500,000)
Balance as at 30 June	**69,089,365**	70,561,519

The Company does not have a limited amount of authorised capital.

The Company did not issue any shares during the year ended 30 June 2026 (2025: issued, in accordance with the terms of the Bremworth 2022 Long-Term Incentive Scheme ("2022 LTI Scheme"), 992,093 fully paid-up ordinary shares ("Scheme Shares") to Bremworth Share Scheme Limited ("Trustee"), with these shares to be held by the Trustee on behalf of the participating employees until the relevant vesting date pursuant to the issue of FY25-27 performance rights.

The Company cancelled 1,472,154 Scheme Shares that were bought back from the Trustee during the year ended 30 June 2026 (2025: cancelled 500,000 fully paid-up ordinary shares (which were issued to Mr Greg Smith – the former Chief Executive Officer – pursuant to the terms of the Bremworth Equity Share Plan in 2021) that were bought back from Mr Smith when he resigned from the Company on 30 April 2025).

The 2022 LTI Scheme is further discussed at note 10b (Share-based payment) to the consolidated financial statements.

All issued shares are fully paid up and have no par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and one vote per share at meetings of the Company, except for the Scheme Shares issued to and held by the Trustee pursuant to the terms of the 2022 LTI Scheme. All shares rank equally with regard to the Company's residual assets.

Dividends

No dividends were paid during the year (2025: Nil).

The Board has not declared a final dividend in respect of the current year ended 30 June 2026 (2025: Nil).

Cash flow hedging reserve

The Group uses derivative financial instruments to hedge its exposure to foreign exchange risks. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value and transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are stated at fair value.

Where derivatives qualify for hedge accounting, changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

Hedge ineffective exchange loss during the year ended 30 June 2026 totalled $733,000 (2025: Nil), with this amount recognised in the Consolidated Statement of Profit or Loss as per note 5d (Other income and losses/gains) to the consolidated financial statements.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income remains there until the forecast transaction occurs at which time the gain or loss is transferred to profit or loss. When the hedge item is a non-financial asset, the amount recognised in the cash flow hedging reserve is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in the cash flow hedging reserve is transferred to profit or loss in the same year that the hedged item affects profit or loss.

The cash flow hedging reserve represents the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

6. CAPITAL AND FUNDING (CONT'D)

Foreign currency translation reserve

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to New Zealand dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to New Zealand dollars at exchange rates at the dates of the transactions.

The foreign currency translation reserve comprises all exchange rate differences arising from the translation of the financial statements of foreign operations and the translation of liabilities designated as hedges against the Company's net investment in a foreign operation.

There is no movement in the foreign currency translation reserve balance for the year ended 30 June 2026 (2025: Nil) as the reserve relates to dormant foreign entities of the Group.

Share-based payment reserve

The share-based payment reserve is used to recognise the grant date assessed fair value of the performance rights issued to executive employees under the Company's long-term incentive scheme as further discussed at note 10b (Share-based payment) to the consolidated financial statements.

The assessed fair value of the performance rights at grant date are recognised as an expense in profit or loss over the period from grant date to condition date, adjusted to reflect only those rights where the service condition will be met, with corresponding entries to the share-based payment reserve.

6c BANKING FACILITIES AND LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's banking facilities. For more information about the Group's exposure to interest rate risks, see note 9 (Risks and financial instruments) to the consolidated financial statements.

The Group's banking facilities (including Bank guarantees to third parties relating to lease and other commitments of the Group) are provided by Bank of New Zealand and National Australia Bank Limited (together, "the Bank").

The Group has no loans and borrowings at balance date (2025: Nil).

The Group continues to maintain ongoing relationships with the Bank, with the view that committed credit lines could be reinstated in the future to fund working capital requirements as the Group progresses through its transformation journey. As a consequence, the Group has retained the security arrangements that were previously put in place to secure obligations for the payment and repayment of moneys due, owing or payable by the Group to the Bank.

These security arrangements included the granting in favour of Bank of New Zealand ("BNZ"), as security agent for the Bank, a first-ranking composite general security deed and cross guarantee securing all obligations of the Group to the Bank by certain companies in the Group. The property-owning companies in the Group have also continued to grant in favour of BNZ first-ranking mortgages in respect of land and buildings as security for all obligations of the Group to the Bank, including obligations for the payment and repayment of moneys due, owing or payable by the Group to the Bank (see note 7a (Property, plant and equipment) to the consolidated financial statements).

The carrying value of land and buildings subject to first-ranking mortgages totalled $5,071,000 at balance date (2025: $4,873,000).

The Group entered into two Set-Off and Security Interest in Deposits ("SODEP") with BNZ in February 2026 – one for $2,200,000 and another for $2,650,000 - as additional security for the Bank in relation to the guarantees and other undertakings provided by the Bank (see note 6d (Restricted cash and cash equivalents) to the consolidated financial statements).

6d RESTRICTED CASH AND CASH EQUIVALENTS

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

At reporting date, the Group held restricted cash and cash equivalents of $4,876,000 (2025: Nil) pursuant to SODEPs entered into, with this balance representing cash and cash equivalents deposited with the Bank as security against the guarantees and undertakings provided by the Bank plus interest accrued to balance date. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

7. ASSETS EMPLOYED

This section covers non-current assets, being property, plant and equipment and other assets that the Group employs in the production and sale of carpet and rugs, and the acquisition and sale of wool fibre, to generate revenues and profits.

7a PROPERTY, PLANT AND EQUIPMENT

	Land and buildings $000	Plant and equipment $000	Other assets $000	Under construction $000	Total $000
COST					
Balance at 1 July 2025	**6,557**	**40,583**	**14,180**	**1,590**	**62,910**
Additions	**-**	**-**	**317**	**4,611**	**4,928**
Disposals	**-**	**(7)**	**(458)**	**-**	**(465)**
Transfers	**120**	**5,406**	**207**	**(5,733)**	**-**
Whanganui fire related reinstatement	**399**	**-**	**-**	**-**	**399**
Transfer to asset held for sale	**(240)**	**-**	**-**	**-**	**(240)**
Balance at 30 June 2026	**$6,836**	**$45,982**	**$14,246**	**$468**	**$67,532**
Balance at 1 July 2024	6,828	36,064	13,767	1,724	58,383
Additions	-	-	430	4,911	5,341
Disposals	-	(5)	(410)	-	(415)
Transfers	128	4,524	393	(5,045)	-
Whanganui fire related write offs	(600)	-	-	-	(600)
Whanganui fire related reinstatement	201	-	-	-	201
Balance at 30 June 2025	$6,557	$40,583	$14,180	$1,590	$62,910
DEPRECIATION AND IMPAIRMENT LOSSES					
Balance at 1 July 2025	**1,150**	**34,196**	**10,605**	**-**	**45,951**
Depreciation for the year	**81**	**801**	**778**	**-**	**1,660**
Disposals	**-**	**(7)**	**(426)**	**-**	**(433)**
Balance at 30 June 2026	**$1,231**	**$34,990**	**$10,957**	**-**	**$47,178**
Balance at 1 July 2024	1,074	33,856	10,212	-	45,142
Depreciation for the year	76	340	750	-	1,166
Disposals	-	-	(357)	-	(357)
Balance at 30 June 2025	$1,150	$34,196	$10,605	-	$45,951
CARRYING AMOUNTS					
At 30 June 2026	**$5,605**	**$10,992**	**$3,289**	**$468**	**$20,354**
At 30 June 2025	$5,407	$6,387	$3,575	$1,590	$16,959
At 1 July 2024	$5,754	$2,208	$3,555	$1,724	$13,241

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

7. ASSETS EMPLOYED (CONT'D)

7a PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Other assets
Other assets comprise fixtures and fittings (including leasehold improvements and display stands), computer equipment, motor vehicles and office equipment.

Impairment
The Group's market capitalisation at balance date was below the carrying value of net assets. Even though market capitalisation excludes any control premium and may not reflect the value of 100% of the Group's net assets, it is still considered to be an indicator of impairment.

As a consequence, the Group conducted a review of non-financial assets, including fixed assets and right-of-use assets, to assess whether there was any impairment at balance date. The recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

There are two cash-generating units which relate to reporting segments in these consolidated financial statements, Carpet and Wool.

The operating profit before depreciation and amortisation of the Wool acquisition CGU was $2,560,000 which was ahead of budget and prior year. Management determined that there were no impairment indicators for the Wool acquisition CGU and therefore no impairment assessment is required.

The Carpet CGU had an operating loss before depreciation and amortisation of $8,239,000 and an impairment assessment was therefore performed. Management identified the following as separately identifiable assets for the purposes of measuring recoverable amounts:

- Napier land and buildings
- Whanganui land and buildings
- Right-of-use assets – Auckland

Indicative market values were obtained for the Napier land and buildings, the Whanganui land and buildings and the Auckland lease, with these market value assessments coming in above the net book value of these assets. As a consequence, no impairment for these assets was required.

Certain specialised plant and equipment within the Carpet CGU do not have a readily observable market value. In determining the recoverable amount of the Carpet CGU, management assessed fair value less costs of disposal using available market and transaction evidence. This included the $0.90 per share partial takeover offer discussed in note 10g (Events after the reporting period), together with other available valuation evidence and an assessment of relevant costs of disposal.

The offer price was also compared with the Group's carrying value of net assets of approximately $0.88 per share at the reporting date and was considered as corroborative evidence in assessing the recoverable amount.

The resulting fair value less costs of disposal supported the carrying value of the Carpet CGU. The Group therefore concluded that no further impairment of non-financial assets was required at the reporting date (2025: Nil).

The Group has also concluded that no reversal of the previous impairment of assets should be made at the present time (2025: Nil), with the $0.90 in line with the carrying value of net assets. At the same time, the Group's actual and short-term forecast financial performance does not also justify a reversal.

Security
The Group's property, plant and equipment are subject to various registered charges in favour of the Group's bankers as security for the Group's banking facilities and arrangements (see note 6c (Borrowing facilities and loans and borrowings) to the consolidated financial statements).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

7. ASSETS EMPLOYED (CONT'D)

7a PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Accounting policies

Recognition and measurement
Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Under construction
Items being constructed for future use are held as part of property, plant and equipment under construction. The carrying amounts of these represent the costs incurred at balance date and will be transferred to the appropriate classification of property, plant and equipment on completion. Initial cost includes the purchase consideration and those costs directly attributable in bringing the asset to the location and condition necessary for its intended use. These costs include site preparation costs, installation costs, borrowing costs, eligible directly attributable testing/commissioning costs and the costs of obtaining consents.

Costs cease to be capitalised when all the activities necessary to bring the asset to its location and condition for its intended use are complete.

Depreciation
Depreciation is recognised in the Consolidated Statement of Profit or Loss over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

The principal rates used for the current and comparative periods are as follows:

— buildings	1.0 - 2.5% straight line
— building fitouts	5.0 - 33.0% straight line
— plant and equipment	6.7 - 20.0% straight line
— other assets	
– display stands	10.0% straight line
– computer equipment	20.0 - 25.0% straight line
– office equipment	10.0 - 20.0% straight line
– cars	20.0% straight line
– trucks and utilities	10.0% straight line

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

Impairment
The carrying amount of property, plant and equipment and other assets is tested for impairment whenever there are indicators of impairment.

An impairment loss is recognised if the carrying amount of the cash-generating unit (being the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups) to which the property, plant and equipment and other assets is allocated exceeds its recoverable amount.

The recoverable amount of a cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the cash-generating unit.

Estimates, judgements and assumptions

NZ IAS 36 Impairment of Assets requires the Group to assess, at the end of each reporting period, whether there is any indication that an asset may be impaired. If any such indication exists, the Group shall estimate the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. The Group is required to recognise an impairment loss to the extent to which the carrying amount of an asset exceeds its recoverable amount.

For the purpose of assessing impairment, assets are grouped in the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating unit or CGU), which as at 30 June 2026 were identified as being the Carpet and Wool CGUs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

7. ASSETS EMPLOYED (CONT'D)

7b CAPITAL COMMITMENTS

Capital expenditure contracted for, but not recognised as liabilities, at balance date is set out below.

	2026 $000	2025 $000
Napier plant reinstatement	**15**	557
Other property, plant and equipment	**16**	303
	$31	$860

8. WORKING CAPITAL

This section reviews the level of working capital the Group generates and utilises in its normal day-to-day operating activities. The Group's working capital includes current assets (cash and bank, trade receivables, other receivables and prepayments and inventories) and current liabilities (trade payables and accruals and employee entitlements).

8a CASH AND BANK

Cash and bank at balance date comprise the following:

	2026 $000	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 have 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 acquisition date. Short term deposits are investments with maturities greater than three months but no more than twelve months from balance date.

8b TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	2026 $000	2025 $000
Trade receivables due from external customers	**13,521**	10,055
Other receivables	**117**	175
Prepayments	**496**	820
	$14,134	$11,050

The Group's approach and policy with respect to, and quantitative disclosure of, credit risk are discussed in note 9 (Risks and financial instruments) to the consolidated financial statements.

Impairment losses on trade receivables and other receivables are assessed collectively and on a portfolio basis based on the number of days overdue using the expected loss model, taking into account the historical loss experienced in portfolios with a similar number of days overdue as well as current conditions and forecast of future economic conditions.

Accounting policies

Trade receivables and other receivables are recognised initially at transaction price and subsequently at amortised cost less impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

8. WORKING CAPITAL (CONT'D)

8c INVENTORIES

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

	2026 $000	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
Carrying amount of inventories subject to retention of title clauses	**$2,256**	$291
Inventory provision at 1 July	**5,238**	2,614
Provided during the year	**2,475**	4,530
Utilised during the year	**(4,564)**	(1,906)
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.

Write downs or write offs of inventory produced during the year totalled $1,090,000 (2025: $916,000).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

8. WORKING CAPITAL (CONT'D)

8d TRADE PAYABLES AND ACCRUALS

	2026 $000	2025 $000
Trade payables	**12,708**	9,171
Accruals	**2,114**	878
	$14,822	$10,049

Accounting policies

Trade payables are unsecured - except to the extent to which they have retention of titles clauses within their supply arrangements with the Group - and are usually paid within the agreed payment terms.

The carrying amounts of trade payables are considered to be the same as their fair values, due to their short-term nature.

8e EMPLOYEE ENTITLEMENTS

	2026 $000	2025 $000
Leave obligations	**3,168**	2,791
Bonus entitlement	**390**	188
Wages accruals	**119**	408
	$3,677	$3,387

Leave obligations cover the Group's liabilities in relation to employees' accrued and entitled annual leave as well as their unconditional entitlement to long service leave where they have completed the required period of service.

