

## **Annual Shareholders' Meeting**

10 June 2025

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## **SCALES CORPORATION – 2025 ANNUAL SHAREHOLDERS' MEETING**

The attached presentation will be given at the hybrid (virtual and in person) Annual Shareholders' Meeting of Scales Corporation Limited starting at 3.30pm today, at The Piano, 156 Armagh Street, Christchurch, and also online via the Computershare online meeting platform.

1. 2025 Scales Corporation Limited Annual Shareholders' Meeting – Chair and Managing Director's Addresses
2. 2025 Scales Corporation Limited Annual Shareholders' Meeting – Presentation

**ENDS**

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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 Scales. Today it has operations across New Zealand, Australia, United States and Europe. Find out more at [www.scalescorporation.co.nz](http://www.scalescorporation.co.nz).

10 June 2025

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**Address by the Chair: Mike Petersen**

**[SLIDE 2: AGENDA]**

Good afternoon everyone, I'm Mike Petersen, Chair of Scales, and it's my pleasure to welcome you all to this annual meeting. It's the one hundred and thirteenth annual meeting of the company, the eleventh since it became a listed company and my third as Chair.

Once again, we're holding a hybrid annual meeting and, whether you're here in person or joining us online, I'd like to thank you and welcome you all.

As you may recall, shareholders, proxies and guests attending the meeting virtually will be able to hear and see a live webcast. In addition, shareholders and proxies have the ability to ask questions and vote on resolutions. I'll provide further details on those matters shortly.

Some housekeeping matters for those of you who have joined us in person. First, I'd like to remind you, as a matter of courtesy, to turn your mobile phones to silent. Also, if there's an emergency and we need to leave, please do so through the marked exits. Staff will be available to help us.

I'm pleased to confirm that we have a quorum and therefore declare the 2025 Annual Shareholders' Meeting of Scales Corporation Limited open.

The items of business for this meeting and the resolutions to be considered by shareholders are contained in the Notice of Meeting, which was sent to shareholders on the 6th of May.

Our order of proceedings is as shown on the current slide – I'll briefly comment on the highlights of the last 12 months, followed by a review by Andy Borland, Scales' Managing Director. We'll then attend to the resolutions, where we'll cover each resolution in turn and invite questions specific to those items. I'll explain the process for asking questions then I'll open the online voting and explain the voting process.

Once the meeting is complete, we hope that those of you present will join us for refreshments. It'll also be an opportunity to meet the Directors and senior management of the Group, and raise any questions you may have, on an informal basis.

I'd also like to note that we announced to the market this morning an increase in our earnings guidance for FY25, following a strong first half of the year for the Group. This is very pleasing to announce and Andy will discuss this in more detail shortly.

### **[SLIDE 3: QUESTION PROCESS]**

I'll now summarise the process for asking questions.

For those of you attending the meeting virtually, if you'd like to submit a question, the Q&A is always open so please feel free to submit questions throughout the meeting. These will be addressed at the relevant time. To do so, please select the Q&A tab on the right half of your screen, as currently shown. Type your question into the field and press send. Your question will be immediately submitted.

Should you require assistance of any sort, you can type your query and one of the Computershare team will assist using the chat function. Alternatively, you can call Computershare on 0800-650-034.

Questions may be moderated or, if we receive multiple questions on one topic, amalgamated together. Due to time constraints and to ensure all shareholders have a chance to ask a question, I ask that you limit yourself to asking two questions. Any questions not answered in time will receive an email response after the meeting.

For those of you present, we'll offer you an opportunity to ask questions on, or speak to, each resolution being put to shareholders at the appropriate time. As I mentioned earlier, there will also be an opportunity to ask questions of individual Directors informally after the meeting.

### **[SLIDE 4: VOTING PROCESS]**

With regard to online voting, if you're eligible to vote, you'll be able to cast your vote under the Vote tab as shown on screen. Once the voting has opened, the resolutions will allow votes to be submitted. To vote, simply select your voting direction from the options shown. You can vote for all resolutions at once or by each resolution separately. Your vote has been cast when the tick appears. To change your vote, simply select 'Change Your Vote'. You're able to change your vote up until the time I declare voting closed.

