

An aerial photograph of a large industrial facility, likely a food processing plant, with a city skyline visible in the background. The facility has a large white building with a blue logo that reads "meateor". The roof is white and has several orange traffic cones and equipment on it. There are parking lots with cars and trucks, and a road with traffic in the foreground. The sky is hazy, suggesting a sunrise or sunset.

SCALES CORPORATION LIMITED

Bringing Nutrition to the World

Half Year Results
For the 6 Months Ended 30 June 2023
23 August 2023

Agenda

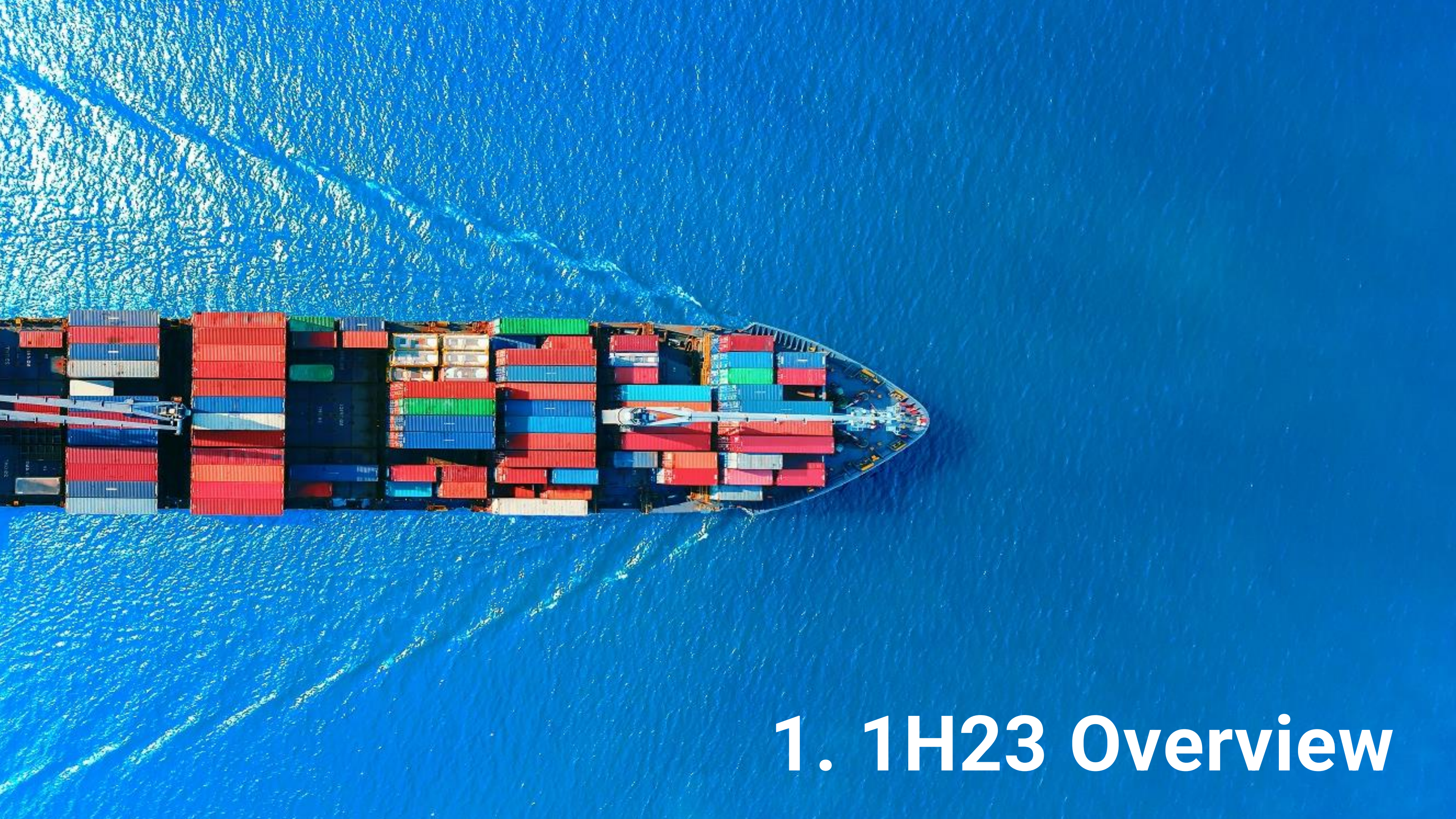
1. 1H23 Overview
2. Cyclone Recovery and Sustainability
3. Group Results
4. Divisional Performance
5. Global Proteins
6. FY23 Outlook

Appendices:

- I. NZ IFRS Reconciliation
- II. Disclaimer



Cover photo: Newly commissioned Meateor Australia factory, Melbourne



1. 1H23 Overview

1H23 Overview

- ✓ Resilient performance by the Group:
 - ✓ Excellent Global Proteins performance together with solid Logistics earnings
 - ✓ Commendable Horticulture operational result in light of the effects of Cyclone Gabrielle
 - ✓ Financial results for 1H23 are in line with expectations:
 - ✓ Underlying* NPAT Attributable to Shareholders of \$14.5m (1H22: \$25.6m), down 43.5%
 - ✓ Reported NPAT of \$14.3m (1H22: \$35.1m), down 59.3%
 - ✓ The impact of Cyclone Gabrielle and market conditions have resulted in NZ IFRS goodwill impairment and asset write-downs at Mr Apple
 - ✓ Directors re-confirm that Underlying Net Profit Attributable to Shareholders for FY23 is expected to be within the previously advised range of \$14.0m to \$19.0m
- ✓ Global Proteins continues to capitalise on operational improvements made in prior periods
 - ✓ As indicated, delighted to further expand the Global Proteins division by establishing a presence in Europe through Esro Petfood JV
 - ✓ Pleased to note that Meateor Australia's Melbourne petfood ingredients facility was commissioned this month
- ✓ Higher in-market apple prices helped to compensate for lower volumes in Horticulture
- ✓ Logistics continuing to provide strategically important services and solutions despite volumes being affected by Cyclone Gabrielle
- ✓ Further strengthening of Board of Directors, continuing the Board refresh programme:
 - ✓ Formal appointment of Mike Petersen as Chair in April 2023
 - ✓ Appointment of Tony Batterton in August 2023

* Underlying Results exclude some New Zealand International Financial Report Standards (NZ IFRS) non-cash and other adjustments. Management and the Board believe that Underlying Results more accurately demonstrate the change in operational performance of the Group. Underlying NPAT and Underlying EBITDA are shown before the deduction of share of Non-Controlling Interests. Note that our definition of "Underlying" includes the effects of NZ IFRS 16 Leases in line with current market practice. All Underlying result numbers, including comparatives, are now inclusive of NZ IFRS 16 effects. A reconciliation of Underlying to Reported Measures is provided in Appendix I.

A man in a dark jacket and cap walks through a field of young trees with white blossoms. The trees are planted in rows, and the ground is covered with mulch. The scene is bright and sunny, with the blossoms in sharp focus in the foreground and the man in the background.