Accounting policies

Employee entitlements relating to wages and salaries as well as annual leave and other employment-related payments that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period as liabilities and are measured at the amounts expected to be paid when the liabilities are settled.

The entire amount of employee entitlements is presented as current as the Group does not have an unconditional right to defer settlement for any of these obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

9. RISKS AND FINANCIAL INSTRUMENTS

This section identifies the risks faced by the Group, explains the impact of these risks on its financial position, performance and cash flows, outlines the Group's approach to financial risk management and highlights the financial instruments used to manage risks.

Exposure to credit, liquidity, foreign currency and interest rate risks arises in the normal course of the Group's businesses.

The Group enters into derivative financial instruments in the ordinary course of business to manage foreign currency risks in accordance with the treasury policy approved by the Board. Senior management operating under the Board-approved treasury policy ensures that procedures for derivative instrument utilisation, control and valuation, risk analysis, counterparty credit approval, and ongoing monitoring and reporting are adhered to.

The Group manages commodity price risks through negotiated supply contracts and forward physical contracts. However, because these contracts are, generally, in respect of raw material and utility purchases for own use, they are not accounted for as financial instruments.

Credit risk

Management has a credit policy in place under which each new customer is individually analysed for credit worthiness and assigned a purchase limit before the standard payment and delivery terms and conditions are offered. Because of the Group's customer base, there is no need for the Group to rely on external ratings. In most cases, bankers' references, trade credit insurance approvals and/or credit references from other suppliers are considered adequate. Purchase limits are reviewed on a regular basis.

In order to determine which customers are classified as having payment difficulties, the Group applies a mix of duration and frequency of default. The Group does not generally require collateral in respect of trade and other receivables.

The Group's exposure to credit risk is mainly influenced by its customer base. As such, it is concentrated to the default risk of its industry. However, geographically, there is no credit risk concentration, with the Group's customers spread throughout New Zealand, Australia and other overseas markets. Credit risk exposure with respect to trade receivables is limited by stringent credit controls, by the utilisation of irrevocable letters of credit and trade credit insurances wherever required, and by the large number of customers within the Group's customer base.

The amount and timing of collection of trade receivables and estimate of expected credit losses under NZ IFRS 9 Financial Instruments have been considered and included in the consolidated financial statements.

The Group does not invest in securities, but accepts that surplus cash and cash equivalents may arise from time to time during the course of its management of cash. In these instances, it requires these surplus cash and cash equivalents to be deposited on call or in short term deposits and only with counterparties approved by the Board as having the required credit ratings.

Foreign currency forward exchange contracts have been entered into with counterparties approved by the Board as having the required credit ratings. The Group's exposure to credit risk from these financial instruments is limited because it does not expect the non-performances of the obligations contained therein due to the high credit ratings of the financial institutions concerned. The Group does not require any collateral or security to support these financial instruments.

Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. The Group has sufficient cash reserves and is forecast to generate sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities.

The Group's contractual cash flows and liquidity risk profile are set out in detail in the liquidity risk section of the quotative disclosures in this note.

Foreign currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and payables are denominated. All entities in the Group have New Zealand dollars ($) as their functional currency.

The Group enters into foreign currency contracts within policy parameters to manage the risk associated with forecast sales and purchases. The Group's policy allows management to hedge up to 12 months forecast sales and purchases without prior approval of the Board having first been obtained.

The Group applies a hedge ratio of 1:1. The method used to assess hedge effectiveness is Critical Match Terms whereby the hedging instrument and the hedged item are matched to the key terms. In the hedge relationship, the main cause of ineffectiveness includes a change in the critical terms, for example, the timing of the transaction.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of the respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be, and has been, effective in offsetting changes in cash flows of the hedged item using the critical matched terms method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

9. RISKS AND FINANCIAL INSTRUMENTS (CONT'D)

QUANTITATIVE DISCLOSURES

Credit risk

The carrying amount of financial assets represents the Group's maximum credit exposure.

The Group's maximum exposure to credit risk for trade and other receivables by geographic regions is as follows:

	2026 $000	2025 $000
New Zealand	**9,486**	6,282
Australia	**3,990**	3,659
Other regions	**162**	289
Trade and other receivables	**$13,638**	$10,230

The status of trade and other receivables at the reporting date is as follows:

	Current	0 – 30 days past due	31 – 120 days past due	More than 120 days past due	Total
2026					
Expected loss rate	**0%**	**0%**	**9%**	**34%**	
Gross carrying amount – trade and other receivables	**11,555**	**1,968**	**23**	**142**	**13,688**
Loss allowance	**-**	**-**	**(2)**	**(48)**	**(50)**
2025					
Expected loss rate	0%	7%	9%	25%	
Gross carrying amount – trade and other receivables	9,152	430	510	288	10,380
Loss allowance	-	(31)	(47)	(72)	(150)

In summary, trade and other receivables are determined to be impaired as follows:

	2026 $000	2025 $000
Trade and other receivables - gross	**13,688**	10,380
Impairment provisions	**(50)**	(150)
Trade and other receivables - net	**$13,638**	$10,230

Individually impaired trade receivables relate to a small number of customers where the amounts involved are immaterial. In the case of insolvency, the Group generally writes off the receivable in full unless there is clear evidence that a receipt, whether directly or by way of a claim under the Group's trade credit insurance policy, is highly probable.

The Group adopts the expected loss model in assessing its trade and other receivables for impairment. In doing so, it determines impairment on a forward-looking basis, taking into account not only past events and current conditions, but also forecast of future economic conditions. Bad debts are written off when they are considered to have become uncollectable.

The details of movements in the impairment provision are as follows:

	2026 $000	2025 $000
Balance at 1 July	**(150)**	(34)
Impaired trade receivables written off	**31**	-
Changes in impairment provision	**69**	(116)
Balance at 30 June	**$(50)**	$(150)

Changes in the impairment provision are included in distribution expenses in the Consolidated Statement of Profit or Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

9. RISKS AND FINANCIAL INSTRUMENTS (CONT'D)

QUANTITATIVE DISCLOSURES (CONT'D)

The following table sets out the contractual undiscounted cash flows for all material financial liabilities (including projected interest costs).

			Timing of contractual cash flows				
	Statement of Consolidated Financial Position $000	Total contractual cash flows $000	6 months or less $000	6-12 months $000	1-2 years $000	2-5 years $000	Greater than 5 years $000
2026							
Trade payables	**12,708**	**12,708**	**12,708**	**-**	**-**	**-**	**-**
Lease liabilities	**15,815**	**18,808**	**1,254**	**1,243**	**2,455**	**6,590**	**7,266**
Total non-derivative liabilities	**$28,523**	**$31,516**	**$13,962**	**$1,243**	**$2,455**	**$6,590**	**$7,266**
Forward exchange contracts							
Inflow		**(21,021)**	**(14,170)**	**(6,851)**	**-**	**-**	**-**
Outflow		**22,202**	**15,207**	**6,995**	**-**	**-**	**-**
	1,018	**1,181**	**1,037**	**144**	**-**	**-**	**-**
Net derivative liabilities/(assets)	**$1,018**						
Disclosed in Consolidated Statement of Financial Position							
Current assets	**-**						
Current liabilities	**1,018**						
Net derivative liabilities/(assets)	**$1,018**						

			Timing of contractual cash flows				
	Statement of Consolidated Financial Position $000	Total contractual cash flows $000	6 months or less $000	6-12 months $000	1-2 years $000	2-5 years $000	Greater than 5 years $000
2025							
Trade payables	9,171	9,171	9,171	-	-	-	-
Lease liabilities	16,708	22,610	1,120	1,149	2,275	6,641	11,425
Total non-derivative liabilities	$25,879	$31,781	$10,291	$1,149	$2,275	$6,641	$11,425
Forward exchange contracts							
Inflow		(20,531)	(15,284)	(5,247)	-	-	-
Outflow		20,090	14,971	5,119	-	-	-
	(462)	(441)	(313)	(128)	-	-	-
Net derivative (assets)/liabilities	$(462)						
Disclosed in Consolidated Statement of Financial Position							
Current assets	(516)						
Current liabilities	54						
Net derivative (assets)/liabilities	$(462)						

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

9. RISKS AND FINANCIAL INSTRUMENTS (CONT'D)

QUANTITATIVE DISCLOSURES (CONT'D)

Foreign currency risk

The Group's exposure to foreign currency risk can be summarised as follows:

NZD equivalent of these foreign currencies:	AUD $000	USD $000	EUR $000	Others $000
2026				
Trade receivables	**3,990**	**106**	**-**	**-**
Trade payables	**(256)**	**(1,636)**	**(3)**	**-**
Net Consolidated Statement of Financial Position exposure before hedging activity	**3,734**	**(1,530)**	**(3)**	**-**
Estimated forecast sales or purchases for which hedging is in place	**17,287**	**-**	**-**	**-**
Net cash flow exposure before hedging activity	**21,021**	**(1,530)**	**(3)**	**-**
Forward exchange contracts				
Notional amounts	**(21,021)**	**-**	**-**	**-**
Net unhedged exposure	**-**	**$(1,530)**	**$(3)**	**-**
2025				
Trade receivables	3,659	-	-	-
Trade payables	(472)	(502)	(51)	(27)
Net Consolidated Statement of Financial Position exposure before hedging activity	3,187	(502)	(51)	(27)
Estimated forecast sales or purchases for which hedging is in place	14,791	(2,075)	-	-
Net cash flow exposure before hedging activity	17,978	(2,577)	(51)	(27)
Forward exchange contracts				
Notional amounts	(17,978)	2,577	-	-
Net unhedged exposure	-	-	$(51)	$(27)

Sensitivity analysis

In managing interest rate and currency risks, the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer-term, however, changes in foreign exchange and interest rates will have an impact on profit.

For foreign exchange contracts that continue to meet the hedge accounting criteria at the balance sheet date to hedge foreign exchange exposures, it is estimated that a general change in the value of the New Zealand dollar against other foreign currencies as set out below would have no impact on the Group's profit or loss before income tax for the years ended 30 June 2026 and 2025. The impact on equity, net of tax, for these foreign exchange contracts, is disclosed in the table below:

	Strengthen	Weaken	Strengthen	Weaken
		P&L		Equity, net of tax
	$000	$000	$000	$000
30 June 2026				
NZD/AUD (+/- 5%)	**-**	**-**	**908**	**(821)**
NZD/USD (+/- 5%)	**78**	**(86)**	**-**	**-**
30 June 2025				
NZD/AUD (+/- 5%)	-	-	704	(707)
NZD/USD (+/- 5%)	-	-	(110)	100

There were no foreign exchange contracts that do not meet the hedge accounting criteria at the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

9. RISKS AND FINANCIAL INSTRUMENTS (CONT'D)

QUANTITATIVE DISCLOSURES (CONT'D)

The impact of a change in interest rates by one percentage point on the Group's profit or loss and OCI is set out as follows:

	Increase 1% point	Decrease (1% point)	Increase 1% point	Decrease (1% point)
		P&L		Equity, net of tax
	$000	$000	$000	$000
Interest rate impact - Net 2026	**$258**	**$(258)**	**-**	**-**
Interest rate impact - Net 2025	$417	$(417)	-	-

HEDGING

Forecast transactions

The Group classifies the forward exchange contracts taken out to hedge forecast transactions as cash flow hedges.

The following relates to items designated as hedging instruments:

	Notional amount $000	Carrying amount: Assets $000	Carrying amount: Liabilities $000	Line item in Consolidated Statement of Financial Position	Changes in the value of the hedging instrument recognised in OCI during the year $000	Hedge ineffectiveness recognised in profit or loss $000	Balance in CFHR $000	Average rate of hedging
2026								
Foreign currency risk								
Forward exchange contracts – sales and receivables and purchases and payables [1, 2]	**NZD21,021**	**-**	**(1,018)**	**Derivative financial instruments - assets and liabilities**	**585**	**-**	**(804)**	**AUD 0.8682**

[1] *100% of notional amount expiring within 12 months of balance date*

[2] *Hedge ratio 1:1*

	Notional amount $000	Carrying amount: Assets $000	Carrying amount: Liabilities $000	Line item in Consolidated Statement of Financial Position	Changes in the value of the hedging instrument recognised in OCI during the year $000	Hedge ineffectiveness recognised in profit or loss $000	Balance in CFHR $000	Average rate of hedging
2025								
Foreign currency risk								
Forward exchange contracts – sales and receivables and purchases and payables [1, 2]	NZD20,555	516	(54)	Derivative financial instruments - assets and liabilities	(343)	-	349	AUD 0.9039 USD 0.6015

[1] *90% of notional amount expiring within 12 months of balance date and 10% expiring between 12 and 24 months of balance date*

[2] *Hedge ratio 1:1*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

9. RISKS AND FINANCIAL INSTRUMENTS (CONT'D)

CLASSIFICATION AND FAIR VALUES

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Hedging instruments $000	Amortised cost $000	Total carrying amount $000	Fair value hierarchy Level 2 $000
2026				
Assets				
Derivative financial instruments	-	-	-	-
Cash and bank	-	22,033	22,033	
Restricted cash and cash equivalents	-	4,876	4,876	
Trade and other receivables	-	13,638	13,638	
Total assets	-	$40,547	$40,547	
Liabilities				
Lease liabilities	-	14,155	14,155	
Employee benefits	-	341	341	
Total non-current liabilities	-	14,496	14,496	
Derivative financial instruments	1,018	-	1,018	1,018
Trade payables and accruals	-	14,822	14,822	
Customer deposits	-	77	77	
Employee benefits and entitlements	-	3,738	3,738	
Lease liabilities	-	1,660	1,660	
Total current liabilities	1,018	20,297	21,315	
Total liabilities	$1,018	$34,793	$35,811	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

9. RISKS AND FINANCIAL INSTRUMENTS (CONT'D)

CLASSIFICATION AND FAIR VALUES (CONT'D)

	Hedging instruments $000	Amortised cost $000	Total carrying amount $000	Fair value hierarchy Level 2 $000
2025				
Assets				
Derivative financial instruments	516	-	516	516
Cash and bank	-	42,245	42,245	
Trade and other receivables	-	10,230	10,230	
Total assets	$516	$52,475	$52,991	
Liabilities				
Lease liabilities	-	15,168	15,168	
Employee benefits	-	371	371	
Total non-current liabilities	-	15,539	15,539	
Derivative financial instruments	54	-	54	54
Trade payables and accruals	-	10,049	10,049	
Customer deposits	-	151	151	
Employee benefits and entitlements	-	3,461	3,461	
Lease liabilities	-	1,540	1,540	
Total current liabilities	54	15,201	15,255	
Total liabilities	$54	$30,740	$30,794	

There were no financial assets or liabilities with fair values classified as Level 1 or Level 3 in the fair value hierarchy.

