

NZX Release

20 February 2023

Market Update – Impact of Cyclone Gabrielle

The Directors of Scales Corporation (NZX:SCL) advise that due to the wide ranging impacts of Cyclone Gabrielle on the Hawke's Bay region, Scales is withdrawing its 2023 Underlying Net Profit Guidance.

The priority for all Scales' businesses remains the safety and well-being of our staff and this continues to be our primary focus.

Of our Group operations, the material impact at this time is to Mr Apple's orchards. The initial assessment is that this impact covers 4 of their 15 orchards (of the 4 damaged orchards, 3 have extensive damage and 1 moderate). Further limited crop damage is also anticipated to the remaining orchards from the effects of the cyclonic event. Scales does not hold crop insurance for this event.

The 2023 harvest started prior to the cyclone and, with 3% picked, there is still a substantial proportion of the crop available and remaining to be harvested for export. Picking has recommenced, with cool-storage and packing activities back underway early in the week.

Scales does not forecast any material operating impact on its other business units, which accounted for the majority of group operating profits for previous years. Further details to be released with the year-end announcement.

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About Scales Corporation

Scales Corporation is a diversified agribusiness group. It comprises three operating divisions: Global Proteins, Horticulture and Logistics. The company's diverse spread of activities gives Scales broad exposure to the 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

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