



ANIMAL CONTROL PRODUCTS LIMITED
REPORT TO SHAREHOLDERS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2024
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Half Year Chairman's Report

Sales in the first half of the financial year were ahead of budget at \$5.9m and broadly in-line with the same period last year. Consequently, the financial performance to date remains strong. The increase in sales against budget resulted from higher demand from New Zealand customers.

In other ways the period was very much business as usual, which allowed several capital projects to progress, including commissioning of new plant to manufacture rodent products and the commencement of construction of a new warehouse adjacent to the main factory buildings.

Our collaborative work with others continued strongly in the first half of the year. Tailor-made bait products were well received and successful in trials undertaken by a number of export and domestic customers. Our work with ZIP (Zero Invasive Predators) and the Department of Conservation continued to support a Predator Free New Zealand.

Pest Control Innovations Limited, a wholly owned subsidiary of Orillion, continued the commercialisation of rat-specific bait technology which will be applicable to a wide range of potential rat control applications worldwide.

We measure and seek to reduce our greenhouse gas emissions being part of the Government Carbon Neutral Programme. Emissions for the first six months of the year were 135.65 tonnes of CO₂ equivalent, compared to 145.52 tonnes in the same period the previous year.

Financial Performance

The figures presented as for the consolidated group including Pest Control Innovations Limited.

As noted above, sales for the period were significantly ahead of budget. Gross margins are strong and in fact in percentage terms exceed the comparable period last year. Strong cost controls remain in place to result in a net profit before tax of \$1.17m compared to a budgeted loss of \$367k.

Cash equivalents and short term investments remain higher than budget due to the better than expected profits last year and for the current year to date, as well as differences in the actual timing of capital expenditure and inventory purchases compared to budget.

The Board has allocated a significant amount of the cash and short term investments for the committed capital works and research projects.

A handwritten signature in black ink, appearing to read 'T D Murdoch', with a stylized, cursive script.

T D Murdoch - Chairman

ANIMAL CONTROL PRODUCTS LIMITED
STATEMENT OF FINANCIAL PERFORMANCE (UNAUDITED)

FOR THE QUARTER ENDED 31 DECEMBER 2024

FOR THE YEAR TO DATE

| Prior Year | Actual | Business Plan |
|------------------|------------------|--------------------|
| 3,523,327 | 2,673,641 | 1,041,000 |
| <u>1,902,060</u> | <u>1,475,569</u> | <u>724,155</u> |
| 1,621,267 | 1,198,072 | 316,845 |
| 81,689 | 80,059 | 80,057 |
| <u>188,648</u> | <u>152,782</u> | <u>122,960</u> |
| 1,350,930 | 965,231 | 113,828 |
| - | - | - |
| - | - | - |
| - | - | - |
| 330,713 | 397,686 | 357,581 |
| <u>144,314</u> | <u>280,059</u> | <u>456,253</u> |
| 475,027 | 677,745 | 813,834 |
| 875,903 | 287,486 | (700,006) |
| 87,150 | 94,621 | 52,569 |
| - | - | - |
| <u>963,053</u> | <u>382,107</u> | <u>(647,437)</u> |
| 269,655 | 106,990 | (181,282) |
| <u>\$693,398</u> | <u>\$275,117</u> | <u>\$(466,155)</u> |

| | Prior Year | Actual | Business Plan |
|-------------------------------------|---------------------|---------------------|---------------------|
| Sales | 6,267,409 | 5,907,389 | 3,850,000 |
| Cost of Sales | <u>3,612,884</u> | <u>3,065,346</u> | <u>2,242,655</u> |
| GROSS MARGIN | 2,654,525 42.35% | 2,842,043 48.11% | 1,607,345 41.75% |
| Less: | | | |
| Depreciation | 151,156 | 159,535 | 159,533 |
| Factory Overheads | <u>357,011</u> | <u>464,681</u> | <u>266,889</u> |
| TRADING PROFIT | 2,146,358 | 2,217,827 | 1,180,923 |
| Less: | | | |
| Amortisation | - | - | - |
| Depreciation | - | - | - |
| Interest | - | - | - |
| Administration | 728,561 | 819,043 | 760,160 |
| Research & Development | <u>306,355</u> | <u>443,047</u> | <u>912,510</u> |
| TOTAL EXPENSES | 1,034,916 | 1,262,090 | 1,672,670 |
| NET OPERATING PROFIT | 1,111,442 | 955,737 | (491,747) |
| Plus Other Income | 179,812 | 215,538 | 123,795 |
| Gain On Disposal | - | - | - |
| NET PROFIT BEFORE INCOME TAX | 1,291,254 | 1,171,275 | (367,952) |
| Less Taxation | 345,372 | 327,957 | (103,027) |
| NET PROFIT | <u>\$945,882</u> | <u>\$843,318</u> | <u>-\$ 264,925</u> |