2. Cyclone Recovery and Sustainability

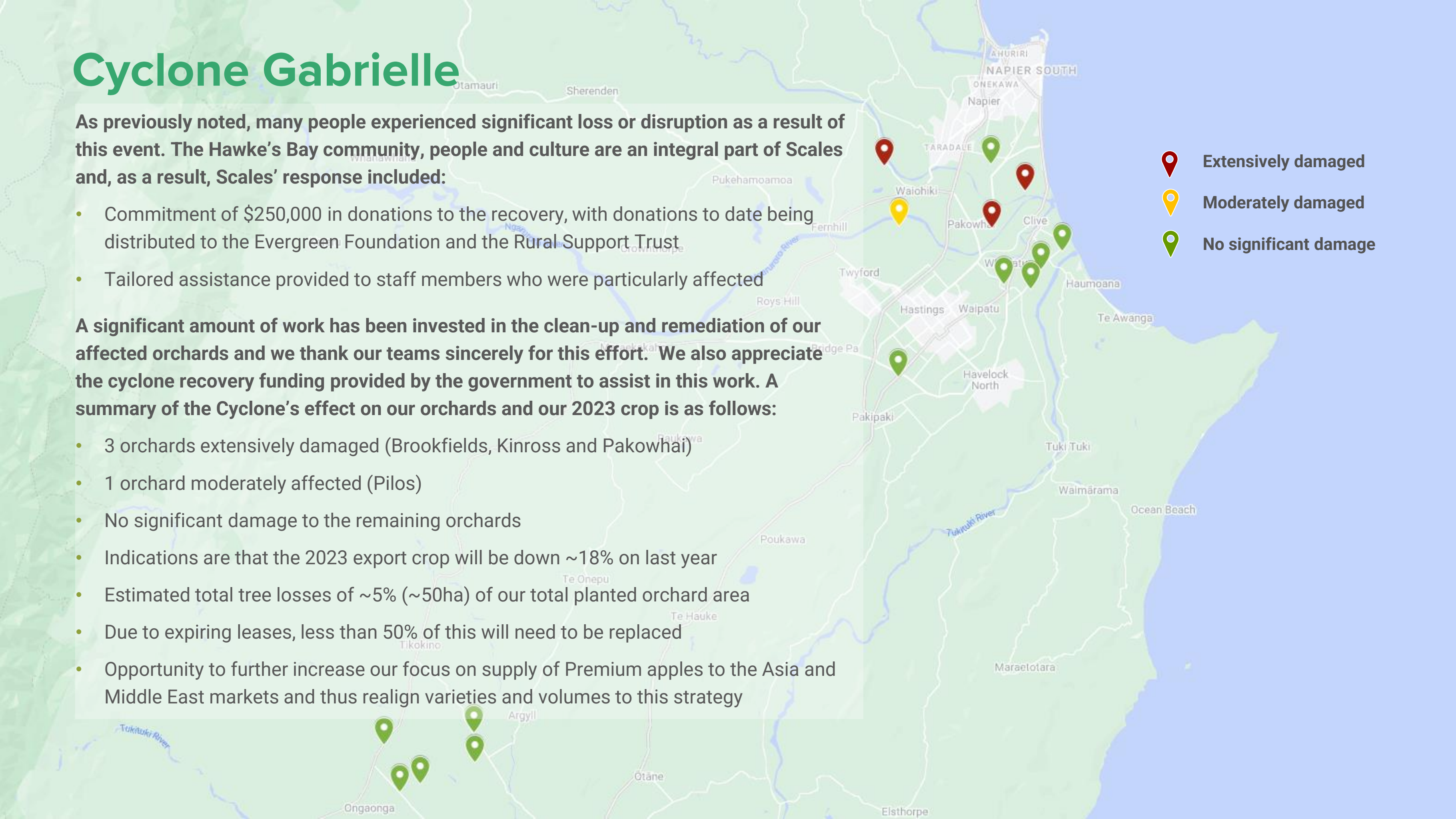
Cyclone Gabrielle

As previously noted, many people experienced significant loss or disruption as a result of this event. The Hawke's Bay community, people and culture are an integral part of Scales and, as a result, Scales' response included:

- Commitment of \$250,000 in donations to the recovery, with donations to date being distributed to the Evergreen Foundation and the Rural Support Trust
- Tailored assistance provided to staff members who were particularly affected

A significant amount of work has been invested in the clean-up and remediation of our affected orchards and we thank our teams sincerely for this effort. We also appreciate the cyclone recovery funding provided by the government to assist in this work. A summary of the Cyclone's effect on our orchards and our 2023 crop is as follows:

- 3 orchards extensively damaged (Brookfields, Kinross and Pakowhai)
- 1 orchard moderately affected (Pilos)
- No significant damage to the remaining orchards
- Indications are that the 2023 export crop will be down ~18% on last year
- Estimated total tree losses of ~5% (~50ha) of our total planted orchard area
- Due to expiring leases, less than 50% of this will need to be replaced
- Opportunity to further increase our focus on supply of Premium apples to the Asia and Middle East markets and thus realign varieties and volumes to this strategy

- 
- The map displays the Hawke's Bay region with various towns and rivers labeled. Colored pins indicate the damage status of orchards: red for extensively damaged, yellow for moderately damaged, and green for no significant damage. The pins are distributed across the region, with a higher concentration of red pins in the northern and central areas, and green pins in the southern and coastal areas.
- Extensively damaged
 - Moderately damaged
 - No significant damage

Cyclone Recovery and Sustainability

Primary focus on our People and Community

- Initiatives have included:
 - Offering wellbeing workshops to all staff, facilitated by a third party providing specialist trauma advice and tools
 - Providing financial contributions towards replacing lost belongings and offering the services of an insurance lawyer at no cost
 - Supporting our RSE teams by providing counselling from Vitae (Employee Assistance Programme provider) immediately following the cyclone
 - Immediately housing displaced RSE workers at our Hastings accommodation centres and providing them with new personal possessions
 - Partnering with the District Health Board to undertake medical health checks for our RSE workers, particularly those involved in evacuations
 - Providing laundry services to the community - our facility operates 6 days a week with the help of a pool of volunteers who deliver ~500 loads a month to affected families
 - Assisting other growers with their harvest, lending machinery and helping with the start of their remediation works where possible
- Donations have been allocated to the Evergreen Foundation and the Rural Support Trust, which provide a wide range of support services for Cyclone-affected families and communities



Photo: Samoan and Tongan staff from Mr Apple and other employers. Mr Apple hosted a Tongan group from Auckland that brought food and supplies, with this food being distributed to Tongan workers across Hastings

Update on Cyclone Recovery

Extensive orchard remediation undertaken by our teams

- An enormous effort by all teams at Mr Apple, managing both the recovery and the daily operations of the season:
 - The recovery effort has been bigger than initially envisaged
 - Net earnings impact (taking into consideration government support and insurance receipts) consistent with initial expectations
 - Harvest and post-harvest operations resumed in the week following the Cyclone
- Recovered ~165ha of damaged orchards from silt, debris and slash:
 - Where possible, the disposal of wood, irrigation, wire and water tanks has been with a view to minimise waste to landfill
 - Removed ~140,000m³ (an estimated 17,500 truck loads) of silt from orchards
 - Working with Council and contractors to dispose of this silt
- Re-seeded ~50% of recovered blocks, with a target to complete 100% by the end of August



A photograph of a large industrial facility, likely a water treatment plant. The foreground shows a large, blue, rectangular channel or tank. In the background, there are large cylindrical tanks and various pipes and structures. The scene is brightly lit, and the overall color palette is dominated by blue and white.

3. Group Results

Group Financial Performance – 1H23

Diversified strategy delivers resilient result notwithstanding the effects of Cyclone Gabrielle

- Reported NPAT Attributable to Shareholders of \$3.9m (down 85.1% on 1H22)
- Underlying NPAT Attributable to Shareholders of \$14.5m (down 43.5% on 1H22)
- Underlying NPAT of \$24.8m (down 28.3% on 1H22)
- Underlying EBITDA of \$41.5m (down 25.1% on 1H22)
- The impact of Cyclone Gabrielle and market conditions have resulted in NZ IFRS goodwill impairment and asset write-downs at Mr Apple (pre-tax earnings impact of \$11.2m)

| Income Statement | | | | | | | | | |
|---|-----------------------------------|-------------|---------------|-------------|-------------|---------------|-------------|-------------|---------------|
| \$m | NPAT Attributable to Shareholders | | | NPAT | | | EBITDA | | |
| | 1H23 | 1H22 | % chg. | 1H23 | 1H22 | % chg. | 1H23 | 1H22 | % chg. |
| Underlying (excluding NZ IFRS 16) | 14.5 | 25.8 | -43.8% | 24.9 | 34.8 | -28.5% | 35.5 | 49.7 | -28.5% |
| NZ IFRS 16 <i>Leases</i> | 0.1 | (0.2) | | 0.1 | (0.2) | | 6.1 | 5.7 | |
| NZ IFRS 16 - renewal reassessment and terminated leases | (0.1) | - | | (0.1) | - | | (0.2) | - | |
| Underlying (including NZ IFRS 16) | 14.5 | 25.6 | -43.5% | 24.8 | 34.7 | -28.3% | 41.5 | 55.4 | -25.1% |
| NZ IFRS & other adjustments: | | | | | | | | | |
| Transaction costs | (0.3) | (0.0) | | (0.3) | (0.0) | | (0.3) | (0.0) | |
| Impairment of non-current assets and goodwill | (10.5) | - | | (10.5) | - | | (11.2) | - | |
| Cyclone costs and proceeds | (0.7) | - | | (0.7) | - | | (1.0) | - | |
| Other adjustments | 0.9 | 0.5 | | 0.9 | 0.5 | | 1.5 | 1.1 | |
| Reported | 3.9 | 26.1 | -85.1% | 14.3 | 35.1 | -59.3% | 30.5 | 56.4 | -46.0% |

Notes:

