

Scales Corporation Limited

Annual Report 2025



An outstanding year

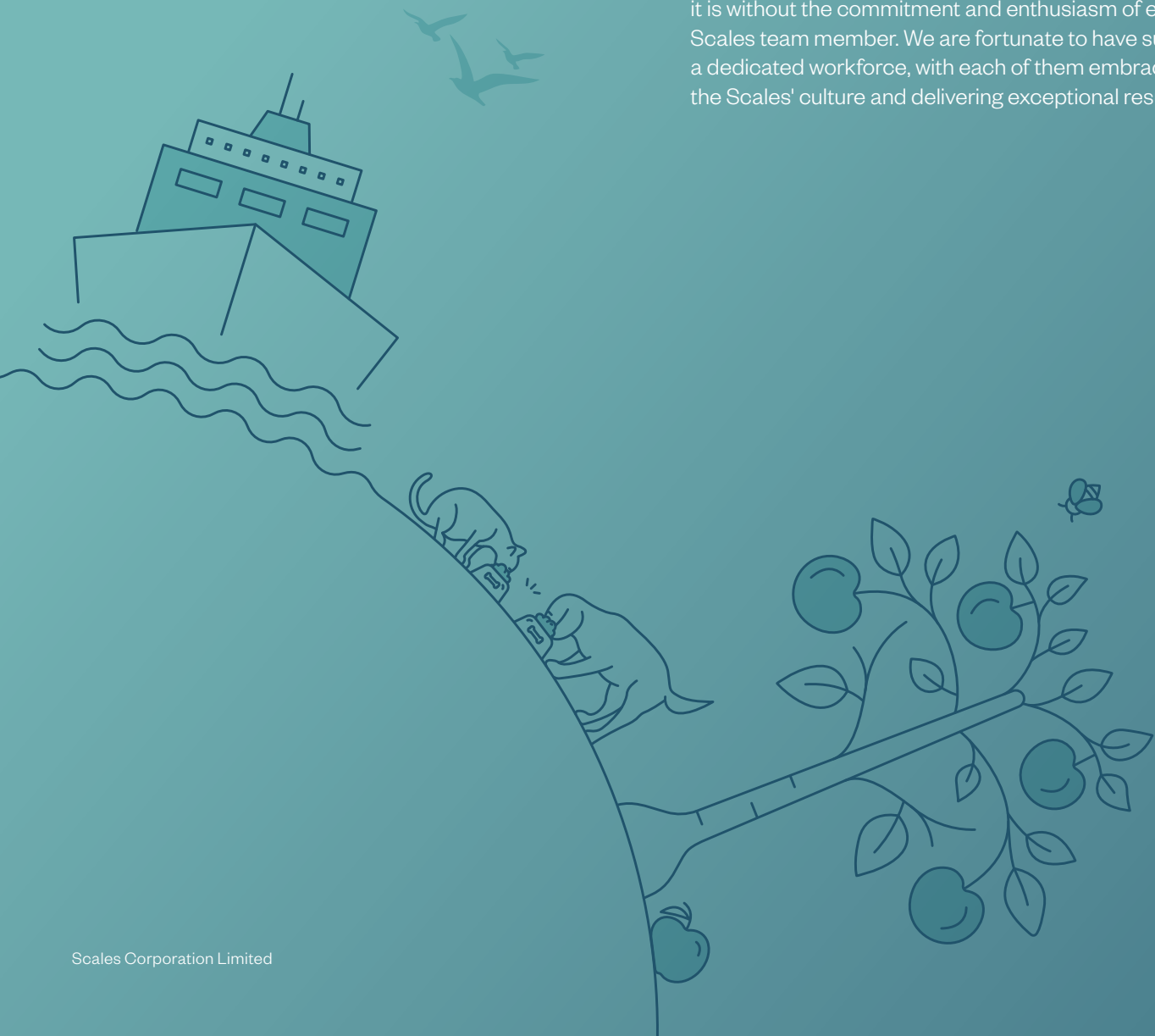
Welcome to Scales' Annual Report for our 114th year of trading.

At a time when international markets are facing unprecedented change and geopolitical tension, Scales delivered outstanding results for the 2025 year. This was a credit to our teams, who executed Group and divisional strategies as well as delivering operational excellence. This resulted in record earnings across all Group measures.

We continued to make excellent progress on our growth strategy, increasing our investment in 4 of our Global Proteins joint venture businesses. Successful integration of the Bostock orchards that were acquired in 2024 was a key component of our exceptional Horticulture result as it allowed us to fast-track our long-term strategy of investing in apple varieties targeted to the Asia & Middle East markets.

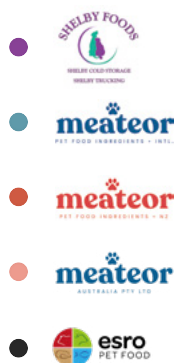
We continued to advance our sustainability goals and our third standalone Climate Statement will be released in April 2026 to provide details of our progress.

As ever, the Group and its results would not be what it is without the commitment and enthusiasm of each Scales team member. We are fortunate to have such a dedicated workforce, with each of them embracing the Scales' culture and delivering exceptional results.



Global Proteins

Petfood ingredient procurers,
processors & marketers



Edible protein exporter



Horticulture

Vertically integrated apple
grower, packer & marketer



Apple marketer



Juice manufacturer



Logistics

Air & sea freight



USA



New Zealand



Netherlands



Australia

Contents

02

Introduction

04

Key 2025 Highlights

06

Managing Director and Chair's Report

16

Sustainability Report

26

Divisional Overview

46

Leadership Profiles

50

Financial Statements

104

Independent Auditor's Report

108

Corporate Governance

129

Director Disclosures

133

Glossary

135

Directory

Key Highlights

Y TAPE

Scales
LOGISTICS

SECURITY

Revenue

\$899.9m

↑ (2024: \$584.6m)

Earnings per Share

70.7c

↑ (2024 (restated): 21.3c)

Underlying NPAT

\$77.6m

↑ (2024 (restated): \$53.4m)

NPAT Attributable to Shareholders

\$101.0m

↑ (2024 (restated): \$30.3m)

Return on Capital Employed

14.6%

↑ (2024 (restated): 14.3%)

Underlying EBITDA

\$137.6m

↑ (2024 (restated): \$91.7m)

Underlying NPAT Attributable to Shareholders

\$61.8m

↑ (2024 (restated): \$34.1m)

Underlying Earnings per Share

43.3c

↑ (2024 (restated): 24.0c)

Net Debt

\$84.1m

↓ (2024: net cash \$12.5m)

NPAT

\$117.7m

↑ (2024 (restated): \$49.6m)

Dividends paid¹ per Share

15.0c

↑ (2024: 8.5c)

6.5m

litres of juice sold

↓ (2024: 7.8m litres)

165,760 MT

of petfood ingredients sold²

↑ (2024: 152,149 MT)

120,673 MT

of edible proteins sold²

↑ (2024: 109,742 MT)

5.30m

TCEs of all apples exported

↑ (2024: 4.13m)

3.68m

TCEs of own-grown apples exported

↑ (2024: 3.03m)

31,468

TEUs of ocean freight managed

↑ (2024: 30,068 TEUs)

13,769

tonnes of airfreight managed

↑ (2024: 7,615 tonnes)

¹ Dividends paid in 2025 relate to FY24² Includes 100 per cent of volumes from relevant businesses, i.e. total volumes controlled directly and indirectly by Global Proteins

Managing Director and Chair's Report



Overview

Record results across all earnings measures



Andy Borland



Mike Petersen

On behalf of the Board, we are delighted to present Scales' Annual Report for the year ended 31 December 2025 with Net Profit After Tax (NPAT) of \$117.7 million (2024 (restated): \$49.6 million). NPAT Attributable to Shareholders was \$101.0 million, up significantly on last year (2024 (restated): \$30.3 million).

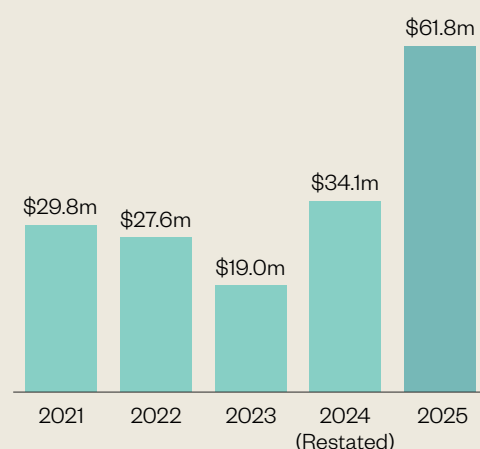
The Group generated revenue of \$899.9 million, up 54 per cent on the previous year (2024: \$584.6 million).

We generated record results across all of our Underlying¹ earnings measures, with Underlying NPAT Attributable to Shareholders of \$61.8 million (2024 (restated): \$34.1 million), Underlying NPAT of \$77.6 million (2024 (restated): \$53.4 million) and Underlying EBITDA of \$137.6 million (2024 (restated): \$91.7 million). These results included positive impacts from the increased shareholdings in our joint venture businesses.

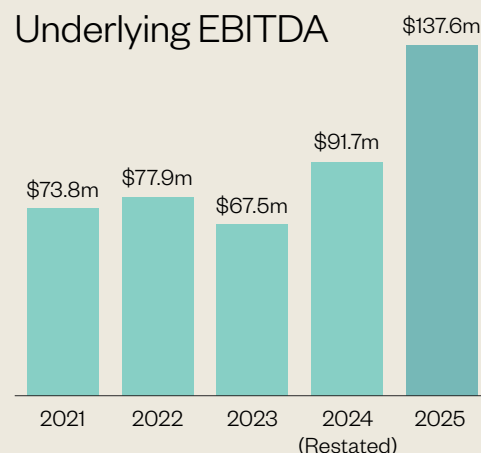
	2025 \$000's	2024 \$000's (Restated)	Variance
Revenue	899,949	584,627	54%
EBITDA	169,862	87,876	93%
Underlying EBITDA	137,628	91,704	50%
NPAT	117,698	49,648	137%
Underlying NPAT	77,594	53,369	45%
NPAT Attributable to Shareholders	100,988	30,337	233%
Underlying NPAT Attributable to Shareholders	61,834	34,058	82%

The graphs below show the Underlying NPAT Attributable to Shareholders and Underlying EBITDA trend for a 5-year period.

Underlying NPAT Attributable to Shareholders



Underlying EBITDA



¹ Directors and management use non-GAAP (Underlying) profit measures when discussing financial performance in this document. The Directors and management believe that these profit measures provide meaningful information that is helpful to investors and give them a better understanding of a company's financial performance when presented in addition to GAAP (NZ IFRS) information. Underlying profit measures are used internally to evaluate performance of our divisions, establish operational goals and to allocate resources. They also represent some of the profit measures required by Scales' debt providers. Non-GAAP (Underlying) profit measures are not prepared in accordance with NZ IFRS and are not uniformly defined, therefore the non-GAAP profit measures reported in this document may not be comparable with those that other entities report and should not be viewed in isolation or considered as a substitute for GAAP (NZ IFRS) measures reported by Scales. Underlying profit measures were not subject to an audit or review. Underlying NPAT and Underlying EBITDA are shown before the deduction of share of Non-Controlling Interests. A full reconciliation between Underlying and NZ IFRS measures is provided on pages 40 to 43.

M&A Transactions

We continued to progress our growth strategy during 2025, increasing ownership in 4 of our joint venture businesses. These are summarised as follows.

On 16 April 2025, we announced an increased investment in Shelby JV LLC (Shelby) from 60 per cent to 67.5 per cent. The cost of this investment was USD24.4 million.

Shelby's performance has been fundamental to Scales' success in recent years, with earnings growth since our initial investment materially exceeding expectations. We believe the various initiatives that are in place in this business will contribute to our Global Proteins' targets.

On 30 September 2025, we increased our investments in:

- Meateor Australia Pty Limited (Meateor Australia) from 50 per cent to 100 per cent
- FI Group Holdings Pty Limited (Fayman International) from 50 per cent to 100 per cent
- ANZ Exports Pty Limited (ANZ Exports) from 42.5 per cent to 85 per cent

The total purchase price for these investments was AUD91.05 million.

Meateor Australia's progress from start-up to full production has been extremely pleasing. The Australian market is also of high strategic importance and this increased investment will allow us to continue to explore growth opportunities.

Fayman International and ANZ Exports have exceeded our initial expectations and play an important role in the edible proteins sector, with a focus on Australian exports. They are currently capitalising on the strong global beef market, with Australia being a key world-wide supplier. The strong connections these businesses have to the Australian supply network also assist Meateor Australia.

These acquisitions reflect Global Proteins' divisional ambition of increasing our joint venture shareholdings over time and, as a result of these investments, the Global Proteins FY27 Underlying EBITDA target has increased from \$70 million to \$85 million.

Shareholder Returns

We continue to be conscious of the long-term return to our shareholders. Shareholders who invested in our IPO in July 2014 will have achieved a 15 per cent compounded annual return¹ on funds invested to the end of February 2026. By comparison, an investment in the S&P NZX50 would have delivered a 9 per cent compounded annual return¹ on funds invested over the same period.

Strategy

Scales' Mission

To be the foremost investor in, and grower of, global agribusinesses by leveraging our unique insights, experience and access to collaborative synergies.

Scales' Long-Term Goal

To generate a long-run average 12.5 per cent ROCE across the portfolio.

Corporate and Competitive Strategies

Our investment pillars determine our portfolio and capital allocation across 3 key divisions. While all divisions have different business models, we are able to leverage our knowledge, partnerships and Group synergies to create competitive advantages and generate sustainable value for our stakeholders.

¹ Compounded annual returns are calculated using share price movements and net dividends paid

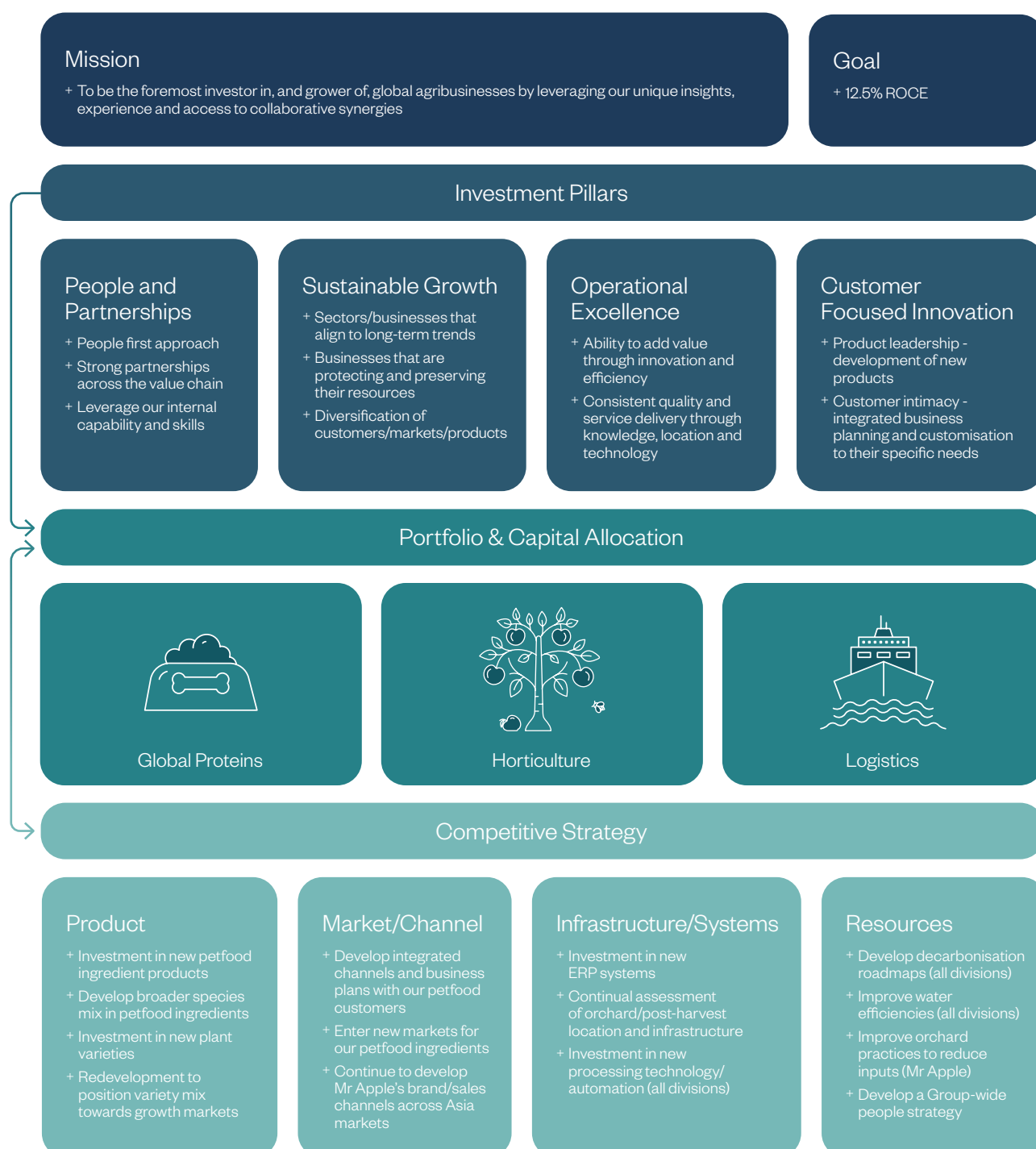
Strategic Update

The transactions undertaken during 2024 and 2025 were both financially and strategically aligned to our objectives. We have been able to fast-track our Premium variety mix in Horticulture and also allow greater coordination across sales, marketing, product development and systems through the increased ownership in our Global Proteins joint ventures.

Additionally, our newly established fish and poultry joint venture in the US will provide a low risk, low capital entry into these new protein markets, allowing us to build our knowledge of both the supplier and customer base.

We have reset our Global Proteins target to \$85 million Underlying EBITDA by 2027, which recognises the consolidation of Meateor Australia, Fayman International and ANZ Exports.

We remain conservative in our approach to capital structure, and we will continue to review our balance sheet position in line with the pipeline of opportunities that are being assessed.



Specific Strategic Targets

We have continued to make good progress with our strategic initiatives across all 3 divisions. In addition to our M&A activities in the Global Proteins division, we have executed significant projects including commissioning a second new in-plant collection and cooling system in the United States as well as a new processing facility in the Netherlands. Additionally, in Horticulture, we are actively assessing new Premium apple varieties for future commercialisation.

	Target	Status
Group	Financial and operational - Maintain financial returns in line with, or above, industry returns - Continue to seek acquisitive and organic growth to expand the business	Excellent progress - Increased investments made in Shelby, Meateor Australia, Fayman International and ANZ Exports - Other acquisition and internal growth opportunities regularly reviewed
	Shareholder returns - Continue to provide shareholders with an attractive yield on dividends - Deliver capital gains and shareholder liquidity through careful strategic execution - Deliver a Group ROCE in excess of 12.5 per cent	Excellent progress - Interim dividend of 12.5 cents per share paid in January 2026, with second instalment to be reviewed and advised on in early May 2026 - Group ROCE of 14.6 per cent, above Group target
	Sustainability - Develop Group and divisional sustainability strategies, including clear goals and targets - Further develop and evolve our reporting and measuring of key sustainability aspects affecting Scales' businesses	Good progress - Third standalone Climate Statement to be released in April 2026 - Completed a refreshed double materiality assessment to understand the current priorities of our stakeholders - Continued delivery of Mr Apple's 5-year people strategy - Advanced regenerative orchard trials and targeted environmental and energy efficiency improvements
Global Proteins	Increase scale and expand offering - Reach \$85 million of EBITDA by 2027 - Review strategic initiatives and consider organic and acquisition opportunities to increase divisional scale - Increase global presence	Excellent progress - Increased investments in Shelby, Meateor Australia, Fayman International and ANZ Exports - Increased volumes through our new toll processing plant in the United States - Commissioned our new processing facility in the Netherlands - Commissioned a second new in-plant collection and cooling system in the United States, ahead of schedule - Meateor Australia traded ahead of forecast and was significantly profitable - Established a new joint venture focusing on fish and poultry in the United States - Ongoing global growth opportunities being actively investigated
Horticulture	Operational and branding - Continue to increase market penetration into Asia - Continue to develop the Mr Apple brand, particularly within our key markets of Asia and the Middle East - Acquire and/or develop new Plant Variety Rights (PVRs) to meet emerging needs - Redevelop lower-performing orchards and varieties into higher value crops	Excellent progress - Successful amalgamation of the Bostock orchards that were acquired in FY24 - Increased proportion of sales made to the Asia and Middle East markets - Increased proportion of Premium apple total export sales volumes - Significant growth in sales of Dazzle™ and Posy™ - Continued investment in marketing and brand presence for Mr Apple and Premium varieties, particularly across China and other key Asia markets - Ongoing development of new Premium PVRs
Logistics	Expand logistics offerings Develop scale to utilise the expertise and capacity within the team	Excellent progress - Record result achieved driven by a significant increase in volumes - Benefitted from being both an in-house and external logistics provider

Sustainability

Scales is focused on:

- Our broader obligations as a responsible corporate citizen
- The desire of our stakeholders to receive clear reporting on our environmental footprint and sustainability improvements
- Our ability to better identify and manage all risks (as well as opportunities) facing the business and align our future strategic plans

Sustainability continues to be a key focus for us and during 2025 we completed a refreshed double materiality assessment to allow us to understand our stakeholders' priorities.

In terms of people, we undertook an engagement survey for all our New Zealand businesses with our plan being to roll this out globally in 2027. We continued to integrate health, safety and wellbeing into our businesses and have developed an improvement roadmap covering the next few years.

We have also progressed many of our environmental projects. During the year, an assurance exercise was undertaken to confirm our Scope 1 (direct) and Scope 2 (indirect) greenhouse gas emissions data, and analysis of Scope 3 (raw material) emissions was progressed. And our regenerative planting trials i.e. planting trials that aim to restore soil health, increase biodiversity and enhance ecosystem function, continued at Mr Apple and, pleasingly, these show early indications of improved soil health and fruit quality.

Our summary Sustainability report is presented in the next section, and we will be publishing our third standalone Climate Statement in April this year. We hope that you will find time to read both these reports.

Scales' Team

At its peak, Scales has over 1,500 dedicated staff members working across the world. These individuals come together to form teams within our global organisation, working to make Scales the best that it can be. It is those people who make Scales successful with their passion, expertise and dedication and each person plays a crucial role in our success.

Providing a safe workplace is central to our ethos and we work hard to nurture and maintain a culture of safety at work. This is not only for the protection of our workers, but also for our communities, customers, suppliers and other stakeholders.

We also value the unique contributions of employees no matter their background, experience and perspectives, and we endeavour to foster an inclusive culture where everyone can feel welcome. It is extremely important to us that everyone feels respected, valued, included and encouraged to contribute, and confident that they belong.

Our people are the heart of our business and allow us to achieve the successful delivery of our strategy. On behalf of the Board, we would like to thank all our people across the world for their ongoing contribution to the success of the Group.

Appropriately Incentivising our Team

Compensation of the Scales management team continues to link remuneration with the delivery of the strategies as directed by the Board, drive a performance-led culture and connect the long-term sustainable success of the business with our values. It also aligns to retaining and developing high-performing team members as well as promoting positive personal performance.

We have therefore maintained a strong incentive-based remuneration scheme, with shorter term incentives being balanced alongside long-term business and alignment of shareholder interests. Our remuneration philosophy and analysis of executive remuneration is detailed more fully in the Corporate Governance Statement on pages 108 to 128.

Board Succession

Alan Isaac

At the 2024 Annual Shareholders' Meeting, Alan Isaac signalled his intention to retire from the Scales Board prior to the end of his current term. Having secured a replacement Director, Alan retired in October last year.



Alan was a major contributor to Scales' governance programme, serving on the Board for over 11 years. Not only was he Chair of the Audit & Risk Management Committee, but he also chaired the Due Diligence Committee as part of Scales' listing process. With his accounting and finance background, he provided excellent financial knowledge and counsel. We would like to recognise Alan's significant contribution to the Board and thank him for his unwavering support.

In Alan's place, we were pleased to welcome Paul Munro to the Board in October last year. Paul also has a significant accounting and finance background, as well as extensive governance experience from a wide range of public and private entities.

Management Team Succession

Steve Kennelly

In February 2026 we announced that Steve Kennelly is stepping down as Chief Financial Officer (CFO) in May of this year. Steve has been with Scales since 1993 in a variety of accounting and finance roles, being appointed as CFO in 2011. Steve will be taking up a new role as Company Secretary.



We are pleased to welcome Ben Washington in Steve's place. Ben will start in June, joining us from KMD Brands where he has held several senior leadership positions, most recently as CFO of Kathmandu.

Group Financials

Summary

Scales delivered outstanding results for the year ended 31 December 2025 with record results across all performance measures:

- Reported NPAT Attributable to Shareholders of \$101.0 million
- Underlying NPAT Attributable to Shareholders of \$61.8 million
- Underlying EBITDA of \$137.6 million
- Revenue of \$899.9 million

Additional detail of the performance of each division is provided in the Divisional Overview section.

Income Statement

	2025 \$000's	2024 \$000's (Restated)
Revenue	899,949	584,627
Underlying EBITDA	137,628	91,704
Underlying EBIT	108,438	68,928
Underlying NPAT	77,594	53,369
After tax impact of:		
Non-cash, NZ IFRS and other adjustments	40,104	(3,721)
NPAT	117,698	49,648
Underlying NPAT Attributable to Shareholders	61,834	34,058
NPAT Attributable to Shareholders	100,988	30,337
Capital employed	740,280	504,471
Return on capital employed	14.6%	14.3%

Capital Management

Return on Capital Employed (ROCE) is a measure of how efficiently we are generating a return on our assets and continues to be an important performance metric for each division and the Group as a whole. It is also key to how we monitor the performance of our portfolio and make decisions around capital expenditure. Prior to committing to an investment in assets, we need to be confident that we will generate a return that meets or exceeds our targets.

Group ROCE exceeded our target of 12.5 per cent, with ROCE targets for each division varying depending on their specific asset and risk profiles.

	2025	2024 (Restated)
ROCE		
Global Proteins	19.8%	45.3%
Horticulture	12.3%	5.4%
Logistics	62.6%	54.1%
Group	14.6%	14.3%
Target	12.5%	12.5%

Group capital employed increased compared to last year due to increased investment in our Global Proteins joint venture businesses.

Scales' Reported basic earnings per share¹ for the year ended 31 December 2025 was 70.7 cents per share (2024 (restated): 21.3 cents per share). Scales' Underlying basic earnings per share for the year ended 31 December 2025 was 43.3 cents per share (2024 (restated): 24.0 cents per share).

Financing

Average Net Debt for the year was \$75.8 million (2024: \$34.7 million), an increase of \$41.1 million, with the increase primarily due to the investment in Shelby, Meateor Australia, Fayman International and ANZ Exports. At the end of the year our Net Debt position was \$84.1 million (2024: Net Cash \$12.5 million).

Hedging Strategy

As an exporter, we continue to have significant exposure to foreign exchange movements. This is most prevalent in Mr Apple, with our Global Proteins and Logistics divisions also affected. We also have exposure to movements in interest rates, both on borrowings and deposits.

Scales has a Board approved Treasury Management Policy, which governs how all foreign exchange, interest rate and related activities are conducted. This policy is reviewed biennially.

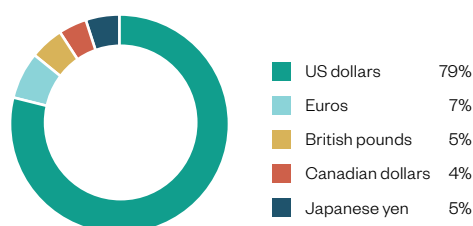
Under this policy we may take foreign exchange cover for Mr Apple for up to 5 years forward using a variety of foreign exchange instruments (including options and forward contracts). Scales maintains a blend of instruments. In addition, Scales manages the cover levels for seasonal and market variations for future years.

We continue to have a natural hedge covering some of our US dollar exposure as international shipping is payable in US dollars. We take cover on the remaining expected net US dollar and other currency exposures.

In general, Global Proteins and Logistics take foreign currency cover once exposures have been confirmed.

Foreign currency

In 2025, Mr Apple's net foreign currency exposures were as shown below.



The average conversion rate of Mr Apple's main foreign currency exposures since 2022 were as noted below.

	2025	2024	2023	2022
USD	.6196	.6364	.6515	.6588
EUR	.5318	.5414	.5452	.5449
GBP	.4796	.4770	.4912	.4962
CAD	.8160	.8468	.8407	.8597
JPY	86.06	N/A	N/A	N/A

¹ Based on the weighted average number of ordinary shares.

The hedging position for Mr Apple's 2 main foreign currency exposures, as at 15 February 2026, was:

		2026	2027	2028	2029	2030
USD	% cover of expected exposure	97%	82%	67%	60%	40%
	Average rate of cover	.5872	.5908	.5910	.5916	.5884
EUR	% cover of expected exposure	100%	95%	88%	56%	21%
	Average rate of cover	.5212	.5047	.5132	.5067	.4742

Interest rates

In addition, we take out interest rate swaps and forward rate agreements, which provide some certainty on interest costs on Scales' long-term and short-term borrowings. We have historically funded offshore investments via term debt in the currency of the investment. This provides an investment hedge. As at 31 December 2025 our US dollar term debt was 42 per cent hedged by interest rate swaps.

Dividend

A final 2024 partially imputed cash dividend of 7.75 cents per share (a gross amount of 9.26 cents per share) was paid on 11 July 2025. Together with a fully imputed 2024 interim dividend of 7.25 cents per share (a gross amount of 10.07 cents per share) that was paid on 17 January 2025, this brought the annual dividends for 2024 to a total of 15.00 cents per share (a gross amount of 19.33 cents per share).

A partially imputed initial interim 2025 cash dividend of 12.50 cents per share (a gross amount of 14.93 cents per share) was declared on 3 December 2025 and paid on 23 January 2026. We will review, and advise on, a final dividend for 2025 in early May 2026.

As always, any dividend is subject to Board approval. It is standard practice for the Directors to consider all aspects of the Group's performance and financial position prior to declaring any dividend. Total dividends are expected to be split approximately evenly between interim and final, and to be between 50 per cent and 75 per cent of Underlying NPAT Attributable to Shareholders.

Capital Expenditure

Capital expenditure in 2025 was \$21.6 million, an increase of \$2.6 million on the prior year (2024: \$19.0 million).

Considerable investment was made in margin improvement projects at Mr Apple including the ongoing orchard redevelopment into Premium volumes and a new high-pressure apple washer at the Whakatu packhouse. Other material capital expenditure related to an upgrade to the Recognised Seasonal Employer (RSE) accommodation at Mr Apple and capital works at Shelby for its second in-plant collection and cooling system.

	2025 \$000's	2024 \$000's
Operational capital expenditure		
Global Proteins	6,278	1,606
Horticulture	8,238	4,401
Logistics	213	938
Other	26	19
Total operational capital expenditure	14,755	6,964
Margin improvement capital expenditure		
Horticulture	6,830	6,951
Total margin improvement capital expenditure	6,830	6,951
Growth capital expenditure		
Global Proteins	-	4,066
Total growth capital expenditure	-	4,066
Cyclone capital expenditure		
Horticulture	-	1,060
Total Cyclone expenditure	-	1,060
Total capital expenditure	21,585	19,042

Outlook

A strong performance across all of our divisions delivered record Group 2025 earnings for Scales. The Group's financial position allows for further investment opportunities and we continue to explore new growth opportunities within each division.

Whilst geopolitical uncertainty is expected to continue through 2026, we expect Global Proteins to perform strongly and to continue to realise the benefits of its increased investments.

Within Horticulture, a crop of around 3.5 million TOEs is forecast for Mr Apple, with picking and packing progressing for the 2026 season. Pricing is expected to be positive, impacted by a number of factors including more favourable foreign exchange rates. Profruit continues to experience positive demand.

We also expect Logistics to contribute positively, both financially and strategically, as we continue to navigate volatility in some trade lanes.

On behalf of the Board, we would like to thank all our management and staff, fellow Directors, suppliers, customers and other stakeholders for their hard work, support and commitment in our 114th year of trading.



Mike Petersen
Chair



Andy Borland
Managing Director

20 March 2026



Sustainability Report



Scales' FY25 Sustainability Report

2025 was a year of consolidation and progress for Scales as the Group continued to strengthen operations and embed lessons from the significant disruption experienced since 2020. While the impacts of severe weather events, including Cyclone Gabrielle, extended across multiple seasons, the focus during 2025 was on restoring stability, supporting our people and reinforcing the resilience of our operations. Across all divisions, teams remained focused on building strong foundations for sustainable long-term performance.

During the year, Scales continued to evolve its sustainability approach, with a particular emphasis on understanding how expectations and priorities have shifted following COVID, prolonged supply chain disruption and recent climate-related events. A refreshed materiality assessment was undertaken to better understand the views of customers, investors, employees and other stakeholders, and to ensure the Group's Environmental, Social and Governance (ESG) priorities remain aligned with a rapidly changing operating environment. The insights from this work are helping to shape decision making and inform the next phase of Scales' sustainability journey.

Looking ahead, 2026 will be a year of strengthening Scales' broader ESG framework, with a focus on governance, social outcomes and long-term value creation alongside environmental considerations. As part of this work, the Group is preparing to develop a sustainability strategy that will provide clearer direction and structure, including the pathway toward emissions measurement and reduction targets from 2027 and beyond. To support this transition Scales is assessing software solutions to improve the quality, consistency and efficiency of ESG and emissions data collection and reporting.

Whilst legislative changes are expected to limit mandatory preparation of climate statements to entities with market capitalisation over \$1 billion, those changes are not yet in force. Accordingly, Scales has prepared its FY25 Climate Statements having regard to the climate-related disclosure regime as it currently applies, and to the Financial Markets Authority's stated "no-action" approach pending legislative change. Scales expects to publish its third Climate Statement in April 2026.

More information is available at: <https://scalescorporation.co.nz/sustainability>



637

Permanent
staff members

49 years

Longest serving
employee

41

Operational sites¹

>1,000

RSE workers

34%

Permanent female staff

36%

Women in senior
leadership and
management

3rd

Climate Statement
completed

Year 3

Regenerative planting
trial across 2 Mr Apple
orchards

Scope 1 & 2 Emissions

Limited assurance
obtained

¹ Owned/leased

Materiality

In 2025, Scales completed a comprehensive materiality assessment to ensure our sustainability strategy focuses on what matters most to stakeholders and what is most critical to the business over the 2025 – 2030 period, building on the previous 2021 assessment.

The assessment covered Horticulture, Logistics and Global Proteins across New Zealand and key offshore markets, using a double materiality lens:

- Impact materiality: Scales’ effects on people and the environment across the value chain
- Financial materiality: impacts on revenue, costs, assets, liabilities and reputation

The process was informed by the Global Reporting Initiative (GRI), European Sustainability Reporting Standards (ESRS) and International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards.

2025 Highly Material Topics

- Human rights, labour practices and modern slavery
- Corporate governance
- Product quality and safety
- Ethical supply chain
- Market access, compliance and regulation
- Health, safety and wellbeing

What Stakeholders Told Us

External stakeholders emphasised dignity and protection in the workforce, ethical procurement, strong product safety, market access and compliance as essential for our export focused businesses. Internal stakeholders reinforced the importance of health and safety, the operational consequences of compliance failures and growing reliance on water security and climate adaptation.

Scales intends to progressively align sustainability reporting with the GRI Standards from 2026 and has begun mapping priority topics to the GRI framework to improve comparability, transparency and depth.



People

- Health, safety and wellbeing
- Human rights, labour practices and modern slavery
- Employee attraction, development, retention and succession
- Diversity, equity and inclusion
- Community engagement



Environment

- Climate change
- Water management
- Biodiversity
- Soil and water pollution
- Waste, packaging and circular economy



Marketplace and Governance

- Corporate governance
- Ethical supply chain
- Financial performance
- Market access, compliance and regulation
- Product quality and safety

People

People have been central to Scales' success to date and will remain critical to our long-term performance. Our refreshed materiality assessment reinforces the importance of human rights, labour practices, health and safety and product quality as our key social priorities. With a diverse workforce, including a significant number of migrant workers operating across multiple regions, maintaining strong ethical standards and supporting the wellbeing, capability and development of our people is essential. Through continued investment in safe workplaces, skills and leadership development, engagement and community partnerships, we strengthen our culture, meet our responsibilities and support the livelihoods that underpin the Group's ongoing success.

Material topics

Health, safety and wellbeing

Human rights, labour practices and modern slavery

Employee attraction, development, retention and succession

Diversity, equity and inclusion

Community engagement

Mr Apple People Strategy

Mr Apple is Scales' largest employer. In 2025, execution against its people strategy has been strong, with meaningful progress delivered across digitisation, attraction and retention, leadership development, succession planning, performance and reward and career pathways. The quality and consistency of delivery over the life of the plan provides a solid foundation for the next phase of people and culture development.

During 2026, Scales will work with Mr Apple and other business units to develop a more aligned Group-wide people approach. This work will be informed by insights from the employee engagement survey and the refreshed materiality assessment, ensuring future priorities reflect the evolving needs of our workforce, operating environment and long-term ESG objectives.