ANIMAL CONTROL PRODUCTS LIMITED
STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 DECEMBER 2024

| December 2023 | | Actual December 2024 | Business Plan |
|---------------------|---------------------------------------|----------------------------|---------------------|
| | CURRENT ASSETS | | |
| 5,543,223 | Bank of New Zealand | 5,825,887 | 4,156,945 |
| 0 | Term Deposits | 3,000,000 | |
| 326,242 | Prepayments & Deposits | 259,576 | 1,002,362 |
| 2,054,851 | Accounts Receivable | 67,949 | 82,803 |
| 1,409,151 | Stock on Hand | 1,773,046 | 3,085,728 |
| 9,333,567 | | 10,926,558 | 8,327,938 |
| | LESS CURRENT LIABILITIES | | |
| 147,581 | GST Payable | 109,729 | (135,543) |
| 506,790 | Tax Payable | (92,607) | (108,960) |
| 802,150 | Accounts Payable | 521,013 | 428,234 |
| 319,505 | Accrued Expenses & Income in Advance | 813,820 | 426,550 |
| 1,776,026 | | 1,351,955 | 610,281 |
| 7,557,541 | WORKING CAPITAL | 9,574,603 | 7,717,657 |
| 3,054,530 | FIXED ASSETS | 4,506,645 | 5,086,099 |
| 0 | INTANGIBLE ASSETS | 0 | 0 |
| 1,208,404 | NON CURRENT INVENTORY | 1,458,717 | 1,165,397 |
| 0 | INVESTMENTS - IP | 668,429 | 650,000 |
| (156,109) | DEFERRED TAX (LIABILITY) ASSET | (261,904) | (140,095) |
| - | LONG TERM LOAN | - | - |
| <u>\$11,664,366</u> | NET ASSETS | <u>\$15,946,490</u> | <u>\$14,479,058</u> |
| | Comprising: | | |
| | SHAREHOLDERS INVESTMENT | | |
| 100 | Share Capital | 100 | 100 |
| 1,617,486 | Capital Reserves | 1,617,486 | 1,617,486 |
| 9,242,052 | Retained Earnings Brought Forward | 14,685,586 | 14,326,397 |
| 1,404,728 | Profit for Year (After Tax) | 843,318 | (264,925) |
| (600,000) | Dividends Paid | (1,200,000) | (1,200,000) |
| <u>\$11,664,366</u> | TOTAL SHAREHOLDERS INVESTMENT | <u>\$15,946,490</u> | <u>\$14,479,058</u> |

ANIMAL CONTROL PRODUCTS LIMITED
STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE QUARTER ENDED
31 DECEMBER 2024

FOR THE YEAR TO DATE

| CASH FLOWS FROM OPERATING ACTIVITIES | | |
|---|--|---------------------------|
| | Cash was provided from: | |
| 3,493,009 | Receipts from Customers | 7,141,513 |
| 94,621 | Interest Received | 215,538 |
| <u>3,587,630</u> | | 7,357,051 |
| | Cash was applied to: | |
| 2,119,179 | Payments to Suppliers | 5,211,018 |
| - | Interest Paid | - |
| (113,779) | Net GST | (14,897) |
| 372,061 | Net Taxation Paid | 985,896 |
| <u>2,377,460</u> | | 6,182,017 |
| <u>1,210,170</u> | Net Cash Flow/(Outflow) from Operating Activities | <u>1,175,034</u> |
| | CASH FLOWS FROM INVESTING ACTIVITIES | |
| | Cash was received from: | |
| 0 | Term Deposit Maturities | 600,000 |
| | Sale of Fixed Assets | |
| | Cash was applied to: | |
| -44,082 | Purchase of Fixed Assets | 95,454 |
| | Purchase of Intangible Assets | |
| <u>44,082</u> | Net Cash Flow/(Outflow) from Investing Activities | <u>504,546</u> |
| | CASH FLOWS FROM FINANCING ACTIVITIES | |
| | Cash was received from: | |
| - | Term Loan | - |
| - | | - |
| 0 | Cash was applied to: | |
| | Dividends Paid | 1,200,000 |
| <u>0</u> | Net Cash Flow/(Outflow) from Financing Activities | <u>(1,200,000)</u> |
| 1,254,252 | Net Increase/(Decrease) in Cash Held | 479,580 |
| 4,571,730 | Add: Cash Held at Start of Period | 5,346,402 |
| <u>\$5,825,982</u> | BALANCE AT END OF PERIOD | <u>\$5,825,982</u> |
| | Represented by: | |
| 100 | Petty Cash | 100 |
| 5,825,887 | Bank of New Zealand | 5,825,887 |
| <u>\$5,825,987</u> | | <u>\$5,825,987</u> |