1. Prepared on an Underlying basis (including the effects of NZ IFRS 16 *Leases*). A reconciliation to NZ IFRS is provided in Appendix I
2. %'s are calculated based on non-rounded figures, figures may not sum due to rounding
3. Earnings are shown before the deduction of share of NPAT for Non-Controlling Interests of \$10.4m (1H23) vs \$9.m (1H22)

Divisional Financial Overview – 1H23

Global Proteins provides strong base for overall Group result

- Global Proteins – consolidation of operational improvements in 2022 generate strong first half earnings
- Horticulture – commendable result given the effects of the Cyclone on the growing and harvesting period
- Logistics – solid result notwithstanding lower volumes

| Divisional Performance | | | | | |
|---|-------------|-------------|-------------|-------------|-----------------------|
| \$m | 1H23 | 1H22 | 2H22 | FY22 | % chg. 1H23 v 1H22 |
| Global Proteins | 30.1 | 29.9 | 30.2 | 60.2 | 0.5% |
| Horticulture | 11.4 | 24.5 | (7.6) | 17.0 | -53.3% |
| Logistics | 2.7 | 3.6 | 3.0 | 6.6 | -25.7% |
| Corporate | (2.7) | (2.7) | (3.2) | (5.8) | 1.7% |
| Underlying EBITDA | 41.5 | 55.4 | 22.5 | 77.9 | -25.1% |
| Underlying NPAT | 24.8 | 34.7 | 11.7 | 46.4 | -28.3% |
| Underlying NPAT Attributable to Shareholders | 14.5 | 25.6 | 1.9 | 27.6 | -43.5% |

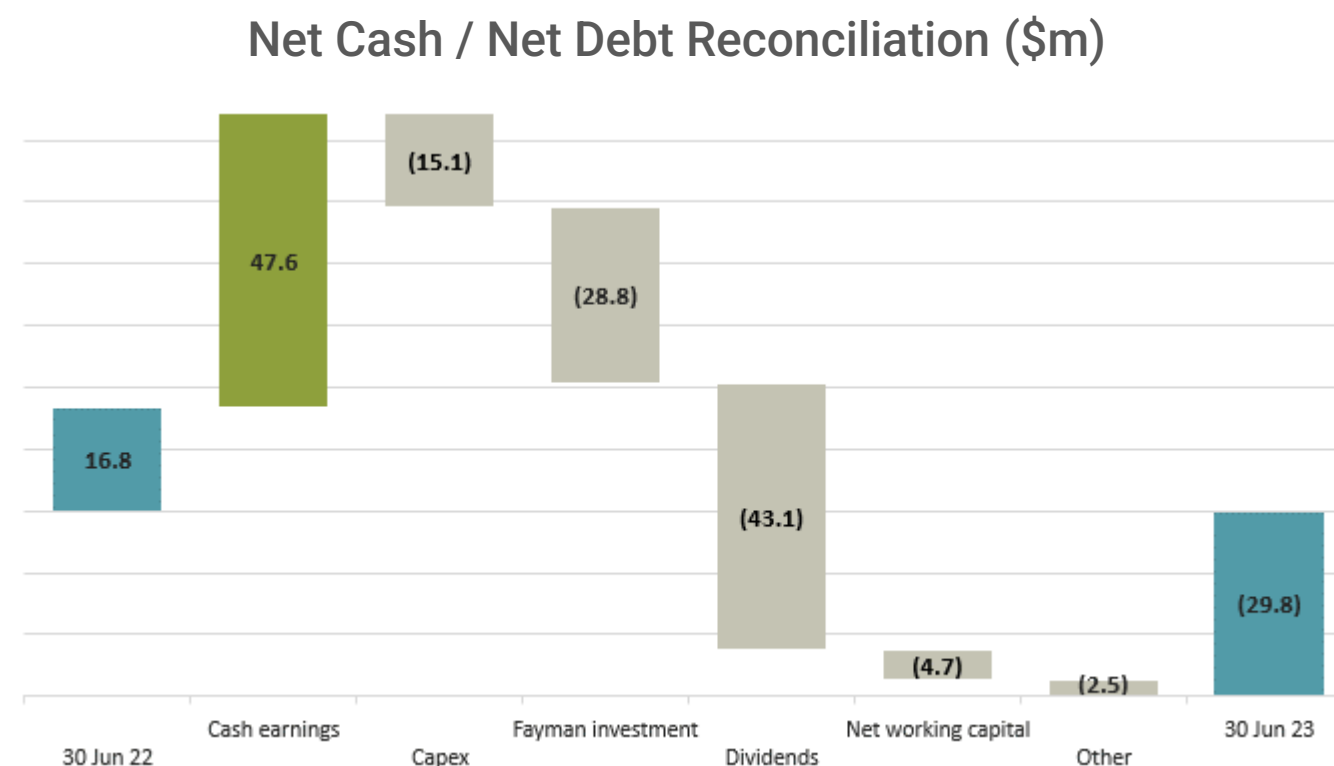
Notes:

1. Prepared on an Underlying basis (including the effects of NZ IFRS 16 *Leases*). A reconciliation to NZ IFRS is provided in Appendix I
2. %'s are calculated based on non-rounded figures, figures may not sum due to rounding
3. NZ IAS 41 *Agriculture* requires unsold agricultural produce to be measured at fair value less costs to sell. This means that the expected profit on unsold fruit is recognised in our interim result, giving rise to seasonality in profitability
4. FY22 results have been adjusted for the transfer of Profruit from Global Proteins to Horticulture

Balance Sheet

Strong financial position

- Net Debt of \$29.8m as at 30 June 2023 vs Net Cash of \$16.8m as at 30 June 2022:
 - Net Cash as at 31 December 2023 is forecast to be ~\$10m
- Agricultural produce represents unsold fruit at 30 June:
 - As at 30 June 2023, 46% of crop sold (30 June 2022: 36%)
- Movement in other non-current assets due to increase in carrying value of investments



| Balance Sheet | | | |
|---|----------------|----------------|---------------|
| \$m | Jun-23 | Jun-22 | Dec-22 |
| <i>Current assets excluding cash</i> | | | |
| Trade & other receivables | 97.3 | 101.6 | 42.1 |
| Inventories | 46.7 | 38.7 | 42.6 |
| Agricultural produce | 62.7 | 85.4 | 25.1 |
| Other | 8.4 | 7.6 | 15.1 |
| Current Assets | 215.1 | 233.3 | 125.0 |
| <i>Current liabilities excluding overdraft & borrowings</i> | | | |
| Trade & other payables | (74.4) | (85.3) | (37.2) |
| Dividends declared | (13.5) | (13.4) | (8.5) |
| Lease liability | (10.8) | (10.1) | (10.9) |
| Other | (23.2) | (24.7) | (15.4) |
| Current Liabilities | (121.9) | (133.5) | (72.1) |
| Net Working Capital | 93.2 | 99.8 | 52.9 |
| <i>Non-current assets</i> | | | |
| Property, plant & equipment | 203.1 | 214.5 | 221.2 |
| Other non-current assets | 111.9 | 85.5 | 117.1 |
| Right of use asset | 51.9 | 74.9 | 49.0 |
| Non-Current Assets | 366.8 | 374.9 | 387.4 |
| Capital Employed | 460.1 | 474.7 | 440.2 |
| <i>Non-current and other liabilities</i> | | | |
| Deferred tax liabilities | (5.9) | (9.4) | (17.8) |
| Other financial liabilities | (15.1) | (25.1) | (13.6) |
| Lease liability | (47.0) | (68.4) | (44.1) |
| Non-current and other liabilities | (68.0) | (102.9) | (75.4) |
| <i>Net cash</i> | | | |
| Cash less overdraft | 37.7 | 56.3 | 65.8 |
| Borrowings | (67.5) | (39.4) | (38.7) |
| Net cash | (29.8) | 16.8 | 27.0 |
| Total Equity | 362.3 | 388.6 | 391.8 |

