

Scales Corporation

Acquisition of Australian Joint Venture Interests



30th September 2025

Australian Joint Venture Acquisitions



Deal summary

- Purchase of 50% Fayman International, 42.5% of ANZ Exports (collectively Fayman International Group, or FIG), and 50% of Meateor Australia for AUD 91.05 million
- This takes our post settlement holdings to 100% for Fayman International, 85% for ANZ Exports and 100% for Meateor Australia
 - ✓ These transactions are aligned to our previously stated desire to increase our joint venture shareholding to accelerate our Global Proteins single brand strategy
 - ✓ Due to the performance of the businesses, we have, in effect, brought forward the acquisition provided for in the existing Put and Call options, which were exercisable from late 2027. Noting the Put and Call options still remain for the minority of shareholders of ANZ Exports and Fayman New Zealand
 - ✓ We consider the acquisitions of FIG and Meateor Australia to be complementary, with FIG supporting Meateor Australia's growth by enhancing its strategic raw material sourcing capabilities. This has resulted in Meateor Australia achieving its goals earlier than forecast
 - ✓ Additionally, we have extended two key Fayman family members employment contracts for a further five years to provide services across all three businesses

Outlook

- The earnings of the Australian businesses will be consolidated from the locked box date of 31 March 2025
- Taking into account the locked box date, the Directors are pleased to advise an increase in the FY25 Guidance range of Underlying Net Profit after Tax Attributable to Shareholders, to between \$51.0 million and \$56.0 million. Note, this update only reflects the incremental earnings from these transactions
- As a result of consolidating the EBITDA of these businesses following this transaction from FY25, the Directors have lifted our Global Proteins EBITDA target from \$70 million to \$85 million in FY27



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Transaction Metrics

Key Transaction Metrics	
<i>Purchase Price</i>	AUD 91.05 million based on a lockbox date of 31 March 2025
<i>Purchase Price Payment</i>	<ul style="list-style-type: none"> ➤ AUD 49.4 million paid in cash on completion ➤ AUD 5.25 million in Scales shares, to be issued approximately one-month following the completion date. The share consideration will be issued based on the 5-day Volume Weighted Average Price (VWAP) preceding 31 October 2025 ➤ AUD 36.4 million paid in five equal instalments on each anniversary from the completion date
<i>Funding</i>	<p>Both the initial and deferred payments will be funded through cash reserves</p> <p>Forecast FY25 year-end Net Debt position is NZD 57.0 million</p>
<i>Combined FY25 forecast for the acquired businesses</i>	<p>FY25 forecast is AUD 26.2 million combined underlying EBITDA*</p> <p>Note, the combined underlying EBITDA for the 12 months ending June 2025 was AUD 23.8 million</p>
<i>Implied Multiple</i>	<p>7.7x underlying EBITDA* (based on FY25 forecast)</p> <p>Note, due to the deferred payment structure, the multiple based on the present value of the purchase price will be lower</p>
<i>Blended Multiple</i>	5.5x underlying EBITDA*
<i>Combining initial capital investment, and this transaction</i>	Initial capital investment = AUD \$33 mill for 50% Fayman International, 42.5% ANZ exports and 50% Meateor Australia. This includes the additional 16.7% of Meateor Australia acquired in 2024

*Excluding NZ IFRS 16 Leases

Australian Joint Venture Acquisitions



Strategic Rationale

Meateor Australia

- Accelerates our single brand strategy
 - Streamlines our customer management, reducing complexity in the market
 - Simplifies our operations across our Australian and New Zealand businesses
- Accelerates our growth plans in Australia, specifically with further investment in new capacity and investigation into additional species
- Allows us to transfer IP between the businesses, including new product development and plant efficiency gains



Fayman International Group

- Allows Scales to capitalise on the current global beef market disruption, with Australia being a key supply market due to their favourable trade access, proximity to market and strong forecasted supply volumes
- The continued relationship with the Fayman family will benefit our supply network across both FIG and Meateor Australia due to their strong industry connections
- Poultry sales are expected to rebound after reinstatement of market access for Australian poultry to key markets
- Potential to leverage our global edible proteins network, to support our USA petfood operations, as well as leverage Scales' strengths in logistics to assist FIG's internal freight teams

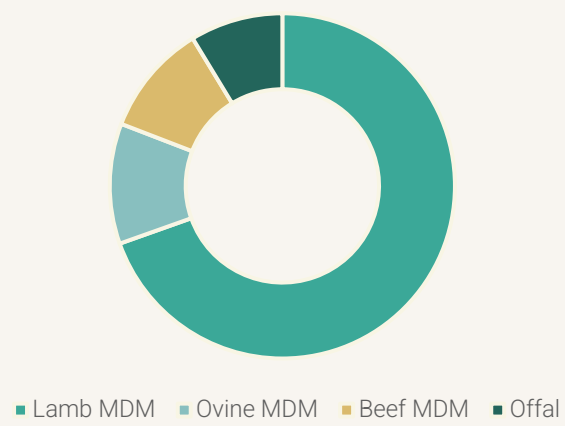
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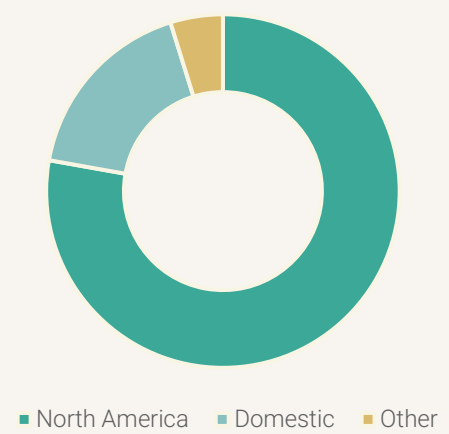
Meateor Australia

