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FREIGHT AND CUSTOMS AGENT OPERATIONAL ISSUES

Nick Scali Limited (the Company) advises that one of its freight forwarders and customs agents has experienced operational issues and is now under the administration of a liquidator. This has resulted in a significant number of the Company's containers being delayed at the ports causing challenges to the delivery of its products in Australia.

To resolve the issue the Company made an application to the Federal Court of Australia to seek orders for the shipping lines to release the Company's containers through the giving of certain undertakings. With the Court orders now granted, the Company is working to have these containers delivered to its Distribution Centres to allow delivery of the goods to its customers as soon as practicable.

Due to the delays, the Company now expects to incur unexpected additional storage and detention costs for the containers which cannot be quantified at this time.

These unexpected delays and costs are adding significant additional risks to the Company's ability to achieve its prior guidance of NPAT for Australia and New Zealand in the first half FY25 (a range of \$30-33 million).

As further details of the financial impact of these events are known, additional guidance on the financial impacts will be provided.

This announcement has been authorised for release to the ASX by the Board of Nick Scali Limited.