

Chairman's Address

Board Report FY21

I would like to acknowledge and thank our people across the globe for their efforts over the year, as we continue to be impacted by the economic and personal challenges arising from COVID-19.

As always, health and safety continues to be an important focus for Scott and we look for the same commitment from our customers.

We strive for continuous improvement in our health and wellbeing outcomes for all our staff and stakeholders. We have set the same best practice expectations across all our operations in all regions.

The Company achieved sales of \$216m, despite the ongoing disruptions we have faced in all of the markets we operate in. We are pleased with the very strong return to profitability after the restructuring undertaken last year to right size Scott to deliver on the Board's 2025 strategy.

Management has continued to deliver a very disciplined approach to margin control, debtor collections and inventory control and as a result we have finished the year with a very healthy Balance Sheet, with net debt of \$1.3m.

The Board and Management are committed to, and have invested in, the development of our Environmental, Social and Governance (ESG) Program. This will ensure sustainability factors remain front of mind to both preserve and create value for all shareholders.

On behalf of the Board, I would like to thank our shareholders for your continued support of our Company, the Board and management.

A final dividend of four cents per share has been paid in addition to the two cent interim dividend.

Continued Impact of COVID-19

The unpredictable nature of COVID-19 has required Scott to be flexible in managing individual situations across our global businesses. Our businesses continue to stringently follow COVID-19 protocols and the advice of relevant local authorities, as applicable to the circumstances at the time.

Throughout the pandemic we have implemented strict controls with the objectives of keeping our people safe.

The Scott Pandemic Response Team, consisting of John Kippenberger, myself and John's Executive team, continues to oversee all COVID-19 related matters impacting our employees and businesses.

The impacts of lockdowns and other restrictions have put extra demands on the business and our people. We are very conscious of the wellbeing and safety of our people and have invested in extra resources to assist us through the pandemic.

Outlook

Despite the ongoing difficulties of operating a global business from New Zealand, we are seeing very good engagement from our customers. This is resulting in a strong order pipeline which bodes well for the coming year.

I would also like to thank my fellow Directors, Alan Byers, Brent Eastwood, Edison Alvares, John Berry, Derek Charge and John Thorman who are always available to provide assistance and wise counsel when needed.

I would also like to thank John Kippenberger and all of the Scott employees for their dedication in what has been a challenging, yet successful year, as we make strong progress with our 2025 strategy.