

APPENDIX 4D

This Half-Year Report is provided to the
Australian Stock Exchange (ASX)
Under ASX Listing Rule 4.2A.3

Name of entity

SCHAFFER CORPORATION LIMITED

ACN

008 675 689

Financial year ended ('current period')

31 DECEMBER 2025

Previous corresponding period

31 DECEMBER 2024

For announcement to the market

Revenues from ordinary activities	Down	17%	to	\$'000 93,474
Net profit for the period attributable to members (statutory profit)	Down	61%	to	4,981

DIVIDENDS	Amount per security	Franked amount per security
Final dividend	-	-
Interim period	45¢	45¢
Date the dividend is payable	13 March 2026	
Record date to determine entitlements to the dividend (i.e. based on security holding balances established by 5:00pm or such later time permitted by SCH Business Rules – securities are CHES approved)	6 March 2026	

NET TANGIBLE ASSET BACKING		
Consolidated Entity	Dec 2025	Dec 2024
Net tangible assets ¹ \$'000	\$235,162	\$231,836
Fully paid ordinary shares on issue at balance date	13,590,807	13,590,807
Net tangible asset backing per issued ordinary share as at balance date	\$17.30	\$17.06

¹ Net tangible assets include right-of-use assets and the corresponding lease liabilities arising from application of AASB 16 from 1 July 2019 for leases previously classified as operating leases.

STATUS OF AUDIT
The Half-Year Report is based on accounts that have been reviewed.



ACN 008 675 689

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2025

For personal use only

FINANCIAL REPORT

For the Half-Year Ended 31 December 2025

Directors' Report.....	4
Consolidated Statement of Comprehensive Income.....	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity.....	8
Consolidated Statement of Cash Flows.....	9
Notes to the Half-Year Financial Report.....	10
Directors' Declaration.....	22
Auditor's Independence Declaration	23
Independent Review Report	24

SCHAFFER CORPORATION LIMITED HALF-YEAR FINANCIAL REPORT

DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 31 December 2025 made in accordance with a resolution of the Directors.

DIRECTORS

Details of the Directors of the company during the financial half-year and at the date of this report are:

J M SCHAFFER AM
B. Com (Hons.) FCPA

Managing Director
Executive Director since 06/09/1972

Mr John Schaffer AM joined the company in 1972. Mr Schaffer has held the position of Managing Director since 1987 and Chairman since 1988.

D E BLAIN AM
BA

Non-executive Director
Appointed 05/06/1987

Mrs Danielle Blain AM joined the company in 1987. Mrs Blain served as Managing Director of Gosh Leather Pty Ltd from 1993 to 2001. Mrs Blain has diverse experience serving on several government and not-for-profit Boards and is also a past Pro Chancellor of Edith Cowan University.

A K MAYER

Executive Director
Appointed 21/11/2001

Mr Anton Mayer is the Executive Director of Howe Automotive Leather Limited. Mr Mayer has over 50 years' international leather experience, broad business skills and a global business perspective.

D J SCHWARTZ

Non-executive Director
Appointed 29/06/1999

Mr David Schwartz joined the Board as an independent Director in June 1999. He has over 25 years' experience negotiating acquisitions and overseeing the development of property. Over the past 40 years, Mr Schwartz has been involved in many different businesses including property, retail, manufacturing, and distribution.

M D PERROTT AM
BCom, FAIM, FAICD

Non-executive Director
Appointed 23/02/2005

Mr Michael Perrott AM joined the Board as an independent Director in February 2005. Mr Perrott has over 35 years' experience in the construction and contracting industry.

Directors were in office for the entire period unless otherwise stated.

ATTENDANCE AT BOARD MEETINGS

During the half-year four Directors' meetings were held. The number of meetings attended by each Director is as follows:

	Meetings eligible to attend	Meetings attended
J M Schaffer	4	4
D E Blain	4	4
D J Schwartz	4	4
A K Mayer	4	3
M D Perrott	4	4

AUDIT COMMITTEE

The consolidated entity has an Audit Committee, which operates to oversee the external audit functions of the consolidated entity. During the half-year, one audit committee meeting was held which all members of the audit committee were eligible to attend. The meeting was attended by Mr D J Schwartz, Mr M D Perrott, and Mrs D E Blain.

