Scales Corporation Limited

condensed consolidated interim financial statements

for the six months ended 30 June 2026

Scales Corporation Limited
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Scales Corporation Limited
Directory

Board of Directors
Mike Petersen (Chair)
Andrew (Andy) Borland (Managing Director)
Tony Batterton
Miranda Burdon
Nick Harris
Paul Munro

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)
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Scales Corporation Limited

Consolidated statement of comprehensive income for the six months ended 30 June 2026

	Note	Unaudited Six months ended 30 June 2026 $000's	Unaudited Six months ended 30 June 2025 $000's (Restated)*	Audited Year ended 31 December 2025 $000's
Revenue	5	762,137	371,892	899,949
Cost of sales		(617,892)	(255,642)	(700,212)
		144,245	**116,250**	**199,737**
Administration and operating expenses		(47,041)	(33,678)	(81,356)
Impairment of property, plant and equipment		-	(132)	3,118
Share of profit of entities accounted for using the equity method		3,035	4,875	8,219
Impairment of related party loan	10	(19,922)	(162)	(278)
Other income		659	787	40,596
Other losses		(2)	(151)	(174)
EBITDA		**80,974**	**87,789**	**169,862**
Amortisation		(265)	(273)	(1,072)
Depreciation		(9,347)	(7,362)	(15,611)
Depreciation of right-of-use asset		(6,377)	(5,229)	(10,799)
EBIT		**64,985**	**74,925**	**142,380**
Finance revenue		1,167	1,389	3,036
Finance cost		(5,000)	(1,785)	(5,383)
Finance cost of lease liability		(3,127)	(2,013)	(4,740)
PROFIT BEFORE INCOME TAX EXPENSE		**58,025**	**72,516**	**135,293**
Income tax expense		(17,592)	(15,103)	(17,595)
PROFIT FOR THE PERIOD		**40,433**	**57,413**	**117,698**
Profit for the period is attributable to:				
Equity holders of the Company		30,056	48,436	100,988
Non-controlling interests		10,377	8,977	16,710
		40,433	**57,413**	**117,698**
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:				
Basic earnings per share (cents)	7	20.9	34.0	70.7
Diluted earnings per share (cents)	7	20.8	33.8	70.2

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

** The restatements to comparative period are explained in Note 14.*

Scales Corporation Limited

Consolidated statement of comprehensive income for the six months ended 30 June 2026 (continued)

	Unaudited		Audited
	Six months ended		Year ended
	30 June 2026	30 June 2025	31 December 2025
	$000's	$000's (Restated)*	$000's
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
(Loss) gain on cash flow hedges	(8,052)	40,734	17,176
Income tax relating to cash flow hedges	2,350	(11,406)	(4,855)
Share of other comprehensive (loss) income of joint ventures	(11)	3,550	2,661
Income tax relating to share of other comprehensive income of joint ventures	3	(315)	(242)
Foreign exchange gain (loss) on translating foreign operations	4,331	(660)	1,584
	(1,379)	**31,903**	**16,324**
Items that will not be reclassified to profit or loss:			
Revaluation of land and buildings	-	-	(2,664)
Income tax relating to buildings	-	-	782
Revaluation of apple trees	-	-	(2,718)
Income tax relating to apple trees	-	-	761
Deferred tax effect on sale of buildings	-	-	186
Remeasurement of net defined benefit liability	-	-	406
Income tax relating to remeasurement of net defined benefit liability	-	-	(67)
	-	**-**	**(3,314)**
OTHER COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	**(1,379)**	**31,903**	**13,010**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**39,054**	**89,316**	**130,708**
Total comprehensive income for the period attributable to:			
Equity holders of the Company	28,723	80,339	113,836
Non-controlling interests	10,331	8,977	16,872
	39,054	**89,316**	**130,708**

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

** The restatements to comparative period are explained in Note 14.*

Scales Corporation Limited

Consolidated statement of changes in equity for the six months ended 30 June 2026