4. Divisional Performance

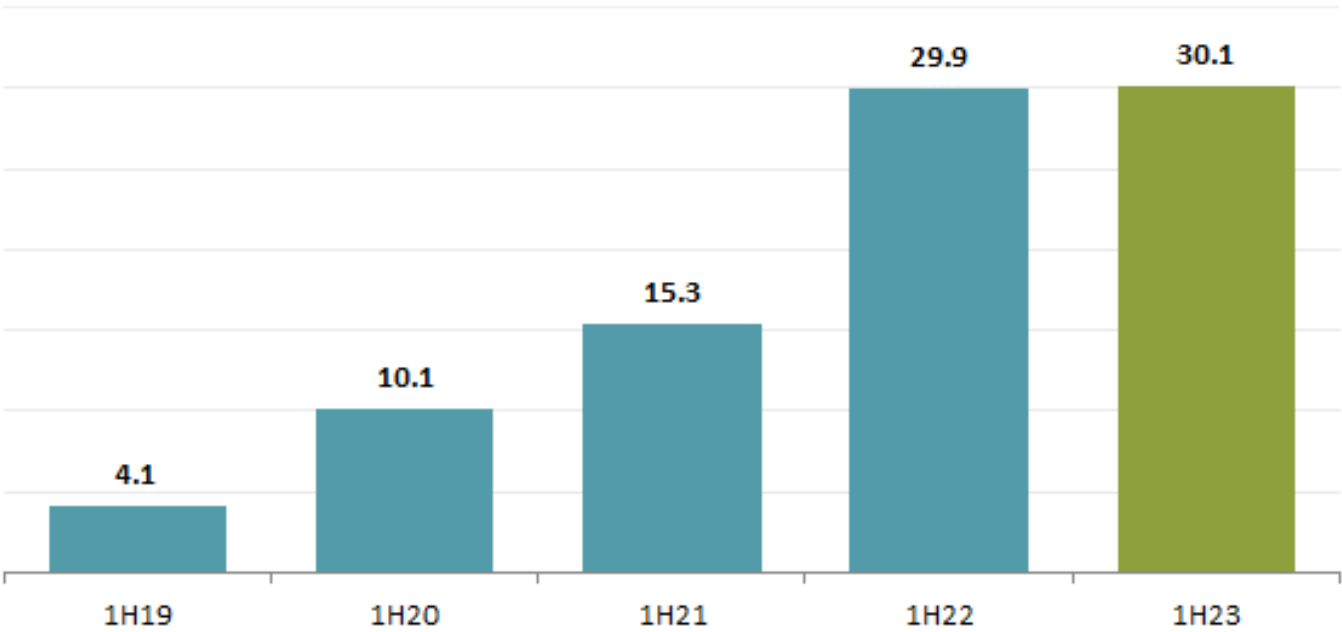


Global Proteins – Financial Result 1H23

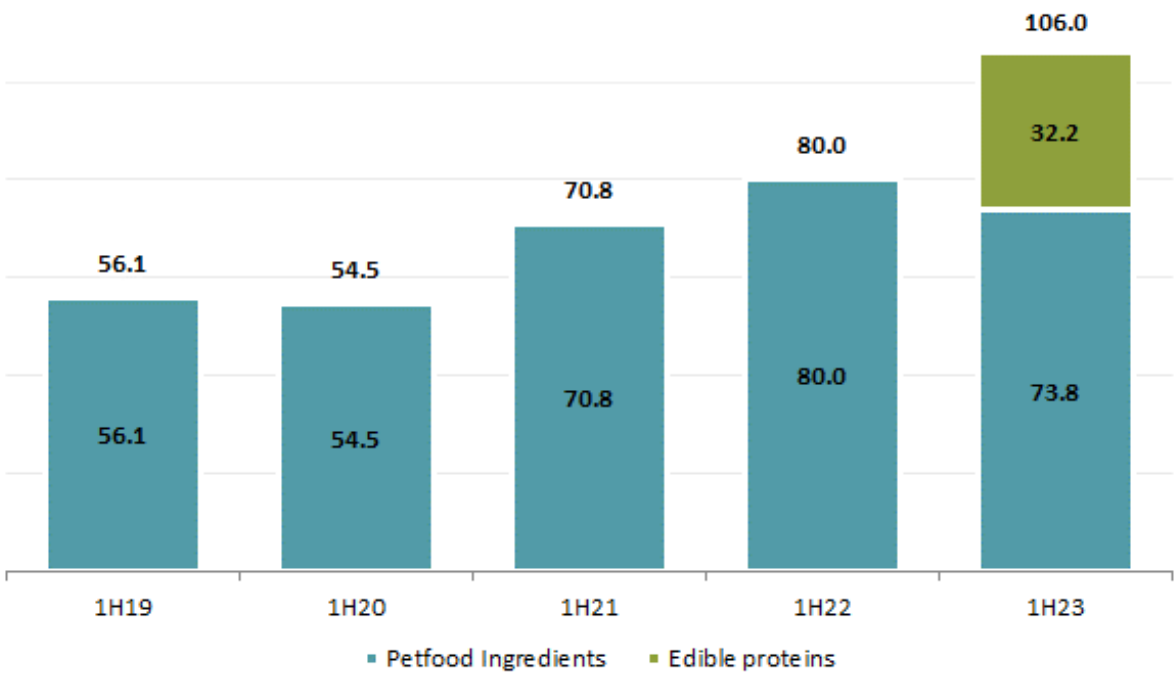
Excellent result, capitalising on operational improvements made in prior periods

- Underlying EBITDA of \$30.1m (1H22: \$29.9m), an increase of 0.5%. Results include our 50% share of Fayman NPAT
- Transition in earnings and volumes of Australian operations underway with commissioning of the Melbourne petfood ingredients factory

Underlying EBITDA¹ (\$m)



Volumes Sold (MT 000s)



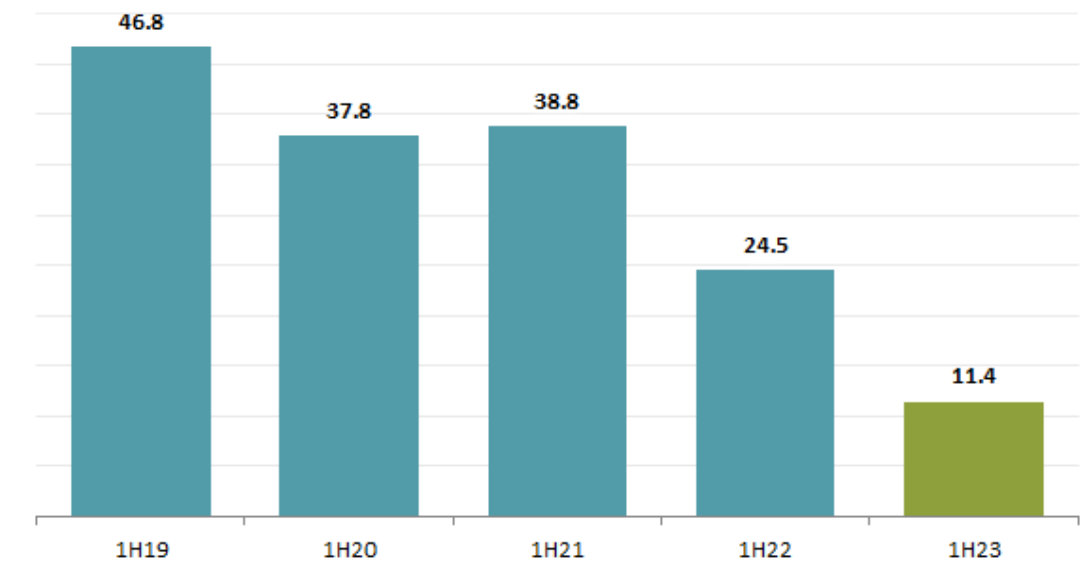
1. Prior year comparatives have been updated to reflect the transfer of Profruit from Global Proteins to Horticulture

Horticulture – Financial Result 1H23

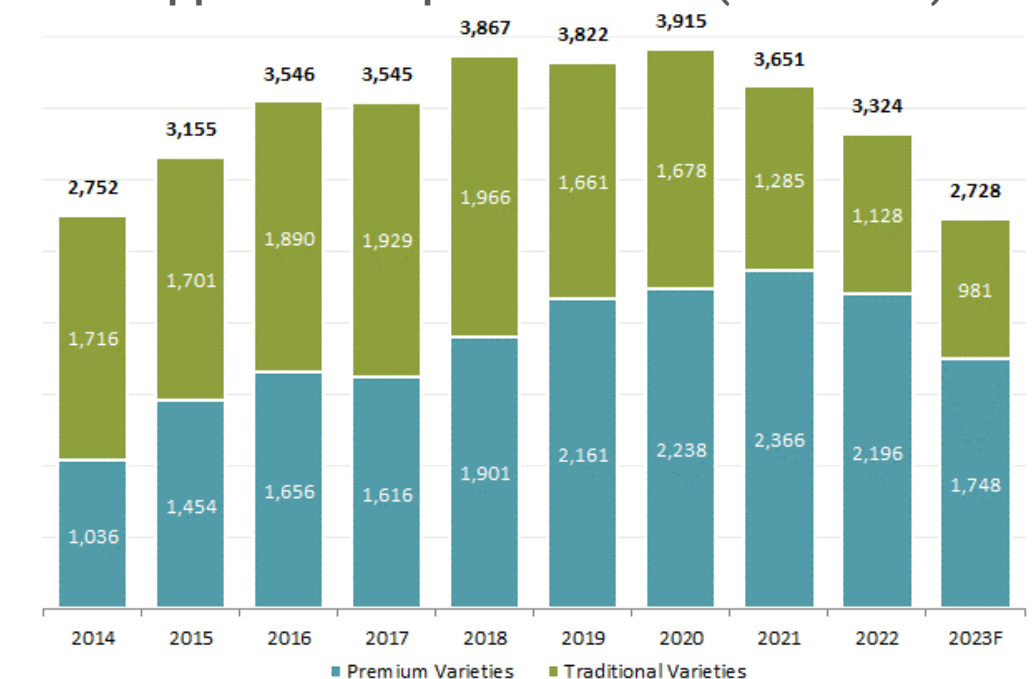
Commendable operating result given extremely difficult growing and post-harvest period