REVIEW OF OPERATIONS

The consolidated entity's revenue from ordinary activities decreased to \$93,474,000 compared to \$112,285,000 for the comparative half year. The consolidated net profit after tax attributable to members of the parent entity decreased to \$4,981,000 from \$12,742,000 for the comparative period.

As previously announced, Automotive Leather's operating results were affected by a cyberattack at Jaguar Land Rover (JLR) which resulted in a temporary production shutdown for JLR for September and October 2025. Production restarted with a ramp-up in November 2025, and Automotive Leather's sales volumes with JLR have returned to normal run-rates.

Delta incurred a small loss for the period. As anticipated, the West Australian government spending on large civil infrastructure projects decreased significantly compared to recent years. This created a highly competitive market characterised by less available projects and lower margins.

Profit from Group Investments increased compared to the comparative half-year mainly due to higher net unrealised gains on equity investments compared to the comparative period.

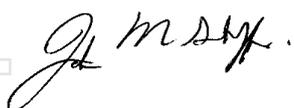
ROUNDING

The amounts contained in this report and in the half-year financial statements have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191. The company is an entity to which this Legislative Instrument applies.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditors, Ernst & Young, as presented on page 23 of this half-year financial report.

Signed in accordance with a resolution of the Directors.



John Schaffer
Managing Director
Perth, 18 February 2026

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025**

		Dec 2025 \$'000	Dec 2024 \$'000
	Note		
Revenue			
Revenue from contracts with customers	3	87,863	107,074
Rental income	4(a)	3,777	3,606
Dividends and distributions		792	838
Finance income	4(b)	1,042	767
Total revenue		93,474	112,285
Cost of sales and services rendered		(76,664)	(81,722)
Rental property expenses	4(a)	(1,810)	(1,826)
Gross profit		15,000	28,737
Share of profit in equity accounted investments		373	739
Other income	4(c)	1,426	(427)
Marketing expenses		(314)	(232)
Administrative expenses		(6,510)	(6,982)
Profit before tax and finance costs		9,975	21,835
Finance costs	4(b)	(1,745)	(1,766)
Profit before income tax		8,230	20,069
Income tax expense	10	(2,187)	(5,650)
Net profit for the period		6,043	14,419
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation (loss)/gain attributable to parent		(659)	1,754
<i>Items that may not be reclassified subsequently to profit or loss</i>			
Foreign currency translation (loss)/gain attributable to non-controlling interest		(76)	153
Other comprehensive income for the period, net of tax		(735)	1,907
Total comprehensive income for the period		5,308	16,326
Profit for the period is attributable to:			
Non-controlling interest		1,062	1,677
Owners of the parent		4,981	12,742
		6,043	14,419
Total comprehensive income for the period attributable to:			
Non-controlling interest		986	1,830
Owners of the parent		4,322	14,496
		5,308	16,326
Earnings per share (EPS)			
Basic EPS	17	36.7¢	93.8¢
Diluted EPS	17	36.7¢	93.8¢
Dividends paid per share	11	45.0¢	45.0¢

The above Consolidated Statement of Comprehensive Income should be read with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

