

Scales Corporation Limited

# Bringing Nutrition to the World



2025 Annual Shareholders' Meeting

10 June 2025



# Agenda

- 01. Welcome and Chair's Review
- 02. Managing Director's Review
  - Review of 2024
  - Transactions Update and Outlook
- 03. Ordinary Resolutions
- 04. Voting and Questions

# How to Participate in Virtual / Hybrid Meetings and ask a Question

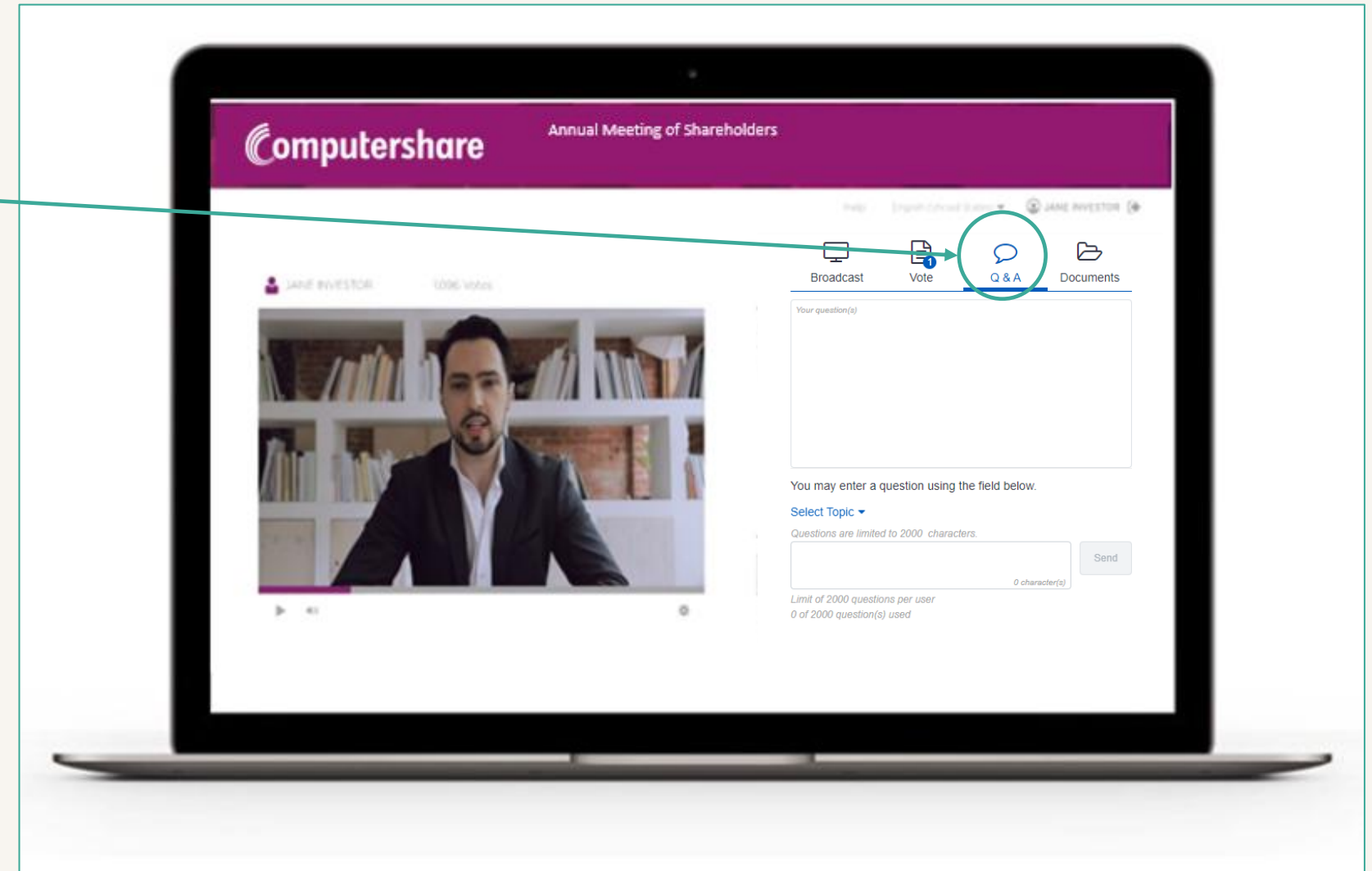
## Shareholder & Proxyholder Q&A Participation

### ■ Online Questions

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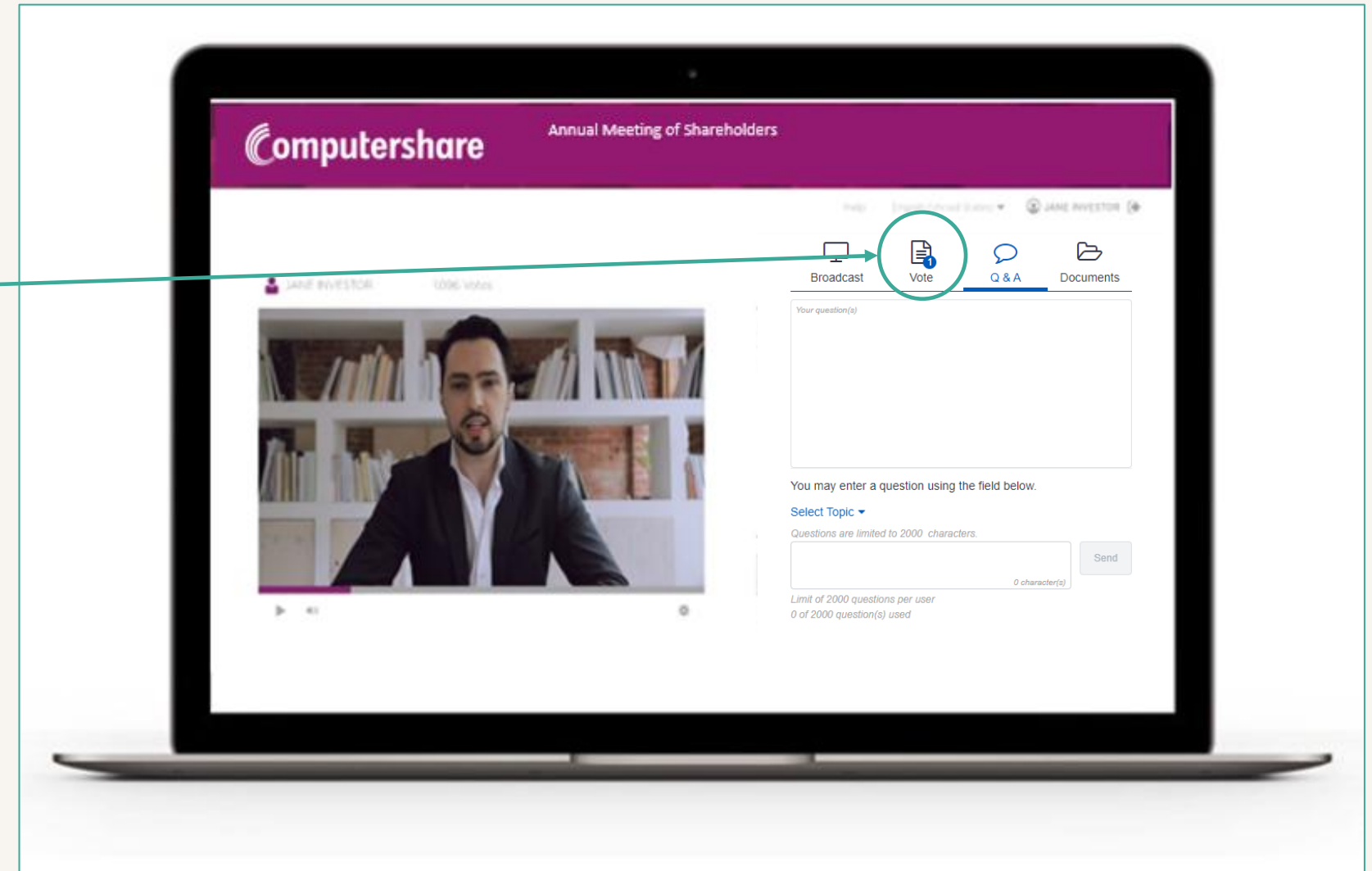


