

**AUTOMOTIVE LEATHER DIVISION'S 1H26 GUIDANCE WITHDRAWAL
DUE TO CUSTOMER CYBER INCIDENT**

26 September 2025

Dear Shareholder,

Schaffer Corporation Limited (ASX: SFC) advises that it has withdrawn the first-half financial year 2026 (1H26) profit guidance for its Automotive Leather division. This withdrawal is a direct result of a cyber incident experienced by one of the Automotive Leather division's major customers, Jaguar Land Rover (JLR), which has led to a halt in their production and continued uncertainty regarding the timing of its resumption.

In early September 2025, JLR publicly announced that it had experienced a major cyber-attack that had impacted multiple systems forcing a halt to production across all its manufacturing plants.

Initial advice suggested that the earliest restart of production for JLR would be at the soonest 24 September 2025. However, the Automotive Leather division received further notification this week that the timing for restarting production lines remains uncertain, with the earliest expected recommencement now not anticipated before 1 October 2025.

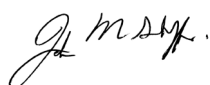
As JLR is a major customer, the extended production shutdown will have an impact on the Automotive Leather division's sales volumes and short-term profitability. Consequently, the Board has determined it is appropriate to withdraw the division's 1H26 guidance provided to the market on 20 August 2025.

Divisional management has implemented measures to mitigate, as best as possible, the financial impact, including aligning raw material procurement and adjusting operating costs to reflect reduced sales activity.

The financial position of both the Group and the Automotive Leather division remain strong. Accordingly, the Board intends to retain the interim fully franked dividend at \$0.45/share.

We will provide our shareholders with a further update at the Annual General Meeting to be held on 19 November 2025.

Yours sincerely



John Schaffer AM
Chairman

The Board has authorised this document to be released to the ASX.

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