People (continued)

Pillar	2024 initiatives	2025 initiatives	2026 goals
People & culture digitalisation Automation of people processes and transactional people activity	Commenced phase I of automating RSE recruitment and RSE logistics teams via Airtable ¹ . Reduced transactional activity, minimised human error and improved data flow to internal and external customers.	Phase II of RSE operations automation completed: streamlined our RSE logistics processes through Airtable and achieved significant progress in automating the generation of individual employment agreements, loan agreements and direct debit authority forms. By integrating data fields across multiple systems including Airtable, Greenhouse and Ready Workforce, we established an automated workflow that produces accurate, work specific documents. This automation was successfully implemented ahead of the RSE workers' arrival in Q1 2026. Rolled out mid-year reviews online (moving away from paper) for all permanent employees.	Develop and integrate RSE worker productivity data into our existing automation workflows (a capability we do not currently have) to enhance performance visibility, support data driven decision making and optimise operational efficiency. Embed the online performance processes within ELMO (our human resources information system), including goal setting, mid-year reviews and end-of-year reviews, to ensure consistency, visibility and improved organisational performance management. Complete the review of safety software solutions, including vendors offering AI-enabled capability, to support a system that strengthens our safety culture and enables every staff member to take ownership of safety.
Attraction & Retention Strengthen Employee Value Proposition (EVP), authenticity, trust and talent connection through targeted storytelling and outreach	Targeted recruitment from Kia Island in 2024 to support the community to rebuild after category 5 Tropical Cyclone Yasa in 2020 that devastated the tiny island on Fiji's northern coast off Vanua Levu. Rebuilding of the island is progressing well with a gratitude video sent to Mr Apple from the headman of Yaro Village to highlight the positive impact the partnership with Mr Apple has had on the people and their community.	PNG Partnership: Worked with the PNG Government to bring workers from the Morobe Province highlands to join orchard teams in spring 2025. RSE: Developed a training programme for PNG workers to support local horticultural ambitions. Training programme developed to support the workers in their horticultural aspirations in their home. Communications: Expanded our internal communications strategy, which included regular CEO and Senior Leadership updates in addition to the intranet and company magazines. Engagement: Delivered identified people initiatives by team, department and company based on the annual engagement survey results.	Local talent: Continue to deepen and embed our youth engagement strategy by expanding the programmes, partnerships and experiences that spark early interest in horticulture as a meaningful and future focused career. Communications: Embed a clear and consistent communication framework and channels across the organisation by defining and empowering key communication roles including people managers, department heads and the communications team. RSE: Diversify our RSE workforce further by building the partnership with PNG and progress targeted recruitment from the Morobe and New Ireland Provinces.
Leadership Development Identify and grow leadership capability for current and future roles, strengthening culture and talent pipeline	Invested in high performing and high potential staff. Delivered coaching sessions. Piloted the Mr Apple Safety Leadership Programme, launching the new Safety Vision and Safety Values.	Delivered the Mr Apple Leadership Programme targeting mid-senior level staff. Extended the Living our Values awards at the Christmas party to include a Safety Values Champion (overall annual winner). Rolled out initiatives in the Safety Roadmap including full rollout of the Safety Leadership Programme.	Pilot a Mr Apple team leadership development programme across the orchards focused on coaching-led conversations and understanding working preferences and styles. The aim is to enhance engagement and strengthen team effectiveness, with all content aligned to our core values of Future Thinking, Always Growing and Stronger Together. Continue providing one-to-one leadership coaching for our high potential and high performing employees.
Succession Planning & Talent Development Ensure continuity of operations when critical talent transitions occur	Completed talent mapping for all permanent staff using the 9-box methodology ² . Completed succession plans for 15+ critical roles. Delivered workshops for managers on performance measurement. Continued embedding people processes in ELMO and upskilling staff on its use.	Embedded people processes in ELMO, which included upskilling for all staff to optimise the benefits of automated processes.	Ensure business continuity by developing succession depth for critical roles, embedding consistent talent processes and increasing manager capability and uptake of ELMO to support performance and development conversations.
Performance & Reward Management Build a high-performance culture with robust measurement and reward mechanisms	Introduced a pay-for-performance model. Implemented pay principles. Automated the end-of-year remuneration process.	Full implementation of performance and reward framework within HRIS (linked to digitisation pillar).	Review the Mr Apple service milestone recognition programme following the 2-year pilot. Embed our pay-for-performance approach by delivering targeted workshops for people leaders on how to effectively lead in a pay-for-performance environment. Conduct a review of our benefits using insights from the annual engagement survey and benchmarking against market data to ensure we remain competitive.
Career Pathways & Personnel Development Support employees to grow careers based on competencies and interests	Created and piloted the first Horticulture Development Programme with 12 employees across orchard and post-harvest.	Delivered the second year of the Horticulture Development Programme with a newly selected team.	Build out clear, accessible career pathways across all permanent roles and develop a visual, interactive tool that enables employees to explore horizontal, vertical and diagonal career movement within Mr Apple.

Group Engagement Survey

During the year the Group completed an employee engagement survey across its New Zealand businesses. Results confirmed strong and consistent engagement, pride in teams and confidence in leadership, reflecting the sustained focus on people and culture across the Group, including the final year of Mr Apple's original people strategy.

Insights from the engagement survey, together with the refreshed materiality assessment, will assist work in 2026 to develop a more aligned people and engagement approach across all business units, supporting consistency while responding to the evolving needs of our workforce and long-term ESG priorities.

Health, Safety and Wellbeing

Health, safety and wellbeing remained a core focus for Scales during 2025 as the Group continued to lift capability, strengthen leadership ownership and embed more consistent practices across increasingly diverse operations. Independent health and safety assessments were completed across key businesses, establishing clear improvement roadmaps and multi-year plans aligned to differing risk profiles and levels of organisational maturity.

A strong emphasis was placed on leadership engagement and learning during the year. This included a well received session for the Board and senior leaders led by a highly regarded external health and safety specialist, focused on governance lessons arising from a major New Zealand industrial safety failure. This was complemented by targeted health and safety leadership training delivered by a nationally recognised provider, followed by a visit to a large, complex agribusiness with a mature safety system. Together, these initiatives supported shared learning, practical benchmarking and the strengthening of safety leadership across the Group.

The Group continues to monitor a core set of health and safety indicators across its operations, including injury trends, notifiable events, near miss reporting and corrective action closure. These measures are reviewed at a business unit and Group level to support oversight, trend analysis and prioritisation of critical risks.

As Scales transitions from joint venture structures to wholly-owned operations, further focus has been placed on strengthening Group-level governance and consistency while recognising differences in capability and resourcing across businesses. Meateor Australia joined the Group Health and Safety Committee reporting framework at the start of 2026 following its transition to full ownership, supporting greater alignment, visibility and shared accountability across the Group.

Community Initiatives

Mr Apple continues to support the community through targeted initiatives, with businesses investing in partnerships aligned to our values and long-term social impact:

Strengthened inclusive employment through Hōhepa³, including placing a supported role in post-harvest operations

Commenced a partnership with Big Brothers Big Sisters⁴, applying a more structured approach to community investment and impact measurement

Delivered riparian planting initiatives at Pilos and Covell orchards, establishing around 900 native plants to support local waterways and biodiversity

Hosted the inaugural Hort Day Out, with 70+ students experiencing a broad range of horticulture career pathways

Partnered with Mates4Life⁵ to deliver Safety Aider training, expanding wellbeing support capability across the business

Partnered with Zoe Hobbs as a values-aligned Mr Apple brand ambassador

Delivered onsite flu vaccination clinics, with participation increasing year-on-year

¹ Airtable is a cloud-based platform that allows users to organise data, build custom workflows, create interfaces and automate tasks

² The 9-box methodology is a talent management tool used to plot employees on a 3x3 grid based on their current performance and future potential, and helps to identify high-potential employees, develop leaders and create targeted development plans

³ Hōhepa is a disability service provider catering for special needs children and adults with an intellectual disability

⁴ Big Brothers Big Sisters is the world's largest youth mentoring organisation

⁵ Mates4Life is a Hawke's Bay-based initiative focused on suicide prevention, aiming to build life-supporting workplaces and communities through education and training

Environment

Scales’ environmental priorities are focused on protecting the natural resources that underpin our operations and long-term resilience. The refreshed FY25 materiality assessment confirms that climate change, water availability and resource efficiency are the most significant environmental factors influencing the Group’s performance, particularly across horticulture and other land and resource intensive operations.

During the year, the Group continued to strengthen its climate governance and disclosure, completing its third Climate Statement. Limited assurance was obtained over Scope 1 and Scope 2 emissions, supporting confidence in the robustness of emissions data and reinforcing a disciplined, staged approach to climate reporting as capability continues to develop.

A core focus across the Group is adaptation and environmental resilience at an operational level. Businesses continue to invest in efficient irrigation and water management practices, improved monitoring and initiatives that support soil health, biodiversity and waterway protection. At Mr Apple, regenerative planting trials entered their third year across multiple orchards, delivering positive early results and providing a practical foundation to inform potential broader application over time. Riparian planting initiatives undertaken during the year further contributed to biodiversity outcomes and the protection of local waterways.

Material Topics

- Climate change
- Water management
- Biodiversity
- Soil and water pollution
- Waste, packaging and circular economy

Scales recognises that environmental improvement in primary industries is iterative and long-term. Current initiatives are deliberately focused on learning, piloting and capability-building, supporting future development opportunities as scientific understanding, operational insight and commercial feasibility continue to evolve. These foundations position the Group to progressively strengthen environmental performance while maintaining productivity, product quality and long-term value creation.

Further detail on Scales’ climate-related risks, opportunities, governance and emissions profile is available in the Group’s FY25 Climate Statement, to be published in April 2026.





Marketplace and Governance

With a global market presence, Scales, as a diversified agribusiness, focuses on providing customers, investors and regulators with confidence that our business units consistently meet or exceed market access, product quality and assurance requirements.

Our approach is to leverage Group capability to share knowledge, experience and technical expertise across divisions, supporting each business to obtain and maintain the certifications required by their customers and export markets.

Scales will continue to invest in its people, systems, infrastructure and processes to support safe, sustainable products and long-term business resilience.

Material Topics

Corporate governance

Ethical supply chain

Financial performance

Market access, compliance and regulation

Product quality and safety

Certifications and Audits

Completing third party audits and assurance programmes is essential to promoting transparency, accountability and continuous improvement across our operations. Accordingly, Scales' businesses participate in a wide range of globally recognised certification and customer audit programmes covering food safety, ethical labour practices, environmental management, security and traceability.

Across the Group, these include, where relevant:

BROGS Global Standard Food Safety (Global Food Safety Initiative (GFSI) benchmarked)

GLOBALG.A.P. IFA Version 6 (GFSI benchmarked), covering food safety, traceability, biodiversity, water management, sustainability and worker health and welfare

GLOBALG.A.P. Risk Assessment on Social Practice (GRASP)

Supplier Ethical Data Exchange (Sedex) Members Ethical Trade Audits (SMETA)

LEAF Marque environmental assurance

EcoVadis sustainability ratings

Retailer specific customer standards, including Tesco, Costco, Albert Heijn, Delhaize, FairPrice and Walmart

Official export assurance programmes, including New Zealand Secure Export Scheme and importing country phytosanitary requirements (for countries including China, Japan, Taiwan, Thailand and the United States)

Ministry of Primary Industries (MPI), United States Department of Agriculture (USDA) and other market specific regulatory certifications, depending on product and geography

MPI Animal Products E-cert electronic certification platform for official assurances (animal product exports)

Pet Food Industry Association of Australia (PFIAA) membership and industry audit

PrimeSafe (Victoria) licence to operate and compliance audits (pet food establishment)

International Air Transport Association (IATA) membership and staff certifications for airfreight handling

Together, these frameworks support Scales' ability to maintain strong product integrity, ethical supply chains, regulatory compliance and ongoing access to international markets.



Marketplace and Governance (continued)



Marking Māori Kiwifruit Growers' first major push into Dubai, in partnership with Zespri and Mr Apple

Market Access Partnership Supporting Māori Kiwifruit Exports

Mr Apple established a new export initiative during the year to support Māori Kiwifruit Growers (MKG) to access international markets and build sustainable, long-term export pathways. The initiative reflects a shared commitment to strengthening grower participation in global value chains while supporting inclusive economic development and resilient market access for Māori grown produce.



Te Arikiniui Kuini Ngā Wai Hono i te Pō, the Māori Queen, greeting His Excellency Dr Thani bin Ahmed Al Zeyoudi, UAE Minister of Foreign Trade

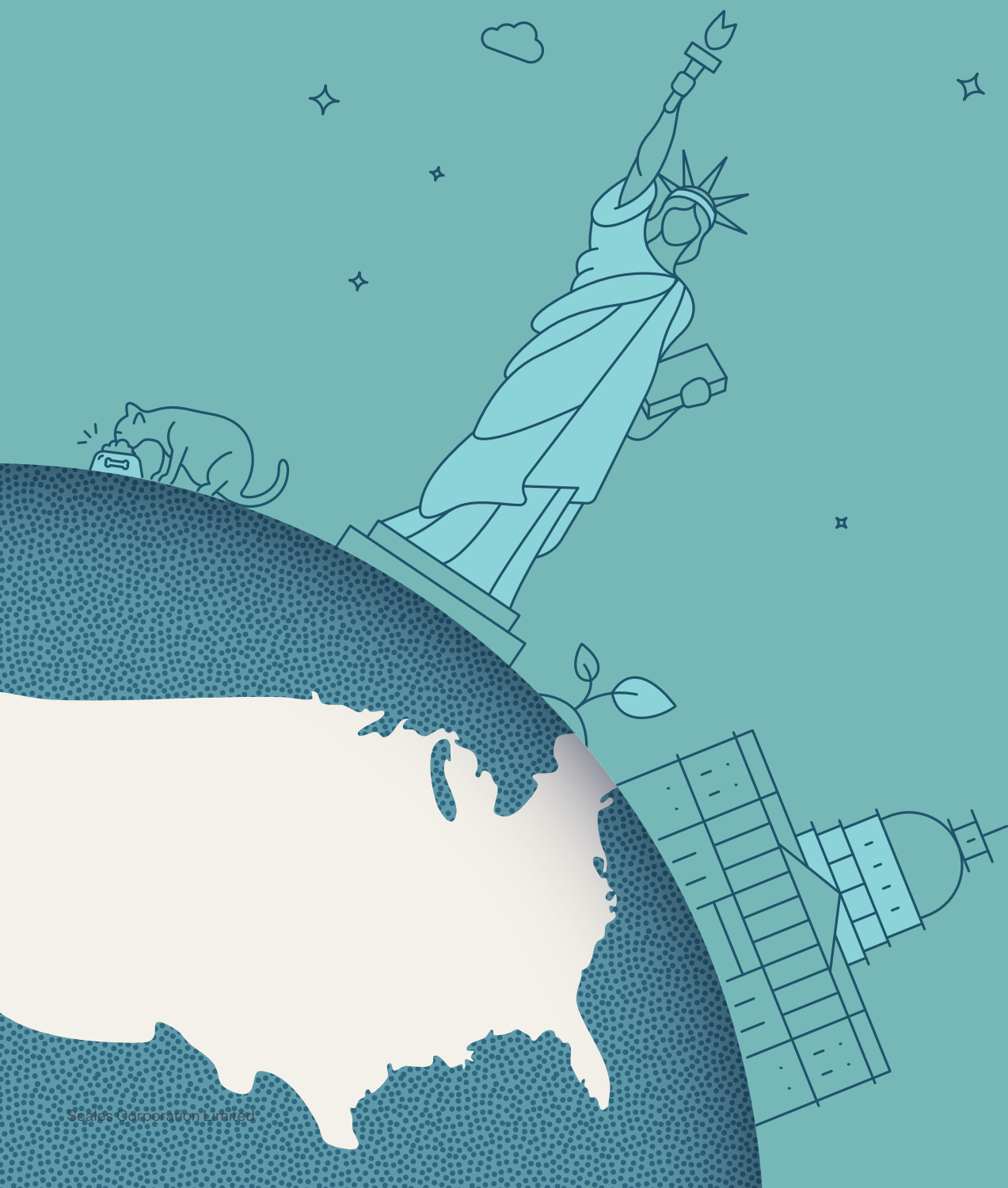
The programme was formally launched in the United Arab Emirates in October 2025, led by Te Arikiniui Kuini Ngā Wai Hono i te Pō, the Māori Queen. The launch brought together Māori growers, international retail partners and government representatives from Aotearoa New Zealand and the UAE, marking an important milestone for Māori-led exports into the Middle East.

Through the initiative, Mr Apple has supported MKG by leveraging its established distribution networks, in-market relationships and operational capability to help build demand and visibility for Māori grown kiwifruit. This support has been provided in a collaborative and disciplined manner, enabling increased market presence for MKG fruit while maintaining a balanced approach to market participation.

Building on the early success of the programme, Mr Apple is continuing to work with MKG to consider how its teams and systems can further support future growth as volumes increase. This includes exploring opportunities to better align logistics and market engagement, and planning in ways that create complementary outcomes for Māori growers while supporting the long-term strength of New Zealand's kiwifruit exports.



Divisional Overview



This section provides a summary of each of our 3 operating divisions, including their performance and key operating statistics. In line with our Group results, we focus on the Underlying financial performance of our business divisions, excluding certain non-cash NZ IFRS and other adjustments.

Global Proteins

Overview

Our Global Proteins division produces and markets valuable edible and petfood ingredients. The division comprises 6 business operations:

Meateor NZ

50 per cent ownership of a petfood ingredients business with processing plants in Whakatu, Dunedin and Bluff

Meateor International

100 per cent ownership of a supplier of petfood ingredients from Australia and other markets

Meateor Australia

100 per cent ownership of a petfood ingredients business with a processing plant in Melbourne

Shelby

67.5 per cent ownership of a United States petfood ingredients business with owned and toll-processing plants in Indiana, Iowa, Kansas, Nebraska and Texas

Fayman

100 per cent ownership of the Australian operations of the Fayman International and 85 per cent ownership of ANZ Exports, a global exporter of edible proteins sourced principally from Australia

Esro Petfood

50 per cent ownership of petfood ingredients business with a processing plant in the Netherlands



Meateor NZ*

Petfood ingredients,
New Zealand
(50%)



Meateor International**

Petfood ingredients supplier,
Australia & other markets
(100%)



Meateor Australia**

Petfood ingredients,
Australia
(100%)



Shelby Foods**

Petfood ingredients,
United States
(67.5%)



Fayman**

Edible proteins, Australia
(100% Fayman International /
85% ANZ Exports)



Esro Petfood*

Petfood ingredients,
Netherlands
(50%)

* Equity accounted.

** Fully consolidated into Scales' financial results, with Shelby non-controlling interest of \$16.7 million deducted from NPAT (2024: \$19.3 million).

Operational and Financial Performance

The table below outlines key operational metrics and the summarised financial performance for Global Proteins.

		2025	2024
Key Operational Metrics			
Petfood ingredients volume sold	MT	165,760	152,149
Edible proteins volume sold	MT	120,673	109,742
Financial Performance			
		\$000's	\$000's
Global Proteins revenue ¹		477,587	266,791
Underlying Global Proteins EBITDA			
		73,865	55,353
Depreciation and amortisation		(4,547)	(1,652)
Depreciation of right-of-use assets		(266)	(69)
Underlying Global Proteins EBIT		69,052	53,632
Global Proteins EBITDA			
		98,831	52,987
Global Proteins EBIT		95,726	51,266
Capital employed			
		340,253	115,989
ROCE		19.8%	45.3%

NB: A reconciliation of Underlying to Reported profit measures follows this Divisional Overview section.

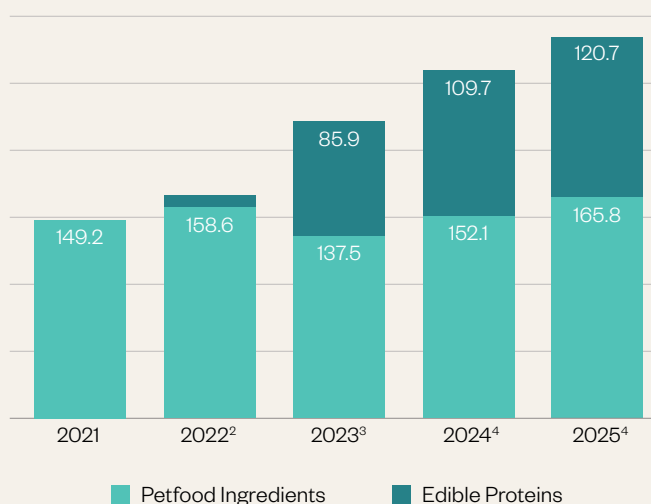
Operational Summary

Global Proteins produced a strong result whilst implementing its growth strategies. Petfood ingredients volumes increased 9 per cent whilst edible proteins volumes increased 10 per cent.

There was strong volume growth at Meateor Australia and Esro Petfood as well as in the edible proteins business.



Volumes Sold (MT 000s)



¹ Excludes revenue from Meateor NZ and Esro Petfood and revenue from Meateor Australia and Fayman until 30 September 2025 (date of additional investment)

² 2022 edible protein volumes are for a 2-month period

³ 2023 petfood ingredient volumes exclude those sold at Meateor Australia and Esro Petfood due to low volumes, both of which were operational by the end of 2023

⁴ 2024 and 2025 petfood ingredient volumes include 100% of petfood ingredient volumes from relevant businesses (i.e. total petfood ingredient volumes controlled directly and indirectly by Global Proteins) but excludes inter-company sales. Inter-company sales were not excluded in prior years due to immaterial volumes

Financial Summary

There was a 79 per cent increase in revenue compared to last year, to \$477.6 million (2024: \$266.8 million) and Underlying EBITDA increased 33 per cent to \$73.9 million (2024: \$55.4 million). These increases reflected the benefit of increased investments in our joint venture businesses.

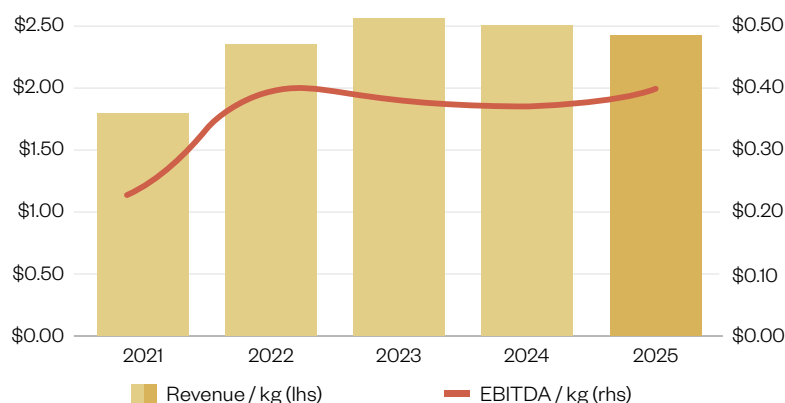
Shelby had a solid performance with the addition of new processing facilities during the year. Meateor Australia and Meateor NZ performed ahead of forecast with their margins up on expectations. Fayman International had a strong performance, increasing sales to both the South East Asia and United States markets. In the Netherlands, Esro Petfood continued to progress through its start-up phase, whilst also transitioning to a new processing facility.

Margin Performance

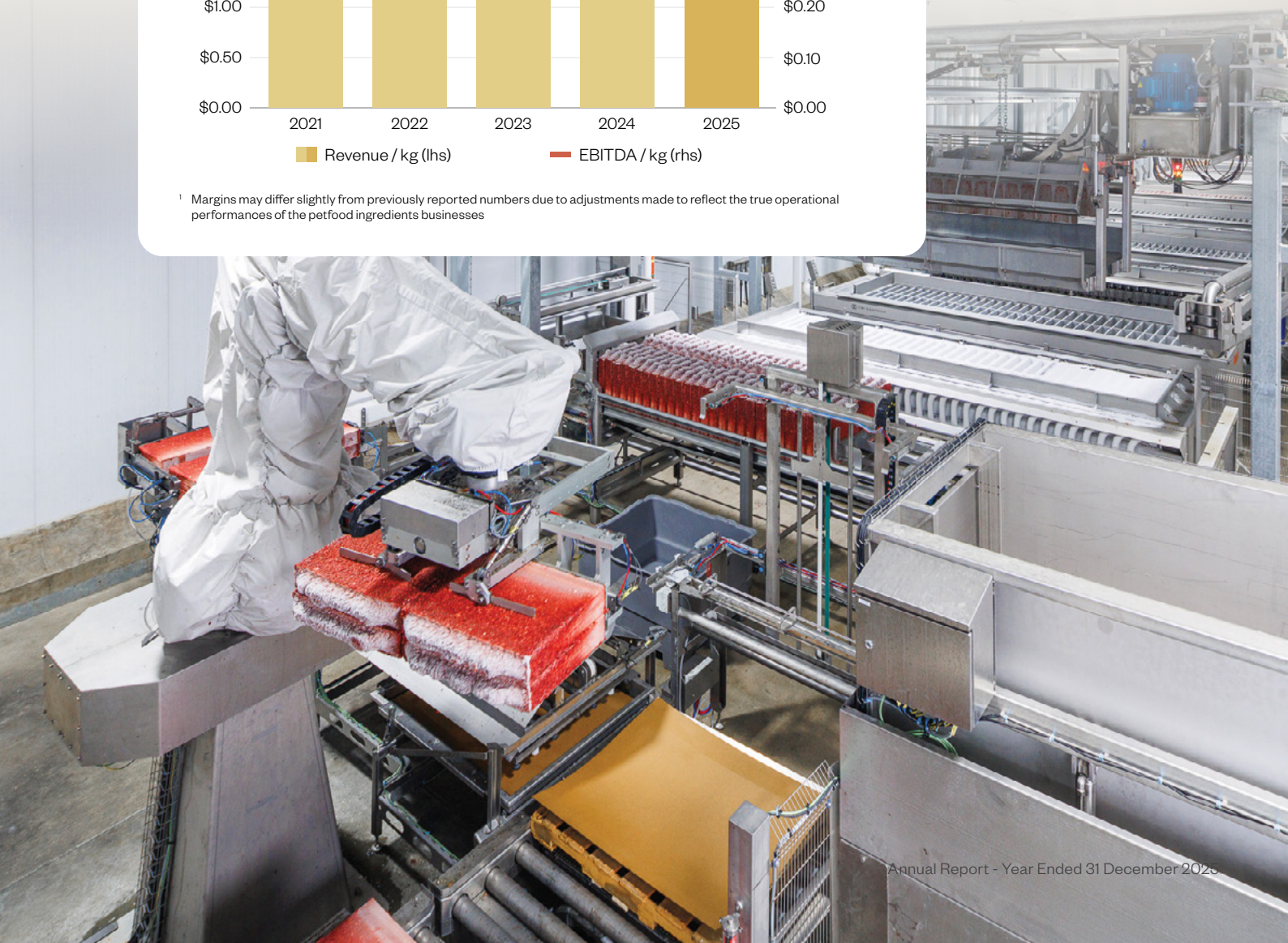
The graph below shows the growth in unit revenue and Underlying EBITDA for petfood ingredients over the last 5 years.

Revenue and margin per kilogram of volume sold within our petfood ingredients businesses were influenced by changes in business mix within the division. Whilst there was a slight decrease in revenue / kilogram due to the change in proportionate business mix, we experienced improved margins across Meateor NZ, Meateor Australia and Esro Petfood.

Petfood Ingredients Revenue and Underlying EBITDA / kg¹



¹ Margins may differ slightly from previously reported numbers due to adjustments made to reflect the true operational performances of the petfood ingredients businesses



Current Initiatives

During 2025, the Global Proteins division continued to make considerable progress towards its strategic growth goal and, as a result of the increased investments in joint venture businesses, the FY27 Underlying EBITDA target was increased from \$70 million to \$85 million.

There has also been excellent progress on the 9 key strategic projects that support Global Proteins' growth target.

In respect of completed projects:

- The new toll processing plant in the United States is increasing volumes
- The new processing facility in the Netherlands is performing well and producing high quality product
- The blending project in the United States continued to operate successfully during FY25
- The first new in-plant collection and cooling system in the United States is functioning well
- The second new in-plant collection and cooling system in the United States was commissioned in December 2025, ahead of schedule
- Meateor Australia traded ahead of forecast and is significantly profitable

In respect of other projects:

- We are partnering in the establishment of a fish and poultry petfood ingredients trading joint venture in the United States
- The feasibility study for a second European site is currently paused
- Options for additional capacity in New Zealand are close to finalisation

Each of these initiatives are expected to contribute positively to the Global Proteins earnings target in future periods.

2026 Outlook

We expect Global Proteins to continue to perform strongly and realise the benefits of its increased joint venture investments. We look forward to providing further updates on the division's strategic, operational and financial progress.



Horticulture

Overview

Our Horticulture division comprises:

 Mr Apple New Zealand's largest fully vertically integrated apple business, based in Hawke's Bay	 Fern Ridge A fresh produce exporter in Hawke's Bay	 Profruit A manufacturer of high-quality apple, kiwifruit and pear juice concentrates, located in Hawke's Bay
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During 2025 we operated 2 packhouses, each of which is equipped with high-speed optical grading machines. Mr Apple also operates 6 coolstores.

Financial Performance and Key Operating Statistics

Financial Summary

The table below shows the financial performance of our Horticulture division for 2025 and 2024.

	2025 \$000's	2024 \$000's (Restated)
Horticulture revenue	341,831	248,875
Underlying EBITDA		
Mr Apple	56,545	29,768
Fern Ridge	2,116	1,624
Profruit	6,560	6,302
Underlying Horticulture EBITDA	65,220	37,694
Depreciation and amortisation	(13,485)	(11,504)
Depreciation of right-of-use assets	(9,621)	(8,366)
Underlying Horticulture EBIT	42,115	17,823
Horticulture EBITDA	75,275	37,715
Horticulture EBIT	52,169	18,261
Capital employed	342,706	342,714
ROCE	12.3%	5.4%

NB: A reconciliation of Underlying to Reported measures follows this Divisional overview section.

Horticulture delivered an outstanding result due to increased apple export volumes, increased average prices and a higher proportion of Premium varieties. The acquisition of Bostock orchards in 2024 also fast-tracked our long-term strategy of investing in apple varieties targeted to the Asia & Middle East markets.

Profruit delivered another excellent performance underpinned by strong sales prices in its export markets and trading business. Fern Ridge also had a strong year.

Orchard Statistics

We continue to monitor and report against various operating statistics, a selection of which are noted below:

		2025	2024	2023	2022	2021
Orchard						
Total planted orchard (at time of harvest) ¹	Ha.	1,196	1,095	1,150	1,167	1,201
Fully mature equivalent planted orchard	Ha.	985	982	1,050	1,024	1,050
Apples picked (Mr Apple orchards)						
Apples packed (Mr Apple + external growers (Hawke's Bay))	TOE 000s	4,622	3,833	3,872	4,281	4,757
Apples packed (Mr Apple + external growers (Hawke's Bay))						
	TOE 000s	4,338	3,499	3,330	3,960	4,430
Exported volume						
Mr Apple	TOE 000s	3,681	3,033	2,733	3,324	3,651
External growers	TOE 000s	1,624	1,094	1,187	1,256	1,332
Total	TOE 000s	5,305	4,126	3,920	4,580	4,983
Mr Apple packout %						
	%	80%	79%	71%	78%	77%
Total NZ production						
	TOE 000s	21,325	19,052	17,264	18,777	19,666
Mr Apple own grown volume share of NZ production						
	%	17.3%	15.9%	15.8%	17.7%	18.6%
Profruit						
Juice concentrate sold	litres 000s	6,537	7,785	5,783	5,748	6,497

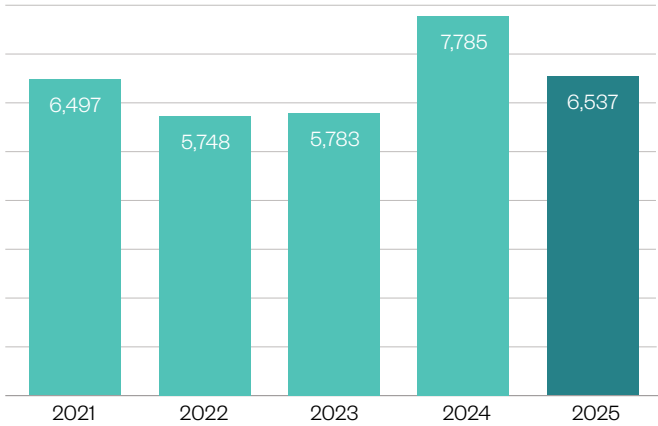
Volumes increased significantly in 2025 aided by very good growing conditions during the 2025 season as well as the integration of the Bostock orchards, which performed ahead of expectations:

- Gross production was up 21 per cent to 4.62 million TOEs (2024: 3.83 million TOEs)
- Own-grown export volumes were up 21 per cent to 3.68 million TOEs (2024: 3.03 million TOEs)
- Total exported volumes were up 29 per cent to 5.31 million TOEs (2024: 4.13 million TOEs)

The national apple crop grew 21 per cent compared to 2024. Mr Apple continued to contribute significantly to this crop, with production from its owned and leased orchards in 2025 accounting for 17.3 per cent of New Zealand's apple exports (2024: 15.9 per cent).

Profruit continued to generate strong export sales and pricing, with the volume of juice concentrate sold reflecting a more normal year compared to the record volume in 2024.

Profruit Sales Volumes (L 000s)



¹ Planted orchard at the end of the year was 1,176 hectares (2024: 1,191 hectares)



Volumes and Prices

Volumes and prices (on an NZD FOB basis) for 2025 and 2024 are noted below.

Volumes by Variety (TCE 000s)		2025	2024
Premium Varieties			
NZ Queen	TCE 000s	442	494
Pink Lady	TCE 000s	343	332
Red Sports (Fuji and Royal Gala)	TCE 000s	1,106	876
Dazzle™ & Posy™	TCE 000s	714	392
Other	TCE 000s	132	92
Total	TCE 000s	2,737	2,186
Growth	%	25%	25%
% premium		74%	72%
Traditional varieties			
Braeburn	TCE 000s	119	134
Royal Gala	TCE 000s	322	316
Other	TCE 000s	502	397
Total	TCE 000s	944	847
Growth	%	11%	(15%)
Total Mr Apple owned and leased orchards	TCE 000s	3,681	3,033
Growth	%	21%	11%
Prices by Variety (NZD / TCE (FOB))			
Weighted average price for premium varieties	NZD / TCE	52.7	45.6
Weighted average price for traditional varieties	NZD / TCE	41.1	37.6
Total weighted average price	NZD / TCE	49.7	43.4

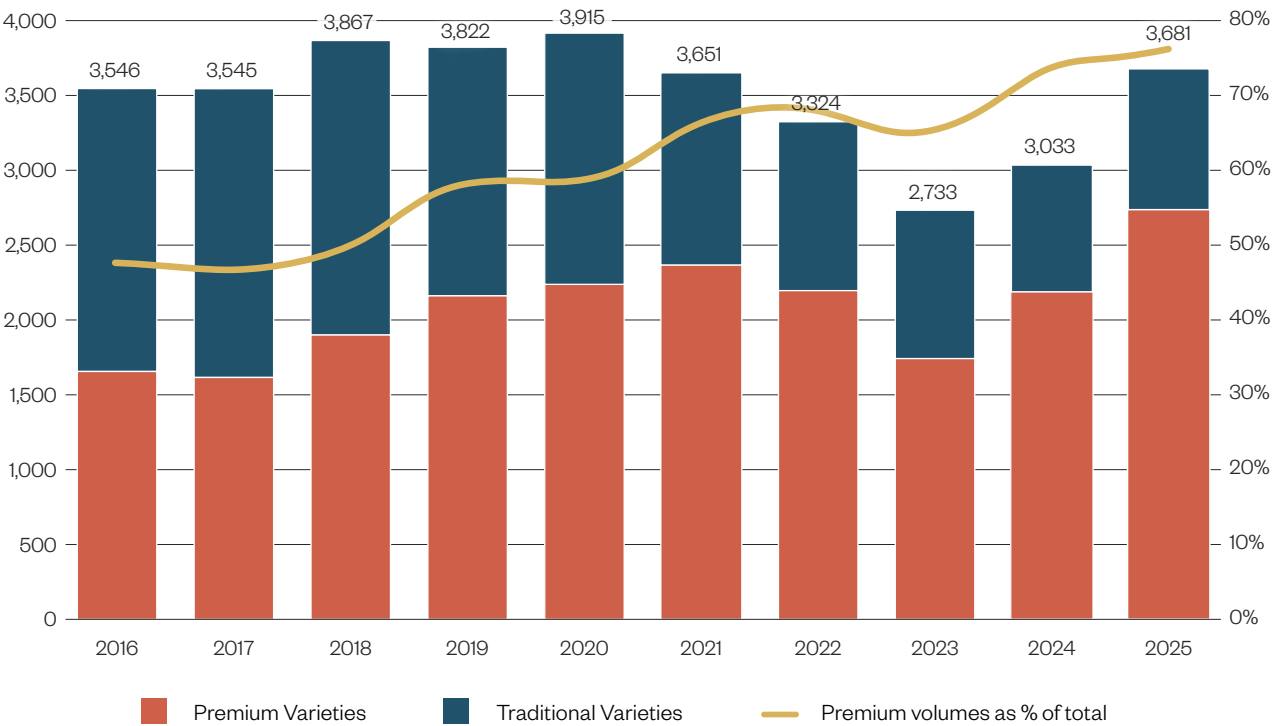
Volumes of Premium and Traditional varieties in 2025 were up 25 per cent and 11 per cent respectively.

Premium apple volumes accounted for 74 per cent of export apples sold in 2025, an increase on 2024 and continuing our 10-year upward trend. This aligns with our strategy, positioning us in the right direction to meet our target Premium volume percentage.

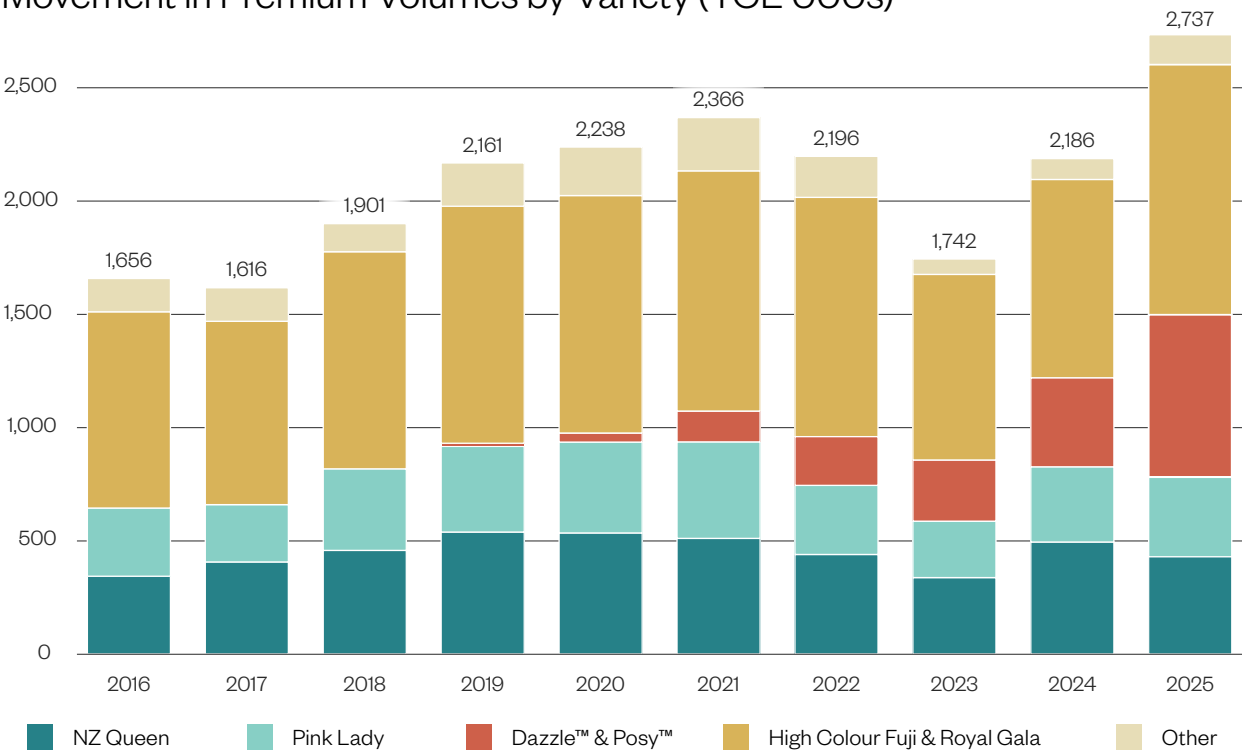
Premium apple volumes in 2025 were significantly higher than all previous years and 16 per cent higher than 2021, which was our previous record year. Pleasingly, this included significant growth in Dazzle™ and Posy™ sales.