Accounting policies

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Derivatives, being forward exchange contracts, have been measured at fair value using relevant valuation techniques which include net present value and discounted cash flow models and comparison with similar instruments for which observable market prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other information used in estimating discount rates and foreign currency exchange rates.

Non-derivative financial instruments comprise trade and other receivables, cash and bank and trade and other payables. Non-derivative financial instruments are recognised initially at fair value, inclusive of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method less any impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

9. RISKS AND FINANCIAL INSTRUMENTS (CONT'D)

DETERMINATION OF FAIR VALUES

The fair value of an asset or a liability is measured on a recurring basis. When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

MASTER NETTING OR SIMILAR AGREEMENTS

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – for example, when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The ISDA agreements do not meet the criteria for offsetting in the Consolidated Statement of Financial Position. This is because the Group does not have any currently legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrences of future events such as a default on the bank loans or other credit events.

The following table sets out the carrying amounts of recognised derivatives that are subject to master netting agreements:

	2026		2025	
	Derivative assets $000	Derivative liabilities $000	Derivative assets $000	Derivative liabilities $000
Gross amounts in the Consolidated Statement of Financial Position	-	(1,018)	516	(54)
Amounts offset	-	-	-	-
Net amounts in the Consolidated Statement of Financial Position	-	(1,018)	516	(54)
Related amounts that are not offset based on ISDA	(1,018)	1,018	(54)	54
Net amounts	$(1,018)	-	$462	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

10. OTHERS

This section includes the remaining information relating to the consolidated financial statements which is required to be disclosed to comply with financial reporting standards.

10a LEASES

This note provides information for leases where the Group is a lessee.

AMOUNTS RECOGNISED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2026 $000	2025 $000
Right-of-use assets		
Buildings	6,491	7,353
Plant and equipment	359	131
Motor vehicles	589	431
	$7,439	$7,915
Lease liabilities		
Non-current	14,155	15,168
Current	1,660	1,540
	$15,815	$16,708

Additions to right-of-use assets during the year were $766,000 (2025: $243,000).

There was no impairment of right-of-use assets during the year (2025: Nil).

There was also no reversal of prior year impairment of right-of-use assets during the year (2025: Nil).

AMOUNTS RECOGNISED IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	2026 $000	2025 $000
Depreciation charge in respect of right-of-use assets		
Buildings	864	864
Plant and equipment	153	94
Motor vehicles	225	171
	$1,242	$1,129
Interest expense (included in finance costs)	$786	$825
Expense relating to short-term leases (included in cost of goods sold and administration expenses)	$278	$353
Expense relating to leases of low-value assets that are not disclosed above as short-term leases (included in administration expenses)	-	$4

AMOUNTS RECOGNISED IN THE STATEMENT OF CASH FLOWS

	2026	2025
Total cash outflow for leases	$2,445	$2,282

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

10. OTHERS (CONT'D)

10a LEASES (CONT'D)

Accounting policies

The Group leases buildings, forklifts and motor vehicles, with contracts typically entered into for fixed periods ranging from between three to four years for motor vehicles, five to six years for fork hoists and up to sixteen years for buildings, but may have extension options as further discussed below.

Contracts may contain both lease and non-lease components. The Group has elected, for leases of motor vehicles, to not separate lease and non-lease components and instead account for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

— fixed payments; and
— variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

— where possible, uses recent third-party financing secured by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was secured;
— uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by lessees within the Group which does not have recent third-party financing; and
— makes adjustments, where necessary, specific to the lease taking into account country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

— the amount of the initial measurement of lease liability; and
— make good costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of plant and equipment and motor vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

10. OTHERS (CONT'D)

10a LEASES (CONT'D)

EXTENSION OPTIONS

Extension options are generally incorporated into contracts for leases of buildings, with these options used to maximise operational flexibility with respect to the management of the buildings used in the Group's operations. Where extension options are held, they are exercisable only by the Group and not by the respective lessor. Extension options are generally not included in contracts for leases of plant and equipment and motor vehicles because of the Group's ability to replace these assets without significant cost, delay or disruption to the business.

Estimates, judgements and assumptions

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended, with the Group reasonably certain to extend:

— if there are significant costs to not extend; and
— if leasehold improvements are expected to have a significant remaining value.

Otherwise, the Group considers other factors including the lease durations already provided for in the contract, the Group's future strategic or business direction and the costs and disruptions to the business as a consequence of any decision to not exercise an extension option.

As at balance date, potential future cash outflows of $17,666,000 (undiscounted) in respect of leases of buildings have not been included in the determination of lease liability because it is not reasonably certain that these leases will be extended (2025: $17,666,000).

The lease term is reassessed if an extension option is actually exercised. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. The Group did not revise its assessment of reasonable certainty with respect to extension options during the year (2025: Nil).

10b SHARE-BASED PAYMENT

The Company has four share-based payment plans/schemes, with these plans/schemes designed to incentivise selected employees by providing them with opportunities to be issued equity interests in the Company.

The Company has determined the performance rights, the shares and the options issued under these plans/schemes to be equity-settled share-based payment arrangements pursuant to NZ IFRS 2 Share-based Payment.

Status of the plans/schemes

Two of the plans/schemes - being the Bremworth 2020 Long-Term Incentive Scheme and the Bremworth Equity Share Plan – are currently dormant, leaving the 2022 Long-Term Incentive Scheme ("2022 LTI Scheme") and the Bremworth Share Option Scheme ("Share Option Scheme") in operation.

2022 LTI Scheme

The following is a summary of the outstanding performance rights under the 2022 LTI Scheme as at balance date:

	2026	2025
Performance rights issued		
Balance at 1 July	**410,267**	705,432
Issued during the year	**-**	1,176,989
Lapsed during the year	**(201,924)**	(1,472,154)
Balance as at 30 June	**208,343**	410,267

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

10. OTHERS (CONT'D)

10b SHARE-BASED PAYMENT (CONT'D)

The Company did not issue any performance rights under the 2022 LTI Scheme during the year ended 30 June 2026 (2025: issued 1,176,989 FY25-27 performance rights).

201,924 performance rights lapsed during the year ended 30 June 2026 (2025: 1,472,154 performance rights) as a result of the failure of the participating employees to meet the service conditions provided for under the terms of the 2022 LTI Scheme.

The remaining 208,343 FY25-27 performance rights will vest subject to the participating employees meeting their service conditions at 30 June 2027 (condition date) and the volume weighted average price for a Bremworth share over the 20 business days prior to condition date of $0.60 per share or more.

	2026	2025
Shares issued		
Balance at 1 July	**1,882,421**	890,328
Issued during the year	**-**	992,093
Bought back during the year	**(1,472,154)**	-
Balance as at 30 June	**410,267**	1,882,421

The Company also did not issue any shares under the 2022 LTI Scheme during the year ended 30 June 2026 (2025: issued, in accordance with the terms of the 2022 LTI Scheme, 992,093 fully paid-up ordinary shares ("Scheme Shares") to Bremworth Share Scheme Limited ("Trustee"), with these shares to be held by the Trustee on behalf of the participating employees until the relevant vesting date pursuant to the issue of FY25-27 performance rights).

The Company bought back and cancelled 1,472,154 Scheme Shares (relating to the 1,472,154 performance rights that lapsed during the year ended 30 June 2025 and were therefore no longer required) during the year ended 30 June 2026 (2025: Nil).

Of the 410,267 Scheme Shares held by the Trustee at balance date, 208,343 Scheme Shares were held on trust for the participating employees who held FY25-27 performance rights at balance date, with the balance of 201,924 surplus Scheme Shares. The surplus Scheme Shares were transferred to the Chief Executive Officer and the Chief Financial Officer after balance date as discussed at note 10g (Events after the reporting period) to the consolidated financial statements.

Share Option Scheme

The following is a summary of the outstanding options under the Share Option Scheme as at balance date:

	2026	2025
Options issued		
Balance at 1 July	**1,000,000**	1,000,000
Lapsed during the year	**(1,000,000)**	-
Balance as at 30 June (representing the maximum number of shares that could be issued)	**-**	1,000,000

1,000,000 options lapsed during the year ended 30 June 2026 (2025: Nil) as a result of the failure to meet the total shareholder return threshold (which required the Bremworth share price to be $0.79 per share at vesting date) for these options to vest.

Impact of share-based payment arrangements on the consolidated financial statements

A credit of $2,000 (being the proportion of the fair value of the performance rights under the 2022 LTI Scheme relating to the year ended 30 June 2026) was recognised in administration expenses in the Consolidated Statement of Profit or Loss for the period, with a corresponding debit totalling $2,000 to the share-based payment reserve within equity (2025: debit of $122,000, being the proportion of the fair value of the options under the Bremworth Option Scheme and the fair value of the performance rights under the 2022 LTI Scheme, were recognised in administration expenses in the Consolidated Statement of Profit or Loss for the period, with a corresponding credit totalling $122,000 to the share-based payment reserve within equity).

Accounting policies

The assessed fair value of the performance rights and options at grant date are recognised as an expense in profit or loss over the period from date on which the participant started rendering service or the grant date (whichever is the earlier), adjusted to reflect only those rights and options where the service condition will be met, with corresponding entries to the share-based payment reserve within equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

10. OTHERS (CONT'D)

10c PROVISIONS

	Onerous contract $000	Warranties $000	Others $000	Total $000
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**
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

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.

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.

Warranties

The provision for warranties for carpet sold is based on estimates made from historical warranty data associated with similar products sold by the Group.

The Group has no history of material warranty claims in respect of non-carpet products sold. As a consequence, no provision for warranties is required in respect of these other products.

Warranties relating to the sale of carpet are standard warranties extending over a period of 15 years, with an adjustment for depreciation calculated from date of purchase. The Group does not offer extended warranties that would be subject to a separate performance obligation.

Estimates, judgements and assumptions

Provision for warranties requires judgement to be applied by considering a range of factors including the nature and extent of historical claims data associated with similar products sold by the Group, the terms of the warranties built into supply contracts, consumer protection laws in key markets and the corrective actions being taken to address quality issues at production.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

10. OTHERS (CONT'D)

10d CONTINGENT LIABILITIES

The Group has granted indemnities in favour of Bank of New Zealand and National Australia Bank Limited (together, "the Bank") at balance date in respect of Bank guarantees relating to leases and other commitments totalling $2,193,000 (2025: $2,193,000).

Some subsidiaries in the Group are parties to a cross guarantee in favour of the Bank securing each other's obligations, with the property-owning companies in the Group also granting in favour of the Bank first-ranking mortgages in respect of land and buildings as security for all obligations if the Group to the Bank.

The Group's indebtedness under the cross guarantee at balance date amounted to nil (2025: Nil).

10e RELATED PARTIES

TRANSACTIONS WITH DIRECTORS AND KEY MANAGEMENT PERSONNEL

For the purposes of this note, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Former Chief Executive Officer as a holder of share options
Greg Smith, the former Chief Executive Officer who resigned from the Company on 30 April 2025, was issued with 1,000,000 options under the Bremworth Share Option Scheme ("Share Option Scheme") when he joined the Company in 2021.

Mr Smith continued to hold these options pursuant to the terms of the Share Option Scheme until they lapsed on 23 June 2026 as a result of the failure to meet the vesting condition provided for under the terms of the Share Option Scheme as further discussed at note 10b (Share-based payment) to the consolidated financial statements.

Directors and other key management personnel as shareholders
No Director is a shareholder in the Company.

Victor Tan, the Chief Financial Officer, is a trustee and beneficiary of a trust that holds 167,479 ordinary shares in the Company.

Directors and other key management personnel as lenders or borrowers
No loans were provided to/by the Directors and key management personnel during the year.

Directors and key management personnel as providers of services
No Director or key management personnel provided services to the Company (other than in their capacity as directors or employees respectively) during the year (2025: $41,000 was paid to Paul Izzard Design Limited for professional services rendered, with Paul Izzard Limited a company owned and directed by Paul Izzard, who resigned as a Director of the Company on 18 March 2025).

Directors' remuneration and benefits
The fees paid to the Directors for services in their capacity as directors totalled $328,396 during the year (2025: $405,523).

The scale of fees payable to the Directors was last reviewed and approved by the Board in January 2019, with the current scale of fees applying with effect from 1 January 2019 set out below:

Directors' fees	Per annum	Explanatory notes
Non-executive Chair of the Board	$128,100	Inclusive of time spent on Board committees
Non-executive Directors	$61,000	Inclusive of time spent on Board committees
Chair of the Audit Committee	$10,000	In recognition of additional time and responsibilities as Chair of the Audit Committee
Chair of the People and Performance Committee	$5,000	In recognition of additional time and responsibilities as Chair of the People and Performance Committee

The Directors do not receive any other benefits (cash or non-cash) in their role as directors and are not entitled to retiring allowances on cessation of office.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

10. OTHERS (CONT'D)

10e RELATED PARTIES (CONT'D)

Key management personnel's (including the Chief Executive Officer's) remuneration and benefits
In addition to salaries and performance-based payments, the Group also provides non-cash benefits to the Chief Executive Officer of the Company and key management personnel of the Group.

These non-cash benefits may include the provision of motor vehicles, income protection insurances, life insurances and medical insurances. In assessing the value of the non-cash benefit provided to the Chief Executive Officer and key management personnel, the Group has used the value of the benefit that is used for calculating fringe benefit tax grossed up for the fringe benefit tax that is paid or payable.

The remuneration paid and payable, and the benefits provided, to the Chief Executive Officer and key management personnel (but excluding the Directors' remuneration and benefits) comprised:

	2026 $000	2025 $000
Salaries, bonuses and leave entitlements	**3,818**	3,260
Share-based payments	**(2)**	130
Employee benefits	**323**	316
Termination payments	**173**	1,392
	$4,312	$5,098

Key management personnel comprised those employees who report directly to the Chief Executive Officer and who are involved in the day-to-day management of aspects of the operations of the Group. There were 12 such employees during the year ended 30 June 2026 (2025: 10) - with the change reflecting the flatter organisational structure being adopted as part of the focus on costs, organisational effectiveness and clearer accountability.

The Chief Executive Officer and key management personnel are not entitled to any post-employment benefits under their contracts of employment.

Other transactions
The Group deals with many entities and organisations in the normal course of business. The Group is not aware of any of the Directors, the Chief Executive Officer or key management personnel, or their related parties, holding positions in any of these entities or organisations that result in them having control or significant influence over the financial or operating policies of these entities or organisations.

