



ANIMAL CONTROL PRODUCTS LIMITED

REPORT TO SHAREHOLDERS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

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Half Year Chairman's Report

Sales in the first half of the financial year were very strong at \$7.46m against a budget of \$4.52m, however this reflected the timing of orders rather than being an indication of our expected annual performance. The increase in sales resulted from higher demand from New Zealand customers, in particular the Department of Conservation which is timing 1080 aerial operations to optimise predator control ahead of an anticipated 'beech mast' where beech tree seeds provide an abundance of food resulting in an eruption of rodents.

Our collaborative work with Zero Invasive Predators continued with provision of bait for their predator control operations on Rakiura (Stewart Island) targeting possums, feral cats and ship rats. A key benefit was protection of Pukunui or banded dotterel from feral cats. Similarly, we worked with the Department of Conservation to supply recently developed sausage baits for feral cat and mustelid control.

Pest Control Innovations Limited, a wholly owned subsidiary of Orillion, continued commercialisation of rat-specific bait technology which will be applicable to a wide range of potential rat control applications worldwide. Several field trials have been planned for New Zealand and key offshore locations.

The manufacturer of 1080 toxin based in the USA ceased operation in 2024 and Orillion is now utilising stocks held for the purpose of such an event, until implementation of an alternative supply process in 2025 or 2026. No disruption to bait supplies to customers is expected.

As part of our focus on reducing carbon emissions, our gas fired boiler was decommissioned and replaced by two small electric boilers which are considerably more efficient, flexible and of a high safety standard.

Financial Performance

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

As noted above, sales for the period were well ahead of budget at \$7.46m compared to \$5.9m last year. The gross margin remains strong exceeding both the margin achieved in the previous year and the margin projected for the current year. Strong cost controls remain in place albeit Factory Overhead costs were ahead of budget due to significant maintenance work undertaken and Administration costs exceed budget due to planning & feasibility costs associated with proposed capital expenditure projects. Administration costs include the Chief Executive's remuneration for the six month period of \$211,150.

The result for the six months is a net profit before tax of \$1.682m compared to a budgeted loss of \$0.66m and the six months to 31 December 2024 profit of \$1.17m.

Cash equivalents and short-term investments are higher than budget due to the higher profit in 2024 and the better than expected profit year to date.

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

A handwritten signature in black ink, appearing to be 'T D Murdoch', written in a cursive style.

T D Murdoch
Chairman

ANIMAL CONTROL PRODUCTS LIMITED
STATEMENT OF FINANCIAL PERFORMANCE (UNAUDITED)

FOR THE THREE MONTHS FROM 1 OCTOBER 2025 TO 31 DECEMBER 2025

FOR THE YEAR TO DATE

Prior Year	Actual	Business Plan		Prior Year	Actual	Business Plan
2,673,641	1,865,525	1,460,000	Sales	5,907,389	7,463,471	4,525,000
1,475,569	1,092,941	918,414	Cost of Sales	3,065,346	3,841,764	2,548,646
1,198,072	772,584	541,586	GROSS MARGIN	2,842,043	3,621,707	1,976,354
				48.11%	48.53%	43.68%
80,059	86,975	86,975	Less:			
152,782	242,583	151,020	Depreciation	159,535	165,618	165,618
			Factory Overheads	464,681	510,408	333,290
965,231	443,026	303,591	TRADING PROFIT	2,217,827	2,945,681	1,477,446
-	-	-	Less:			
-	-	-	Amortisation	-	-	-
-	-	-	Depreciation	-	-	-
397,686	603,860	430,649	Interest	-	-	-
280,059	68,635	444,951	Administration	819,043	1,076,803	860,749
			Research & Development	443,047	293,618	1,390,902
677,745	672,495	875,600	TOTAL EXPENSES	1,262,090	1,370,421	2,251,651
287,486	(229,469)	(572,009)	NET OPERATING PROFIT	955,737	1,575,260	-774,205
94,621	48,546	42,190	Plus Other Income	215,538	107,459	109,181
-	-	-	Gain On Disposal	-	-	-
382,107	(180,923)	(529,819)	NET PROFIT BEFORE INCOME TAX	1,171,275	1,682,719	(665,024)
106,990	(67,148)	(148,207)	Less Taxation	327,957	471,162	(186,205)
<u>\$275,117</u>	<u>\$(113,775)</u>	<u>\$(381,612)</u>	NET PROFIT	<u>\$843,318</u>	<u>\$1,211,557</u>	<u>\$(478,819)</u>