	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
Unaudited							
Six months ended 30 June 2026							
At 1 January 2026		**113,430**	**73,073**	**257,140**	**443,643**	**12,873**	**456,516**
Profit for the year		-	-	30,056	30,056	10,377	40,433
Other comprehensive loss for the period		-	(1,333)	-	(1,333)	(46)	(1,379)
Total comprehensive (loss) income for the period		-	(1,333)	30,056	28,723	10,331	39,054
Recognition of share-based payments		-	664	-	664	-	664
Shares sold		102	-	-	102	-	102
Shares fully vested		1,263	(617)	(142)	504	-	504
Dividends	6	-	-	(18,081)	(18,081)	(9,687)	(27,768)
Acquisition of non-controlling interest		-	-	(85)	(85)	-	(85)
Balance at 30 June 2026		**114,795**	**71,787**	**268,888**	**455,470**	**13,517**	**468,987**
Unaudited							
Six months ended 30 June 2025							
At 1 January 2025 (Restated)*		**105,771**	**66,615**	**199,995**	**372,381**	**13,927**	**386,308**
Profit for the year (Restated)		-	-	48,436	48,436	8,977	57,413
Other comprehensive income for the period		-	31,903	-	31,903	-	31,903
Total comprehensive income for the period (Restated)		-	31,903	48,436	80,339	8,977	89,316
Recognition of share-based payments		-	511	-	511	-	511
Shares fully vested		1,663	(679)	(127)	857	-	857
Dividends	6	-	-	(12,703)	(12,703)	(5,086)	(17,789)
Acquisition of non-controlling interest		-	-	(22,915)	(22,915)	(1,167)	(24,082)
Balance at 30 June 2025 (Restated)*		**107,434**	**98,350**	**212,686**	**418,470**	**16,651**	**435,121**
Audited							
Year ended 31 December 2025							
At 1 January 2025 (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 period		-	12,848	-	12,848	162	13,010
Total comprehensive income for the period		-	12,848	100,988	113,836	16,872	130,708
Reclassification of revaluation reserve		-	(8,278)	8,278	-	-	-
Recognition of share-based payments		-	1,169	-	1,169	-	1,169
Shares issued		5,996	-	-	5,996	-	5,996
Shares fully vested		1,663	(679)	(127)	857	-	857
Income tax relating to share-based payments		-	1,398	-	1,398	-	1,398
Dividends	6	-	-	(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 form part of and should be read in conjunction with this statement.

** The restatements to comparative period are explained in Note 14.*

Scales Corporation Limited

Consolidated statement of financial position as at 30 June 2026

	Note	Unaudited Six months ended 30 June 2026 $000's	Unaudited Six months ended 30 June 2025 $000's (Restated)*	Audited Year ended 31 December 2025 $000's
EQUITY				
Share capital		114,795	107,434	113,430
Reserves	8	71,787	98,350	73,073
Retained earnings		268,888	212,686	257,140
Equity attributable to Scales Corporation Limited shareholders		**455,470**	**418,470**	**443,643**
Equity attributable to non-controlling interests		13,517	16,651	12,873
TOTAL EQUITY		**468,987**	**435,121**	**456,516**
CURRENT ASSETS				
Cash and bank balances		51,089	44,426	64,672
Trade and other receivables		194,038	137,134	71,557
Current tax assets		279	564	701
Other financial assets	9	2,354	4,643	4,686
Agricultural produce		60,225	83,289	30,602
Inventories		123,164	30,671	119,618
Prepayments		5,477	2,979	6,015
		436,626	**303,706**	**297,851**
Assets held for sale		-	19,100	-
TOTAL CURRENT ASSETS		**436,626**	**322,806**	**297,851**
NON-CURRENT ASSETS				
Property, plant and equipment		289,012	245,752	275,331
Investments accounted for using the equity method		24,481	63,045	22,439
Goodwill		172,872	38,305	168,820
Defined benefit plan net asset		1,090	555	1,063
Other financial assets	9	6,894	50,390	33,263
Software		970	845	1,230
Right-of-use asset		102,943	69,349	99,856
TOTAL NON-CURRENT ASSETS		**598,262**	**468,241**	**602,002**
TOTAL ASSETS		**1,034,888**	**791,047**	**899,853**
CURRENT LIABILITIES				
Bank overdrafts		1,466	-	-
Trade and other payables		175,589	106,095	77,035
Dividend declared	6	18,081	11,082	17,997
Borrowings		69,661	34,000	63,759
Purchase price payable		8,433	-	8,140
Current tax liabilities		17,467	12,691	6,986
Other financial liabilities	9	17,179	6,257	6,812
Lease liability		17,260	12,415	15,971
TOTAL CURRENT LIABILITIES		**325,136**	**182,540**	**196,700**
NON-CURRENT LIABILITIES				
Borrowings		86,699	77,900	84,982
Purchase price payable		30,513	-	28,574
Deferred tax liabilities		7,303	25,447	20,970
Other financial liabilities	9	15,523	5,569	14,449
Lease liability		100,727	64,470	97,662
TOTAL NON-CURRENT LIABILITIES		**240,765**	**173,386**	**246,637**
TOTAL LIABILITIES		**565,901**	**355,926**	**443,337**
NET ASSETS		**468,987**	**435,121**	**456,516**

