

## **Annual Shareholders' Meeting**

7 June 2023

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## **SCALES CORPORATION – 2023 ANNUAL SHAREHOLDERS' MEETING**

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

1. 2023 Scales Corporation Limited Annual Shareholders' Meeting – Chair and Managing Director's Addresses
2. 2023 Scales Corporation Limited Annual Shareholders' Meeting – Presentation

**ENDS**

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### ***About Scales Corporation***

Scales Corporation is a diversified agribusiness group. It comprises three operating divisions: Global Proteins, Horticulture and Logistics. The company's diverse spread of activities gives Scales broad exposure to New Zealand's agribusiness sector. Scales Corporation was founded in 1897 as a shipping business by George Herbert Scales. Today it has operations across New Zealand, Australia and the United States. Find out more at [www.scalescorporation.co.nz](http://www.scalescorporation.co.nz).

7 June 2023

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**Address by the Chair: Mike Petersen**

**[SLIDE 2: AGENDA]**

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

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

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

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

I'm pleased to confirm that we have a quorum and therefore declare the 2023 Annual Shareholders' Meeting of Scales Corporation Limited open.

The items of business for this meeting and the resolutions to be considered by shareholders are contained in the Notice of Meeting which was sent to shareholders on the 3rd of May.

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

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

**[SLIDE 3: VOTING PROCESS]**

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

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

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

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

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

**[SLIDE 4: QUESTION PROCESS]**

I'd now like to quickly summarise the process for asking questions.

Online questions can be submitted at any time. If you have a question to submit during the meeting, please select the Q&A tab on the right half of your screen anytime, as currently shown. Type your question into the field and press send. Your question will be immediately submitted. Should you require assistance of any sort, you can type your query and one of the Computershare team will assist using the chat function. Alternatively, you can call Computershare on 0800-650-034.

Please note that while you can submit questions from now on, I won't address them until the relevant time in the meeting. Please also note that your questions may be moderated or, if we receive multiple questions on one topic, amalgamated together.

Finally, due to time constraints and to ensure all shareholders have a chance to ask a question, I ask that you limit yourself to asking two questions. We may run out of time to answer all your questions but, if this happens, we'll answer them in due course via email.

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

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

[cover slide]

**[SLIDE 6: WELCOME]**

I'm delighted to host my first Scales ASM as Chair, following my appointment in April this year. I'm excited to have joined Scales and look forward to contributing to the ongoing success of the Company alongside the very capable Board and management team.

I'd now like to introduce my fellow Directors who are in attendance, either in person or online. They are:

- Andy Borland, Managing Director
- Miranda Burdon, an Independent Director
- Nick Harris, an Independent Director
- Mark Hutton, Chair of Scales' Nominations and Remuneration Committee, Chair of Scales' Finance and Treasury Committee and also an Independent Director
- Alan Isaac, Chair of Scales' Audit and Risk Management Committee and also an Independent Director
- Nadine Tunley, Chair of the Health & Safety and Sustainability Committee and an Independent Director and
- Qi Xin, Director, who is attending online.

I'd also like to note that members of Scales' management and staff are in attendance as well as our external auditors, Deloitte, and our lawyers, Anthony Harper.

Before we go further, I'd like to recognise the leadership and support of Tim Goodacre. Tim was involved with Scales for 11 years, having been appointed as a Director of Mr Apple in 2012. He joined Scales' Board in 2014 and was appointed as only the 9th Chair of Scales in 2017. Tim brought a wealth of knowledge and experience to the Group, with a particular focus on Scales' unique culture, its marketing and its branding.

I'd also like to thank Mark Hutton, who retires from the Board at the end of this meeting. Mark was elected to the Board in 2011, was an active member of a number of the Board sub-committees and brought valued insight and contribution from his Private Equity background.

On behalf of the Board, thank you, Tim and Mark, for your considerable contributions and support.

#### **[SLIDE 7: CHAIR'S REVIEW]**

Moving on to the Group's 2022 performance.

We were pleased to report a strong result in 2022, driven by record results in both Global Proteins and Logistics. Whilst Horticulture was unfortunately adversely affected by a number of factors, the overall Group financial performance was towards the top end of the 2022 profit Guidance. Dividends of 19 cents per share were declared for the 2022 financial year, representing 98% of Underlying Net Profit Attributable to Shareholders

We believe our global investment strategy will continue to ensure that Scales meets its future business earnings ambitions and look forward to the ongoing growth and development of the Group.