- Underlying EBITDA \$11.4m (1H22: \$24.5m):
 - Earnings principally impacted by lower volume. Mr Apple's forecast total own-grown export volumes are down 18% on prior year at 2.7m TCEs (2022: 3.3m TCEs). This is consistent with estimates for the NZ crop¹
 - Higher in-market apple prices helping to compensate for lower volumes, although global inflationary pressures continue to affect consumer spending
- Mr Apple is continuing its review of the business and its increased focus on Premium apples to the Asia & Middle East markets. As previously advised, there will be a realignment of varieties and volumes as a result of this work. We continue to be very positive about returns from this strategy and note that in-market pricing for our branded varieties this year supports this strategy. Performance for FY24 is expected to return to more normal levels:
 - Whilst too early to be definitive, volumes are expected to increase
 - Ongoing improvements in the product mix will increase overall weighted average sales price
 - Returns are also supported by increases in market pricing, reductions in FX rates, reduced shipping times and lower freight costs
 - Improved labour availability following recent disruptions
 - Automation projects delivering operating efficiencies

Horticulture - Underlying EBITDA² (\$m)



Mr Apple Own Export Volumes (TCE 000s)



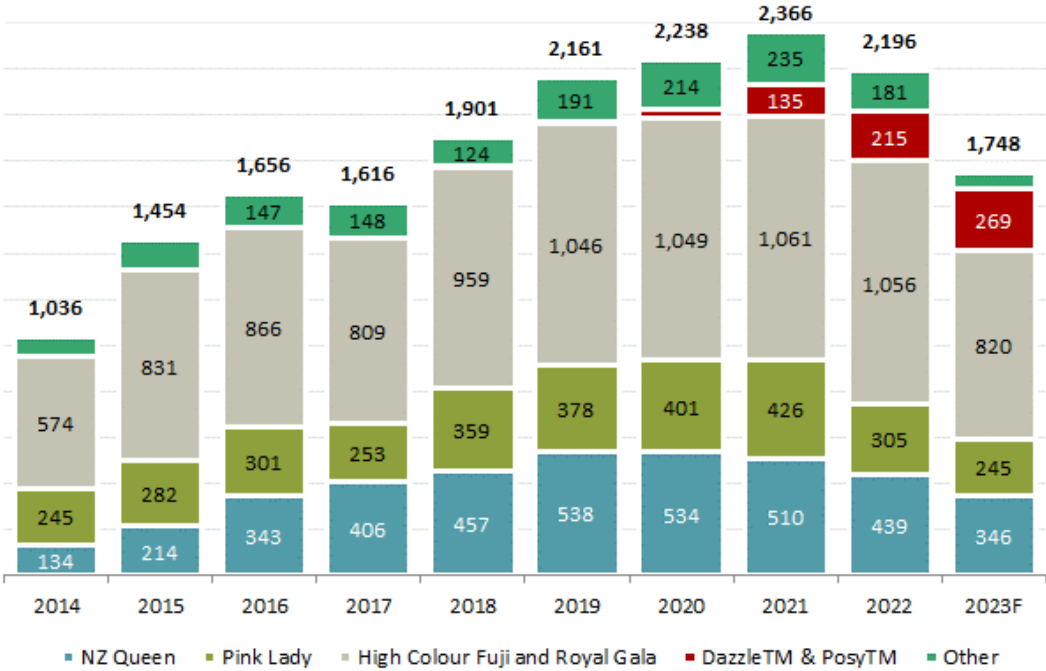
1. NZ Apples & Pears estimate for the 2023 NZ crop is 21% lower than initially forecast due to the damage caused by Cyclone Gabrielle
 2. Prior year comparatives have been updated to reflect the transfer of Profruit from Global Proteins to Horticulture

Horticulture – Premium Volumes & Markets

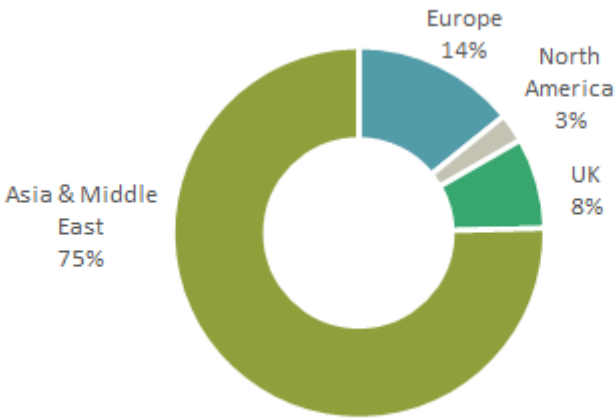
Encouraging growth in Dazzle™ and Posy™

- Premium volumes increasingly comprised of Mr Apple PVRs; Dazzle™ and Posy™ (15.4% for 2023F)
- Asia & Middle East sales expected to comprise 75% of total fruit sold:
 - High demand for Dazzle™ in Asia & Middle East, with demand outweighing supply in China
 - Increased demand anticipated for the impending China Mid-Autumn Festival
 - Middle East and India demand for Royal Gala very strong due to a shortage of domestic fruit
- Export packout to date approximately 70% (2022: 75%)

Premium Volumes (TCE 000s)



Sales by Region (TCEs) FY23F*

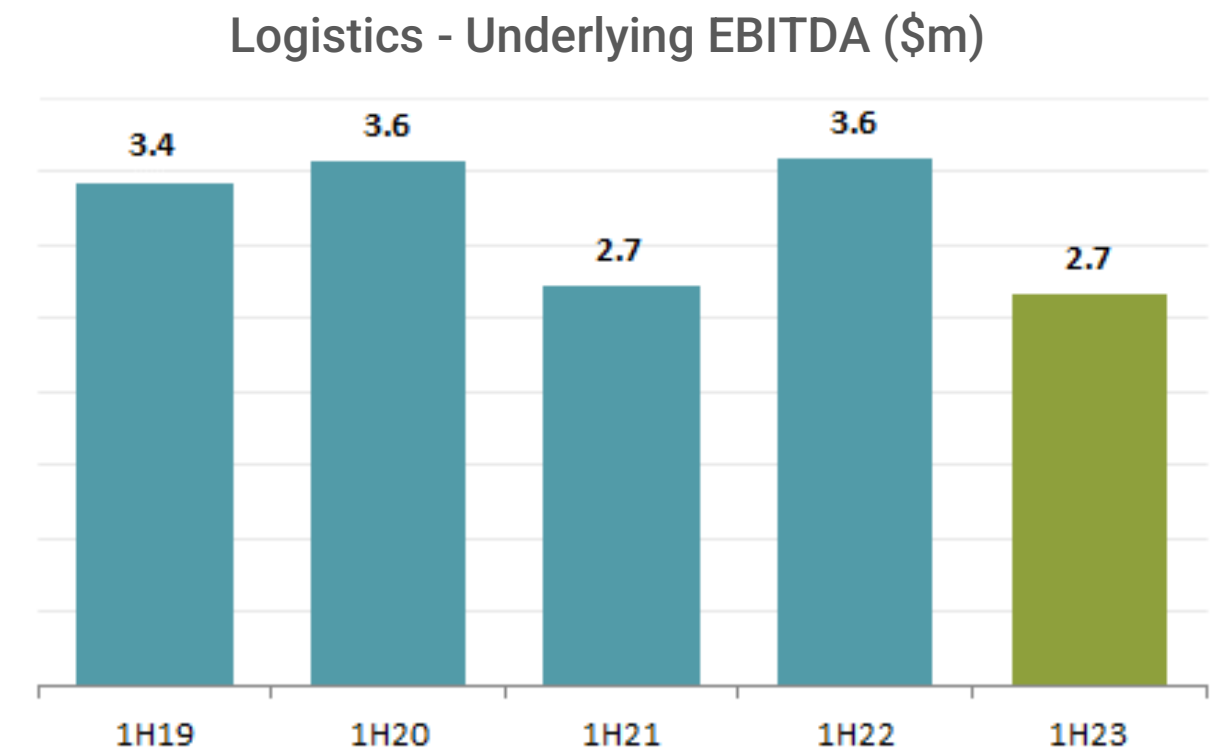


* Actual sales by region will not finally be known until all fruit is sold.
Sales to Asia and Middle East are predominantly in USD, North American sales are in CAD and USD, UK and Europe sales predominantly in their respective currencies.