The Group does not transact with the Directors, the Chief Executive Officer or key management personnel, and their related parties, other than in their capacity as directors and employees, except that they may purchase carpets and rugs from the Group for their own domestic use. These purchases are on the same terms and conditions as those applying to all employees of the Group and are immaterial and personal in nature.

10f OPERATING SUBSIDIARIES OF THE GROUP

	Principal activity	Country of incorporation	Interest (%) 2026	2025
Bremworth Carpets and Rugs Limited	Carpet sales and manufacturing	New Zealand	**100**	100
Bremworth Pty Limited	Carpet sales	Australia	**100**	100
Bremworth Spinners Limited	Carpet yarn sales	New Zealand	**100**	100
Elco Direct Limited	Wool acquisition	New Zealand	**100**	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

10. OTHERS (CONT'D)

10g EVENTS AFTER THE REPORTING PERIOD

Partial takeover offer

On 4 September 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) made a partial takeover offer under the Takeovers Code for 43.937% of the ordinary shares in the Company that it does not already own or control.

The partial takeover offer is at a price of $0.90 per ordinary share.

As set out in the partial takeover offer, 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 lock-up deeds would effectively result in MCL owning or controlling at least 51.975% of the Company on completion of the partial takeover offer and potentially up to 55.0% of the Company.

The Board has formed a Board sub-committee to oversee Bremworth's response, with the sub-committee comprising Trevor Burt, Julie Bohnenn and Murray Dyer.

The Directors' recommendation on the MCL partial offer, together with the Independent Adviser's Report, is set out in the Target Company Statement sent to shareholders on 17 September 2026 - with the Directors recommending that shareholders accept the offer given that the offer price is within the Independent Adviser's valuation range and the very high likelihood of the offer becoming unconditional.

Offer of surplus shares held under the 2022 Long-Term Incentive Scheme (2022 LTI Scheme)

The Board resolved on 14 September 2026 that 201,924 surplus shares held under the 2022 LTI Scheme be transferred to the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) for no consideration, with the CEO and CFO to receive 121,154 and 80,770 shares respectively in recognition of the significant additional work done in relation to the proposed scheme of arrangement and, more recently, the partial takeover offer.

Board strategic review

As part of the Board's strategic review of the ownership structure of the business, which commenced in February 2025, the Company agreed a fee arrangement with its financial adviser in connection with a takeover offer or scheme of arrangement. Following the partial takeover offer, the fee has been calculated at approximately $564,000. No liability or expense was recognised in the consolidated financial statements at 30 June 2026 as the contractual conditions giving rise to the fee had not been satisfied at that date.

10h RISK MANAGEMENT, INCLUDING CLIMATE-RELATED RISKS

Bremworth is committed to the effective management of risks, which is fundamental to the Company's growth and profitability targets and outcomes.

Key risks include financial risks, health and safety risks, climate-related risks, cyber risks and business and other operational risks. Discussion of the Company's risk management framework and its approach to risks is included in its Annual Report for the year ended 30 June 2026.

The Group has, as part of its management of risks, put in place a comprehensive insurance programme to protect it against losses arising from unforeseen events to the extent possible or practicable.

In relation to insurance against climate-related risks, the cover for assets (including the reinstated assets at the Napier yarn spinning plant) against loss or damage and for business interruption as a consequence of floods is limited to $50.0 million following the devastating impact of Cyclone Gabrielle on the Group.

The Group will continue to work with its insurance brokers to better understand what would be required for its insurers to reinstate full cover against floods for the Group over time, while continuing to build resilience into its Napier plant reinstatement programme to minimise the potential impact of another similar event.

Bremworth is also closely following the work being done by the Hawkes Bay Regional Council - which has assumed control of future flood protection and resilience in the Awatoto area where the Napier yarn spinning plant is sited - with two flood resilience projects of significance. The first relates to the replacement of the current Mission drainage pump station, which was built in the mid-1950's and upgraded in the 1980's, with the Awatoto drainage pump station - with the second relating to the strengthening of the two kilometre stretch of stopbank running along the Tūtaekurī River.

Financial implications of climate-related risks

Based on the Group's assessment, there is nothing to indicate that climate-related risks have had any impact on the carrying value of its non-financial assets as at 30 June 2026, with the Board continuing to closely monitor developments in this area and, in particular, the scope of future insurances against flooding and the mitigation of a similar event on the business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the year ended 30 June 2026

10. OTHERS (CONT'D)

10i STANDARDS, INTERPRETATIONS AND AMENDMENTS TO STANDARDS

In May 2024, the External Reporting Board introduced NZ IFRS 18 Presentation and Disclosure in Financial Statements (NZ IFRS 18) (effective for annual reporting periods beginning on or after 1 January 2027). This standard replaces NZ IAS 1 Presentation of Financial Statements and primarily introduces a defined structure for the statement of comprehensive income, disclosure of management-defined performance measures (a subset of non-GAAP measures) in a single note, together with reconciliation requirements. The Group has not early adopted this standard and is yet to assess its impacts.

10j ASSET HELD FOR SALE

	2026 $000	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.

10k NET TANGIBLE ASSETS PER SHARE

	2026	2025
Net tangible assets of the Group ($000)	**52,404**	64,855
Number of ordinary shares outstanding	**69,089,365**	70,561,519
Net tangible assets per share ($)	**0.76**	0.92

GOVERNANCE AND OTHER DISCLOSURES

FOR THE YEAR ENDED 30 JUNE 2026

CONTENTS

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2026

Bremworth's Board of Directors ("the Board") is responsible for and committed to maintaining the highest standards of corporate behaviour and responsibility and has adopted governance principles reflecting this.

The Board seeks to follow best practice recommendations for listed companies to the extent that is appropriate for the nature and complexity of Bremworth's operations.

The Board considers that the Company's corporate governance framework materially complies with the NZX Corporate Governance Code.

Bremworth's Code of Conduct and Ethics and other key policies and charters relating to corporate governance can be found on the Company's website www.bremworth.co.nz/corporate-governance

A summary of Bremworth's governance actions and performance against each of the principles in the NZX Corporate Governance Code and its compliance with the recommendations relating to each of these principles are set out on pages 75 to 89.

PRINCIPLE 1 — CODE OF ETHICAL BEHAVIOUR

Bremworth expects its Directors, officers, employees and contractors to act legally, ethically and with integrity in a manner consistent with the Company's Code of Conduct and Ethics.

The Code of Conduct and Ethics sets out the standard of conduct expected of Directors, officers, employees and contractors and the Company's approach to stakeholders. It is supported by other policies and procedures including those that address continuous disclosures, confidentiality of information, conflicts of interest, reporting of concerns and share trading.

Whistleblowing

Bremworth has established internal procedures to monitor compliance with, and measures for dealing with breaches of, the Code of Conduct and Ethics. Bremworth encourages employees to speak out if they have concerns. The avenues for doing so are detailed in the Company's Code of Conduct and Ethics which supports the reporting and investigation of breaches of the Code of Conduct and Ethics and serious wrongdoing in or by Bremworth.

Conflicts of interest

The Board is conscious of its obligation to ensure that Directors, officers and employees avoid conflicts of interest between their duty to Bremworth and their own interests. Guidance is provided in the Company's Constitution, Board Charter and the Code of Conduct and Ethics.

The Board reviews at every meeting the interests register in which relevant transactions and matters involving the Directors are recorded. It is expected that Directors are sensitive to actual and perceived conflicts of interest that may occur and have constant consideration of this issue.

Bremworth does not donate to political parties.

The Directors' interest disclosures can be found on pages 90 and 91.

Share Trading Policy

Bremworth has a Share Trading Policy which, along with the Financial Markets Conduct Act 2013, imposes limitations and requirements on Directors, officers and employees in dealing in the Company's shares. Directors, officers and employees who are likely to have knowledge of, or access to, material information can only buy or sell Bremworth shares during permitted periods and with the written consent of the Board. They must not use their position of confidential knowledge of the Company or its business to engage in share trading for personal benefit or to provide benefit to any third party.

Trading in Bremworth shares while in possession of material information is strictly prohibited.

A regular review of the share register is conducted to ensure compliance with the Share Trading Policy.

Confidential third-party agencies for whistleblowing and training on Code of Conduct and Ethics

While Bremworth does not currently provide access to confidential third-party agencies for whistleblowing purposes or regular training on its Code of Conduct and Ethics to its employees, these matters are under consideration, while also noting that Bremworth promotes an open-door policy in the workplace to ensure that employees can freely share ideas, provide feedback or express concerns. In relation to its Code of Conduct and Ethics, Bremworth sets the 'tone from the top' through 'leadership by example'.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

For the year ended 30 June 2026

PRINCIPLE 2 — BOARD COMPOSITION AND PERFORMANCE

The Board's role is to add long-term shareholder value, while acting in a manner that the Directors believe is in the best interests of the Company and having regard to the interests of its employees and other stakeholders. The role and responsibilities of the Board are detailed in the Board Charter, which is reviewed as and when required, with a copy available on the Company's website.

Delegation

The Board delegates the day-to-day management of the Company to the Chief Executive Officer ("the CEO"). The CEO in turn delegates authority to senior management. These authorisation levels are set out in the Delegated Authority Policy.

Board composition

The Board comprises Directors who, collectively, have the balance of independence, skills, knowledge, experience and perspectives to meet and discharge the Board's responsibilities. Core competences and skills include health and safety, sustainability and environment, operations and asset optimisation, financial acumen, sales, marketing and distribution, legal, regulatory and risk, listed company governance, operating model transformation and well-developed ability for critical and strategic analysis.

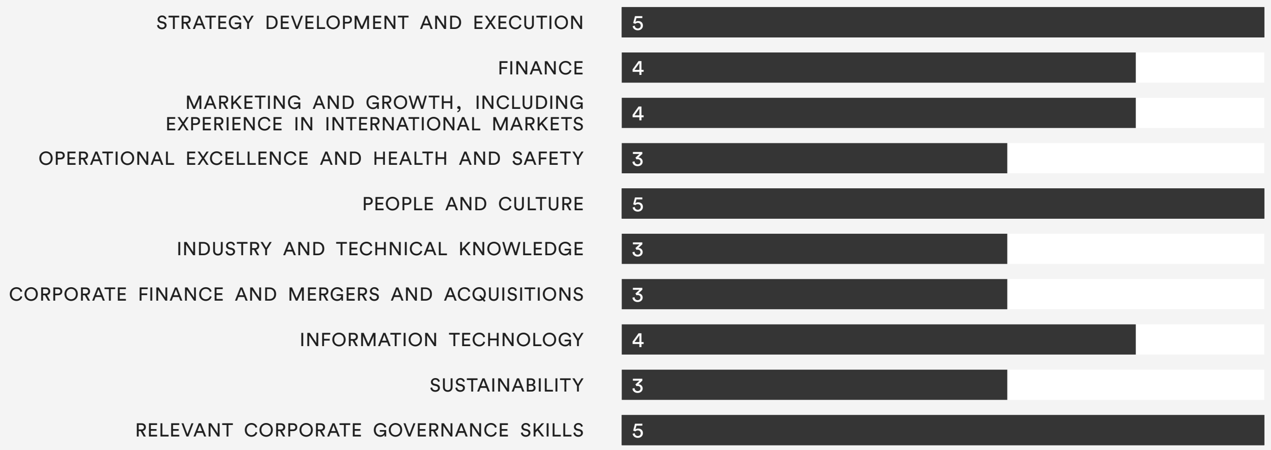
A balance of longer-serving Directors with experience in the Company and newer Directors who bring fresh perspective and insight is desirable where possible. The Board encourages strong individual thinking and rigorous discussion and analysis when making decisions.

Grant Biel, a long-standing Director and co-founder of the carpet business, who retired from the Board in November 2021, was appointed the Company's first-ever Director Emeritus by the Board on his retirement and continues to make himself available to the Board and to the Company.

As at 30 June 2026, the Board comprised four Directors – Julie Bohnenn, Trevor Burt, Murray Dyer and Rob Hewett.

The profile of the Directors can be found on pages 16 and 17.

Directors' skill matrix as at 30 June 2026



5 - *Very strong capability and very high level of competence*
4 - *Strong capability and high level of competence*
3 - *Good capability and solid level of competence*
2 - *Some capability and some degree of competence*
1 - *Little capability and little competence*

While the Board notes that there may be a preference for the Directors' skills matrix to be compiled on an Individual rather than a collective basis, it is the Board's belief that the collective basis presents a better picture of the Board's ability to deliver on the Company's objectives, with the Directors expected to operate as a cohesive team and each bringing different, yet complementary, skills to the Board.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

For the year ended 30 June 2026

PRINCIPLE 2 — BOARD COMPOSITION AND PERFORMANCE (CONT'D)

Director independence

The Board Charter provides that the Chair shall be an independent Director and that the majority of the Board shall be independent Directors.

Director independence is determined in accordance with the NZX Listing Rules and with regard to the factors described in the NZX Corporate Governance Code.

Julie Bohnenn, Trevor Burt and Murray Dyer are independent Directors of the Company, with the Board having satisfied itself that none of the factors listed in the NZX Listing Rules and the NZX Corporate Governance Code that could affect director independence are present and having considered holistically the interests, position and relationships of each Director.

The Board also assessed the independence of Rob Hewett including having regard to the factors set out in Table 2.4 of the NZX Corporate Governance Code.

In making that assessment, the Board noted that Rob has a personal relationship and/or business connection with David Ferrier, sole director and shareholder of Mangawhai Collective Limited, a substantial shareholder in the Company, which is currently making a partial takeover offer for the Company as further discussed in note 10g (Events after the reporting period) to the consolidated financial statements.

The Board considered that this factor is relevant to its independence assessment. It specifically considered whether the relationship could reasonably cause Rob to be, or be reasonably perceived to be, aligned with a particular shareholder in a material way or materially influence, or be perceived to materially influence, Rob's capacity to exercise independent judgement.

After considering the nature, extent and materiality of the relationship, the Board determined that Rob is independent.

In reaching this conclusion, the Board noted that:

- the relationship does not involve Rob acting as a representative or nominee of David Ferrier or Mangawhai Collective Limited;
- Rob is not subject to any direction or obligation to act in accordance with the interests of David Ferrier or Mangawhai Collective Limited nor is he aligned with David Ferrier or Mangawhai Collective Limited;
- the relationship is not expected to materially affect Rob's ability to bring an independent view to Board deliberations and it is not expected that this would be perceived; and
- the Board is satisfied that Rob is able to act in the best interests of the Company and shareholders generally.

Accordingly, notwithstanding the relationship described above, the Board considers Rob to be an independent Director.

Director appointment

Membership of the Board, and appointment and retirement of Directors by rotation, are determined in accordance with the Company's Constitution and the NZX Listing Rules.