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

Since commencing my role as Chair, I've noted the priority that is given to the welfare, health and safety of Scales' team members. This was exemplified by the steps taken by the Hawke's Bay-based businesses in the unfortunate aftermath of Cyclone Gabrielle, and Andy will touch on this further in his address.

It's also important to remember that 2022 was not without its difficulties as Scales, like many other businesses, battled adverse weather and the ongoing impacts of COVID-19. I also feel that it's essential to reiterate the importance of our RSE workers, who travel from overseas away from their family and communities, and whose skills and commitment are vital to the operations of our businesses.

Accordingly, the Board would like to extend a heartfelt thank you to all our team members – their responsiveness, innovation, collaboration and support helped deliver the financial and operating results of the Group.

Health and safety continues to be top priority for the Group and is the first item on our Board agendas. There was also a strong focus on both physical and mental wellbeing in 2022 with facilitated workshops and one-to-one counselling. Pleasingly there was a significant 39% reduction in Mr Apple's Lost Time Injury rate from 2021, with this being at its lowest since 2018.

The Group also built, partnered with or re-engaged a number of employee engagement activities to support the wide range of staff members in our employment, and we look forward to building on these in future periods.

#### **[SLIDE 9: GOVERNANCE]**

We're pleased to have progressed Scales' Board succession process over the last year, with the appointment of myself and Miranda Burdon. Miranda was welcomed to the Board in August last year, whilst I joined in April.

You'll have the opportunity to hear directly from Miranda and myself later in the meeting, but we hope that we'll bring valuable experience, strong international knowledge, diverse qualifications and a diversity of thought around the Board table.

*[Pause]*

I'd now like to hand you over to Andy, who'll update you further on last year's results and activities, as well as providing a trading update and outlook for the Group. Following Andy's presentation, we'll move to the formal business of the meeting. As always, we welcome feedback on any of the matters raised during today's presentation or other general matters in relation to the Group.

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

#### **[SLIDE 10: MANAGING DIRECTOR'S REVIEW]**

[Cover slide]

#### **[SLIDE 11: MANAGING DIRECTOR'S REVIEW - AGENDA]**

Thanks Mike, and good afternoon, ladies and gentlemen. The current slide summarises the topics that I'll cover in my presentation today, which includes:

- A review of 2022
- A sustainability update
- Individual business updates
- A trading update and outlook.

**[SLIDE 12: YEAR IN REVIEW]**

I'd like to start with an update on the effects of Cyclone Gabrielle, before I quickly recap some of the financial and operational highlights of 2022.

**[SLIDE 13: CYCLONE GABRIELLE - UPDATE]**

First, and most importantly, following the Cyclone, we were extremely pleased that all our team members were safe and well. It was an extremely challenging period for many people and a large number experienced significant loss or disruption.

The Hawke's Bay community, its people and its culture, are an integral part of Scales and, accordingly, we're committed to making \$250,000 of donations to the recovery. We've also provided tailored assistance to those staff members who were particularly affected, and will continue to support them as appropriate.

As we previously advised, 3 of our orchards (Brookfields, Kinross and Pakowhai) were extensively damaged, with the Pilos orchard sustaining moderate damage. Luckily, our other orchards didn't sustain any material damage.

As a result, our current indications are that the 2023 crop will be down around 25% on our initial forecast and around 12% to 15% down on last year. We also estimate that our total tree losses will be around 5% of our total planted orchard area but, due to expiring leases, less than 50% of this will need to be replaced.

Whilst the effects of the Cyclone were extremely unfortunate, this does provide Mr Apple with the opportunity to further increase its focus on the production and supply of Premium apples to the Asia and Middle East markets, and to realign our orchards to these varieties and volumes.

We'll continue to update you through the year as appropriate.

**[SLIDE 14: 2022 IN NUMBERS]**

Moving on to a summary of last year. This slide shows some of our financial and volumetric measurements for 2022, a few of which I'll go into in more detail later. One figure of note was our revenue of \$619.2 million, a record level for the Group.

**[SLIDE 15: TRENDS IN GROUP FINANCIAL PERFORMANCE]**

This next slide illustrates our earnings over the last 5 years, and shows strong growth in both Underlying EBITDA and revenue.

**[SLIDE 16: GROUP FINANCIAL PERFORMANCE]**

Moving on to some more detail in respect of our 2022 results.

Reported NPAT attributable to shareholders was \$19.4 million, with Underlying NPAT attributable to shareholders of \$27.6 million. This result was towards the top end of our earnings Guidance range.

