



New Zealand
King Salmon

ANNUAL SHAREHOLDERS MEETING
14 JUNE 2023

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Our results are reported under NZ IFRS. This presentation includes non-GAAP financial measures which are not prepared in accordance with NZ IFRS. The non-GAAP financial measures used in this presentation include:

- EBITDA. We calculate EBITDA by adding back (or deducting) depreciation, amortisation, finance expense / (income), and taxation expense to net earnings
- EBIT. We calculate EBIT by adding back (or deducting) finance expense / (income), and taxation expense to net earnings
- Pro-forma Operating EBITDA refers to earnings before interest, tax, depreciation and amortisation after allowing for pro-forma adjustments as described in the Appendix to this document

We believe that these non-GAAP financial measures provide useful information to readers to assist in the understanding of our financial performance, financial position and returns. They should not, however, be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS. Non-GAAP financial measures may not be comparable to similarly titled amounts reported by other companies.

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This presentation is solely for use of the party to whom it is provided.

WELCOME



Graeme Tregidga
Acting - CEO



John Ryder
Independent Chair

AGENDA

- Chair update
- CEO address
- Questions
- Ordinary business and resolutions
- Voting

CHAIR UPDATE

- FY23 results overview
- Blue Endeavour
- Outlook

CEO'S ADDRESS

- FY23 Overview
- Sustainability
- Business update
- Outlook
- Future Farming

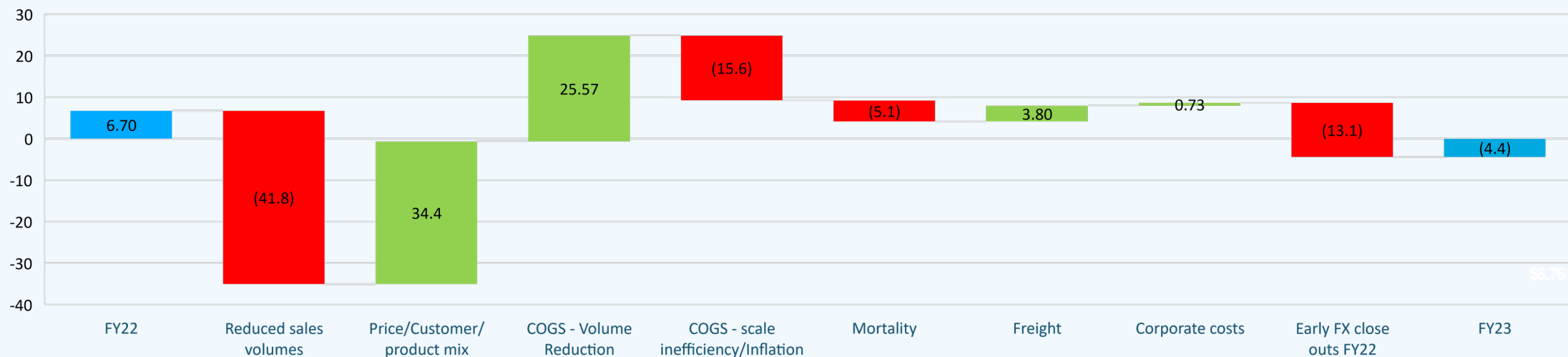
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FY23 OVERVIEW



FINANCIAL SUMMARY

PRO-FORMA¹ EBITDA COMPARISON FY22 TO FY23

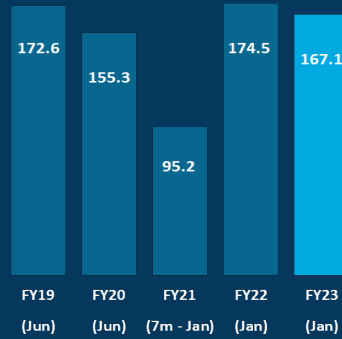


- **Revenue** is down on prior period due to a reduction in available harvest post the summer mortality event (Q4FY22 and Q1FY23) this was partially offset by improvements in pricing and product mix.
- **Cost of goods** benefitted from a decrease in harvest volume on a total basis however this benefit was partially offset by the rising cost of raw materials (Feed, labour etc) and scale inefficiencies cause by fixed or semi-variable costs.
- **Mortality** The increase in mortality on 1HY23 reflects the previous summers mortality event which started at the end of FY22 and carried on into 1HY23. Current summer mortality is significantly down from prior year.
- **Freight** is favourable due to a reduction in available harvest post the summer mortality event, on a kg basis freight has improved slightly however still sits well above pre covid levels.
- There have been no early close outs of **in the money FX contracts** in FY23