While the appointment process is the responsibility of the whole Board, the People and Performance Committee is tasked with identifying and recommending candidates to fill director vacancies for the approval of the Board. The Committee considers such factors as it deems appropriate, including capability, skill sets, experience, qualifications, judgement and the ability to work with other Directors. Reference checks are carried out on all candidates and key information about candidates is provided to shareholders to assist their decision as to whether to elect or re-elect a candidate.

Shareholders may also nominate candidates for election to the Board, with the Board asking for Director nominations prior to the Annual Meeting of shareholders each year, in accordance with the Constitution of the Company and the NZX Listing Rules.

New Directors are provided with access to governance information, key policies and all relevant information necessary to prepare them for their role. New Directors also receive presentations by the CEO and senior management on the key issues facing Bremworth, its operations and the environment and markets in which it operates.

The Company has written agreements with all Directors establishing the terms of their appointment.

The Board is satisfied that each Director has the necessary time available to devote to the position, broadens the Board's expertise and has a personality that is compatible with the other Directors.

Director training, access to information and advice

Directors are encouraged to undertake appropriate training and education to ensure they remain current on how to best perform their duties. In addition, the CEO and senior management provide regular updates on relevant industry and company issues.

Directors have unrestricted access to Company information and briefings from the CEO and senior management. Site visits provide the Directors with a better understanding of the business, including its major health and safety risks and how these are managed.

Directors and Board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense, with the approval of the Chair.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

For the year ended 30 June 2026

PRINCIPLE 2 — BOARD COMPOSITION AND PERFORMANCE (CONT'D)

Evaluation of Director, Board and committee performance

The Board, and the Board's committees, critically evaluate annually their own performance and the performance of the individual Directors. The Board, and its committees, also review annually their own processes and procedures to ensure that they are not unduly complex and are designed to assist the Board and its committees in effectively fulfilling their roles.

Board succession planning arrangements

The Board reviews, at least once a year, Board succession with the Chair of the People and Performance Committee, with the focus including Board structure, size and composition as well as the ongoing independence of the Directors while also formulating, where necessary, succession plans for Directors that take into account impending retirements as well as the challenges and opportunities facing the Company and the skills and expertise accordingly required on the Board in the future.

The table below sets out the length of service of the Directors as at 30 June 2026.

	Date of appointment	Complete years of service
Julie Bohnenn	March 2025	One
Trevor Burt	March 2025	One
Murray Dyer	March 2025	One
Rob Hewett	March 2025	One

Attendance at meetings

Board meetings are usually held monthly (except for January), with other meetings held as and when required to deal with any specific matters that may arise between scheduled meetings.

The table below sets out Director attendances at Board, Board committee and shareholder meetings for the year ended 30 June 2026.

	Board	Special Board	Audit Committee	People and Performance Committee	Shareholder
Total held	**11**	**2**	**4**	**4**	**1**
Attendances:					
Julie Bohnenn	11/11	2/2	4/4	4/4	1/1
Trevor Burt	10/11	2/2	4/4	4/4	1/1
Murray Dyer	11/11	2/2	3/3	4/4	1/1
Rob Hewett	11/11	2/2	4/4	4/4	1/1

CORPORATE GOVERNANCE STATEMENT (CONT'D)

For the year ended 30 June 2026

PRINCIPLE 2 — BOARD COMPOSITION AND PERFORMANCE (CONT'D)

Diversity and Inclusion Policy

Bremworth is committed to creating an inclusive and high performing culture to drive business engagement and success.

Bremworth aims to reflect the communities we operate in. We embrace and capitalise on innovation which starts with listening and learning. Fundamental elements of our philosophy include:

- seeing the diversity of our work force as a key asset and contributor to improved business performance and decision making;
- not discriminating based on age, race, gender, sexual orientation, ethnicity or any other non-performance related differentiating factor;
- treating our people fairly and respectfully; and
- promoting diversity of thought and action, and unbiasedly rewarding capability and achievement.

The Company has a Diversity and Inclusion Policy, a copy of which is published on the Company's website. The key areas of focus are:

- sharing and promotion of the Diversity and Inclusion Policy with employees;
- a capability-based approach to recruitment of people from a diverse as possible range of candidates;
- facilitation of opportunities for diversity of thought and action from all levels of the organisation; and
- promotion of diversity and inclusion through CEO and management visits and presentations that bring employees with differing perspectives together.

Through our transformation initiatives, Bremworth has been growing its internal pipeline of talent and focusing on bringing women into supervisory and technical roles.

A number of initiatives are in place to support diversity, and the Board believes the principles in the Diversity and Inclusion Policy were adhered to in the 2026 financial year.

Bremworth has a diverse workforce, representing more than 15 different ethnicities. English is a second language for a number of these staff, so Bremworth has initiatives in place to support them in the workplace, including the opportunity to participate in numeracy and literacy programmes. Bremworth also supports and provides flexible working arrangements – wherever possible – to recognise the diverse needs of our people.

The gender and age composition of the Company's Directors, officers and employees is summarised below.

	30 June 2026			30 June 2025		
	Male	**Female**	**Total**	Male	Female	Total
Directors	**3/75%**	**1/25%**	**4/100%**	5/83%	1/17%	6/100%
Officers [1]	**12/100%**	**0/0%**	**12/100%**	14/93%	1/7%	15/100%
Direct reports of officers	**45/56%**	**36/44%**	**81/100%**	24/52%	22/48%	46/100%
Rest of organisation	**143/61%**	**93/39%**	**236/100%**	115/61%	73/39%	188/100%
Total	**203/61%**	**130/39%**	**333/100%**	158/62%	97/38%	255/100%

[1] An officer is a person, however designated, who is concerned or takes part in the management of the Company's business but excludes a person who does not report directly to the Board or report directly to a person who reports directly to the Board.

	30 June 2026		30 June 2025	
Age composition	Number	%	Number	%
Under 30 years of age	**53**	**16%**	29	11%
30 to 50 years of age	**116**	**35%**	86	34%
50 to 65 years of age	**143**	**43%**	118	46%
Over 65 years of age	**21**	**6%**	22	9%
Total	**333**	**100%**	**255**	**100%**

CORPORATE GOVERNANCE STATEMENT (CONT'D)

For the year ended 30 June 2026

PRINCIPLE 3 — BOARD COMMITTEES

The Board utilises committees to enhance Board effectiveness in key areas, while retaining Board responsibility. Committees established by the Board make recommendations to the Board on those matters falling within the scope of the relevant committee charter. They do not act or make decisions unless specifically mandated by their charter or by prior Board authority to do so.

The Board had two standing committees – the Audit Committee and the People and Performance Committee. In 2025, the Board decided to combine the governance functions of the Nomination Committee with those of its Remuneration Committee. At the same time, the Remuneration Committee was renamed the People and Performance Committee. This option is specifically acknowledged in the NZX Corporate Governance Code commentary for smaller issuers, with the Board considering it unnecessary or impractical to continue with a separate Nomination Committee and a Remuneration Committee.

Each of these Committees has a Board approved charter (which can be found on the Company's website), setting out the role, responsibilities, delegations and membership requirements. The Board regularly reviews the charters of each Board committee, their performance against those charters and membership of each committee.

The Board believes that each of the committee charters complies with the relevant recommendations set out under Principle 3 of the NZX Corporate Governance Code

The Board appoints the Chair of each committee. Members are chosen for the skills, experience and other qualities that they bring to the relevant committees.

Bremworth's Board committees as at 30 June 2026 were:

Committee	Role	Members
Audit Committee	Assists the Board in ensuring adequacy of financial management, internal reporting and monitoring processes, integrity of financial reporting, statutory audit quality and independence, internal audit and internal controls.	Julie Bohnenn (Chair) Trevor Burt Murray Dyer Rob Hewett
People and Performance Committee	Assists the Board in establishing and maintaining a strong governance framework in respect of remuneration packages for Directors and for the CEO and senior management, while also assisting the Board in ensuring appropriate Board performance and composition and in appointing directors.	Trevor Burt (Chair) Julie Bohnenn Murray Dyer Rob Hewett

Audit Committee membership qualifications and experience

One member of the Audit Committee, being Julie Bohnenn, has in-depth knowledge of, and significant experience in, accounting, finance and financial reporting.

Julie Bohnenn, who is Chair of the Audit Committee, is a highly experienced finance professional, director and business advisor with expertise across the agriculture, retail, health, leisure and corporate travel, and wealth management sectors. Julie is a Fellow Chartered Accountant with a proven track record as both a Chair and Audit and Risk Chair. Julie has extensive experience in business restructuring, market disruption, mergers and acquisitions, stakeholder engagement, regulatory compliance and project governance.

Independent Takeover Committee

The Board has a Takeover Response Policy setting out the objectives of the Company's takeover response strategy and establishing the appropriate protocols to be followed in the event of a takeover offer for the Company. It covers, among other things:

- structure of the takeover response team and roles of key groups in the team;
- the Takeovers Code process and timetable;
- steps to be taken on receipt of a takeover notice;
- communications between the Company and the bidder; and
- potential takeover response strategies.

The Takeover Response Policy also provides guidance on the composition of the Board Takeover Committee to ensure that it is independent of the bidder, while also providing further guidance on the disclosure of the composition of the Takeover Committee once it has been appointed and the bid made public.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

For the year ended 30 June 2026

PRINCIPLE 4 — REPORTING AND DISCLOSURE

Continuous disclosure

The Board is responsible for the timeliness, accuracy and completeness of all Company disclosures, including its results, financial reporting and all matters relating to its business activities that could have a material effect on the price of Bremworth shares if they were generally available to the market.

Bremworth is committed to promoting investor confidence by providing timely, accurate, complete and equal access to material information, both positive and negative, in accordance with the NZX Listing Rules. To achieve and maintain high standards of disclosures, Bremworth has adopted a Continuous Disclosure Policy, which is designed to ensure compliance with NZX continuous disclosure guidance note.

This Policy, a copy of which is published on the Company's website, sets guidelines and outlines responsibilities to safeguard the Company against inadvertent breaches of continuous disclosure obligations.

Financial reporting

The Board is committed to balanced, clear and objective financial reporting, which includes preparing consolidated financial statements that comply with New Zealand Generally Accepted Accounting Practice and fairly present the Group's financial position as at the Group's balance date and its financial performance and cash flows for the year ended on that date

The Audit Committee assists the Board in providing oversight of the quality and integrity of external financial reporting including the accuracy and completeness of the financial statements. In preparing the consolidated financial statements, the Company also ensures that its financial reporting is accompanied by sufficient explanation and is expressed in a clear and objective manner to assist investors make informed investment decisions.

All matters required to be addressed, and for which the Committee has responsibility, were addressed during the reporting period.

The Directors believe that proper accounting records which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate the compliance of the consolidated financial statements with the Financial Markets Conduct Act 2013 have been kept.

The Chief Financial Officer holds the role of Company Secretary. In all secretarial matters, the Board ensures that the Company Secretary's reports are objective and that the Company Secretary has unfettered access to the Chair and the Audit Committee, without reference to the CEO.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

For the year ended 30 June 2026

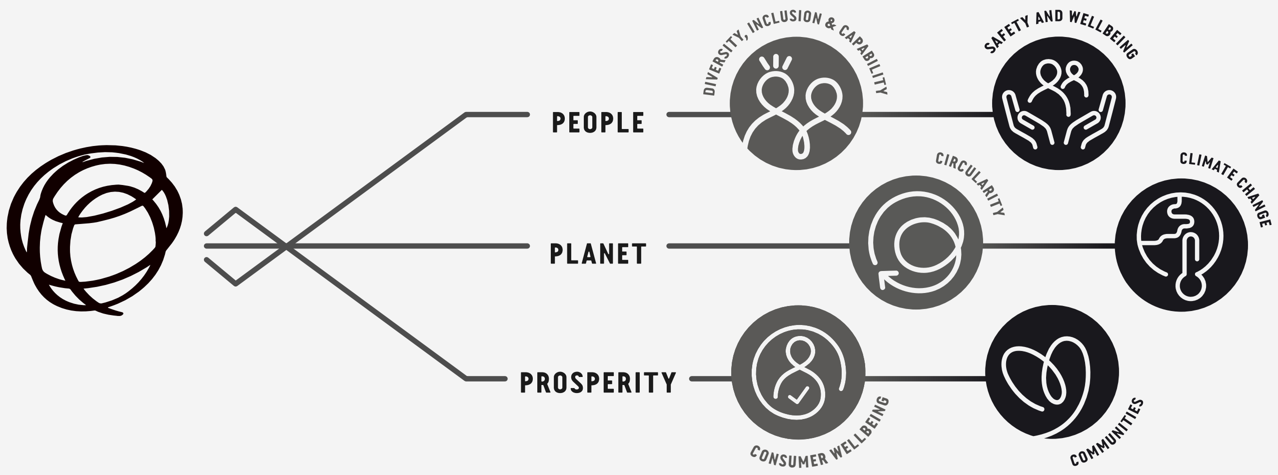
PRINCIPLE 4 — REPORTING AND DISCLOSURE (CONT'D)

Non-financial reporting (including sustainability)

In addition to shareholders, Bremworth has a wide range of stakeholders and maintains open channels of communication for all audiences, including the investing community and the New Zealand Shareholders' Association, as well as its employees, suppliers and customers.

Insight into Bremworth's assessment of its business, strategy and performance can be found on pages 1 to 18.

A detailed framework addressing the Company's environmental and social responsibilities has been developed, with the business following the integrated People, Planet and Prosperity framework with the three key pillars detailed below.



We remain conscious to the raw materials that we use and the other resources that we consume in our manufacturing processes.

Bremworth is not a climate reporting entity (CRE) because it falls under the financial threshold required to be a CRE. As a consequence, it is not required to prepare and lodge climate statements on the climate-related disclosures (CRD) register that has been established under the CRD regime.

Despite this, Bremworth acknowledges the role that it has to play in the move towards decarbonisation and remains committed to environmental sustainability.

NON-FINANCIAL REPORTING REVIEW PROCESS

Bremworth's non-financial reporting is not reviewed by an external auditor or otherwise independently audited, with Bremworth seeking to ensure that its non-financial reporting disclosures are materially accurate by having a robust internal review process that seeks to ensure the accuracy and objectivity of these disclosures.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

For the year ended 30 June 2026

PRINCIPLE 5 — REMUNERATION

The Board has a clear policy for setting remuneration of Directors and senior management at levels that are fair and reasonable to attract, reward and retain the skills, knowledge and experience required to enhance the Company's performance.

Bremworth's Remuneration Policy is available on the Company's website.

