

Brenworth



**SUSTAINED
PROGRESS**

HALF YEAR REPORT 2023

Let's Go Good Together

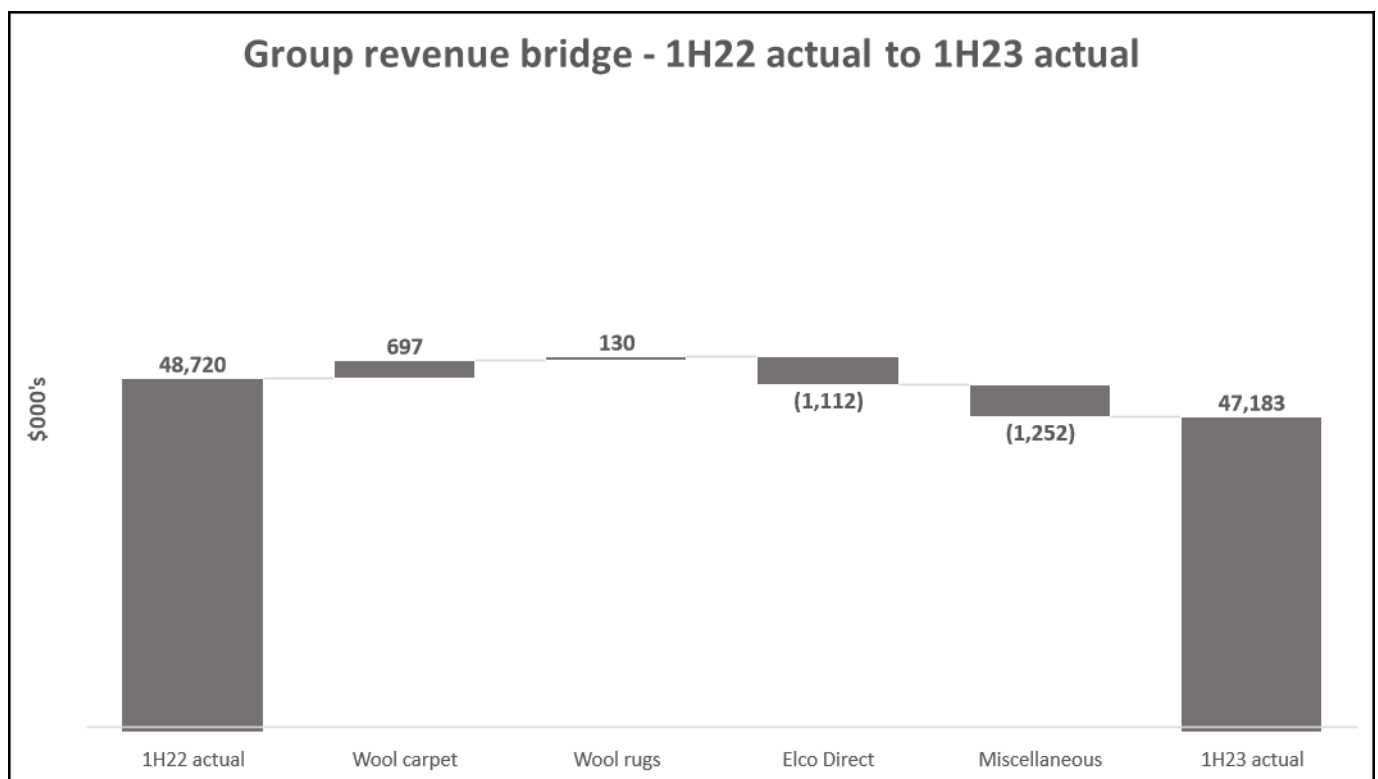
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Bremworth Limited and subsidiary companies

FY23 First Half (1H23) at a Glance

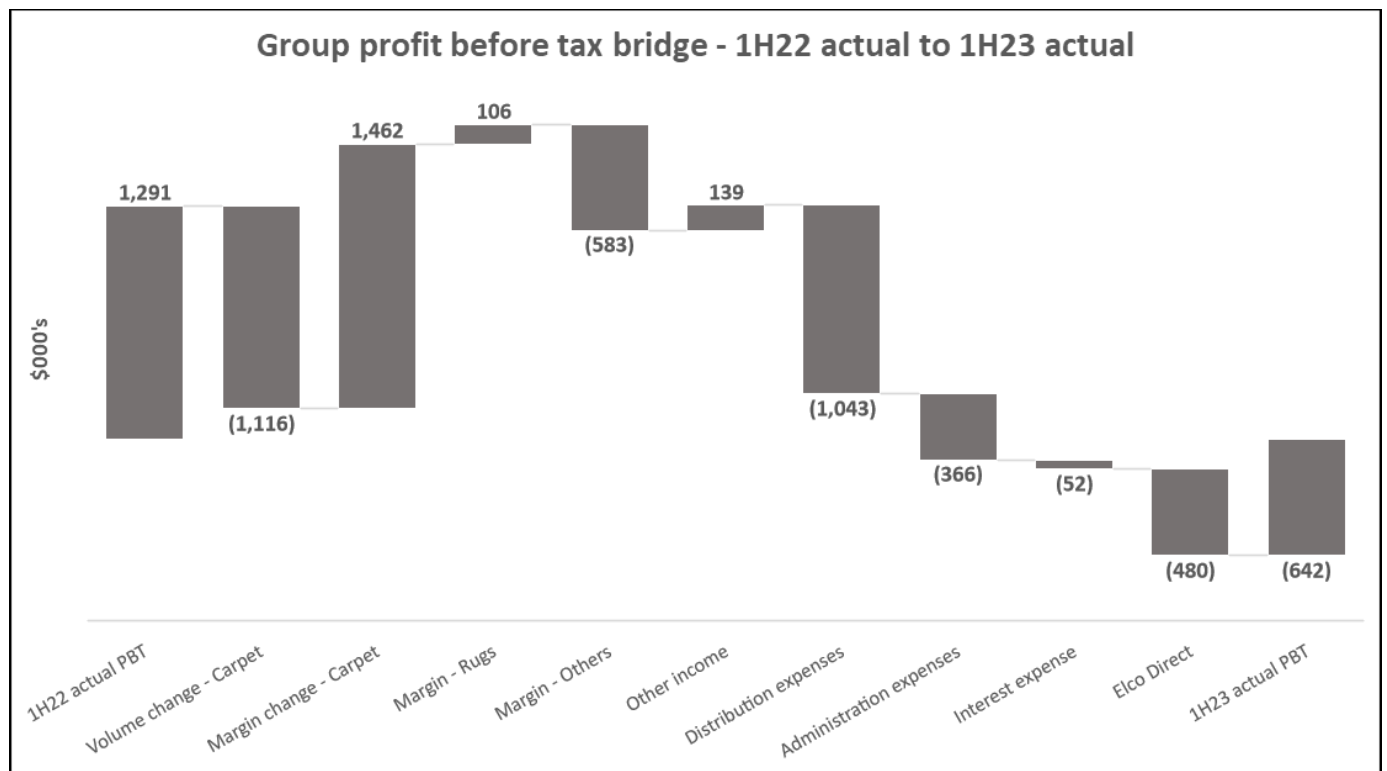
- Revenue and gross profit for the core carpet and rug business up on 1H22.
- Carpet segment gross profit (which includes miscellaneous sales) was in line with 1H22. However, ongoing investment in marketing and in expanding the distribution network in the key Australian market along with technology and sustainability initiatives saw the carpet segment finish 1H23 with a profit of \$347,000 - down from \$1,897,000 for 1H22.
- Revenue and gross profit for the Elco Direct wool segment were down on 1H22, largely as a result of the slowing demand for strong wool globally, due to the ongoing war in Ukraine and China's zero-COVID-19 policy.
- The Company is continuing to invest for the future, with ongoing focus on building the Bremworth brand while also investing in the key Australian market, with new products and supporting sales growth with inventory and samples.