# How to Participate in Virtual / Hybrid Meetings and Vote

## Shareholder & Proxyholder Voting

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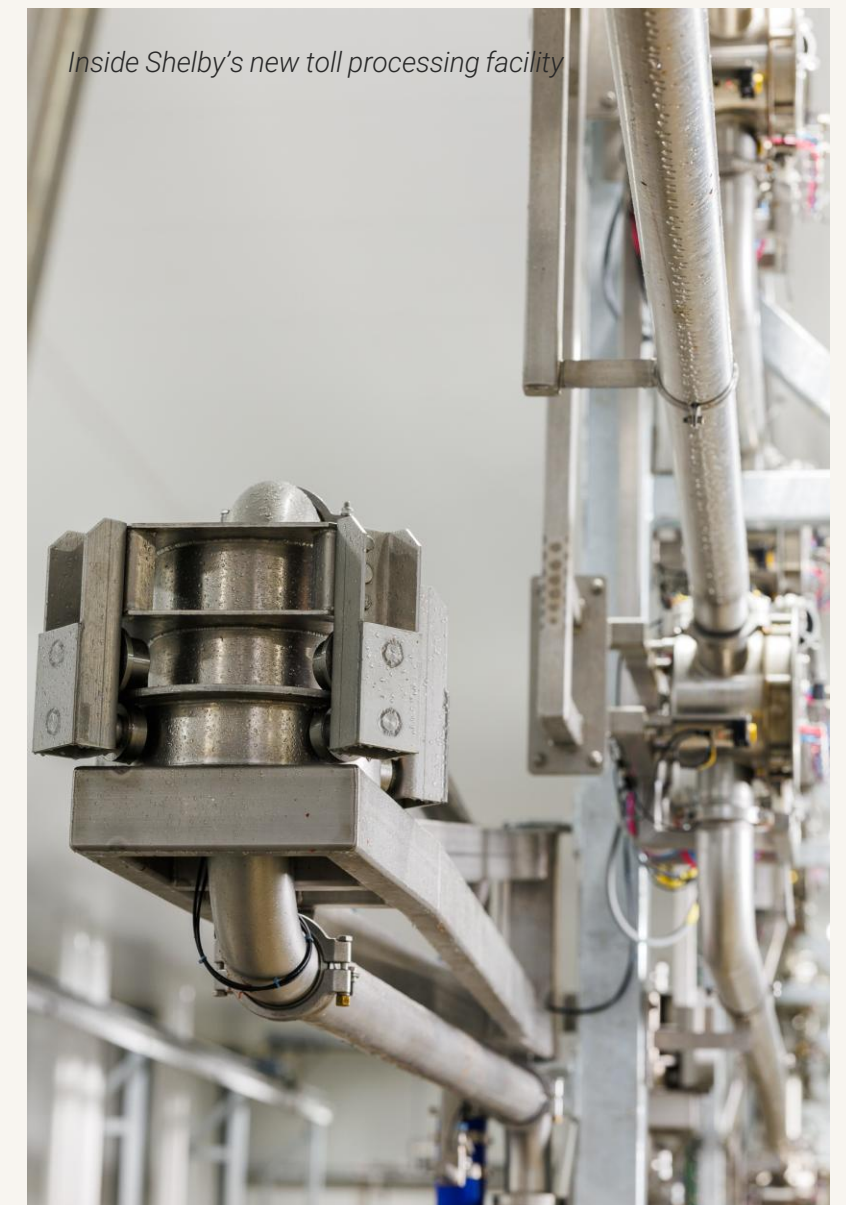
01.

Welcome  
and Chair's  
Review

# Welcome and Chair's Review

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- Delighted to welcome all shareholders and stakeholders to the meeting, both in person and online
- Excellent financial performance whilst delivering on our growth strategy, delivering record results
- Underlying<sup>1</sup> result towards the top end of FY24 Guidance range:
  - Strong result by Global Proteins, with Meateor Australia and Esro Petfood continuing to progress through their start-up phase
  - Horticulture performance returning to more normal levels, benefitting from the increased ownership of Profruit which produced an exceptional FY24 performance
  - Record Logistics result supported by higher ocean and air freight volumes
- Dividends of 15.0 cents per share declared in relation to FY24, representing 63% of FY24 Underlying Net Profit After Tax Attributable to Shareholders



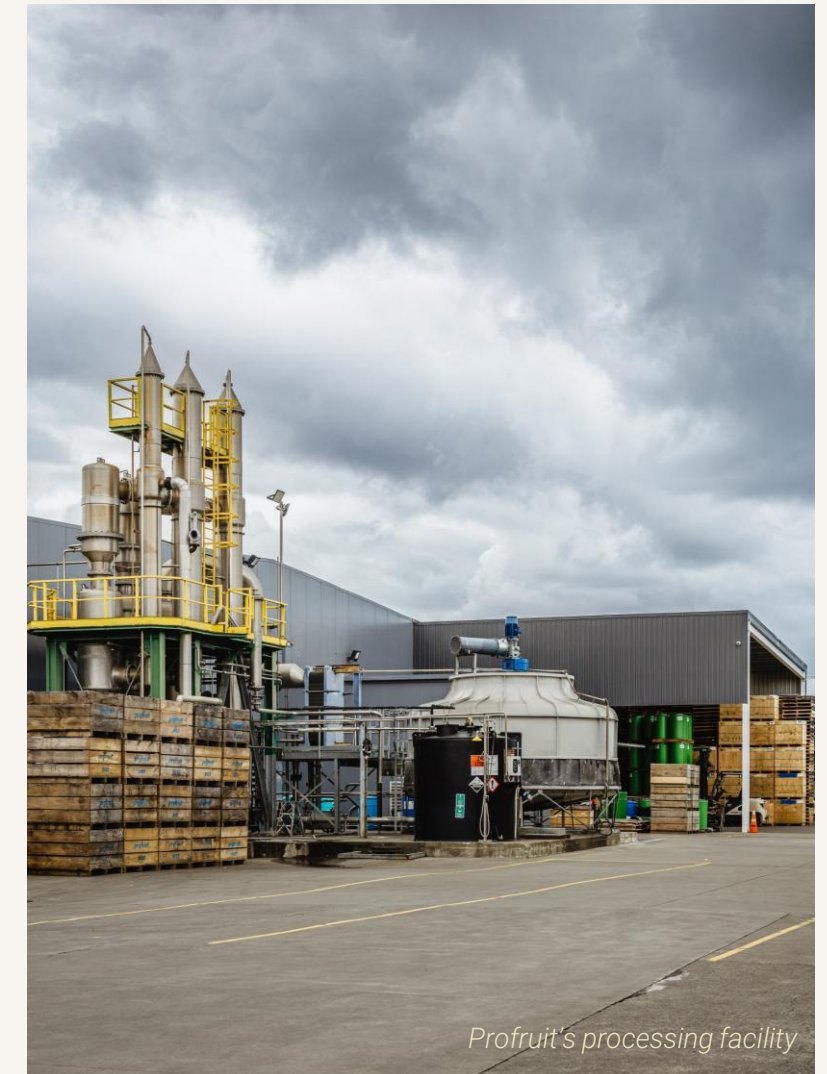
1. Underlying Results exclude some New Zealand International Financial Report Standards (NZ IFRS) non-cash and other adjustments. The Board and management believe that Underlying Results more accurately demonstrate the operational performance of the Group. Underlying NPAT and Underlying EBITDA are shown before the deduction of share of Non-Controlling Interests. Note that our definition of "Underlying" includes the effects of NZ IFRS 16 Leases in line with current market practice. All Underlying result numbers, including comparatives, are inclusive of NZ IFRS 16 effects.