We achieved increases in pricing for both our Premium and Traditional variety apples. This was helped by strong demand for our apples in our key markets and by the Bostock orchards, which performed ahead of our initial expectations. Favourable exchange rates were also a positive factor and pricing also benefited from targeted marketing and promotional activity.

Mr Apple Own Export Volume (TCE 000s)



Movement in Premium Volumes by Variety (TCE 000s)

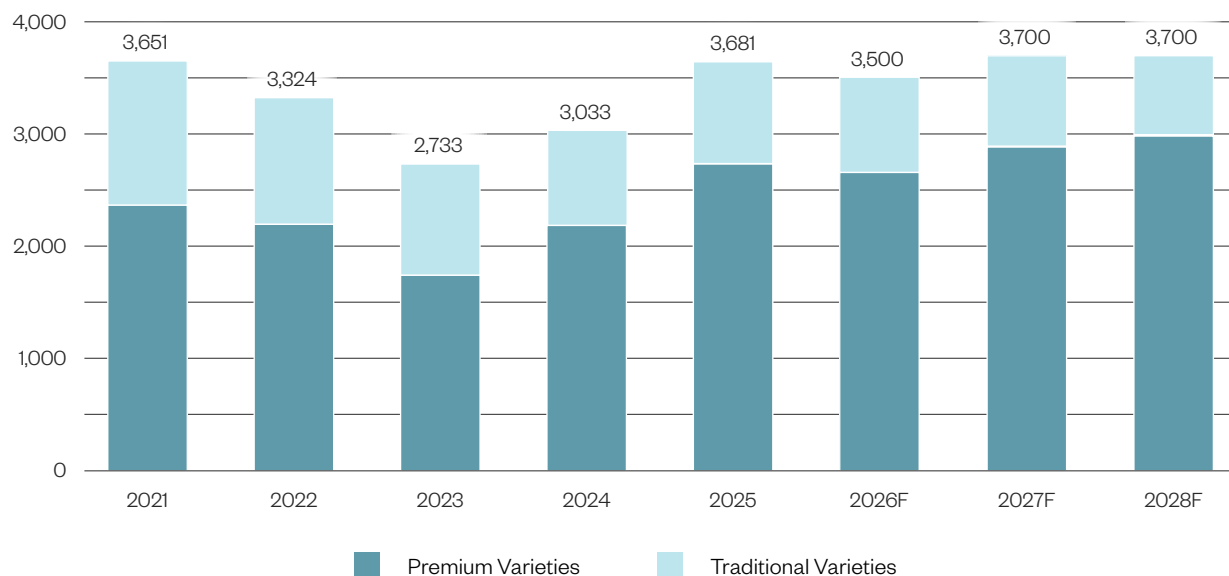


Forecast Volumes

It is currently projected that Premium varieties will account for approximately 80 per cent of export volumes by 2027 as a result of:

- The integration of the Bostock orchards
- Mr Apple's ongoing orchard redevelopment programme
- Development of new Premium apple varieties, which are being grafted onto existing trees and are expected to supply a new wave of growth

The graph below depicts our actual apple volumes from 2020 to 2025 and our forecast volumes from 2026 to 2028.

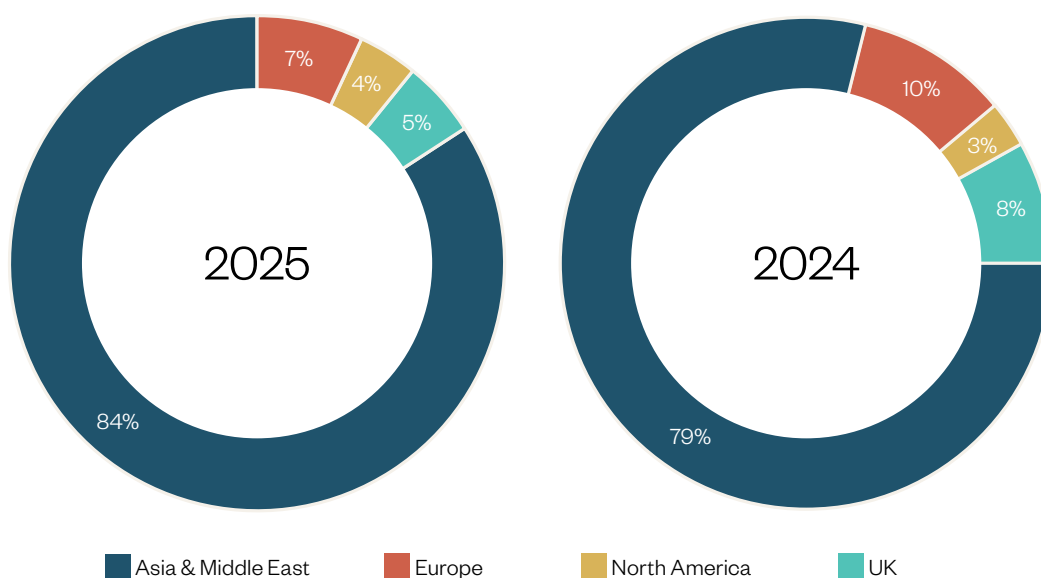


Markets

Our apples are sought after around the world, with Mr Apple selling to over 130 customers in over 20 countries.

Sales into the Asia and Middle East markets comprised 84 per cent of total export fruit sold, an increase compared to last year (2024: 79 per cent). Marketing, sales promotions and customer support in these key markets supported the volume increases.

Mr Apple - Sales by Region (TCEs)



Marketing and Branding Developments

We continue to develop not only the Mr Apple brand, but also the high value variety brands such as Dazzle™ and Posy™, which achieve significantly higher NZD FOB prices than Traditional varieties. A selection of consumer marketing activities carried out by our Mr Apple team to support this strategy included:

- Relaunching our Tmall store, the Alibaba business-to-consumer online marketplace
- Launching Mr Apple channels on RedNote and Douyin, two Chinese social media and e-commerce platforms
- Continuing to provide Dazzle™ sponsorship of active events
- Continuing with metro advertising in Shanghai, Guangzhou and Taipei to reach busy commuters
- Launching a store locator on Mr Apple's official WeChat page to help consumers find our apples with our retail partners

Overall, the team more than doubled Mr Apple's branded presence in retail stores across our South-East Asian Markets, increased its in-store point-of-sale material 10-fold and trebled its in-store sampling sessions.

Some of these activities are illustrated in the pictures below.



Dazzle™ sponsorship

2026 Outlook

Picking and packing is progressing at Mr Apple for the 2026 season, with an export crop of around 3.5 million TCEs being forecast. Pricing is forecast to be positive due to several factors including more favourable exchange rates. Profruit is also continuing to experience positive demand.



Dazzle™ sponsorship



Guangzhou and Shanghai metro advertising



Mini show for Queen launch in Hema stores

Logistics

Overview

The services of Scales Logistics include:

- Ocean freight services to exporters and importers of perishable products, with offices in Auckland, Christchurch, Tauranga, Hawke's Bay and Melbourne
- Airfreight services, including chiller and warehousing facilities in both Christchurch and Auckland

Operational and Financial Performance

The key operational metrics and the summarised financial performance for the Logistics division for 2025 and 2024 are shown below.

		2025	2024
Key Operational Metrics			
Ocean freight volume	TEUs	31,468	30,068
Airfreight volume	MT	13,769	7,615
Financial Performance		\$000's	\$000's
Revenue		119,278	98,797
Underlying Logistics EBITDA		7,597	6,884
Depreciation and amortisation		(320)	(293)
Depreciation of right-of-use assets		(791)	(731)
Underlying Logistics EBIT		6,486	5,860
Logistics EBITDA		7,597	6,884
Logistics EBIT		6,486	5,860
Capital employed		9,544	11,171
ROCE		62.6%	54.1%

NB: A reconciliation of Underlying to Reported profit measures follows this Divisional Overview section.

Logistics produced another record result in 2025. Revenue increased 21 per cent to \$119.3 million (2024: \$98.8 million) and Underlying EBITDA increased 10 per cent to a record \$7.6 million (2024: \$6.9 million).

Both ocean freight and airfreight volumes were up on last year, at 5 per cent and 81 per cent respectively, due to continued growth in the dairy sector as well as the division benefitting from good growing seasons for both apples and cherries.

Its strategy of supporting both internal and external customers is proving to be beneficial to its growth.

2026 Outlook

We expect Logistics to continue to contribute positively in 2026, both financially and strategically, as we continue to navigate volatility in some trade lanes. Airfreight demand has been strong in the year-to-date.





Reconciliation of Underlying to Reported Profit Measures

The following table provides a reconciliation of Underlying profitability to Reported profitability for the Group and each division.

	Group		Global Proteins	
	2025	2024 (Restated)	2025	2024
	\$000's	\$000's	\$000's	\$000's
Underlying EBITDA (excluding NZ IFRS 16)	124,355	79,366	73,521	55,250
NZ IFRS 16 <i>Leases</i>	8,560	12,338	344	103
NZ IFRS 16 <i>Leases</i> - normalisation	4,713	-	-	-
Underlying EBITDA (including NZ IFRS 16)	137,628	91,704	73,865	55,353
Other adjustments:				
Reversal of impairment/(impairment) of non-current assets	3,334	(2,707)	-	-
Cyclone Gabrielle - net costs and proceeds	-	183	-	-
(Loss)/gain on sale	(107)	4,934	-	-
Equity settled employee benefits	(1,169)	(710)	-	-
FX loss	3,277	-	-	-
Fayman acquisition and equity accounting	22,041	(1,606)	22,041	(1,606)
Profruit acquisition and equity accounting	(524)	(781)	-	-
Equity accounting losses not recognised	2,925	1,755	2,925	1,755
Change in fair value gain on apple inventory	4,579	(1,139)	-	-
Change in gross liability for non-controlling interests and joint venture options	-	(2,515)	-	(2,515)
Transaction costs	(2,123)	(1,241)	-	-
Reported EBITDA	169,862	87,876	98,831	52,987
Underlying EBIT (excluding NZ IFRS 16)	105,965	65,876	68,974	53,597
NZ IFRS 16 <i>Leases</i>	(2,240)	3,053	78	35
NZ IFRS 16 <i>Leases</i> - normalisation	4,713	-	-	-
Underlying EBIT (including NZ IFRS 16)	108,438	68,928	69,052	53,632
Other adjustments:				
Reversal of impairment/(impairment) of non-current assets	3,334	(2,707)	-	-
Cyclone Gabrielle - net costs and proceeds	-	183	-	-
(Loss)/gain on sale	(107)	4,934	-	-
Equity settled employee benefits	(1,169)	(710)	-	-
FX loss	3,277	-	-	-
Fayman acquisition and equity accounting	23,749	(1,606)	23,749	(1,606)
Profruit acquisition and equity accounting	(524)	(364)	-	-
Equity accounting losses not recognised	2,925	1,755	2,925	1,755
Change in fair value gain on apple inventory	4,579	(1,139)	-	-
Change in gross liability for non-controlling interests and joint venture options	-	(2,515)	-	(2,515)
Transaction costs	(2,123)	(1,241)	-	-
Reported EBIT	142,379	65,517	95,726	51,266

Please note that figures in the table above may not sum due to rounding

Horticulture		Logistics		Corporate and eliminations	
2025	2024 (Restated)	2025	2024	2025	2024
\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
53,656	26,778	6,395	5,725	(9,217)	(8,387)
6,851	10,916	1,201	1,159	163	160
4,713	-	-	-	-	-
65,220	37,694	7,597	6,884	(9,055)	(8,227)
3,334	(2,707)	-	-	-	-
-	183	-	-	-	-
(107)	4,934	-	-	-	-
-	-	-	-	(1,169)	(710)
3,277	-	-	-	-	-
-	-	-	-	-	-
(524)	(781)	-	-	-	-
-	-	-	-	-	-
4,579	(1,139)	-	-	-	-
-	-	-	-	-	-
(504)	(468)	-	-	(1,619)	(772)
75,275	37,715	7,597	6,884	(11,842)	(9,711)
40,172	15,273	6,076	5,432	(9,256)	(8,427)
(2,770)	2,549	410	428	42	41
4,713	-	-	-	-	-
42,115	17,823	6,486	5,860	(9,215)	(8,386)
3,334	(2,707)	-	-	-	-
-	183	-	-	-	-
(107)	4,934	-	-	-	-
-	-	-	-	(1,169)	(710)
3,277	-	-	-	-	-
-	-	-	-	-	-
(524)	(364)	-	-	-	-
-	-	-	-	-	-
4,579	(1,139)	-	-	-	-
-	-	-	-	-	-
(504)	(468)	-	-	(1,619)	(772)
52,169	18,261	6,486	5,860	(12,002)	(9,869)

Reconciliation of Underlying to Reported Profit Measures (continued)

The following table provides a reconciliation of Underlying profitability to Reported profitability for the Group and each division.

	Group		Global Proteins	
	2025	2024 (Restated)	2025	2024
	\$000's	\$000's	\$000's	\$000's
Underlying NPAT (excluding NZ IFRS 16)	79,226	53,888	54,614	46,689
NZ IFRS 16 Leases, net of tax	(5,025)	(518)	(51)	13
NZ IFRS 16 Leases - normalisation, net of tax	3,393	-	-	-
Underlying NPAT (including NZ IFRS 16)	77,594	53,369	54,562	46,702
Other adjustments:				
Reversal of impairment/(impairment) of non-current assets	3,334	(2,707)	-	-
Cyclone Gabrielle - net costs and proceeds	-	183	-	-
(Loss)/gain on sale	(107)	4,934	-	-
Equity settled employee benefits	(1,084)	(710)	-	-
FX loss	3,277	-	-	-
Fayman acquisition and equity accounting	31,550	(1,141)	31,550	(1,141)
Profruit acquisition and equity accounting	(378)	(168)	-	-
Equity accounting losses not recognised	2,925	1,755	2,925	1,755
Change in fair value gain on apple inventory	4,579	(1,139)	-	-
Change in gross liability for non-controlling interests and joint venture options	-	(2,515)	-	(2,515)
Transaction costs	(2,123)	(1,241)	-	-
Tax deduction change for buildings	-	(2,065)	-	-
Tax effect of other NZ IFRS adjustments	(1,871)	1,094	(959)	(528)
Reported NPAT	117,698	49,648	88,078	44,273
Underlying NPATAS (excluding NZ IFRS 16)	63,465	34,576	38,853	27,377
NZ IFRS 16 Leases, net of tax	(5,025)	(518)	(51)	13
NZ IFRS 16 Leases - normalisation, net of tax	3,393	-	-	-
Underlying NPATAS (including NZ IFRS 16)	61,834	34,058	38,802	27,391
Other adjustments:				
Reversal of impairment/(impairment) of non-current assets	3,334	(2,707)	-	-
Cyclone Gabrielle - net costs and proceeds	-	183	-	-
(Loss)/gain on sale	(107)	4,934	-	-
Equity settled employee benefits	(1,084)	(710)	-	-
FX loss	3,277	-	-	-
Fayman acquisition and equity accounting	31,651	(1,141)	31,651	(1,141)
Profruit acquisition and equity accounting	(378)	(168)	-	-
Shelby acquisition	(1,051)	-	(1,051)	-
Equity accounting losses not recognised	2,925	1,755	2,925	1,755
Change in fair value gain on apple inventory	4,579	(1,139)	-	-
Change in gross liability for non-controlling interests and joint venture options	-	(2,515)	-	(2,515)
Transaction costs	(2,123)	(1,241)	-	-
Tax deduction change for buildings	-	(2,065)	-	-
Tax effect of other NZ IFRS adjustments	(1,871)	1,094	(959)	(528)
Reported NPAT Attributable to Shareholders	100,988	30,337	71,368	24,961

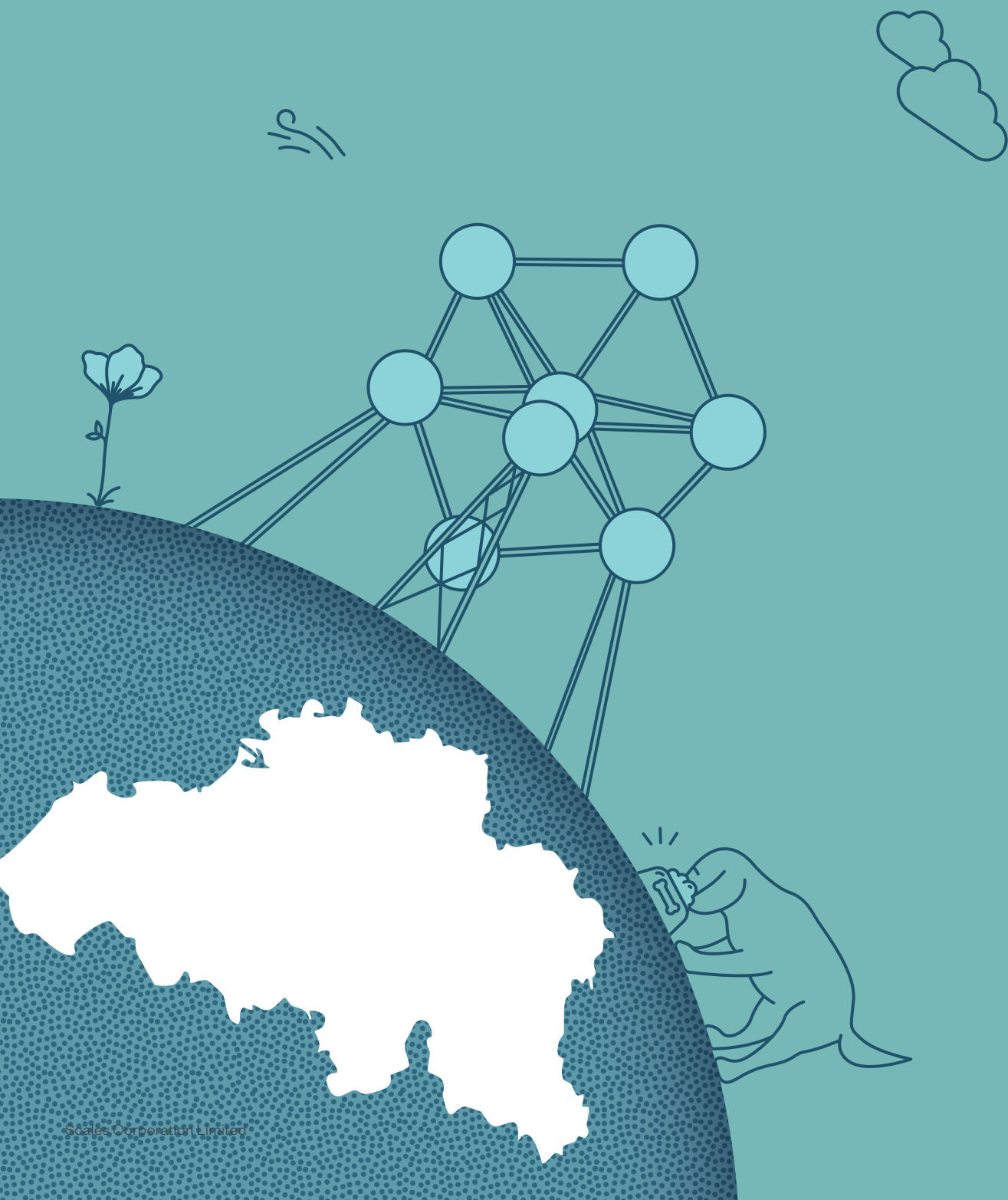
Please note that figures in the table above may not sum due to rounding

Horticulture		Logistics		Corporate and eliminations	
2025	2024 (Restated)	2025	2024	2025	2024
\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
27,806	11,022	4,398	3,877	(7,592)	(7,701)
(4,826)	(361)	(134)	(153)	(13)	(18)
3,393	-	-	-	-	-
26,373	10,661	4,264	3,725	(7,605)	(7,718)
3,334	(2,707)	-	-	-	-
-	183	-	-	-	-
(107)	4,934	-	-	-	-
-	-	-	-	(1,084)	(710)
3,277	-	-	-	-	-
-	-	-	-	-	-
(378)	(168)	-	-	-	-
-	-	-	-	-	-
4,579	(1,139)	-	-	-	-
-	-	-	-	-	-
(504)	(468)	-	-	(1,619)	(772)
-	(2,065)	-	-	-	-
(912)	1,622	-	-	-	-
35,662	10,852	4,264	3,725	(10,308)	(9,201)
27,806	11,022	4,398	3,877	(7,592)	(7,701)
(4,826)	(361)	(134)	(153)	(13)	(18)
3,393	-	-	-	-	-
26,373	10,661	4,264	3,725	(7,605)	(7,718)
3,334	(2,707)	-	-	-	-
-	183	-	-	-	-
(107)	4,934	-	-	-	-
-	-	-	-	(1,084)	(710)
3,277	-	-	-	-	-
-	-	-	-	-	-
(378)	(168)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,579	(1,139)	-	-	-	-
-	-	-	-	-	-
(504)	(468)	-	-	(1,619)	(772)
-	(2,065)	-	-	-	-
(912)	1,622	-	-	-	-
35,662	10,852	4,264	3,725	(10,308)	(9,201)





Leadership



Management Profiles



Andy Borland

Managing Director

Andy joined Scales in 2007 and became Managing Director in 2011. Andy's full biography is set out in the following section.



Brett Frankel

President Shelby Foods

Brett established Shelby Foods in 2007 and has been its President since inception. Brett has over 25 years' experience in petfood, having had a senior procurement role prior to starting Shelby. He also represents the third generation of family involvement in the sector, following in the footsteps of both his father and grandfather.



Tim Harty

General Manager Meateor Pet Foods

Tim was appointed General Manager at the inception of the JV with Alliance in 2019. Tim has had over 20 years' experience in the export meat industry, in marketing and operational roles, both in New Zealand and overseas.



Steve Kennelly

Chief Financial Officer

Steve has been with Scales since 1993 in a variety of accounting and financial roles. As CFO, Steve is responsible for finance, funding, legal, company secretarial and information technology. Steve is a member of Chartered Accountants Australia and New Zealand.



Chantelle Ramage

General Manager Profruit

Chantelle has been with Profruit for 19 years, including 17 as General Manager. Prior to that Chantelle held Production Manager and Technical Manager roles with the Company. Chantelle graduated from Lincoln University with a Bachelor of Science, majoring in Food.



Kent Ritchie

CEO Scales Logistics

Kent joined Scales in 1998 and has spent over 35 years in the shipping industry. He has been involved in setting up shipping services from New Zealand, has experience in all aspects of the transport industry and has led Scales' expansion into the logistics arena.



John Sainsbury

CEO Meateor Group

John has been with Meateor in various management roles for over 20 years. Prior to that, John worked in senior management, marketing and operational roles in the United States. John was appointed CEO of Meateor Foods in 2015, and CEO of Meateor Group in 2019.



Geoff Smith

CEO Horticulture and Logistics

Geoff joined Scales in 2022 from Zespri where he was Head of New Zealand Supply. Geoff has extensive experience across a variety of agribusinesses, particularly in operations, supply chain, strategy and investment. Geoff has both an Honours degree and Doctorate from Lincoln University.



Andrew van Workum

CEO Mr Apple

Andrew has worked in the apple industry for over 35 years. He joined Mr Apple at its inception in 2001 and prior to that was General Manager of Mr Apple's predecessor, Grocorp Pacific Limited, where he worked for 16 years. He has extensive experience in the production aspects of the apple industry and was previously a Director of Pipfruit New Zealand.



Hamish Davis

Managing Director Fern Ridge Fresh

Hamish joined Fern Ridge in 2001, becoming Managing Director in 2008. He has over 35 years' experience in the growing and post-harvest sectors of the apple industry and remains very active in export sales for the company.



Nadine Tunley

Chief Risk Officer

Nadine was appointed as Scales' Chief Risk Officer during 2024. Nadine was previously a director of Scales and was also Chair of Scales' Health & Safety and Sustainability Committee. Nadine has extensive primary industry management and governance experience.



Board of Directors

In order from left to right:

Nick Harris

Non-Executive Independent Director

Nick was elected to the Board in 2014, having been appointed a Director of both Scales' Storage & Logistics division and Meateor in 2012. Nick was previously the Managing Director and was one of the founding shareholders of Hellers Limited, New Zealand's largest bacon, ham and small goods company. Nick is currently the Managing Director of Harris Farms and Glenturret Farm in Cheviot, North Canterbury, and is also a Shareholder and Director of several private companies. Nick is a member of Scales' Audit and Risk Management Committee.

Mike Petersen

Non-Executive Independent Chair

Mike was appointed to the Board in April 2023. Mike has over 30 years' management and governance experience in the agribusiness sector. Mike is currently a director of ANZCO Foods Limited and Kelso Genetics Limited and Chairs the Tukituki Water Security Project, alongside advisory roles with a number of other privately owned and publicly listed companies. Mike was previously Chair of Beef + Lamb New Zealand and was also New Zealand's Special Agricultural Trade Envoy for 6 years. Mike is a member of Scales' Nominations and Remuneration Committee and Scales' Finance and Treasury Committee.

Tony Batterton

Non-Executive Independent Director

Tony was appointed to the Board in August 2023, having previously been a Director of Scales from 2011 to 2014. Tony has a private equity and investment banking background, in New Zealand with Evergreen Partners and Direct Capital, and in London with HSBC Investment Bank. Tony is currently an Independent Non-Executive Director of Briscoe Group Limited, where he is also Chair of the Audit & Risk Committee. In addition to this role, Tony is currently a Partner and Director of Evergreen Partners and a Non-Executive Director of NZ Fine Touring Group. Tony is Chair of Scales' Nominations and Remuneration Committee and of Scales' Finance and Treasury Committee. Tony is also a member of Scales' Audit and Risk Management Committee.



Andrew (Andy) Borland

Executive Director

Andy joined Scales in 2007 and became Managing Director in 2011. Prior to joining Scales he had a 20-year career in banking, with his final role being Head of Corporate at Westpac New Zealand. Andy has overall responsibility for the strategic direction and day-to-day management of Scales. In addition to his Directorships of the Group, Andy is currently the Chair of Primary Collaboration New Zealand Limited and Primary Collaboration New Zealand (Shanghai) Co. Limited. Andy is a member of Scales' Finance and Treasury Committee and Scales' Health & Safety and Sustainability Committee.

Paul Munro

Non-Executive Independent Director

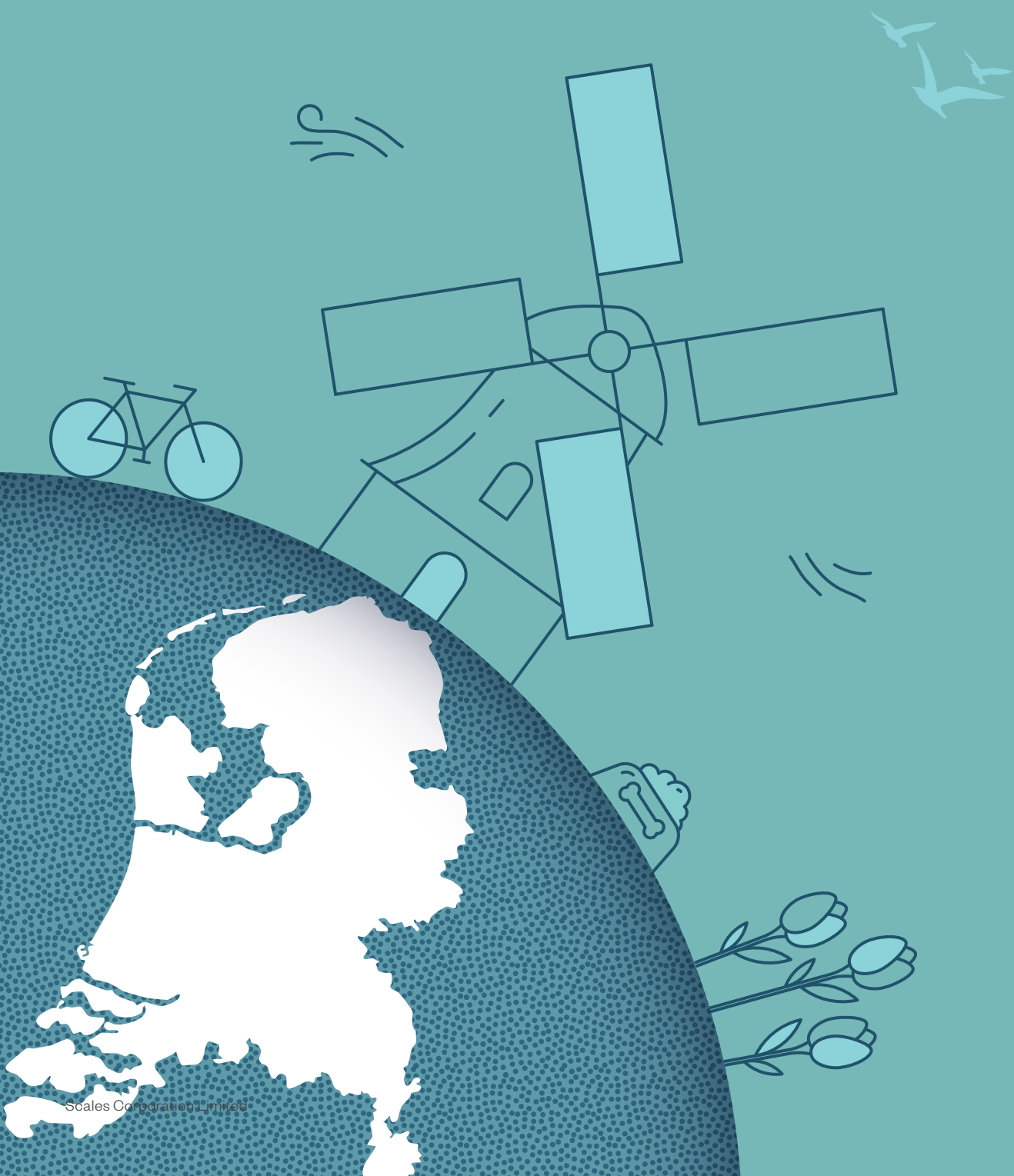
Paul was appointed to the Board in 2025. Paul has extensive governance experience from a wide range of public and private entities. Prior to his governance career Paul spent 24 years with Deloitte as a Corporate Finance Partner, primarily working with large corporates, leading projects and M&A assignments. Following his time with Deloitte, Paul was CEO of Christchurch City Holdings Limited. Paul is currently a Director of New Zealand King Salmon Limited, where he is also Chair of the Audit, Finance, Risk and Project Development Committee. In addition to this role, Paul is currently Chair or a Director of a number of private companies. Paul is Chair of Scales' Audit and Risk Management Committee.

Miranda Burdon

Non-Executive Independent Director

Miranda was appointed to the Board in August 2022. Miranda has over 20 years' executive and entrepreneurial experience, centered on fast moving consumer goods in New Zealand and globally, including as the Global Marketing Manager for Pernod Ricard and co-founder of Food Nation, a New Zealand based food manufacturer producing plant-powered products. Miranda is currently Executive Chair of Cyprus Enterprises which operates in covered crops and intensive horticulture in New Zealand. Miranda is Chair of Scales' Health & Safety and Sustainability Committee.

Financial Statements



Contents

Comprehensive income 52

The income earned and operating expenditure incurred by the Scales Group during the financial year (profit or loss) followed by the other comprehensive income or loss that is taken to reserves in equity.

Changes in equity 54

The opening balance, details of movements during the year and the balance of each component of shareholders' equity at the end of the financial year.

Financial position 55

The Scales Group assets, liabilities and equity at the end of the financial year.

Cash flows 56

Cash generated and used in the operating, investing and financing activities of the Scales Group.

Notes to the financial statements 59

A. Segment information 61

B. Financial performance 64

- B1. Revenue
 - B2. Cost of sales, administration and operating expenses
 - B3. Other income and losses
 - B4. Finance cost
 - B5. Taxation
 - B6. Foreign currency transactions
-

C. Key assets 69

- C1. Property, plant and equipment
 - C2. Unharvested agricultural produce
 - C3. Investments accounted for using the equity method
 - C4. Goodwill
 - C5. Inventories
 - C6. Impairment of assets
 - C7. Software
-

D. Capital funding 79

- D1. Share capital
 - D2. Reserves
 - D3. Dividends attributable to equity holders of the company
 - D4. Imputation credit account
 - D5. Earnings per share
-

E. Financial assets and liabilities 83

- E1. Trade and other receivables
 - E2. Other financial assets
 - E3. Trade and other payables
 - E4. Borrowings
 - E5. Other financial liabilities
 - E6. Interest rate risk
 - E7. Foreign currency risk
 - E8. Categories of financial instruments
 - E9. Maturity profile of financial liabilities
-

F. Group structure 90

- F1. Subsidiary companies
 - F2. Non-controlling interests
 - F3. Acquisition of Australian entities
-

G. Other 98

- G1. Capital commitments
 - G2. Leases
 - G3. Related party disclosures
 - G4. Contingent liabilities
 - G5. Events occurring after balance date
-

H. Correction of error and resulting restatement 102

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2025

	Note	2025 \$000's	2024 \$000's (Restated)*
Revenue	B1	899,949	584,627
Cost of sales	B2	(700,212)	(439,602)
		199,737	145,025
Administration and operating expenses	B2	(81,356)	(64,234)
Impairment of property, plant and equipment	C1	3,118	(2,949)
Share of profit of entities accounted for using the equity method	C3	8,219	6,402
Other income	B3	40,596	7,810
Other losses	B3	(452)	(4,178)
EBITDA		169,862	87,876
Amortisation	C7	(1,072)	(744)
Depreciation	C1	(15,611)	(12,330)
Depreciation of right-of-use asset	G2	(10,799)	(9,285)
EBIT		142,380	65,517
Finance revenue		3,036	3,465
Finance cost	B4	(5,383)	(4,819)
Finance cost of lease liability	G2	(4,740)	(3,774)
Profit before income tax expense		135,293	60,389
Income tax expense	B5	(17,595)	(10,741)
Profit for the year		117,698	49,648
Profit for the year is attributable to:			
Equity holders of the Company		100,988	30,337
Non-controlling interests		16,710	19,311
		117,698	49,648
Earnings per share attributable to equity holders of the company:			
Basic earnings per share (cents)	D5	70.7	21.3
Diluted earnings per share (cents)	D5	70.2	21.3

The notes to the financial statements on pages 59 to 102 form part of and should be read in conjunction with this statement.

* The restatements to comparative period are explained in Section H.

Consolidated Statement of Comprehensive Income (continued)

for the year ended 31 December 2025

	Note	2025 \$000's	2024 \$000's (Restated)*
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Gain (loss) on cash flow hedges		17,176	(41,941)
Income tax relating to cash flow hedges		(4,855)	11,743
Share of other comprehensive income (loss) of joint ventures	C3	2,661	(4,473)
Income tax relating to share of other comprehensive income of joint ventures	C3	(242)	452
Foreign exchange gain on translating foreign operations		1,584	3,630
		16,324	(30,589)
Items that will not be reclassified to profit or loss:			
Revaluation of land and buildings		(2,664)	(110)
Income tax relating to buildings		782	(1,736)
Revaluation of apple trees		(2,718)	14,915
Income tax relating to apple trees		761	(4,176)
Deferred tax effect on sale of buildings		186	821
Remeasurement of net defined benefit liability		406	487
Income tax relating to remeasurement of net defined benefit liability		(67)	(74)
		(3,314)	10,127
Other comprehensive income (loss) for the year		13,010	(20,462)
Total comprehensive income for the year		130,708	29,186
Total comprehensive income for the year attributable to:			
Equity holders of the Company		113,836	9,680
Non-controlling interests		16,872	19,506
		130,708	29,186

The notes to the financial statements on pages 59 to 102 form part of and should be read in conjunction with this statement.

* The restatements to comparative period are explained in Section H.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

	Note	Share capital \$000's	Reserves \$000's	Retained earnings \$000's	Attributable to owners of the Company \$000's	Non-controlling interests \$000's	Total \$000's
Balance at 1 January 2024		103,445	99,435	170,472	373,352	11,596	384,948
Correction of error adjustment	H		3,887	(401)	3,486		3,486
Balance at 1 January 2024 (Restated)*		103,445	103,322	170,071	376,838	11,596	388,434
Profit for the year (Restated)*		-	-	30,337	30,337	19,311	49,648
Other comprehensive loss for the year (Restated)*		-	(20,657)	-	(20,657)	195	(20,462)
Total comprehensive income for the year (Restated)*		-	(20,657)	30,337	9,680	19,506	29,186
Reclassification of revaluation reserve	D2	-	(16,182)	16,182	-	-	-
Recognition of share-based payments	D2	-	710	-	710	-	710
Shares sold	D1	256	-	-	256	-	256
Shares fully vested	D1, D2	2,070	(578)	(221)	1,271	-	1,271
Dividends	D3	-	-	(16,374)	(16,374)	(17,175)	(33,549)
Balance at 31 December 2024 (Restated)*		105,771	66,615	199,995	372,381	13,927	386,308
Profit for the year		-	-	100,988	100,988	16,710	117,698
Other comprehensive income for the year		-	12,848	-	12,848	162	13,010
Total comprehensive income for the year		-	12,848	100,988	113,836	16,872	130,708
Reclassification of revaluation reserve	D2	-	(8,278)	8,278	-	-	-
Recognition of share-based payments	D2	-	1,169	-	1,169	-	1,169
Shares issued	D1	5,996	-	-	5,996	-	5,996
Shares fully vested	D1, D2	1,663	(679)	(127)	857	-	857
Income tax relating to share-based payments	D1, D2	-	1,398	-	1,398	-	1,398
Dividends	D3	-	-	(29,079)	(29,079)	(14,846)	(43,925)
Movements of non-controlling interest		-	-	(22,915)	(22,915)	(3,080)	(25,995)
Balance at 31 December 2025		113,430	73,073	257,140	443,643	12,873	456,516

The notes to the financial statements on pages 59 to 102 form part of and should be read in conjunction with this statement.

* The restatements to comparative periods are explained in Section H.