	Note	Dec 2025 \$'000	Jun 2025 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	5(a)	32,085	29,423
Cash and cash equivalents - controlled equity funds	5(a)	12,417	10,625
Trade and other receivables		26,487	45,234
Current tax assets		866	103
Inventories	6	47,693	46,542
Contract assets		2,368	1,667
Prepayments and deposits		7,070	5,554
Financial assets at fair value through profit or loss	12	16,324	15,732
Other financial assets	13	9,951	16,742
Total current assets		155,261	171,622
Non-current assets			
Inventories	6	896	892
Contract assets		1,291	1,643
Financial assets at fair value through profit or loss	12	42,578	42,310
Other financial assets	13	5,381	3,124
Property, plant and equipment		19,176	20,756
Investment properties	9	169,915	169,014
Right of use assets		26,403	29,174
Equity accounted investments		8,354	8,205
Deferred income tax asset		5,352	5,718
Goodwill		1,299	1,299
Total non-current assets		280,645	282,135
Total assets		435,906	453,757
LIABILITIES			
Current liabilities			
Trade and other payables		21,074	29,602
Contract liabilities		981	1,007
Interest-bearing loans and borrowings	7	5,223	21,792
Lease liabilities		5,725	5,742
Financial liabilities at fair value through profit or loss	12	14,881	14,266
Income tax payable		60	1,255
Provisions	8	9,638	10,622
Total current liabilities		57,582	84,286
Non-current liabilities			
Interest-bearing loans and borrowings	7	64,251	51,096
Lease liabilities		16,295	18,352
Deferred income tax liabilities		36,513	36,672
Provisions	8	9,800	11,078
Total non-current liabilities		126,859	117,198
Total liabilities		184,441	201,484
Net assets		251,465	252,273
Equity			
Equity attributable to equity holders of the parent			
Issued capital	15	9,925	9,925
Reserves		5,610	6,269
Retained earnings	16	220,926	222,061
Total parent entity interest in equity		236,461	238,255
Non-controlling interests		15,004	14,018
Total equity		251,465	252,273

The above Consolidated Statement of Financial Position should be read with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Attributable to Equity Holders of the Parent					Total	Non-controlling interests	Total equity
	Issued capital	Retained earnings	Reserves					
			Asset revaluation reserve	Share based payment - EPU's	Foreign currency translation reserve			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 July 2025	9,925	222,061	2,585	(589)	4,273	238,255	14,018	252,273
Profit for the year	-	4,981	-	-	-	4,981	1,062	6,043
Other comprehensive income	-	-	-	-	(659)	(659)	(76)	(735)
Total comprehensive income for the year	-	4,981	-	-	(659)	4,322	986	5,308
Transactions with owners in their capacity as owners:								
Equity dividends	-	(6,116)	-	-	-	(6,116)	-	(6,116)
At 31 December 2025	9,925	220,926	2,585	(589)	3,614	236,461	15,004	251,465
At 1 July 2024	9,781	210,036	2,585	(589)	2,797	224,610	13,542	238,152
Profit for the year	-	24,257	-	-	-	24,257	3,582	27,839
Other comprehensive income	-	-	-	-	1,476	1,476	260	1,736
Total comprehensive income for the year	-	24,257	-	-	1,476	25,733	3,842	29,575
Transactions with owners in their capacity as owners:								
Employee share options exercised	144	-	-	-	-	144	-	144
Equity dividends	-	(12,232)	-	-	-	(12,232)	(3,366)	(15,598)
At 30 June 2025	9,925	222,061	2,585	(589)	4,273	238,255	14,018	252,273

The Consolidated Statement of Changes in Equity should be read with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025**

	Note	Dec 2025 \$'000	Dec 2024 \$'000
Cash flows from operating activities			
Receipts from customers		105,535	109,454
Payments to suppliers and employees - other		(92,705)	(89,500)
Interest received		805	617
Dividends and distributions received		554	854
Other revenue received		3,680	3,416
Government subsidies		-	44
Interest paid		(1,672)	(1,655)
Income taxes paid		(3,700)	(4,382)
Goods and services tax (paid)/received		(124)	311
Net cash from operating activities		12,373	19,159
Cash flows from investing activities			
Investments in term deposits		(200)	(18,880)
Proceeds on maturity of term deposits		7,190	3,180
Acquisition of property, plant and equipment		(891)	(918)
Improvements to investment properties		(873)	(1,950)
Acquisition of non-current financial assets at fair value through profit or loss		(1,456)	(2,043)
Capital returns from financial assets at fair value through profit or loss		1,040	47
Acquisition of non-current financial assets at amortised cost		(1,730)	(542)
Settlement of derivative financial instruments		205	317
Acquisition of current financial assets at fair value through profit or loss - controlled equity funds		(7,133)	(11,039)
Proceeds on disposal of current financial assets at fair value - controlled equity funds		8,002	7,553
Net cash from/(used in) investing activities		4,154	(24,275)
Cash flows from financing activities			
Proceeds from borrowings		-	3,388
Repayment of borrowings		(3,414)	-
Lease principal repayments		(4,309)	(3,543)
Lease principal receipts		1,357	1,590
Dividends paid		(6,106)	(6,949)
Proceeds from exercise of employee share options		-	144
Application funds received from investors in controlled equity funds		1,050	49
Net cash used in financing activities		(11,422)	(5,321)
Net increase/(decrease) in cash and cash equivalents		5,105	(10,437)
Net foreign exchange differences		(651)	568
Cash and cash equivalents at the beginning of the period		40,048	37,604
Cash and cash equivalents at the end of the period	5	44,502	27,735

The above Consolidated Statement of Cash Flows should be read with the accompanying notes.