# Welcome and Chair's Review (cont.)

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- Continuing to seek acquisitive and organic growth opportunities to expand our business, in line with our stated strategy. This includes increasing our shareholding in our Global Proteins businesses over time
- Delighted to acquire a further 7.5% holding in Shelby in April 2025 as a continuation of our M&A activity:
  - Earnings growth since our initial investment has materially exceeded expectations
  - The acquisition included refreshed commitments to the business by Shelby's founder, including commitments to long-term succession planning within the management team
- Released strategy presentation for Global Proteins during FY24
- Very pleased with all transactions executed in FY24:
  - Acquisition of Bostock Orchards
  - Additional 50% shareholding in Profruit
  - Sale of orchards to Craigmore Sustainables
  - Increased investment in Meateor Australia
- China Resources' decision to sell its 14.83% stake in Scales in October 2024 due to a change in its strategic direction:
  - As a result of the sale, Director Qi Xin resigned from the Board



# Our People and Teams

- Health, safety and wellbeing continues to be a top priority and, accordingly, we appointed Nadine Tunley into a new role as Chief Risk Officer
- Established an emerging leaders group to connect emerging leaders across Scales to discuss challenges and opportunities across our divisions and give access to Directors and other industry leaders
- On target with Mr Apple’s 5-year people strategy through leadership courses, succession and leadership planning
- Mr Apple worked with the Fijian Government to employ 15 RSE workers from Kia Island to help rebuild the community after it was destroyed by a category 5 cyclone
- Continuing to support the community through various initiatives including:
  - Planting 1,000 native trees along the Karamu Stream in Hawke’s Bay
  - Providing the Measles, Mumps and Rubella vaccine to 300 RSE workers so they are protected when they return home
  - Corporate sponsor of Toitū Te Reo, the “world first Māori language and culture festival”

615

Permanent staff members

48 years

Longest serving employee

39

Operational sites<sup>1</sup>

>1,200

RSE workers

35%

Permanent female staff

42%

Female senior leadership /  
management staff

1. Owned, leased and third party





02.

## Managing Director's Review

*Inside Shelby's new toll processing facility*





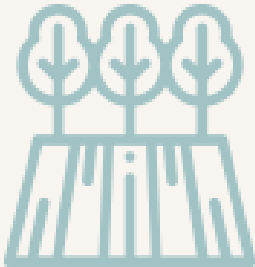

# Review of 2024



*Scales Logistics' new Auckland warehouse and chiller facility*



# By the Numbers

<div>\$584.6m</div> <div>revenue</div> <div>(2023: \$565.4m)</div> <div></div>	<div>\$91.7m</div> <div>Underlying EBITDA</div> <div>(2023: \$67.5m)</div> <div></div>	<div>\$12.5m</div> <div>net cash</div> <div>(2023: \$12.0m)</div> <div></div>	<div>15.0 cents</div> <div>dividends per share declared in relation to 2024</div> <div>(2023: 8.5 cents)</div> <div></div>
<div>152,149 MT</div> <div>petfood ingredients sold<sup>1</sup></div> <div>(2023: 137,477 MT)</div>	<div>30,068</div> <div>TEU<sup>2</sup> equivalents managed</div> <div>(2023: 26,010)</div>	<div>3,033,000</div> <div>TCEs of own-grown apples exported<sup>3</sup></div> <div>(2023: 2,733,000)</div>	<div>14.5%</div> <div>ROCE<sup>4</sup></div> <div>(2023: 10.8%)</div>

1. Includes 100% of petfood ingredient volumes from relevant businesses; i.e. total petfood ingredient volumes controlled directly and indirectly by Global Proteins

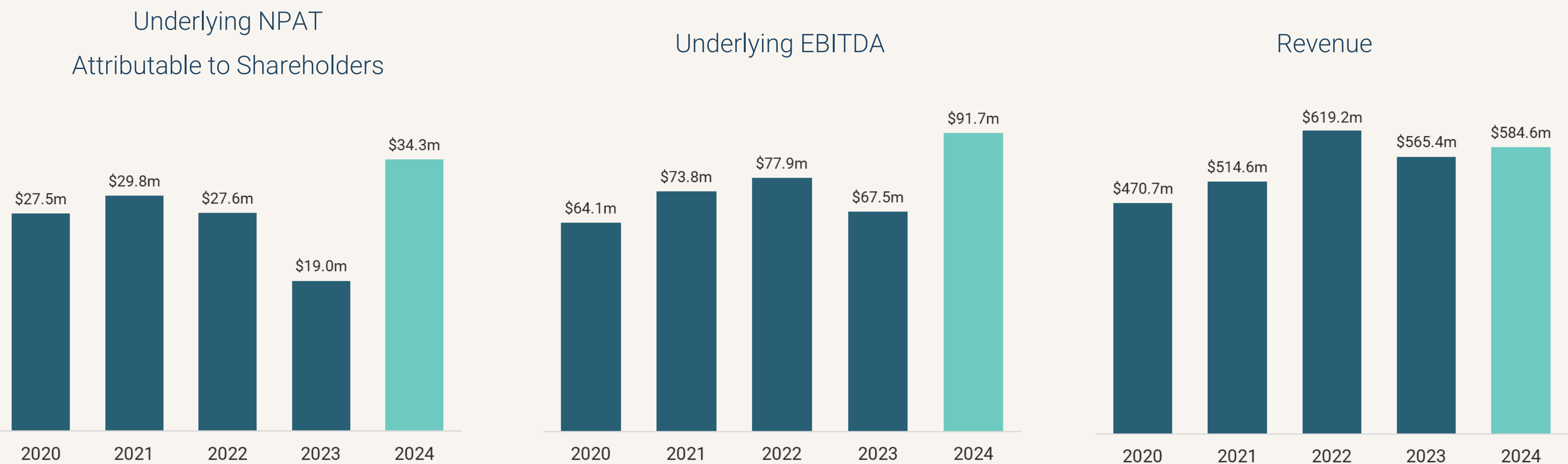
2. TEU is a Twenty-foot Equivalent Unit is a unit of cargo capacity to describe container volumes

3. TCE is a Tray Carton Equivalent, a measure of apple and pear weight, defined as 18.6kg packed weight which equates to 18.0kg sale weight. Includes own grown and external grower volumes including those volumes exported by Fern Ridge Fresh

4. Return on Capital Employed, calculated as EBIT divided by Capital Employed, where Capital Employed is calculated as non-current assets plus working capital (excluding cash, overdrafts and borrowings, NZ IFRS 16 right-of-use asset and lease liability, dividends declared, derivative assets / liabilities and employee loans)



# Trends in Group Financial Performance



# Group Financial Performance

Delivering on our growth strategies

	NPAT Attributable to Shareholders			NPAT			EBITDA			Revenue		
\$m	2024	2023	% chg. <sup>1</sup>	2024	2023	% chg. <sup>1</sup>	2024	2023	% chg. <sup>1</sup>	2024	2023	% chg. <sup>1</sup>
Underlying (excluding NZ IFRS 16)	34.8	19.2	81%	54.1	38.6	40%	79.4	55.9	42%	584.6	565.4	3%
NZ IFRS 16 Leases	(0.5)	(0.1)		(0.5)	(0.1)		12.3	11.7		-	-	
NZ IFRS 16 Leases - renewal reassessment <sup>2</sup>	-	(0.1)		-	(0.1)		-	(0.2)		-	-	
<b>Underlying (including NZ IFRS 16)</b>	<b>34.3</b>	<b>19.0</b>	<b>81%</b>	<b>53.6</b>	<b>38.4</b>	<b>40%</b>	<b>91.7</b>	<b>67.5</b>	<b>36%</b>	<b>584.6</b>	<b>565.4</b>	<b>3%</b>
NZ IFRS & other adjustments:												
Impairment of non-current assets and goodwill	(1.8)	(10.9)		(1.8)	(10.9)		(2.5)	(11.9)		-	-	
Other NZ IFRS adjustments <sup>3</sup>	(1.8)	(2.8)		(1.8)	(2.8)		(1.1)	(2.0)		-	-	
<b>Reported<sup>4</sup></b>	<b>30.7</b>	<b>5.2</b>	<b>487%</b>	<b>50.0</b>	<b>24.7</b>	<b>103%</b>	<b>88.1</b>	<b>53.7</b>	<b>64%</b>	<b>584.6</b>	<b>565.4</b>	<b>3%</b>

Notes:

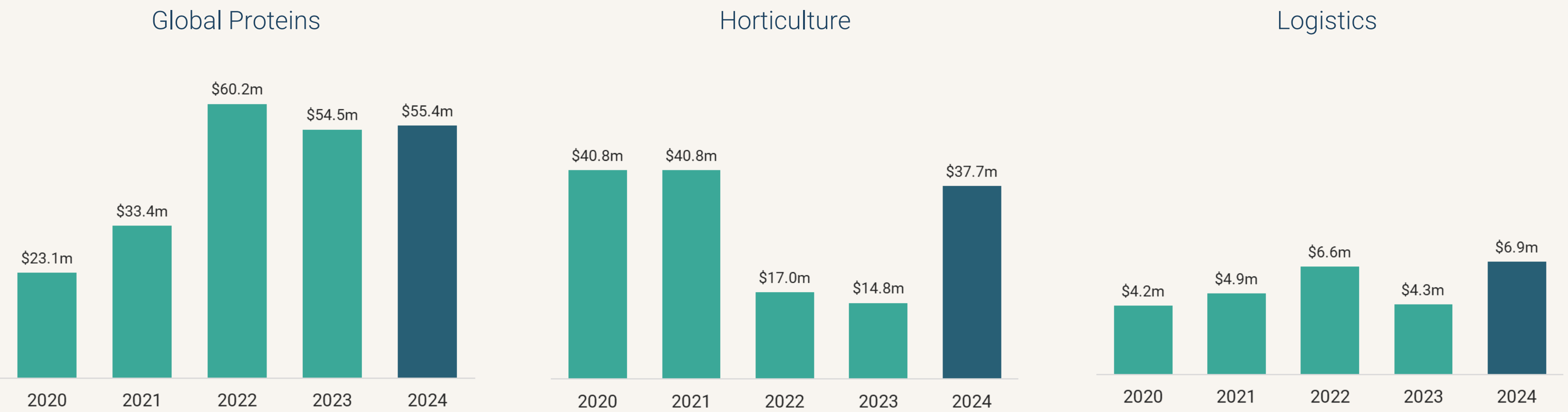
1. %'s are calculated based on non-rounded figures, figures may not sum due to rounding

2. Reflects a reset to the NZ IFRS 16 Leases calculation for Mr Apple

3. Includes a change in the gross liability on put options of \$2.5m in 2024 (2023: \$4.1m)

4. A full reconciliation between Underlying and Reported earnings is provided in the 2024 Annual Report

# Trends in Divisional Underlying EBITDA Performance



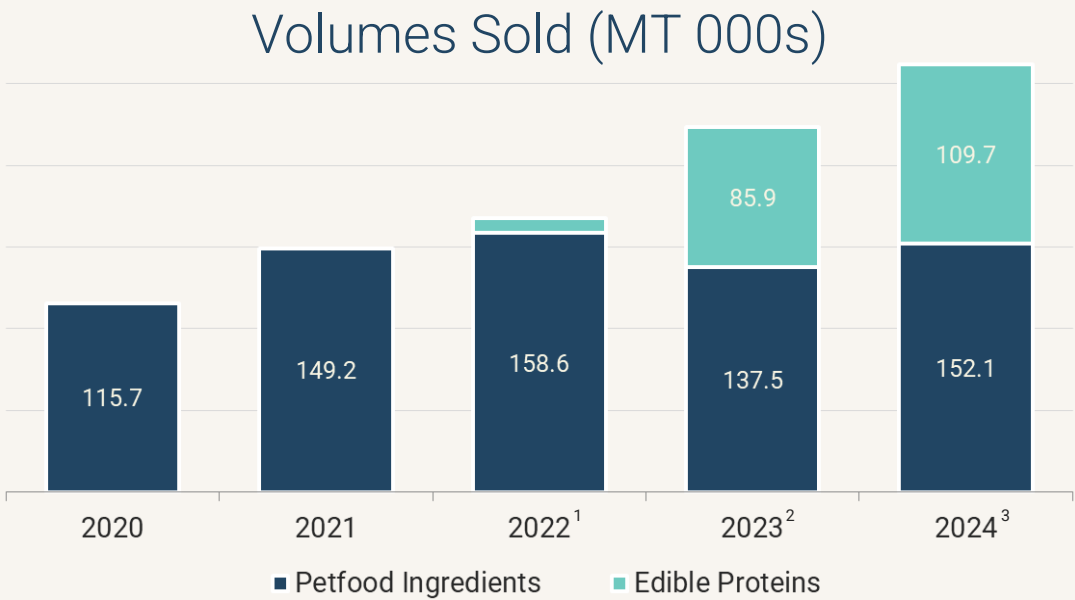


# Global Proteins – Performance

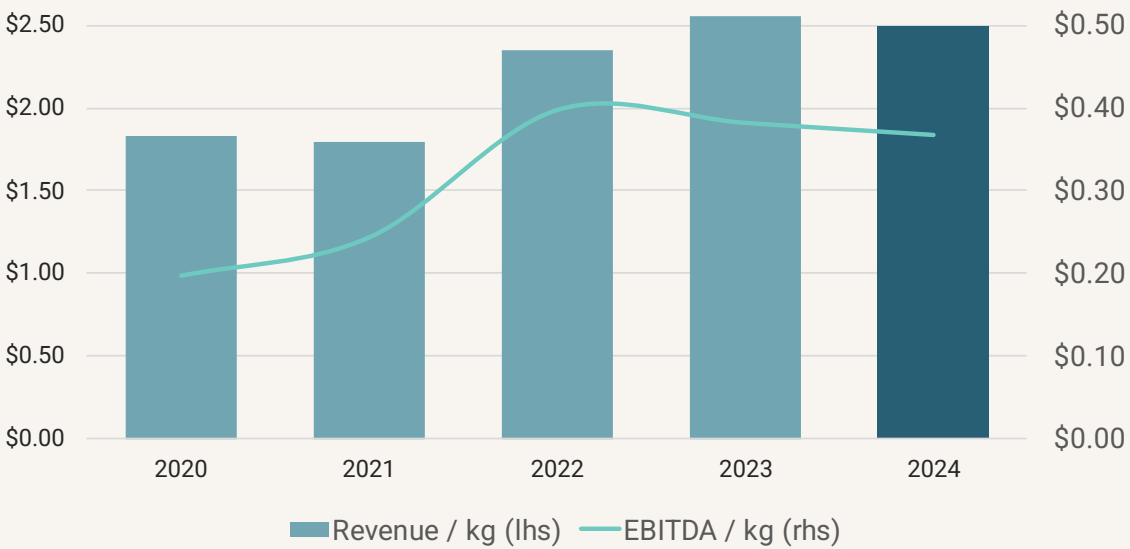
## Strong result during period of expansion

- Consistent performance by Shelby whilst setting up for the next stage of growth
- Strong volume growth in New Zealand and the edible proteins business
- Meateor Australia and Esro Petfood continue to progress through their respective start-up phases:
  - Strong volume growth in both businesses
  - Meateor Australia operating profitably during FY24 with Esro moving into profitability by the end of FY25
- Maintaining revenue and margins per kg

1. 2022 edible protein volumes are for a 2 month period  
2. 2023 petfood ingredient volumes exclude those sold at Meateor Australia and Esro Petfood, both operational by 4Q23, due to low volumes  
3. 2024 petfood ingredient volumes include those sold at all Global Proteins' businesses but excludes inter-company sales (inter-company sales not excluded in prior years due to immaterial volumes)  
4. Margins calculated may differ slightly from previously reported numbers due to adjustments made to reflect the true operational performance of the petfood ingredients businesses