Consolidated Statement of Financial Position

as at 31 December 2025

	Note	2025 \$000's	2024 \$000's (Restated)*	2023 \$000's (Restated)*
EQUITY				
Share capital	D1	113,430	105,771	103,445
Reserves	D2	73,073	66,615	103,322
Retained earnings		257,140	199,995	170,071
Equity attributable to Scales Corporation Limited shareholders		443,643	372,381	376,838
Equity attributable to non-controlling interests	F2	12,873	13,927	11,596
TOTAL EQUITY		456,516	386,308	388,434
CURRENT ASSETS				
Cash and bank balances		64,672	53,753	77,638
Trade and other receivables	E1	71,557	38,025	34,029
Current tax assets		701	5,363	3,938
Other financial assets	E2	4,686	2,230	5,989
Unharvested agricultural produce	C2	30,602	26,648	24,222
Inventories	C5	119,618	24,962	29,543
Prepayments		6,015	3,876	4,337
		297,851	154,857	179,696
Assets held for sale		-	19,100	-
TOTAL CURRENT ASSETS		297,851	173,957	179,696
NON-CURRENT ASSETS				
Property, plant and equipment	C1	275,331	245,344	226,060
Investments accounted for using the equity method	C3	22,439	57,212	63,902
Goodwill	C4	168,820	40,630	36,972
Defined benefit plan net asset		1,063	597	60
Other financial assets	E2	33,263	37,188	29,077
Software	C7	1,230	1,055	1,160
Right-of-use asset	G2	99,856	59,597	49,572
TOTAL NON-CURRENT ASSETS		602,002	441,623	406,803
TOTAL ASSETS		899,853	615,580	586,499
CURRENT LIABILITIES				
Trade and other payables	E3	77,035	29,852	26,446
Dividend declared	D3	17,997	10,332	6,041
Borrowings	E4	63,759	-	-
Purchase price payable	F3	8,140	-	-
Current tax liabilities		6,986	397	616
Other financial liabilities	E5	6,812	41,918	18,524
Lease liability	G2	15,971	13,464	10,963
TOTAL CURRENT LIABILITIES		196,700	95,963	62,590
NON-CURRENT LIABILITIES				
Borrowings	E4	84,982	41,259	65,647
Purchase price payable	F3	28,574	-	-
Deferred tax liabilities	B5	20,970	20,441	18,459
Other financial liabilities	E5	14,449	18,688	6,699
Lease liability	G2	97,662	52,921	44,670
TOTAL NON-CURRENT LIABILITIES		246,637	133,309	135,475
TOTAL LIABILITIES		443,337	229,272	198,065
NET ASSETS		456,516	386,308	388,434

The notes to the financial statements on pages 59 to 102 form part of and should be read in conjunction with this statement.

* The restatements to comparative periods are explained in Section H.

Consolidated Statement of Cash Flows

for the year ended 31 December 2025

	Note	2025 \$000's	2024 \$000's
Cash flows from operating activities			
<i>Cash was provided from:</i>			
Receipts from customers		886,728	590,424
Government grants received		-	25
Dividends and distributions received		2,733	1,546
Interest received		2,602	3,000
		892,063	594,995
<i>Cash was disbursed to:</i>			
Payments to suppliers and employees		(776,062)	(481,705)
Interest paid		(10,123)	(8,593)
Income tax paid		(10,113)	(7,140)
		(796,298)	(497,438)
Net cash provided by operating activities		95,765	97,557
Cash flows from investing activities			
<i>Cash was provided from:</i>			
Advances repaid		544	261
Sale of property, plant and equipment and software		24,183	34,000
		24,727	34,261
<i>Cash was applied to:</i>			
Purchase of property, plant and equipment	C1	(20,903)	(54,433)
Purchase of software	C7	(1,247)	(507)
Purchase of financial instruments		(150)	-
Acquisition of non-controlling interest	F2	(41,434)	-
Acquisition of subsidiary, net of cash acquired	F3	(38,120)	(11,080)
Advances to joint ventures		(4,201)	(17,338)
		(106,055)	(83,358)
Net cash used in investing activities		(81,328)	(49,097)
Cash flows from financing activities			
<i>Cash was provided from:</i>			
Treasury stock sold		-	256
Drawdowns of seasonal facility borrowings	E4	34,000	25,500
Net drawdowns of trade finance facility borrowings	E4	13,548	-
Drawdowns of term facility borrowings	E4	40,732	56,000
		88,280	81,756
<i>Cash was applied to:</i>			
Dividends paid	D3	(21,414)	(12,083)
Dividends paid to non-controlling interests	F2	(14,846)	(17,175)
Repayment of related party loan	F3	(13,234)	-
Repayments of lease liabilities	G2	(8,464)	(9,075)
Repayments of seasonal facility borrowings	E4	(34,000)	(28,937)
Repayments of term facility borrowings	E4	(715)	(87,087)
		(92,673)	(154,357)
Net cash used in financing activities		(4,393)	(72,601)

The notes to the financial statements on pages 59 to 102 form part of and should be read in conjunction with this statement.

Consolidated Statement of Cash Flows (continued)

for the year ended 31 December 2025

	2025 \$000's	2024 \$000's
Net increase (decrease) in cash	10,044	(24,141)
Net foreign exchange difference	875	256
Cash and cash equivalents at the beginning of the year	53,753	77,638
Cash and cash equivalents at the end of the year	64,672	53,753
<i>Represented by:</i>		
Cash and bank balances	64,672	53,753
Cash and cash equivalents at the end of the year	64,672	53,753
Net cash generated by operating activities		
<i>Reconciliation of profit for the year to net cash generated by operating activities:</i>		
Profit for the year	117,698	49,648
<i>Non-cash items:</i>		
Depreciation (including on right-of-use asset)	26,410	21,615
Gain on lease modification	(59)	(79)
Gain on rights transferred	(187)	(3,113)
(Impairment reversal) impairment on revaluation	(3,118)	2,949
Amortisation	1,072	744
Share of equity accounted results	(8,219)	(6,402)
Gain on fair value of equity instrument	(40,262)	(3,367)
Hedging instruments	(4,335)	4,790
Loss (gain) on disposal of property, plant and equipment	174	(1,225)
Share-based payments	1,169	710
Change in value of call and put options	-	2,515
Deferred tax	(3,413)	6,304
Interest capitalised into loans	(434)	(465)
Fair value loss on interest-free related party loans, net of interest income	278	1,663
Foreign exchange on related party loans	(575)	(682)
<i>Operating cash receipts not included in profit for the year:</i>		
Dividends received from equity accounted entities	2,645	1,545
<i>Changes in net assets and liabilities:</i>		
Trade and other receivables	(8,898)	1,009
Unharvested agricultural produce	(3,954)	(2,426)
Inventories	6,901	24,175
Prepayments	(94)	884
Trade and other payables	2,071	(532)
Current tax assets and liabilities	10,895	(2,703)
Net cash provided by operating activities	95,765	97,557

The notes to the financial statements on pages 59 to 102 form part of and should be read in conjunction with this statement.

Consolidated Statement of Cash Flows (continued)

for the year ended 31 December 2025

Statement of Cash Flows

For the purpose of the statement of cash flows, cash and cash equivalents include cash and bank balances.

The following terms are used in the statement of cash flows:

Operating activities are the principal revenue producing activities of the Group and other activities that are not investing or financing activities.

Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the Group.

For and on behalf of the Board of Directors who authorised the issue of the financial statements on 24 February 2026.



Mike Petersen, Chair



Andy Borland, Managing Director



The notes to the financial statements on pages 59 to 102 form part of and should be read in conjunction with this statement.

Notes to the consolidated financial statements

for the year ended 31 December 2025

About This Report

Notes to the financial statements

The notes to the financial statements include information which is considered relevant and material to assist the reader in understanding the financial performance and financial position of the Scales Corporation Limited Group (Scales or the Group). Information is considered relevant and material if:

- the amount is significant because of its size and nature;
- it is important for understanding the results of Scales;
- it helps to explain changes in Scales' business; or
- it relates to an aspect of Scales' operations that is important to future performance.

Reporting entity

Scales Corporation Limited (the Company) is a for-profit entity domiciled and registered under the Companies Act 1993 in New Zealand. It is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013. The Group consists of Scales Corporation Limited, its subsidiaries and joint ventures. The principal activities of the Group are to manufacture and trade food ingredients, grow apples, operate processing facilities, export products, provide logistics services and provide insurance services to companies within the Group.

Basis of preparation

The financial statements have been prepared:

- in accordance with Generally Accepted Accounting Practice (GAAP), IFRS Accounting Standards (IFRS), the New Zealand equivalents to IFRS Accounting Standards (NZ IFRS) and other applicable financial reporting standards, as appropriate for a Tier 1 for-profit entity;
- in accordance with the requirements of the Financial Markets Conduct Act 2013;
- in accordance with accounting policies that are consistent with those applied in the previous year;
- on the basis of historical cost, except for certain assets and financial instruments that are measured at fair values; and
- in New Zealand dollars with all values rounded to the nearest thousand dollars.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable. The levels are described as:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

Key judgements and estimates

In the process of applying the Group's accounting policies and the application of financial reporting standards, Scales has made a number of judgements and estimates. The estimates and underlying assumptions are based on historical experience and various other factors that are considered to be appropriate under the circumstances. Actual results may differ from these estimates.

Judgements and estimates which are considered material to understanding the performance of Scales are explained in the following notes:

- Apple trees in note C1;
- Unharvested agricultural produce in note C2;
- Assessment of Group goodwill for impairment in note C4;
- Fair value of assets acquired in the Australian entities in note F3.

About This Report (continued)

Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and its subsidiaries (being entities controlled by Scales Corporation Limited), and the equity accounted result, assets and liabilities of the joint ventures.

The financial statements of members of the Group are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the Group financial statements, all material intra-group transactions, balances, income, expenses and cash flows have been eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is lost.

Other accounting policies

Other accounting policies that are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

Adoption of new and revised standards and interpretations; standards and interpretations issued but not yet effective

All mandatory amendments and interpretations have been adopted in the current year. None had a material impact on these financial statements.

NZ IFRS 18 *Presentation and Disclosure in Financial Statements* has been issued and is effective for the financial reporting periods starting on 1 January 2027, with an early adoption permitted.

NZ IFRS 18 replaces NZ IAS 1 *Presentation of Financial Statements*, carrying forward many of the requirements in NZ IAS 1 unchanged and complementing them with new requirements. In addition, some NZ IAS 1 paragraphs have been moved to NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and NZ IFRS 7 *Financial Instruments: Disclosures*. Furthermore, there were minor amendments to NZ IAS 7 *Statement of Cash Flows* and NZ IAS 33 *Earnings Per Share*.

NZ IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements; and
- improve aggregation and disaggregation.

The amendments to NZ IAS 7 and NZ IAS 33, as well as the revised NZ IAS 8 and NZ IFRS 7, become effective when an entity applies NZ IFRS 18. NZ IFRS 18 requires retrospective application with specific transition provisions.

As a presentation and disclosure standard, NZ IFRS 18 is expected to change the manner in which information is presented in Group financial statements, with the recognition and measurement of items in the financial statements not impacted.

The Group has reviewed all other standards, interpretations and amendments to existing standards issued but not yet effective and does not expect these standards to have a material effect on the financial statements of the Group when adopted.





A. Segment Information

This section explains the financial performance of the operating segments of Scales, providing additional information about individual segments.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, being the Managing Director. The Managing Director monitors the operating performance of each segment for the purpose of making decisions on resource allocation and strategic direction. Inter-segment pricing is determined on an arm's length basis. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. No single external customer's revenue accounts for 10% or more of the Group's revenue.

The Group comprises the following operating segments:

Global Proteins: processing and marketing of proteins such as pet food ingredients, edible meat and offal products.

Meateor Foods Limited, Meateor Foods Australia Pty Limited, Meateor Group Limited, Meateor US LLC, Shelby JV LLC group (Shelby Cold Storage LLC, Shelby Exports Inc, Shelby Foods LLC, Shelby JV LLC, Shelby Properties LLC, Shelby Trucking LLC), Meateor GP Limited, Meateor Pet Foods Limited Partnership, Scales FI Group Holding Pty Limited, Meateor Australia Pty Limited, FI Group Holding Pty Limited group (FI Group Holding Pty Limited, Fayman International Group Pty Limited and Fayman New Zealand Limited), ANZ Exports Pty Limited, Esro Petfood B.V. and Shelby SPS LLC.

Horticulture: orchards, fruit packing, juice concentrate processing and marketing.

Mr Apple New Zealand Limited, New Zealand Apple Limited, Longview Group Holdings Limited, Profruit (2006) Limited and Fern Ridge Produce Limited.

Logistics: logistics services.

Scales Logistics Limited and Scales Logistics Australia Pty Ltd.

Other: Scales Corporation Limited, Geo. H. Scales Limited, Scales Employees Limited, Scales Holdings Limited and Selacs Insurance Limited.

A. Segment Information (continued)

	Global Proteins \$000's	Horticulture \$000's	Logistics \$000's	Other \$000's	Eliminations \$000's	Total \$000's
2025						
Total segment revenue	477,587	341,831	119,278	2,878	(41,625)	899,949
Inter-segment revenue	-	-	(37,986)	(3,639)	41,625	-
Revenue from external customers	477,587	341,831	81,292	(761)	-	899,949
(Loss) gain on sale of non-current assets	(32)	(155)	13	-	-	(174)
Share of profit of entities accounted for using the equity method	8,219	-	-	-	-	8,219
(Impairment) impairment reversal of property, plant and equipment	(83)	3,201	-	-	-	3,118
Gain on fair value of equity investment	40,262	-	-	-	-	40,262
Gain on lease modification	-	59	-	-	-	59
EBITDA	98,831	75,275	7,597	(11,841)	-	169,862
Amortisation expense	-	(1,001)	(58)	(13)	-	(1,072)
Depreciation expense	(2,839)	(12,484)	(262)	(26)	-	(15,611)
Depreciation of right-of-use asset	(266)	(9,621)	(791)	(121)	-	(10,799)
EBIT	95,726	52,169	6,486	(12,001)	-	142,380
Finance revenue	468	108	43	2,417	-	3,036
Finance costs	(1,298)	(15)	21	(4,091)	-	(5,383)
Finance cost of lease liability	(151)	(3,933)	(597)	(59)	-	(4,740)
Income tax expense	(6,667)	(12,666)	(1,689)	3,427	-	(17,595)
Segment profit (loss) after income tax	88,078	35,663	4,264	(10,307)	-	117,698
Segment assets	347,390	465,644	19,870	66,949	-	899,853
Segment liabilities	175,817	159,745	17,625	90,150	-	443,337
Segment carrying value of investment accounted for using the equity method	22,439	-	-	-	-	22,439
Segment acquisition of property, plant and equipment and software	6,666	15,245	213	26	-	22,150
Segment acquisition of right-of-use assets	10,654	39,511	1,276	32	-	51,473

A. Segment Information (continued)

	Global Proteins \$000's	Horticulture \$000's	Logistics \$000's	Other \$000's	Eliminations \$000's	Total \$000's
2024 (Restated)*						
Total segment revenue	266,791	248,875	98,797	3,789	(33,625)	584,627
Inter-segment revenue	-	-	(30,223)	(3,402)	33,625	-
Revenue from external customers	266,791	248,875	68,574	387	-	584,627
Gain on sale of non-current assets	-	1,225	-	-	-	1,225
Share of profit of entities accounted for using the equity method	6,039	363	-	-	-	6,402
Impairment of property, plant and equipment	-	(2,949)	-	-	-	(2,949)
Gain on fair value of equity investment	-	3,367	-	-	-	-
Gain on lease modification	24	47	8	-	-	79
EBITDA	52,987	37,715	6,884	(9,710)	-	87,876
Amortisation expense	-	(696)	(34)	(14)	-	(744)
Depreciation expense	(1,652)	(10,392)	(259)	(27)	-	(12,330)
Depreciation of right-of-use asset	(69)	(8,366)	(731)	(119)	-	(9,285)
EBIT	51,266	18,261	5,860	(9,870)	-	65,517
Finance revenue	661	224	61	2,519	-	3,465
Finance costs	(18)	45	(76)	(4,770)	-	(4,819)
Finance cost of lease liability	(17)	(3,052)	(640)	(65)	-	(3,774)
Income tax expense	(7,619)	(4,627)	(1,480)	2,985	-	(10,741)
Segment profit (loss) after income tax	44,273	10,851	3,725	(9,201)	-	49,648
Segment assets	166,557	371,829	24,114	53,080	-	615,580
Segment liabilities	37,559	131,151	15,612	44,950	-	229,272
Segment carrying value of investment accounted for using the equity method	57,212	-	-	-	-	57,212
Segment acquisition of property, plant and equipment and software	5,672	48,311	938	19	-	54,940
Segment acquisition of right of use assets	283	16,164	3,638	37	-	20,122

Non-current assets other than financial instruments by geographical location

	New Zealand		Australia		USA		Total	
	2025 \$000's	2024 \$000's (Restated)*	2025 \$000's	2024 \$000's	2025 \$000's	2024 \$000's	2025 \$000's	2024 \$000's (Restated)*
Property, plant and equipment	228,644	226,649	25,189	21	21,498	18,674	275,331	245,344
Investments accounted for using the equity method	22,412	20,078	(0)	37,134	27	-	22,439	57,212
Goodwill	89,509	7,676	47,206	-	32,105	32,954	168,820	40,630
Software	1,228	1,055	2	-	-	-	1,230	1,055
Right-of-use asset	89,214	59,382	10,504	-	138	215	99,856	59,597

* The restatements to comparative periods are explained in Section H.

B. Financial Performance

This section explains the financial performance of Scales, providing additional information about individual items in the statement of comprehensive income.

B1. Revenue

	2025 \$000's	2024 \$000's
By nature:		
Revenue from the sale of goods	793,370	496,741
Revenue from the rendering of services	112,745	90,319
Fees and commission	710	24
Net foreign exchange loss	(11,678)	(7,228)
Rental revenue	4,802	4,771
	899,949	584,627
By market:		
New Zealand	123,377	79,729
Asia	364,653	178,786
Europe	30,226	36,144
North America	361,727	284,731
Other	19,966	5,237
	899,949	584,627
By segment and type:		
Horticulture - sale of agricultural produce	317,618	233,827
Horticulture - agricultural produce related services	19,003	10,277
Horticulture - other	5,210	4,771
Global Proteins - sale of pet food ingredients and edible proteins	465,652	255,805
Global Proteins - other	11,935	10,986
Logistics services	81,292	68,574
Other	(761)	387
	899,949	584,627

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. Rental revenue is recognised on a straight-line basis over the period of occupation.

B1. Revenue (continued)

Sale of agricultural produce and fruit juice

The Group sells apples to more than 160 customers in 40 countries and fruit juice to more than 60 customers in 4 countries. Apple sales-related quality claim provisions are recorded in accordance with NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer ("outright sales") or when the goods have been sold by the customer ("consignment sales"). In addition, the apple season finishes before the end of the calendar year, with performance obligations under both sales types satisfied for all sales made during that season.

Outright sales

Following shipment, revenue is recognised when the customer obtains control as it has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of loss in relation to the goods. A receivable is recognised by the Group when it loses control, which is when the goods are delivered on the ship at the port of shipment as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before the payment is due. Terms of payment are up to 45 days on arrival.

Consignment sales

Revenue is recognised by the Group when it loses control, which is when the goods are confirmed to be on-sold to the ultimate customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before the payment is due. Terms of payment are immediate upon on-sale.

Sale of petfood ingredients and edible proteins

The Group sells petfood ingredients to a number of international and domestic customers. Revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the customer ("delivered to destination sales") or when shipped to the customer ("outright sales"). Terms of payment are up to 120 days.

Delivered to destination sales

Following delivery, revenue is recognised when the customer obtains control as it has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of loss in relation to the goods. A receivable is recognised by the Group when it loses control, which is when the goods are delivered to the destination named by the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before the payment is due.

Outright sales

Same as above under "Sale of agricultural produce and fruit juice - outright sales".

Agricultural produce related services

The Group provides a number of agricultural produce related services to external apple growers, including packaging, cartage, export documentation and export services. Each of those services is considered to be a distinct service as it is both regularly supplied by the Group to customers on a stand-alone basis and is available for customers from other providers in the market. A receivable is recognised by the Group when the service performance has been completed, and the performance obligation is satisfied as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before the payment is due. Terms of payment are up to 45 days.

Logistics services

The Group provides marine and air logistics services to domestic customers. Revenue is recognised by the Group at a point in time, which is when the shipment is organised and the goods are on the ship or the aeroplane. The performance obligation is satisfied at the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before the payment is due. Terms of payment are up to 60 days.

B2. Cost of Sales, Administration and Operating Expenses

	2025 \$000's	2024 \$000's
Auditor's remuneration		
<i>Deloitte Limited (New Zealand):</i>		
<u>Audit and review of the financial statements:</u>		
Audit of the annual financial statements	454	359
<u>Other services:</u>		
<u>Audit or review related services:</u>		
Audit of the Charging Group financial statements	-	20
Audit of solvency certificate for Selacs Insurance Limited	10	9
<u>Other assurance services and other agreed upon procedures (AUP) engagements</u>		
Greenhouse gas emission assurance engagement	45	45
<u>Other services:</u>		
Greenhouse gas assurance engagement readiness	-	45
<u>Non-assurance services:</u>		
Taxation compliance	10	-
<i>Sheehan & Company CPA, PC (United States):</i>		
<u>Audit and review of the financial statements:</u>		
Group reporting audit	155	144
Review of subsidiary financial statements	45	40
<i>Lowe Lippmann (Australia):</i>		
<u>Audit and review of the financial statements:</u>		
Group reporting audit	-	33
<i>Prior year accrual timing differences:</i>	(5)	-
Bad debts recovered	(587)	(681)
Change in fair value adjustment to unharvested agricultural produce	(4,579)	1,139
Change in inventories	15,918	23,582
Direct expenses	128,234	97,471
Directors' fees	678	704
Donations	12	12
Electricity	4,413	3,667
Employee benefits expense:		
Post employment benefits - defined contribution plans	1,569	1,220
Post employment benefits - defined benefit plans	715	555
Salaries, wages and related benefits	113,675	94,423
Other employee benefits	2,054	710
Grower payments	46,608	34,738
Insurance	5,843	5,233
Management fees	48	48
Materials and consumables	329,583	127,780
Ocean and air freight	103,102	90,304
Operating lease expenses	1,822	1,287
Packaging	20,291	14,382
Provision for write-down of inventories	70	786
Repairs and maintenance	11,385	5,781
	781,568	503,836
Disclosed as:		
Cost of sales	700,212	439,602
Administration and operating expenses	81,356	64,234
	781,568	503,836

Employee benefits

An accrual is made for benefits due to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably. Accruals are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Contributions to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The costs relating to shares issued in accordance with the Senior Executive Share Scheme are explained in note D2.

B3. Other Income and Losses

	Note	2025 \$000's	2024 \$000's
Dividends		88	1
Fair value loss on interest-free related party loans		(278)	(1,663)
(Loss) gain on disposal of property, plant and equipment		(174)	1,225
Gain on rights transferred		187	3,113
Loss on joint ventures call options		-	(174)
Gain on lease modification		59	79
Gain on fair value equity investment	F3	40,262	3,367
Government grants - Cyclone Gabrielle		-	25
Remeasurement of gross liability on put options to non-controlling interest		-	(2,341)
		40,144	3,632
Disclosed as:			
Other income		40,596	7,810
Other losses		(452)	(4,178)
		40,144	3,632

B4. Finance Cost

Interest on loans	4,657	4,654
Other interest	416	(5)
Bank facility fees	310	170
	5,383	4,819

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Interest expense is accrued on a time basis using the effective interest method.

B5. Taxation

	2025 \$000's	2024 \$000's (Restated)*
Income tax recognised in profit or loss:		
Current tax expense	22,525	5,923
Adjustments recognised in the current year in relation to the current tax of prior years	(1,517)	(1,486)
Deferred tax expense relating to the origination and reversal of temporary differences	(3,413)	6,304
Total income tax expense recognised in profit or loss	17,595	10,741

The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:

Profit before tax	135,293	60,389
Income tax expense calculated at applicable corporate tax rates	36,774	15,948
Non-assessable income	(21,045)	(8,890)
Non-deductible expenses	3,271	2,099
Deferred tax on buildings adjustment	-	2,065
Over provision of income tax in previous year - current tax	(1,517)	(1,486)
Under provision of income tax in previous year - deferred tax	112	1,005
	17,595	10,741

The tax rates used in the above reconciliation are the corporate tax rate of 28% payable by New Zealand companies under New Zealand tax law, 30% payable by Australian companies under Australian tax law and 23.38% (2024: 25.60%) payable by US entities under US tax law, being federal tax 21% and weighted average state tax 2.38% (2024: 4.60%). Shelby JV LLC and its subsidiaries are look-through entities for US income tax purposes. Therefore, although the Group includes 100% of its net profit before tax, separately disclosing non-controlling interest, the Group only includes 67.5% of its income tax.

* The restatements to comparative period are explained in Section H.

B5. Taxation (continued)

	Opening balance \$000's	Charged to profit or loss \$000's	Acquisition of subsidiary \$000's	Charged to equity \$000's	Charged to other comprehensive income \$000's	Foreign exchange movements \$000's	Closing Balance \$000's
Deferred tax liability							
Taxable and deductible temporary differences arise from the following:							
31 December 2025							
Deferred tax liabilities (assets):							
Trade and other receivables	(92)	552	(1,869)	-		-	(1,409)
Unharvested agricultural produce	7,461	1,107	-	-		-	8,568
Property, plant and equipment and software	25,523	850	3,701	-	(1,729)	(122)	28,223
Trade and other payables	(734)	(2,240)	(1,653)	-		-	(4,627)
Lease liability and right-of-use asset	(1,934)	(1,956)	-	-		-	(3,890)
Equity-settled employee benefits	-	-	-	(1,398)		-	(1,398)
Other financial assets and liabilities	(9,783)	(1,726)	1,848	-	5,164	-	(4,497)
Net deferred tax liability	20,441	(3,413)	2,027	(1,398)	3,435	(122)	20,970
31 December 2024 (Restated)*							
Deferred tax liabilities (assets):							
Trade and other receivables	(47)	(45)	-	-	-	-	(92)
Unharvested agricultural produce	6,782	679	-	-	-	-	7,461
Property, plant and equipment and software	13,790	3,996	2,256	-	5,091	390	25,523
Trade and other payables	(1,097)	363	-	-	-	-	(734)
Lease liability and right-of-use asset	(1,718)	(216)	-	-	-	-	(1,934)
Other financial assets and liabilities	749	1,527	62	-	(12,121)	-	(9,783)
Net deferred tax liability	18,459	6,304	2,318	-	(7,030)	390	20,441

Current tax is the taxation expected to be paid to taxation authorities in respect of the current year. Deferred taxation is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Current and deferred tax is calculated on the basis of the laws enacted or substantively enacted at balance date.

Income tax

Current and deferred tax are recognised in profit or loss, except when the tax relates to items charged or credited to other comprehensive income, in which case the tax is also recognised in other comprehensive income and when the tax relates to items charged to equity reserves, in which case the tax is also recognised in the respective equity reserves.

B6. Foreign Currency Transactions

In preparing the financial statements of the individual entities, the transactions in currencies other than New Zealand dollars are recorded at the rates of exchange prevailing at the dates of the transaction. At the end of each reporting period financial assets and liabilities denominated in foreign currencies are retranslated into New Zealand dollars at the rates prevailing at the end of the reporting period.

Exchange differences from these transactions are recognised in profit or loss in the period in which they arise.

Income and expenses for each subsidiary whose functional currency is not New Zealand dollars are translated at exchange rates that approximate the rates at the actual dates of the transactions. Assets and liabilities of each subsidiary are translated at exchange rates at balance date.

All resulting exchange differences are recognised in the foreign exchange translation reserve, which is a separate component of equity.

The effective portion of exchange differences on foreign currency borrowings designated as hedges of net investments in foreign operations is also recognised in the foreign exchange translation reserve.

* The restatements to comparative periods are explained in Section H.

C. Key Assets

This section shows the key assets Scales uses to generate operating revenues.

C1. Property, Plant and Equipment

	Land and buildings at fair value \$000's	Apple trees at fair value \$000's	Plant and equipment at cost \$000's	Office equipment and motor vehicles at cost \$000's	Capital work in progress at cost \$000's	Total \$000's
Gross carrying amount						
Balance at 1 January 2024 (Restated)*	147,339	37,162	87,308	14,042	14,397	300,248
Acquisition through business combination	3,920	-	7,019	108	435	11,482
Additions	22,562	16,543	15,153	2,709	(2,534)	54,433
Disposals	(24,228)	(3,048)	(5,416)	(358)	-	(33,050)
Transfer to held for sale	(19,100)	-	-	-	-	(19,100)
Revaluation through other comprehensive income	(2,072)	12,512	-	-	-	10,440
Effect of foreign currency translation	384	-	1,485	4	562	2,435
Balance at 31 December 2024 (Restated)*	128,805	63,169	105,549	16,505	12,860	326,888
Acquisition through business combination	-	-	26,945	306	922	28,173
Additions	2,085	3,414	9,948	1,993	3,463	20,903
Disposals	(2,052)	3	(1,731)	(2,117)	-	(5,897)
Revaluation through other comprehensive income	(4,533)	(6,355)	-	-	-	(10,888)
Effect of foreign currency translation	(88)	-	48	11	(78)	(107)
Balance at 31 December 2025	124,217	60,231	140,759	16,698	17,167	359,072
Accumulated depreciation, and impairment						
Balance at 1 January 2024 (Restated)*	2,266	6,880	54,299	10,743	-	74,188
Depreciation expense	2,033	2,402	6,388	1,507	-	12,330
Disposals	-	-	(3,851)	(262)	-	(4,113)
Revaluation through other comprehensive income	(1,962)	(2,403)	-	-	-	(4,365)
Revaluation gain through profit or loss	1,253	1,455	241	-	-	2,949
Effect of foreign currency translation	-	-	552	3	-	555
Balance at 31 December 2024 (Restated)*	3,590	8,334	57,629	11,991	-	81,544
Depreciation expense	1,977	3,637	8,321	1,676	-	15,611
Disposals	(979)	-	(1,692)	(2,007)	-	(4,678)
Revaluation through other comprehensive income	(1,869)	(3,637)	-	-	-	(5,506)
Revaluation (gain) loss through profit or loss	(2,006)	(1,244)	132	-	-	(3,118)
Effect of foreign currency translation	-	-	(115)	3	-	(112)
Balance at 31 December 2025	713	7,090	64,275	11,663	-	83,741
Net book value						
As at 31 December 2024 (Restated)*	125,215	54,835	47,920	4,514	12,860	245,344
As at 31 December 2025	123,504	53,141	76,484	5,035	17,167	275,331

* The restatements to comparative periods are explained in Section H.

C1. Property, Plant and Equipment (continued)

Accounting policy

Land, buildings and apple trees are included in the statement of financial position at their fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Valuations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period.

Any valuation increase arising on the revaluation of such land, buildings and apple trees is recognised in other comprehensive income and accumulated as a separate component of equity in the revaluation reserve, except to the extent that it reverses a valuation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land, buildings and apple trees is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings and apple trees is charged to profit or loss. On the subsequent sale or retirement of revalued property or apple trees, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Plant and equipment, and office equipment and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on property, plant and equipment, including buildings and apple trees but excluding land and capital work in progress. Depreciation is charged so as to write off the cost or valuation of assets, other than land and capital work in progress, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The following estimated useful lives are used in the calculation of depreciation:

Buildings	10 to 50 years
Apple trees	30 years
Plant and equipment	2 to 25 years
Office equipment and motor vehicles	2 to 20 years

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Land and buildings carried at fair value

Land and buildings shown at valuation were valued at fair value as at 31 December 2025 by independent registered valuers Added Valuation Limited and Logan Stone Limited. The valuations were arrived at by reference to market evidence of transaction prices for similar properties. Recognised Seasonal Employer (RSE) buildings were arrived at by discounted cash flows analysis of forecast income streams and costs.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The Group finance team led by the Chief Financial Officer works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the Group finance team's findings to the Audit & Risk Management Committee to explain the methods used and causes of fluctuations in the fair value of assets and liabilities.

The fair value of land and buildings is calculated on the basis of market value. Market value is determined by applying income capitalisation and comparative sales calculations which are benchmarked against depreciated replacement cost calculations. The valuations include adjustments to observable data for similar properties to take into account property-specific attributes.

The significant unobservable inputs, based on regional averages, for the land and buildings (mainly coolstores and packhouses) are potential market comparative rentals \$14 - \$283 per square metre (2024: \$12 - \$249) and the capitalisation rates of 7.5% - 8.5% (2024: 6.35% - 8.25%).

The higher the rental rates the higher the fair value. The higher the capitalisation rates the lower the fair value. Significant changes in either of these inputs would result in significant changes to the fair value measurement. Orchard land is valued within the range of \$32,100 - \$168,700 per hectare (2024: \$34,100 - \$157,500).

The Group's land and buildings are classified as Level 3 in the fair value hierarchy.

The carrying amount of land and buildings, if it had been recognised under the cost model, is \$60,827,000 (2024: \$71,169,000).

Apple trees carried at fair value

The Group's apple orchards, being the apple trees other than the existing crop on the trees, were valued at fair value by Boyd Gross B.Agr (Rural Val), Dip Bus Std, FNZIV, FPINZ of Logan Stone Limited as at 31 December 2025.

The market valuations completed by Boyd Gross were based on a combination of discounted cash flows analysis of forecast income streams and costs from each orchard, and sales comparison approaches. For owned orchards, the fair value of orchard land and buildings, determined using a sales comparison approach, is deducted from the overall orchard valuation to arrive at the valuation of the apple trees.

C1. Property, Plant and Equipment (continued)

The significant unobservable inputs, based on district averages, for the apple trees are:

	2025	2024
Production levels (gross tray carton equivalent (TCE)) per hectare	2,000 - 6,500	2,750 - 5,563
Orchard gate returns per TCE	\$27.00 - \$66.00	\$25.00 - \$75.00
Orchard costs per TCE	\$28.00 to \$37.00	\$20.30 to \$34.27
Discount rate	16.05% - 17.35%	15.88% - 17.88%

The higher the production levels and orchard gate return the higher the fair value. The higher the orchard costs and discount rate the lower the fair value. Significant changes in any of these inputs would result in significant changes to the fair value measurement. The Group's apple trees are classified as level 3 in the fair value hierarchy.

The carrying amount of apple trees, if they had been recognised under the cost model, is \$21,952,000 (2024: \$21,217,000).

The apple trees, on owned and leased orchards, have the following planting profile:

	Total hectares planted	
	2025	2024
Premium varieties:		
Dazzle™	266	260
NZ Queen	158	159
Pink Lady	88	100
Red sports (Fuji and Royal Gala)	349	349
Other premium	107	79
Traditional varieties:		
Braeburn	15	27
Royal Gala	99	112
Other traditional	94	105
	1,176	1,191

Risk management strategy

The Group is exposed to financial risks arising from changes in climatic conditions, market prices and the value of the New Zealand dollar. The Group mitigates these risks by geographical spread of orchards, installing hail and frost protection on orchards which have shown to be more susceptible to these risks, utilising foreign currency derivative instruments and building close working relationships with key customers.

C2. Unharvested Agricultural Produce

	2025 \$000's	2024 \$000's
Balance at beginning of the year	26,648	24,222
Decrease due to harvest	(26,648)	(24,222)
Development expenditure	27,921	28,546
Fair value adjustment	2,681	(1,898)
Balance at end of the year	30,602	26,648

The assessment of the value of unharvested agricultural produce was undertaken by management, using a discounted cash flow model, and is calculated as the fair value less estimated harvest and post-harvest costs (including costs to sell) of the unharvested crop on the trees at the reporting date. The risk adjusting discount rate represents an allowance for adverse events that may affect crop, harvest and/or market conditions. This calculation is also benchmarked against orchard costs incurred during the current growing cycle.

The Group's unharvested agricultural produce is classified as Level 3 in the fair value hierarchy.

The significant unobservable inputs included in the model are the:

	2025	2024
Production levels (tonnes per hectare per annum)	63 - 98	59 - 98
Orchard gate returns per TCE	\$29 to \$79	\$29 to \$76
Risk adjusting discount rates	46% to 64%	46% to 64%

The higher the yield per hectare and the higher the orchard gate returns per TCE, the higher the fair value. The higher the risk adjusting discount rate, the lower the fair value.

C3. Investments Accounted for using the Equity Method

Details of each of the Group's material joint ventures at the end of the reporting period are as follows:

Joint ventures	Principal activity	Country of incorporation	Holding		Balance date
			2025	2024	
ANZ Exports Pty Ltd	Trading company	Australia	85%	42.50%	31 December *
Esro Petfood B.V	Trading company	The Netherlands	50%	50%	31 December
FI Group Holding Pty Ltd	Trading company	Australia	100%	50%	31 December *
Meateor Australia Pty Ltd	Trading company	Australia	100%	50%	31 December *
Meateor Pet Foods Limited Partnership	Trading company	New Zealand	50%	50%	31 December
Shelby SPS LLC	Trading company	United States	33.33%	0%	31 December

Summarised financial information in respect of the Group's joint ventures is set out below. The aggregate summarised financial information below represents amounts in joint ventures' financial statements prepared in accordance with NZ IFRS Standards.

* The Australian incorporated entities had a balance date of 30 June, which aligned with the income tax year in Australia. These entities have transitioned to a 31 December balance date, with a six month transitional period ending 31 December 2025.

In September 2025, Scales acquired the remaining 50% shareholding in FI Group Holding Pty Limited and Meateor Australia Pty Limited, as well as 42.5% of ANZ Exports Pty Limited. Below is the summarised financial information for these entries in respect of Scales equity accounting share for the first 9 months up until acquisition. Refer to note F3 for the acquisition accounting of FI Group Holding Pty Limited, Meateor Australia Pty Limited and ANZ Exports Pty Limited.

In December 2025, Shelby SPS LLC was formed and Scales holds a 33.33% shareholding.