Reduction in miscellaneous revenue includes revenue from installation services, which the business exited from following the exit from low-margin high-volume commercial business in Australia, and from sales of carpet yarn overseas, which the business ceased to preserve yarn capacity for its own requirements.

Bremworth Limited and subsidiary companies

FY23 First Half (1H23) at a Glance (continued)



Bremworth Limited and subsidiary companies

Financial Summary - for the six months ended 31 December 2022 (Unaudited)

	Unaudited Six months ended 31 December 2022 \$000	Unaudited Six months ended 31 December 2021 \$000	Audited Year ended 30 June 2022 \$000
Revenue	\$47,183	\$48,720	\$95,485
EBITDA (normalised) ¹	692	2,468	4,918
Depreciation – owned assets	(309)	(355)	(683)
Depreciation – right-of-use assets	(490)	(441)	(954)
Depreciation – recycled through inventory	(39)	65	194
EBIT (normalised) ¹	(146)	1,737	3,475
Finance costs	(562)	(519)	(1,029)
Finance income	66	73	159
(Loss)/Profit before income tax (normalised) ¹	(642)	1,291	2,605
Income tax credit/(expense)	153	(388)	(870)
(Loss)/Profit after tax (normalised) ¹	(489)	903	1,735
Abnormal net (loss)/gain after tax ¹	(289)	98	505
(Loss)/Profit after tax (GAAP)	\$(778)	\$1,001	\$2,240
Net cash flow from operating activities	\$(1,839)	\$(1,380)	\$(2,917)
Basic earnings per share (cents)			
Normalised ¹	(0.70)	1.31	2.51
GAAP	(1.12)	1.45	3.24
Diluted earnings per share (cents)			
Normalised ¹	(0.68)	1.28	2.46
GAAP	(1.09)	1.42	3.17
Return on average shareholders' equity (%)			
Normalised ¹	(1.3)%	2.5%	4.7%
GAAP	(2.0)%	2.8%	6.1%
	Unaudited As at 31 December 2022	Unaudited As at 31 December 2021	Audited As at 30 June 2022
Net tangible asset backing per share (\$)	\$0.43	\$0.38	\$0.40
Equity to total assets (%)	50.8%	48.8%	47.9%

¹ Normalised is a non-GAAP (Generally Accepted Accounting Practice) measure that provides what the Directors believe to be a more meaningful view of the underlying financial performance of the Group. A reconciliation between GAAP and normalised earnings together with further commentary on the disclosure of non-GAAP financial information are set out at pages 29 to 31 of the half year report.

Bremworth Limited and subsidiary companies

Half Year Review

Chair and CEO Commentary

Dear Shareholders

Thank you for your ongoing support of the Bremworth brand as we hit the midpoint of our five-year transformation plan and work to deal with the adverse weather event from Cyclone Gabrielle that impacted the woollen carpet business on 14 February 2023.

STRATEGY

The first six months of FY23 has seen us continue to invest for the future in:

- Brand awareness
- Product and design
- Distribution
- Technology
- Sustainability

We continued to run campaigns to support our mid to long term brand position as the market leader in New Zealand made, New Zealand wool carpet and rugs.

We designed new products and introduced new colours to refresh our ranges.

Importantly, we embarked on a bold distribution expansion strategy in Australia to enhance our brand presence and scale our revenue opportunities in this large market. Australia represents around half of our total sales presently and we were forecasting this to grow significantly over the coming years.

We also moved to future proof the business by upgrading our technology platforms to improve plant efficiency and have designed and launched a new direct-to-consumer (DTC) website to enable our rug business to grow faster.

We continued to stay true to our purpose of finding a more sustainable way through investments in reducing carbon and waste.

MARKET

Our move to all-wool has seen other brands in New Zealand and Australia launch new wool products.

This is not unexpected and indeed validates our move and the progress we have made, while also sharpening the focus on natural carpets as an alternative to plastic-based carpet.

It also further demonstrates consumers raised awareness to the natural benefits of wool.

Bremworth Limited and subsidiary companies

Half Year Review (continued)

Chair and CEO Commentary (continued)

1H23 RESULTS

Pleasingly, the carpet and rug business is still growing year-on-year.

Australian carpet and rug revenue is up 8% on the previous year despite the deliberate move away from low-margin high-volume commercial business in FY22 to focus on premium residential consumers in that market and the well-publicised macroeconomic headwinds faced in both New Zealand and Australia.

This provides support to our decision to embark on the distribution expansion strategy to enhance our brand presence and scale our revenue opportunities in the large Australian market.

Just as important, margins have continued to improve as brand investments start to bear fruit.

Our DTC rug business is achieving double digit growth, with the DTC model providing a lower cost to serve with impressive margins and unparalleled consumer insights which help improve our service and product development pipeline.

The six-month result also reflects prudent investment in, and management of, our inventory - with the lowest level of aged inventory in 10 years and improved profile of our core ranges as we positioned ourselves for growth in the key Australian market.

ELCO DIRECT

Our wool buying division, Elco Direct, has seen a slowdown versus last year.

The results have been impacted by geo-political issues - specifically, the war in Ukraine and the zero-COVID-19 policy that was being observed by China up until December.

The Elco Direct business is run efficiently and continues to grow share of the direct wool buying sector. This provides the Bremworth carpet business with a significant competitive advantage in our core raw material inputs.

Bremworth is planning to introduce direct long-term contracts through Elco Direct to support strong wool farmers, ensure continuity of supply of good quality wool and smooth margins, with these plans scheduled for Q4.

Bremworth Limited and subsidiary companies

Half Year Review (continued)

Chair and CEO Commentary (continued)

DTC DIGITAL BUSINESS

We currently operate a DTC rug business that has shown encouraging growth and will become a material revenue and profit contributor to Bremworth in the years ahead.

To complement this digital business, we are planning to open brand experience stores, giving consumers the opportunity to learn more about wool, design, trends, Bremworth and ultimately the chance to design and purchase their own rug instore.