You may submit questions on each resolution being put to shareholders using the question process.

For those of you who have joined us in person, those Shareholders who are entitled to vote and proxies who have discretion as to how they vote, should have received a Voting or Proxy Form when they registered upon arrival at the meeting. If you completed a postal vote, you don't need to complete another Voting or Proxy form.

If you haven't received a Voting or Proxy form, at the time of voting please go to the Computershare desk in the foyer where their representatives will be able to assist you. After voting, please place your Voting or Proxy form in one of the ballot boxes, which will be passed around the room. I'll invite you to vote after all the resolutions have been introduced to the meeting.

I now declare voting open on all items of business. For those of you attending via the Computershare online meeting platform, the resolutions will now be open in the Vote tab, please submit your votes at any time. I'll give you a reminder before I move to close voting.

## **[SLIDE 5: WELCOME AND CHAIR'S REVIEW]**

Before I go further, I'd like to introduce my fellow Directors who are in attendance. They are:

- Andy Borland, our Managing Director
- Tony Batterton, Chair of Scales' Nominations and Remuneration Committee, Chair of Scales' Finance and Treasury Committee and an Independent Director
- Miranda Burdon, Chair of the Health & Safety and Sustainability Committee and an Independent Director
- Nick Harris, Independent Director
- Alan Isaac, Chair of Scales' Audit and Risk Management Committee and an Independent Director.
- Emma Wheeler – our Future Director who is joining us online today.

I would also like to introduce and acknowledge Nadine Tunley who resigned as a Director in August last year to take up the role as Scales' Chief Risk Officer in Andy's senior management team. Nadine's contribution as a Director of Scales from 2019 to 2024 was significant and we're delighted that she has taken up this new role and continues to contribute to the Group's success.

Members of Scales' management and staff, Deloitte and Anthony Harper are also in attendance, and I'm delighted to welcome everyone to the meeting.

## **[SLIDE 6: WELCOME AND CHAIR'S REVIEW]**

I'm delighted to say that Scales generated an excellent Group performance in 2024, producing record results whilst also delivering on its growth strategy. Our Underlying Net Profit After Tax Attributable to Shareholders of \$34.3 million, was up 81 per cent on 2023 and was towards the top end of our 2024 Guidance range. Our Underlying EBITDA of \$91.7 million and Underlying NPAT of \$53.6 million were both record results.

Global Proteins delivered a strong result whilst Meateor Australia and Esro Petfood progressed steadily through their respective start-up phases. Horticulture returned to a more normal performance level with improved apple volumes and prices. The Horticulture division also benefitted from our increased ownership of Profruit, which produced an exceptional 2024 performance. Logistics also produced an excellent result, assisted by higher ocean and air freight volumes.

Dividends of 15.0 cents per share have been declared in respect of the 2024 financial year, with this representing 63% of 2024 Underlying Net Profit after Tax Attributable to Shareholders.

## **[SLIDE 7: WELCOME AND CHAIR'S REVIEW (cont.)]**

2024 was a busy year in respect of M&A and investments and we're very pleased with each of the transactions that we executed.

We're continuing to seek both acquisitive and organic growth opportunities to expand our business, and in that regard, you'll hopefully have seen our press release in April announcing our increased investment in Shelby, from 60% to 67.5% of this US domiciled business. Shelby's performance has been fundamental to Scales' success in recent years, with its earnings growth materially exceeding our expectations. We're excited by the expansion opportunities that exist within Shelby as a result of the various initiatives that have been put in place.

I'd also like to make mention of China Resources, who became a cornerstone shareholder in Scales Corporation in 2016 and who sold its shareholding in October 2024 due to a change in its strategic direction. China Resources were a very supportive shareholder and provided great insight into the China market for Mr Apple, as well as a positive contribution to Scales' Board. We'd like to thank them for their knowledge and expertise during their time as a shareholder of Scales Corporation.

#### **[SLIDE 8: OUR PEOPLE AND TEAMS]**

As ever, our performance was a result of the hard work and effort of each and every one of our management team members and staff and, on behalf of the Board, I'd like to say a big thank you to them all for everything that they do for Scales. We pride ourselves on being more than just a place to go to for work, and we continue to reinforce the importance of team culture and a sense of belonging that is a key foundation of our business, and critical to our success.