The People and Performance Committee assists the Board in discharging its responsibilities in relation to setting and reviewing of Directors' remuneration and senior management objective setting, performance review and remuneration.

External advice is sought as required to ensure remuneration is benchmarked to the market for Directors and senior management positions.

Directors' remuneration

Shareholders resolved at the October 2018 Annual Meeting that the total remuneration to be paid to the non-executive Directors be fixed at a sum not exceeding $450,000 per annum, such sum to be divided amongst them in such proportions and in such manner as they may determine.

The remuneration payable to the Directors was last reviewed and approved by the Board on 18 January 2019, with the current scale of Directors' remuneration applying from 1 January 2019 set out on page 68 (note 10e (Related parties) to the consolidated financial statements).

The total remuneration paid to the Directors for the year ended 30 June 2026 was $328,396, with the details paid to each Director set out on page 92.

The Directors do not receive any other benefits (cash or non-cash) in their role as directors and are not entitled to retiring allowances on cessation of office. Directors are also not entitled to performance-based remuneration.

Directors are not eligible to participate in any of Bremworth's share-based payment arrangements and no shares, options or performance rights have been issued to the Directors under any of these share-based payment arrangements

Remuneration strategy

Bremworth's remuneration strategy has been:

— aligned with its recruitment and leadership development philosophies and its approaches to performance management to ensure the attraction, development and retention of talented individuals; and
— underpinned by a pay-for-performance philosophy and utilises annual performance incentives to provide opportunities for individuals to achieve market competitive remuneration levels and in the case of superior performance, total remuneration above market.

CEO and executive remuneration

The CEO and executive remuneration packages for the year ended 30 June 2026 are made up of two key components – being fixed remuneration (in the form of fixed base salary plus fringe benefits) and variable short-term performance incentives.

Fixed remuneration

Bremworth's philosophy with respect to fixed remuneration is to ensure that all employees are fairly and equitably remunerated relative to similar businesses and positions within the New Zealand market.

Fixed remuneration levels are reviewed annually for market competitiveness and alignment with strategic priorities and performance outcomes and to ensure:

— our employees are strongly motivated to deliver shareholder value;
— the Company is able to attract and retain high-performing employees who will ensure the achievement of business objectives; and
— the provision of benefits and allowances that contribute to the health and well-being of our employees.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

For the year ended 30 June 2026

PRINCIPLE 5 — REMUNERATION (CONT'D)

Short-term performance incentives

Short-term performance incentives are at-risk payments that are designed to motivate and reward performance during a financial year, with targets set by the Board having regard to strategic priorities and desired performance outcomes from time to time.

Short-term performance incentives include both Company targets and individual targets, with minimum thresholds in place for both of these. Eligibility to short-term performance incentives is conditional on these thresholds being achieved in the first instance, with pay outs dependent on the extent to which actual performance exceeds the targets determined by the Board.

Individual targets (and the clear measures underlying these targets to determine achievement or non-achievement in any one year) are set having regard to the roles and responsibilities held by the CEO and selected members of the executive leadership team and as agreed with the Board (in the case of the CEO) and with the CEO (in the case of the relevant members of the executive leadership team) at the start of the relevant financial year.

Long-term performance incentives

Bremworth's long-term performance incentives are designed to align the interests of the CEO and members of the Bremworth executive leadership team with those of shareholders, and to incentivise them to enhance long-term shareholder value, through share-based payment arrangements.

More information on these long-term incentives can be found on pages 65 and 66 (note 10b (Share-based payment) to the consolidated financial statements).

The Board has decided - as part of the ongoing review of the business - to suspend long-term performance incentives indefinitely.

CEO's remuneration

The remuneration of the CEO was set independently, and without any involvement of the CEO, on an arm's length commercial basis as approved by the Board.

The CEO's remuneration comprises a fixed base salary, benefits (including holiday pay entitlement) and short-term incentives as established by the Board, with these incentives designed to reward the CEO for the additional work and responsibilities relating to the Board-led strategic review and the restructuring of the cost base of the business.

The CEO did not receive any share-based payments.

The remuneration of the CEO can be further analysed as follows:

	Fixed base salary received [1]	Short-term incentive received and receivable [1]	Share-based payments	Other benefits received or receivable [2]	Total remuneration
Year ended 30 June 2026	$487,235	283,500	Nil	$57,216	$827,951

[1] *Inclusive of Employer KiwiSaver*

[2] *Inclusive of holiday pay entitlement*

CORPORATE GOVERNANCE STATEMENT (CONT'D)

For the year ended 30 June 2026

PRINCIPLE 6 — RISK MANAGEMENT

Bremworth is committed to the effective management of risk, which is fundamental to the Company's growth and profitability targets and outcomes.

The Company maintains a risk management framework for the identification, assessment, monitoring and management of risk and has in place, among other policies, a Health and Safety Policy, a Treasury Management Policy and a Delegated Authority Policy to manage specific risks.

The Board is responsible for overseeing and approving the Company's risk management framework and risk tolerance levels as well as ensuring that an effective assurance system is in place, with assistance sought from external independent experts where appropriate.

Process

The Company has completed a comprehensive review of its key risks. This review took into account, among other things, the learnings from the disruptions to the business as a consequence of Cyclone Gabrielle, the changes that had to be made to the business post-Cyclone Gabrielle and the findings of the Board-led strategic review that commenced following the cyclone.

In conducting this review, the Company considered both the potential impact and likelihood of risks that had been identified by its businesses, allowing the Board and management to prioritise these risks and to focus on those areas presenting the highest risks to the Group.

Management is required, as part of the Company's risk management framework, to report on the top 10 risks that have been identified to the Board quarterly – focusing on any changes in potential impact and likelihood of these risks as well as the control environment that has been put in place to mitigate those risks and the effectiveness of those controls. Additionally, management is also required, as part of this risk management framework, to report annually on all risks recorded in the risk register to give the Board insight into risks as a whole and how these have changed over the year.

The Directors also conducted a Board-CEO risk workshop during the year as part of the ongoing review of risks.

Some of the risks that have been identified are discussed in more detail below.

Financial risks

The material financial risks facing the business and the management of these risks are discussed at pages 55 to 62 (note 9 (Risks and financial instruments) to the consolidated financial statements) with management operating under the Board-approved Treasury Management Policy and ensuring that procedures for derivative financial instrument utilisation, control and valuation, risk analysis, counterparty credit approval, and ongoing monitoring and reporting are adhered to.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

For the year ended 30 June 2026

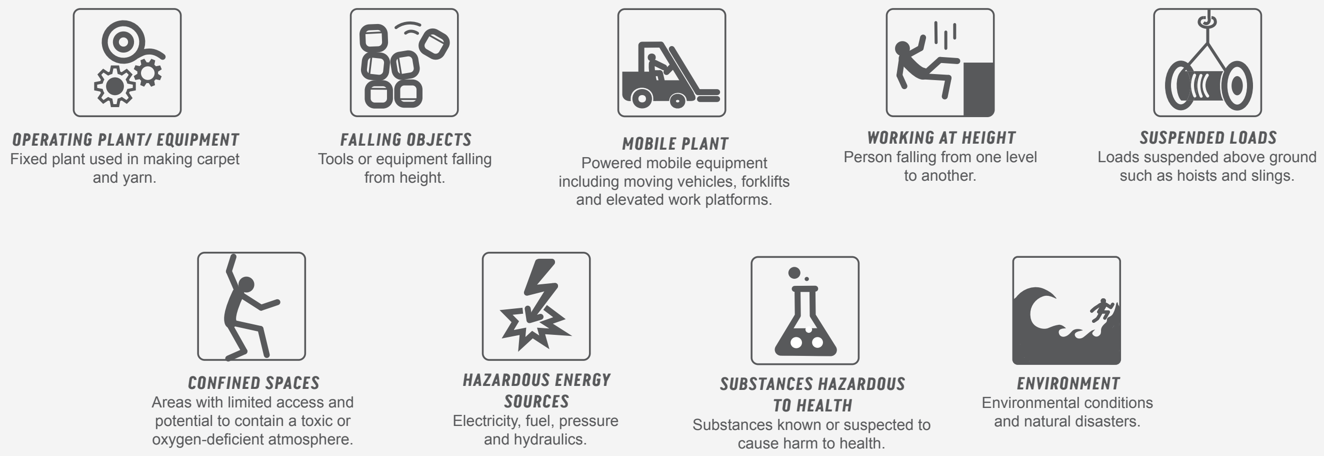
PRINCIPLE 6 — RISK MANAGEMENT (CONT'D)

Health and safety risks

The Board has a Health and Safety Policy, a copy of which is published on the Company's website.

The Health and Safety Policy provides the context, direction and framework within which all other health and safety materials are developed. It is the foundation for managing health and safety risks whilst applying a learning and people-centric lens to our operations and risk management. Our critical risk framework and controls are key enablers and challenge us to design out risk where possible. To enable our people to thrive, we designed a holistic approach to their safety and wellbeing so that we support our team to be their best selves.

Our critical risks are shown below.



The Board adopts a risk-based approach to health and safety risk management, focusing on strengthening critical risk management, while continuing to develop organisational capability and accountability for making health and safety an integral part of our business. Health and safety is a standing agenda item at Board meetings and Directors complete site visits which include a health and safety focus.

Bremworth provides comprehensive training and education that equips our employees with the knowledge and skills to uphold safety standards, respond effectively to emergencies, and foster a culture of continuous improvement and wellbeing.

There is an ongoing emphasis to learn from high-risk potential events and to proactively manage risks to prevent reoccurrence. A key initiative to support this is the implementation of a "Learning Teams" approach to investigations.

The Health and Safety programme concentrates on clearly identifying critical risks and strengthening control effectiveness for these key critical risks. Key areas of the programme include improving machinery safety, implementation of electric forklifts and reducing hazardous substance risk. Initiatives are executed within a cycle of continuous improvement and with the input and support of our site Health and Safety committees.

Underpinning this is a focus to protect and grow our talent, maintain strong safety leadership and create psychologically safe workplaces for our people to thrive.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

For the year ended 30 June 2026

PRINCIPLE 6 — RISK MANAGEMENT (CONT'D)

Climate-related risks

The climate-related risks facing the business, and the management of these risks, are discussed at page 70 (note 10h (Risk management, including climate-related risks) to the consolidated financial statements).

Cyber risks

In response to cyber threats – which are continuing to grow and evolve – Bremworth has a comprehensive programme in place to protect itself against these threats.

This programme includes external independent reviews of the control environment that has been put in place, regular penetration tests to provide ongoing assurances around the integrity of that control environment and the various initiatives aimed at raising awareness internally of these threats. Additionally, Bremworth also has insurance cover against cyber risks.

Internal monitoring and maintenance procedures have also been established, with Bremworth consistently achieving a security score well above the average for organisations of a similar size.

Business and other operational risks

Business and operational risks facing Bremworth included the risks arising from the new hybrid yarn supply chain that was established in response to the disruptions brought about by Cyclone Gabrielle, with the Company undertaking a staged reinstatement of machinery at its Napier yarn spinning plant to mitigate those risks while also enabling it to continue to innovate and scale distinctive product ranges.

CORPORATE GOVERNANCE STATEMENT (CONT'D)
For the year ended 30 June 2026

PRINCIPLE 7 — AUDITORS

External audit

The Board is responsible for ensuring the quality and independence of the statutory audit process and has adopted an External Audit Independence Policy, a copy of which is published on the Company's website.

Specifically, the External Audit Independence Policy requires, among other things:

- the rotation of the key audit partner every five years;
- a mandatory three year stand down period to be completed before a key audit partner can be appointed to the Bremworth audit again.

The Company does not currently have a policy on the tenure of its audit firm, with PwC appointed external auditor in May 2021.

The Audit Committee is charged with considering, and making recommendations to the Board regarding, any issues relating to the independence, performance, appointment or termination of the external auditor.

The Committee reviews the quality and cost of the statutory audit undertaken by the Company's external auditor and provides a formal channel of communication between the Board, senior management and external auditor. The Committee also assesses the external auditor's independence on an annual basis.

Bremworth's external auditor attends the Annual Meeting and is available to answer questions relating to the conduct of the statutory audit and the preparation and content of the auditor's report.

The fees paid to the external auditor for audit work for the years ended 30 June 2025 and 2026 are set out on page 42 (note 5e (Audit fee and expenses) to the consolidated financial statements).

All non-audit work carried out by the external auditor are required to be approved by the Board pursuant to the External Audit Independence Policy as having no effect on the independence or objectivity of the external auditor in relation to its statutory audit work.

In determining whether a non-audit related service impinges on the independence or objectivity of the external auditor, consideration is given to, among other things, the people doing the work, the nature of the work done and whether it involves any calculations of balances in the financial statements or for financial reporting.

The external auditor did not provide any non-audit services during the 2026 financial year.

Internal audit

Bremworth suspended its internal audit programme in the 2024 financial year, pending the complete review of the key risks facing its businesses as discussed in more detail under Principle 6 – Risk Management.

This review work, which has now been completed, informs the internal audit programme going forward, with the focus of the programme directed at the key risks that have been identified and the control environment that has been put in place to manage these key risks.

Bremworth adopts a risk-based approach to internal audit that prioritises audit activities based on the potential impact and likelihood of risks, with this approach helping to ensure that audit resources are not only adequate but also focused on those areas that present the highest risks to the Group.

The Group anticipates that its internal audit programme will provide objective assurance of the effectiveness of its internal control framework while also bringing a disciplined approach to evaluating and improving the effectiveness of risk management, internal controls and governance processes.

CORPORATE GOVERNANCE STATEMENT (CONT'D)
For the year ended 30 June 2026

PRINCIPLE 8 — SHAREHOLDER RIGHTS AND RELATIONS

Bremworth respects the rights of shareholders, is focused on fostering constructive relationships with shareholders that encourage them to engage with the Company and values dialogue with institutional and private investors.

Bremworth is also committed to giving all shareholders comprehensive, timely and equal access to information about its activities and keeps shareholders informed through:

- continuous disclosures to NZX;
- half year and annual reports, including accompanying shareholder presentations where appropriate;
- the Annual Meeting and any other meetings of shareholders called to obtain approval for Board actions as appropriate; and
- the Company's website www.bremworth.co.nz/investor-centre where investors and interested stakeholders can access financial and operational information and key corporate governance information about the Company.

The Board encourages shareholders to opt to receive communications from the Company electronically, thereby ensuring that they get access to communications efficiently and in a timely manner.

Shareholder meetings

The Board encourages full participation of shareholders at shareholder meetings to ensure a high level of Director and management accountability and shareholder identification with Bremworth's strategies and goals – with shareholders able to attend and participate at shareholder meetings either in person or virtually (that is, online).