Underlying EBITDA increased 6% compared to 2021, and revenue was up 20%. These results were primarily due to growth in the Global Proteins division, both organically and by acquisition.

## **[SLIDE 17: DIVISIONAL SUMMARY]**

This next slide summarises some of the divisional highlights for 2022.

Global Proteins produced an outstanding performance, with record results for both revenue and profitability. This was due to strong market conditions and new product development, which led to improved volumes, mix and margin together with a contribution from Fayman following our investment in the Australian businesses.

Horticulture generated a solid result in a year where there was significant market disruption. There was a pleasing increase in the weighted average price of Premium varieties as well as an increase in the proportion of Premium volumes sold.

Logistics also produced an exceptional result with excellent increases in revenue and earnings, delivering record earnings despite a testing market environment. The strategic value of the division was, once again, demonstrated with the team ensuring product was delivered worldwide for all its customers.

## **[SLIDE 18: TRENDS IN DIVISIONAL UNDERLYING EBITDA]**

This slide shows the movements in divisional earnings over the last 5 years, and highlights the exceptional growth in Global Proteins over the last few years.

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

Moving on to our balance sheet, which continues to show a strong financial position.

The movement in capital employed mainly reflects our investment in Fayman, an increase in working capital, capex at Mr Apple's Whakatu packhouse and revaluation of Mr Apple's land and buildings.

Our net cash position at 31 December decreased to \$27 million, due primarily to the Fayman investments and movements in working capital. Total cash dividends for the 2022 financial year were 98% of Underlying Net Profit Attributable to Shareholders. From the 2023 financial year onwards, our dividend policy will revert to 50% - 75% of Underlying Net Profit After Tax Attributable to Shareholders.

We're pleased to report that Group Return on Capital Employed, or ROCE, continues to be above our target %.

## **[SLIDE 20: SUSTAINABILITY UPDATE]**

The next section I'd like to cover is sustainability.

## **[SLIDE 21: SUSTAINABILITY STRATEGY]**

Sustainability has always been important to Scales. Our business is based on production that comes from the land and we understand that looking after our environment is critical to our long-term success. Whilst this has always been a core value of Scales, we have only started to report on our initiatives and environmental impacts in more recent years. We're employing additional resources to this area and you'll see continued improvements in our reporting going forward. We're pleased to report our inaugural Group-wide baseline calculations for water, carbon and soil as part of our regenerative orchard trials.

## **[SLIDE 22: SUSTAINABILITY HIGHLIGHTS]**

This slide summarises the progress that we've made on some of our Sustainability initiatives. As ever, people are our key focus as, without them, we wouldn't be the business that we are. Mr Apple has built a value proposition programme and also 2 leadership programmes to help develop our employees and leaders.

We've also re-engaged the Ethical Voice platform, an online survey targeted at our RSE workers, so that we can keep informed about their overall wellbeing. We're pleased to note that Mr Apple has consistently scored 'excellent' and improved across all 2019 baselines.

Touching on a few other initiatives, we've:

- Completed a decarbonisation road-map, outlining key initiatives, capex and reduction targets
- Supported New Zealand Apple & Pears Smart and Sustainable programme to investigate the minimisation of sprays
- Set Group-wide climate scenarios and
- Established sustainability committees across our divisions.

We cover this, and more, in additional detail in the Sustainability section of our Annual Report, which I encourage you to read.

## **[SLIDE 23: OUR PEOPLE]**

A quick summary of some of our workplace statistics – although I'd like to point out that we never treat our staff as just numbers. We're proud of the culture that we strive to maintain, are eager to develop talent and seek to embrace inclusiveness in every aspect of our business.

## **[SLIDE 24: BUSINESS UPDATE]**

Moving on to an update of our divisional businesses, starting with Global Proteins.

## **[SLIDE 25: GLOBAL PROTEINS – PERFORMANCE]**

The division generated an exceptional performance for the year – revenue increased 46% with Underlying EBITDA increasing 80%. The increase in profitability was due to a number of factors, as summarised on screen, including:

- Operational efficiencies
- New product development
- A strong leadership team with long term customer relationships
- Changes in product, customer and market mix and
- Profit contribution from Fayman.

Volumes increased 6%, from around 149,000MT to around 159,000MT. Given the primarily edible nature of its product, we haven't incorporated Fayman's volumes into the volume of petfood sold by Meateor and Shelby. However, over 9,000MT of product was sold by Fayman during November and December.