One of the highlights of our year has been the establishment of an emerging leaders group during 2024 led by Geoff Smith. The group's purpose is to connect emerging leaders across Scales, allowing them to discuss challenges and opportunities across our divisions. It also gives these emerging leaders more visibility to Scales' group strategy, access to Directors and other industry leaders.

Mr Apple is our biggest employer within the Group, with staff numbers increasing to over 2,000 people during peak season. With this being the case, we're pleased to report that we're on target with Mr Apple's 5-year people strategy, providing leadership courses and advancing our succession and leadership planning.

We continue to support governance development and again during 2024 we hosted a Future Director as part of this work. Emma Wheeler has filled this role for the past year and we thank Emma for her contribution and participation during this time. We're in the final stages of making our next Future Director appointment.

We're also proud of our involvement in local communities and a few initiatives are listed on screen. Of particular note is the work undertaken by Mr Apple with the Fijian Government to employ 15 RSE workers from Kia Island. By recruiting these individuals, it helps them to rebuild their community after it was destroyed by a category 5 cyclone a few years ago.

*[Pause]*

I'd now like to hand you over to Andy, who'll update you further on last year's results and activities, provide an update on the transactions that we undertook in 2024 and also provide a brief outlook for the Group. Before Andy speaks, I'd like to acknowledge the impressive efforts of the whole Scales leadership group, including our Board, advisers and the

impressive senior management team superbly led by Andy. The world has been a challenging place to do business in the past few years, with recessions, adverse weather events and geopolitical upheaval coupled with global conflicts in many parts of the world. Our ability to successfully execute our growth strategy across all divisions in the context of these events has been very satisfying, and is a tribute to the performance of our team.

Following Andy's presentation, we'll move to the formal business of the meeting.

As always, we welcome feedback on any of the matters raised during today's presentation or other general matters in relation to the Group.

### **Address by the Managing Director: Andy Borland**

#### **[SLIDE 9: MANAGING DIRECTOR'S REVIEW]**

[Cover slide]

#### **[SLIDE 10: REVIEW OF 2024]**

Thanks, Mike, and good afternoon everyone. I'll start with a brief review of 2024.

#### **[SLIDE 11: BY THE NUMBERS]**

This slide highlights a few of our key numbers, some of which I'll touch on further, later in the presentation. As Mike has mentioned, these numbers are a tribute to the skill and effort of our Scales' teams, who have continued to deliver outstanding results in a period of change for the Group.

#### **[SLIDE 12: TRENDS IN GROUP FINANCIAL PERFORMANCE]**

The graphs on this slide illustrate our earnings and revenue over the last 5 years. As Mike has also mentioned, the Group achieved record Underlying EBITDA in 2024, and Underlying NPAT Attributable to Shareholders was towards the top end of our advised Guidance range.

#### **[SLIDE 13: GROUP FINANCIAL PERFORMANCE]**

Moving on to some more detail in respect of our 2024 results.

Reported NPAT attributable to shareholders of \$30.7 million was up significantly on last year's profit of \$5.2 million and we produced record Underlying NPAT, which was up 40 per cent on 2023. Revenue was also up 3 per cent on last year to almost \$585 million.

#### **[SLIDE 14: TRENDS IN DIVISIONAL UNDERLYING EBITDA]**

You can see the trends in Underlying EBITDA for each of the divisions on the current slide. Of particular note is the increase in Horticulture's earnings compared to 2022 and 2023 and also the record result produced by Logistics.

#### **[SLIDE 15: GLOBAL PROTEINS – PERFORMANCE]**

I'll now touch upon each of the divisions in a bit more detail.

Global Proteins produced a steady result compared to 2023, whilst it set itself up for the next stage of its growth. Pleasingly, there were increases in both petfood ingredient volumes and edible proteins volumes of 11 per cent and 28 per cent respectively.

Meateor Australia and Esro Petfood continued to progress through their respective start-up phases. There was strong volume growth in both businesses, with Meateor Australia operating profitably during 2024 and Esro expected to move into profitability by the end of this year.