NOTES TO THE HALF-YEAR FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

1. CORPORATE INFORMATION

The financial report of Schaffer Corporation Limited and its controlled entities (“the Group or Consolidated Entity”) for the half-year ended 31 December 2025 was authorised for issue in accordance with a resolution of the Directors on 17 February 2026. Schaffer Corporation Limited (“the Company”) is a for-profit company incorporated in Australia and limited by shares, which are publicly traded on the Australian Stock Exchange.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

The financial report for the half-year ended 31 December 2025 is a general-purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2025 and considered together with any public announcements made by Schaffer Corporation Limited during the half-year ended 31 December 2025 in accordance with the continuous disclosure obligations of the ASX listing rules.

Except as disclosed below, the accounting policies are the same as those adopted in the most recent annual financial report.

(b) Adoption of new and revised accounting standards and interpretations

The accounting policies adopted in the preparation of the half-year report are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 30 June 2025.

The Group adopted all the new and revised standards and interpretations that were effective 1 July 2025, and they did not impact or amend the accounting policies of the Group.

The Consolidated Entity has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Type of goods or service	Consolidated	
	Dec 2025 \$000's	Dec 2024 \$000's
Sale of automotive leather components	81,194	84,065
Sale of land	-	449
Construction services	5,157	19,765
Transport income	881	2,158
Sale of goods - hospitality business	631	637
Total revenue from contracts with customers	87,863	107,074
Geographical Markets		
Europe	69,213	71,690
Asia	11,981	12,375
Australia	6,669	23,009
Total revenue from contracts with customers	87,863	107,074
Timing of revenue recognition		
Goods transferred at a point in time	81,825	85,151
Services transferred over time	6,038	21,923
Total revenue from contracts with customers	87,863	107,074

Impairment losses recognised on receivables and contract assets arising from contracts with customers, included in the Consolidated Statement of Comprehensive Income amount to \$nil for the half-year ended 31 December 2025 (31 December 2024: \$nil).

4. SIGNIFICANT OTHER INCOME AND EXPENSES

Profit before income tax from continuing operations includes the following income and expenses where disclosure is relevant in explaining the performance of the Group:

(a) Net rental income

	Consolidated	
	Dec 2025 \$'000	Dec 2024 \$'000
Rental property income	3,777	3,606
Rental property expenses	(1,810)	(1,826)
Net rental income	1,967	1,780

(b) Net interest income

	Consolidated	
	Dec 2025 \$'000	Dec 2024 \$'000
Interest on loans	(1,473)	(1,518)
Interest on leases	(272)	(248)
Total interest costs	(1,745)	(1,766)
Interest on cash and term deposits	1,042	767
Total interest income	1,042	767

4. SIGNIFICANT OTHER INCOME AND EXPENSES (continued)

(c) Other income/losses

	Consolidated	
	Dec 2025	Dec 2024
	\$'000	\$'000
Net revaluation gain from financial assets at fair value through profit or loss	1,917	597
Net fair value increase on financial liabilities at fair value through profit or loss	(706)	(884)
Net gain/(loss) on disposal of property, plant and equipment	13	(4)
Foreign currency losses	(995)	(2,100)
Foreign currency gains	1,188	1,946
Sundry Income	9	18
Total other income/(losses)	1,426	(427)

(d) Depreciation, impairment and amortisation

	Consolidated	
	Dec 2025	Dec 2024
	\$'000	\$'000
Depreciation included in:		
Cost of sales	4,872	4,424
Marketing and administrative expenses	36	40
Total depreciation	4,908	4,464