## Petfood Ingredients Revenue and Underlying EBITDA / KG<sup>4</sup>

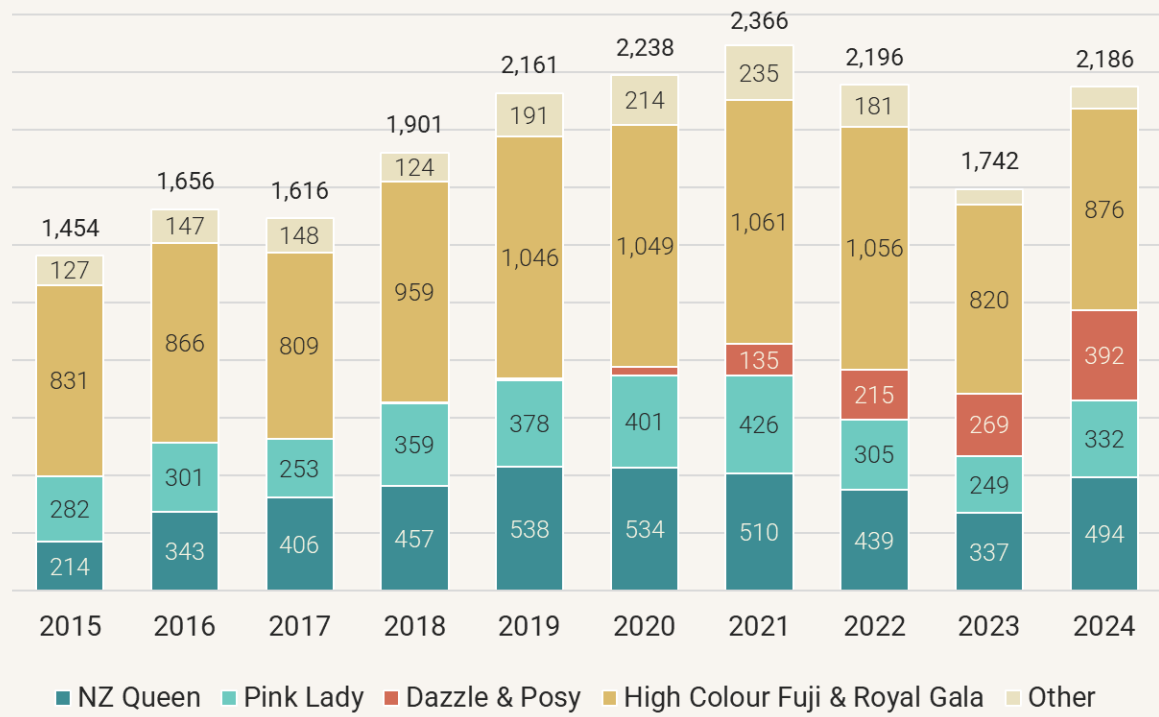


# Horticulture – Performance

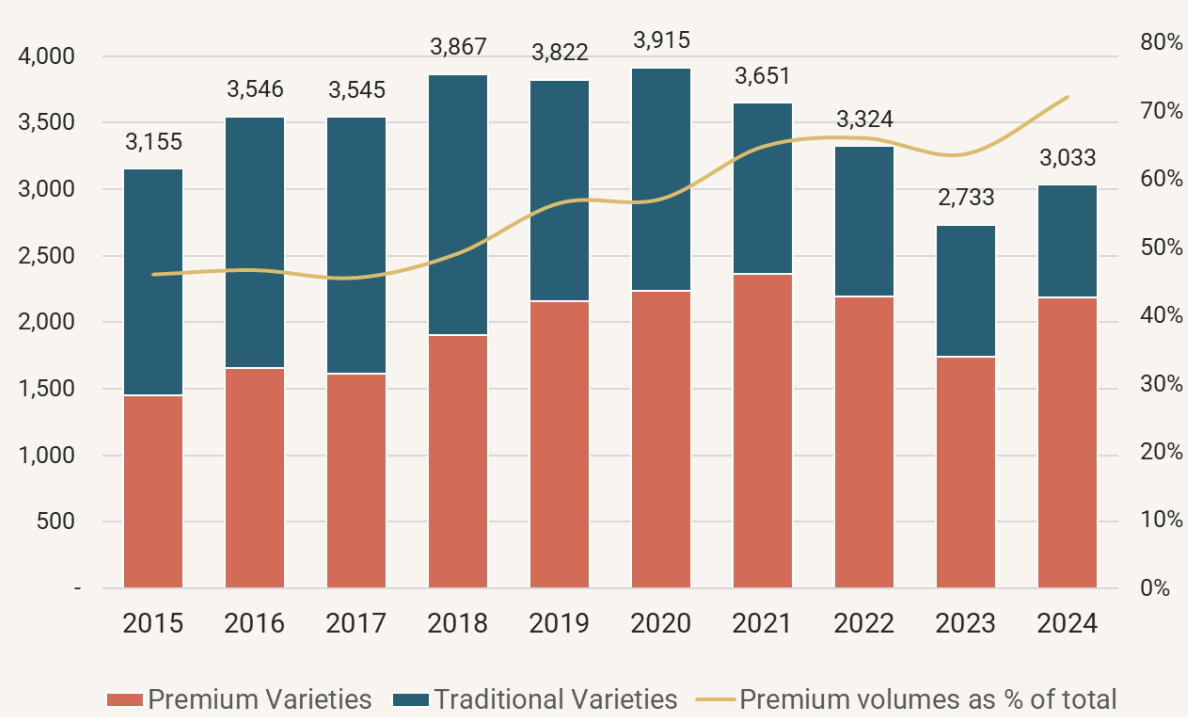
## Horticulture performance returning to more normal levels

- Improved apple volumes, quality and average prices
- Benefitting from Mr Apple’s vertically integrated business model, increased focus on Premium varieties for Asia, India and the Middle East and overall variety mix:
  - Increases across all premium varieties, with significant growth in Dazzle™, Posy™ and NZ Queen
- Exceptional performance by Profruit underpinned by increased processed and exported volumes

Movement in Premium Volumes (TCE 000s)



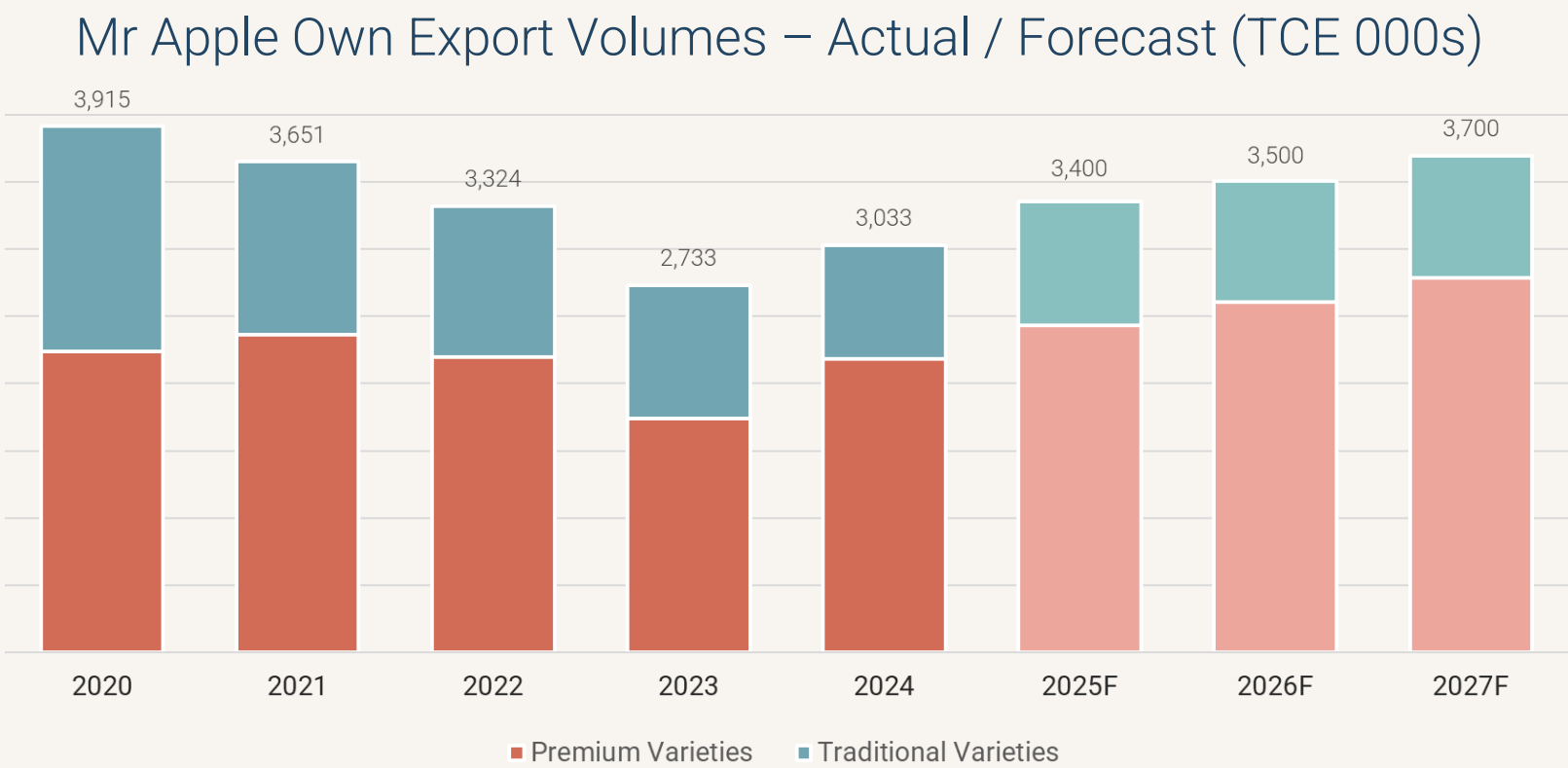
Mr Apple Own Export Volumes (TCE 000s)