This platform will further enhance the consumer experience of Bremworth and raise awareness to the benefits of Bremworth carpet and rugs. Brands that are omni-channel have proven to increase loyalty to the brand, average spend across all channels and lifetime value.

LITIGATION

Profits have been impacted by litigation, including the ongoing defence required to fight American-owned Godfrey Hirst which continues to be a drag on resources and costs.

Godfrey Hirst dropped their damages claim last year but have sought court orders in the form of corrective statements and an injunction over alleged misleading statements in Bremworth's Going Good marketing campaign. Godfrey Hirst allege that Bremworth has been misleading the public by representing that synthetic carpet has a materially worse environmental impact than wool carpet. In essence, Godfrey Hirst do not want us to say that synthetic carpet has a worse environmental impact than wool carpet across the life cycle of the products.

More recently, Godfrey Hirst amended their claim in an attempt to capture the whole of Bremworth's marketing campaign and require Bremworth to either publish corrective statements or stop its marketing campaign.

Bremworth considers that the new orders Godfrey Hirst seek are inequitable, anti-competitive and unconscionable, especially in light of Godfrey Hirst's own advertising and conduct and has raised these arguments in its defence to Godfrey Hirst's amended claim.

The Board will keep shareholders apprised of developments, with the court hearing set down for later in the year.

Bremworth Limited and subsidiary companies

Half Year Review (continued)

Chair and CEO Commentary (continued)

OUTLOOK

Macro-economic conditions in both markets remain a consideration in our outlook, with inflation in both our key markets expected to put a drag on growth. However, the recent significant weather events in New Zealand may cushion some of those headwinds over the next four to 12 months.

The Board and management remain committed to the ongoing investment in Bremworth to build a high performing, sustainable business for the long term.

Wool business

Operating conditions for the Elco Direct wool acquisition business are expected to improve with the removal of COVID-19 related restrictions in China meaning a rise in demand and prices is expected in the second half of the year.

Carpet business and event subsequent to balance date

On 14 February 2023, the Napier yarn spinning plant suffered widespread flooding as Cyclone Gabrielle struck the Hawke's Bay region.

The Napier yarn spinning plant is a key plant within the Group's woollen carpet operation, supplying woollen spun yarn to the Auckland carpet plant for conversion into carpet and dyed fibre to the Whanganui yarn spinning plant for processing into felted yarns for carpet manufacturing.

The Napier yarn spinning plant has not been operating since that adverse weather event, with preliminary assessments confirming:

- widespread flooding throughout the plant;
- significant damage to services within the building and to plant and equipment; and
- loss of inventory.

The initial stages of the clean-up have just got underway – with access to the plant only just becoming possible for that to occur.

It is expected that the plant will likely be offline for a yet to be determined, but significant, amount of time – given the extent of the damage and the work required to reinstate buildings, plant and equipment.

A full discussion of the impact of Cyclone Gabrielle on the woollen carpet business can be found in Note 1 (Going concern) to the 1H23 financial statements, while the risks posed by these weather events are considered in Note 12 (Climate-related disclosures) to the 1H23 financial statements.

Bremworth Limited and subsidiary companies

Half Year Review (continued)

Chair and CEO Commentary (continued)

As a consequence of the assessments that have been undertaken and after having considered the uncertainties relating to some of the assumptions underlying these assessments – more particularly, the time it could take for the clean-up and reinstatement of buildings, plant and equipment and to switch to alternative sources of yarn and dyed fibre - the Board has concluded that these uncertainties are not significant and able to be managed.

In forming these views, the Board has taken into account the following:

- the cash surplus of \$10.4 million as at balance date along with positive equity and positive working capital, with the negative cash flows from operations the result of the Group's ongoing investment to support sales growth and service levels – particularly in the large Australian market - and to build a high-performing, sustainable business for the long term;
- the strong inventory position and the quality and profile of that inventory, with 94% of uncommitted inventory as at balance date made up of current stock-keeping units (SKUs);
- the scope and extent of the Group's insurance programme and the comprehensive policies in place to protect itself against losses from such events, the discussions the Company has had with representatives of the insurers and our own claims advisors and the expected timing of insurance payments;
- the steps that have been taken to reduce discretionary spending and to protect its cash resources during the period of interruption to the business; and
- the Group's ongoing ability to resort to other sources of funding.

The Board is also reassessing whether original expectations around realising the full benefits of the transformation from FY25 onwards is still possible and will provide an update to shareholders once it is able to complete a detailed assessment.

For and on behalf of the Board of Directors:



George Adams
Chairman



Greg Smith
Chief Executive Officer

1 March 2023

Bremworth Limited and subsidiary companies

Condensed Consolidated Statement of Profit or Loss

Six months ended 31 December 2022 (Unaudited)	Note	Unaudited Six months ended 31 December 2022 \$000	Unaudited Six months ended 31 December 2021 \$000
Revenue from contracts with customers	4	47,183	48,720
Cost of sales		(32,478)	(33,537)
Gross profit		14,705	15,183
Other income and gains	5	383	245
Distribution expenses		(9,296)	(8,114)
Administration expenses		(5,938)	(5,472)
Restructuring costs		-	(105)
		(146)	1,737
Finance costs	6	(562)	(519)
Finance income		66	73
(Loss)/Profit before income tax		(642)	1,291
Income tax expense		(136)	(290)
(Loss)/Profit after tax for the period		\$(778)	\$1,001
Basic earnings per share (cents)	2	(1.12)	1.45
Diluted earnings per share (cents)	2	(1.09)	1.42

This statement is to be read in conjunction with the Notes on pages 16 to 28 and the previous year's annual financial statements.

Bremworth Limited and subsidiary companies

Condensed Consolidated Statement of Comprehensive Income

Six months ended 31 December 2022 (Unaudited)	Note	Unaudited Six months ended 31 December 2022 \$000	Unaudited Six months ended 31 December 2021 \$000
(Loss)/Profit after tax for the period		(778)	1,001
Other comprehensive income that may be reclassified subsequently to profit or loss			
Effective portion of changes in fair value of cash flow hedges		1,870	44
Net change in fair value of cash flow hedges transferred to profit or loss		289	(46)
Total other comprehensive income		2,159	(2)
Total comprehensive income for the period		\$1,381	\$999

This statement is to be read in conjunction with the Notes on pages 16 to 28 and the previous year's annual financial statements.

Bremworth Limited and subsidiary companies

Condensed Consolidated Statement of Changes in Equity

Six months ended 31 December 2022 (Unaudited)	Note	Share Capital	Cash Flow Hedging Reserve	Foreign Currency Translation Reserve	Share-based Payment Reserve	Retained Earnings	Total Equity
		\$000	\$000	\$000	\$000	\$000	\$000
Total equity at 1 July 2022		22,054	(576)	(1,420)	413	17,300	37,771
Total comprehensive income for the period							
Loss after tax		-	-	-	-	(778)	(778)
Other comprehensive income that may be reclassified subsequently to profit or loss							
Changes in fair value of cash flow hedges (net of income tax, if any)		-	2,159	-	-	-	2,159
Total comprehensive income for the period		-	2,159	-	-	(778)	1,381
Transactions with owners in their capacity as owners							
Share-based payments – value of employee services	7	-	-	-	104	-	104
Total equity at 31 December 2022		\$22,054	\$1,583	\$(1,420)	\$517	\$16,522	\$39,256

This statement is to be read in conjunction with the Notes on pages 16 to 28 and the previous year's annual financial statements.