Summarised financial information for Meateor Pet Foods Limited Partnership

	2025 \$000's	2024 \$000's
Current assets	21,700	20,443
Non-current assets	34,367	33,305
Current liabilities	(8,302)	(10,242)
Non-current liabilities	(2,941)	(3,351)
Net assets	44,824	40,155
Group's share in the net assets of equity accounted entities	22,412	20,078
Carrying amount of investment in equity accounted entities	22,412	20,078
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	371	549
Current financial liabilities (excluding trade and other payables and provisions)	(2,778)	(3,500)
Non-current financial liabilities (excluding trade and other payables and provisions)	(1)	-
Capital commitments	-	-
Revenue	63,413	60,863
Profit for the year after tax	4,904	2,117
Other comprehensive income attributable to the owners of the company	1,728	(3,229)
Total comprehensive income	6,632	(1,112)
The above profit for the year includes the following:		
Depreciation and amortisation	1,940	1,643
Interest income	3	-
Interest expense	481	937
Income tax expense	-	-

C3. Investments Accounted for using the Equity Method (continued)

	2025 \$000's	2024 \$000's
Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:		
Share of profit before taxation	2,453	1,059
Share of income tax	(1)	-
Share of other comprehensive income (net of tax)	866	(1,615)
Share of net profit for the year and total comprehensive income	3,318	(556)
Carrying value at beginning of the year	20,078	21,634
Deferred tax on business combinations made by equity accounted entities	16	-
Dividends and distributions paid	(1,000)	(1,000)
Investment in equity accounted entities	22,412	20,078
Underlying financial performance of Meateor Pet Foods Limited Partnership:*		
Underlying EBITDA/EBITDA**	7,322	4,697
Depreciation and amortisation	(1,940)	(1,643)
Underlying finance revenue/finance revenue	3	-
Underlying finance costs/finance cost	(481)	(937)
Income tax expense	-	-
Underlying NPAT/NPAT	4,904	2,117
Share of Meateor Pet Foods Limited Partnership Underlying NPAT included in Group Underlying EBITDA	2,452	1,059

*"Underlying EBITDA", "Underlying finance costs", "Underlying finance revenue" and "Underlying NPAT" are non-GAAP profit measures. The Directors and management believe that these profit measures provide meaningful information that is helpful to investors and gives them a better understanding of a company's financial performance when presented in addition to GAAP (NZIFRS) information. The Underlying profit measures provided align more closely with the operating result of the Joint Ventures.

** EBITDA is a non-GAAP measure and is defined internally by management as Earnings before Interest, Tax, Depreciation and Amortisation.

Underlying EBITDA and Underlying NPAT are equal to EBITDA and NPAT for both 2025 and 2024.

Summarised financial information for ANZ Exports Pty Ltd and FI Group Holding Pty Ltd - Pre acquisition period ending 30 September 2025

Current assets	-	64,307
Non-current assets	-	2,144
Current liabilities	-	(44,495)
Non-current liabilities	-	(1,925)
Net assets	-	20,031
Group's share in the net assets of equity accounted entities	-	9,971
Goodwill	-	25,967
Effect of foreign exchange translation	-	1,139
Carrying amount of investment in equity accounted entities	-	37,077
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	-	976
Current financial liabilities (excluding trade and other payables and provisions)	-	(27,780)
Non-current financial liabilities (excluding trade and other payables and provisions)	-	(4,738)
Revenue	381,379	482,730
Profit for the year after tax	8,387	10,605
Other comprehensive income attributable to the owners of the company	4,682	(2,672)
Total comprehensive income	13,069	7,933

C3. Investments Accounted for using the Equity Method (continued)

Summarised financial information for ANZ Exports Pty Ltd and FI Group Holding Pty Ltd
- Pre acquisition period ending 30 September 2025 (continued)

	2025 \$000's	2024 \$000's
The above profit for the year includes the following:		
Depreciation and amortisation	95	56
Interest income	234	7
Interest expense	1,310	1,910
Income tax expense	4,440	6,029
Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:		
Share of profit before taxation	6,897	8,269
Share of income tax	(2,069)	(3,001)
Share of other comprehensive income (net of tax)	997	(1,571)
Share of net profit for the year and total comprehensive income	5,825	3,697
Carrying value at beginning of the year	37,077	32,786
Dividends and distributions paid by equity accounted entities	(1,645)	(545)
Effect of foreign exchange translation	502	1,139
Investment acquired	(41,759)	-
Investment in equity accounted entities	-	37,077

Underlying financial performance of ANZ Exports Pty Ltd and FI Group Holding Pty Ltd :*

Underlying EBITDA/EBITDA**	13,997	18,594
Depreciation and amortisation	(95)	(56)
Underlying finance revenue/finance revenue	234	7
Underlying finance costs/finance cost	(1,310)	(1,910)
Income tax expense	(4,440)	(6,029)
Underlying NPAT/NPAT	8,387	10,605
Share of ANZ Exports Pty Ltd and FI Group Holding Pty Ltd Underlying NPAT included in Group Underlying EBITDA	4,828	5,270

* "Underlying EBITDA", "Underlying finance costs", "Underlying finance revenue" and "Underlying NPAT" are non-GAAP profit measures. The Directors and management believe that these profit measures provide meaningful information that is helpful to investors and gives them a better understanding of a company's financial performance when presented in addition to GAAP (NZIFRS) information. The Underlying profit measures provided align more closely with the operating result of the Joint Ventures.

** EBITDA is a non-GAAP measure and is defined internally by management as Earnings before Interest, Tax, Depreciation and Amortisation.

Underlying EBITDA and Underlying NPAT are equal to EBITDA and NPAT for both 2025 and 2024.

Summarised financial information for Meateor Australia Pty Ltd - Pre acquisition period ending 30 September 2025

Current assets	-	20,617
Non-current assets	-	32,898
Current liabilities	-	(17,164)
Non-current liabilities	-	(34,862)
Net assets	-	1,489
Group's share in the net assets of equity accounted entities	-	745
Unrecognised bargain purchase gain	-	(708)
Effect of foreign exchange translation	-	18
Carrying amount of investment in equity accounted entities	-	55

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	-	5,524
Current financial liabilities (excluding trade and other payables and provisions)	-	(11,060)
Non-current financial liabilities (excluding trade and other payables and provisions)	-	(34,862)

C3. Investments Accounted for using the Equity Method (continued)

Summarised financial information for Meateor Australia Pty Ltd

- Pre acquisition period ending 30 September 2025 (continued)

	2025 \$000's	2024 \$000's
Revenue	47,259	42,026
Profit for the year after tax	1,823	(620)
Other comprehensive income attributable to the owners of the company	(1,606)	(2,764)
Total comprehensive income	217	(3,384)
The above profit for the year includes the following:		
Depreciation and amortisation	2,732	2,852
Interest income	29	3,300
Interest expense	2,187	4,530
Income tax expense	1,763	(1,472)
Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:		
Share of profit before taxation	1,793	(395)
Share of income tax	(881)	105
Share of other comprehensive income (net of tax)	798	(1,287)
Share of net profit for the year and total comprehensive income	1,710	(1,577)
Carrying value at beginning of the year	55	1,614
Dividends and distributions paid by equity accounted entities	-	-
Effect of foreign exchange translation	66	18
Investment acquired	(1,831)	-
Investment in equity accounted entities	-	55

Underlying financial performance of Meateor Australia Pty Ltd:*

Underlying EBITDA/EBITDA**	8,476	1,990
Depreciation and amortisation	(2,732)	(2,852)
Finance revenue	29	3,300
Adjustment	-	(3,300)
Underlying finance revenue****	29	(0)
Finance cost	(2,187)	(4,530)
Adjustment	862	2,841
Underlying finance cost****	(1,325)	(1,689)
Income tax expense	(1,763)	1,472
Underlying NPAT***	2,686	(1,079)
Adjustment	(862)	459
NPAT	1,823	(620)
Share of Meateor Australia Pty Ltd Underlying NPAT included in Group Underlying EBITDA	1,344	(346)

* "Underlying EBITDA", "Underlying finance costs", "Underlying finance revenue" and "Underlying NPAT" are non-GAAP profit measures. The Directors and management believe that these profit measures provide meaningful information that is helpful to investors and gives them a better understanding of a company's financial performance when presented in addition to GAAP (NZ IFRS) information. The Underlying profit measures provided align more closely with the operating result of the Joint Ventures.

** EBITDA is a non-GAAP measure and is defined internally by management as Earnings before Interest, Tax, Depreciation and Amortisation.

*** Underlying NPAT excludes an adjustment of \$862k expense for 2025 (Scales share \$431k) and \$459k for 2024 (Scales share \$57k). The adjustments relate to excluding the non-cash entries in relation to the interest-free related party loan, comprising the gain on initial recognition of the loan and the unwind of the discount. The non cash entries are included for NZ IFRS financial purposes but are excluded from Underlying NPAT.

**** Underlying finance costs and underlying finance revenue are non-GAAP measures that are defined by management as the finance costs and finance revenue exclusive of the unwinding discount on the related party loan, the Fayman acquisition settlement adjustments.

C3. Investments Accounted for using the Equity Method (continued)

Summarised financial information for Esro Petfood B.V.

	2025 \$000's	2024 \$000's
Current assets	10,611	9,620
Non-current assets	20,715	13,507
Current liabilities	(11,294)	(7,019)
Non-current liabilities	(33,945)	(22,370)
Net assets	(13,913)	(6,262)
Group's share in the net assets of equity accounted entities	(6,957)	(3,131)
Effect of foreign exchange translation	-	-
Carrying amount of investment in equity accounted entities	-	-
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	28	2,853
Current financial liabilities (excluding trade and other payables and provisions)	(814)	(708)
Non-current financial liabilities (excluding trade and other payables and provisions)	(33,966)	(20,095)
Revenue	31,022	14,980
Loss for the year after tax	(5,849)	(3,511)
Other comprehensive income attributable to the owners of the company	-	-
Total comprehensive income (loss)	(5,849)	(3,511)
The above loss for the year includes the following:		
Depreciation and amortisation	2,864	1,384
Interest expense	2,043	1,383
Income tax expense	1,209	1,170
Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:		
Share of profit before taxation	-	-
Share of income tax	-	-
Share of other comprehensive income (net of tax)	-	-
Share of net profit for the year and total comprehensive income	-	-
Carrying value at beginning of the year	-	-
Effect of foreign exchange translation	-	-
Investment in equity accounted entities	-	-

Underlying financial performance of Esro Petfood B.V.:*

Underlying EBITDA/EBITDA**	(2,151)	(1,914)
Depreciation and amortisation	(2,864)	(1,384)
Underlying finance revenue/finance revenue	-	-
Underlying finance costs/finance cost	(2,043)	(1,383)
Income tax expense	1,209	1,170
Underlying NPAT/NPAT	(5,849)	(3,511)
Share of Esro Petfood B.V. Underlying NPAT included in Group Underlying EBITDA	(2,925)	(1,755)

* Underlying EBITDA, Underlying finance costs, Underlying finance revenue and Underlying NPAT are non-GAAP profit measures. The Directors and management believe that these profit measures provide meaningful information that is helpful to investors and gives them a better understanding of a company's financial performance when presented in addition to GAAP (NZ IFRS) information. The Underlying profit measures provided align more closely with the operating result of the Joint Ventures.

** EBITDA is a non-GAAP measure and is defined internally by management as Earnings Before Interest, Tax, Depreciation and Amortisation

Esro Petfood B.V. generated an underlying loss of \$5.9m (Scales share of \$2.9m) for the year end 31 December 2025. The Group does not provide a guarantee which results in the loss being capped at zero.

For NZ IFRS financial reporting purposes no profit has been recognised in Scales Group result from inception.

C3. Investments Accounted for using the Equity Method (continued)

Shelby SPS LLC

The Group recognised a \$27k share of profit before taxation for Shelby SPS LLC during the year.

C4. Goodwill

	Note	2025 \$000's	2024 \$000's
Gross carrying amount			
Balance at beginning of the year		40,630	36,972
Goodwill recognised on business acquisition	F3	129,036	19
Effect of foreign currency exchange differences		(846)	3,639
Balance at end of the year		168,820	40,630

Goodwill arising on the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Goodwill is tested for impairment annually, or more frequently if there are indications that goodwill might be impaired. For the purpose of impairment testing, goodwill has been allocated to the cash-generating units (CGUs) listed below which represent the lowest level at which the Directors monitor goodwill.

Global Proteins - ANZ Exports	4,381	-
Global Proteins - FI Group Holding	98,669	-
Global Proteins - Meateor Australia	25,986	-
Global Proteins - Shelby	32,108	32,954
Horticulture - Fern Ridge	5,702	5,702
Horticulture - Profruit	19	19
Logistics	1,955	1,955
	168,820	40,630

As at 31 December 2025, the Directors have determined, based on discounted cash flow and value in use calculations, that there is no impairment of goodwill associated with the above CGUs.

The discounted cash flow and value in use calculations use future cash flows covering a five year period based on a Board approved budget. The models were based on the following key assumptions:

	2025	2024
Pre-tax discount rates ANZ Exports CGU	28%	N/A
Pre-tax discount rates Other CGU	8-17%	9-16%
Annual growth rates	2-3%	2%

C5. Inventories

	2025 \$000's	2024 \$000's
Finished goods	112,761	19,897
Other	6,857	5,065
	119,618	24,962

Inventories are stated at the lower of cost and net realisable value. Cost means the actual cost of the inventory and in determining cost the first in first out basis of stock movement is followed, with due allowance having been made for obsolescence. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

A provision of \$0.07m (2024: \$0.5m) has been recorded relating to aged inventory within the Global Proteins division. The provision relates to inventory that has reached or is nearing its expiry date and cannot be sold or may not be sold with certainty in the market. The provision includes the costs of the inventory plus disposal costs.

C6. Impairment of Assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss and is not reversed in subsequent periods.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

C7. Software

Software is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item. Amortisation is calculated on a straight line basis. The estimated useful life of 3 years is used in the calculation of amortisation.

	2025 \$000's	2024 \$000's
Gross carrying amount		
Opening balance	9,197	8,558
Acquisition through business combination	-	132
Additions	1,247	507
Closing balance	10,444	9,197
Accumulated amortisation		
Opening balance	(8,142)	(7,398)
Amortisation expense	(1,072)	(744)
Closing balance	(9,214)	(8,142)
Net book value	1,230	1,055

D. Capital Funding

This section explains how Scales manages its capital structure and how dividends are returned to shareholders.

Capital management

The Group's capital includes share capital, reserves and retained earnings. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and customer confidence and to sustain the future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

D1. Share Capital

Issued and paid up capital consists of 145,018,818 fully paid ordinary shares (2024: 143,571,527 shares) less treasury stock of 1,298,926 shares (2024: 1,144,690 shares) (refer to note D2). All shares rank equally in all respects.

Shares issued or purchased on market under the Senior Executive Share Scheme (Share Scheme) (note D2) are treated as treasury stock until vesting to the employee.

	Number of shares	
	2025	2024
Fully paid ordinary shares:		
Opening balance	143,571,527	143,095,981
Share Scheme - shares issued	461,699	475,546
Fayman acquisition - shares issued	985,592	-
Closing balance	145,018,818	143,571,527
Treasury stock:		
Opening balance	1,144,690	1,160,229
Share Scheme - shares issued	461,699	475,546
Share Scheme - shares forfeited and sold	-	(68,931)
Share Scheme - shares fully vested	(307,463)	(422,154)
Closing balance	1,298,926	1,144,690

The available subscribed capital of \$59,807,309 (2024: \$51,835,684) represents the amount of the shareholders' equity that is available to be returned to shareholders on a tax-free basis.

In accordance with the Companies Act 1993 the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

	2025 \$000's	2024 \$000's
Movement in share capital related to share-based payments:		
Equity-settled employee benefit share scheme vested		
Interest-free loan became full recourse	857	1,271
Accumulated share option value reclassified from reserve into share capital	679	578
Accumulated dividends reclassified from retained earnings into share capital	127	221
	1,663	2,070

D2. Reserves

	Revaluation \$000's	Cash flow hedge \$000's	Share of joint ventures \$000's	Equity- settled employee benefits \$000's	Foreign exchange translation \$000's	Pension plan reserve \$000's	Total reserves \$000's
Balance at 1 January 2024 (Restated)*	94,244	5,400	2,094	1,039	469	76	103,322
Other comprehensive income (loss)	9,714	(30,198)	(4,021)	-	3,630	218	(20,657)
Transfer to retained earnings	(16,182)	-	-	-	-	-	(16,182)
Recognition of share-based payments	-	-	-	710	-	-	710
Shares fully vested	-	-	-	(578)	-	-	(578)
Balance at 31 December 2024 (Restated)*	87,776	(24,798)	(1,927)	1,171	4,099	294	66,615
Other comprehensive (loss) income	(3,653)	12,291	2,419	-	1,584	207	12,848
Transfer to retained earnings	(8,278)	-	-	-	-	-	(8,278)
Recognition of share-based payments	-	-	-	1,169	-	-	1,169
Shares fully vested	-	-	-	(679)	-	-	(679)
Income tax relating to share-based payments	-	-	-	1,398	-	-	1,398
Balance at 31 December 2025	75,845	(12,507)	492	3,059	5,683	501	73,073

Revaluation reserve

The revaluation reserve arises on the revaluation of land, buildings and apple trees, net of the related deferred tax.

Cash flow hedge reserve

The cash flow hedge reserve represents the unrealised gains and losses on interest rate and foreign currency contracts taken out to manage the Group's interest rate and foreign currency risks, net of the related deferred tax.

Equity-settled employee benefits reserve - LTI Scheme

The Share Scheme involves the Company making available interest-free loans to selected senior executives to acquire shares in the Company. The senior executives will not gain any benefit with respect to the shares purchased under the Share Scheme unless they remain in employment with the Group for a period of three years from the date of acquisition of those shares.

The shares are held by a custodian during the restricted period and are then transferred to the senior executive. All net dividends or distributions received in respect of the shares must be applied to repayment of the interest-free loan.

LTI round	Grant date	Vesting date	Exercise price, \$	Number of shares				
				Opening balance	Granted	Forfeited	Vested and exercised	Closing balance
FY21	7-Apr-22	7-Apr-25	3.20	307,463	-	-	(307,463)	-
FY22	24-Apr-23	24-Apr-26	3.33	361,681	-	-	-	361,681
FY23	24-Apr-24	24-Apr-27	2.72	475,546	-	-	-	475,546
FY24	24-Apr-25	24-Apr-28	3.18	-	461,699	-	-	461,699
Total				1,144,690	461,699	-	(307,463)	1,298,926

The weighted average share price for shares that vested during 2025 was \$4.04.

The shares issued vest over three years. The estimated value of the share options is determined using the Black-Scholes pricing calculator and is amortised over the restricted period. This cost is expensed with the corresponding credit included in the equity-settled employee benefits reserve. Expected share price volatility was based on historical volatility of the Company's ordinary shares.

* The restatements to comparative periods are explained in Section H.

D2. Reserves (continued)

LT1 round	2025 FY24	2024 FY23
The inputs into the "option pricing calculator" are:		
Issue date share price, \$	4.28	3.20
Expected share price volatility, %	32	31
Option life, years	3	3
Risk-free interest rate, %	4.52	4.92
Exercise price, \$	3.18	2.72
Fair value, at the grant date, \$	1.74	1.11

The Company has expensed in the income statement \$627k (2024: \$424k) in relation to the share scheme.

Equity-settled employee benefits reserve - PSR Scheme

On 15 December 2023 the Board approved the Scales' Performance Share Rights (PSR) Scheme (PSR Scheme) to grant performance rights to key senior management personnel as a long-term incentive programme.

PSR round	Grant date	Vesting date	Opening balance	Number of rights			Closing balance
				Granted	Forfeited	Vested and exercised	
FY23-T1	20-Dec-23	9-Mar-26	56,748	-	-	-	56,748
FY23-T2	20-Dec-23	23-Mar-26	38,113	-	-	-	38,113
FY23-T3	20-Dec-23	9-Mar-26	228,095	-	-	-	228,095
FY24A-T1	1-May-24	12-Mar-27	55,904	-	-	-	55,904
FY24A-T2	1-May-24	25-Feb-27	37,691	-	-	-	37,691
FY24A-T3	1-May-24	12-Mar-27	228,095	-	-	-	228,095
FY24B-T1	4-Dec-24	12-Mar-27	38,591	-	-	-	38,591
FY24B-T2	4-Dec-24	25-Feb-27	38,591	-	-	-	38,591
FY25-T1	1-May-25	13-Mar-28	-	84,779	-	-	84,779
FY25-T2	1-May-25	25-Feb-28	-	84,779	-	-	84,779
FY25-T3	1-May-25	13-Mar-28	-	228,095	-	-	228,095
Total			721,828	397,653	-	-	1,119,481

Total Shareholder Returns (TSR) Hurdles - Tranches 1 and 3

The proportion of performance rights subject to the absolute TSR growth hurdle which may vest is dependent on Scales' TSR compound annual growth rate (CAGR) across a 3-year measurement period.

TSR is the Company's total shareholder returns. TSR measures the total return received by Scales' investors from the increase in the market value of an ordinary share in Scales and the receipt of gross dividends and other distributions, from the commencement date to the vesting date.

For each tranche that vests the rights are awarded on a straight-line basis dependent on the TSR CAGR achieved.

TSR related performance rights vest according to the following performance criteria for each unvested tranche:

Tranche 1 - % vesting	
0%	< 8.5% CAGR
25%	= 8.5% CAGR
26% - 99% (straight-line pro rata)	> 8.5%, < 12.5% CAGR
100%	= 12.5% CAGR
Tranche 3 - % vesting	
0%	= 12.5 % CAGR
1% - 99% (straight-line pro rata)	> 12.5%, < 31.1% CAGR
100%	= 31.1% CAGR

D2. Reserves (continued)

The TSR performance tranches are calculated across the following periods:

Round	Vesting Period
FY23 - Tranche 1 and 3	20 December 2023 to 11 days after the announcement date of the FY25 Result
FY24 A and B - Tranche 1 and 3	7 March 2024 to 11 days after the announcement date of the FY26 Result
FY25 - Tranche 1 and 3	13 March 2025 to 11 days after the announcement date of the FY27 Result

The fair value of the TSR performance rights have been valued under a variant of the dividend adjusted Monte Carlo simulation.

The estimated fair value for each tranche of performance rights issued is amortised over the vesting period from the grant date.

Tranche 1 & 3

The inputs into the Monte Carlo simulation are:	FY25	FY24A	FY24B	FY23
Risk free interest rate, %	4.46	5.00	4.41	4.53
Expected life, years	2.90	2.90	2.30	2.20
Expected share volatility, %*	31.75	30.87	32.62	31.12
Fair value, at the grant date, \$	4.30	3.20	4.05	3.17

* Volatility represents the volatility of Scales' NZD share price over a 3-year period.

Earnings Per Share (EPS) Hurdle - Tranche 2

The proportion of performance rights subject to the EPS growth hurdle which may vest is dependent on Scales' EPS CAGR across a 3-year measurement period. For each tranche that vests the rights are awarded on a straight-line basis dependent on the EPS CAGR achieved. EPS growth hurdle is considered a non-market condition.

EPS related performance rights vest according to the following performance criteria:

Tranche 2 - % vesting	
0%	< 5% CAGR
25%	= 5% CAGR
26% - 99% (straight-line pro rata)	> 5%, < 10% CAGR
100%	= 10% CAGR

The EPS performance is calculated across the following periods:

Round	Vesting Period
FY23 - Tranche 2	20 December 2023 to the announcement date of the FY25 Result
FY24 - Tranche 2	22 February 2024 to the announcement date of the FY26 Result
FY25 - Tranche 2	26 February 2025 to the announcement date of the FY27 Result

The fair value of the EPS performance rights have been assessed as Scales' share price as at grant date less the present value of the dividends forecast to be paid prior to each vesting date.

The estimated fair value for each tranche of performance rights issued is amortised over the vesting period from grant date.

Vesting of performance rights also requires the employee to remain in employment with the Company during the performance period. The Company has expensed in the income statement \$666k (2024: \$286k) in relation to performance rights.

Foreign exchange translation reserve

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in two ways. Gains or losses relating to the effective portion of the hedge are recognised in other comprehensive income. Any gains or losses relating to the ineffective portion of the hedge are recognised in profit or loss.

Gains or losses arising on translation of foreign subsidiaries results (Note B6) are also recognised in this reserve.

D3. Dividends Attributable to Equity Holders of the Company

	2025 \$000's	2024 \$000's
Final dividend paid - 7.75 (2024: 4.25) cents per share	11,082	6,042
Interim dividend declared - 12.50 (2024: 7.25) cents per share	17,997	10,332
	29,079	16,374

All the above dividends were fully imputed.

The 2025 interim dividend was declared on 3 December 2025 and paid on 23 January 2026.

D4. Imputation Credit Account

	2025 \$000's	2024 \$000's
Balance at end of the year	8,854	5,901

The imputation credit account balance represents the net amount available at the reporting date that can be attached to future dividends declared.

The Scales Corporation Limited consolidated tax group for income tax includes Scales Corporation Limited and all New Zealand registered subsidiary companies other than Scales Employees Limited and Fayman New Zealand Limited.

D5. Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares on issue during the year, excluding shares held as treasury stock. Diluted earnings per share assumes conversion of all dilutive potential ordinary shares in determining the denominator.

	2025	2024 (Restated)*
Profit attributable to equity holders of the Company, \$000's:	100,988	30,337
Weighted average number of shares:		
Ordinary shares	142,803,805	142,200,207
Effect of dilutive ordinary shares (non-vested Senior Executive Share Scheme)	1,116,045	416,550
Weighted average number of Ordinary Shares for diluted earnings per share	143,919,850	142,616,757
Earnings per share (cents):		
Basic - continuing	70.7	21.3
Diluted - continuing	70.2	21.3

E. Financial Assets and Liabilities

This section explains the financial assets and liabilities of Scales, the related risks and how Scales manages these risks.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL) and 'measured at amortised cost'.

The classification depends on the business model for managing the financial asset and the cash flow characteristics of the financial asset and is determined at the time of initial recognition or when a change in the business model occurs.

Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are not measured at amortised cost. Gains and losses on a financial asset designated in this category and not part of a hedging relationship are recognised in profit or loss.

Financial assets measured at amortised cost

The Group's financial assets held in order to collect contractual cash flows that are solely payments of principal and interest on the principal outstanding are measured at amortised cost. Cash and cash equivalents, trade receivables and employee loans are classified in this category.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost, trade and other receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets is estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to twelve-month ECL.

* The restatements to comparative period are explained in Section H.

E. Financial Assets and Liabilities (continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, twelve-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within twelve months after the reporting date.

For financial assets, the ECL are estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Financial liabilities measured at amortised cost

The Group's financial liabilities include trade and other payables, borrowings and lease liabilities. These financial liabilities are initially recognised at fair value net of any directly attributable costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value with reference to observable market data at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated as an effective hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates certain derivatives as cash flow hedges. A derivative is presented as a non-current asset or a non-current liability where the cash flow will occur after twelve months and it is not expected to be realised or settled within twelve months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

At the inception of a hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in cash flows of the hedged item, attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated as a separate component of equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in 'other income' or 'other losses'.

Amounts recognised in the hedging reserve are reclassified from equity to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line as the recognised hedged item. Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in the hedging reserve at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in the hedging reserve is recognised immediately in profit or loss unless the loss is considered recoverable.

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated under the heading of foreign exchange translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign exchange translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

E1. Trade and Other Receivables

	2025 \$000's	2024 \$000's
Trade receivables	63,477	33,237
Other receivables	1,629	1,416
Receivables from entities accounted for using the equity method	862	-
Goods and services tax	5,589	3,372
	71,557	38,025

E1. Trade and Other Receivables (continued)

Credit risk management

The Group activities expose it to credit risk which refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Financial instruments which potentially subject the Group to credit risk principally consist of cash and cash equivalents, trade and other receivables and advances. The Group performs credit evaluations on trade customers and obtains trade credit insurance as appropriate but generally does not require collateral. The Group continuously monitors the credit quality of its major receivables and does not anticipate non-performance of those customers. Cash and cash equivalents are placed with high credit quality financial institutions.

There is a significant concentration of credit risk with 5 customers who represent 42.18% (2024: 5 customers who represented 26.60%) of trade and other receivables.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk.

Included in trade receivables are debts which are past due at balance date, as payment was not received within one month, and for which provision for ECL was not material as there has not been a significant change in credit quality and the amounts are still considered recoverable. No collateral is held over these balances although trade credit insurance cover is obtained in respect of some specific receivables. Interest is not charged on overdue debtors.

Ageing of past due trade receivables:	2025 \$000's	2024 \$000's
1 month	26,758	6,614
2 months	4,728	2,019
More than 2 months	3,520	2,982
	35,006	11,615

There was an ECL provision of \$5.0m as at 31 December 2025 (2024: \$0.3m), which is included within the trade receivables balance above.

E2. Other Financial Assets

Current

<i>At fair value:</i>		
Foreign currency derivative instruments	4,311	1,470
Interest rate swap contracts and forward rate agreements	375	760
	4,686	2,230

Non-current:

<i>At fair value:</i>		
Foreign currency derivative instruments	2,700	3,636
Interest rate swap contracts and forward rate agreements	13	504
Shares in unlisted companies	284	185
<i>At amortised cost:</i>		
Employee loans	3,426	3,113
Security deposits held as bank guarantee collateral	52	-
Related party loans	26,788	29,750
	33,263	37,188

E3. Trade and Other Payables

Trade payables	43,526	14,011
Accruals	13,090	10,216
Contract liability	8,805	-
Employee entitlements	11,614	5,625
	77,035	29,852

E4. Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit or loss over the period of the borrowing using the effective interest method. The fair value of current and non-current borrowings is approximately equal to their carrying amount.

The Group replaced existing Multi-Option Facility Agreements with Coöperatieve Rabobank U.A., New Zealand Branch (Rabobank) and Westpac New Zealand Limited (Westpac) with new agreements on 11 November 2021. The existing facility agreement with ANZ Bank New Zealand Limited (ANZ) was also replaced with a new agreement on 11 November 2021.

Australian subsidiaries ANZ Exports Pty Ltd, Fayman International Group Pty Ltd and Meateor Australia Pty Ltd individually have Business Finance Agreements with Westpac Banking Corporation (Westpac Australia), covering term debt, trade finance (seasonal facilities) and overdrafts.

Profruit (2006) Limited has an overdraft facility agreement with Westpac New Zealand Limited.

USD Term debt remaining at 31 December 2025 is designated as a hedge of net investments in foreign operations.

AUD Term debt relates to Fayman International Group Pty Ltd and Meateor Australia Pty Ltd.

Term facilities	Facility limit		Undrawn facility	
	2025 \$000's	2024 \$000's	2025 \$000's	2024 \$000's
Rabobank USD	23,635	11,635	-	-
Westpac USD	23,635	11,635	-	-
Westpac (Australia) AUD	6,208	-	250	-
Seasonal facilities and overdraft facility				
Rabobank seasonal facility	20,000	20,000	20,000	20,000
Westpac seasonal facility	20,000	20,000	20,000	20,000
ANZ overdraft	1,000	1,000	1,000	1,000
Westpac overdraft	-	-	-	-
Westpac (Australia) seasonal facility (Trade finance) AUD	60,500	-	14,334	-
Westpac (Australia) overdraft AUD	13,500	-	7,905	-

Group term debt under the New Zealand banking syndicate is subject to financial covenants tested quarterly on 31 March, 30 June, 30 September and 31 December of each year. The covenant measures the interest cover ratio and net debt to EBITDA ratio of the Charging Group. The Group has complied with all financial covenants in 2025 and 2024. There are no indications the Group will have difficulty complying with the covenants in the next 12 months.

Fayman International Group Pty Ltd (FIG) debt is subject to financial covenants tested semi-annually on 30 June and 31 December of each year. The covenant measures the financial debt to EBITDA ratio and the capital ratio. At 31 December 2025, FIG was in breach of its capital ratio covenant. Under the terms of the Business Finance Agreement, this breach gave the lender the contractual right to demand immediate repayment of all outstanding FIG facilities. As a formal waiver was not in place at the reporting date, the Group does not have an unconditional right to defer settlement for at least 12 months. Consequently, in accordance with NZ IAS 1, the carrying amount of FIG's term facilities of \$2.1 million have been classified as current liabilities. Subsequent to balance date, on 29 January 2026, a Reservation of Rights letter was issued by the lender. The lender acknowledged the breach and confirmed they do not currently intend to take enforcement action, subject to FIG providing satisfactory remediation plans and updated forecasts.

Meateor Australia Pty Ltd (MAP) debt is subject to financial covenants tested annually on 30 June of each year. The covenant measures the interest cover ratio, financial debt to EBITDA ratio and the capital ratio. MAP has complied with all financial covenants in 2025.

The floating interest rate is 1.20% to 6.27% (2024: 1.20% to 6.97%). USD term borrowing facilities expire 1 July 2027. AUD term borrowing facilities mature on 21 June 2027 (MAP) and 27 October 2027 (FIG). Although FIG's contractual maturity is 27 October 2027, FIG's term borrowings are classified as current at 31 December 2025 due to the covenant breach and absence of a balance date waiver. Seasonal facilities, trade finance drawings and overdrafts presented as current borrowings are repayable within 12 months.

New Zealand bank facilities are secured by a first ranking security interest granted by each of the Charging Group Companies over all its present and after acquired property (including proceeds) and a first ranking security interest over any of the Charging Group Companies' present and future assets and undertakings which are not personal property. The bank facilities are also secured by first and exclusive registered mortgages over property comprising coolstores, orchards and industrial and commercial property owned by members of the Charging Group. Charging Group Companies as at 31 December 2025 are Scales Corporation Limited, Scales Holdings Limited, Mr Apple New Zealand Limited, New Zealand Apple Limited, Fern Ridge Produce Limited, Profruit (2006) Limited, Geo.H.Scales Limited, Meateor Foods Limited, Scales Logistics Limited and Meateor Group Limited.

E4. Borrowings (continued)

Australian bank facilities are secured by a mortgage over lease security and a General Security over all existing and future assets and undertakings of Meateor Australia Pty Ltd, Meateor Aus Services Pty Ltd, Fayman International Group Pty Ltd, FI Group Holding Pty Ltd, ANZ Exports Pty Ltd and Fayman New Zealand Limited.

Seasonal (current) and term (non-current) borrowings:	2025 \$000's	2024 \$000's
Opening balance	41,259	65,647
Debt acquired on acquisition through business combination	53,224	5,444
Drawdowns	74,733	81,500
Repayments	(34,715)	(116,024)
Net drawdown on trade finance facilities	13,548	-
Effect of foreign currency translation	692	4,692
Closing balance	148,741	41,259

E5. Other Financial Liabilities

Current financial liabilities at fair value

Foreign currency derivative instruments	6,812	23,700
Put options - Shelby JV LLO	-	18,218
	6,812	41,918

Non-current financial liabilities at fair value

Foreign currency derivative instruments	12,847	18,688
Interest rate swaps	43	-
Put options - ANZ Exports Pty Ltd	1,559	-
	14,449	18,688

In 2018 the Group acquired 60% of Shelby JV LLO and its subsidiaries Shelby Foods LLC, Shelby Exports Inc, Shelby Cold Storage LLC, Shelby Trucking LLC and Shelby Properties LLC (collectively, Shelby Group).

As part of the original transaction, the Company entered into an agreement with the vendor whereby the vendor had an option to put a further 5% of total units in Shelby Group to Scales at a value based on a multiple of Shelby Group EBITDA. The obligation to acquire the ownership interest under the put option was included in other financial liabilities in 2024. The option has been cancelled as part of the further 7.5% acquisition in April 2025.

In 2025 the Group acquired an additional 42.5% of ANZ Exports Pty Ltd. As part of the transaction, the non-controlling interest has the option to put their 15% of share equity to Scales at a value based on a multiple on ANZ Exports Pty Ltd EBITDA. This transaction has been accounted for as a gross liability in other financial liabilities and impacting NCI.

E6. Interest Rate Risk

Interest rate risk management

The Group is exposed to interest rate risk as it borrows funds at floating interest rates. Management monitors the level of interest rates on an ongoing basis and may use interest rate swaps and forward rate agreements to manage interest rate risk.

Interest rate swap contracts and forward rate agreements

Under interest rate swap contracts and forward rate agreements, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts, some of which can commence in future reporting years, enable the Group to mitigate the risk of changing interest rates on the cash flow exposures on the issued floating rate debt. The fair value of these contracts at the reporting date is determined by discounting the future cash flows using the forward interest rate curves at reporting date and the credit risk inherent in the contracts. The average contracted fixed interest rate is based on the notional principal amount at balance date.

The Group's interest rate swap contracts and forward rate agreements are classified as Level 2 in the fair value hierarchy.

E6. Interest Rate Risk (continued)

Interest rate swap contracts:

	Fixed Interest Rate		Notional principal amount		Fair value	
	2025 %	2024 %	2025 \$000's	2024 \$000's	2025 \$000's	2024 \$000's
Maturity Date						
Within 1 year	1.05	0.89	9,501	9,752	238	215
2-5 years	3.32	2.53	25,048	28,369	107	1,049
After 5 years	-	-	-	-	-	-
			34,548	38,121	345	1,264

These interest rate swap contracts and forward rate agreements, exchanging floating rate interest amounts for fixed rate interest amounts, are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from floating interest rates on borrowings. The interest rate swap and forward rate agreement payments, and the interest payments on the loans occur simultaneously, and the amount deferred in equity is recognised in profit or loss over the period that the floating rate interest payments on debt impact profit or loss.

As the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite directions in response to movements in the underlying interest rates. The main source of hedge ineffectiveness in these hedge relationships (which is not material) is the effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swap contract, which is not reflected in the fair value of the hedged item attributable to the change in interest rates. No other sources of ineffectiveness emerged from these hedging relationships.

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at reporting date was outstanding for the whole year. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. Impact on net profit after tax assumes that none of floating interest rate borrowings were hedged.

	2025		2024	
	+1% \$000's	-1% \$000's	+1% \$000's	-1% \$000's
Impact on net profit after tax	422	(422)	350	(350)
Impact on cash flow hedge reserve net of tax	738	(776)	708	(749)

E7. Foreign Currency Risk

Foreign currency risk management

Foreign currency risk is the risk that the value of the Group's assets and liabilities or revenues and expenses will fluctuate due to changes in foreign exchange rates. The Group is exposed to currency risk as a result of normal trading transactions denominated in foreign currencies. The currencies in which the Group primarily trades are the Australian dollar, Euro, Canadian dollar, Great Britain pound and United States dollar, with the largest exposure being to the United States dollar.

Currency risk is managed by the natural hedge of foreign currency receivables and payables and the use of foreign currency derivative financial instruments. The fair value of foreign currency derivative financial instruments at the reporting date is determined on a discounted cash flow basis whereby future cash flows are estimated based on forward exchange rates and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

The Group's forward foreign exchange contracts and foreign exchange options are classified as Level 2 in the fair value hierarchy.

Foreign currency instruments at balance date:

	2025		2024	
	Contract Value \$000's	Fair Value \$000's	Contract Value \$000's	Fair Value \$000's
Sale commitments forward foreign exchange contracts	990,646	(11,152)	572,711	(28,487)
Sale commitments foreign exchange options	101,818	(1,496)	178,507	(8,795)

E7. Foreign Currency Risk (continued)

These foreign currency instruments are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from movements in foreign currency exchange rates on anticipated future transactions. It is anticipated that the sales will take place during the 2026 to 2030 financial years at which stage the amount deferred in equity will be released into profit or loss.