# Horticulture – Forecast Volumes

## Continuing the growth of Premium varieties

- Continued focus on Premium varieties, aided by the recent acquisition of additional Dazzle™ orchards
- It is estimated that Premium varieties will account for around 80% of export volumes by 2027 as a result of the acquisition of Bostock orchards, together with Mr Apple’s ongoing orchard redevelopment programme
- As outlined in the Outlook section of this presentation, the export volume in 2025 is likely to exceed the forecast shown below by approximately 5%-10%, due to a better than expected gross pick and packout





# Logistics – Performance

## Record Logistics result

- Increase in both ocean freight and air freight volumes, particularly for external customers:
  - New Auckland warehouse and chiller facility processed strong level of air freight volumes
  - Air freight volumes also positively impacted by a one-off customer project

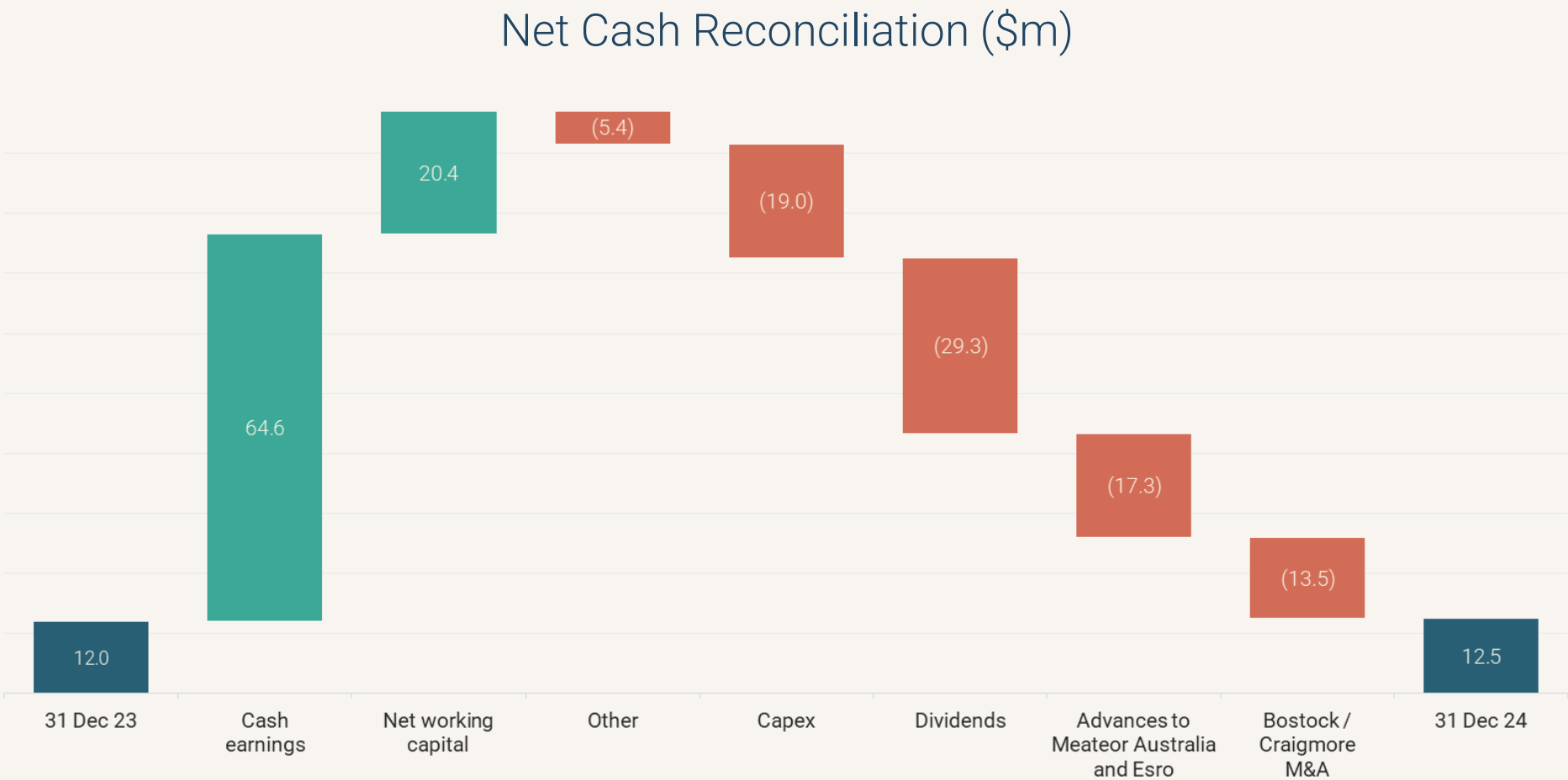


Scales Logistics' new Auckland warehouse and chiller facility

# Balance Sheet

- A continued strong financial position
- Net cash in line with prior year, whilst executing on growth transactions
- Exceeded target Group ROCE

\$m	2024	2023
Net working capital	34.5	45.5
Non-current assets	435.0	402.0
<b>Capital employed</b>	<b>469.5</b>	<b>447.5</b>
Non-current & other liabilities	(100.5)	(74.5)
Net cash	12.5	12.0
<b>Total equity</b>	<b>381.5</b>	<b>384.9</b>





# Sustainability Update

## Progressing our Sustainability goals

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### Governance

- Published our 2nd Climate Related Disclosure report in April 2025 (<https://scalescorporation.co.nz/sustainability/>)

### People

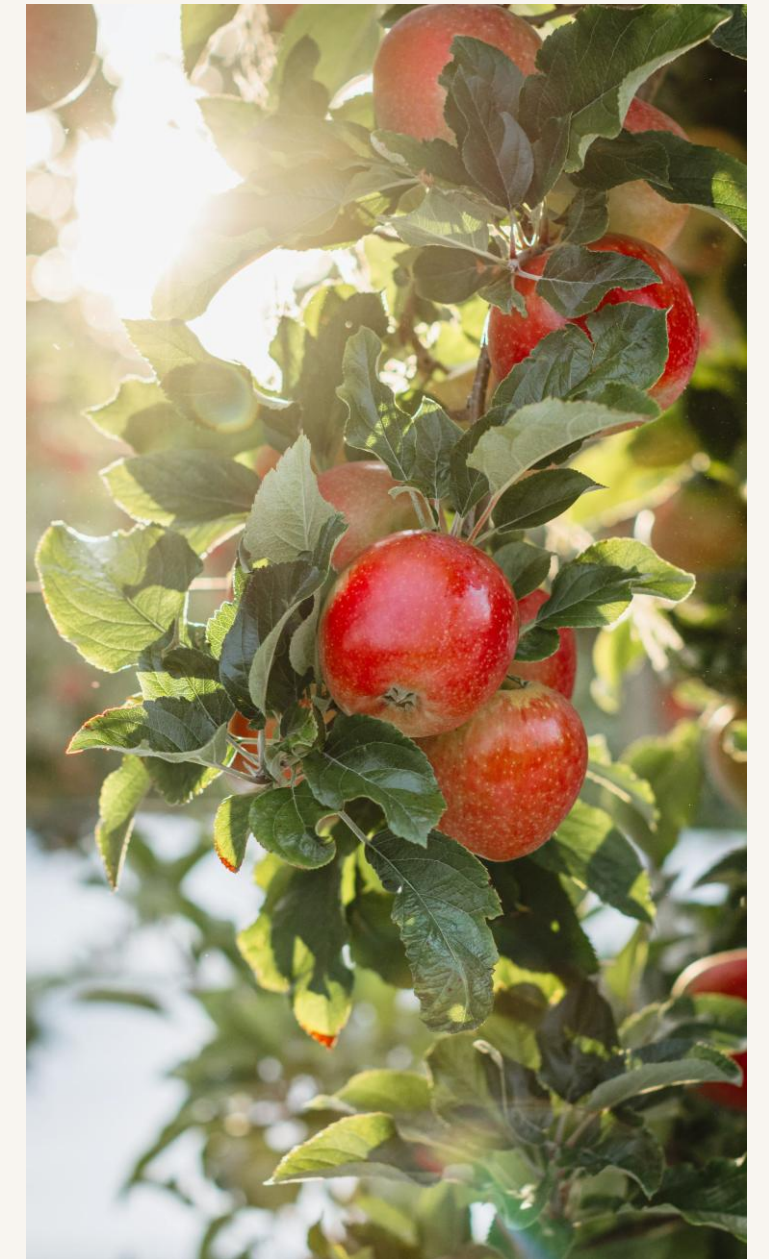
- Dedicated focus on developing and retaining identified high performing / high potential staff to ensure we are actively working on our successors for critical roles
- Roll out of safety initiatives identified in our safety roadmap, including rollout of a Safety Leadership Programme