Logistics – Update

Supply chain reliability improving

- Underlying 1H23 EBITDA of \$2.7m (1H22: \$3.6m), a decrease of 25.7%, consistent with Cyclone-impacted produce volumes
- Strengthening demand for airfreight volumes due to new customers and changes in product mix
- Prices easing and delivery times improving, with further recovery anticipated
- Exploring options for an improved Auckland facility, reflecting growth in this region
- Team continuing to display skill and expertise to assist both internal and external customers with their freight needs





5. Global Proteins

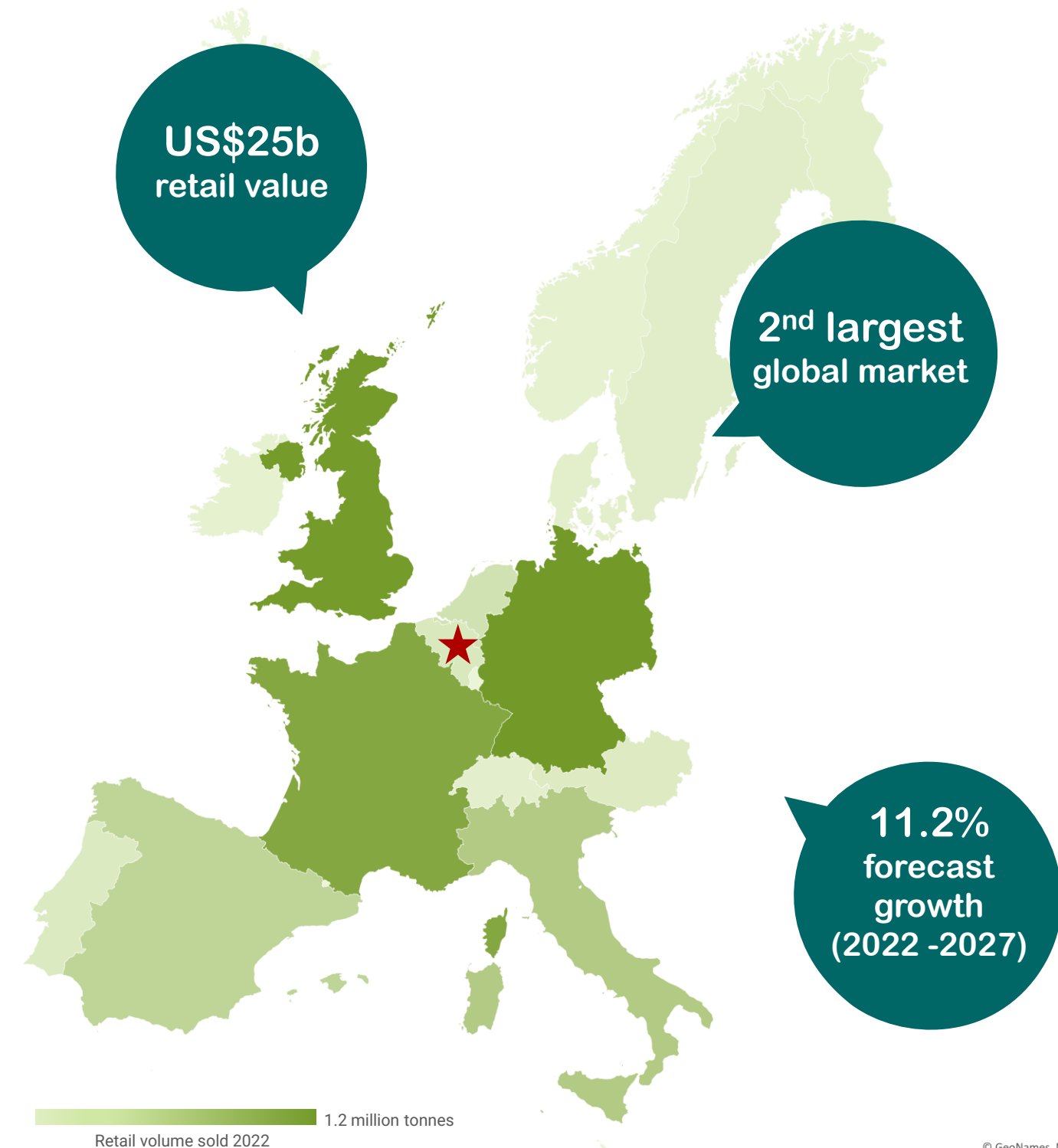
Esro Petfood JV – Deal Summary

| | |
|----------------------|--|
| Structure | <ul style="list-style-type: none"> 50/50 joint venture between Scales and Esro Food Group (Esro) |
| Investment | <ul style="list-style-type: none"> Scales is providing lending facilities for a combined €15m Interest rates and repayment schedules are on commercial terms |
| Funding | <ul style="list-style-type: none"> Initially funded through cash reserves |
| Sites | <ul style="list-style-type: none"> The first site will be in Hoeselt, Belgium We are converting an existing Esro edible processing operation to petfood The development is underway and is expected to be operational in 4Q23 |
| Growth opportunities | <ul style="list-style-type: none"> The lending facility contemplates a second development, which is yet to be approved |