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

** The restatements to comparative period are explained in Note 14.*

Scales Corporation Limited

Consolidated statement of cash flows for the six months ended 30 June 2026

	Unaudited		Audited
	Six months ended		Year ended
	30 June 2026	30 June 2025	31 December 2025
	$000's	$000's	$000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from customers	650,087	270,180	886,728
Dividends and distributions received	1,001	1,727	2,733
Interest received	263	1,107	2,602
	651,351	**273,014**	**892,063**
Cash was disbursed to:			
Payments to suppliers and employees	(605,210)	(273,986)	(776,062)
Interest paid	(8,127)	(3,798)	(10,123)
Income tax paid	(18,024)	(4,448)	(10,113)
	(631,361)	**(282,232)**	**(796,298)**
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	**19,990**	**(9,218)**	**95,765**
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Advances repaid	71	256	544
Sale of property, plant and equipment and software	-	199	24,183
	71	**455**	**24,727**
Cash was applied to:			
Purchase of property, plant and equipment	(6,700)	(9,682)	(20,903)
Purchase of software	(5)	(63)	(1,247)
Purchase of financial instruments	(64)	-	(150)
Acquisition of non-controlling interest	(60)	(41,434)	(41,434)
Acquisition of subsidiary, net of cash acquired	-	-	(38,120)
Advances to joint ventures	-	(2,667)	(4,201)
	(6,829)	**(53,846)**	**(106,055)**
NET CASH USED IN INVESTING ACTIVITIES	**(6,758)**	**(53,391)**	**(81,328)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
Drawdowns of seasonal facility borrowings	44,000	34,000	34,000
Net drawdowns of trade finance facility borrowings	-	-	13,548
Drawdowns of term facility borrowings	-	40,733	40,732
Treasury stock sold	102	-	-
	44,102	**74,733**	**88,280**
Cash was applied to:			
Dividends paid	(17,997)	(11,953)	(21,414)
Dividends paid to non-controlling interests	(9,687)	(5,086)	(14,846)
Repayment of related party loan	-	-	(13,234)
Repayments of lease liabilities	(5,082)	(4,525)	(8,464)
Repayments of seasonal facility borrowings	(12,000)	-	(34,000)
Repayments of term facility borrowings	(1,496)	-	(715)
Net repayments of trade finance facility borrowings	(27,888)	-	-
	(74,150)	**(21,564)**	**(92,673)**
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	**(30,048)**	**53,169**	**(4,393)**
NET (DECREASE) INCREASE IN NET CASH	**(16,816)**	**(9,440)**	**10,044**
Net foreign exchange difference	1,767	113	875
Cash and cash equivalents at the beginning of the period	64,672	53,753	53,753
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**49,623**	**44,426**	**64,672**

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

Scales Corporation Limited

Consolidated statement of cash flows for the six months ended 30 June 2026 (continued)

	Unaudited Six months ended 30 June 2026 $000's	Unaudited Six months ended 30 June 2025 $000's (Restated)*	Audited Year ended 31 December 2025 $000's
Represented by:			
Cash and bank balances	51,089	44,426	64,672
Bank overdrafts	(1,466)	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**49,623**	**44,426**	**64,672**

NET CASH GENERATED BY OPERATING ACTIVITIES

Reconciliation of profit for the year to net cash generated by operating activities:

	Unaudited Six months ended 30 June 2026 $000's	Unaudited Six months ended 30 June 2025 $000's (Restated)*	Audited Year ended 31 December 2025 $000's
PROFIT FOR THE PERIOD	**40,433**	**57,413**	**117,698**
Non-cash items:			
Depreciation, including on right-of-use asset	15,724	12,591	26,410
(Gain) loss on lease modification	(28)	9	(59)
(Gain) loss on rights transferred	-	35	(187)
Impairment on revaluation (impairment reversal)	-	132	(3,118)
Amortisation	265	273	1,072
Share of equity accounted results	(3,035)	(4,875)	(8,219)
Gain on fair value equity investment	-	-	(40,262)
Hedging instruments	5,888	(1,111)	(4,335)
Loss on disposal of property, plant and equipment	2	107	174
Share-based payments	664	511	1,169
Deferred tax	(11,419)	(6,323)	(3,413)
Interest capitalised into loans	(904)	(282)	(434)
Fair value loss on interest-free related party loans, net of interest income	19,922	162	278
Foreign exchange on related party loans	(100)	(996)	(575)
Government grants received	(624)	-	-
Operating cash receipts not included in profit for the period:			
Dividends received from equity accounted entities	1,000	1,640	2,645
Changes in net assets and liabilities:			
Trade and other receivables	(117,844)	(100,406)	(8,898)
Agricultural produce	(29,623)	(56,641)	(3,954)
Inventories	4,219	(6,210)	6,901
Prepayments	638	878	(94)
Trade and other payables	83,825	76,897	2,071
Current tax assets and liabilities	10,987	16,978	10,895
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	**19,990**	**(9,218)**	**95,765**

** The restatements to comparative period are explained in Note 14.*

For and on behalf of the Board of Directors who authorised the issue of these interim financial statements on 25 August 2026.

Mike Petersen, Chair

Andy Borland, Managing Director

Scales Corporation Limited

Notes to the condensed consolidated interim financial statements for the six months ended 30 June 2026

1. GENERAL INFORMATION

Scales Corporation Limited (the Company or Scales) 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 and the Financial Reporting Act 2013. The Group consists of Scales, 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.

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice (GAAP). They comply with the New Zealand Equivalent to International Accounting Standard 34 (NZ IAS 34) *Interim Financial Reporting* and International Accounting Standard 34 (IAS 34) *Interim Financial Reporting*, as applicable to for-profit orientated entities. The significant accounting policies applied by the Group during the period have been applied consistently to all periods presented in these condensed consolidated interim financial statements. These financial statements should be read in conjunction with the financial statements and related notes included in the Company's Annual Report for the year ended 31 December 2025.

The information is presented in thousands of New Zealand dollars unless otherwise stated.

3. SEASONALITY OF BUSINESS

Higher volumes are processed through the Global Proteins plants in the first half of the year due to the seasonal nature of the meat industry.

There is greater utilisation of Logistics services over the first half of the year as seasonal products are shipped to export markets.

The Horticulture business segment is subject to seasonal fluctuation. The apple crop has been picked, with packing and the export programme well underway, as at 30 June. At 30 June the harvested crop held in inventory is valued at fair value less estimated costs to sell. At 31 December the unharvested crop is valued at fair value less estimated costs to sell. Both the harvested crop at 30 June and the unharvested crop at 31 December are included in agricultural produce.

4. SEGMENT INFORMATION

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. All non-current assets are located in New Zealand, Australia, the Netherlands and the United States of America.

The Group comprises the following operating segments:
Global Proteins: processing and marketing of proteins such as petfood 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 Holdings Pty Limited, Meateor Australia Pty Limited, FI Group Holdings Pty Limited Group (FI Group Holdings 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, Fern Ridge Produce Limited, Longview Group Holdings Limited and Profruit (2006) 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.

Scales Corporation Limited

Notes to the condensed consolidated interim financial statements for the six months ended 30 June 2026

