

25 March 2020

SCALES CORPORATION - BUSINESS UPDATE

Andy Borland, Managing Director of Scales Corporation, has confirmed Scales' New Zealand based business units will remain operational following the Government announcement on 23 March to raise the Covid-19 alert level to three, with a further increase to level 4, on Wednesday 25 March.

Scales business units are classified as 'essential services'. They do need to complete strict MPI registration processes to maintain that status, and subject to that, they will continue operating. Although these businesses will continue working, Scales is committed to put in place alternative ways of working to keep our staff, suppliers and the public safe and has prioritised the implementation of appropriate measures to protect the health and safety of our people. Scales supports the Government in its efforts to protect the health of everyone in New Zealand.

For the 2020 apple season the harvest has continued with approximately 40% of the crop harvested and either in storage or shipped. Subject to market conditions, Scales currently has adequate resources to cover harvest, packing, coolstorage and shipping. Whilst markets are volatile, we are continuing to ship to customers all over the world. It is however too early to gauge market conditions for the full year at this time.

Based on the harvest of early varieties the crop is on track for forecast quantity, with pleasing size and quality.

The impact of Covid-19 on Scales remains uncertain and it is too early to assess whether the recent developments will materially affect Scales' earnings for FY2020 and whether any change to Guidance for FY2020 is required. The Scales board and management will continue to monitor the situation and will update shareholders as appropriate once the impact upon Scales can be better assessed.

At this time we acknowledge the tireless dedication of the entire Scales team.

About Scales Corporation

Scales Corporation is a diversified agribusiness group. It comprises three operating divisions: Horticulture, Food Ingredients and Logistics. The company's diverse spread of activities gives Scales

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broad exposure to New Zealand's agribusiness sector. Scales Corporation was founded in 1897 as a shipping business by George Herbert Scales. Today it has operations across New Zealand, Australia and the United States. Find out more at www.scalescorporation.co.nz.

Contact

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