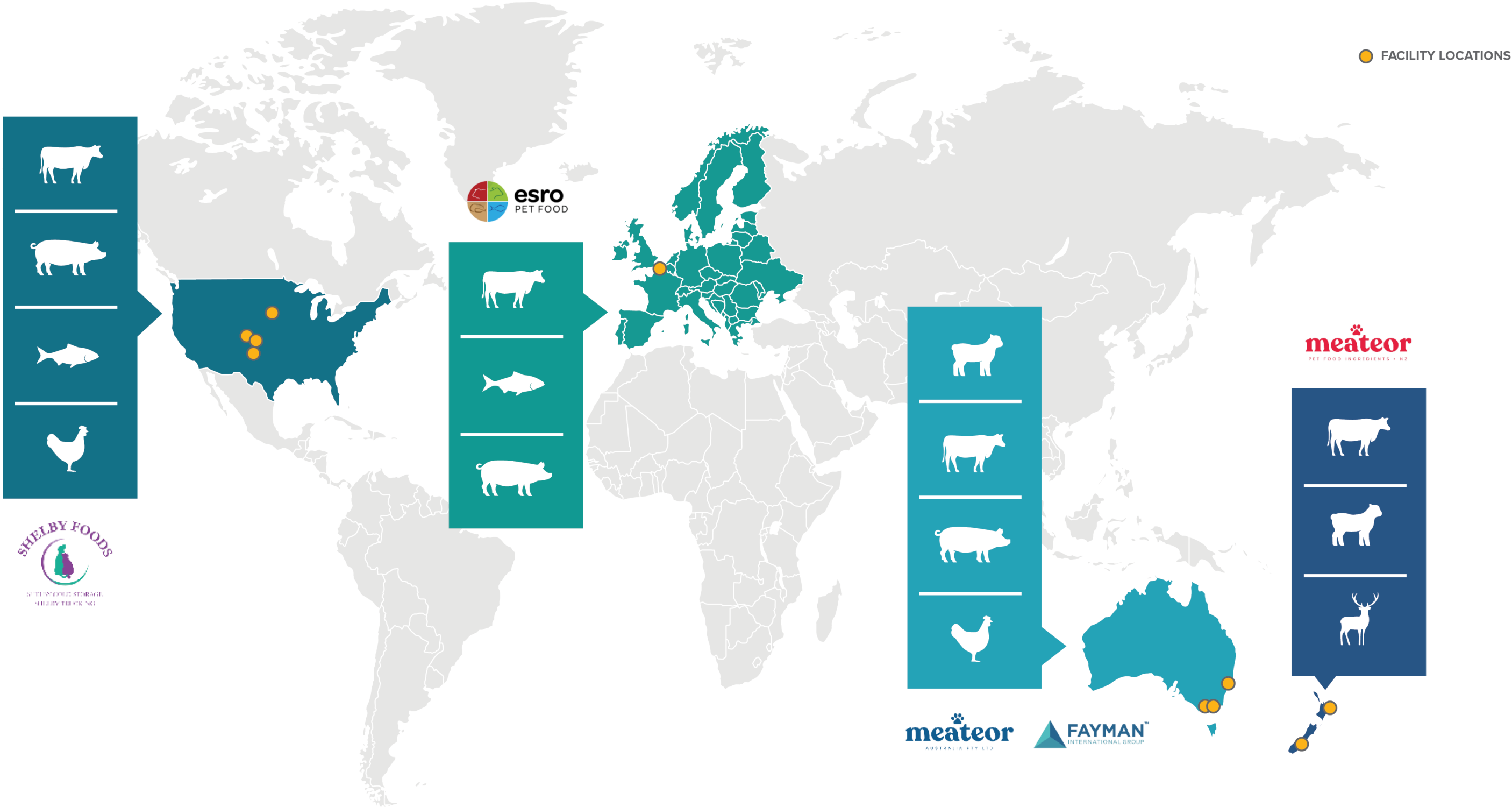
Esro Petfood - Highlights

- The initial site in Hoeselt is:
 - Ideally located to the largest retail markets (shown in dark green)
 - Strategically located close to key customers' facilities
- The largest petfood manufacturers in Europe are already our key customers in the US, providing an opportunity to leverage our networks globally
- Esro has a complementary existing petfood customer base, and these customers will be our initial focus as the plant scales up
- Our partners have collection facilities inside abattoirs across all key supply regions
- The site was previously used for edible processing – key benefits include:
 - Development is faster and less expensive than greenfield
 - Able to transfer experienced operational staff to the new JV

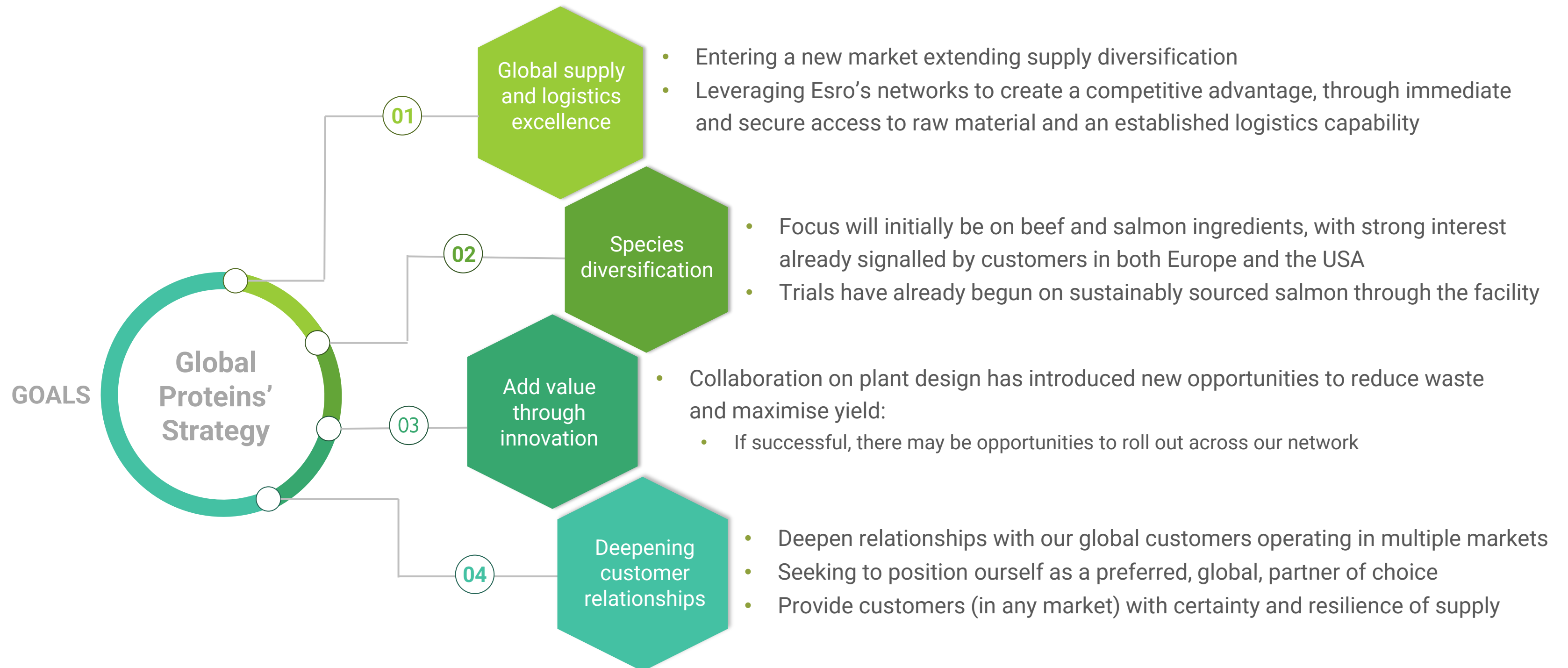


Source: Euromonitor data










Global Proteins – A Global Supply Partner



Alignment to our Strategic Objectives



New Initiatives

| |  Global supply |  Primary processing |   Secondary processing |   Customer partnerships |
|--|--|--|---|--|
|  Australia & NZ | | Developing in-plant collection system for key suppliers in Australia | Commissioned new plant (Australia) 3Q23 New blending capability (NZ) 2024 | Pursuing opportunities for further processing to allow our customers to concentrate on their core operations |
|  Expansion into EU | | In-plant collection systems already established | Trialling new plant design to maximise yield and reduce waste | Discussions underway on alternate European supply options for existing US customers |
|  North America | | Developing in-plant collection system for a key supplier, due 4Q23 Supports existing co-location with other suppliers | Increasing efficiencies through additional plant at existing sites New product development starting commercial production 3Q23 Exploring new capacity options 2024 | Advanced discussions on a long-term supply agreement with a key customer – to be finalised in 2024 |



6. FY23 Outlook

Outlook

Scales re-confirms its FY23 guidance

- Directors re-confirm that Underlying Net Profit Attributable to Shareholders is expected to be within the previously advised range of \$14.0m to \$19.0m
- In re-confirming this guidance Directors note:
 - Broader economic trends are likely to affect international markets
 - Global Proteins continues to perform strongly, noting that 2H23 divisional results will be affected by:
 - Initial trading losses for the Australian and European petfood plants until they reach full production (Australian plant commissioned August 2023, European plant expected to be operational 4Q23)
 - The transition of business from the legacy Australian operations to the new joint venture
 - Mr Apple has ~26% of crop to be sold (August 2022: ~40%)
- Scales continues to explore a number of opportunities to grow the Global Proteins division
- Horticulture expected to return to more normal performance for FY24