Shareholders are able to ask questions of and express their views to the Board, management and the external auditor at Annual Meetings of shareholders. The Board adopts the one share, one vote principle, conducting voting at shareholder meetings by poll. Shareholders are also able to cast postal votes or vote by proxy ahead of meetings without having to physically attend those meetings.

Bremworth aims to make its notice of Annual Meeting and any other meetings of shareholders available on its website at least 20 working days prior to the meeting, with the notice of meetings accompanied by virtual meeting guides that help shareholders understand how the virtual meetings would be conducted and how to better participate at these meetings.

The next Annual Meeting is to be held on Thursday, 19 November 2026

VARIANCES TO NZX CORPORATE GOVERNANCE CODE

NZX Corporate Governance Code Principle	NZX Corporate Governance Code Recommendation	Key difference	Board's position
1. Ethical Standards	1.1 Training should be provided regularly	Regular training on the Code of Conduct and Ethics is not being provided	This remains under consideration with the new leadership team in place
2. Board Composition and Performance	2.5: The Board should set measurable objectives for achieving diversity	The Board has not set measurable objectives under the Diversity and Inclusion Policy for achieving diversity	The Board considers diversity outcomes can be achieved without measurable objectives

DISCLOSURES UNDER THE COMPANIES ACT 1993

For the year ended 30 June 2026

DIRECTORS

The Directors of the Company as at 30 June 2026 were:

Julie Bohnenn

Trevor Burt

Murray Dyer

Rob Hewett

John Rae and George Adams resigned as Directors on 6 July 2025 and 7 July 2025 respectively.

INTERESTS REGISTER

The Companies Act 1993 requires the Company to maintain an interests register in which are recorded the particulars of certain transactions and matters (eg. use of company information, remuneration, indemnity and insurance and share dealing) involving the Directors. It further requires particulars of the entries in the interests register for the year to be disclosed in the annual report.

Use of company information

No notices were received from the Directors regarding the use of company information that would not otherwise have been available to them, except in their capacity as directors, during the year.

Remuneration

The scale of remuneration payable to the Directors with effect from 1 January 2019 was approved by the Board of Directors on 18 January 2019 and is set out on page 68 (note 10e (Related parties) to the consolidated financial statements).

Indemnity and insurance

The Board of Directors authorised, during the year, the renewal of the Company's directors' and officers' liability insurance policies covering the risks arising out of the acts or omissions of the Directors and employees of the Company and its subsidiaries to the extent normally covered by such policies.

The total cost of these policies for the year ended 30 August 2026 was $139,075 which was considered fair to the Company.

Share dealing

No notices were received from the Directors in relation to share dealing during the year.

No Directors had any relevant interests in shares in the Company as at 30 June 2026.

There is no requirement for the Directors to hold shares in the Company, with the Directors only encouraged to do so pursuant to the Board Charter.

Directors are not eligible to participate in any of Bremworth's share-based payment arrangements, and no shares, options or performance rights have been issued to the Directors under any of these share-based payment arrangements.

DISCLOSURES UNDER THE COMPANIES ACT 1993 (CONT'D)

For the year ended 30 June 2026

INTERESTS REGISTER (CONT'D)

Specific disclosures of interest

No specific disclosures of interest were received during the year.

General disclosures of interest

General disclosures of interest that were current as at 30 June 2026 were:

Julie Bohnenn	Boxtel Consulting Limited	Director and shareholder
	Edison Consulting Group Limited	Chair
	Edison Consulting Trustee Company Limited	Director
	Farmlands Co-operative Society Limited	Director and shareholder
	Forte Health Group Limited	Director
	Forte Health Limited	Director
	Forte Health Group Nominees No.1 Limited	Director
	Forte Health Group Nominees No.2 Limited	Director
	Moana Heights Limited	Director and shareholder
	Reform Radiology Limited	Director
Trevor Burt	Breakaway Investments Limited	Director and shareholder
	Hossack Station Limited	Director and shareholder
	Landpower Group Limited	Director
	Market Gardeners Limited	Director
	NZ Drinks Holdings Limited	Director
	The Lamb Company Group	Chair
Murray Dyer	Axos Systems Limited	Director and shareholder
	Centre for Climate Action Joint Venture Limited (AgrizeroNZ)	Director
	Prime Markets Limited	Director and shareholder
	Prime Rural Limited	Director and shareholder
	Silverstream Investment Trust	Trustee and beneficiary
	The Embedded Network Company Limited	Director and shareholder
	Utility Data Services Limited	Director and shareholder
Rob Hewett	Centre for Climate Action Joint Venture Limited (AgrizeroNZ)	Chair
	Farmlands Co-operative Society Limited	Chair and shareholder
	Fern Energy Limited	Chair
	Hewett Farm Limited	Shareholder
	Hilton Haulage GP Limited	Chair
	Merino New Zealand Limited	Shareholder
	Pioneer Energy Limited	Chair
	Pioneer Energy Group GP Limited	Chair
	Pioneer Energy Renewables GP Limited	Chair
	Ravensdown Limited	Shareholder
	Rewiring NZ Charitable Trust	Chair
	Silver Fern Farms Co-operative Limited	Shareholder
	T&G Global Limited	Director
	Woolscour Holdings Limited (Woolworks)	Chair, with Woolworks providing wool scouring services from time to time to Bremworth on commercial terms

DISCLOSURES UNDER THE COMPANIES ACT 1993 (CONT'D)

For the year ended 30 June 2026

DIRECTORS' REMUNERATION

The total remuneration and value of other benefits earned by each of the Directors of the Company for the year ended 30 June 2026 were:

	Board	Audit Committee	People & Performance Committee [1]	Other benefits	Total
George Adams	$1,148	-	-	-	$1,148
Julie Bohnenn	$61,000	$10,000	-	-	$71,000
Trevor Burt	$61,000	-	$5,000	-	$66,000
Murray Dyer	$61,000	-	-	-	$61,000
Rob Hewett	$128,100	-	-	-	$128,100
John Rae	$1,148	-	-	-	$1,148
Total	**$313,396**	**$10,000**	**$5,000**	**-**	**$328,396**

[1] *As specifically acknowledged in the NZX Corporate Governance Code commentary for smaller issuers, the Board considers it unnecessary or impractical to have a separate Nomination Committee and has therefore combined the governance functions of the Nomination Committee with those of its People and Performance Committee.*

EMPLOYEES' REMUNERATION

The number of employees of the Company and its subsidiaries whose remuneration and value of other benefits for the year ended 30 June 2026 fall into the various brackets specified by the Companies Act 1993 is as follows:

Remuneration and value of other benefits ($)	Number of employees – 2026	Number of employees – 2025
100,000 – 109,999	**14**	17
110,000 – 119,999	**15**	7
120,000 – 129,999	**11**	14
130,000 – 139,999	**7**	7
140,000 – 149,999	**7**	4
150,000 – 159,999	**7**	3
160,000 – 169,999	**4**	3
170,000 – 179,999	**1**	2
180,000 – 189,999	**2**	1
190,000 – 199,999	**1**	2
200,000 – 209,999	**-**	1
210,000 – 219,999	**2**	-
250,000 – 259,999	**1**	3
260,000 – 269,999	**1**	3
270,000 – 279,999	**2**	1
280,000 – 289,999	**1**	1
340,000 – 349,999	**1**	1
350,000 – 359,999	**1**	-
440,000 – 449,999	**1**	-
460,000 – 469,999	**-**	1
550,000 – 559,999	**1**	-
650,000 – 659,999	**-**	1
670,000 – 679,999	**-**	2
820,000 – 829,000	**1**	-
920,000 – 929,999	**-**	1
Total number of employees	**81**	**75**

DISCLOSURES UNDER THE COMPANIES ACT 1993 (CONT'D)

For the year ended 30 June 2026

EMPLOYEES' REMUNERATION (CONT'D)

The number of employees of the Company and its subsidiaries whose remuneration and value of other benefits exceed $100,000 can be further analysed as follows:

	Number of employees – 2026	Number of employees – 2025
Waged employees	**25**	11
Salaried employees	**56**	64
Total number of employees	**81**	**75**

DONATIONS

The Company did not make any donations during the year and does not make political donations.

AUDIT FEES

Refer to page 42 (note 5e (Audit fee and expenses) to the consolidated financial statements).

SUBSIDIARY COMPANY DIRECTORS

The following persons respectively held office as directors of subsidiary companies as at the end of the year:

Subsidiaries	Directors
Bremworth Carpets and Rugs Limited	Craig Woolford
Bremworth Spinners Limited	
Elco Direct Limited	
Bremworth Share Scheme Limited	
Cavalier Bremworth Limited	
Cavalier Bremworth (Australia) Limited	
Cavalier Bremworth (North America) Limited	
Cavalier Spinners Limited	
Knightsbridge Carpets Limited	
EnCasa Carpets Limited	
Norman Ellison Carpets Limited	
Carpet Distributors Limited	
Horizon Yarns Limited	
Cavalier Commercial Limited	
Radford Yarn Technologies Limited	
E Lichtenstein and Company Limited	
Elcopac Limited	
Elcowool Limited	
e-Wool Limited	
Microbial Technologies Limited	
Northern Prospecting Limited	
Bremworth Pty. Limited	Craig Woolford
Cavalier Holdings (Australia) Pty. Limited	Michael Ingham
Cavalier Bremworth Pty. Limited	
Norman Ellison Carpets Pty. Limited	
Cavalier Commercial Pty. Limited	
Yarmish Enterprises Limited	

No subsidiary company directors received, in their capacity as such, directors' fees or other benefits from the subsidiaries.

The remuneration and value of other benefits of these directors is disclosed under employees' remuneration on page 92.

DISCLOSURES UNDER THE NZX LISTING RULES

As at 31 August 2026

ANALYSIS OF SHAREHOLDINGS

Size of shareholdings	Number of shareholders	%	Shares held	%
Up to 199	98	4.26	7,852	0.01
200 – 499	112	4.87	36,836	0.05
500 – 999	186	8.09	128,730	0.19
1,000 – 1,999	413	17.96	565,353	0.82
2,000 – 4,999	586	25.49	1,791,750	2.59
5,000 – 9,999	365	15.88	2,409,167	3.49
10,000 – 49,999	428	18.62	8,565,835	12.40
50,000 – 99,999	53	2.31	3,639,857	5.27
Over 99,999	58	2.52	51,943,985	75.18
	2,299	**100.00**	**69,089,365**	**100.00**

Location of shareholders				
New Zealand	2,187	95.13	68,034,571	98.47
Overseas				
Australia	68	2.96	482,965	0.70
Others	44	1.91	571,829	0.83
	2,299	**100.00**	**69,089,365**	**100.00**

Top 20 shareholders	Shares held	%
Mangawhai Collective Limited	13,444,899	19.46
Custodial Services Limited (Account 4)	7,316,987	10.59
Rural Aviation (1963) Limited	4,283,821	6.20
New Zealand Depository Nominee Limited (Account 1 Cash Account)	2,511,830	3.64
Suzanne Rachel Timpson and Fairlie Ann Milne (Suzanne Timpson No 1 Family Account)	2,402,679	3.48
FNZ Custodians Limited	1,706,167	2.47
Tony Nigel Woolf	1,269,666	1.84
Maria Dumont Woolf	1,266,668	1.83
Allan Brian Woolf	1,266,666	1.83
Accident Compensation Corporation	1,247,749	1.81
Fergus David Elliott Brown	1,000,000	1.45
F B Trustee Limited (Fergus Brown Family Account)	1,000,000	1.45
Ian David McIlraith	940,000	1.36
Forsyth Barr Custodians Limited (1-Custody)	895,129	1.30
Neil Douglas Waites	738,467	1.07
Percy Keith McFadzean	715,000	1.03
Terence Roland Harrison & TRH Trustee Limited (TR Harrison Securities Account)	698,731	1.01
Graeme Paul Spry	540,439	0.78
BNP Paribas Nominees (NZ) Limited - NZCSD	532,652	0.77
Graham James Munro and Zita Lillian Munro	500,000	0.72
	44,277,550	**64.09**

DISCLOSURES UNDER THE FINANCIAL MARKETS CONDUCT ACT 2013

As at 30 June 2026

SUBSTANTIAL HOLDINGS

The substantial product holders in the Company in respect of whom notices have been received were:

	Number of ordinary shares (being the only class of listed voting securities) where relevant interest exists
Mangawhai Collective Limited	13,176,181
Rural Aviation (1963) Limited	4,283,821
Brian Edward Woolf[1]	3,600,000

The total number of ordinary shares, being the only class of listed voting securities in the Company, as at 30 June 2026 was 69,089,365.

The definition of the term “relevant interest” in the Financial Markets Conduct Act 2013 is extremely wide, and more than one relevant interest can exist in the same voting securities.