For hedges of highly probable forecast sales and purchases, as the critical terms (i.e. the notional amount, life and underlying) of the foreign currency instruments and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the instruments and the value of the corresponding hedged items will systematically change in opposite directions in response to movements in the underlying exchange rates. The Group uses the hypothetical derivative method for the hedge effectiveness assessment and measurement of hedge ineffectiveness. As for the hedge of the net investment in Meateor US LLC sub-group, the Group assesses effectiveness by comparing the nominal amount of the net assets designated in the hedge relationship with the nominal amount of the hedging instrument. This is a simplified approach because the currency of the exposure and hedging instruments perfectly match and the Group excludes from the designation the foreign currency basis spread.

The following table demonstrates the sensitivity to a reasonably possible change of 5% in the value of New Zealand dollar against other foreign currencies, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Group's equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges.

	2025		2024	
	+5% \$000's	-5% \$000's	+5% \$000's	-5% \$000's
Impact on net profit after tax				
USD	(814)	900	(554)	612
AUD	432	(477)	(6)	6
EUR	(32)	35	(2)	2
GBP	-	-	(4)	4
CAD	-	-	-	-
NZD	5	(6)	-	-
Impact on cash flow hedge reserve net of tax				
USD	(31,376)	28,337	(21,847)	19,588
AUD	(2,132)	1,929	(6)	5
EUR	(2,590)	2,298	(2,320)	2,086
GBP	(845)	748	(807)	714
CAD	(736)	666	(250)	226
NZD	(18)	16	-	-

E8. Categories of Financial Instruments

	2025 \$000's	2024 \$000's
Financial assets:		
Amortised cost	160,906	121,269
Derivative instruments in designated hedge accounting relationships	7,399	6,370
Fair value through profit or loss	284	185
	168,589	127,824
Financial liabilities:		
Amortised cost	385,315	147,828
Derivative instruments in designated hedge accounting relationships	19,702	42,388
Fair value through profit or loss	1,559	18,218
	406,576	208,434

The carrying amount of financial instruments at amortised cost approximates their fair value.

E8. Categories of Financial Instruments (continued)

Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Foreign currency derivative liabilities are presented below at fair value.

E9. Maturity Profile of Financial Liabilities

	On demand \$000's	Within 3 months \$000's	4 months to 1 year \$000's	1-5 years \$000's	Total \$000's
2025					
Trade and other payables	-	77,035	-	-	77,035
Dividend declared	-	17,997	-	-	17,997
Put options	-	-	-	1,559	1,559
Bank overdrafts	6,475	-	-	-	6,475
Borrowings	62,227	1,559	4,714	87,237	155,737
Purchase price payable	-	-	8,310	33,238	41,548
Foreign currency derivatives	-	332	6,480	12,847	19,659
	68,702	96,923	19,504	134,881	320,010
2024					
Trade and other payables	-	29,852	-	-	29,852
Dividend declared	-	10,332	-	-	10,332
Put options	-	18,218	-	-	18,218
Borrowings	-	624	990	42,550	44,164
Foreign currency derivatives	-	1,441	21,034	19,913	42,388
	-	60,467	22,024	62,463	144,954

F. Group Structure

This section provides information about Scales' Group structure and how it affects the financial position and performance of the Group. It includes information about subsidiaries and non-controlling interests.

F1. Subsidiary Companies

Subsidiary companies	Principal activity	Country of incorporation	Holding		Balance date
			2025	2024	
ANZ Exports Pty Ltd	Trading company	Australia	85%	42.5%	31 December
Fayman International Group Pty Ltd	Trading company	Australia	100%	50%	31 December
Fayman New Zealand Limited	Trading company	New Zealand	95%	47.5%	31 December
Fern Ridge Produce Limited	Trading company	New Zealand	100%	100%	31 December
FI Group Holding Pty Ltd	Holding company	Australia	100%	50%	31 December
Geo. H. Scales Limited	Non trading company	New Zealand	100%	100%	31 December
Longview Group Holdings Limited	Non trading company	New Zealand	100%	100%	31 December
Meateor Australia Pty Ltd	Trading company	Australia	100%	50%	31 December
Meateor Australia Services Pty Ltd	Trading company	Australia	100%	50%	31 December
Meateor Foods Australia Pty Limited	Trading company	Australia	100%	100%	31 December
Meateor Foods Limited	Trading company	New Zealand	100%	100%	31 December
Meateor Group Limited	Holding company	New Zealand	100%	100%	31 December
Meateor US LLC	Holding company	United States	100%	100%	31 December

F1. Subsidiary Companies (continued)

Subsidiary companies	Principal activity	Country of incorporation	Holding		Balance date
			2025	2024	
Mr Apple New Zealand Limited	Trading company	New Zealand	100%	100%	31 December
New Zealand Apple Limited	Trading company	New Zealand	100%	100%	31 December
Profruit (2006) Limited	Trading company	New Zealand	100%	100%	31 December
Scales Employees Limited	Custodial company	New Zealand	100%	100%	31 December
Scales FI Group Holding Pty Ltd	Holding company	Australia	100%	100%	31 December
Scales Holdings Limited	Holding company	New Zealand	100%	100%	31 December
Scales Logistics Limited	Freight consolidator	New Zealand	100%	100%	31 December
Scales Logistics Australia Pty Ltd	Freight consolidator	Australia	100%	100%	31 December
Selacs Insurance Limited	Insurance company	New Zealand	100%	100%	31 December
Shelby Cold Storage, LLC	Coldstore operator	United States	67.5%	60%	31 December
Shelby Exports, Inc	Non trading company	United States	67.5%	60%	31 December
Shelby Foods, LLC	Trading company	United States	67.5%	60%	31 December
Shelby JV LLC	Holding company	United States	67.5%	60%	31 December
Shelby Properties LLC	Non trading company	United States	67.5%	60%	31 December
Shelby Trucking LLC	Trading company	United States	67.5%	60%	31 December

Subsidiary companies are controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

F2. Non-Controlling Interests

The following non-wholly owned subsidiaries of the Group have material non-controlling interests.

Proportion of equity interest held by non-controlling interests:

Subsidiary companies	Country of incorporation	Non-controlling interest	
		2025	2024
ANZ Exports Pty Ltd	Australia	15%	N/A
Fayman New Zealand Limited	New Zealand	5%	N/A
Shelby JV LLC and its subsidiaries	United States	32.5%	40%

F2. Non-Controlling Interests (continued)

Summarised financial information for ANZ Exports Pty Ltd

On 30 September 2025 the Group acquired a further 42.5% interest in ANZ Exports Pty Ltd, bringing to the total Group ownership interest to 85% and we have gained control in the entity (see note F3).

The summarised financial information in respect of the Group's subsidiary that has material non-controlling interests as at 31 December 2025, reflecting 100% of the underlying subsidiary's relevant figures, is set out below:

	2025 \$000's
Statement of financial position	
Current assets	19,610
Non-current assets	352
Current liabilities	(17,305)
Non-current liabilities	-
Net assets	2,657
Attributable to:	
Equity holders of the Company	2,259
Non-controlling interests	399
Total dividends paid to non-controlling interests	-
	2025 Oct-Dec \$000's
Statement of comprehensive income	
Total revenue	25,566
Net profit for the year	225
Attributable to:	
Equity holders of the Company	191
Non-controlling interests	34
Statement of cash flows	
Net cash provided by operating activities	2,216
Net cash provided by investing activities	-
Net cash used in financing activities	(2,216)
Net decrease in cash	(1)

F2. Non-Controlling Interests (continued)

Summarised financial information for Shelby JV LLC and its subsidiaries

On 16 April 2025 the Group acquired a further 7.5% interest in Shelby JV LLC for USD \$24.35m, bringing the total Group ownership interest to 67.5%. As part of the acquisition, the put option over 5% of Shelby JV LLC was cancelled.

The transaction has been accounted for as an equity transaction. The incremental directly attributable transaction costs incurred to acquire the additional 7.5% interest were deducted from parent equity. The difference between the amount by which the non-controlling interests were adjusted and the fair value of the consideration paid was recognised directly in equity and attributed to the owners of the parent.

The summarised financial information in respect of the Group's subsidiary that have material non-controlling interests as at 31 December 2025, reflecting 100% of the underlying subsidiary's relevant figures, is set out below:

	2025 \$000's	2024 \$000's
Statement of financial position		
Current assets	35,016	37,789
Non-current assets	21,767	17,669
Current liabilities	(9,414)	(10,746)
Non-current liabilities	(65)	(144)
Net assets	47,305	44,567
Attributable to:		
Equity holders of the Company	31,931	26,740
Non-controlling interests	15,374	17,827
Total dividends paid to non-controlling interests	14,846	17,175
Statement of comprehensive income		
Total revenue	234,843	235,136
Net profit for the year	48,060	48,327
Attributable to:		
Equity holders of the Company	31,383	28,996
Non-controlling interests	16,676	19,331
Statement of cash flows		
Net cash provided by operating activities	52,989	50,589
Net cash used in investing activities	(6,366)	(5,650)
Net cash used in financing activities	(44,758)	(43,026)
Net increase in cash	1,865	1,913

F3. Acquisition of Australian Entities

On 29 September 2025 the Group entered into a sale and purchase agreement with Fayman International Pty Limited and Colorado Aus Pty Limited to purchase the remaining 50% of FI Group Holding Pty Limited (FIG) and its subsidiaries for \$69.2m and an additional 42.5% of ANZ Exports Pty Limited (ANZ) for \$3.8m.

On 29 September 2025 the Group also entered into a sale and purchase agreement with JAGF Pty Limited, PMI Investments Pty Limited, Maramel Pty Limited, JMA International Pty Limited and Colorado Aus Pty Limited to purchase the remaining 50% of Meateor Australia Pty Limited (MAP) and its subsidiary for \$17.4m.

On 30 September 2025, the acquisition date, these transactions were settled for a total acquisition price of \$90.5m. At acquisition, the discounted fair value of the consideration was \$84.7m. MAP and FIG became wholly owned subsidiaries, and ANZ an 85% owned subsidiary.

Consideration is as follows:

- AUD 37.8m converted at 30 September 2025 to NZD 43.0m paid in cash on 30 September 2025;
- AUD 5.3m converted at 30 September 2025 to NZD 6.0m payable in new shares to be issued on or about 31 October 2025;
- AUD 36.4m converted at 30 September 2025 to NZD 41.5m payable in five annual instalments of AUD 7.3m (NZD 8.3m) each, starting on 30 September 2026 and ending on 30 September 2030. The acquisition fair value of the deferred consideration was \$35.7m.

The purchase price is payable in AUD.

F3. Acquisition of Australian Entities (continued)

Subsequently, AUD 11.6m converted to NZD 13.2m was paid in cash for the repayment of the related party loan on 30 September 2025.

The sale and purchase agreements were simultaneous and interdependent. Both included a lockbox arrangement, whereby the Group was entitled to 100% of MAP and FIG earnings and 85% of ANZ earnings from 1 April 2025.

ANZ's and FIG's extensive edible protein distribution networks with global supply chains, and MAP's manufacturing facility in Melbourne are strategically important to the Global Proteins division, and the acquisitions align with the Group long term growth strategy.

Purchase of the 50% in FIG, 42.5% in ANZ, and 50% in MAP were treated as a stepped business combination. The previously held interest was remeasured to fair value at the acquisition date with any gain or loss on the measurement recognised in profit or loss. Due to the complexity and material nature of the acquisitions, the intangible assets acquired in the transaction are determined on a provisional basis. The remainder of the business combination accounting was finalised at 31 December 2025.

Details of the ANZ acquisition

	Carrying value on acquisition \$000's	Fair value on acquisition \$000's
Current assets		
Cash and bank balances	9	9
Trade and other receivables	5,213	5,213
Derivative assets	137	137
Inventory	9,075	9,308
Prepayments	492	492
Non-current assets		
Deferred tax asset	320	250
Current liabilities		
Trade and other payables	(4,973)	(4,973)
Current tax payable	(291)	(291)
Derivative liabilities	(41)	(41)
Related party payables	(5,200)	(5,200)
Borrowings	(2,547)	(2,547)
Net assets acquired	2,194	2,357
Consideration paid in cash		1,946
Consideration paid in Scales Corporation Limited shares		309
Fair value of deferred consideration		1,291
Fair value of the previously held equity interest		3,546
Less fair value of 15% non-controlling interest		(354)
Less fair value of identifiable assets acquired and liabilities assumed		(2,357)
Goodwill		4,381

Fair value measurement of deferred consideration

The deferred consideration was measured at its fair value at the acquisition date, using a discount rate of 5.26%. The discount rate is Group's incremental borrowing rate, reflecting the time value of money, foreign exchange risk and credit risk. The valuation was based on contractual payment terms and assumes no early settlement or default.

F3. Acquisition of Australian Entities (continued)

Details of the ANZ acquisition (continued)

Fair value measurement of deferred consideration (continued)

Future payment date	Nominal amount AUD 000's	Discounted amount AUD 000's	Nominal amount NZD 000's	Discounted amount NZD 000's
30-Sep-26	264	252	301	287
30-Sep-27	264	239	301	272
30-Sep-28	264	227	301	258
30-Sep-29	264	215	301	244
30-Sep-30	264	202	301	230
Total	1,320	1,135	1,505	1,291

The deferred consideration is classified as a financial liability measured at amortised cost. Interest expense arising from unwinding the discount is recognised in the profit or loss in the consolidated statement of comprehensive income over the payment period using the effective interest method.

Fair value measurement of identifiable net assets acquired

Inventory acquired has been measured at fair value, being the sales price less costs to sell. Costs to sell include the cost of raw materials, processing, inbound and outbound freight, and other applicable sale costs.

Previously held equity interest

A gain of \$2.5m was recognised as a result of measuring at fair value the 42.5% equity interest in ANZ held prior to the business combination. The gain is included in other income in the consolidated statement of comprehensive income for the year ended 31 December 2025.

Non-controlling interest

The Group has elected to measure the 15% non-controlling interest (NCI) arising from this acquisition at the proportionate share of the fair value of the identifiable net assets at the acquisition date. Accordingly, no goodwill has been attributed to NCI. NCI is included as a separate component of equity in the consolidated statement of financial position.

Goodwill arising on acquisition

Goodwill recognised on acquisition represents expected growth opportunities and further access to global markets.

Post acquisition performance

From 1 October 2025 to 31 December 2025, ANZ contributed \$21.5m in revenue and \$0.2m in net profit to the Group. Had ANZ been consolidated from 1 January 2025, the consolidated statement of comprehensive income would have included revenue of \$57.7m and net profit of \$0.8m.

Details of the FIG acquisition

	Carrying value on acquisition \$000's	Fair value on acquisition \$000's
Current assets		
Cash and bank balances	357	357
Trade and other receivables	12,781	12,781
Current tax asset	134	134
Derivative assets	2,377	2,377
Inventory	73,502	76,407
Prepayments	1,051	1,051
Related party receivables	5,272	5,272
Non-current assets		
Plant and equipment	301	301
Deferred tax asset	2,183	1,303
Right-of-use asset	344	377

F3. Acquisition of Australian Entities (continued)

Details of the FIG acquisition (continued)

	Carrying value on acquisition \$000's	Fair value on acquisition \$000's
Current liabilities		
Trade and other payables	(26,026)	(26,026)
Contract liability	(7,646)	(7,646)
Derivative liabilities	(66)	(66)
Borrowings - current	(31,693)	(31,693)
Lease liability - current	(88)	(88)
Non-current liabilities		
Borrowings - non-current	(2,371)	(2,371)
Lease liability - non-current	(284)	(289)
Net assets acquired	30,128	32,181
Consideration paid in cash		35,859
Consideration paid in Scales Corporation Limited shares		5,687
Fair value of deferred consideration		23,879
Fair value of the previously held equity interest		65,425
Less fair value of identifiable assets acquired and liabilities assumed		(32,181)
Goodwill		98,669

Fair value measurement of deferred consideration

The deferred consideration was measured at its fair value at the acquisition date, using a discount rate of 5.26%. The discount rate is Group's incremental borrowing rate, reflecting the time value of money, foreign exchange risk and credit risk. The valuation was based on contractual payment terms and assumes no early settlement or default.

Future payment date	Nominal amount AUD 000's	Discounted amount AUD 000's	Nominal amount NZD 000's	Discounted amount NZD 000's
30-Sep-26	4,864	4,638	5,555	5,297
30-Sep-27	4,864	4,410	5,555	5,036
30-Sep-28	4,864	4,181	5,555	4,775
30-Sep-29	4,864	3,953	5,555	4,515
30-Sep-30	4,864	3,727	5,555	4,256
Total	24,320	20,909	27,775	23,879

The deferred consideration is classified as a financial liability measured at amortised cost. Interest expense arising from unwinding the discount is recognised in the profit or loss in the consolidated statement of comprehensive income over the payment period using the effective interest method.

Fair value measurement of identifiable net assets acquired

Inventory acquired has been measured at the fair value, being the sales price less costs to sell. Costs to sell include the cost of raw materials, processing, inbound and outbound freight, and other applicable sale costs.

Previously held equity interest

A gain of \$23.9m was recognised as a result of measuring at fair value the 50% equity interest in FIG held prior to the business combination. The gain is included in other income in the consolidated statement of comprehensive income for the year ended 31 December 2025.

Goodwill arising on acquisition

Goodwill recognised on acquisition represents expected growth opportunities and further access to global markets.

Post acquisition performance

From 1 October 2025 to 31 December 2025, FIG contributed \$189m in revenue and \$3m in net profit to the Group. Had FIG been consolidated from 1 January 2025, the consolidated statement of comprehensive income would have included revenue of \$525m and net profit of \$10.8m.

F3. Acquisition of Australian Entities (continued)

Details of the MAP acquisition

	Carrying value on acquisition \$000's	Fair value on acquisition \$000's
Current assets		
Cash and bank balances	4,493	4,493
Trade and other receivables	7,311	7,311
Derivative assets	85	85
Inventory	15,196	16,044
Prepayments	510	510
Non-current assets		
Property, plant and equipment	24,521	27,855
Right-of-use asset	9,759	10,111
Current liabilities		
Trade and other payables	(6,653)	(6,653)
Current tax payable	(169)	(169)
Derivative liabilities	(169)	(169)
Borrowings	(16,613)	(16,613)
Lease liability current	(1,000)	(1,000)
Non-current liabilities		
Deferred tax	(2,186)	(3,580)
Related party loan	(20,834)	(23,650)
Lease liability non-current	(9,222)	(9,111)
Net assets acquired	5,029	5,464
Consideration paid in cash		5,174
Fair value of deferred consideration		10,551
Fair value of the previously held equity interest		15,725
Less fair value of identifiable assets acquired and liabilities assumed		(5,464)
Goodwill		25,986

Fair value measurement of deferred consideration

The deferred consideration was measured at its fair value at the acquisition date, using a discount rate of 5.26%. The discount rate is Group's incremental borrowing rate, reflecting the time value of money, foreign exchange risk and credit risk. The valuation was based on contractual payment terms and assumes no early settlement or default.

Future payment date	Nominal amount AUD 000's	Discounted amount AUD 000's	Nominal amount NZD 000's	Discounted amount NZD 000's
30-Sep-26	2,156	2,056	2,454	2,340
30-Sep-27	2,156	1,955	2,454	2,225
30-Sep-28	2,156	1,853	2,454	2,110
30-Sep-29	2,156	1,752	2,454	1,995
30-Sep-30	2,156	1,652	2,454	1,881
Total	10,780	9,268	12,270	10,551

The deferred consideration is classified as a financial liability measured at amortised cost. Interest expense arising from unwinding the discount is recognised in the profit or loss in the consolidated statement of comprehensive income over the payment period using the effective interest method.

F3. Acquisition of Australian Entities (continued)

Details of the MAP acquisition (continued)

Fair value measurement of identifiable net assets acquired

An external valuation was obtained to determine the fair value of plant and equipment on acquisition.

Inventory acquired has been measured at the fair value, being the sales price less costs to sell. Costs to sell include the cost of raw materials, processing, inbound and outbound freight, and other applicable sale costs.

Previously held equity interest

A gain of \$13.9m was recognised as a result of measuring at fair value the 50% equity interest in MAP held prior to the business combination. The gain is included in other income in the consolidated statement of comprehensive income for the year ended 31 December 2025.

Goodwill arising on acquisition

Goodwill recognised on acquisition represents expected growth opportunities and further access to global markets.

Post acquisition performance

From 1 October 2025 to 31 December 2025, MAP contributed \$16.9m in revenue and \$0.7m in net profit to the Group. Had MAP been consolidated from 1 January 2025, the consolidated statement of comprehensive income would have included revenue of \$64m and net profit of \$2.4m.

G. Other

G1. Capital Commitments

	2025 \$000's	2024 \$000's
Apple trees purchase commitments	143	-
Property, plant and equipment purchase commitments	662	3,194

G2. Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognised a right-of-use asset and a corresponding liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group applies the practical expedient and recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the lease assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate (IBR).

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

G2. Leases (continued)

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Right-of-use assets are depreciated over the shorter period of either the lease term or the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies NZ IAS 36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss under this standard.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Administration and operating expenses" in the statement of comprehensive income.

As a practical expedient, NZ IFRS 16 permits a lessee to not separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

Right-of-use assets	Land and buildings \$000's	Plant and equipment \$000's	Office equipment motor and vehicles \$000's	Total \$000's
Carrying Amount				
Balance at 1 January 2024	44,252	294	5,026	49,572
Additions	17,014	127	2,981	20,122
Lease modification	(793)	-	(19)	(812)
Depreciation expense	(7,042)	(302)	(1,941)	(9,285)
Balance at 31 December 2024	53,431	119	6,047	59,597
Additions	50,219	206	1,048	51,473
Lease terminations	(415)	-	-	(415)
Depreciation expense	(8,595)	(180)	(2,024)	(10,799)
Balance at 31 December 2025	94,640	145	5,071	99,856

	2025 \$000's	2024 \$000's
Amounts recognised in profit and loss		
Depreciation expense on right-of-use assets	10,799	9,285
Gain on lease modification	(59)	(79)
Interest expense on lease liabilities	4,740	3,774
Expense relating to short-term leases and low-value assets	1,822	1,287

Lease liabilities		
Current	15,971	13,464
Non-current	97,662	52,921

Maturity analysis (undiscounted cash flows)		
Year 1	15,996	13,471
Year 2	14,881	12,973
Year 3	13,104	11,214
Year 4	11,775	9,489
Year 5	10,655	8,077
Onwards	98,329	35,946
	164,740	91,170

G2. Leases (continued)

	2025 \$000's	2024 \$000's
Cash outflows for leases		
Interest on lease liabilities	4,740	3,774
Repayments of lease liabilities	8,464	9,075
Short-term leases and low-value asset leases	1,822	1,287
	15,026	14,136

Sale and leaseback

On 29 August 2025, the Group subsidiary Mr Apple New Zealand Limited completed a transaction to sell and leaseback Whakatu Coolstores.

The lease has an initial lease term of 20 years with rights of renewal for a further 15 years. The Group has recognised a right-of-use asset from the leaseback for the initial 20 year term.

Total right-of-use asset additions recognised from the leaseback of the property amounted to \$18.2 million. Proceeds from the sale and associated lease payments are included in the statement of cash flows. A gain on sale of \$0.2m from the sale and leaseback was recognised in other income.



G3. Related Party Disclosures

Transactions with related parties

Certain Directors or senior management have relevant interests in companies with which Scales has transactions in the normal course of business. A number of Scales Directors are also non-executive directors of other companies. Any transactions undertaken with these entities have been entered in the ordinary course of business.

Key management personnel remuneration

The compensation of the Directors and executives, being the key management personnel of the Group, is as follows:

	2025 \$000's	2024 \$000's
Short-term employee benefits	10,358	8,431
Share-based payments	650	456
Post-employment benefits	412	342
	11,420	9,229

As at 31 December 2025, 651,276 (31 December 2024: 827,989) shares were on issue to key management personnel in accordance with the Share Scheme described in note D2.

During 2025, 342,705 (2024: 332,746) new PSR were issued to key management personnel in accordance with the PSR Scheme described in note D2.

Transactions with equity accounted entities		
Revenue from sale of goods	-	3,228
Revenue from services	18,059	14,364
Loss on related party loans	-	(1,663)
Dividends and distributions received	2,645	1,545
Interest received	2,219	1,621
Materials and services received	(2,182)	(7,617)
Trade receivables at balance date	2,532	1,563
Trade payables at balance date	(51)	-
Related party loans	26,788	29,750

The amounts above include entities that were equity accounted until 30 September 2025.

In October 2022, Meateor Group Limited, along with the other joint venture partners, agreed a financing arrangement with Meateor Australia Pty Limited for a term of 5 years. The total facility provided to Meateor Australia Pty Limited is AUD 4 million with the interest rate on the drawdown balances charged at 5% per annum.

In July 2023 the financing arrangement with Meateor Australia Pty Limited was amended to nil interest over the term of the loan.

In September 2025, with the acquisition of the remaining 50%, Meateor Group Limited took over the joint venture partners' balance of AUD 4 million.

The loan balance has been recorded using the effective interest method.

In August 2023, a financing arrangement was agreed with Esro Petfood B.V. The total facility available to Esro Petfood B.V. is €15m. The total drawdown at year end is €12.9m. Interest is charged on each drawdown calculated quarterly at an interest rate of EURIBOR plus 4%. The facilities are secured and each has a term of 60 months from its initial date of utilisation.

G4. Contingent Liabilities

There are no contingent liabilities as at 31 December 2025 (2024: Nil).

G5. Events Occurring After Balance Date

There were no events occurring subsequent to balance date which require adjustment to or disclosure in the financial statements.

H. Correction of Error and Resulting Restatement

The Group's bearer plants are carried at fair value. The fair value is determined by the independent valuer using the discounted cash flow method. As part of the current year's valuation, management identified certain planted areas that are on leased land, which had been omitted from the valuation in prior years. This error related to plantings predominately in 2017 to 2020. This resulted in an understatement of the value of the bearer plants. It was also identified that an incorrect yield input had been used for one variety in the prior years. This resulted in an overstatement of value in bearer plants for this variety.

Accordingly, comparative figures presented in these financial statements have been restated to correct the errors.

Impact on statement of comprehensive income (increase/(decrease) in profit)	2024 \$000's
Revaluation of property, plant and equipment through profit or loss	(217)
Depreciation	(323)
Income tax expense	151
Net impact on profit for the year	(389)
Other comprehensive income	
<i>Items that will not be reclassified to profit or loss</i>	
Revaluation of apple trees	2,354
Income tax relating to apple trees	(659)
Net impact on other comprehensive income/loss	1,695
Net impact on total comprehensive income	1,306
Total comprehensive income for the year is attributable to:	
Equity holders of the Company	1,306
Non-controlling interests	-
	1,306

Impact on statement of financial position (increase/(decrease) in asset/(liability))	1 Jan 2024 \$000's	31 Dec 2024 \$000's
Property, plant and equipment	4,841	6,655
Total assets	4,841	6,655
Deferred tax liabilities	(1,355)	(1,863)
Total liabilities	(1,355)	(1,863)
Net impact on equity	3,486	4,792
Impact on statement of changes in equity (increase/(decrease) in equity)	1 Jan 2024 \$000's	31 Dec 2024 \$000's
Reserves	3,887	1,695
Retained earnings	(401)	(389)
Attributable to owners of the Company	3,486	1,306

All impacts in the segment information are within the Horticulture and New Zealand segments.

Impact on Earnings per share

The Group's basic earnings per share has changed from 21.6 cents to 21.3 cents and diluted earnings per share has changed from 21.5 cents to 21.3 cents for the year ended 31 December 2025.





Independent Auditor's Report

To the Shareholders of Scales Corporation Limited

Opinion

We have audited the consolidated financial statements of Scales Corporation Limited and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements, on pages 52 to 102, present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') as issued by the External Reporting Board and IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* ('PES 1') issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code') as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with PES 1 and the IESBA Code.

Our firm carries out other assignments for the Group in the area of taxation compliance services and assurance procedures over the solvency certificate and selected GHG disclosures within the Climate Statement. These services have not impaired our independence as auditor of the Company and Group. The firm has no other relationship with, or interest in, the Company or any of its subsidiaries.

Audit materiality

We consider materiality primarily in terms of the magnitude of misstatement in the financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group financial statements as a whole to be \$4,400,000.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

How our audit addressed the key audit matter

Valuation of Unharvested Agricultural Produce

Unharvested agricultural produce growing on bearer plants (apples), is measured at fair value less costs to sell in accordance with NZ IAS 41 *Agriculture*.

The Group's unharvested agricultural produce was valued at \$30.6 million at balance date as described in note C2. A revaluation gain of \$2.7 million is recorded in profit or loss.

Fair value less costs to sell is calculated by the Group using a discounted cash flow model. The model includes significant unobservable inputs and assumptions including, for each variety, the forecast production per hectare per annum, expected sales prices, and risk-adjusting discount rates, as well as costs to harvest and sell.

The risk-adjusting discount rates take into account the risk of unknown adverse events that may affect crop, harvest and/or market conditions.

The valuation of unharvested agricultural produce is considered a key audit matter due to the level of judgement required to determine the fair value less costs to sell.

Our procedures focused on the appropriateness of the valuation methodology and the key assumptions applied in the internal valuation model.

Our procedures included, amongst others:

- Holding discussions with management and considering market information to identify factors, including environmental/climate or market risks, that would impact the current crop valuation;
- Assessing and challenging the reasonableness of the risk-adjusting discount rates;
- Challenging the reasonableness of the key assumptions by comparing the forecast production, sales prices, and costs to harvest and sell for the current growing season to the approved budgets for each orchard;
- Assessing the historical accuracy of the Group's budget forecasts by comparing to the actual results for production per hectare and sales prices;
- Engaging a Deloitte valuation specialist to review the valuation model; and
- Checking the mechanical accuracy of the discounted cash flow model.

Valuation of Apple Trees

As disclosed in note C1, the Group has apple trees valued at \$53.1 million. A revaluation loss of \$2.7 million is recorded through other comprehensive income, and a revaluation gain of \$1.2 million is recorded through profit or loss (being a reversal of revaluation losses previously recognised in profit or loss).

The Group has a policy of recording apple trees at fair value with valuations performed with sufficient regularity that the carrying amount at the end of a reporting period does not differ materially from their fair value.

The fair value of the apple trees is determined by an independent registered valuer using a combination of discounted cash flow analysis of forecast income streams and costs from each orchard and sales comparison approaches. For owned orchards, the fair value of orchard land and buildings, determined using a sales comparison approach, is deducted from the overall orchard valuation to arrive at the valuation of the apple trees.

The discounted cash flow model uses a number of significant unobservable inputs, in particular: production levels per hectare, orchard gate returns (market prices), orchard costs, and discount rates.

The valuation of apple trees is considered a key audit matter due to the significance of the assets to the Group's consolidated statement of financial position, and the level of judgement involved in valuing the apple trees.

Our procedures focused on the appropriateness of the valuation methodology and the key assumptions applied in the valuation models.

Our procedures included, amongst others:

- Evaluating the Group's processes in respect of the independent valuation of the apple trees including its review of the valuation methodology and determination of the key valuation assumptions;
- Engaging a Deloitte valuation specialist to consider whether the valuation methods applied and the discount rate used in the orchard valuation calculations were reasonable;
- Assessing the competence, objectivity and integrity of the Group's independent registered valuer. This included assessing the valuer's professional qualifications, experience and independence. It also included meeting with the valuer to understand the valuation process adopted and to identify and challenge the critical judgement areas in the valuation, including identification of appropriate properties used for the sales comparison approach;
- Assessing the valuation methodology for consistency with the prior year valuation and determining whether any changes to the methodology were appropriate;
- Checking the mechanical accuracy of the discounted cash flow ('DCF') models on a sample basis;
- Challenging the reasonableness of the key assumptions applied in the DCF models by comparing them to the prior year valuation, the Group's internal data and current market evidence. We focused on the assumptions relating to production levels per hectare, orchard gate returns (market prices), orchard costs, and discount rates;
 - We reconciled the planted hectares for each orchard from the Group's internal records to the planted hectares used in the valuation models, and investigated material changes in planted areas from the prior year to the Group's development plans;
 - On a sample basis, which included selecting a combination of existing and new varieties:
 - We tested estimated production levels per hectare by comparing the production levels per hectare to internal production data for the season;

Key audit matter

How our audit addressed the key audit matter

Valuation of Apple Trees (continued)

- We tested the orchard gate returns by comparing these to actual sales returns received during the previous year;
 - We challenged orchard costs by comparing orchard costs to the prior year valuation and actual costs incurred; and
 - We challenged the discount rates by comparing them with prior year valuation discount rates and considering the risks associated with the orchards.
- Assessing the appropriateness of the disclosures relating to the valuation of the apple trees, including in relation to the prior period restatement as disclosed in note H.

Step acquisitions of Meateor Australia Pty Limited, ANZ Exports Pty Limited and FI Group Holding Pty Limited

On 30 September 2025, the Group obtained control of Meateor Australia Pty Limited (MAP) and its subsidiary, FI Group Holding Pty Limited (FIG) and its subsidiaries and ANZ Exports Pty Limited (ANZ) by purchasing additional equity interests in these companies. The total fair value of the consideration for the acquisitions was \$84.7 million, which included cash paid at acquisition date, deferred cash payments, and *shares in Scales Corporation Limited*. As a result of these transactions, the Group now owns 100% of the shares in MAP and FIG and 85% of the shares in ANZ. These entities were previously treated as joint ventures and accounted for using the equity method. The transactions are treated as step acquisitions under NZ IFRS 3 Business Combinations, which resulted in the Group recording a \$40.3 million gain through profit or loss on revaluation of the previously held interests. Information about each of these business combinations is disclosed in note F3 and information about the investments previously held in each subsidiary is disclosed in note C3.

The Group has not yet completed the process of identifying and valuing the intangible assets acquired in the business combinations. The intangible assets will be recognised and accounted for separately from goodwill (as appropriate) when this assessment is complete, within the measurement period of one year from the date of acquisition. The Group has therefore reported provisional goodwill of \$129.0 million.

We have included the determination of the fair values of the assets and liabilities acquired and the accounting for the step acquisitions as a key audit matter due to their significance to the financial statements and the level of judgement involved in assessing the fair values of the assets and liabilities acquired and the purchase price allocation.

Our procedures focused on the appropriateness of the accounting applied to the transactions and the fair value of the assets and liabilities acquired.

Our procedures included, amongst others:

- Assessing management's accounting treatment for the step acquisitions of the additional investments in MAP, FIG and ANZ;
- Obtaining the sale and purchase agreements and related documents to corroborate the assets and liabilities acquired;
- Confirming the fair value of the consideration paid, including deferred consideration;
- Considering the appropriateness of the accounting for the acquisition balance sheets, including the provisional measurement of goodwill;
- Obtaining management's independent valuations of assets and liabilities acquired, except for intangible assets, for which the valuations are not yet complete.
- Assessing the competence, objectivity and integrity of the Group's independent registered valuer. This included assessing the valuer's professional qualifications, experience and independence. It also included meeting with the valuer to understand the valuation process adopted and to identify and challenge the critical judgement areas in the valuation;
- Obtaining management's purchase price allocations and reperforming the provisional calculations of the goodwill arising from the business combination transactions;
- Considering the judgements applied by the Group in determining whether there was any impairment of goodwill arising from the acquisitions under NZ IAS 36 Impairment of Assets; and
- Assessing the adequacy of the financial statement disclosures.

Other information

The directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report and the information in the Climate Statement. The Annual Report and Climate Statement are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information identified above when it becomes available and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information in the Annual Report and Climate Statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and consider further appropriate actions.

Directors' responsibilities for the consolidated financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/>

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Nicole Dring, Partner
for Deloitte Limited

Christchurch, New Zealand
24 February 2026

Corporate Governance Statement

The Board of Directors (the Board) of Scales Corporation Limited (Scales or the Company) is committed to ensuring that the Company meets best practice governance principles and maintains the highest ethical standards. This Corporate Governance Statement provides an overview of the Company's governance framework. It is structured to follow the NZX Corporate Governance Code (31 January 2025 version) (NZX Code) and discloses the practices relating to the NZX Code's recommendations.

Scales considers that it has followed all of the recommendations of the NZX Code during the year ended 31 December 2025. The Board believes our governance structures, in particular our approach to remuneration, meet our strategic objectives. In forming our conclusions, we have sought external feedback from shareholders and advisors to challenge our thinking and validate our findings, which we have appreciated.

The Company also complies with the corporate governance requirements of the NZX Listing Rules.

The Board regularly reviews and assesses Scales' governance structures and processes to ensure that they are consistent with best practice.

The following corporate governance documents referred to in this Corporate Governance Statement, including charters and policies, can be found at www.scalescorporation.co.nz/about-us/governance:

- Corporate Governance Code (including Scales' Remuneration Policy)
- Code of Ethics
- Diversity Policy
- External Auditor Independence Policy
- Securities Trading Policy and Guidelines
- Shareholder Communications and Market Disclosure Policy
- Audit and Risk Management Committee Charter
- Finance and Treasury Committee Charter
- Health & Safety and Sustainability Committee Charter
- Nominations and Remuneration Committee Charter

Scales' corporate governance documents listed above were reviewed and updated in December 2025. This Corporate Governance Statement was approved by the Board on 20 March 2026.

Principle 1 – Ethical Standards

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

RECOMMENDATION 1.1

The Board should document minimum standards of ethical behaviour to which the issuer's Directors and employees are expected to adhere (a Code of Ethics).

Code of Ethics

Scales' Board sets a framework of ethical standards for the Company via its Code of Ethics. These standards are expected of all Directors and employees of Scales and its subsidiaries.

The Code of Ethics covers a wide range of areas including:

- Standards of behaviour
- Conflicts of interest
- Proper use of Company information and assets
- Accepting gifts
- Delegated authorities
- Compliance with laws and policies
- Reporting concerns
- Corporate opportunities

The procedure for advising the Company of a suspected breach is set out in the Code of Ethics. No breaches were identified during the year.

Every new Director, employee and contractor is to be provided with a copy of the Code of Ethics and must confirm that they have read and understand the Code of Ethics. The Code of Ethics is also available on the Company's website.

Regular training on ethics and on aspects of the Code of Ethics is undertaken. Training is completed via a combination of facilitated sessions for Directors and senior management, and for the management of individual subsidiaries in sessions tailored to their specific businesses. During 2025, Scales strengthened its ethics training programme to ensure expectations are clear and consistently understood. Tailored sessions were delivered for Directors, senior leaders and subsidiary management teams, focusing on the Code of Ethics, ethical decision making, conflicts of interest and speaking up obligations. Employee training in ethics continues to be delivered for Scales' subsidiary and largest employer, Mr Apple New Zealand Limited, via Employment Relationship workshops. These workshops cover the subsidiary's Code of Conduct, expected behaviours, respect and dignity at work and how to raise ethics concerns.