We also maintained revenue and margin per kilogram of volume sold within the overall petfood ingredients business, notwithstanding the effects of Meateor Australia and Esro being in start-up mode.

#### **[SLIDE 16: HORTICULTURE – PERFORMANCE]**

Improved apple volumes, quality and prices helped Horticulture return to more normal performance levels. Its integrated business model, an increased focus on Premium varieties and overall variety mix also proved beneficial.

Profruit delivered an exceptional performance, assisted by a high level of processed and exported volumes, and we're delighted that it's now a fully owned subsidiary of the Scales Group.

There was an 11 per cent increase in Mr Apple's own-grown export volumes compared to last year, which was aided by the team undertaking numerous promotions and customer support in key markets.

The proportion of Premium apple volumes compared to Traditional varieties also increased from 2023, from 64 per cent to 72 per cent, in line with our strategy. There was growth across all Premium varieties but, pleasingly, there was significant growth in Dazzle™, Posy™ and NZ Queen.

#### **[SLIDE 17: HORTICULTURE – FORECAST VOLUMES]**

This graph illustrates our actual and forecast export volumes. We estimate that Premium varieties will account for around 80 per cent of export volumes by 2027 due to the acquisition of the Bostock orchards as well as Mr Apple's ongoing orchard redevelopment programme. As I'll touch on in the Outlook section, the export volume in 2025 is likely to exceed the forecast shown by approximately 5 to 10 per cent, due to a better than expected gross pick and packout rate.

#### **[SLIDE 18: LOGISTICS – PERFORMANCE]**

Onto Logistics and their record result. Both ocean freight and airfreight volumes were up on last year, at 16 per cent and 71 per cent respectively, and this generated a 61 per cent increase in Underlying EBITDA. The new Auckland warehouse and chiller facility also proved to be beneficial, processing a strong level of air freight volumes.

#### **[SLIDE 19: BALANCE SHEET]**

Our balance sheet continues to show a strong financial position.

Net Cash was in line with 2023 despite the cash outlay required for M&A transactions that were executed throughout the year. Other significant expenditure included dividend payments and capex.

We were also pleased that Group ROCE (Return on Capital Employed) of 14.5 per cent exceeded our target of 12.5 per cent.

**[SLIDE 20: SUSTAINABILITY UPDATE]**

The Group continues to integrate sustainability and climate risk analysis into our wider business strategy, in order to increase our resilience and deliver long-term stakeholder value. This means that we can identify how climate-related risks will impact our business over the short, medium and long-term. Our appointment of Nadine Tunley as Chief Risk Officer is an important step in this area and significantly increases our capability.

We were pleased to publish our second Climate-Related Disclosures in April. This report has been uploaded to the Scales website and I'd encourage you to access the report.

In terms of our people initiatives, we've focussed on developing and retaining high performing and high potential staff. This ensures that we're actively working on our succession planning for critical roles. We've also rolled out the safety initiatives that we identified in our safety roadmap, including a rollout of a Safety Leadership Programme

We've substantially improved our market access and assurance processes and systems to comply with appropriate regulations and, as equally as important, our ongoing customer requirements.

We also progressed a number of environmental programmes throughout the year, a couple of which are noted on this slide. As an example of the wider benefits that can be achieved from environmental updates, not only did the new wastewater plant at Amarillo in the USA improve environmental outcomes, it also materially improved health and safety at the plant, as staff members no longer have to remove waste solids manually each shift.

**[SLIDE 21: TRANSACTIONS UPDATE AND OUTLOOK]**

[Cover slide]

**[SLIDE 22: TRANSACTIONS UPDATE]**

I'd now like to give an update on the transactions that we carried out in 2024, each of which are contributing strategically to the overall Group.

I'm pleased to report that the Bostock transaction is contributing in line with our expectations, including a very strong performance from Profruit last year. In addition, Profruit's shipping has now been transferred to Scales Logistics.

The sale of orchards to Craigmores Sustainable has been positive, with the capital that was released being used in other projects and transactions, allowing us to maximise our return on capital.

Within Global Proteins. Meateor Australia has performed strongly with increased production and sales volumes. Fayman has also had a strong year, in part due to global beef shortages as a result of lower herd number in the United States. And Esro continues its start-up phase, with the expectation that it will be profitable by the end of this year.