4. SEGMENT INFORMATION (CONTINUED)

	Global Proteins	Horticulture	Logistics	Other	Eliminations	Total
	$000's	$000's	$000's	$000's	$000's	$000's
Unaudited						
Six months ended 30 June 2026						
Total segment revenue	492,655	223,935	74,473	2,376	(31,302)	762,137
Inter-segment revenue	-	-	(29,164)	(2,138)	31,302	-
Revenue from external customers	**492,655**	**223,935**	**45,309**	**238**	**-**	**762,137**
Segment profit (loss) before income tax	41,348	39,003	4,782	(27,108)	-	58,025
Segment assets	452,286	532,413	30,423	19,766	-	1,034,888
Segment liabilities	186,623	251,224	18,378	109,676	-	565,901
Unaudited						
Six months ended 30 June 2025						
Total segment revenue	126,385	193,784	73,278	2,677	(24,232)	371,892
Inter-segment revenue	-	-	(22,468)	(1,764)	24,232	-
Revenue from external customers	**126,385**	**193,784**	**50,810**	**913**	**-**	**371,892**
Segment profit (loss) before income tax (Restated)*	31,064	40,408	5,450	(4,406)	-	72,516
Segment assets (Restated)*	172,430	554,790	30,276	33,551	-	791,047
Segment liabilities (Restated)*	16,037	207,844	19,415	112,630	-	355,926
Audited						
Year ended 31 December 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**
Segment profit (loss) before income tax	94,745	48,329	5,953	(13,734)	-	135,293
Segment assets (Restated)**	429,004	384,030	19,870	66,949	-	899,853
Segment liabilities	175,817	159,745	17,625	90,150	-	443,337

** The restatements to comparative period are explained in Note 14.*

*** Goodwill on acquisition of ANZ Exports Pty Limited, Fayman International Group Pty Limited, and Meateor Australia Pty Limited of $81,614 was erroneously presented as part of Horticulture instead of Global Proteins*

5. REVENUE

	Unaudited		Audited
	Six months ended		Year ended
	30 June 2026 $000's	30 June 2025 $000's	31 December 2025 $000's
By nature:			
Revenue from the sale of goods	695,638	304,033	793,370
Revenue from the rendering of services	62,389	70,148	112,745
Fees and commission	1,098	204	710
Net foreign exchange (loss) gain	93	(6,018)	(11,678)
Rental revenue	2,919	3,525	4,802
	762,137	**371,892**	**899,949**
By segment and type:			
Global Proteins - sale of pet food ingredients and edible proteins	484,946	119,043	465,652
Global Proteins - other	7,709	7,342	11,935
Horticulture - sale of agricultural produce	210,768	178,353	317,618
Horticulture - agricultural produce related services	9,970	11,702	19,003
Horticulture - other	3,197	3,729	5,210
Logistics services	45,309	50,810	81,292
Other	238	913	(761)
	762,137	**371,892**	**899,949**

6. DIVIDENDS

During the six months ended 30 June 2026 the Company paid an interim dividend of 12.50 cents per share and declared a final dividend of 12.50 cents per share in respect of the year ended 31 December 2025. The company has a dividend reinvestment plan (DRP) in place. The final dividend was paid on 9 July 2026, with $5.0 million reinvested under the DRP and $13.5 million was paid in cash.

During the six months ended 30 June 2025 the Company paid interim dividends totalling 7.25 cents per share and declared a final dividend of 7.75 cents per share in respect of the year ended 31 December 2024. This final dividend was paid on 11 July 2025.

7. EARNINGS PER SHARE

	Unaudited		Audited
	Six months ended		Year ended
	30 June 2026	30 June 2025 (Restated)*	31 December 2025
Profit attributable to equity holders of the Company ($000's):	30,056	48,436	100,988
Weighted average number of shares:			
Ordinary shares	143,884,145	142,569,527	142,803,805
Effect of dilutive ordinary shares (non-vested Senior Executive Share Scheme)	935,987	631,563	1,116,045
Weighted average number of ordinary shares for diluted earnings per share	**144,820,132**	**143,201,090**	**143,919,850**
Earnings per share (cents):			
Basic	20.9	34.0	70.7
Diluted	20.8	33.8	70.2

** The restatements to comparative period are explained in Note 14.*

Scales Corporation Limited

Notes to the condensed consolidated interim financial statements for the six months ended 30 June 2026