Bremworth Limited and subsidiary companies

Condensed Consolidated Statement of Changes in Equity (continued)

Six months ended 31 December 2021 (Unaudited)	Note	Share Capital	Cash Flow Hedging Reserve	Foreign Currency Translation Reserve	Share-based Payment Reserve	Retained Earnings	Total Equity
		\$000	\$000	\$000	\$000	\$000	\$000
Total equity at 1 July 2021		21,846	55	(1,420)	51	15,060	35,592
<i>Total comprehensive income for the period</i>							
Profit after tax		-	-	-	-	1,001	1,001
Other comprehensive income that may be reclassified subsequently to profit or loss							
Changes in fair value of cash flow hedges (net of income tax, if any)		-	(2)	-	-	-	(2)
Total comprehensive income for the period		-	(2)	-	-	1,001	999
<i>Transactions with owners in their capacity as owners</i>							
Issue of shares to employees pursuant to the Bremworth Equity Plan	7	208	-	-	-	-	208
Share-based payments – value of employee services	7	-	-	-	254	-	254
Total equity at 31 December 2021		\$22,054	\$53	\$(1,420)	\$305	\$16,061	\$37,053

This statement is to be read in conjunction with the Notes on pages 16 to 28 and the previous year's annual financial statements.

Bremworth Limited and subsidiary companies

Condensed Consolidated Statement of Financial Position

As at 31 December 2022 (Unaudited)	Note	Unaudited 31 December 2022 \$000	Audited 30 June 2022 \$000
ASSETS			
Property, plant and equipment - owned		15,683	14,306
Property, plant and equipment – right-of-use		8,840	9,280
Deferred tax asset		511	532
Total non-current assets		25,034	24,118
Cash and cash equivalent		10,369	10,874
Short-term deposits		-	4,000
Trade receivables, other receivables and prepayments		10,587	12,201
Inventories	9	29,033	27,263
Derivative financial instruments		1,738	8
Advance to employees	7	166	160
Income tax receivable		338	278
Total current assets		52,231	54,784
Total assets		\$77,265	\$78,902
EQUITY			
Share capital		22,054	22,054
Cash flow hedging reserve		1,583	(576)
Foreign currency translation reserve		(1,420)	(1,420)
Share-based payment reserve	7	517	413
Retained earnings		16,522	17,300
Total equity		39,256	37,771
LIABILITIES			
Lease liabilities		17,156	17,820
Employee benefits		720	720
Provisions		711	711
Total non-current liabilities		18,587	19,251
Trade payables and accruals		11,184	12,210
Customer deposits		132	203
Employee benefits		53	53
Employee entitlements		5,006	5,376
Lease liabilities		1,687	1,938
Provisions		746	988
Derivative financial instruments		-	694
Deferred income		614	418
Total current liabilities		19,422	21,880
Total liabilities		38,009	41,131
Total equity and liabilities		\$77,265	\$78,902

This statement is to be read in conjunction with the Notes on pages 16 to 28 and the previous year's annual financial statements.

Bremworth Limited and subsidiary companies
Condensed Consolidated Statement of Cash Flows

Six months ended 31 December 2022 (Unaudited)	Note	Unaudited Six months ended 31 December 2022 \$000	Unaudited Six months ended 31 December 2021 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		49,666	49,226
Cash paid to suppliers and employees		(50,620)	(49,933)
Government grants received		118	107
Other receipts		3	3
GST paid		(316)	(140)
Interest paid – loans and borrowings		(112)	(18)
Interest component of lease payments		(450)	(501)
Interest received		47	41
Income tax paid		(175)	(165)
Net cash flow from operating activities		(1,839)	(1,380)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		10	7
Acquisition of plant and equipment		(1,696)	(1,586)
Short term deposits		4,000	10,000
Advance to employees pursuant to the Bremworth Equity Plan		-	(208)
Net cash flow from investing activities		2,314	8,213
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal component of lease payments		(964)	(1,011)
Issue of shares to employees pursuant to the Bremworth Equity Plan		-	208
Net cash flow from financing activities		(964)	(803)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		(489)	6,030
Cash and cash equivalents at beginning of the period		10,874	10,508
Effect of exchange rate changes on cash		(16)	(25)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		\$10,369	\$16,513

This statement is to be read in conjunction with the Notes on pages 16 to 28 and the previous year's annual financial statements.

Bremworth Limited and subsidiary companies

Condensed Consolidated Statement of Cash Flows (continued)

Reconciliation of profit/(loss) with net cash flow from operating activities

Six months ended 31 December 2022 (Unaudited)	Note	Unaudited Six months ended 31 December 2022 \$000	Unaudited Six months ended 31 December 2021 \$000
(Loss)/Profit after tax for the period		(778)	1,001
Add/(Deduct) non-cash items:			
Depreciation – owned assets		309	355
Depreciation – right-of-use assets		490	441
Share-based payments – value of employee services		104	254
Deferred tax		21	(13)
Net gain on sale of plant and equipment		-	(1)
Net loss on foreign currency balance		16	25
Changes in working capital items:			
Trade and other receivables and prepayments		1,674	355
Inventories		(1,770)	(1,001)
Advance to employees		(6)	-
Income tax receivable		(60)	138
Trade payables and accruals		(1,086)	(3,183)
Customer deposits		(71)	-
Employee benefits and entitlements		(370)	235
Provisions		(242)	-
Deferred income		196	50
Derivative financial instruments		(266)	(36)
Net cash flow from operating activities		\$(1,839)	\$(1,380)

This statement is to be read in conjunction with the Notes on pages 16 to 28 and the previous year's annual financial statements.

Bremworth Limited and subsidiary companies

Notes to the Financial Statements

For the six months ended 31 December 2022

1. General information

Reporting entity

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

The Company is registered under the Companies Act 1993 and is an FMC reporting entity (by virtue of it being a listed issuer) for the purposes of the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013.

The interim financial statements contained in this half year report have been prepared in accordance with these Acts and are for Bremworth and its subsidiaries (“the Group”) as at, and for the six months ended, 31 December 2022.

The Company is listed on the New Zealand Exchange and is required to comply with the provisions of the NZX Listing Rules which require it to present half year reports incorporating, among other things, the interim financial statements covering the Group.

The principal activities of the Group comprise the Elco Direct wool acquisition business and woollen carpet and rug manufacturing and sales.

All Group subsidiaries are wholly-owned.