The Code of Ethics is subject to annual review by the Board.

RECOMMENDATION 1.2

An issuer should have a financial product dealing policy which applies to employees and Directors.

Share trading by Company Directors and Employees

The Board has implemented formal procedures to address trading in the Company's securities by Directors, employees and advisors of the Company, with approval being required before trading can occur. Approval is required to be obtained from the Chair, other Directors, the Managing Director or the Chief Financial Officer depending on who is trading. The Company mandates a trading blackout period for all Directors and employees between the end of the half year and full year and the release to NZX of the results for that period.

The policy provides that shares may not be traded at any time by any individual holding material information. The full procedures are outlined in the Securities Trading Policy and Guidelines.

The fundamental rule in the policy is that insider trading is prohibited at all times. The requirements of the policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand.

Principle 2 – Board Composition & Performance

To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives.

RECOMMENDATION 2.1

The Board of an issuer should operate under a written charter which sets out the roles and responsibilities of the Board.

Responsibilities of the Board

The Board has overall responsibility for all decision making within Scales. In this regard the Board is responsible for laying solid foundations for the direction, management and oversight of the Company in support of its objectives. It has delegated day-to-day management of the Company to the Managing Director and the senior management team.

The main functions of the Board include to:

- Review and approve the strategic, business, risk, financial and ESG (Environmental, Social and Governance) plans prepared by management
- Monitor performance against the strategic, business, risk, financial and ESG plans
- Appoint, provide counsel to and review the performance of the Managing Director
- Approve major investments and divestments
- Ensure ethical behaviour by the Company, Board, management and employees
- Assess its own effectiveness in carrying out its functions

The Board monitors these matters by receiving reports and plans from management, maintaining an active programme of divisional visits and through its annual work programme.

The Board uses Committees to address certain issues that require detailed consideration by members of the Board who have specialist knowledge and experience. The Board retains ultimate responsibility for the functions of its Committees and determines their responsibilities.

The Board has a statutory obligation to reserve responsibility for certain matters. It also deals directly with issues relating to the Company's mission, appointments to the Board, strategy, business risk, financial and ESG plans.

The Company Secretary provides company secretarial services to the Board and is accountable to the Board through the Chair.

Details of the Board's role, composition, responsibilities, operation, policies and Committees are provided in Scales' Corporate Governance Code.

RECOMMENDATION 2.2

Every issuer should have a procedure for the nomination and appointment of Directors to the Board.

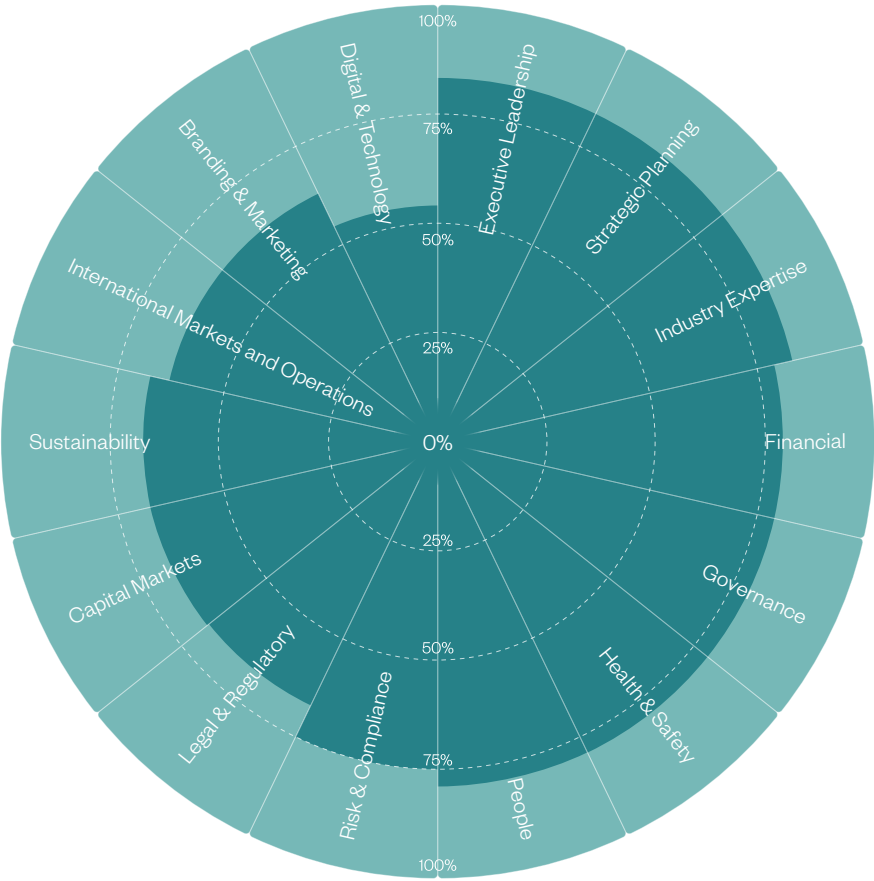
Director nomination and appointment

The Board is responsible for appointing Directors. The Nominations and Remuneration Committee manages the appointment process for new Directors and the re-election of existing Directors in order to make a recommendation to the Board. When considering an appointment, the Committee will undertake a thorough check of the candidate and his or her background. Where the Board determines a person is an appropriate candidate, shareholders are notified of that and are provided with all material information that is relevant to the decision on whether to elect or re-elect a Director.

The Nominations and Remuneration Committee also has responsibility for reviewing the composition of the Board to ensure that the Company has access to the most appropriate balance of skills, qualifications, experience, perspectives and diversity to effectively govern the Company.

Using the Board skills matrix, the Board has determined that to operate effectively and to meet its responsibilities it requires competencies in disciplines including strategic planning, executive leadership, financial, governance, health & safety, industry expertise, people, risk & compliance, capital markets, international markets & operations, legal & regulatory, sustainability, branding & marketing and digital & technology.

The current mix of skills and experience is considered appropriate for the responsibilities and requirements of governing Scales. The following graphic illustrates the current collective Board skill level for each discipline.



The Board seeks external advice where required to strengthen its oversight of issues in all disciplines.

RECOMMENDATION 2.3

An issuer should enter into written agreements with each newly appointed Director establishing the terms of their appointment.

Letter of appointment

All current Directors have entered into a written agreement with Scales setting out the terms of their appointment and this will be required of any new Directors.

RECOMMENDATIONS 2.4, 2.8, 2.9 AND 2.10

Every issuer should disclose information about each Director in its annual report or on its website, including:

- a profile of experience, length of service and ownership interests;
- the director's attendance at board meetings; and
- the board's assessment of the director's independence, including a description as to why the board has determined the director to be independent if one of the factors listed in table 2.4 applies to the director, along with a description of the interest, relationship or position that triggers the application of the relevant factor.

A majority of the Board should be Independent Directors. The Chair should be independent and the Chair and the CEO should be different people.

Board of Directors

A profile of each of the Directors is set out on pages 48 - 49 of this report. The profiles include information on the year of appointment, skills, experience and background of each Director.

At all times during 2025 the Board had a majority of Independent Directors. Mike Petersen is the Independent Chair of Scales. Tony Batterton, Miranda Burdon, Nick Harris and Paul Munro are Independent Directors.

Andy Borland is the Managing Director and Chief Executive Officer (CEO) of Scales and therefore is not an Independent Director.

The roles of Board Chair, Audit and Risk Management Committee Chair and CEO are not held by the same person.

The Board determines annually on a case-by-case basis on the advice of the Nominations and Remuneration Committee who, in its view, are Independent Directors. The guidelines set out in the NZX Code, including the amendments made to the Code in January 2025, are considered for this purpose. The Board also reconsiders director independence throughout the year as required where the relationships or circumstances of a Director change and this is brought to the Board's attention. In this regard, the Board has considered the tenure of Nick Harris, who has been a Director for over 13 years. The Board considers that Nick's understanding of Scales and his skill and experience in the Company's sectors, add significant value to Scales. The Board is of the view that Nick's tenure does not interfere with his capacity to bring an independent view to Board issues.

Ownership of Scales' shares by Directors is encouraged rather than being a requirement. Directors' ownership interests are disclosed on page 131 of this report.

The Board does not have a tenure policy, however it recognises that a regular refreshment programme leads to the introduction of new perspectives, skills, attributes and experience. Board succession processes are designed to ensure a planned and orderly succession of the Board over time, with new Directors required to have appropriate experience and qualifications. The aims of succession processes are to:

- Identify future Board requirements, in terms of skills, Director numbers and diversity
- Conduct a broad search for candidates that match the determined requirements
- Ensure a smooth transition of new Directors

The most recent Board succession process was completed in 2023.

Nick Harris, who has served as a Director since 2014, is required to retire at the 2026 Annual Shareholders' Meeting (ASM). Nick has offered himself for re-election at this meeting and he has indicated that, if he is re-elected, he intends to retire from the Board prior to the next ASM at which he would be required to stand for re-election. Following Nick's confirmation of his retirement, the Board will look to appoint an additional director in accordance with the Board's succession plan.

In accordance with the NZX Listing Rules, Directors appointed by the Board are required to offer themselves for election at the next ASM following their appointment. Accordingly, Paul Munro will offer himself for election at the 2026 ASM, having been appointed to the Board in October 2025.

	Director period of appointment		
	0-3 years	3 - 12 years	12 years +
Number of Directors	3	1	2

Interests Register

The Board maintains an Interests Register. Any Director who is interested in a transaction with the Company must immediately disclose to the Board the nature, monetary value and extent of the interest. A Director who is interested in a transaction may attend and participate at a Board meeting at which the transaction is discussed but may not be counted in the quorum for that meeting or vote in respect of the transaction, unless it is one in respect of which Directors are expressly required by the Companies Act 1993 to sign a certificate.

Particulars of entries made in the Interests Register are included in the Director Disclosures section on page 130 of this report.

RECOMMENDATION 2.5

An issuer should have a written diversity policy which includes requirements for the Board or a relevant Committee of the Board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them. An issuer within the S&P/NZX 20 Index at the commencement of its reporting period should have a measurable objective for achieving gender diversity in relation to the composition of its board, that is to have not less than 30% of its directors being male, and not less than 30% of its directors being female, within a specified period. An issuer should disclose its diversity policy or a summary of it.

Diversity

Scales recognises the value in diversity of thinking and skills and seeks to ensure that the Board and its workforce both comprise members reflecting diversity. A formal Diversity Policy has been adopted by the Board.

The Board seeks diversity in the skills, attributes, perspectives and experience of its members across a broad range of criteria so as to represent the diversity of shareholders, business types and regions in which Scales operates. Diversity, both at Board level and throughout the Company, is actively considered and reviewed by the Board.

Scales participates in the Institute of Directors' Future Directors programme as part of our commitment to further develop the skill sets available within the sectors in which we operate. The programme is designed to give talented aspiring Directors exposure to a company Board, whilst also giving the host company a fresh perspective. To date the Board has appointed 7 Future Directors as part of this programme, with Emma Crutchley being the latest appointee, having been appointed during 2025.

Scales recruits, promotes and compensates on the basis of merit, regardless of gender, ethnicity, religion, age, nationality, sexual orientation, union membership or political opinion. Scales requires that people in the workplace are treated with respect in accordance with the Company's philosophies of equal employment opportunities, and anti-harassment and discrimination policies.

Responsibility for workplace diversity and the setting of measurable objectives is held by the Nominations and Remuneration Committee. The current objectives are:

- Continue to strive to ensure strong female candidates are identified in the recruitment process for all Board and senior executive roles
- Review and encourage participation of under-represented groups in our leadership training programmes
- Complete regular reviews of our gender pay equality across roles, age and salary bands
- Make access to courses in Te Reo Māori available to all staff and also encourage the learning of other languages that are relevant to employees' roles

The Board annually assesses the measurable objectives and Scales' progress in achieving these objectives. Progress made to date is:

- The identification of female candidates is a part of the recruitment process for Board and senior management roles
- Recruitment managers are required to be open to considering job applicants from diverse backgrounds with an expectation that recruitment decisions be based solely on capability and alignment with Scales' values
- Gender pay equality across the Company will be reviewed in 2026. The overall finding of the last review was that the Company offers pay equality across genders
- Scales' offers fully funded access to Te Reo Māori courses or to other language courses as part of career development

The gender composition of Scales' Directors, Officers and senior management team was as follows:

Position	As at 31 December 2025			As at 31 December 2024		
	Female	Male	Gender Diverse	Female	Male	Gender Diverse
Directors	1 (17%)	5 (83%)	0 (0%)	1 (17%)	5 (83%)	0 (0%)
Officers ¹	1 (17%)	5 (83%)	0 (0%)	1 (17%)	5 (83%)	0 (0%)
Senior management team (excluding Officers)	13 (39%)	20 (61%)	0 (0%)	10 (36%)	18 (64%)	0 (0%)

¹ For the purposes of preparing this table, as required by the NZX Listing Rules, an "Officer" is a person who is concerned or takes part in the management of the issuer's business and reports directly to the Board or a person who reports to the Board.

RECOMMENDATION 2.6

Directors should undertake appropriate training to remain current on how to best perform their duties as Directors of an issuer.

Director Training

The Board ensures that there is appropriate training available to all Directors to enable them to remain current on how best to discharge their responsibilities and keep up to date on changes and trends in areas relevant to their work. Directors are provided with industry information and receive copies of appropriate Company documents to enable them to perform their role. The Board has allocated funding of \$1,000 per annum for each Director to provide resources to help develop and maintain skills and knowledge.

The Board also ensures that new Directors are appropriately introduced to management and the operations of the businesses.

RECOMMENDATION 2.7

The Board should have a procedure to regularly assess Director, Board and Committee performance.

Board Performance Evaluation

The Board annually assesses its effectiveness in carrying out its functions and responsibilities. The Chair of the Board leads the review and evaluation of the Board as a whole, and of the Board Committees, against their charters. The Chair of the Board also engages with individual Directors to evaluate and discuss performance and professional development.

Principle 3 – Board Committees

The Board should use Committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility.

Board Committees

The Board has four formally constituted Committees – the Audit and Risk Management Committee, the Nominations and Remuneration Committee, the Health & Safety and Sustainability Committee and the Finance and Treasury Committee. Each Committee focuses on specific areas of governance and together they strengthen the Board's oversight of Scales. Committee membership is reviewed annually.

Each Committee has a written charter that is approved by the Board, which sets out its mandate. The charters are reviewed annually with any proposed changes recommended to the Board for approval.

Annually, each Committee agrees a programme of matters to be addressed over the following twelve-month period. The Committees each annually review their performance against the Committee charter and objectives for the year and report their findings to the Board.

Attendance at Meetings

The table below sets out Director attendance at Board and Committee meetings during the year ended 31 December 2025.

	Board		Audit and Risk Management Committee		Nominations and Remuneration Committee		Finance and Treasury Committee		Health & Safety and Sustainability Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Andrew Borland	9	9	-	-	-	-	5	5	5	4
Tony Batterton	9	9	6	6	6	6	5	5	-	-
Miranda Burdon	9	9	-	-	-	-	-	-	5	5
Nick Harris	9	9	6	5	-	-	-	-	-	-
Alan Isaac ¹	8	7	5	5	-	-	-	-	-	-
Mike Petersen	9	9	-	-	6	6	5	5	-	-
Paul Munro ²	1	1	1	1	-	-	-	-	-	-

¹ Alan Isaac resigned from the Board on 14 October 2025.

² Paul Munro was appointed to the Board on 14 October 2025.

RECOMMENDATION 3.1

An issuer's Audit Committee should operate under a written charter. An Audit Committee should only comprise non-executive Directors of the issuer. One member of the Committee should be both independent and have an adequate accounting or financial background. The Chair of the Audit Committee should be an independent director and not the Chair of the Board.

Audit and Risk Management Committee

The purpose of the Audit and Risk Management Committee is to:

- Oversee the financial reporting process to ensure that the interests of shareholders are properly protected in relation to financial reporting and internal control
- Provide the Board with an independent assessment of the Company's financial position and accounting affairs
- Keep under review the effectiveness of the Company's procedures for the identification, assessment and reporting of material risks (including sustainability and climate-related risks)
- Oversee the appointment and performance of the external auditor

Members of the Committee are appointed by the Board and must comprise solely non-executive Directors, a majority of which must be Independent Directors. The current members of the Committee are Paul Munro (Chair), Nick Harris and Tony Batterton. All members of the Audit and Risk Management Committee are Independent Directors and all members have either an accounting or financial background. Paul Munro is a former partner of Deloitte. The Chair of the Audit and Risk Management Committee and the Board Chair are different people. Qualifications and experience of the Committee members is detailed on pages 48 - 49 of this report.

The Committee met on 6 occasions during the year. The agenda items for each meeting generally relate to financial governance, external financial reporting, external audit, internal audit, risk management, compliance, cyber security and insurance. The Committee annually reviews the performance of the external auditors.

RECOMMENDATION 3.2

Employees should only attend Audit Committee meetings at the invitation of the Audit Committee.

Meeting Attendance

The Managing Director and Chief Financial Officer are regularly invited to attend Audit and Risk Management Committee meetings but have no standing entitlement to attend meetings of the Committee.

RECOMMENDATIONS 3.3 AND 3.4

An issuer should have Nomination and Remuneration Committees which operate under written charters.

Nominations and Remuneration Committee

The purpose of the Nominations and Remuneration Committee is to assist the Board in overseeing the management of the people and performance activities of the Company.

Members of the Committee are appointed by the Board and must comprise a majority of Independent Directors. The current members of the Committee are Tony Batterton (Chair) and Mike Petersen.

Management attends Nominations and Remuneration Committee meetings only if invited by the Committee. The Committee met on 6 occasions during the year.

RECOMMENDATION 3.5

An issuer should consider whether it is appropriate to have any other Board Committees as standing Board Committees. All Committees should operate under written charters.

Health & Safety and Sustainability Committee

The Board's commitment to ensuring a safe and healthy workplace for staff, contractors and visitors led to it establishing a Health & Safety and Sustainability Committee.

The purpose of the Health & Safety and Sustainability Committee is to:

- Assist the Board to provide leadership and policy for health & safety and sustainability
- Assist the Board to fulfil its responsibilities and to ensure compliance with all legislative and regulatory requirements in relation to the health and safety practices of the Company as those activities affect employees and contractors
- Support the ongoing improvement of health and safety in the workplace
- Support sustainability initiatives across the Company
- Assist the Board to oversee and respond to climate-related risks and opportunities to ensure the long-term sustainability of the Company and to reduce its impact on the environment

Members of the Committee are appointed by the Board. The Committee must be chaired by an Independent Director. The current members of the Committee are Miranda Burdon (Chair) and Andy Borland.

The Committee met on 5 occasions during the year.

Finance and Treasury Committee

Scales operates in a capital-intensive sector and is one of New Zealand's leading horticultural exporters with material foreign currency receipts. The Board considers that with both the size of Scales' existing activities and the strategic focus to seek organic and acquisitive growth opportunities, it is appropriate to have a Board Committee to further focus on this part of the business.

The purpose of the Finance and Treasury Committee is to:

- Oversee the Company's capital and treasury risk management, and continuous disclosure processes to ensure their integrity, transparency and adequacy, and that they are in accordance with Company policies
- Oversee takeover protocols and to act as the Control Transaction Committee with additional Director secondees if required

Members of the Committee are appointed by the Board. The Committee must be chaired by an Independent Director. The current members of the Committee are Tony Batterton (Chair), Andy Borland and Mike Petersen. The Committee also obtains regular advice from external advisors.

The Committee met on 5 occasions during the year.

RECOMMENDATION 3.6

The Board should establish appropriate protocols that set out the procedure to be followed if there is a 'control transaction' for the issuer including the procedure for any communication between the issuer's Board and management and the bidder. The Board should disclose the scope of independent advisory reports to shareholders. These protocols should include the option of establishing an independent Control Transaction Committee, and the likely composition and implementation of an independent Control Transaction Committee.

Control Transaction Protocols

The Board has documented and adopted a series of protocols to be followed in the event of a control transaction being initiated, including communication between insiders and any bidder. A committee of Directors independent of the bidder and any substantial shareholders of the Company would be formed and would have responsibility for managing the control transaction in accordance with the Board protocols and the New Zealand Takeovers Code. As noted above, it is contemplated that, subject to any conflicts of interest, the Finance and Treasury Committee would operate as the Control Transaction Committee with additional Director secondees if required.

Principle 4 – Reporting and Disclosure

The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.

RECOMMENDATION 4.1

An issuer's board should have a written continuous disclosure policy.

Shareholder Communications and Market Disclosure

Scales' Board is committed to the principle that high standards of reporting and disclosure are essential for proper accountability between the Company and its investors, employees and stakeholders.

It achieves these commitments, and the promotion of investor confidence, by ensuring that trading in its shares takes place in an efficient, competitive and informed market. The Company has in place a written Shareholder Communications and Market Disclosure Policy designed to ensure this occurs. The policy includes procedures intended to ensure that disclosure is made in a timely and balanced manner and in compliance with the NZX Listing Rules, such that:

- All investors have equal and timely access to material information concerning the Company, including its financial situation, performance, ownership and governance
- Company announcements are factual and presented in a clear and balanced way

Accountability for compliance with disclosure obligations is with the Managing Director and Chief Financial Officer. Managers reporting to the Managing Director are required to provide the Chief Financial Officer with all relevant information that may be material and to regularly confirm that they have done so.

Significant market announcements, including the preliminary announcement of the half year and full year results, the financial statements for those periods, and any advice of a change in earnings forecast are approved by the Board.

Directors consider at each Board meeting whether there is any material information which should be disclosed to the market.

RECOMMENDATION 4.2

An issuer should make its Code of Ethics, Board and Committee charters and the policies recommended in the NZX Code, together with any other key governance documents, available on its website.

Governance Policies and Charters

All of Scales' key corporate governance documents can be found at www.scalescorporation.co.nz/about-us/governance.

RECOMMENDATION 4.3

Financial reporting should be balanced, clear and objective.

Financial and Non-Financial Reporting

Scales' Board is committed to ensuring integrity and timeliness in its financial reporting and in providing information to the market and shareholders which reflects a considered view on the present and future prospects of the Company.

A programme of clear, meaningful, timely and effective communications with shareholders is centred around a comprehensive set of information regarding Scales' operations and results being available on the Company's website and in shareholder reports.

The Audit and Risk Management Committee oversees the quality and integrity of external financial reporting including the accuracy, completeness, balance and timeliness of financial statements. It reviews interim and annual financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with financial reporting standards, stock exchange and legal requirements, and the results of the external audit. All matters required to be addressed and for which the Committee has responsibility were addressed during the period under review.

Half year and full year financial statements are prepared in accordance with relevant financial standards. Both financial and non-financial disclosures are made at least annually.

RECOMMENDATION 4.4

An issuer should provide non-financial disclosure at least annually, including considering environmental, social sustainability and governance factors and practices. It should explain how operational or non-financial targets are measured. Non-financial reporting should be informative, include forward looking assessments, and align with key strategies and metrics monitored by the Board.

Scales has a strategic target to develop best-in-class sustainability reporting and to measure and report on key sustainability aspects affecting its businesses.

Scales' Sustainability Report at pages 16-24 of this report outlines material ESG topics across People, Environment, Marketplace and Governance, together with progress achieved during the year. While Scales is no longer subject to the Aotearoa New Zealand Climate Standards, we have chosen to voluntarily continue our climate-related disclosures and seek limited assurance of these. This enables us to maintain momentum on emissions reduction, enhance strategic decision making and meet the expectations of customers, investors and other key stakeholders. Annual disclosures will be available at www.scalescorporation.co.nz/sustainability.

Principle 5 - Remuneration

The remuneration of Directors and Executives should be transparent, fair and reasonable.

Remuneration Report

Introduction

This Remuneration Report outlines the Company's overall reward strategy for the year ended 31 December 2025 (FY25) and provides detailed information on the remuneration arrangements in this period for the Directors of the Company, the Managing Director and certain other nominated executives of the Group.

The Company's Remuneration Policy may be amended from time-to-time and is reviewed at least once a year. The Company has also established a number of additional policies to support a strong governance framework and uphold ethical behaviour and responsible decision making.

The disclosures in this report are aligned to the NZX Remuneration Reporting Template for Listed Issuers published by the NZX in December 2023.

Remuneration Governance

Remuneration Philosophy

The Company's remuneration governance framework is overseen by the Nominations and Remuneration Committee (the Committee) on behalf of the Board.

The Committee will comprise at least 2 directors, all members will be non-executive directors and the majority of directors shall be independent. Executive Directors, including the Managing Director, and other members of management are only entitled to attend meetings of the Committee by invitation.

During FY25, the Committee comprised the following members: Tony Batterton and Mike Petersen. Tony Batterton has been a member of the Committee and has served as the Chair from 22 August 2023 and Mike Petersen has been a member of the Committee from 20 June 2023.

The Committee is responsible for making recommendations to the Board on remuneration policies and packages for Directors, the Managing Director and nominated executives. The primary objectives of the Remuneration Policy are to provide a competitive, flexible and benchmarked structure that reflects market best practice. The policy is to ensure that the appropriate culture is maintained within the business, is tailored to the specific circumstances of the Company and reflects each person's duties and responsibilities so as to attract, motivate and retain high calibre people. This includes the Company's responsibility to monitor diversity and ensure pay equity.

The Committee reviews market data on remuneration structure and quantum. The remuneration packages of the Managing Director and nominated executives are structured to include a Short-Term Incentive Scheme (STI Scheme) that is directly linked to the overall financial and operational performance of the Company. The Managing Director and nominated executives may also be invited to participate in the Company's share-based Long-Term Incentive Scheme (LTI Scheme) and/or the Performance Share Rights (PSR) Scheme (PSR Scheme). Both schemes are detailed below. Neither the Managing Director nor nominated executives have entitlement to any golden handshake or parachute payments on cessation of their employment.

The Committee regularly assesses if the remuneration outcomes are both meeting these objectives and ensuring the outcomes are reasonable, considering the Company's actual performance.

The Committee operates under a written charter. The charter can be found at www.scalescorporation.co.nz/about-us/governance.

The internal governance policies that provide context for the remuneration outcomes are described below.

Executive Remuneration Policy

The Committee and Board support a remuneration strategy that drives longer-term performance and aligns the incentives of nominated executives with the interests of the Company's shareholders. A small number of additional employees of wholly and non wholly-owned subsidiaries have specific short-term incentive schemes linked to the performance of the subsidiary.

The Company aims to reward nominated executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group, so as to:

- Reward them for Company and business unit performance against targets set by reference to appropriate benchmarks and key performance indicators
- Align their interests with those of shareholders
- Ensure total remuneration is competitive by market standards

Remuneration consists of both fixed and variable remuneration components. The remuneration packages for nominated executives are all subject to Board approval, following recommendations from the Committee.

(a) Fixed remuneration

The fixed remuneration component of executive remuneration consists of base salary, employer superannuation contributions and other employment benefits.

(b) Variable remuneration

The variable remuneration component of executive remuneration comprises the STI Scheme, the LTI Scheme and the PSR Scheme.

(i) STI Scheme

The current STI Scheme is directly linked to the achievement of annual financial and operational targets. As such it can be viewed as a 'profit share' arrangement, with the total annual payments made under the STI Scheme being funded from overperformance against targets.

STI Scheme payments relate to a specific financial year and are delivered as a taxable cash bonus. They are payable on completion of the annual audited financial statements for that financial year and therefore STI Scheme payments are made in the financial year after the financial year to which they relate (e.g. FY25 STI Scheme payments earned in respect of FY25 will be paid in FY26).

STI Scheme payment values are set as a percentage of total fixed remuneration, being between 10% and 35% for nominated executives for FY25. For FY25 there were 66 nominated executives (including the Managing Director) in the STI Scheme.

*(ii) LTI Arrangements***LTI Scheme**

Under the LTI Scheme, participants are offered an interest-free loan which is to be applied to acquire shares in the Company. The criteria to receive a loan under the LTI Scheme during each reporting period is the achievement of a gross total shareholder return (TSR) performance hurdle over the IPO reference share price, as set by the Board from year-to-year.

Shares acquired under the LTI Scheme are held by a custodian and will only vest with the participant if they are still employed by the Company after 3 years from the date of issue and if the interest free loan amount is less than the current market value of the Scales shares acquired with the loan.

Once the shares vest, the participant remains obligated to repay the outstanding balance of the loan. Often, to fund the repayment of the outstanding loans, participants may, subject to the approved procedures, sell on-market their LTI vested shares. All net dividends or distributions received in respect of the shares must be applied to repayment of the interest-free loan.

Alternatively, if a participant leaves employment before the expiry of the 3-year period, or if the participant's interest free loan amount is more than the current market value of the Scales shares acquired with the loan, the Company is authorised to sell that participant's shares with the proceeds applied to repay the balance of the loan, with any deficit covered by the Company and any surplus retained by the Company.

The gateway performance hurdle used for determining participation in the LTI Scheme is an absolute share price growth hurdle, which is more challenging to achieve over time than a relative TSR hurdle. This approach only rewards participants if long-term shareholders also do well.

Each participant's loan amount (which determines how many shares will be acquired for the participant and at risk under the LTI Scheme) is set as a percentage of their total fixed remuneration, being 30% for the Managing Director and between 10% and 20% for other nominated executives.

In late 2024, the Board resolved that the FY24 allocation of shares under the LTI Scheme would be the last allocation under the LTI Scheme, with the Scheme to be replaced for current participants by the PSR Scheme. In late 2025, the Board resolved to defer replacement of the LTI Scheme with the PSR Scheme, with a final decision on replacement to be made in 2026.

PSR Scheme

During FY23 the Board introduced a dividend protected PSR Scheme as an additional long-term incentive for the Managing Director and certain nominated executives. Under the PSR Scheme, PSRs are granted to key senior management personnel. The PSR Scheme was initially linked to the performance of the Global Proteins division which has been the focus of recent and continuing investment by the Company. During FY24, participation in the PSR Scheme was widened to include executives from a number of subsidiaries whose executives had not, until that time, been participants in a Scales' long-term incentive scheme.

Vesting under the PSR Scheme is dependent upon the achievement of Earnings per Share (EPS) and TSR targets at the end of a 3-year term. On vesting, PSRs entitle participants to receive ordinary shares in Scales. The number of PSRs awarded to participants in the PSR Scheme is set at either a fixed amount, or is based on a value which reflects between 10% and 35% of participants' total fixed remuneration.

Both the LTI and PSR Schemes have been designed to link reward with key performance indicators that drive sustainable growth in shareholder value over the long-term. The objectives of the Schemes are to:

- Align the Managing Director and nominated executives' interests with those of shareholders
- Help provide a long-term focus
- Retain high calibre senior employees by providing an attractive equity-based incentive that builds an ownership of the Company mindset
- Encourage executives to think and act like owners

(iii) Employee Share Ownership Scheme

At the time of the Company's IPO, it established an employee share ownership scheme to facilitate an increase in the level of participation by employees as shareholders, which improves the alignment of interests between employees and shareholders. Under the scheme, each eligible employee was offered an interest free loan of up to \$5,000 to fund 50% of the subscription price for the shares which the employee wished to acquire in the Company as part of the IPO. Employees are obliged to repay their loans when the shares are sold or when they leave the Company. As at 31 December 2025, loans for shares acquired under the employee share ownership scheme totalling \$28,500 remain outstanding and are recorded on the Company's balance sheet.

FY25 Executive Remuneration Outcomes*(i) STI Scheme*

During FY25, as a result of achievement of applicable Key Performance Indicators (KPIs), a total of \$1,562,853 was paid to nominated executives with respect to the FY24 STI Scheme.

The actual amount earned for all nominated executives in the STI Scheme for FY25 was \$2,143,840.

(ii) LTI Scheme

For FY25, 58 nominated executives (including the Managing Director) participated in the LTI Scheme.

The criteria to receive an interest free loan under the LTI Scheme in FY25 was the achievement of a gross TSR of 12.5% over the IPO reference share price (equivalent to \$3.18 for FY25). During FY25, 461,699 shares were issued to the custodian for participants under the LTI Scheme, with matching interest-free loans of \$1,468,208, equating to \$3.18 per share. Those shares will become eligible to vest, subject to the market value of Scales shares at the time exceeding the value of the interest-free loans, in FY28.

During FY25, a total of 307,463 shares issued to the custodian in FY22 vested, with the corresponding loan amounts becoming full recourse, and a total of 19,568 shares issued to the custodian in FY22 lapsed.

As at 31 December 2025, total loans for vested shares, which are now full recourse, of \$3,408,946 remain outstanding and are recorded on the Company's balance sheet. The executives are obligated to repay the outstanding loan balance on the sale of the shares or on termination of employment.

Total unvested shares on issue that are subject to the LTI Scheme as at the end of FY25 are as follows:

LTI shares Award Date	Vesting date	Hurdle price ¹	LTI shares issued on Award Date	Lapsed LTI shares	Vested LTI shares	Balance
24 April 2023 – FY22	24 April 2026	\$3.33	374,113	12,432	-	361,681
24 April 2024 – FY23	24 April 2027	\$2.72	475,546	-	-	475,546
24 April 2025 – FY24	24 April 2028	\$3.18	461,699	-	-	461,699
Total			1,311,358	12,432	-	1,298,926

¹ The hurdle price for an LTI Award is calculated as the market price of a Scales share required to achieve a gross TSR over the IPO reference price. For the FY22 Award, a gross TSR hurdle of 15% applied. For the FY23 and FY24 Awards, the Scales Board reduced the gross TSR hurdle to 12.5%.

Taxation

In March 2018, changes were made to the tax legislation affecting employee share schemes. As a result of these changes, gains made in share value by participants are now deemed as taxable to the participants on vesting. A tax deduction is also provided to the employer for these gains. The gains, per share, are calculated as the difference between the market price on vesting and the original issue price.

Scales' Board agreed, for the LTI Scheme shares vesting in FY25, to fully fund participants' tax liability, effectively passing on the actual economic benefit derived from the legislative changes.

(iii) PSR Scheme

For FY25, 12 nominated executives (including the Managing Director) participated in the PSR Scheme.

One grant of 397,653 PSRs was made under the PSR Scheme during FY25 and will be eligible for vesting during FY28. No PSRs were eligible for vesting during FY25.

Managing Director Remuneration Arrangements

Remuneration levels are regularly reviewed to ensure that they are appropriate for the responsibility, qualifications and experience of the Managing Director and are competitive with the market.

Remuneration consists of both fixed and variable remuneration components. The fixed remuneration component consists of base salary, employer superannuation contributions and other employment benefits. The variable remuneration component comprises the STI Scheme, the LTI Scheme and the PSR Scheme. The proportion of fixed and variable components are established for the Managing Director by the Board.

(a) Fixed annual remuneration

The Managing Director receives fixed annual remuneration in cash and a limited range of prescribed fringe benefits such as superannuation, motor vehicle and health insurance. The total employment cost of any remuneration package, including fringe benefit tax, is taken into account in determining an employee's fixed annual remuneration.

For FY25, the Managing Director's total fixed remuneration was \$993,524 (FY24: \$942,245).

(b) Variable remuneration – STI Scheme

The objective of the STI Scheme is to provide an additional incentive to the Managing Director to achieve relevant targets and ensure that the cost to the Company is flexible and in line with the trading outcome for the current year. STI Scheme payment values are set as a percentage of total fixed remuneration, being 45% for the Managing Director for FY25.

Actual STI Scheme payments depend on achieving specific financial targets, determined by the Board, to be aligned with targets communicated to shareholders. The targets are set at the beginning of the year and are also subject to a number of 'qualifying gates' including liquidity and ESG measures. The financial targets may include a weighted combination of:

- At least 40% for meeting budget or target Underlying Net Profit after Tax Attributable to Shareholders for the Group, within issued guidance
- At least 25% for meeting budget or target Underlying Earnings before Interest and Tax for the Group, division or business unit
- At least 30% for achieving specific governance, operational and financial KPIs in relation to the Global Proteins division

The Managing Director's key performance indicators for the FY25 STI award are outlined below:

Measure	STI Weighting	Description
Underlying NPATAS	40%	Achievement of the target Underlying Net Profit After Tax Attributable to Shareholders for the Group
Underlying EBIT	27%	Achievement of the target Underlying Earnings Before Interest and Tax for the Group
Key Global Proteins division KPIs	33%	Achievement of five key milestone targets

In addition to the STI Scheme, the Board reserves the ability to pay ad-hoc bonus payments to any employee where certain outcomes are considered by the Board to positively impact on long-term success.

(c) Variable remuneration – LTI and PSR Schemes

LTI Scheme

The value of the loan provided to the Managing Director (which determines how many shares will be acquired on his behalf by the custodian) represents 30% of the Managing Director's total fixed remuneration.

The criteria to receive an interest free loan under the LTI Scheme in FY25 was the achievement of a gross TSR of 12.5% over the IPO reference share price (equivalent to \$3.18 for FY25). The key terms and conditions under the LTI Scheme are described under the LTI Arrangements section above.

PSR Scheme

Grants of PSRs with vesting dates on or after 31 December 2025 have been made in FY23, FY24 and in FY25.

Each of these Grants have three tranches. The value of the PSRs awarded to the Managing Director under the PSR Scheme for tranches 1 and 2 is set at a fixed amount representing 15% of the Managing Director's total fixed remuneration. The number of PSRs issued to the Managing Director for tranche 3 is set at a fixed number of 684,285 spread evenly over FY23, FY24 and FY25.

The key terms and conditions related to the PSRs awarded to the Managing Director under the PSR Scheme are as follows:

- The PSRs are granted for nil consideration and have a nil exercise price
- The Managing Director must remain an employee of Scales as at the relevant vesting date for each tranche of PSRs
- The Grants have three separate performance hurdles, each applying to a tranche
- For the combined Grants:
 - 6.9% of the PSRs are allocated to tranche 1, which is subject to a performance hurdle of the Company's TSR, equalling or exceeding 8.5%, calculated on a compound annual basis over the vesting period for the tranche
 - 6.9% of the PSRs are allocated to tranche 2, which is subject to a performance hurdle of the Company's EPS having a compound annual growth rate (CAGR) of at least 5% over the vesting period for the tranche
 - 86.1% of the PSRs are allocated to tranche 3, which is subject to a performance hurdle of the Company's TSR equalling or exceeding 12.5%, calculated on a compound annual basis over the vesting period for the tranche
- The PSR Scheme uses a progressive vesting scale for determining the percentage of PSRs that become eligible for vesting. Once the performance hurdle is met, PSRs will become eligible for vesting on a straight-line basis
- The percentage of PSRs under each tranche of Grants that become eligible for vesting is determined as follows:

% of PSRs under the tranche eligible for vesting	Tranche 1 TSR equals or exceeds	Tranche 2 EPS CAGR equals or exceeds	Tranche 3 TSR equals or exceeds
25%	8.5%	5%	12.5%
100%	12.5%	10%	31.1%

- The PSR performance hurdle metrics have been set with reference to:
 - Tranche 1 (TSR) – the initial and final hurdles have been set with reference to cost of equity estimates for comparable NZX businesses and Scales' own long-term shareholder return targets
 - Tranche 2 (EPS CAGR) – both the initial hurdle of 5% and the hurdle of 10% to achieve 100% vesting eligibility, have been set with reference to hurdles for NZX-listed companies with similar Schemes
 - Tranche 3 (TSR) – the demanding hurdle range for this tranche has been set to reward a level of performance which is above the top end of the Tranche 1 TSR returns and ensures achievement is strongly aligned with significant benefit to shareholders
- On the vesting date for each tranche, subject to achieving the performance hurdles, each PSR entitles the Managing Director to one ordinary share. The PSR Scheme is dividend protected and the Managing Director will receive additional shares representing the value of dividends paid over the vesting period. The Managing Director is liable for tax on the shares received at the point of vesting. The Company will pass on to the Managing Director any actual economic benefit it derives from a resulting tax deduction, partially mitigating the Managing Director's tax liability

Managing Director Remuneration Outcomes

(a) Remuneration of the Managing Director

The total remuneration and value of other benefits paid to the Managing Director (including under the STI Scheme and LTI Scheme detailed above) for FY25 was \$1,476,430 (FY24: \$971,306).