8. RESERVES

	Revaluation	Cash flow hedge	Share of joint ventures	Equity-settled employee benefits	Foreign exchange translation	Pension plan reserve	Total reserves
	$000's	$000's	$000's	$000's	$000's	$000's	$000's
Unaudited							
Six months ended 30 June 2026							
At 1 January 2026	**75,845**	**(12,507)**	**492**	**3,059**	**5,683**	**501**	**73,073**
Other comprehensive income (loss)	-	(5,656)	(8)	-	4,331	-	(1,333)
Recognition of share-based payments	-	-	-	664	-	-	664
Shares fully vested	-	-	-	(617)	-	-	(617)
Balance at 30 June 2026	**75,845**	**(18,163)**	**484**	**3,106**	**10,014**	**501**	**71,787**
Unaudited							
Six months ended 30 June 2025							
At 1 January 2025 (Restated)*	**87,776**	**(24,798)**	**(1,927)**	**1,171**	**4,099**	**294**	**66,615**
Other comprehensive income (loss)	-	29,328	3,235	-	(660)	-	31,903
Recognition of share-based payments	-	-	-	511	-	-	511
Shares fully vested	-	-	-	(679)	-	-	(679)
Balance at 30 June 2025 (Restated)*	**87,776**	**4,530**	**1,308**	**1,003**	**3,439**	**294**	**98,350**
Audited							
Year ended 31 December 2025							
At 1 January 2025 (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**

** The restatements to comparative period are explained in Note 14.*

9. FINANCIAL INSTRUMENTS AND FAIR VALUE DISCLOSURES

	Unaudited		Audited
	Six months ended		Year ended
	30 June 2026 $000's	30 June 2025 $000's	31 December 2025 $000's
Current financial assets at fair value:			
Foreign currency derivative instruments	2,127	4,021	4,311
Interest rate swap contracts and forward rate agreements	227	622	375
	2,354	**4,643**	**4,686**
Non-current financial assets:			
At fair value:			
Foreign currency derivative instruments	2,067	13,009	2,700
Interest rate swap contracts and forward rate agreements	479	1	13
Shares in unlisted companies	346	200	284
At amortised cost:			
Employee loans	3,947	3,714	3,426
Security deposits held as bank guarantee collateral	55	-	52
Related party loans	-	33,466	26,788
	6,894	**50,390**	**33,263**
Current financial liabilities at fair value:			
Foreign currency derivative instruments	17,179	6,257	6,812
	17,179	**6,257**	**6,812**
Non-current financial liabilities at fair value:			
Foreign currency derivative instruments	13,964	5,185	12,847
Interest rate swap contracts and forward rate agreements	-	384	43
Put options - ANZ Exports Pty Ltd	1,559	-	1,559
	15,523	**5,569**	**14,449**

Foreign currency derivative instruments

The Group is exposed to currency risk as a result of normal trading transactions denominated in foreign currencies. The Group uses foreign currency derivative financial instruments to manage its currency risk. 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.

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 2031 financial years at which stage the amount deferred in equity will be released into profit or loss.

9. FINANCIAL INSTRUMENTS AND FAIR VALUE DISCLOSURES (CONTINUED)

Interest rate swap contracts and forward rate agreements

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 uses interest rate swaps and forward rate agreements to manage interest rate risk.

Under interest rate swap contracts and forward rate agreements, the Group agrees to exchange the difference between fixed and floating interest rate amounts calculated on agreed notional principal amounts. Such contracts, some of which may commence in future reporting years, enable the Group to mitigate the risk of changing interest rates on the cash flow exposures of 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.

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.

10. RELATED PARTY DISCLOSURES

(a) 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 into in the ordinary course of business on a third party arm's-length basis.

	Unaudited Six months ended		Audited Year ended
	30 June 2026 $000's	30 June 2025 $000's	31 December 2025 $000's
(b) Key management personnel remuneration			
The compensation of the directors and executives, being the key management personnel of the Group, is as follows:			
Short-term employee benefits and directors' fees	7,256	7,119	10,358
Share-based payments	592	282	650
Post-employment benefits	334	303	412
	8,182	**7,704**	**11,420**

10. RELATED PARTY DISCLOSURES (CONTINUED)

	Unaudited		Audited
	Six months ended		Year ended
	30 June 2026 $000's	30 June 2025 $000's	31 December 2025 $000's
(c) Transactions with equity accounted entities			
Revenue from sale of goods	53	-	-
Revenue from services	4,448	10,990	18,059
Impairment of related party loans (see Note 13)	(19,922)	(162)	(278)
Dividends and distributions received	1,000	1,640	2,645
Interest received	904	1,118	2,219
Materials and services received	(137)	(1,877)	(2,182)
Trade receivables at balance date	2,616	2,310	2,532
Trade payables at balance date	(66)	(7)	(51)
Related party loans (see Note 13)	-	33,466	26,788

11. CAPITAL COMMITMENTS

	Unaudited		Audited
	Six months ended		Year ended
	30 June 2026 $000's	30 June 2025 $000's	31 December 2025 $000's
Apple trees purchase commitments	546	-	143
Property, plant and equipment purchase commitments	-	1,929	662
	546	**1,929**	**805**

12. UNDERLYING PERFORMANCE OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

"Underlying EBITDA", "Underlying finance costs", "Underlying finance revenue" and "Underlying NPAT" are non-GAAP financial performance 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.