ANIMAL CONTROL PRODUCTS LIMITED
STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 DECEMBER 2025

December 2024		Actual December 2025	Business Plan
	CURRENT ASSETS		
100	Petty Cash	100	100
5,825,887	Bank of New Zealand	3,612,174	3,822,983
3,000,000	Term Deposits	3,000,000	
259,576	Prepayments & Deposits	322,670	120,000
67,949	Accounts Receivable	126,355	339,253
1,773,046	Stock on Hand	2,079,122	2,400,242
<u>10,926,558</u>		<u>9,140,421</u>	<u>6,682,578</u>
	LESS CURRENT LIABILITIES		
109,729	GST Payable	(72,634)	31,832
(92,607)	Tax Payable	175,330	(70,562)
521,013	Accounts Payable	382,880	167,384
<u>813,820</u>	Accrued Expenses & Income in Advance	<u>754,344</u>	<u>500,498</u>
1,351,955		<u>1,239,920</u>	<u>629,152</u>
<u>9,574,603</u>	WORKING CAPITAL	<u>7,900,501</u>	<u>6,053,426</u>
4,506,645	FIXED ASSETS	7,737,910	7,667,198
668,429	INTANGIBLE ASSETS	0	0
1,458,717	NON CURRENT INVENTORY	1,200,876	1,107,717
0	INVESTMENTS - IP	643,313	668,429
(261,904)	DEFERRED TAX (LIABILITY) ASSET	(265,305)	(261,901)
-	LONG TERM LOAN	-	-
<u>\$15,946,490</u>	NET ASSETS	<u>\$17,217,295</u>	<u>\$15,234,869</u>
	Comprising:		
	SHAREHOLDERS INVESTMENT		
100	Share Capital	100	100
1,617,486	Capital Reserves	1,617,486	1,617,486
14,685,586	Retained Earnings Brought Forward	15,588,152	15,296,102
843,318	Profit for Year (After Tax)	1,211,557	(478,819)
(1,200,000)	Dividends Paid	(1,200,000)	(1,200,000)
<u>\$15,946,490</u>	TOTAL SHAREHOLDERS INVESTMENT	<u>\$17,217,295</u>	<u>\$15,234,869</u>

ANIMAL CONTROL PRODUCTS LIMITED
STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

FOR THE THREE MONTHS
ENDED 31 DECEMBER 2025

FOR THE YEAR TO DATE

FOR THE THREE MONTHS ENDED 31 DECEMBER 2025	CASH FLOWS FROM OPERATING ACTIVITIES	FOR THE YEAR TO DATE
	Cash was provided from:	
3,630,180	Receipts from Customers	8,483,252
48,546	Interest Received	107,459
<u>3,678,726</u>		8,590,711
	Cash was applied to:	
1,264,061	Payments to Suppliers	6,231,621
-	Interest Paid	-
53,110	Net GST	6,278
212,353	Net Taxation Paid	279,251
<u>1,529,524</u>		6,517,150
<u>2,149,202</u>	Net Cash Flow/(Outflow) from Operating Activities	<u>2,073,561</u>
	CASH FLOWS FROM INVESTING ACTIVITIES	
	Cash was received from:	
0	Term Deposit Maturities	0
	Sale of Fixed Assets	
	Cash was applied to:	
837,989	Purchase of Fixed Assets	1,308,724
	Purchase of Intangible Assets	
<u>(837,989)</u>	Net Cash Flow/(Outflow) from Investing Activities	<u>(1,308,724)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES	
	Cash was received from:	
-	Term Loan	-
<u>-</u>		<u>-</u>
	Cash was applied to:	
1,200,000	Dividends Paid	1,200,000
<u>(1,200,000)</u>	Net Cash Flow/(Outflow) from Financing Activities	<u>(1,200,000)</u>
111,213	Net Increase/(Decrease) in Cash Held	(435,163)
3,501,061	Add: Cash Held at Start of Period	4,047,437
<u>\$3,612,274</u>	BALANCE AT END OF PERIOD	<u>\$3,612,274</u>
	Represented by:	
100	Petty Cash	100
3,612,174	Bank of New Zealand	3,612,174
<u>\$3,612,274</u>		<u>\$3,612,274</u>

