



MARKET RELEASE

3 March 2025

Requisition of special shareholder meeting and update on strategic review process

Bremworth Limited (NZX: BRW) advises that on Saturday 1 March 2025, it received a letter from four Bremworth shareholders representing 11.5% of Bremworth's issued capital (the Requesting Shareholders) requesting pursuant to s 121 of the Companies Act 1993 that a special meeting of shareholders be convened to consider five resolutions. The resolutions are for the removal of all the current directors of BRW, and the appointment of four new directors nominated by the Requesting Shareholders, being Robert Hewett, Trevor Burt, Julie Bohnenn and Murray Dyer.

Bremworth's co-founder and single largest shareholder, Grant Beil, as well as other substantial shareholders spoken to by the Bremworth Board, have indicated their confidence in the current Board and declined to support the Requesting Shareholders' proposal.

The request for a special shareholder meeting comes without prior engagement from the Requesting Shareholders regarding Bremworth's Board composition or strategic direction.

As previously announced, the Board is progressing with a strategic review of Bremworth's ownership structure, with the aim to solicit an attractive offer for the acquisition of the company and to unlock value for shareholders. An update on the review process is provided below.

Following receipt of the letter, the Bremworth Board attempted to engage with the Requesting Shareholders to avoid the disruption caused by calling for a special shareholders meeting for the purpose of removing the Board at this critical juncture when the strategic review is in progress.

The Board notes that the Requesting Shareholders have not previously put forward any candidates for director roles, including at the recent annual shareholders' meeting at end-November 2024. The Board has made clear to the Requesting Shareholders that it is willing to consider any appropriately qualified candidates for Board appointment in accordance with its usual Board nomination process and director skills matrix, should that appointment be in the best interests of shareholders. However, the Requesting Shareholders have not indicated a willingness to proceed on this basis.

In preparing for the special shareholder meeting, the Bremworth Board will convene its nominations committee to consider the qualifications and independence of the directors proposed by the Requesting Shareholders. The Board will seek further information regarding the proposed directors and potential conflicts of interest, particularly in light of the strategic ownership review. In this respect, the Board notes that one of the proposed directors, Mr Robert Hewett, is currently the Chair of Woolworks, which has previously publicly stated its interest in acquiring certain assets of Bremworth.

The nominations committee process will include ensuring that all shareholders have sufficient information to make an informed decision with respect to voting on the resolutions to be put to the meeting. Further details of the requested shareholder meeting, including the date of the meeting, a notice of meeting and the Board's recommendations to shareholders on the resolutions, will be provided to shareholders in due course.



The Board remains open to engaging with the Requesting Shareholders in good faith to explore options for a more constructive outcome where the best interests of shareholders as a whole can be achieved.

Strategic review elicits domestic and offshore interest

On 17 February 2025, Bremworth announced it had commenced a strategic review to solicit an attractive offer to shareholders for the acquisition of the company. The review has elicited interest from a number of offshore and domestic parties.

The Board believes now is the right time for this process – the company has successfully navigated a complex insurance claim with a \$42m final cash settlement; has established a new supply chain with global yarn suppliers that unlocks the potential for accelerated growth; and has regained the confidence of its important retail partners as it has returned to manufacturing and supplying high quality Bremworth product in a timely fashion. These milestones put Bremworth in a strong position to engage with interested parties, and to also meet increasing demand as the economy recovers.

Independent chair of Bremworth, George Adams, said: “The interest from a number of offshore and domestic parties reflects the value and high regard of our company.

“We have a clear strategic plan in place, which was reassessed and confirmed last year, and are well positioned to deliver, with green shoots starting to emerge. The company has a highly trusted brand, strong customer relationships, a great team, some of the best wool carpets and rugs in the world and is well positioned to drive demand, particularly in Australia.

“We have identified approximately \$5 million of annualised cost savings over the next year and have a strong plan to deliver double-digit flooring revenue growth in Australia, alongside continued growth in New Zealand. As directors, we are committed to acting in the best interests of the company and for all of Bremworth’s 2,600+ shareholders.”

The Board notes that if the strategic review results in a sale of Bremworth, a buyer would most likely disestablish the current Board. Alternatively, if no transaction were to proceed, the Board would expect to undertake a refresh of Board composition. The Board will keep shareholders updated as the strategic review process develops.

ENDS

Approved for release by the Board of Bremworth Limited.

For further assistance, please contact:

Jackie Ellis
E: jackie@ellisandco.co.nz
T: 027 246 2505