### Marketplace

- Substantially improved our processes and systems to comply with regulations and, as equally as important, our ongoing customer requirements

### Environment

- Shelby commissioned a new wastewater plant at Amarillo, improving environmental and health and safety outcomes
- Following Cyclone Gabrielle, Mr Apple re-established the regenerative trial at Kinross that was lost to the storm and introduced a second site at Blyth orchard, with the first results following the 2025 harvest





# Transactions Update and Outlook



*Riverslea Dazzle™ orchard at sunrise*



# Transactions Update

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- Bostock transaction contributing in line with expectations
- Profruit started with a very strong year in 2024. Shipping has transitioned to Scales Logistics
- Craigmore Sustainables transaction assisted with maximising return on capital in the Horticulture division
- Meateor Australia has performed particularly strongly over the last 6 months with increased production and sales volumes
- Fayman had a strong year, benefitting from global shortages in beef, in part due to lower herd numbers in the United States
- It is expected that Esro will be profitable by the end of 2025
- Aligned to our strategy, we expect to increase our shareholdings in our Global Proteins businesses over time



# 2025 Trading Update and Outlook

**As released to the market earlier today, Directors have upgraded the Guidance range of Underlying Net Profit after Tax Attributable to Shareholders to between \$40.0 million and \$45.0 million**

- The Group has seen a strong 1H25, particularly in the Horticulture division

## Global Proteins

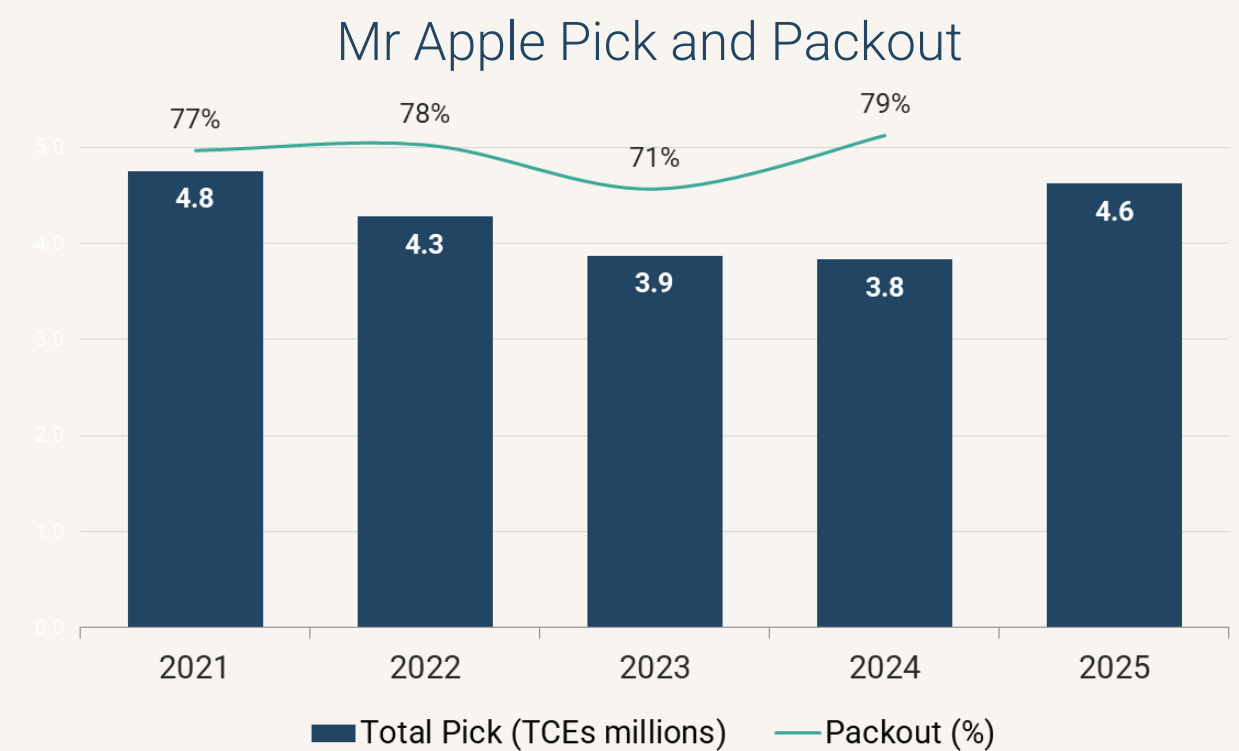
- The division has seen a positive start to the year, particularly in Australia and New Zealand
- Both new processing facilities in the US and Europe have been successfully commissioned and are now in commercial production
- Some uncertainty remains in the global market in relation to tariffs

## Horticulture

- Export volumes higher than forecast:
  - Harvest completed with total pick of ~4.6m TCEs
  - Export packout rate of picked fruit expected to be similar to prior year
- Pricing indications are in line with expectations
- Sale and lease back of Mr Apple's Whakatu coolstore completed at a price of \$23.8m

## Logistics

- Logistics is performing strongly due in part to an early apple season







03.

Ordinary  
Resolutions

*Inside Esro's new processing facility*



# Resolution 1

That the Board is authorised to fix the auditor's remuneration for the coming year

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# Resolution 2

That Andrew (Andy) Borland, who retires and is eligible for election, be re-elected as a Director of Scales

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- Andy's current external roles include:
  - Chair of Primary Collaboration New Zealand Limited and Primary Collaboration New Zealand (Shanghai) Co. Limited

# Resolution 3

That Alan Isaac, who retires and is eligible for election, be re-elected as a Director of Scales

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- Alan's current external roles include:
  - Chair of the Basin Reserve Trust
  - Chair of the New Zealand Community Trust
  - Director of Oceania Healthcare (NZ) Limited
  - Director of Skellerup Holdings Limited
  - Director of the Wellington Free Ambulance

## Resolution 4

That the total annual remuneration available to be paid to Directors for their services as Directors be revised to \$625,000 per annum effective from the close of the Annual Meeting, with such sum to be divided amongst the Directors as the Board may from time to time determine

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# 04.