(e) Employee benefits expense

	Consolidated	
	Dec 2025	Dec 2024
	\$'000	\$'000
Employee benefits included in:		
Cost of sales	22,896	18,502
Marketing and administrative expenses	3,295	3,366
Total employee benefits expense	26,191	21,868
Employee benefits expense comprises:		
Wages, salaries and bonuses	26,498	22,489
Net decrease in post-employment benefits provision	(1,178)	(1,519)
Long service leave	69	80
Worker's compensation costs	205	185
Superannuation costs	597	633
Total employee benefits expense	26,191	21,868

5. CASH AND CASH EQUIVALENTS

Reconciliation of cash and cash equivalents

For the half-year cash flow statement, cash and cash equivalents are comprised as follows:

	Note	Consolidated	
		Dec 2025	Jun 2025
		\$'000	\$'000
Cash balance comprises:			
Cash at bank and on hand		32,085	29,423
Cash at bank and on hand - controlled equity funds	14	12,417	10,625
Closing cash balance per consolidated statement of cash flows		44,502	40,048

The Group controls and manages equity investment funds. Cash held by the controlled equity funds is to be applied by the fund manager to purchase assets in accordance with each fund's mandate.

5. CASH AND CASH EQUIVALENTS (continued)

Non-cash financing and investing activities

	Consolidated	
	Dec 2025 \$'000	Dec 2024 \$'000
Reinvestment of distributions from managed investment fund	564	304

Financing facilities available

At balance date, the Group had bank facilities available to the extent of \$121,490,000 (June 2025: \$97,224,000).

The value of unutilised facilities for the Group at balance date was \$41,326,000 (June 2025: \$21,516,000).

6. INVENTORIES

	Consolidated	
	Dec 2025 \$'000	Jun 2025 \$'000
Current		
Raw materials – at cost	16,748	21,825
Work in progress – at cost	18,339	15,291
Finished goods – at cost	12,606	9,426
	47,693	46,542
Non-current		
Land held for sale - at cost	896	892
Total inventory	48,589	47,434
	Dec 2025 \$'000	Dec 2024 \$'000
Inventory recognised as an expense comprises:		
Land	9	204
Automotive leather	65,805	62,705
	65,814	62,909
Inventory write downs recognised as an expense included in the above.	356	210

7. BORROWINGS

	Consolidated	
	Dec 2025 \$'000	Jun 2025 \$'000
Current		
Syndicate bank loans - secured	4,854	-
Other bank loan – secured	369	21,792
	5,223	21,792
Non-current		
Syndicate bank loans - secured	17,219	22,198
Other bank loan – secured	22,755	1,508
Revolving loan facility	24,277	27,390
Total non-current interest-bearing loans and borrowings	64,251	51,096
Total interest-bearing loans and borrowings	69,474	72,888

Secured bank loans of \$7.8m and \$13.6m, which were current at 30 June 2025, were refinanced and extended to September 2027 and September 2028 respectively.

8. PROVISIONS

	Consolidated	
	Dec 2025	Jun 2025
	\$'000	\$'000
Provision for employee entitlements		
Current		
Short-term employee entitlements	9,638	10,622
Non-current		
Employee Participation Units (EPU) provision	9,467	10,765
Other long-term employee entitlements	333	313
Total non-current provisions	9,800	11,078
Total provisions	19,438	21,700

9. INVESTMENT PROPERTIES

	Consolidated	
	Dec 2025	Jun 2025
	\$'000	\$'000
Opening balance	169,014	159,027
Additions and improvements	901	2,855
Net gain on investment property at fair value through profit or loss	-	7,132
Closing balance	169,915	169,014

10. INCOME TAX

Amounts recognised in profit or loss

	Consolidated	
	Dec 2025	Dec 2024
	\$'000	\$'000
Current tax expense		
Current year	2,195	3,954
Changes in estimates related to prior years	(212)	(309)
	1,983	3,645
Deferred tax expense		
Origination and reversal of temporary differences	204	2,005
Income tax expense recognised in profit or loss	2,187	5,650