Basis of preparation

The interim financial statements are condensed financial statements that have been prepared in accordance with NZ IAS 34 *Interim Financial Reporting*. The disclosures normally required by other standards within New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) to be included in a complete set of annual financial statements are not required to be incorporated into a condensed set of interim financial statements prepared under NZ IAS 34. As a consequence, the interim financial statements do not comply with NZ IFRS.

These interim financial statements are presented in New Zealand dollars (\$), which is the Company’s functional currency. Unless otherwise indicated, all financial information presented in New Zealand dollars has been rounded to the nearest thousand.

The interim financial statements, and the comparative information for the six months ended 31 December 2021, are unaudited. The comparative information as at 30 June 2022 is audited.

The interim financial statements were approved for issue by the Board of Directors (“Board”) of the Company on 1 March 2023.

Critical accounting judgements, estimates and assumptions

In preparing the interim financial statements, the Group has consistently applied the judgements, estimates and assumptions adopted in the preparation of the annual financial statements for the year ended 30 June 2022.

Accounting policies

The interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2022 and the accounting policies set out therein.

All accounting policies adopted in the preparation of the interim financial statements are consistent with those adopted in the preparation of the annual financial statements.

Bremworth Limited and subsidiary companies

Notes to the Financial Statements (continued)

1. General information (continued)

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.

31 December 2022 marked the midpoint of its five-year transformation plan. For 1H23, net cash flow from operations was a negative \$1,839,000 and a loss after tax of \$778,000 was recorded.

These results reflected:

- the ongoing investment in marketing, samples and inventories to support the expansion of the distribution network in the key Australian carpet market along with technology and sustainability initiatives;
- a slowdown in the global demand for strong wool adversely impacting the results from the Elco Direct wool acquisition business.

Cash and cash equivalent at balance date of \$10.4 million remains within the range of sensitivity scenarios considered by management when assessing liquidity forecasts at 30 June 2022 – with the difference attributable largely to the ongoing investment in the business as discussed above but with projected growth in woollen carpet sales volumes taking longer than anticipated to materialise as a consequence of disruptions to trans-Tasman supply chain at the start of 1H23 and the economic headwinds encountered during the period.

Net working capital employed by the Group remains in line with that as at 30 June 2022.

On 14 February 2023, the Napier yarn spinning plant suffered widespread flooding as Cyclone Gabrielle which struck New Zealand from 13 to 15 February 2023 brought severe winds and rain and extensive flooding to parts of the North Island - including Hawkes' Bay where the Napier yarn spinning plant is situated.

The Napier yarn spinning plant is a key plant within the Group's woollen carpet operation, supplying woollen spun yarn to the Auckland carpet plant for conversion into carpet and dyed fibre to the Whanganui yarn spinning plant for processing into felted yarns for carpet manufacturing.

The Napier yarn spinning plant has not been operating since 14 February 2023, with preliminary assessments confirming:

- widespread flooding throughout the plant;
- significant damage to services within the building and to plant and equipment; and
- loss of inventory.

The initial stages of the clean-up have just got underway – with access to the plant only just becoming possible for that to occur. It is expected that the plant will likely be offline for a yet to be determined, but significant, amount of time – given the extent of the damage and the work required to reinstate buildings, plant and equipment.

Bremworth Limited and subsidiary companies

Notes to the Financial Statements (continued)

1. General information (continued)

Going concern (continued)

Without the Napier yarn spinning plant, and until alternative sources of yarn and dyed fibre come on stream, the Whanganui yarn spinning plant is expected to run out of work in the next week or so and the Auckland carpet plant in about three to four weeks – depending on production rates.

The Company has activated its risk mitigation and business continuity plans as a consequence of the impact of this unprecedented adverse weather event on the business, with these plans including, but not limited to:

- the mobilisation of the programme that was put in place in December 2021 to seek out alternative supplies of key raw materials including yarns and dyed fibre, with the following progress having been made:
 - confirmation of supply of yarns from an independent New Zealand commission yarn spinner for some of its woollen carpet ranges;
 - advancement of negotiations relating to the use of third-party dyeing facilities to enable the Whanganui yarn spinning plant to continue to access dyed fibre for processing into felted yarns; and
 - acceleration of discussions for supply of yarns from overseas yarns suppliers for some of its woollen carpet ranges;
- the review, and cancellation or postponement, of all:
 - capital projects that had been planned for the Napier yarn spinning plant;
 - outstanding purchase orders and commitments for raw materials, consumables and other goods and services which are no longer required; and
 - discretionary spends.

To assess the ongoing liquidity of the Group and its ability to meet its other financial commitments as they fall due in the normal course of business as a consequence of this event, management has prepared forecasts of the Group's cash flows and financial position as part of its management and monitoring of the Group's operations through to 30 June 2024.

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

- the costs, and time it could take, for the clean-up and reinstatement of buildings, plant and equipment and to return production capacity to pre-Cyclone Gabrielle levels;
- the additional costs, and time it could take, to switch to alternative sources of supply of yarns and dyed fibre and be able to maintain inventory at, or otherwise return inventory to, levels required to meet current demand;

Bremworth Limited and subsidiary companies

Notes to the Financial Statements (continued)

1. General information (continued)

Going concern (continued)

- the ongoing costs relating to the business and the other actions that have been taken to reduce discretionary spending during the period of interruption to the business; and
- the insurances taken out by the Group to protect itself against losses from such events, including the types of insurance cover, their key terms, the sums insured and, in the case of its business interruption policy, the indemnity period.

The Board notes that there are uncertainties relating to some of the assumptions underlying the forecasts – more particularly, the time it could take for the clean-up and reinstatement of buildings, plant and equipment and to switch to alternative sources of yarn and dyed fibre. However, these uncertainties are not considered to be significant and would not lead to a material uncertainty relating to going concern.

In forming these views, the Board has taken into account the following:

- the cash surplus of \$10.4 million as at balance date along with positive equity and positive working capital, with the negative cash flows from operations the result of the Group's ongoing investment to support sales growth and service levels – particularly in the large Australian market - and to build a high-performing, sustainable business for the long term;
- the strong inventory position and the quality and profile of that inventory, with 94% of uncommitted inventory as at balance date made up of current stock-keeping units (SKUs);
- the scope and extent of the Group's insurance programme and the comprehensive policies in place to protect itself against losses from such events, the discussions the Company has had with representatives of the insurers and our own claims advisors and the expected timing of insurance payments;
- the steps that have been taken to reduce discretionary spending and to protect its cash resources during the period of interruption to the business; and
- the Group's ongoing ability to resort to other sources of funding.