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 2026	Holding 2025	Balance date
Esro Petfood B.V*	Trading company	The Netherlands	50%	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%	33.33%	31 December

** See Note 13 for further detail.*

12. UNDERLYING PERFORMANCE OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

Underlying financial performance of Meateor Pet Foods Limited Partnership:

	Unaudited		Audited
	Six months ended		Year ended
	30 June 2026	30 June 2025	31 December 2025
	$000's	$000's	$000's
Underlying/NZ IFRS EBITDA	5,999	3,335	7,322
Depreciation and amortisation	(702)	(651)	(1,940)
Finance revenue	-	-	3
Finance cost	(119)	(172)	(481)
Income tax expense	-	-	-
Underlying/NZ IFRS NPAT	**5,178**	**2,512**	**4,904**
Share of Meateor Pet Foods Limited Partnership Underlying NPAT included in Group Underlying EBITDA	2,589	1,256	2,452

Underlying items presented above are equal to their respective NZ IFRS basis for all periods presented.

Underlying financial performance of Shelby SPS LLC:

	Unaudited		Audited
	Six months ended		Year ended
	30 June 2026	30 June 2025	31 December 2025
	$000's	$000's	$000's
Underlying/NZ IFRS EBITDA	1,338	-	80
Depreciation and amortisation	-	-	-
Finance revenue	-	-	-
Finance cost	-	-	-
Income tax expense	-	-	-
Underlying/NZ IFRS NPAT	**1,338**	**-**	**80**
Share of Shelby SPS LLC Underlying NPAT included in Group Underlying EBITDA	446	-	27

Underlying items presented above are equal to their respective NZ IFRS basis for all periods presented.

12. UNDERLYING PERFORMANCE OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

Underlying financial performance of Esro Petfood B.V.:

	Unaudited		Audited
	Six months ended		Year ended
	30 June 2026	30 June 2025	31 December 2025
	$000's	$000's	$000's
Underlying EBITDA	(2,043)	80	(2,151)
Underlying depreciation and amortisation	(2,027)	(1,380)	(2,864)
Underlying finance revenue/finance revenue	-	-	-
Underlying finance costs/finance cost	(1,145)	(1,060)	(2,043)
Underlying income tax expense	(589)	579	1,209
Underlying NPAT	**(5,804)**	**(1,781)**	**(5,849)**
Share of Esro Petfood B.V. Underlying NPAT included in Group Underlying EBITDA	(2,902)	(891)	(2,925)

Esro Petfood B.V. generated an Underlying loss of $5.8m (Group share of $2.9m) for six months ended 30 June 2026 [30 June 2025: Underlying loss of $1.8m (Group share of $0.9m); 31 December 2025: Underlying loss of $5.9m (Group share of $2.9m)].

For the NZ IFRS reporting purposes, no losses in respect of the joint venture were recognised for all of the above periods presented: given Group does not guarantee the joint venture's liabilities, losses in the joint venture are not recognised once the carrying value of the investment in the joint venture is reduced to zero.

13. CHANGE IN CONTROL OVER ESRO PETFOOD B.V.

The Group holds 50% ownership interest of Esro Petfood B.V., and Esro Food Group B.V. holds the remaining 50%.
On 23 June 2026 Esro Food Group B.V. filed for bankruptcy, which triggered suspension of its shareholder rights in Esro Petfood B.V. Accordingly, the Group obtained control of Esro Petfood B.V. on that date. Prior to 23 June 2026, the Group and Esro Food Group B.V. had joint control of Esro Petfood B.V.

The Group obtained accounting control under provisions of Esro Petfood B.V. shareholders' agreement, and no consideration was given by the Group in exchange for obtaining control. As at 30 June 2026, the remaining 50% was owned by the Trustee of Esro Food Group B.V.