Aligned to our strategy, we expect to increase our shareholdings in our Global Proteins businesses over time.



## **[SLIDE 23: 2025 TRADING UPDATE AND OUTLOOK]**

In respect of the current year, as released to the market earlier today, I'm pleased to note that the Directors have updated the Guidance range of Underlying Net Profit After Tax Attributable to Shareholders to between \$40 and \$45 million. This is an increase from the previous range of \$37 to \$42 million. The Group has seen a strong first half of the year, particularly in the Horticulture division.

Global Proteins has had a positive start to the year, particularly in Australia and New Zealand. The new processing facilities in the United States and Europe have been successfully commissioned and both are now in commercial production. However, some uncertainty does remain in the global marketplace in respect of the impact of tariffs.

Within Horticulture, the harvest is complete with a total pick of around 4.6 million TCEs, above our initial forecast. Export volumes are tracking ahead of expectations with packout rates similar to last year. Pricing is as anticipated.

Logistics is currently trading ahead of budget due, in part, to the apple season starting earlier than normal.

Lastly, I can advise that Mr Apple's Whakatu Coolstore has been sold and leased back. The sale, for \$24 million, will settle in August this year.

*[Pause]*

And that concludes my presentation.

We'll answer questions following the resolutions but, in the meantime, I'll pass you back to Mike to cover the formal part of today's meeting.

**Address by the Chair: Mike Petersen**

## **[SLIDE 24: ORDINARY RESOLUTIONS]**

Thanks, Andy.

We'll now move to the business of the meeting. All items of business are ordinary resolutions and are required to be passed by a simple majority of votes.

Current best practice for Shareholder voting is by way of poll. Accordingly, a poll will be held for each of the resolutions.

I and my fellow directors hold the following undirected proxies:

- With respect to Resolution 1, authorisation for the Directors to fix the auditor's remuneration for the coming year: 131,381 shares
- With respect to Resolution 2, re-election of Andrew Borland as Executive Director: 97,383 shares
- With respect to Resolution 3, election of Alan Isaac as Non-Executive Independent Director: 102,383 shares
- With respect to Resolution 4, authorisation that the maximum total pool of Directors' remuneration payable by Scales to Directors be revised: 117,386 shares

Your Board supports these resolutions and we intend to vote all these shares in favour of the resolutions, other than resolution 4, in respect of which voting restrictions apply.

**[SLIDE 25: RESOLUTION 1]**

I'll now move onto each of the resolutions.

Resolution 1 relates to the remuneration of auditors. This proposed ordinary resolution is to authorise the Directors to fix the auditor's remuneration for the coming year. In accordance with the Companies Act, Deloitte has automatically been reappointed as Scales' auditor. As is usual with audit fees, due to the complexity and changing nature of the company's affairs, it is not possible to fix the remuneration at the beginning of the year.

I now move, as an ordinary resolution, that the Board is authorised to fix the auditor's remuneration for the coming year.

Are there any questions on this resolution?

*[Q&A discussion on resolution 1, if any]*

Thank you. We'll now move to the next resolution.

**[SLIDE 26: RESOLUTION 2]**

Resolutions 2 and 3 relate to the re-election of a Director. The NZX Listing Rules state that Directors must not hold office (without re-election) past the third annual meeting following the Director's appointment, or 3 years, whichever is longer. Accordingly, Andrew Borland and Alan Isaac are required to retire at this meeting.

Resolution 2 relates to the re-election of Andrew (or, as we know him better, Andy) Borland.

Andy became Managing Director and was first appointed to the Board in 2011. A brief biography for him was included in the Notice of Meeting.

Andy, being eligible, offers himself for re-election, and the Board unanimously supports his re-election and recommends that shareholders vote in favour of Resolution 2.

I now invite Andy to briefly address the meeting on his proposed re-election.

Over to you Andy.

*[Personal remarks from Andy]*

Thanks Andy.

I now move, as an ordinary resolution, that Andy Borland be re-elected as an Executive Director.

Are there any questions on this resolution?

*[Q&A discussion on resolution 2, if any]*

Thank you.