Year	Fixed Remuneration			Pay For Performance				Total Remuneration	
	Base Salary	Benefits ¹	Subtotal	STI Scheme ²		LTI Scheme ³			Subtotal
				Paid	% paid of maximum	Market value of vesting shares	Amount received as a % of maximum award		
FY24	857,872	84,373	942,245	-	0%	29,061	100%	29,061	971,306
FY25	903,553	89,971	993,524	378,210	96%	104,696	100%	482,906	1,476,430

¹ Benefits include superannuation payments, the provision of a company vehicle and health insurance payments.

² For FY23, the STI Scheme targets were not achieved. The STI Scheme amount earned for FY24 was paid in FY25. The STI Scheme amount earned for FY25 was paid in FY26 and will consequently show as FY26 remuneration in the FY26 Remuneration Report.

³ LTI Scheme amounts earned represent the market price of shares which vested to the Managing Director under the LTI Scheme during FY25 and FY24 (calculated as the volume weighted average price of a Scales share over the 5 trading days prior to the vesting date multiplied by the number of shares that vested under the LTI Scheme, less the value of the Managing Director's interest free loan used to acquire those shares on the vesting date) plus a cash bonus amount paid to fund the Managing Director's tax liability arising in respect of the LTI Scheme shares that vested during FY25, of \$12,475.

(b) FY25 STI Outcomes

A breakdown of the amount earned by the Managing Director for achievement of the FY25 STI Scheme key performance indicators is as follows:

Measure	STI Awarded		Earned	% Earned of Awarded
Underlying NPATAS	40%	\$162,090	\$162,090	100%
Underlying EBIT	27%	\$108,060	\$108,060	100%
Key Global Proteins division KPIs	33%	\$135,075	\$54,030	40%

(c) FY25 LTI Outcomes

LTI Scheme

During FY25, a total of 61,208 shares issued to the custodian in FY22 vested, with the corresponding loan amount becoming full recourse.

In total, at 31 December 2025, 247,250 shares are held for the Managing Director under the LTI Scheme which remain subject to vesting conditions. As at 31 December 2025, the total balance owing under the loans advanced to the Managing Director under the LTI Scheme was \$1,705,767, with \$710,612 relating to unvested shares and \$995,155 relating to vested shares (and which have become full recourse). Note that under the current accounting treatment, loans relating to unvested shares are not recorded on the Company's balance sheet.

A summary of the LTI Scheme shares held by the Managing Director which lapsed or vested during FY25 or which remain subject to vesting conditions as at 31 December 2025 is as follows:

Award Date	Vesting Date	Hurdle Price ¹	LTI shares issued on Award Date	Market Price at Award Date ²	LTI shares lapsed in FY25	LTI shares vested in FY25	Market Price at the Vesting Date ³	Balance of LTI shares at 31 December 2025
7 April 2022	7 April 2025	\$3.20	61,208	\$115,842	-	61,208	\$92,220	-
24 April 2023	24 April 2026	\$3.33	68,900	-	-	-	N/A	68,900
24 April 2024	24 April 2027	\$2.72	96,037	\$45,243	-	-	N/A	96,037
24 April 2025	24 April 2028	\$3.18	82,313	\$90,545	-	-	N/A	82,313

¹ The hurdle price for an LTI Award is calculated as the market price required to achieve a gross TSR over the IPO reference price.

² Market price of LTI Scheme shares is calculated as the volume weighted average price of a Scales share over the 5 trading days prior to the award date multiplied by the number of LTI Scheme shares less the value of the Managing Director's interest free loan used to acquire those shares on the award date.

³ Market price of LTI Scheme shares is calculated as the volume weighted average price of a Scales share over the 5 trading days prior to the vesting date multiplied by the number of LTI Scheme shares less the value of the Managing Director's interest free loan used to acquire those shares on the vesting date.

PSR Scheme

One grant of 260,547 PSRs was made to the Managing Director as a part of the FY25 Grant.

None of the PSRs issued to the Managing Director under the FY23 Grant or the FY24 Grant became eligible for vesting during FY25. As outlined above, PSRs are subject to a number of performance hurdles, measured at the end of a 3-year vesting period. The number of PSRs vesting with the Managing Director is dependent on the level of performance achieved against the hurdles. Vesting of all PSRs requires achievement at the top end of the performance hurdle range. Achievement at this level represents a high level of long-term performance which would be of significant benefit to shareholders. In particular, PSRs issued in relation to tranche 3 are significant in number but are linked to a very demanding TSR performance hurdle of between 12.5% and 31.1%, which ensures achievement is strongly aligned with significant benefit to shareholders.

A summary of the PSRs granted to the Managing Director which lapsed or vested during FY25 or which remain subject to vesting conditions as at 31 December 2025 is as follows:

Award Date	Final Vesting Date	PSRs issued on Award Date	Market Price at Award ⁴	PSRs lapsed in FY25	PSRs vested in FY25	Shares issued / transferred based on vesting outcomes	Market Price at the Vesting Date ⁴	Issue / transfer date	Balance of PSRs at 31 December 2025
20 December 2023	11 trading days following the release of FY25 results to NZX	267,051	\$856,299	-	-	-	N/A	N/A	267,051
1 May 2024	11 trading days following the release of FY26 results to NZX	267,051	\$872,055	-	-	-	N/A	N/A	267,051
1 May 2024	11 trading days following the release of full year FY27 results	260,547	\$1,089,946	-	-	-	N/A	N/A	260,547

⁴ Market price is calculated as the volume weighted average price of a Scales share multiplied by the number of PSRs or shares (as applicable) over the 5 trading days prior to the relevant date (as specified in the table). The market price differs from the value ascribed to the PSRs for accounting purposes. The valuation of PSRs for accounting purposes uses a variant of the dividend adjusted Monte Carlo simulation, which acknowledges a number of value risks, including share price volatility, interest rates and the vesting period.

Remuneration bands

The following table notes the number of employees of the Group (including former employees and employees of non wholly-owned subsidiaries), not being a Director (and therefore excluding the Managing Director) mentioned below, who during FY25 received remuneration and other benefits in their capacity as employees, the value of which was or exceeded \$100,000 per annum, in brackets of \$10,000:

Amount of Remuneration ¹	Employees
\$100,001-\$110,000	22
\$110,001-\$120,000	20
\$120,001-\$130,000	17
\$130,001-\$140,000	17
\$140,001-\$150,000	10
\$150,001-\$160,000	14
\$160,001-\$170,000	8
\$170,001-\$180,000	8
\$180,001-\$190,000	14
\$190,001-\$200,000	7
\$200,001-\$210,000	3
\$210,001-\$220,000	5
\$220,001-\$230,000	2
\$230,001-\$240,000	4
\$250,001-\$260,000	1
\$260,001-\$270,000	2
\$270,001-\$280,000	4
\$280,001-\$290,000	2

Amount of Remuneration ¹	Employees
\$300,001-\$310,000	4
\$350,001-\$360,000	1
\$370,001-\$380,000	1
\$380,001-\$390,000	1
\$450,001-\$460,000	1
\$470,001-\$480,000	1
\$490,001-\$500,000	1
\$510,001-\$520,000	1
\$610,001-\$620,000	1
\$620,001-\$630,000	1
\$870,001-\$880,000	1
\$1,180,001-\$1,190,000	1
\$1,570,001-\$1,580,000	1
\$4,820,001-\$4,830,000	1

¹ The remuneration amounts include LTI Scheme shares that vested during FY25 calculated as the volume weighted average price of a Scales share over the 5 trading days prior to the vesting date multiplied by the number of shares that vested under the LTI Scheme less the value of the interest free loan used to acquire those shares on the vesting date. The remuneration amounts do not include any LTI Scheme awards or any PSR Scheme grants made in FY25 that have not vested.

Director Remuneration

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive Director remuneration is separate and distinct from the remuneration of the Managing Director and other executives.

Components of Compensation – Non-Executive Directors

The Board seeks to set aggregate remuneration for non-executive Directors at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

No remuneration is payable to Directors unless it is approved by the Company's shareholders. Scales' shareholders approved a Directors' fee pool of \$625,000 per annum at the 2025 ASM.

The Board reviews its fees annually to ensure the Company's non-executive Directors are fairly remunerated for their services and recognising the level of skill and experience required to fulfil the role. The process involves benchmarking against a group of peer agribusiness companies. In addition, the Board reviews the Committee structure and appropriate level of resourcing required to make an ongoing contribution to long-term value creation.

Non-executive Directors have no entitlement to:

- Any performance-based remuneration
- Participation in any share-based incentive schemes
- Any golden handshake or parachute payments on their resignation as a Director

This policy reflects the differences in the role of the non-executive Directors, which is to provide oversight and guide strategy, and the role of management, which is to operate the business and execute the Company's strategy. Non-executive Directors are encouraged to be shareholders but are not required to hold shares in the Company.

Each non-executive Director receives a base fee for services as a Director of the Company or specific subsidiaries, plus an additional fee is paid to the members of each Board Committee. The payment of an additional fee recognises the additional time commitment and specific skills required by each Director who serves on those Committees. All Directors are also entitled to be reimbursed for costs associated with carrying out their duties, including a training allowance.

Director Remuneration Outcomes

Fees payable for Chair, Director and Committee member roles for FY25 were:

Role	Fee per annum (NZD)
Scales Board Independent Chair	\$176,000
Scales Non-Executive Director	\$85,000
Chair of Audit and Risk Management Committee	\$18,000
Chair of Nominations and Remuneration Committee	\$15,000
Chair of Health & Safety and Sustainability Committee	\$12,000
Chair of Finance and Treasury Committee	\$9,000
Committee Member	\$6,000
Selacs Insurance Limited Director	\$12,000
New Zealand-based Independent Director of Australian Acquired Entities	\$35,000 ¹
Australian-based Independent Director of Australian Acquired Entities	\$95,000 ¹
Director of non-operational Australian companies	\$8,000 ¹

¹ These payments are made in AUD, but for illustrative purposes have been presented in NZD using an exchange rate of NZD 1.00 to AUD 0.85 and rounded to the nearest thousand.

Fees payable to the non-executive Directors of the Group for the period 1 January 2025 to 31 December 2025 were as follows:

Director	Base fee	Fees for serving on Nominations and Remuneration Committee	Fees for serving on Audit and Risk Management Committee	Fees for serving on the Board of Selacs Insurance	Fees for serving on Health & Safety and Sustainability	Fees for serving on Finance and Treasury Committee	Fees for serving on Australian subsidiary Boards
Mike Petersen	\$176,000	\$6,000	-	-	-	\$6,000	-
Tony Batterton	\$85,000	\$15,000	\$6,000	-	-	\$9,000	-
Miranda Burdon	\$85,000	-	-	-	\$12,000	-	-
Nick Harris	\$85,000	-	\$6,000	-	-	-	AUD 30,000
Tim Goodacre	-	-	-	-	-	-	AUD 7,500
Alan Isaac ¹	\$67,010	-	\$14,191	\$9,460	-	-	-
Paul Munro ²	\$18,397	-	\$3,896	\$2,597	-	-	-
David Foote ³	-	-	-	-	-	-	AUD 20,000

¹ Alan Isaac resigned from the Board on 14 October 2025

² Paul Munro was appointed to the Board on 14 October 2025

³ David Foote was appointed to the Boards of a number of Australian-based subsidiaries on 28 September 2025

Principle 6 – Risk Management

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

RECOMMENDATION 6.1

An issuer should have a risk management framework for its business and the issuer's Board should receive and review regular reports. An issuer should report the material risks facing the business and how these are being managed.

Risk Management Framework

The Board is responsible for ensuring that key business and financial risks are identified, and that appropriate controls and procedures are in place to effectively manage those risks.

The Audit and Risk Management Committee has overall responsibility for ensuring that the Company's risk management framework is appropriate and that it appropriately identifies, considers and manages risks.

Risk management is an integral part of Scales' business. A risk management framework incorporating a risk register is used to identify those situations and circumstances in which the Company may be materially at risk and for which risk mitigation activities are appropriate. This approach is intended to embed a comprehensive, holistic, Group-wide culture of risk awareness in senior management, supported by a consistent method of identifying, assessing, controlling, monitoring and reporting existing and potential risks to Scales' business.

The objectives of the framework are to:

- Provide a consistent and structured way to manage risk across the Company
- Ensure the Company manages effectively the risks it faces in achieving its objectives

- Ensure our people are aware of and meet their responsibilities to identify, evaluate and treat the risks that may prevent or restrict the Company from achieving its objectives

The Board has delegated responsibility to the Audit and Risk Management Committee to establish and regularly review the Company's risk management framework. As part of this framework the Committee is tasked with identifying situations and circumstances in which the Company may be materially at risk and initiating appropriate action through the Board or Managing Director. A risk management policy is overseen by the Managing Director and supports a comprehensive approach to the management of those risks identified as material to the Company's operations. Risk management is a standing item on the agenda for Audit and Risk Management Committee meetings, with detailed reports provided by management.

The table below outlines Scales' material risks (with the exception of Health & Safety risk, which is covered at 6.2) and how Scales manages these risks.

Risk category	The risks and their impact	Risk management - controls, mitigations and initiatives
Biological	Biological risks include the risk of the incursion of pests and diseases that would cause biological asset damage or would impact market access for Scales' products.	Scales actively monitors and manages this risk via a suite of controls, including comprehensive spray programmes, pest traps, residue testing and product traceability. In addition, Scales promotes and participates in the management of biosecurity risks via membership of industry bodies and assurance programmes.
Compliance, legal & regulatory	Risk of breaches in compliance, legal and regulatory obligations that would lead to adverse regulatory outcomes, reputational damage, fines, breaches of contract or would impact market access for Scales' products.	Scales looks to mitigate these risks via committing to best practice corporate governance including by maintaining and adhering to relevant policies, processes and procedures. In addition, mitigations and controls include: • Extensive operational protocols and quality control procedures • A wide range of employee training, both internally and externally provided • Use of relevant external advisors • Active engagement with regulators • External and internal audit processes • Monitoring and compliance with consent & permit requirements • Participation in industry bodies, including in their assurance and special interest groups • Monitoring trade and geopolitical environment
Cyber security	Risk of adverse impact, including loss of business continuity, from the failure to protect digital assets and information.	Scales has a comprehensive suite of controls and mitigations including: • Certified internal security personnel and certified third-party security vendors • Network, systems, infrastructure and communications-based security software suites • Recurring cyber awareness training for all employees • Applicable cyber insurance covering operational downtime and/or loss of data • Bi-annual penetration testing against edge devices • Real-time "hot site" infrastructure for Scales' on-premises environments • These controls are supported by regular management reporting and escalation processes
Financial	Risk of negative financial impact from internal and external factors including: • adverse strategic decisions • market risk, including sales pricing, foreign exchange movements and interest rate movements • failure to adequately protect assets, including via insurance • fraud, operational error or poor procedures and processes	Scales has people, policies, processes, systems and controls in place to deliver on its expectations of good practice financial management. Specific controls and mitigations include: • Board-appointed Audit and Risk Management and Finance and Treasury Committees whose responsibilities include overseeing financial reporting, assessing material risks and capital and treasury risk management • Group-wide financial modelling, budgeting and forecasting • Annual external audit process and internal audit function • Extensive use of external advisors on specific risk areas • Delegations Policy which details authority and limits for committing to expenditure • Operation of a captive insurance subsidiary to extend the range of insurance options • Maintenance of business continuity and crisis management plans
Human resources	Risk of inability to retain or attract the required calibre and number of employees. Specific risks include: • limitation of the Recognised Seasonal Employer (RSE) Scheme • inability to meet the seasonal worker requirements of the Horticulture division • failure to effectively implement a senior management succession plan	Scales' management of these risks includes the following controls and mitigations: • Active engagement with government bodies around the requirements of the RSE Scheme • Regular visits to the various Pacific Islands and engagement with their governments regarding the RSE Scheme and employees • Independent inspection of facilities provided to RSE Scheme employees • Operation of a variety of programmes and initiatives to attract and retain employees • Regular review of succession planning • Operation of incentive schemes designed to encourage employee retention

Risk category	The risks and their impact	Risk management - controls, mitigations and initiatives
Market access	Risk of reduction or loss of market access and/or the limitation or inability to get products to markets. Specific risks include: • product contamination • adverse spray usage • cool chain equipment failure • inability to access global shipping capacity • trade barriers	Scales has comprehensive policies, processes, systems and controls in place to mitigate these risks. Specific controls and mitigations include: • Extensive compliance programmes • Quality control checking of products • Sanitation protocols in place and constantly monitored • Annual product recall testing • Regular testing of active ingredients of sprays and of residues • Traceability systems in place • Effective and ongoing preventative and reactive maintenance programmes • Constant monitoring of cool chain temperatures • Insurance cover for goods in transit • Engagement with government bodies on risk management • Operation of an experienced logistics division • Engagement with multiple global shipping carriers • Proven track record of forecasting shipping capacity requirements • Regulatory affairs resource to monitor changes and trends
Climate	Climate change poses risk to our businesses via disruption to Scales' operations, Scales' supply chain, infrastructure and customers. Recent severe weather events have highlighted the adverse impact that climate change can have.	As an agribusiness company, Scales considers climate risk as part of its enterprise risk framework. Climate risks and how they are managed are disclosed separately through Scales' Climate Statements, which are overseen by the Board and relevant Committees.

The Managing Director and Chief Financial Officer have provided the Board, through the Audit and Risk Management Committee, with assurances that, in their opinion, financial records have been properly maintained, that the financial statements comply with those accounting standards under which Scales must report and that the statements present fairly Scales' financial position and performance. These representations are given on the basis that a sound system of internal controls and risk management is operating effectively in all material respects in relation to financial reporting.

In managing the Company's business risks, the Board approves and monitors policy and procedures in areas such as treasury management, financial performance, taxation and delegated authorities.

Scales has insurance policies in place covering most areas where risk to its assets and business can be insured at a reasonable cost. It also operates a captive insurance subsidiary, Selacs Insurance Limited. Selacs Insurance accesses reinsurance, for the benefit of the Company, in international insurance markets, including in London.

RECOMMENDATION 6.2

An issuer should disclose how it manages its health and safety risks and should report on their health and safety risks, performance and management.

Health and Safety

The Board recognises that effective health and safety governance is fundamental to the long-term performance and sustainability of the Group. Oversight of health and safety is delegated to the Health & Safety and Sustainability Committee, which supports the Board by monitoring health and safety performance, reviewing material incidents and risks, and overseeing the effectiveness of systems, controls and programmes in place across the Group.

Management is responsible for implementing health and safety policies and systems and for reporting regularly to the Committee on performance, emerging risks and key focus areas. This includes consideration of both lead and lag indicators, site level activity, and independent assurance where appropriate.

Health and safety risks are managed as part of the Group's broader enterprise risk management framework. The Committee provides guidance and challenge to management and reports to the Board on matters requiring attention, supporting continuous improvement in safety culture and practices across all Scales' businesses.

Further detail on our approach and performance can be found in the Sustainability Report on pages 16 - 24.

Principle 7 – Auditors

The Board should ensure the quality and independence of the external audit process.

RECOMMENDATIONS 7.1 AND 7.2

The Board should establish a framework for the issuer's relationship with its external auditors.

The external auditor should attend the issuer's Annual Shareholders' Meeting to answer questions from shareholders in relation to the audit.

External Auditor

Oversight of the Company's external audit arrangements to safeguard the integrity of financial reporting is the responsibility of the Audit and Risk Management Committee. Scales maintains an External Auditor Independence Policy to ensure that audit independence is maintained, both in fact and appearance.

The policy covers the following areas:

- Appointment of the external auditor
- Provision of other assurance services by the external auditor
- Pre-approval process for the provision of other assurance services
- External auditor lead and engagement partner rotation
- Hiring of staff from the external auditor
- Relationships between the external auditor and the Company
- Reporting on fees and non-audit work

The role of the external auditor is to audit the financial statements of the Company in accordance with applicable auditing standards in New Zealand and to report on its findings to the Board and shareholders of the Company.

The External Auditor Independence Policy is available in the Governance section of the Company's website. Deloitte Limited is the Company's external auditor. Nicole Dring, who completed 5 years as the audit engagement partner following the 2025 audit, will rotate off the audit, with Anthony Smith having been appointed for the 2026 audit.

All services provided by the Company's external auditor are considered on a case-by-case basis by management and the Audit and Risk Management Committee to ensure there is no actual or perceived threat to independence in accordance with the policy. The external auditor has provided the Audit and Risk Management Committee with written confirmation that, in its view, it was able to operate independently during the year.

The amount payable by Scales and its subsidiaries to Deloitte Limited as audit fees during the year ended 31 December 2025 was \$459,741. In addition, audit fees of \$199,381 were payable to Sheehan & Company during the year ended 31 December 2025 for their audit of Meateor US LLC and its subsidiaries.

Deloitte Limited were also paid \$45,000 for an assurance engagement in relation to greenhouse gas emissions during the year to 31 December 2025. With regard to non-assurance engagement, Deloitte Limited were paid \$10,000 in relation to taxation compliance work during the year. All non-assurance services provided must have the prior approval of the Audit and Risk Management Committee.

The effectiveness, performance and independence of the external auditors is reviewed by the Audit and Risk Management Committee on an ongoing basis. The Audit and Risk Management Committee also reviews the possible rotation of the external audit firm on a regular basis. The review includes an assessment of the auditors' independence, expertise and partner rotation frequency. Such a review was carried out in 2023 and resulted in a recommendation of no change to the external auditor.

The auditor is regularly invited to meet with the Committee including without management present.

The auditor attended Scales' 2025 ASM and has been invited to attend the 2026 ASM so as to be available to answer questions about the audit process and the independence of the auditor.

RECOMMENDATION 7.3

Internal audit functions should be disclosed.

Internal Audit

Scales' internal audit function is overseen by the Audit and Risk Management Committee. The objective of the internal audit function is to enhance and protect the organisational value of Scales by providing risk-based and objective assurance, advice and insight.

Internal audit activities are governed by Scales' Internal Audit Charter, which outlines, amongst other things, the principles, purpose, authority and scope of the function.

An annual internal audit plan is prepared for approval by the Audit and Risk Management Committee. Where necessary, external expertise is obtained for specific audit activities.

The internal auditor is regularly invited to meet with the Audit and Risk Management Committee including without management present.

The Company continues to co-source engagements in the internal audit programme with KPMG, as required. A number of such engagements are planned for 2026.

Principle 8 – Shareholder Relations

The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourages them to engage with the issuer.

RECOMMENDATION 8.1

An issuer should have a website where investors and interested stakeholders can access financial and operational information and key corporate governance information about the issuer.

Shareholder Relations

Scales' Board is committed to maintaining open and transparent communications with investors and other stakeholders. The annual report, NZX releases, governance policies and charters and a variety of corporate information is posted onto the Company's website. Recordings of results briefings are available in the Investors section of the website.

The Company has a Shareholder Meetings page in the Investors section on its website where documents relating to meetings are made available.

RECOMMENDATION 8.2

An issuer should allow investors the ability to easily communicate with the issuer, including by designing its shareholder meeting arrangements to encourage shareholder participation and by providing shareholders the option to receive communications from the issuer electronically.

Shareholder Meetings

Shareholder meetings will be held at a time and location to encourage participation in person by shareholders. ASMs historically have been held in Christchurch, reflecting the head office location for the Company and the historical shareholder base. Meetings are held as 'hybrid meetings', with shareholders having the ability to either attend in person or to view the meeting, and to also vote and ask questions, virtually. Meetings held in this manner ensure the widest possible shareholder participation.

Electronic Communications

Shareholders have the option of receiving their communications electronically. Shareholders can contact Scales at its head office, with contact details for Scales available on its website.

RECOMMENDATION 8.3

Shareholders should have the right to vote on major decisions which may change the nature of the company in which they are invested in.

Major Decisions

Directors' commitment to timely and balanced disclosure is set out in its Shareholder Communications and Market Disclosure Policy and includes advising shareholders on any major decisions. Where voting on a matter is required, the Board encourages investors to attend the meeting or to vote by post or proxy. Shareholders may raise matters for discussion at the ASM either in person, virtually or by emailing the Company with a question to be asked. Scales conducts voting at its ASMs by way of poll and on the basis of one share, one vote.

RECOMMENDATION 8.4

When seeking additional equity, the Company should offer shares to existing shareholders on a pro-rata basis before offering shares to other investors.

The Company did not raise equity capital in 2025. The Board will take this recommendation into account if considering any future capital raisings.

RECOMMENDATION 8.5

The Board should ensure that the notice of meeting for the Annual Shareholders' Meeting and any special meeting is posted on the issuer's website as soon as possible and at least 20 working days prior to the meeting.

Notice of Meeting

Scales' Notice of Meeting will be released on the NZX's Market Announcement Platform at least 20 working days prior to the ASM and will also be made available on the Shareholder Meetings page in the Investors section of its website.

Director Disclosures

Directors

The following persons were Directors of Scales and its subsidiaries during the year ended 31 December 2025:

Scales Corporation Limited	
Tony Batterton	Independent Director
Andrew Borland	Executive Director
Miranda Burdon	Independent Director
Nick Harris	Independent Director
Alan Isaac (resigned 14 October 2025)	Independent Director
Paul Munro (appointed 14 October 2025)	Independent Director
Mike Petersen	Independent Chair

Scales' Subsidiaries

ANZ Exports Pty Limited Andrew Borland David Foote (appointed 28 September 2025) Nick Harris John Sainsbury	Meateor Aus Services Pty Limited David Foote (appointed 28 September 2025) John Sainsbury	Scales FI Group Holding Pty Limited Andrew Borland Nick Harris Tim Goodacre John Sainsbury
Fayman International Group Pty Limited Andrew Borland David Foote (appointed 28 September 2025) Nick Harris John Sainsbury	Meateor Australia Pty Limited Andrew Borland David Foote (appointed 28 September 2025) Nick Harris John Sainsbury	Scales Holdings Limited Andrew Borland Steve Kennelly Kent Ritchie
Fayman New Zealand Limited Andrew Borland Nick Harris John Sainsbury	Meateor Foods Limited Andrew Borland Nick Harris	Scales Logistics Limited Andrew Borland Steve Kennelly Kent Ritchie
FI Group Holding Pty Limited Andrew Borland David Foote (appointed 28 September 2025) Nick Harris John Sainsbury	Meateor Foods Australia Pty Limited Andrew Borland Tim Goodacre	Scales Logistics Australia Pty Limited Andrew Borland Tim Goodacre
Fern Ridge Produce Limited Andrew Borland Hamish Davis Andrew van Workum	Meateor Group Limited Andrew Borland Nick Harris	Selacs Insurance Limited Andrew Borland Alan Isaac (resigned 14 October 2025) Steve Kennelly Paul Munro (appointed 14 October 2025)
Geo. H. Scales Limited Andrew Borland Steve Kennelly Kent Ritchie	Meateor US LLC Andrew Borland John Sainsbury	Shelby Exports, Inc. Brett Frankel
Longview Group Holdings Limited Andrew Borland Andrew van Workum	Mr Apple New Zealand Limited Andrew Borland	Shelby JV LLC Andrew Borland John Sainsbury Brett Frankel
	New Zealand Apple Limited Andrew Borland	
	Profruit (2006) Limited Andrew Borland Nadine Tunley	
	Scales Employees Limited Andrew Borland	

Interests Register

The following entries were made in the interests register of Scales and its subsidiaries during the period 1 January 2025 to 31 December 2025:

Indemnification and Insurance of Directors

As permitted by the Company's Constitution and in accordance with Section 162 of the Companies Act 1993, the Group has indemnified all Directors and arranged Directors' and Officers' liability insurance which ensures that, to the extent permitted by law, Directors are insured for losses arising as a result of actions or omissions in their capacity as Directors. Certain actions are specifically excluded, for example, the incurring of criminal penalties.

Share Dealings by Directors

Dealings by Directors in relevant interests in Scales' ordinary shares during the year ended 31 December 2025 as entered in the Interests Register of Scales are as follows:

Name of Director	No. of Shares	Nature of Relevant Interest	Nature of Transaction	Consideration	Date of Transaction
Andrew Borland	61,208	Registered holder & beneficial owner	LTI Scheme Transfer	\$0.00	9 April 2025
Andrew Borland	82,313	Beneficial owner	LTI Scheme Issue	\$3.18 per share	30 April 2025
Miranda Burdon	238,258	Registered holder	Acquisition	\$3.31 per share	2024-2025
Miranda Burdon	119,129	Registered holder	Disposal	\$5.93 per share	2025

General Notice of Disclosure of Interest in the Interests Register

Details of Directors' general disclosures entered in the relevant interests register for Scales or its subsidiaries during the period 1 January 2025 to 31 December 2025 are as follows:

Andrew Borland

The Lincoln University Foundation	Trustee
Lincoln University Centennial Trust	Advisor
Lockbox Storage Rangiora Limited	Shareholder

Tony Batterton

Briscoe Group Limited	Director
Evergreen Partners Limited	Director
NZ Fine Touring Group Limited	Director
Siplov Nominees Limited	Director
Direct Capital IV Management Limited	Director

Miranda Burdon

Emerging Proteins New Zealand	Chair
Food Nation Limited	Director
Meadow Mushrooms Limited	Chair

Nick Harris

Glenturret Farm Limited	Director/Shareholder
Harris Farms Limited	Director/Shareholder
Harris Meats (Cheviot) Limited	Director/Shareholder
Highsted Trust	Trustee
Southbrook 2024 Limited	Director/Shareholder

Paul Munro

API Council (Payments NZ Limited)	Member
Blis Technologies Limited (appointed 1 March 2026)	Director
Cambridge Partners Limited	Chair
Electricity Ashburton Limited	Director
Lynn River Limited	Director
Lynn River Holdings Limited	Director
McKenzie Balfour & Associates Limited	Chair
New Zealand King Salmon Investments Limited and various wholly-owned subsidiaries	Director
Orion New Zealand Limited	Chair
RFI Holdings Limited	Director
R F Industries Pty Limited	Director
Southern Eye Specialists Limited	Director
Tait International Limited	Chair

Mike Petersen

Antipodean Lands Limited	Director
ANZCO Foods Limited	Director
Bellarace Consulting Limited	Director/Shareholder
Dryland Carbon	Advisory Committee Member
Forest Partners	Advisory Committee Member
Kelso Genetics Limited	Director
Rimanui Farms	Advisory Board Member
Te Hau Station Limited	Director
Te Puna Farm Trust	Trustee
Tukituki Water Security Limited	Chair

Relevant Interests

The table below records the Scales' ordinary shares in which each Director had a relevant interest as at 31 December 2025:

Director	Number of Ordinary Shares – Beneficial	Number of Ordinary Shares – Non-Beneficial
Andrew Borland	609,660	500,000
Tony Batterton	83,891	Nil
Miranda Burdon	95,000	119,129
Nick Harris	250,000	Nil
Mike Petersen	Nil	20,000

Use of Company Information by Directors

No notices were received from Directors pursuant to section 145 of the Companies Act 1993 to use Company information received in their capacity as Directors, which would otherwise not have been available to them.

Shareholder Information

Spread of Shares

Set out below are details of the spread of shareholders of Scales as at 31 January 2026:

	Number of Shareholders	Number of Shares Held	% of Shares Held
Under 2,000	1,160	1,089,621	0.75
2,000 to 4,999	1,187	3,595,117	2.48
5,000 to 9,999	708	4,671,763	3.22
10,000 to 49,999	698	13,006,026	8.97
50,000 to 99,999	84	5,575,786	3.84
100,000 and over	66	117,080,505	80.73



20 Largest Shareholders

Set out below are details of the 20 largest shareholders of Scales as at 31 January 2026:

Shareholder	Number of Shares	% of Shares
Custodial Services Limited	21,020,274	14.49
BNP Paribas Nominees (NZ) Limited - NZCSD	14,981,675	10.33
FNZ Custodians Limited	8,347,515	5.75
Forsyth Barr Custodians Limited	6,998,516	4.82
HSBC Nominees (New Zealand) Limited - NZCSD	6,715,984	4.63
Accident Compensation Corporation - NZCSD	6,612,480	4.56
Citibank Nominees (New Zealand) Limited - NZCSD	4,852,988	3.34
Apex Custodian Nominees (NZ) Limited - NZCSD	4,566,029	3.14
JB Were (NZ) Nominees Limited	4,488,055	3.09
JP Morgan Chase Bank - NZCSD	4,054,731	2.79
HSBC Nominees (New Zealand) Limited - NZCSD	3,386,179	2.33
New Zealand Depository Nominee Limited	2,770,238	1.91
John Grant Sinclair & Camille Elizabeth Sinclair	2,241,000	1.54
HSBC Nominees (New Zealand) Limited - NZCSD	2,225,521	1.53
Forsyth Barr Custodians Limited	1,846,606	1.27
PT (Booster Investments) Nominees Limited	1,370,509	0.94
FNZ Custodians Limited	1,312,787	0.90
Scales Employees Limited	1,298,926	0.89
JB Were (NZ) Nominees Limited	1,070,306	0.73
Fayman International Pty Limited	962,220	0.66

Substantial Product Holders

Set out below are details of the substantial product holders of Scales as at 31 December 2025.

The number of shares shown below is based on the most recent substantial product holder notices given to Scales and its records as at 31 December 2025.

Name	Number of Shares	Class of Shares
FirstCape Group Limited ¹	23,254,453	Ordinary

¹ As disclosed in a substantial product holder notice given by FirstCape Group Limited (FirstCape) on 17 September 2025, Harbour Asset Management Limited, BNZ Investment Services Limited and JB Were (NZ) Nominees Limited are also substantial product holders as they are related bodies corporate of FirstCape and therefore are deemed to have the same relevant interest in Scales' ordinary shares as FirstCape.

The total number of Scales Corporation Limited ordinary shares on issue as at 31 December 2025 was 145,018,818.

Other Information

NZX Waivers

Scales did not rely upon any waivers granted by NZX Limited during the year ended 31 December 2025.

Exercise of NZX Disciplinary Powers

NZX Limited did not exercise any of its powers under Listing Rule 9.9.3 in relation to Scales during the year ended 31 December 2025.

Donations

Donations of \$12,327 were made by Scales during the year ended 31 December 2025. No donations were made to political parties.

Glossary

AUD	Australian dollars
Average Net Debt	Average net debt is calculated as the average of the cash / debt balances plus the net working capital facility balance, as at 30 June and 31 December each year
Capital Employed	Capital Employed is calculated as non-current assets plus working capital (excluding cash, overdrafts and borrowings, NZ IFRS 16 lease liability, dividends declared, derivative assets / liabilities and employee loans)
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EPS	Earnings Per Share
Esro Petfood	Esro Petfood BV (50 per cent held by Scales, equity accounted as a joint venture)
Fayman	Australian operations of FI Group Holding Pty Limited (100 per cent held by Scales, consolidated) together with ANZ Exports Pty Limited (85 per cent held by Scales, consolidated)
Fern Ridge	Fern Ridge Produce Limited (100 per cent held by Scales, consolidated)
FIG	Fayman International Group Pty Limited (100 per cent held by Scales, consolidated)
FOB	Free On Board, a term which means that the price for goods includes delivery at the seller's expense on to a vessel at a named port and no further. The buyer bears all costs thereafter (including costs of sea freight)
FY	Financial Year
Group	Scales Corporation Limited, its subsidiaries and joint ventures
Ha	Hectare, a metric unit of measurement equal to 10,000 square metres
IPO	Initial Public Offering
KPIs	Key Performance Indicators
Meateor Australia	Meateor Australia Pty Limited (100 per cent held by Scales, consolidated)
Meateor International	Meateor Foods Limited and Meateor Foods Australia Pty Limited (100 per cent held by Scales, consolidated)
Meateor NZ	Meateor Pet Foods Limited Partnership (50 per cent held by Scales, equity accounted as a joint venture)
MT	Metric Tonnes
NPAT	Net Profit After Tax
NPATAS	Net Profit After Tax Attributable to Shareholders
NZ IFRS	New Zealand equivalents to International Financial Reporting Standards
Profruit	Profruit (2006) Limited (100 per cent held by Scales, consolidated)
PVR	Plant Variety Rights
ROCE	Return on Capital Employed, calculated as EBIT divided by average Capital Employed
RSE	Recognised Seasonal Employer
Shelby	Shelby JV LLC group of companies (67.5 per cent held by Scales, consolidated)
TOE	Tray Carton Equivalent, a measure of apple and pear weight, equal to 18.6kg packed weight which equates to 18.0kg sale weight
TEU	A Twenty-foot Equivalent Unit is a unit of cargo capacity to describe container volumes
Underlying profit measures (EBIT, EBITDA, NPAT, NPATAS)	Non-GAAP profit measures that Directors and management use when discussing financial performance. See page 7 for definition and pages 40 - 43 for reconciliation to GAAP (NZ IFRS) profit measures



Directory

Board of Directors

Mike Petersen (Chair)
 Andrew Borland (Managing Director)
 Tony Batterton
 Miranda Burdon
 Nick Harris
 Alan Isaac (resigned 14 October 2025)
 Paul Munro (appointed 14 October 2025)

Audit and Risk Management Committee

Paul Munro (Chair)
 Nick Harris
 Tony Batterton

Nominations and Remuneration Committee

Tony Batterton (Chair)
 Mike Petersen

Finance and Treasury Committee

Tony Batterton (Chair)
 Andrew Borland
 Mike Petersen

Health & Safety and Sustainability Committee

Miranda Burdon (Chair)
 Andrew Borland

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Westpac New Zealand Limited

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Chapman Tripp

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