The change in control of the 50% in Esro Petfood B.V. was treated as a step acquisition. The previously held interest was remeasured at fair value at the change in control date. No gain or loss was recognised on fair value measurement. Due to the proximity to the balance date, the fair value of assets and liabilities acquired was determined on a provisional basis.

13. CHANGE IN CONTROL OVER ESRO PETFOOD B.V. (CONTINUED)

	Carrying value on acquisition $000's	Fair value on acquisition $000's
Current assets		
Cash and bank balances	417	417
Trade and other receivables	4,569	4,569
Inventory	2,838	2,838
Non-current assets		
Fixed assets	14,577	14,577
Right of use asset	4,233	4,475
Current liabilities		
Trade and other payables	(12,028)	(12,028)
Current tax payable	(599)	(599)
Lease liability	(654)	(654)
Non-current liabilities		
Lease liability	(3,704)	(3,821)
Related party loan from Scales Corporation Limited	(29,976)	(9,774)
Net assets acquired	**(20,327)**	**-**

Consideration paid	-
Fair value of the previously held equity interest	-
Less fair value of 50% non-controlling interest	-
Less fair value of identifiable assets acquired and liabilities assumed	-
Goodwill	**-**

Non-controlling interest

The Group has elected to measure the 50% non-controlling interest (NCI) arising from this acquisition at the proportionate share of the fair value of the identifiable net assets at the change of control 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.

Related party loan

The related party loan has been measured at fair value on change of control which was based on the net assets of the business.

As at 30 June 2026 Esro Petfood B.V. was consolidated, and the related party loan was eliminated on consolidation. The total loan from Scales Corporation Limited to Esro Petfood B.V. and interest receivable on the loan as at 30 June 2026 was $30.0m, with an impairment provision of $20.2m.

Post acquisition performance

Had Esro Petfood B.V. been consolidated from 1 January 2026, the consolidated statement of comprehensive income would have included revenue of $19.7m and net loss of $5.8m.

14. 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 last 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)	**30 June 2025 $000's**
Depreciation	(222)
Income tax expense	62
Net impact on profit for the year/total comprehensive income	**(160)**
Total comprehensive income for the year is attributable to:	
Equity holders of the Company	(160)
Non-controlling interests	-
	(160)

Impact on statement of financial position (increase/(decrease) in asset/(liability))	**1 Jan 2025 $000's**	**30 June 2025 $000's**
Property, plant and equipment	6,655	6,433
Total assets	**6,655**	**6,433**
Deferred tax liabilities	(1,863)	(1,801)
Total liabilities	**(1,863)**	**(1,801)**
Net impact on equity	**4,792**	**4,632**

Impact on statement of changes in equity (increase/(decrease) in equity)		
Reserves	5,582	5,582
Retained earnings	(790)	(950)
Attributable to owners of the Company	**4,792**	**4,632**

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 have changed from 34.1 cents to 34.0 cents and diluted earnings per share have changed from 33.9 cents to 33.8 cents for the six months ended 30 June 2025.

15. EVENTS OCCURRING AFTER BALANCE DATE

Bank refinancing

Subsequent to balance date, Scales executed variations to its bilateral credit facility agreements with Westpac New Zealand Limited (Westpac) and Coöperatieve Rabobank U.A. (Rabobank).

The principal updates to the debt facilities are as follows:

- Term Facilities: Expiry dates for the USD 23.6m Westpac facility and the USD 23.6m Rabobank facility were both extended by two years to 1 July 2029.
- Working Capital Facilities: Expiry dates were extended to 31 October 2027 (Westpac) and 30 October 2027 (Rabobank).
- Working Capital Limits: Westpac's seasonal limit steps down from $37.5m to $20.0m on 1 October 2026, before stepping up to $30.0m on 1 March 2027. Rabobank's facility steps down from $37.5m to $20.0m on 1 October 2026 and remains at $20.0m through to maturity.

Bank borrowings are presented in these financial statements as current or non-current based on the contractual terms and maturity profiles in place as at the reporting date.

Dividend reinvestment

Subsequent to balance date 27.5% of shareholdings elected to take up the dividend reinvestment offer. On 9 July 2026, 812,851 shares were issued which equated to $5.0m. The residual $13.5m dividend was paid in cash.

Other events

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