



MARKET RELEASE

25 July 2023

Impact of Cyclone Gabrielle – July 2023 update

Bremworth Limited (NZX: BRW) provides the following update on its mitigation and business continuity plans following Cyclone Gabrielle which impacted its Napier yarn spinning plant on 14 February 2023.

Team wellbeing

A detailed assessment of the damage to the Napier plant and buildings, involving external engineering specialists over the last few months, has now been completed and the results are being reviewed by the loss adjustors and Bremworth. The insurance claims process is expected to take a number of months to complete.

Bremworth has been very conscious of the impact on staff during this time. While employees have been paid since the plant went offline in February 2023, the Company is aware that team members are looking for more clarity around their future at the Napier plant. In response to staff feedback, Bremworth is presenting several options to team members that may assist with their personal circumstances and wellbeing – specifically, voluntary redundancy or expressions of interest for redeployment to Bremworth’s Whanganui plant. Career and financial advice, as well as emotional support, is available to all employees.

CEO of Bremworth, Greg Smith, commented: “Since the weather event in February, our priority has been our people. While we do not yet have a definitive view around the future of the plant, we are doing all we can to support them and working through the process in good faith.”

Business continuity plans in place and progressing well

Insurance payments to date have ensured Bremworth is in a strong position to continue to implement its mitigation and business continuity plans, support affected staff and meet its ongoing obligations. Further insurance payments are expected upon completion of the assessment of damage to buildings, plant and equipment, and the loss of inventory and profit, due to the interruption to the business from Cyclone Gabrielle.

Bremworth

Bremworth confirms that alternative supply arrangements for dyed fibre and yarns are proving successful, putting the Company into an encouraging position to continue to supply key product ranges to its distribution partners. The new hybrid supply chain model is complementary to Bremworth's existing operations and will insulate the Company from future events that could potentially disrupt operations.

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