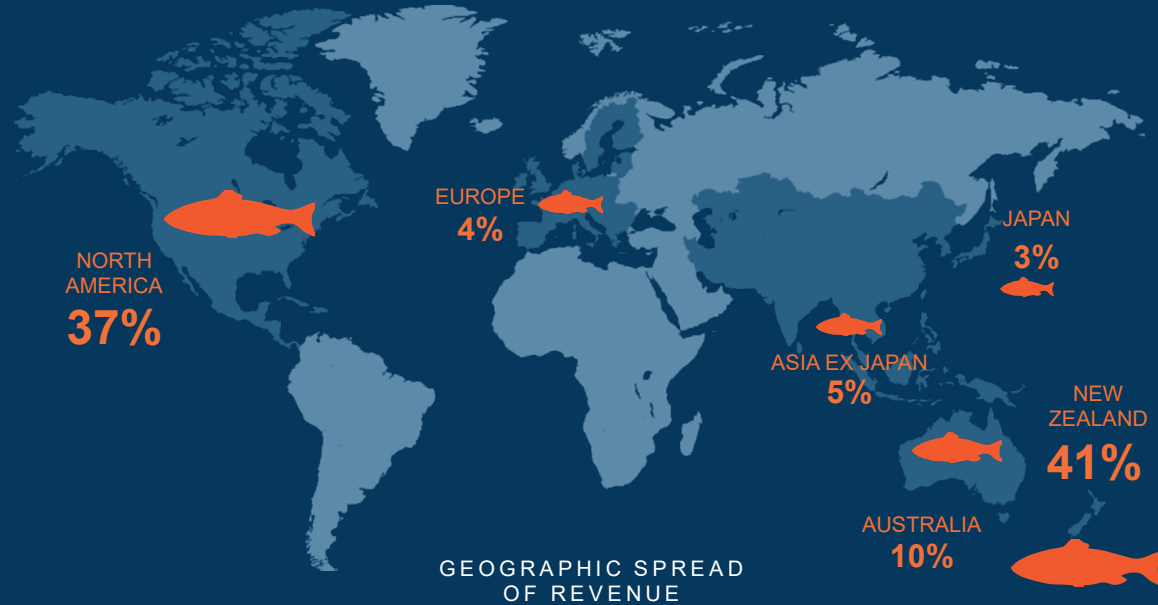
¹ Refer to the appendices for full reconciliation between GAAP and Pro-Forma results