Bremworth Limited and subsidiary companies

Notes to the Financial Statements (continued)

2. Earnings per share

	Unaudited Six months ended 31 December 2022 \$000	Unaudited Six months ended 31 December 2021 \$000
Basic earnings per share (Basic EPS)		
(Loss)/Profit after tax (\$000)	<u>\$(778)</u>	\$1,001
Weighted average number of ordinary shares outstanding	<u>69,479,100</u>	68,986,163
Basic EPS (cents)	<u>(1.12)</u>	1.45
Diluted earnings per share (Diluted EPS)		
(Loss)/Profit after tax (\$000)	<u>\$(778)</u>	\$1,001
Weighted average number of ordinary shares outstanding	<u>71,550,494</u>	70,352,340
Diluted EPS (cents)	<u>(1.09)</u>	1.42

In calculating the diluted earnings per share, the Company has taken into account the maximum number of shares that could be issued under the Company's long term incentive schemes and the Company's share option scheme as further discussed at Note 7 (Share-based payment arrangements).

Bremworth Limited and subsidiary companies

Notes to the Financial Statements (continued)

3. Segment performance

Unaudited	Carpet		Elco Direct wool		Total	
	Six months ended 31 December 2022 \$000	Six months ended 31 December 2021 \$000	Six months ended 31 December 2022 \$000	Six months ended 31 December 2021 \$000	Six months ended 31 December 2022 \$000	Six months ended 31 December 2021 \$000
External revenue	39,564	39,989	7,619	8,731	47,183	48,720
Inter-segment revenue	-	-	1,161	1,520	1,161	1,520
Total revenue	\$39,564	\$39,989	\$8,780	\$10,251	48,344	50,240
Elimination of inter-segment revenue					(1,161)	(1,520)
Consolidated revenue					\$47,183	\$48,720
Segment result before depreciation and restructuring costs	1,040	2,596	57	529	1,097	3,125
Depreciation – owned assets	(230)	(276)	(79)	(79)	(309)	(355)
Depreciation - right-of-use assets	(424)	(383)	(66)	(58)	(490)	(441)
Depreciation – recycled through inventory	(39)	65	-	-	(39)	65
Segment result before restructuring costs	347	2,002	(88)	392	259	2,394
Restructuring costs	-	(105)	-	-	-	(105)
Segment result after restructuring costs	347	1,897	(88)	392	259	2,289
Elimination of inter-segment profits					-	(7)
Unallocated corporate costs					(405)	(545)
Result from operating activities					(146)	1,737
Finance costs					(562)	(519)
Finance income					66	73
(Loss)/Profit before income tax					(642)	1,291
Income tax expense					(136)	(290)
(Loss)/Profit after tax for the period					\$(778)	\$1,001

	Carpet		Elco Direct wool		Total	
	Unaudited As at 31 December 2022 \$000	Audited As at 30 June 2022 \$000	Unaudited As at 31 December 2022 \$000	Audited As at 30 June 2022 \$000	Unaudited As at 31 December 2022 \$000	Audited As at 30 June 2022 \$000
Reportable segment assets	62,962	59,122	3,934	4,906	66,896	64,028
Unallocated assets – cash and bank					10,369	14,874
Total assets					\$77,265	\$78,902
Reportable segment liabilities	18,196	20,229	970	1,144	19,166	21,373
Unallocated liabilities – lease liabilities					18,843	19,758
Total liabilities					\$38,009	\$41,131

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 world; and
- Elco Direct wool, with this segment involved in the acquisition of wool for the carpet segment and for sales to external customers in New Zealand.

Bremworth Limited and subsidiary companies

Notes to the Financial Statements (continued)

3. Segment performance (continued)

Inter-segment transactions

All inter-segmental transactions included in revenue and operating expenses for each segment are on an arm's-length basis. Inter-segmental sales during the period and intercompany profits on stocks at balance date are eliminated on consolidation.

Information about geographical areas

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

	Unaudited Six months ended 31 December 2022 \$000	Unaudited Six months ended 31 December 2021 \$000
Revenue		
Carpet sales and manufacturing segment		
New Zealand		
Carpet and rugs	16,890	17,490
Miscellaneous	281	720
Australia		
Carpet and rugs	20,970	19,342
Installation services	-	425
Miscellaneous	268	307
Rest of the world		
Carpets and rugs	1,155	1,356
Carpet yarn	-	349
Elco Direct wool acquisition segment		
New Zealand	7,619	8,731
Total revenue	\$47,183	\$48,720
	Unaudited As at 31 December 2022 \$000	Audited As at 30 June 2022 \$000
Non-current assets		
New Zealand	24,018	23,084
Australia	1,016	1,034
Total non-current assets	\$25,034	\$24,118

Information about major customers

None of the Group's customers are major customers as defined in NZ IFRS 8 *Operating Segments*. Major customers are those external customers where revenues from transactions with the Group are equal to, or exceed, 10% of the Group's total revenues.

Bremworth Limited and subsidiary companies

Notes to the Financial Statements (continued)

4. Revenue from contracts with customers

	Unaudited Six months ended 31 December 2022 \$000	Unaudited Six months ended 31 December 2021 \$000
Sales of goods		
Carpet	38,462	37,765
Rugs	553	423
Carpet yarn	-	349
Miscellaneous	549	1,027
Elco Direct wool	7,619	8,731
	<hr/> 47,183	<hr/> 48,295
Provision of installation services	-	425
Total revenue	<hr/> \$47,183	<hr/> \$48,720

5. Other income and gains

	Unaudited Six months ended 31 December 2022 \$000	Unaudited Six months ended 31 December 2021 \$000
Rentals received	2	2
Dividends received	1	1
Government grants recognised	380	241
Net gain on sale of plant and equipment	-	1
Total other income and gains	<hr/> \$383	<hr/> \$245

6. Finance costs

	Unaudited Six months ended 31 December 2022 \$000	Unaudited Six months ended 31 December 2021 \$000
Interest expense – loans and borrowings	112	18
Interest component of lease payments	450	501
Finance costs	<hr/> \$562	<hr/> \$519

Bremworth Limited and subsidiary companies

Notes to the Financial Statements (continued)

7. Share-based payment arrangements

The Company operates 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 – in the process aligning their interests with those of shareholders.

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*, with the participants not able to request payment in cash.

Bremworth 2020 Long-Term Incentive Scheme (2020 LTI Scheme)

The 2020 LTI Scheme provides for eligible employees to be issued performance rights which would entitle them to be issued shares in the Company, subject to service and performance conditions being met, at the end of the stipulated performance period.

No performance rights were issued under the 2020 LTI Scheme in the current period (2021: Nil).

The number of shares to be issued is dependent on the extent to which total shareholder return (TSR) exceeds 14% per annum compounding over the performance period and the share price at condition date, except that the number of shares issued to all participants will not, together with shares issued under NZX Listing Rule 4.6.1 over the previous 12 months, exceed 3% of the total number of shares on issue at condition date.

The maximum number of shares that could be issued in respect of all outstanding performance rights under the 2020 LTI Scheme at condition date is 1,071,394 (or 1.53% of the total number of shares on issue at balance date of 70,069,426).