11. DIVIDENDS PAID

	Consolidated	
	Dec 2025	Dec 2024
	\$'000	\$'000
Interim dividend paid in September 2025	6,116	-
Interim dividend paid in September 2024	-	6,115
Per share (c)	45	45
Fully franked dividends paid by the parent	6,116	6,115
Fully franked dividend paid by controlled entities to minority shareholders	-	1,683
Total fully franked dividends paid	6,116	7,798

12. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Set out below, is an overview of financial assets at fair value through profit or loss held by the Group at 31 December 2025 and 30 June 2025:

	Consolidated	
	Dec 2025 \$'000	Jun 2025 \$'000
Financial assets at fair value through profit or loss		
Current		
Listed equity shares and options held by controlled equity funds	15,996	15,697
<i>Derivatives not recognised as hedging instruments</i>		
Forward exchange contracts	328	35
	16,324	15,732
Non-current		
Listed equity shares	958	952
Unlisted investments in property unit trusts and LLCs	13,949	16,617
Unlisted units in managed equity funds	12,412	10,432
Unlisted equity shares	11,248	10,149
Convertible notes	4,011	4,008
<i>Derivatives not recognised as hedging instruments</i>		
Interest rate swaps	-	152
Total	42,578	42,310
Total financial assets at fair value through profit or loss	58,902	58,042

Set out below, is an overview of financial liabilities at fair value through profit or loss held by the Group at 31 December 2025 and 30 June 2025:

	Consolidated	
	Dec 2025 \$'000	Jun 2025 \$'000
Financial liabilities at fair value through profit or loss		
Current		
Short equity positions held by controlled equity funds	49	364
Forward exchange contracts	-	829
Net assets attributable to external investors in the controlled equity funds	14,832	13,073
Total financial liabilities at fair value through profit or loss	14,881	14,266

**12. FINANCIAL ASSETS AND FINANCIAL LIABILITIES
AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)**

The fair value of the financial instruments carried at fair value, as well as the methods used to estimate the fair value, are summarised in the table below:

	Quoted market price (Level 1) \$'000	Valuation technique market observable inputs (Level 2) \$'000	Valuation technique non- market observable inputs (Level 3) \$'000	Total \$'000
Period ended 31 December 2025				
Consolidated				
Financial assets				
<i>Financial assets at fair value</i>				
Listed investments	16,759	195	-	16,954
Unlisted investments	-	12,465	29,155	41,620
Derivative financial assets	-	328	-	328
	16,759	12,988	29,155	58,902
Financial liabilities				
<i>Financial liabilities at fair value</i>				
Listed financial instruments	49	-	-	49
Net assets attributable to external investors in the controlled equity funds	-	14,832	-	14,832
	49	14,832	-	14,881
Year ended 30 June 2025				
Consolidated				
Financial assets				
<i>Financial assets at fair value</i>				
Listed investments	16,476	173	-	16,649
Unlisted investments	-	10,746	30,460	41,206
Derivative financial assets	-	187	-	187
	16,476	11,106	30,460	58,042
Financial liabilities				
<i>Financial liabilities at fair value</i>				
Listed financial instruments	364	-	-	364
Derivative financial liabilities	-	829	-	829
Net assets attributable to external investors in the controlled equity funds	-	13,073	-	13,073
	364	13,902	-	14,266

Reconciliation of the fair value measurement of Level 3 unlisted investments

	Dec 2025 \$'000	Jun 2025 \$'000
Balance at the start of the financial period	30,459	35,187
Purchases:		
Convertible notes	-	542
Managed equity funds	225	470
Unlisted property unit trusts and LLCs	118	1,185
Unlisted shares in property syndicate	1,114	-
Capital distributions	(1,040)	(2,072)
Foreign currency translation adjustment	(288)	173
Remeasurement recognised in profit and loss	(1,433)	(5,026)
Balance at the end of the financial period	29,155	30,459

13. OTHER FINANCIAL ASSETS

	Consolidated	
	Dec 2025	Jun 2025
	\$'000	\$'000
Current		
Term deposits – maturities over 90 days	9,900	16,690
Other financial assets at amortised cost – controlled equity funds	51	52
	9,951	16,742
Non-current		
Loans receivable from equity-accounted investees	2,639	2,395
Other loans receivable	2,742	729
	5,381	3,124
Total other financial assets	15,332	19,866

14. NET ASSETS HELD IN CONTROLLED FUND

The Group has acted as Trustee and Fund Manager for managed equity funds under the control of the Group. At 31 Dec 2025, the controlled funds and the Group's holding of units therein were as follows:

- (i) SFC Global Equities Fund – 44% (30 June 2025: 48%)
- (ii) SFC Global Fallen Angels Fund – 67% (30 June 2025: 67%)

External investors hold the remaining units in the funds and have the right to withdraw on notice.