FACTS & FIGURES

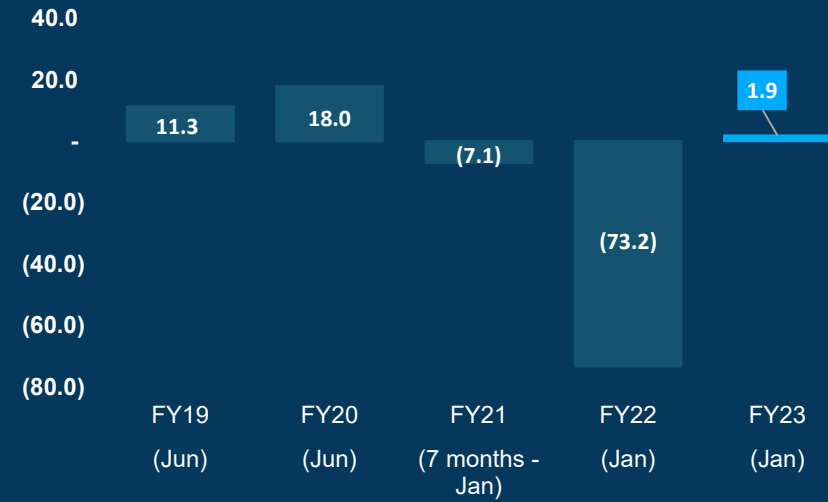
FY23
REVENUE OF
\$167
MILLION



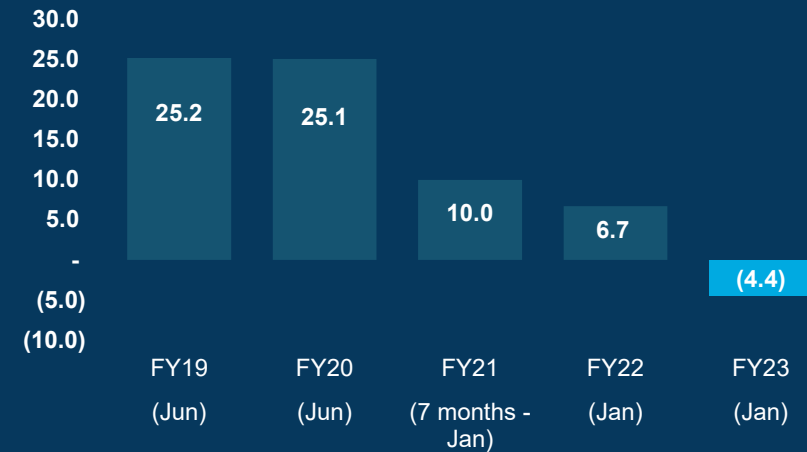
6,014
METRIC TONNES
HARVESTED
DURING FY23



FY19 - FY23 GAAP NPAT



FY19 - FY23 PRO-FORMA OPERATING EBITDA



SUSTAINABILITY



OUR SUSTAINABILITY DEVELOPMENTS

We continue to make progress on our sustainability journey:

- Committed to reusable, recyclable or compostable packaging across our business - currently at 52%
- Preparation for the incoming Aotearoa New Zealand Climate Reporting Standards (effective for financial year 2024)
- Submission of second Modern Slavery Report
- Best Aquaculture Practices 4-star certification (highest rating) achieved in FY23
- NZKS receives the Sustainability Award at the Marlborough Chamber of Commerce Business Awards



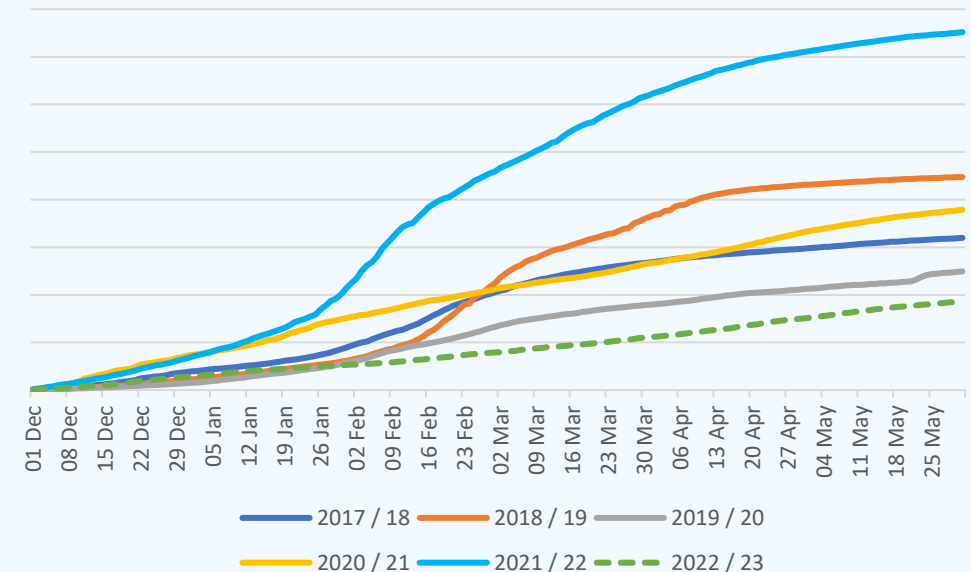
FISH HEALTH & WELFARE

NZKS fish health has improved dramatically in the past 12 months. This has been driven by the recognition of risk factors for adverse fish health outcomes. We have employed the below targeted strategies to support the improvement of our fish health:

- Temperature - sustained warmer water temperatures are a key risk factor for adverse fish health. We have helped mitigate some of this risk by implementing our summer farming strategy and focusing on our breeding program, which is helping us ensure the right fish are being put to sea.
- Stress reduction - as well as thermal stress, we have actively worked on reducing other fish health stressors. These include the optimisation of our net cleaning process, predator exclusion, and rigorous feed quality assurance and control.
- Immune resilience: A combination of vaccinations, reduction in fish stress and improved nutrition have helped further enhance the immune function of our fish.