SHAREHOLDER INFORMATION

ANNUAL MEETING OF SHAREHOLDERS

Time and date	1 p.m., Thursday, 19 November 2026
Venue	Registered office of Bremworth Ltd 7 Grayson Avenue Papatoetoe Auckland

CORPORATE CALENDAR

19 November 2026	2026 Annual Meeting of shareholders
31 December 2026	End of 2027 half year
Mid-February 2027	Announcement of 2027 half year result and release of 2027 half year report
30 June 2027	End of 2027 financial year
Late August 2027	Announcement of 2027 annual result
September 2027	Period for director nominations
End of September 2027	Release of 2027 Annual Report

[1] *Recent filings in connection with the Mangwahai Collective Limited partial takeover offer indicate that Brian Edward Woolf’s holding has been transferred to Tony Nigel Woolf, Maria Dumont Woolf and Allan Brian Woolf who respectively hold 1.84%, 1.83% and 1.83% of the total number of ordinary shares on issue in the Company. No updated substantial product holder notice has been filed.*

TREND STATEMENT

	2026 $000	2025 $000	2024 $000	2023 $000	2022 $000	2021 $000	2020 $000
Financial Performance							
Operating revenue	**$106,804**	**$88,424**	**$80,294**	**$89,689**	**$95,485**	**$111,577**	**$117,981**
EBITDA (normalised)	**(6,468)**	(13,545)	(4,686)	(200)	4,918	3,385	2,300
Depreciation - owned assets	**(1,660)**	(1,166)	(858)	(820)	(683)	(379)	(2,418)
Depreciation - right-of-use assets	**(1,242)**	(1,129)	(1,057)	(994)	(954)	(534)	(1,779)
Depreciation - recycled through inventory	**-**	-	-	-	194	(764)	(265)
Amortisation - intangibles	**(25)**	(25)	(25)	(25)	-	-	-
EBIT (normalised)	**(9,395)**	(15,865)	(6,626)	(2,039)	3,475	1,708	(2,162)
Finance costs	**(818)**	(860)	(825)	(1,045)	(1,029)	(1,124)	(2,535)
Finance income	**900**	1,032	1,344	502	159	68	-
(Loss)/Profit before income tax (normalised)	**(9,313)**	(15,693)	(6,107)	(2,582)	2,605	652	(4,697)
Income tax (expense)/benefit	**(224)**	(333)	(301)	(263)	(870)	(276)	1,240
(Loss)/Profit after tax (normalised)	**(9,537)**	(16,026)	(6,408)	(2,845)	1,735	376	(3,457)
Abnormal (losses)/gains (after tax)	**(1,875)**	35,129	11,051	13,581	505	1,353	(17,994)
(Loss)/Profit after tax attributable to shareholders of the Company (GAAP)	**$(11,412)**	$19,103	$4,643	$10,736	$2,240	$1,729	$(21,451)
Financial Position							
Shareholders' equity	**60,727**	73,294	54,423	50,223	37,771	35,592	33,637
Term liabilities	**15,808**	17,308	17,808	18,227	19,251	20,978	3,511
Loans and borrowings – current portion	**-**	-	-	-	-	-	15,800
Current liabilities	**22,491**	16,561	22,687	22,686	21,880	21,453	17,033
Shareholders' equity and total liabilities	**$99,026**	$107,163	$94,918	$91,136	$78,902	$78,023	$69,981
Property, plant and equipment	**20,354**	16,959	13,241	10,148	14,306	12,094	22,725
Right-of-use assets	**7,439**	7,915	8,804	8,616	9,280	9,968	430
Intangible assets	**385**	36	61	86	-	-	-
Restricted cash and cash equivalents	**2,200**	-	-	-	-	-	-
Deferred tax asset	**499**	488	402	576	532	732	600
Non-current assets	**30,877**	25,398	22,508	19,426	24,118	22,794	23,755
Cash and bank	**22,033**	42,245	31,645	39,319	14,874	22,508	1,276
Current assets	**46,116**	39,520	40,765	32,391	39,910	32,721	44,950
Total assets	**$99,026**	$107,163	$94,918	$91,136	$78,902	$78,023	$69,981

TREND STATEMENT (CONT'D)

	2026 $000	2025 $000	2024 $000	2023 $000	2022 $000	2021 $000	2020 $000
Abnormal items (after tax)							
Cyclone Gabrielle related insurance income	**-**	42,230	26,500	35,500	-	-	-
Cyclone Gabrielle related expenses	**-**	(2,568)	(14,666)	(14,275)	-	-	-
Cyclone Gabrielle related asset write offs	**-**	-	(297)	(7,644)	-	-	-
Cyclone Gabrielle related asset write offs reversed	**-**	-	1,082	-	-	-	-
Whanganui fire related insurance income	**1,140**	527	-	-	-	-	-
Whanganui fire related asset write offs, salvage and expenses	**(174)**	(1,439)	-	-	-	-	-
Restructuring costs	**(2,784)**	(2,725)	(1,568)	-	-	(1,271)	(854)
Onerous contract	**(57)**	(896)	-	-	-	-	-
Impairment of plant and equipment	**-**	-	-	-	-	-	(5,095)
Impairment of right-of-use assets	**-**	-	-	-	-	-	(2,094)
Impending change in legislation relating to tax depreciation on buildings	**-**	-	-	-	-	-	2,940
Derecognition of deferred tax assets	**-**	-	-	-	-	-	(12,891)
Gain on sale of property	**-**	-	-	-	-	2,624	-
Reversal of normalised tax expense	**-**	-	-	-	505	-	-
Total	**$(1,875)**	$35,129	$11,051	$13,581	$505	$1,353	$(17,994)

TREND STATEMENT (CONT'D)

	2026	2025	2024	2023	2022	2021	2020
Financial Ratios and Summary							
Use of Funds and Return on Investment							
Return on average shareholders' equity (normalised) - %	**(14.2)**	(25.1)	(12.2)	(6.5)	4.7	1.1	(7.8)
Basic (loss)/earnings per ordinary share (normalised) - cents	**(13.69)**	(22.68)	(9.15)	(4.08)	2.51	0.55	(5.03)
Diluted (loss)/earnings per ordinary share (normalised) - cents	**(13.69)**	(22.36)	(9.02)	(3.99)	2.46	0.54	(5.03)
Financial Structure							
Net tangible asset backing per ordinary share - $	**0.76**	0.92	0.64	0.58	0.40	0.36	0.47
Equity ratio - %	**61.3**	68.4	57.3	55.1	47.9	45.6	48.1
Share Price							
30 June	**0.71**	0.62	0.38	0.40	0.47	0.49	0.22
52 week high	**0.92**	0.67	0.68	0.64	0.85	0.49	0.38
52 week low	**0.56**	0.37	0.36	0.30	0.45	0.21	0.16
Market Capitalisation ($000)							
30 June	**48,708**	43,748	26,626	28,028	32,168	33,653	15,109
Capital Expenditure and Depreciation ($000)							
Capital expenditure	**5,702**	5,541	4,147	1,956	2,898	2,481	2,119
Depreciation - owned assets	**1,660**	1,166	858	820	683	379	2,418
Depreciation - right-of-use assets	**1,242**	1,129	1,057	994	954	534	1,779

TREND STATEMENT (CONT'D)

GLOSSARY OF FINANCIAL TERMS

EBITDA	Earnings before interest, tax, depreciation and amortisation
EBIT	Earnings before interest and tax
EBITDA (normalised)	Earnings before abnormal items, interest, tax, depreciation and amortisation
EBIT (normalised)	Earnings before abnormal items, interest and tax
Net assets	Total assets less total liabilities

USE OF FUNDS AND RETURN ON INVESTMENT

Return on average shareholders' equity (normalised)

$$\frac{\text{Profit/(Loss) after tax (normalised)}}{\text{Average shareholders' equity}}$$

Basic earnings per ordinary share (normalised)

$$\frac{\text{Profit/(Loss) after tax (normalised)}}{\text{Weighted average number of ordinary shares on issue during the year}}$$

Diluted earnings per ordinary share (normalised)

$$\frac{\text{Profit/(Loss) after tax (normalised)}}{\text{Weighted average number of ordinary shares on issue during the year (including the maximum number of shares that could be issued under the Company's LTI Scheme and the Bremworth Option Scheme)}}$$

FINANCIAL STRUCTURE

Net tangible asset backing per ordinary share

$$\frac{\text{Net assets less intangible assets}}{\text{Number of ordinary shares on issue at balance date}}$$

Equity ratio

$$\frac{\text{Shareholders' equity}}{\text{Shareholders' equity and total liabilities}}$$

DISCLOSURE OF NON-GAAP FINANCIAL INFORMATION

The Directors believe that the non-GAAP financial information contained within the Annual Report (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 (CONT’D)

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
Operating revenue	**$106,804**	**-**	**$106,804**	**$88,424**	**-**	**$88,424**
EBITDA	**(8,343)**	**1,875**	**(6,468)**	21,584	(35,129)	(13,545)
Depreciation - owned assets	**(1,660)**	**-**	**(1,660)**	(1,166)	-	(1,166)
Depreciation - right-of-use assets	**(1,242)**	**-**	**(1,242)**	(1,129)	-	(1,129)
Amortisation - intangible assets	**(25)**	**-**	**(25)**	(25)	-	(25)
EBIT	**(11,270)**	**1,875**	**(9,395)**	19,264	(35,129)	(15,865)
Finance costs	**(818)**	**-**	**(818)**	(860)	-	(860)
Finance income	**900**	**-**	**900**	1,032	-	1,032
(Loss)/Profit before tax	**(11,188)**	**1,875**	**(9,313)**	19,436	(35,129)	(15,693)
Tax expense	**(224)**	**-**	**(224)**	(333)	-	(333)
(Loss)/Profit after tax	**(11,412)**	**1,875**	**(9,537)**	19,103	(35,129)	(16,026)
Abnormal items		**(1,875)**	**(1,875)**		35,129	35,129
(Loss)/Profit after tax (GAAP)		**-**	**$(11,412)**		-	$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 $000
Cyclone Gabrielle related insurance income	**-**	**-**	**-**	42,230	-	42,230
Cyclone Gabrielle related expenses	**-**	**-**	**-**	(2,568)	-	(2,568)
Whanganui spinning plant fire related insurance income	**1,140**	**-**	**1,140**	527	-	527
Whanganui spinning plant fire related asset write offs, salvage and expenses	**(174)**	**-**	**(174)**	(1,439)	-	(1,439)
Restructuring costs	**(2,784)**	**-**	**(2,784)**	(2,725)	-	(2,725)
Onerous contract	**(57)**	**-**	**(57)**	(896)	-	(896)
Total	**$(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 ($000)	**$(11,412)**	**$1,875**	**$(9,537)**
Weighted average number of ordinary shares (basic)	**69,666,127**		**69,666,127**
Loss per share (basic) (cents)	**(16.38)**		**(13.69)**
Weighted average number of ordinary shares (diluted)	**69,666,127**		**69,666,127**
Loss per share (diluted) (cents)	**(16.38)**		**(13.69)**

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)

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Rob Hewett	Chair of the Board of Directors
Independent	Member of Audit and People & Performance Committees
Julie Bohnenn	Chair of Audit Committee
Independent	Member of People & Performance Committee
Trevor Burt	Chair of People & Performance Committee
Independent	Member of Audit Committee
Murray Dyer	Member of Audit and People & Performance Committees
Independent	

DIRECTOR EMERITUS
Grant Biel B.E. (Mech.)

CHIEF EXECUTIVE OFFICER
Craig Woolford

EXECUTIVE LEADERSHIP TEAM

Chief Financial Officer	Victor Tan
Chief Technology Officer	Caio Diehl
General Manager Sales New Zealand	Warren Drinkwater
General Manager Sales Australia	Michael Ingham
General Manager Wool Procurement	Shane Eades

SENIOR MANAGERS

Manufacturing Manager – Tufting	Ian Lowe
Head of Operations – Yarn	Chris Nabney
General Manager Logistics and Property	Garth Clarke
Product Development Manager	Amit Gupta
Human Resources Manager	David McLeod
Administration Manager	Tony Waters

COMPANY SECRETARY
Victor Tan

FOUNDING SHAREHOLDER
The late Anthony Charles Timpson ONZM

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Telephone: +64-9-488 8700, Investor Enquiries: +64-9-488 8777.

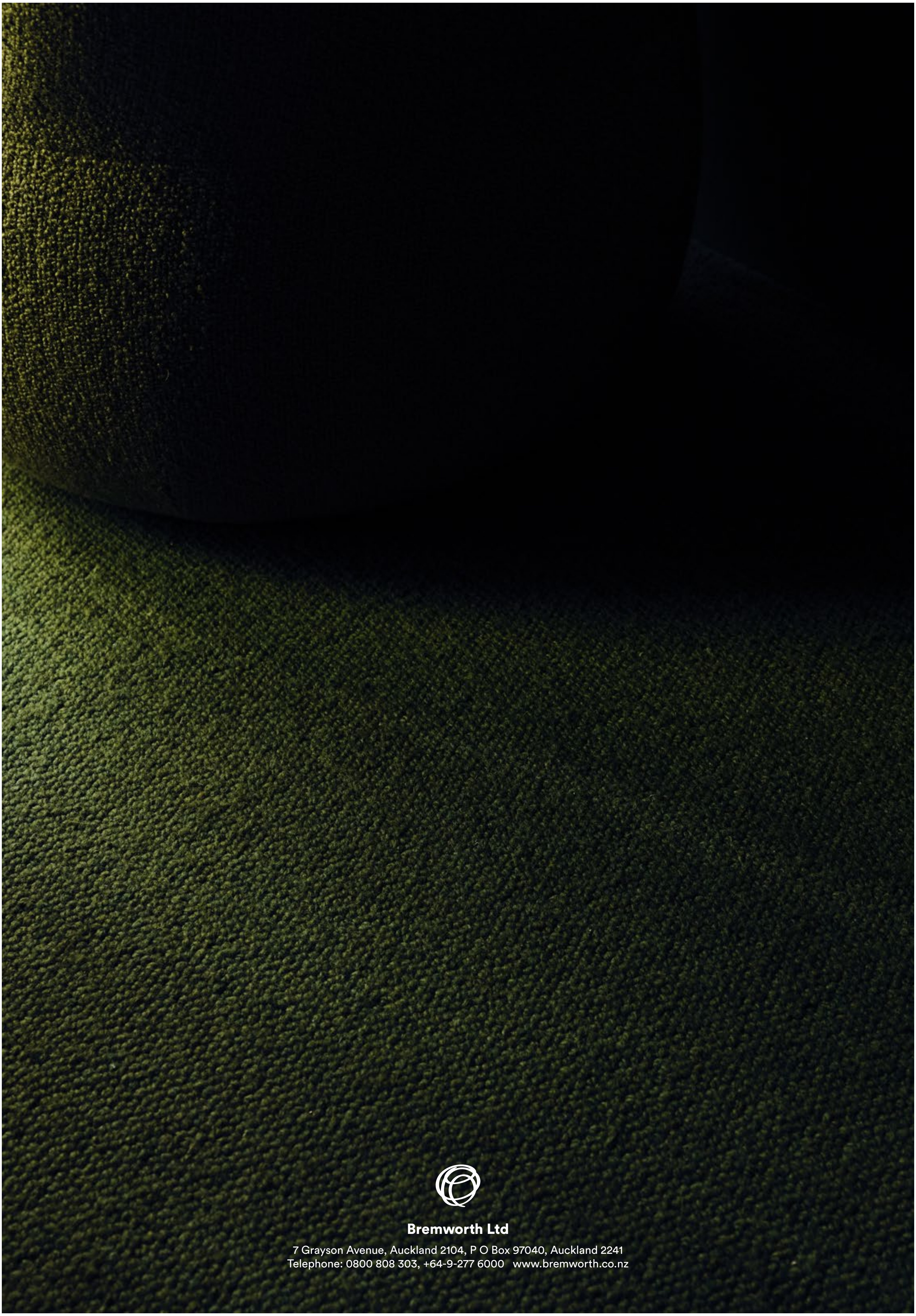
AUDITOR
PricewaterhouseCoopers

LEGAL ADVISORS
Russell McVeagh

BANKERS
Bank of New Zealand
National Australia Bank Limited

WEBSITES

Corporate	bremworth.co.nz/investor-centre
Carpet Operation	bremworth.co.nz
	bremworth.com.au
Wool Operation	elcodirect.co.nz
Share Registrar	computershare.com/nz



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