The Group has irrevocably designated the net assets attributable to external investors in the funds as a financial liability at fair value through profit or loss. The Group determined that designation of the financial liability at fair value through profit or loss significantly reduces an accounting mismatch that would otherwise arise if the liability and corresponding financial assets in the funds were measured on different bases. As such, movements in net assets attributable to external investors in the funds are included as fair value adjustments in the Consolidated Statement of Comprehensive Income.

The financial position of the controlled funds is shown below.

	Note	Dec 2025	Jun 2025
		\$'000	\$'000
Net assets in controlled equity funds attributable to shareholders of the Group		13,289	12,619
Net assets in controlled equity funds attributable to external investors		14,832	13,073
Net assets held in controlled equity funds		28,121	25,692
Comprising:			
Current assets			
Cash and cash equivalents - controlled equity funds	5	12,417	10,625
Financial assets at fair value through profit or loss		15,996	15,697
Other financial assets		51	52
Total current assets		28,464	26,374
Current liabilities			
Trade and other payables		294	318
Financial liabilities at fair value through profit or loss		49	364
Total current liabilities		343	682
Net assets held in controlled equity funds		28,121	25,692

15. CONTRIBUTED EQUITY

	Consolidated	
	Dec 2025	Jun 2025
	\$'000	\$'000
Issued and paid-up capital		
13,590,807 ordinary fully paid shares (Jun 2025 13,590,807)	9,925	9,925

16. RETAINED PROFITS

	Consolidated	
	Dec 2025 \$'000	Jun 2025 \$'000
Retained earnings		
Balance at the beginning of the financial period	222,061	210,036
Net profit attributable to members of the parent entity	4,981	24,257
Dividends provided for or paid	(6,116)	(12,232)
Balance at the end of the financial period	220,926	222,061

17. EARNINGS PER SHARE (EPS)

Details of basic and diluted EPS reported separately are as follows:

	Consolidated	
	Dec 2025	Dec 2024
Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year (in cents).	36.7c	93.8c
Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares (in cents).	36.7c	93.8c

The following reflects the income and share data used in the calculation of basic and diluted EPS:

	Consolidated	
	Dec 2025 \$'000	Dec 2024 \$'000
The following reflects the income and share data used in the calculation of basic and diluted earnings per share:		
Net profit attributable to ordinary equity holders of the parent from continuing operations	4,981	12,742
	Number of Shares	
	Dec 2025	Dec 2024
Weighted average number of ordinary shares for basic earnings per share	13,589,123	13,580,756
Weighted average number of ordinary shares adjusted for the effect of dilution	13,589,123	13,580,756

18. SEGMENT INFORMATION

(a) Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the nature of the product and customer supplied, and services provided and the identity of service line manager. Discreet financial information about each of these operating businesses is reported to the executive management team monthly.

The reportable segments are based on aggregated operating segments determined by the similarity of economic characteristics, the products produced and sold and/or the services provided, as these are the sources of the Group's major risks and have the most effect on the rates of return.

The Group comprises the following reportable segments:

Automotive Leather	Global manufacturer and supplier of leather to the automotive industry
Group Investments	Includes owned investment properties, the Group's share of syndicated property, direct equity investments and investments in managed equity funds. The activities of the segment include the leasing of office, industrial, residential, and retail properties, and the development and sale of property assets, and general investing.
Building Materials	Comprises Delta Corporation Limited which manufactures and supplies precast and prestressed concrete elements.
South Connect Jandakot	Comprises the South Connect – Jandakot Logistics Estate, a 34ha strategic property asset located south of the Perth CBD. The property includes developable land zoned for a variety of commercial uses and manufacturing facilities leased to Austral Masonry Holdings.