Bremworth Equity Ownership Plan (Bremworth Equity Plan)

The Bremworth Equity Plan provides for eligible employees to be issued shares in the Company on terms determined by the Board and as set out in the rules of the Bremworth Equity Plan and includes the provision of a full recourse loan by the Company to those eligible employees to fund the amount payable for the shares issued to them.

No shares were issued under the Bremworth Equity Plan in the current period (2021: 500,000).

The total number of shares issued under the Bremworth Equity Plan as at balance date was 500,000.

Bremworth Share Option Scheme (Bremworth Option Scheme)

The Bremworth Option Scheme provides for selected employees to be awarded options to acquire ordinary shares at a fixed price, with the options becoming exercisable over time in accordance with a vesting schedule or on certain liquidity events as defined in the rules of the Bremworth Option Scheme.

No options were issued under the Bremworth Option Scheme in the current period (2021: 480,000).

The total number of options issued under the Bremworth Option Scheme as at balance date was 1,000,000.

Bremworth 2022 Long-Term Incentive Scheme (2022 LTI Scheme)

The 2022 LTI Scheme was established by the Board in October 2022, with the Scheme providing for selected employees to be awarded performance rights which would entitle them to be issued shares in the Company, subject to service and performance conditions being met, at the end of the stipulated performance period.

Bremworth Limited and subsidiary companies

Notes to the Financial Statements (continued)

7. Share-based payment arrangements (continued)

Bremworth 2022 Long-Term Incentive Scheme (2022 LTI Scheme) (continued)

In accordance with the terms of the Scheme, 890,328 fully paid-up ordinary shares were issued by the Company on 31 October 2022 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.

Vesting of these shares is dependent on TSR performance over the three-year period from 1 July 2022 to 30 June 2025 exceeding the 14% per annum compounding threshold set by the Board, with TSR calculated by reference to the volume weighted average share price on the NZX for the last 20 trading days prior to 30 June 2025 as compared to the volume weighted average share price on the NZX for the last 20 trading days prior to 1 July 2022 of \$0.4787.

Measurement of fair value of performance rights and options granted under share-based payment arrangements

The fair value of performance rights and options granted under the various schemes have been determined using a Monte Carlo simulation, with a detailed description of how the model is used, and the key inputs, set out in Note 8b of the annual financial statements for the year ended 30 June 2022.

Maximum number of shares that could be issued under current share-based payment arrangements

	Unaudited Six months ended 31 December 2022	Unaudited Six months ended 31 December 2021
Balance at start of period	2,071,394	1,071,394
Issued during the period	890,328	480,000
Balance at end of period	<u>2,961,722</u>	<u>1,551,394</u>

Impact of share-based payment arrangements on the financial statements

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.

The following were recognised in administration expenses in the statement of profit or loss for the period:

- \$48,500, being the proportion of fair value of the performance rights under the 2020 LTI Scheme relating to the period ended 31 December 2022 (2021: \$48,500);
- \$39,000, being the proportion of fair value of the options under the Bremworth Option Scheme relating to the period ended 31 December 2022 (2021: \$13,100, which included \$5,800 being the estimated fair value of options to be granted pursuant to the terms of an employment agreement);
- \$16,500, being the proportion of the fair value of the performance rights under the 2022 LTI Scheme relating to the period from grant date through to balance date (2021: Nil)

with a corresponding credit totalling \$104,000 to the share-based payment reserve within equity (2021: \$253,600, which included \$192,000 relating to the issue of shares under the Bremworth Equity Plan).

Bremworth Limited and subsidiary companies

Notes to the Financial Statements (continued)

7. Share-based payment arrangements (continued)

Interest-free, full recourse, loans

The Company did not provide any interest-free, full-recourse, loans under the Bremworth Equity Plan during the period (2021: \$208,050).

The accounting for interest-free, full-recourse, loans under the Bremworth Equity Plan is disclosed in Note 8b of the annual financial statements for the year ended 30 June 2022.

8. Capital commitments

The Group had outstanding commitments for the purchase of plant and equipment of \$67,000 (30 June 2022 \$208,000) at balance date.

In addition, the Group committed to two decarbonisation projects during the year ended 30 June 2022.

The first initiative is a \$2,500,000 project at the Group's Napier carpet yarn spinning plant to reduce its reliance on natural gas process heat through process heat optimisation and transitioning to electric heat pump technology. This project is being 38% co-funded (\$958,000) under various funding programmes, including the GIDI (Government Investment in Decarbonising Industry) Fund administered by the Energy Efficiency and Conservation Authority (EECA). This initiative is expected to continue into FY23 and FY24, with amount incurred as at balance date totalling \$441,000.

The second decarbonisation initiative at the Group's Whanganui carpet yarn spinning plant, which is also being co-funded by EECA, will see a gas-fired dryer replaced with an alternative radio frequency dryer for use in felted yarn production. This project is expected to cost \$440,000, with EECA co-funding agreed at 40% (\$176,000). It will run over FY23 and FY24, with amount incurred as at balance date totalling \$399,000.

9. Inventories

	Unaudited As at 31 December 2022 \$000	Audited As at 30 June 2022 \$000
Raw materials and consumables	6,909	6,984
Work in progress	502	1,024
Finished goods	21,622	19,255
	\$29,033	\$27,263
Inventory provisioning	\$1,187	\$1,353

During the six months ended 31 December 2022, provision in respect of inventories decreased by \$166,000 (six months ended 31 December 2021: \$400,000), with the amount released to the statement of profit or loss.

Bremworth Limited and subsidiary companies

Notes to the Financial Statements (continued)

10. Contingencies

	Unaudited As at 31 December 2022 \$000	Audited As at 30 June 2022 \$000
Indemnities in favour of Bank of New Zealand and National Australia Bank (together, "the Bank") in respect of Bank guarantees relating to lease and other commitments	\$2,068	\$2,248

11. Related parties

Apart from directors' fees, key management personnel remuneration (including bonuses) and the issue of shares pursuant to the Bremworth 2022 Long-Term Incentive Scheme referred to in Note 7 (Share-based payment arrangements), there have been no other material transactions with the directors, key management personnel and their related parties or with any other related parties during the period.

12. Climate-related disclosures

The Group has considered the impact of climate-related risks on the business and on its future financial performance, financial position and cash flows as part of the sustainability framework that has been adopted under the Group's transformation strategy to becoming an all-wool and natural materials organisation.

One of these key risks is the exposure to the effects of climate change through adverse climatic conditions (for example, flooding) and, in time, rising seas levels, with both the Napier and Whanganui sites within close proximity of the coast.

In relation to this risk, the Group has in place comprehensive insurances to protect the Group against losses from such events while also having established appropriate stormwater infrastructure and processes to mitigate the current levels of risk posed by these events.

In light of the impact of the recent adverse weather event emanating from Cyclone Gabrielle referred to in Note 1 (Going concern) and Note 13 (Subsequent events), we are moving towards having a deeper understanding of the potential impact of these weather events including their frequency and severity as well as the resilience of the wider flood-protection infrastructures and systems that we rely on as part of our climate change adaptation.