**[SLIDE 27: RESOLUTION 3]**

Resolution 3 relates to the re-election of Alan Isaac.

Alan was first appointed to the Board in 2014 and a brief biography for him was included in the Notice of Meeting.

Alan, being eligible, offers himself for re-election, and the Board unanimously supports his re-election and recommends that shareholders vote in favour of Resolution 3.

Alan has indicated that, if re-elected, he intends to retire from the Board prior to the next Annual Meeting at which he would be required to stand for re-election. Following Alan's confirmation of his retirement, the Board will look to appoint an additional Director in accordance with the Board's succession plan.

I now invite Alan to briefly address the meeting on his proposed re-election.

Over to you Alan.

*[Personal remarks from Alan]*

Thanks Alan.

I now move, as an ordinary resolution, that Alan Isaac be re-elected as a Non-Executive Independent Director.

Are there any questions on this resolution?

*[Q&A discussion on resolution 3, if any]*

Thank you.

**[SLIDE 28: RESOLUTION 4]**

Resolution 4 relates to a proposal to revise the maximum total pool of Directors' remuneration available for your Board of Directors from a total fee pool of \$650,000 per annum to \$625,000 per annum, payable for the 2025 year, effective from the close of this Annual Meeting. Shareholder approval is required under NZX Listing Rule 2.11.1.

An appropriate fee structure is important to ensure that Scales can continue to attract and retain the right directorial skills and experience to govern your business, and that those Directors are being fairly remunerated for the work they do.

The proposed change in the Directors' fee pool reflects a revision in the total pool due to the resignation of Nadine Tunley and Qi Xin as well as a small increase in individual fees following benchmarking among a group of agribusiness peers to ensure remuneration is fair and reasonable for the size and performance of Scales. This provides the Board with a remuneration fee pool considered appropriate to remunerate a Board of five Non-Executive Directors, including for associated committee work.

I now move, as an ordinary resolution, that the maximum total pool of Directors' remuneration payable by Scales to Directors (in their capacity as Directors) be revised from \$650,000 per annum to \$625,000 per annum.

In accordance with the NZX Listing Rules, the Directors and their associated persons are restricted from voting on this resolution.

Are there any questions on this resolution?

*[Q&A discussion on resolution 4, if any]*

Thank you.

**[SLIDE 29: VOTING & QUESTIONS]**

[Cover slide]

**[SLIDE 30: VOTING]**

Ladies and gentlemen that concludes our discussion on the items of business.

I'll close the voting online very shortly. If you haven't already done so, please cast your votes now. A reminder of how to vote online is shown on screen.

Computershare can you please now collect the voting papers from shareholders in the room.

Once all the votes have been cast, they'll be counted by the Company's share registrar, Computershare, and scrutinised by the Company's auditor. The results of today's meeting will be released to the NZX on the completion of verification of voting.

We'll now move to finalise the voting and answer general questions.

**[SLIDE 31: QUESTION PROCESS – REMINDER]**

If there are any questions on the financial results, the business update or any other matters you would like to raise, for those online, please do so through the Computershare Online Meeting platform. A reminder of the process is shown on screen.

For those of you present, I'll open the floor to any questions. Just a reminder that, if we run out of time to answer all question now, we'll respond to any additional questions in writing following the meeting.

*[Q&A from shareholders present, if any]*

Are there any questions from those online?

*[Q&A from shareholders online, if any]*

**[SLIDE 32: COVER SLIDE]**

*[After the Q&A process]*

Ladies and gentlemen that concludes our discussion on the items of business.

Shortly I'll close the voting system. Please ensure that you've cast your vote on all resolutions. I'll now pause to allow you time to finalise those votes.

*[wait for 60 seconds]*

Voting is now closed.

The results of all votes will be released to the NZX later today.

Ladies and gentlemen, there doesn't appear to be any further business for discussion, so that brings us to the end of formal business for Scales Corporation's 2025 Annual Shareholders' Meeting. I would like to thank you all for taking the time to connect with us today, be it online or in person.

I now declare the meeting closed.

I invite those present to stay on for light refreshments and the opportunity to have informal discussions with Directors.

Thank you.

***[ENDS]***