(b) Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those discussed in note 2 to the accounts and in the prior period. There are no inter-segment transactions.

(c) Allocation of assets

It is the Group's policy that if items of revenue and expense are not allocated to operating segments, then any associated assets are also not allocated to segments. This is to avoid asymmetrical allocations within segments which management believe would be inconsistent.

(d) Basis of segmentation and measurement of segment profit

There has been no change in the basis of segmentation or in the basis of measurement of segment profit from those used in the last annual financial statements.

18. SEGMENT INFORMATION (continued)

The following table presents revenue and profit information regarding segments for the half-year periods ended 31 December 2025 and 31 December 2024.

Business segment information	Automotive Leather		Group Investments		Building Materials		South Connect Jandakot		Consolidated	
	Dec 2025	Dec 2024	Dec 2025	Dec 2024	Dec 2025	Dec 2024	Dec 2025	Dec 2024	Dec 2025	Dec 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue										
Revenue from contracts with customers	81,194	84,065	631	1,086	6,038	21,923	-	-	87,863	107,074
Other revenue	9	1	5,132	4,729	19	48	451	433	5,611	5,211
Total revenue	81,203	84,066	5,763	5,815	6,057	21,971	451	433	93,474	112,285
Results										
Profit/(loss) attributable to owners of the parent	4,603	7,845	2,379	2,085	(322)	4,230	241	240	6,901	14,400
Unallocated items										
Corporate overheads									(2,743)	(2,369)
Income tax benefit									823	711
Profit after tax									4,981	12,742

The following table presents assets held within the Group's operating segments as at 31 December 2025 and 30 June 2025.

Assets	Automotive Leather		Group Investments		Building Materials		South Connect Jandakot		Consolidated	
	Dec 2025	Jun 2025	Dec 2025	Jun 2025	Dec 2025	Jun 2025	Dec 2025	Jun 2025	Dec 2025	Jun 2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total segment non-current assets	40,437	44,969	125,613	122,684	12,207	12,955	101,068	100,250	279,325	280,858
Unallocated items									1,320	1,277
Total non-current assets									280,645	282,135
Total segment assets	144,017	155,380	172,372	177,961	15,997	18,083	101,068	100,250	433,454	451,674
Unallocated items									2,452	2,083
Total assets									435,906	453,757
Liabilities										
Segment liabilities	80,754	97,362	63,021	61,848	4,135	5,280	12,200	12,200	160,110	176,690
Unallocated items									24,331	24,794
Total liabilities									184,441	201,484

19. COMMITMENT AND CONTINGENT LIABILITIES

At 31 December 2025, the Group had capital commitments of \$1,083,000 (30 June 2025: \$1,100,000) in respect of the purchase of plant and equipment. The Group also had capital commitments of \$572,000 (30 June 2025: \$2,700,000) in respect of investment and property development.

Other than the above, the Group had no material changes to commitments or contingent liabilities from those disclosed in the last annual report.

20. SUBSEQUENT EVENTS

Subsequent to the end of the half-year, the Group declared a dividend of 45¢ per share totalling \$6,116,000 payable on 13 March 2026.

There has not been any other matter or circumstance in the interval between the end of the half-year and the date of this report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

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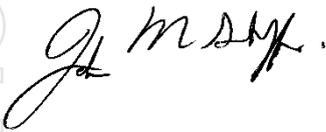
DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Schaffer Corporation Limited, I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the financial position as at 31 December 2025 and the performance for the half-year ended on that date of the Group; and
 - (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



John Schaffer AM
Managing Director

Perth, 18 February 2026



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Auditor's independence declaration to the directors of Schaffer Corporation Limited

As lead auditor for the review of the half-year financial report of Schaffer Corporation Limited for the half-year ended 31 December 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Schaffer Corporation Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

[Signature]

Timothy Dachs
Partner
18 February 2026

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Independent auditor's review report to the members of Schaffer Corporation Limited

Conclusion

We have reviewed the accompanying half-year financial report of Schaffer Corporation Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to reviews of the half-year financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

A handwritten signature in black ink, appearing to read 'Timothy G Dachs'.

Timothy G Dachs
Partner
Perth
18 February 2026

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