## **[SLIDE 26: GLOBAL PROTEINS – WHAT WE LIKE ABOUT THE GLOBAL PROTEINS INDUSTRY]**

I'd now like to touch on the future of the Global Proteins division, as we're very optimistic about its prospects.

We've summarised the attributes of the division on the current slide, which includes resiliency against market cycles as well as above-average returns on investment. The worldwide nature of the opportunities also allows us to leverage our existing networks, with our current focus being towards North America.

The industry is supported by many macro tailwinds including the global growth of the middle class and its associated demand for protein. We see no abatement in the demand for protein for the foreseeable future.

Our petfood customers are also particularly optimistic about the future, and are investing substantial sums to meet future demand.

Supply chains and sourcing of raw materials have been identified as the biggest future production challenges for petfood manufacturers. Meateor and Shelby have a very experienced and well-connected leadership team and have developed deep relationships with customers over 25 years, which gives us confidence we will participate alongside our customers in this growth.

## **[SLIDE 27: GLOBAL AMBITIONS]**

As a result of the opportunities I've just described, we have global ambitions for the division.

As shown on this slide, we already have significant operations in New Zealand, Australia and North America. North America is the world's largest petfood market, with Europe being the second largest. As many of our existing customers operate in Europe, we're continually looking for ways to extend our operations there. As a result, discussions regarding potential opportunities are currently taking place.

## **[SLIDE 28: OUR EXPANSION MODEL]**

The structure that we have in place today is a result of careful planning. We specifically target existing in-market players with strong existing relationships and find a way to partner with them. We'll continue to adopt this strategy for growth.

Once we've invested, we'll leverage our existing experience and relationships to achieve win-win synergies and growth across the expanded Group. Our current investment parameters will ensure that potential opportunities have strong earnings and cashflows, which allow a significant portion to flow to the parent company.

## **[SLIDE 29: HORTICULTURE – PERFORMANCE]**

Moving onto the Horticulture division.

2022 was a difficult year for Horticulture with a number of challenges presented to the business as mentioned earlier. Notwithstanding this, the division produced a solid result – revenue was only down 6% on 2021, with Underlying EBITDA of around \$17 million.

We saw pleasing growth in some of our Premium volumes, including Dazzle™ and Prince™. Our overall crop of 3.3 million cartons was 9% down on 2021, consistent with industry performance.

Good progress was made on our strategic objectives to develop volumes of higher-value Premium varieties and increase our market penetration into Asia; the proportion of Premium apples increased over 2021, as did the percentage of sales to Asia & Middle East. In addition, many Premium prices were in line with, or slightly above, 2021.

As mentioned earlier, our intention is to continue to focus on the premiumisation of our orchards, and build demand for our Premium varieties in the Asia and Middle East markets.

#### **[SLIDE 30: LOGISTICS – PERFORMANCE AND UPDATE]**

Last, but certainly not least, is Logistics.

The Logistics division produced an outstanding full year result despite continued global supply chain sector difficulties, with a 51% increase in revenue and a 33% increase in Underlying EBITDA.

Whilst there was a 9% decrease in ocean freight volumes managed, airfreight volumes increased by 52%. Once again, the skill and expertise of the Logistics team has been in evidence in 2022, and we believe this is a key advantage for Scales' internal divisions as well as Logistics' external freight customers.

#### **[SLIDE 31: OUTLOOK]**

Moving on to the outlook for the current year.

#### **[SLIDE 32: 2023 OUTLOOK]**

Due to the impacts of Cyclone Gabrielle, we revised our earnings Guidance in early April. Underlying NPAT Attributable to Shareholders is now expected to be in the range \$14 million to \$19 million, compared to our original Guidance of \$23.5 million to \$28.5 million.

Global Proteins has commenced the year well, with Shelby trading in line with 2022. The construction of the Meateor Australia processing facility is on track to be commissioned during 2023, albeit slightly later than initially anticipated, with some potential disruption to earnings anticipated in the second half of the year, rather than the first half as initially advised, as we transition processing to this facility.

As you can imagine, it was a difficult start to the year for Horticulture as a result of Cyclone Gabrielle. The Horticulture team once again showed its resilience, re-commencing picking and packing operations as soon as it was safe to do so.

Prudent management of our capital resources continues to be of high importance and, as previously mentioned, our dividend policy will revert to 50% - 75% of Underlying Net Profit After Tax Attributable to Shareholders from FY23 onwards.