Bremworth Limited and subsidiary companies

Notes to the Financial Statements (continued)

13. Subsequent events

Cyclone Gabrielle which struck New Zealand from 13 to 15 February 2023 brought severe winds and rain and extensive flooding to parts of the North Island – including Hawke’s Bay where the Napier yarn spinning plant is situated.

A full discussion of the impact of Cyclone Gabrielle on the woollen carpet business can be found in Note 1 (Going concern), while the risks posed by these weather events are considered in Note 12 (Climate-related disclosures).

As a consequence of Cyclone Gabrielle, the Board is reassessing whether original expectations around realising the full benefits of the transformation from FY25 onwards is still possible and will provide an update to shareholders once it is able to complete a detailed assessment.

Bremworth Limited and subsidiary companies

Disclosure of Non-GAAP Financial Information

For the six months ended 31 December 2022

The half year report for the six months ended 31 December 2022 contains financial information that is non-GAAP (Generally Accepted Accounting Practice) and therefore falls within the Financial Markets Authority's guidance note on "Disclosing non-GAAP financial information" issued in July 2017.

Non-GAAP financial information has been prepared using the unaudited GAAP-compliant half year and audited GAAP-compliant full year financial statements of the Group and has not been independently reviewed.

Non-GAAP financial information contained within the half year report (more particularly, the non-GAAP measures of financial performance such as "*EBITDA (normalised)*", "*EBIT (normalised)*", "*Profit before tax (normalised)*" and "*Profit after tax (normalised)*") provide useful information to investors regarding the performance of the Group because the calculations exclude restructuring and transformation costs and other gains/losses (for example, gain/loss on sale of property and investments) that are not expected to occur on a regular basis either by virtue of quantum or nature.

In arriving at this view, the Directors have also taken cognisance of the regular requests by users of the Group financial statements, including analysts and shareholders, regarding the nature and quantum of significant items within the GAAP-compliant results and the way analysts 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 CEO 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 these significant items.

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 putting together the half year report, the Directors have considered all the requirements within the 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 pages 30 and 31);
 - 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'.

Bremworth Limited and subsidiary companies

Disclosure of Non-GAAP Financial Information (continued)

Reconciliation of GAAP-compliant to non-GAAP-compliant measures of loss after tax

	Six months ended 31 December 2022		
	GAAP \$000	Adjustments \$000	Normalised \$000
Revenue	\$47,183	-	\$47,183
EBITDA	692	-	692
Depreciation - owned assets	(309)	-	(309)
Depreciation – right-of-use assets	(491)	-	(491)
Depreciation – recycled through inventory	(38)	-	(38)
EBIT	(146)	-	(146)
Finance costs	(562)	-	(562)
Finance income	66	-	66
Loss before income tax	(642)	-	(642)
Income tax expense	(136)	289	153
Loss after tax	\$(778)	289	(489)
Abnormal net loss after tax		(289)	(289)
Loss after tax (GAAP)		-	\$(778)
Analysis of abnormal items			
	Before tax \$000	Tax effect \$000	After tax \$000
Normalisation of income tax expense	-	\$(289)	\$(289)

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

Six months ended 31 December 2022	GAAP-compliant reported loss after tax	Reverse abnormal items (net of tax) where applicable	Non-GAAP-compliant normalised loss after tax
Loss after tax (\$000)	\$(778)	289	\$(489)
Weighted average number of ordinary shares (basic)	69,479,099		69,479,099
Basic earnings per ordinary share (cents)	(1.12)		(0.70)
Weighted average number of ordinary shares (diluted)	71,550,493		71,550,493
Diluted earnings per ordinary share (cents)	(1.09)		(0.68)

Bremworth Limited and subsidiary companies

Disclosure of Non-GAAP Financial Information (continued)

Reconciliation of GAAP-compliant to non-GAAP-compliant measures of profit after tax (continued)

	Six months ended 31 December 2021		
	GAAP \$000	Adjustments \$000	Normalised \$000
Revenue	\$48,720	-	\$48,720
EBITDA	2,468	-	2,468
Depreciation - owned assets	(355)	-	(355)
Depreciation – right-of-use assets	(441)	-	(441)
Depreciation – recycled through inventory	65	-	65
EBIT	1,737	-	1,737
Finance costs	(519)	-	(591)
Finance income	73	-	73
Profit before income tax	1,291	-	1,291
Income tax expense	(290)	(98)	(388)
Profit after tax	\$1,001	(98)	903
Abnormal net gain after tax		98	98
Profit after tax (GAAP)		-	\$1,001
Analysis of abnormal items			
	Before tax \$000	Tax effect \$000	After tax \$000
Normalisation of income tax expense	-	\$98	\$98

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

Six months ended 31 December 2021	GAAP-compliant reported profit after tax	Reverse abnormal items (net of tax) where applicable	Non-GAAP-compliant normalised profit after tax
Profit after tax (\$000)	\$1,001	(98)	\$903
Weighted average number of ordinary shares (basic)	68,986,163		68,986,163
Basic earnings per ordinary share (cents)	1.45		1.31
Weighted average number of ordinary shares (diluted)	70,352,339		70,352,339
Diluted earnings per ordinary share (cents)	1.42		1.28

Bremworth Limited

Corporate Directory

Board of Directors:

George Adams DipFSA(Hons), FCA, CFInstD
Independent

Chairman of the Board of Directors
Chairman of Nomination Committee
Member of Audit and Remuneration Committees

Paul Izzard BA (Hons) Interior Design
Independent

Member of Audit and Remuneration Committees

John Rae B.Com., LLB, CMIInstD
Independent

Member of Audit, Remuneration and Nomination
Committees

Katherine Turner B.Com., CA, CMIInstD
Independent

Chairman of Audit Committee
Member of Remuneration Committee

Dianne Williams B.Com., MBA, CMIInstD
Independent

Chairman of Remuneration Committee
Member of Audit and Nomination Committees

Director Emeritus:

Grant Biel B.E. (Mech.)

Chief Executive Officer:

Greg Smith

Chief Financial Officer and Company Secretary:

Victor Tan CA, FCIS

Founding Shareholder:

The late Anthony Charles Timpson ONZM

Registered Office:

7 Grayson Avenue, Auckland 2014, P O Box 97-040, Auckland 2241.
Telephone: 64-9-277 6000, Facsimile: 64-9-279 4756

Share Registrar:

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road, Auckland 0622, Private Bag 92-119, Auckland 1142.
Telephone: 64-9-488 8700, Facsimile: 64-9-488 8787, Investor Enquiries: 64-9-488 8777

Auditors:

PwC

Legal Advisors:

Russell McVeagh

Bankers:

Bank of New Zealand National Australia Bank Limited

Websites:

Corporate www.bremworth.co.nz/investor-centre

Carpet Operation www.bremworth.co.nz, www.bremworth.com.au

Wool Operation www.elcodirect.co.nz

Share Registrar www.computershare.co.nz/investorcentre