Profruit's processing facility

## Voting and Questions

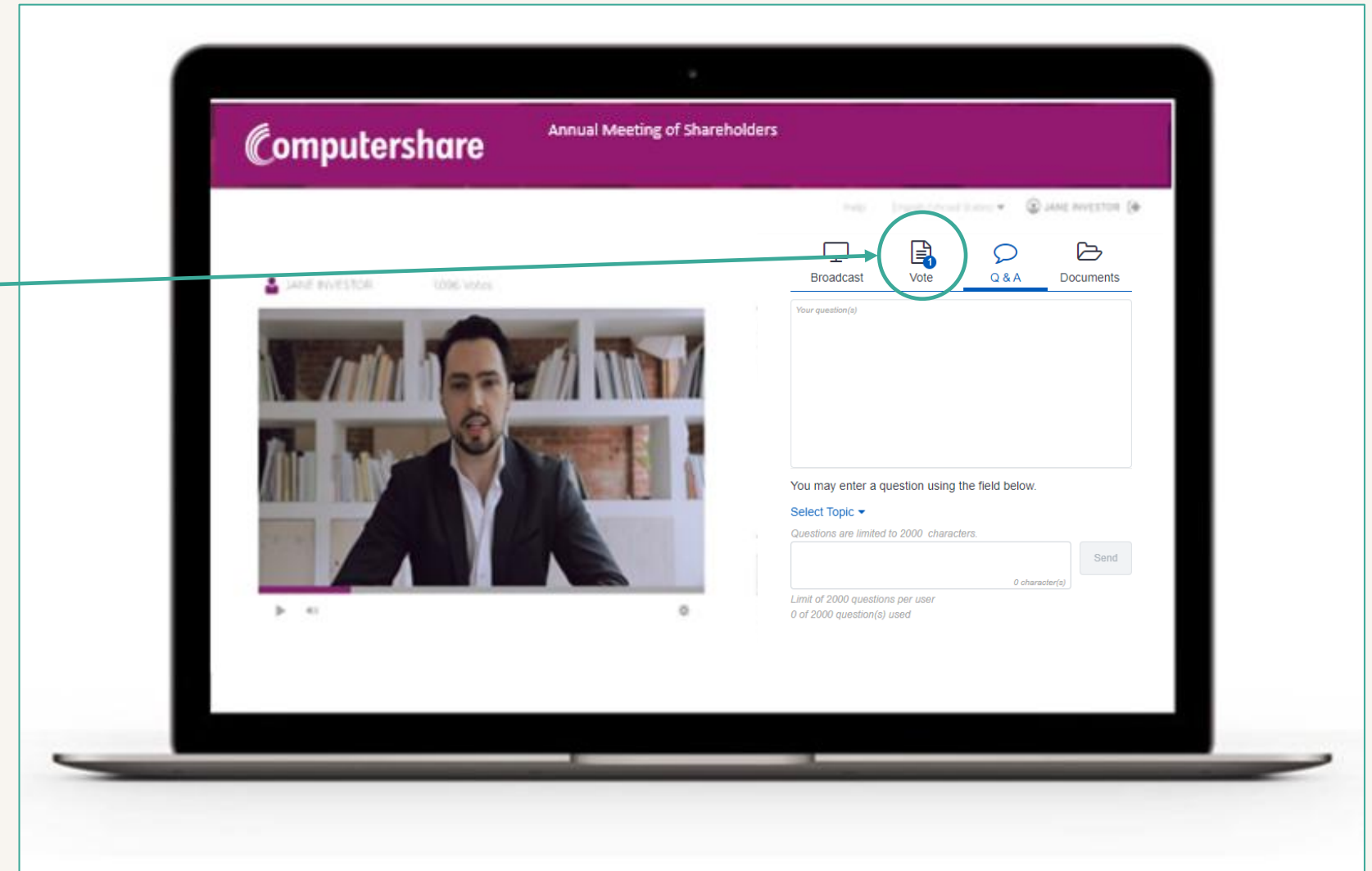


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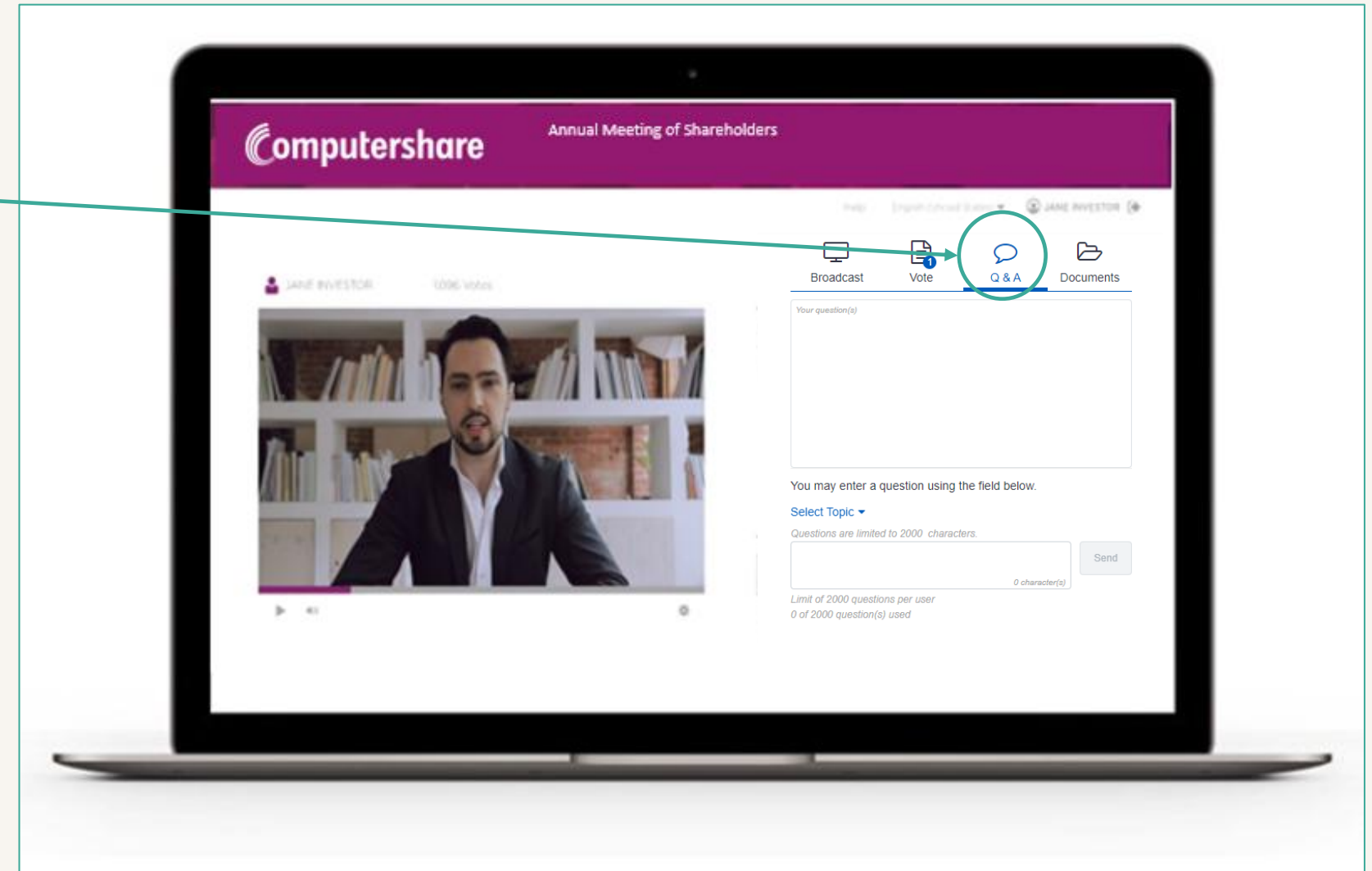
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# Scales Corporation Limited

## 2025 Annual Shareholders' Meeting



# Disclaimer

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This presentation supplements our full year results announcement. It should be read subject to and in conjunction with the additional information in that release, and other material which we have released to the NZX.

This presentation may contain projections or forward-looking statements regarding a variety of items. Such projections or forward-looking statements are based on current expectations, estimates and assumptions and are subject to a number of risks, uncertainties and assumptions. There is no assurance that results contemplated in any projections and forward-looking statements in this presentation will be realised. Actual results may differ materially from those projected in this presentation. No person is under any obligation to update this presentation at any time after its release to you or to provide you with further information about Scales Corporation Limited.

Our results are reported under NZ IFRS. This presentation includes non-GAAP financial measures which are not prepared in accordance with NZ IFRS. The non-GAAP financial measures used in this presentation include:

- EBITDA. We calculate EBITDA by adding back (or deducting) depreciation, amortisation, finance charges / (revenue), and taxation expense to net earnings / (loss) from continuing operations
- EBIT. We calculate EBIT by adding back (or deducting) finance charges / (revenue), and taxation expense to net earnings / (loss) from continuing operations
- Underlying EBITDA and EBIT are calculated by adding back (or deducting) certain non cash NZ IFRS and other adjustments
- Underlying Net Profit is calculated by adding back or (or deducting) the after-tax effect of certain non cash NZ IFRS and other adjustments

A full reconciliation of Underlying to reported measures is provided in our Annual Report.

We believe that these non-GAAP financial measures provide useful information to readers to assist in the understanding of our financial performance, financial position or returns, but that they should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS. Non-GAAP financial measures may not be comparable to similarly titled amounts reported by other companies.

Forward-looking statements are subject to any material adverse events, significant one-off expenses or other unforeseeable circumstances.

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