#### **[SLIDE 33: TRADING UPDATE]**

Moving on to a trading update for each of the divisions.

As mentioned, Global Proteins has started the year well and continues to take advantage of the strong and growing global petfood market. We're also continuing to investigate opportunities to develop our investments, through Fayman, in the edible proteins by-product market.

The harvest is complete with total pick of around 3.9m TCEs. We anticipate that the packout rate will be lower than average this year due to storm-related damage, resulting in an export crop that is currently estimated to be between 12% and 15% down on 2022. Early pricing indications are in line with forecast and, with a shortage of apples due to the Cyclone, we're cautiously optimistic for the second half of 2023.

Logistics has also had a positive start to the year and continues to provide invaluable support to its customers.

*[Pause]*

And that concludes my presentation.

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

**Address by the Chair: Mike Petersen**

**[SLIDE 34: ORDINARY RESOLUTIONS]**

Thanks, Andy.

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

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

I and my fellow directors hold the following undirected proxies:

- With respect to Resolution 1, authorisation for the Directors to fix the auditor's remuneration for the coming year: 467,123 shares
- With respect to Resolution 2, re-election of Nick Harris as Non-Executive Independent Director: 476,446 shares
- With respect to Resolution 3, election of Miranda Burdon as Non-Executive Independent Director: 474,736 shares
- With respect to Resolution 4, election of myself, Mike Petersen, as Non-Executive Independent Director: 474,736 shares

Your Board supports these resolutions and we intend to vote all these shares in favour of these resolutions.

**[SLIDE 35: RESOLUTION 1]**

I'll now move onto each of the resolutions.

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

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

Are there any questions on this resolution?

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

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

**[SLIDE 36: RESOLUTION 2]**

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

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

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

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

Over to you Nick.

*[Personal remarks from Nick]*

Thanks Nick.

I now move, as an ordinary resolution, having retired by rotation, that Nick Harris be re-elected as a Non-Executive Independent Director.

Are there any questions on this resolution?

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

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

**[SLIDE 37: RESOLUTION 3]**

Resolutions 3 and 4 relate to the election of Directors appointed since the last Annual Meeting. The NZX Listing Rules state Directors appointed by the Board must not hold office (without re-election) past the next annual meeting following the Director's appointment.

Resolution 3 relates to the re-election of Miranda Burdon.

Miranda was appointed to the Board in August 2022 and a brief biography for her was included in the Notice of Meeting.

Miranda, being eligible, offers herself for re-election, and the Board unanimously supports her re-election and recommends that shareholders vote in favour of Resolution 3.

I now invite Miranda to briefly address the meeting on her proposed re-election.

Over to you Miranda.

*[Personal remarks from Miranda]*

Thanks Miranda.

I now move, as an ordinary resolution, having retired by rotation, that Miranda Burdon be re-elected as a Non-Executive Independent Director.

Are there any questions on this resolution?

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

Thank you. We'll now move to the next resolution, which I'll ask Alan Isaac to introduce.

**[SLIDE 38: RESOLUTION 4]**

**Address by Alan Isaac**

Thanks Mike.

Resolution 4 relates to the election of Mike Petersen.

Mike was appointed to the Board in April this year and a brief biography for him was included in the Notice of Meeting.

Mike, being eligible, offers himself for re-election, and the Board unanimously supports his re-election and recommends that shareholders vote in favour of Resolution 4.

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

Over to you Mike.

*[Personal remarks from Mike]*

Thanks Mike.

I now move, as an ordinary resolution, having retired by rotation, that Mike Petersen be re-elected as Independent Non-Executive Director.

Are there any questions on this resolution?

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

Thank you.

I'll now pass you back to Mike.

**Address by the Chair: Mike Petersen**

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

**[SLIDE 39: VOTING & QUESTIONS]**

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

If you have not already done so, please cast your votes now, and give your voting forms to Computershare, while we take questions.

**[SLIDE 40: QUESTION PROCESS – REMINDER]**

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

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

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

Are there any questions from those online?

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

**[SLIDE 41: COVER SLIDE]**

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

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

*[wait for 60 seconds]*

Voting is now closed.

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

Ladies and gentlemen, there does not appear to be any further business for discussion, so that brings us to the end of formal business for Scales Corporation's 2023 Annual Shareholders' Meeting. I would like to thank you all for taking the time to connect with us today, be it online or in person.

I now declare the meeting closed. I invite those present to stay on for light refreshments and the opportunity to have informal discussions with Directors. Thank you.

***[ENDS]***