Appendices

Appendix I – NZ IFRS Reconciliation

| Reconciliation of Divisional Underlying Profitability to Reported Profitability | | | | | | | | | | |
|---|-------|-------|-----------------|-------|--------------|-------|-----------|------|--------------------------|--------|
| | Group | | Global Proteins | | Horticulture | | Logistics | | Corporate & Eliminations | |
| \$m | 1H23 | 1H22 | 1H23 | 1H22 | 1H23 | 1H22 | 1H23 | 1H22 | 1H23 | 1H22 |
| | | | | | | | | | | |
| Underlying / Reported Revenue | 309.4 | 309.3 | 151.1 | 151.7 | 122.6 | 117.3 | 54.4 | 67.9 | (18.7) | (27.6) |
| | | | | | | | | | | |
| EBITDA Reconciliation | | | | | | | | | | |
| Underlying EBITDA (excluding NZ IFRS 16) | 35.5 | 49.7 | 30.0 | 29.9 | 6.0 | 19.3 | 2.3 | 3.2 | (2.8) | (2.7) |
| NZ IFRS 16 Leases | 6.1 | 5.7 | 0.0 | 0.0 | 5.7 | 5.2 | 0.4 | 0.4 | 0.0 | 0.0 |
| Terminated leases | (0.2) | - | - | - | (0.2) | - | - | - | - | - |
| Underlying EBITDA (including NZ IFRS 16) | 41.5 | 55.4 | 30.1 | 29.9 | 11.4 | 24.5 | 2.7 | 3.6 | (2.7) | (2.7) |
| Other adjustments: | | | | | | | | | | |
| Impairment of non-current assets | (2.7) | - | - | - | (2.7) | - | - | - | - | - |
| Impairment of Goodwill | (8.5) | - | - | - | (8.5) | - | - | - | - | - |
| Cyclone Gabrielle - net costs and proceeds | (1.0) | - | - | - | (1.0) | - | - | - | - | - |
| Fayman acquisition settlement adjustments | 1.1 | - | 1.1 | - | - | - | - | - | - | - |
| Change in fair value gain on apple inventory | 1.2 | 1.4 | - | - | 1.2 | 1.4 | - | - | - | - |
| Change in gross liability for non-controlling interests | (0.6) | 0.0 | (0.6) | 0.0 | - | - | - | - | - | - |
| Equity settled employee benefits | (0.2) | (0.3) | - | - | - | - | - | - | (0.2) | (0.3) |
| Transaction costs | (0.3) | (0.0) | - | - | - | - | - | - | (0.3) | (0.0) |
| Reported EBITDA | 30.5 | 56.4 | 30.6 | 30.0 | 0.5 | 25.9 | 2.7 | 3.6 | (3.3) | (3.0) |
| | | | | | | | | | | |
| EBIT Reconciliation | | | | | | | | | | |
| Underlying EBIT (excluding NZ IFRS 16) | 30.0 | 44.5 | 29.6 | 29.6 | 1.0 | 14.6 | 2.2 | 3.1 | (2.8) | (2.7) |
| NZ IFRS 16 Leases | 1.6 | 1.2 | 0.0 | 0.0 | 1.5 | 1.1 | 0.1 | 0.1 | 0.0 | 0.0 |
| Terminated leases | (0.2) | - | - | - | (0.2) | - | - | - | - | - |
| Underlying EBIT (including NZ IFRS 16) | 31.4 | 45.7 | 29.6 | 29.6 | 2.3 | 15.7 | 2.3 | 3.2 | (2.8) | (2.7) |
| Other adjustments: | | | | | | | | | | |
| Impairment of non-current assets | (2.7) | - | - | - | (2.7) | - | - | - | - | - |
| Impairment of Goodwill | (8.5) | - | - | - | (8.5) | - | - | - | - | - |
| Cyclone Gabrielle - net costs and proceeds | (1.0) | - | - | - | (1.0) | - | - | - | - | - |
| Fayman acquisition settlement adjustments | 1.1 | - | 1.1 | - | - | - | - | - | - | - |
| Change in fair value gain on apple inventory | 1.2 | 1.4 | - | - | 1.2 | 1.4 | - | - | - | - |
| Change in gross liability for non-controlling interests | (0.6) | 0.0 | (0.6) | 0.0 | - | - | - | - | - | - |
| Equity settled employee benefits | (0.2) | (0.3) | - | - | - | - | - | - | (0.2) | (0.3) |
| Transaction costs | (0.3) | (0.0) | - | - | - | - | - | - | (0.3) | (0.0) |
| Reported EBIT | 20.5 | 46.8 | 30.2 | 29.6 | (8.7) | 17.0 | 2.3 | 3.2 | (3.3) | (3.1) |

Appendix I – NZ IFRS Reconciliation (cont.)

| Reconciliation of Divisional Underlying Profitability to Reported Profitability | | | | | | | | | | |
|---|-------|-------|-----------------|-------|--------------|-------|-----------|-------|--------------------------|-------|
| | Group | | Global Proteins | | Horticulture | | Logistics | | Corporate & Eliminations | |
| \$m | 1H23 | 1H22 | 1H23 | 1H22 | 1H23 | 1H22 | 1H23 | 1H22 | 1H23 | 1H22 |
| | | | | | | | | | | |
| NPAT Reconciliation | | | | | | | | | | |
| Underlying NPAT (excluding NZ IFRS 16) | 24.9 | 34.8 | 24.5 | 23.8 | 1.4 | 10.6 | 1.6 | 2.2 | (2.6) | (1.8) |
| NZ IFRS 16 Leases | 0.1 | (0.2) | (0.0) | (0.0) | 0.1 | (0.2) | (0.0) | (0.0) | 0.0 | (0.0) |
| Terminated leases | (0.1) | - | - | - | (0.1) | - | - | - | - | - |
| Underlying NPAT (including NZ IFRS 16) | 24.8 | 34.7 | 24.5 | 23.8 | 1.4 | 10.4 | 1.5 | 2.2 | (2.6) | (1.8) |
| Other adjustments: | | | | | | | | | | |
| Impairment of non-current assets | (1.9) | - | - | - | (1.9) | - | - | - | - | - |
| Impairment of Goodwill | (8.5) | - | - | - | (8.5) | - | - | - | - | - |
| Cyclone Gabrielle - net costs and proceeds | (0.7) | - | - | - | (0.7) | - | - | - | - | - |
| Fayman acquisition settlement adjustments | 1.1 | - | 1.1 | - | - | - | - | - | - | - |
| Change in fair value gain on apple inventory | 1.2 | 1.4 | - | - | 1.2 | 1.4 | - | - | - | - |
| Change in gross liability for non-controlling interests | (0.6) | 0.0 | (0.6) | 0.0 | - | - | - | - | - | - |
| Equity settled employee benefits | (0.2) | (0.3) | - | - | - | - | - | - | (0.2) | (0.3) |
| Transaction costs | (0.3) | (0.0) | - | - | - | - | - | - | (0.3) | (0.0) |
| Tax effect of other NZ IFRS adjustments | (0.7) | (0.6) | (0.3) | (0.2) | (0.4) | (0.4) | - | - | - | - |
| Reported NPAT | 14.3 | 35.1 | 24.8 | 23.6 | (8.9) | 11.4 | 1.5 | 2.2 | (3.1) | (2.1) |
| | | | | | | | | | | |
| NPAT Attributable to Shareholders Reconciliation | | | | | | | | | | |
| Underlying NPATAS (excluding NZ IFRS 16) | 14.5 | 25.8 | 14.1 | 14.8 | 1.4 | 10.6 | 1.6 | 2.2 | (2.6) | (1.8) |
| NZ IFRS 16 Leases | 0.1 | (0.2) | (0.0) | (0.0) | 0.1 | (0.2) | (0.0) | (0.0) | 0.0 | (0.0) |
| Terminated leases | (0.1) | - | - | - | (0.1) | - | - | - | - | - |
| Underlying NPATAS (including NZ IFRS 16) | 14.5 | 25.6 | 14.1 | 14.8 | 1.4 | 10.4 | 1.5 | 2.2 | (2.6) | (1.8) |
| Other adjustments: | | | | | | | | | | |
| Impairment of non-current assets | (2.7) | - | - | - | (2.7) | - | - | - | - | - |
| Impairment of Goodwill | (8.5) | - | - | - | (8.5) | - | - | - | - | - |
| Cyclone Gabrielle - net costs and proceeds | (1.0) | - | - | - | (1.0) | - | - | - | - | - |
| Fayman acquisition settlement adjustments | 1.1 | - | 1.1 | - | - | - | - | - | - | - |
| Change in fair value gain on apple inventory | 1.2 | 1.4 | - | - | 1.2 | 1.4 | - | - | - | - |
| Change in gross liability for non-controlling interests | (0.6) | 0.0 | (0.6) | 0.0 | - | - | - | - | - | - |
| Equity settled employee benefits | (0.2) | (0.3) | - | - | - | - | - | - | (0.2) | (0.3) |
| Transaction costs | (0.3) | (0.0) | - | - | - | - | - | - | (0.3) | (0.0) |
| Tax effect of other NZ IFRS adjustments | 0.4 | (0.6) | (0.3) | (0.2) | 0.7 | (0.4) | - | - | - | - |
| Reported NPAT Attributable to Shareholders | 3.9 | 26.1 | 14.4 | 14.6 | (8.9) | 11.4 | 1.5 | 2.2 | (3.1) | (2.1) |

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- EBITDA. We calculate EBITDA by adding back (or deducting) depreciation, amortisation, finance charges / (revenue), and taxation expense to net earnings / (loss) from continuing operations
- EBIT. We calculate EBIT by adding back (or deducting) finance charges / (revenue), and taxation expense to net earnings / (loss) from continuing operations
- Underlying EBITDA and EBIT are calculated by adding back (or deducting) certain non-cash NZ IFRS and other adjustments
- Underlying Net Profit is calculated by adding back or (or deducting) the after-tax effect of certain non-cash NZ IFRS and other adjustments

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