- The progress of Meateor Australia has been extremely pleasing. We have seen consistent improvement in production volumes as demonstrated in our rolling 12 month chart below. Additionally we have seen a corresponding lift in sales volumes, as well as improved yields and margins over the same period
- The dominant market is still the USA, exporting both processed beef and lamb/ovine ingredients to petfood manufacturers. We intend to push for greater market share within the USA, while continuing to explore other market opportunities
- While lamb/ovine and beef will remain the core products, we are actively investigating additional species. This includes recently trialling venison through our facility

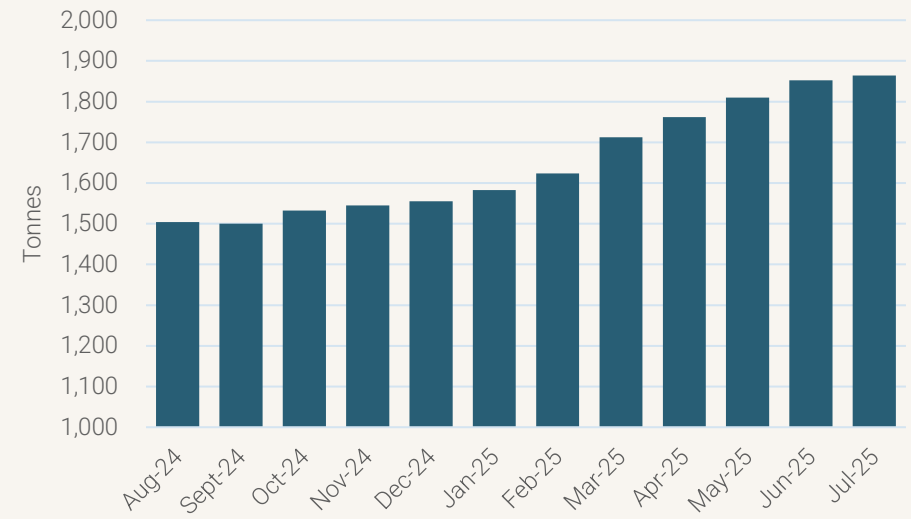
Sales Mix - Product



Sales Mix - Markets



Rolling 12 Month Average Production Volume



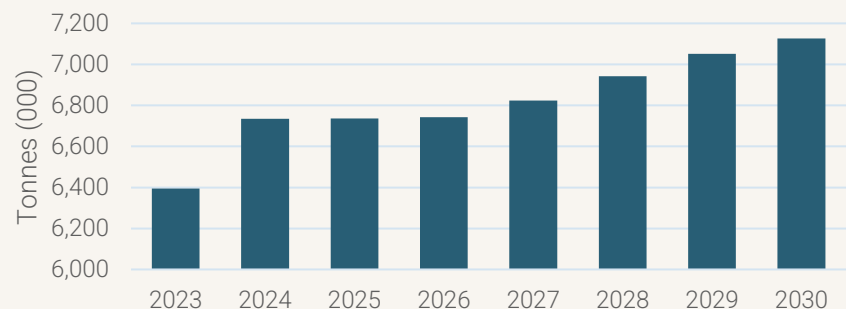
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Fayman International Group

- Fayman International Group provides a key service in the global edible protein trade, providing sales channels, particularly across Asia markets for Australian beef, lamb and poultry. These sales are usually high volume, but at much lower margin than our processed petfood ingredient business
- Recently, sales have increased to key Asia markets, due to increasing customer penetration and demand. This strong demand for beef imports is expected to continue over the medium term, in line with middle class growth
- Relative to other key beef supply markets, which have forecast single digit growth from 2022 to 2030, Australian beef net exports are expected to increase 37% over the same period*, which will continue to drive pricing competitiveness and market share

Forecast Beef Imports across FIGs key Asia markets*



*OECD-FAO Agriculture Outlook 2025-2034

**Excludes ANZ Exports volumes

Sales Mix - Species

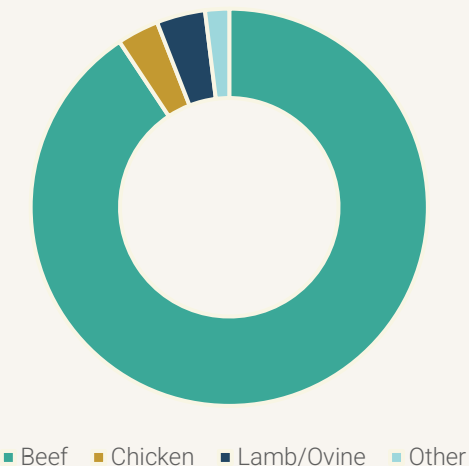


FIG Sales Volumes by Region**