To enable this important work to happen, NZKS employs a NZ licensed specialist aquatic veterinarian to oversee the health and welfare program. In addition, NZKS collaborates with numerous academic and governmental research agencies within NZ and internationally to ensure we get the best advice available on fish health and welfare.

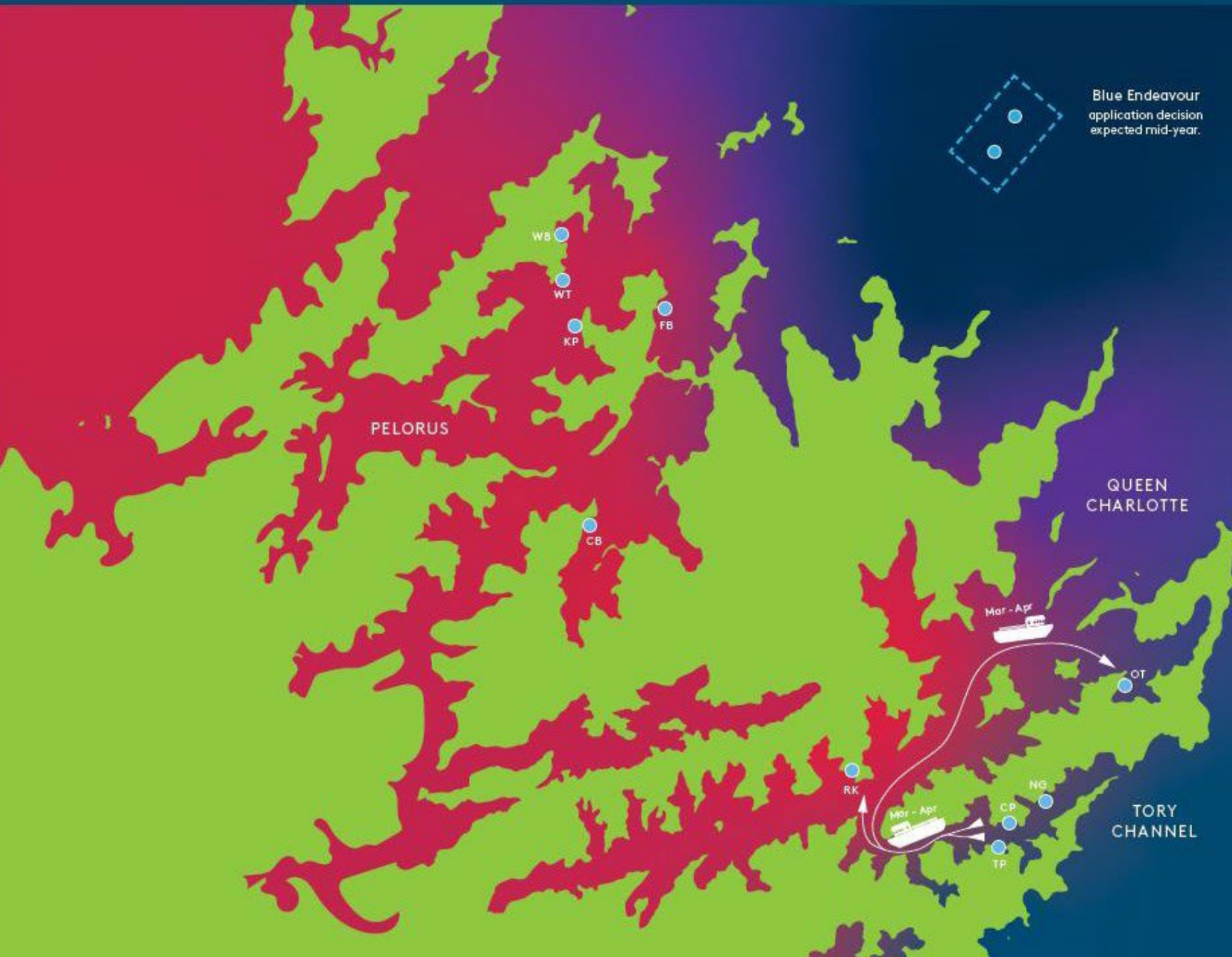
Summer Mortality this year Compared to the last 5 years



BUSINESS UPDATE



OUR SUMMER FARMING STRATEGY



Changes to the summer farming strategy have now been implemented. As a reminder NZKS is now avoiding farming warm water sites through the summer months with the intention of more reliable and consistent production.

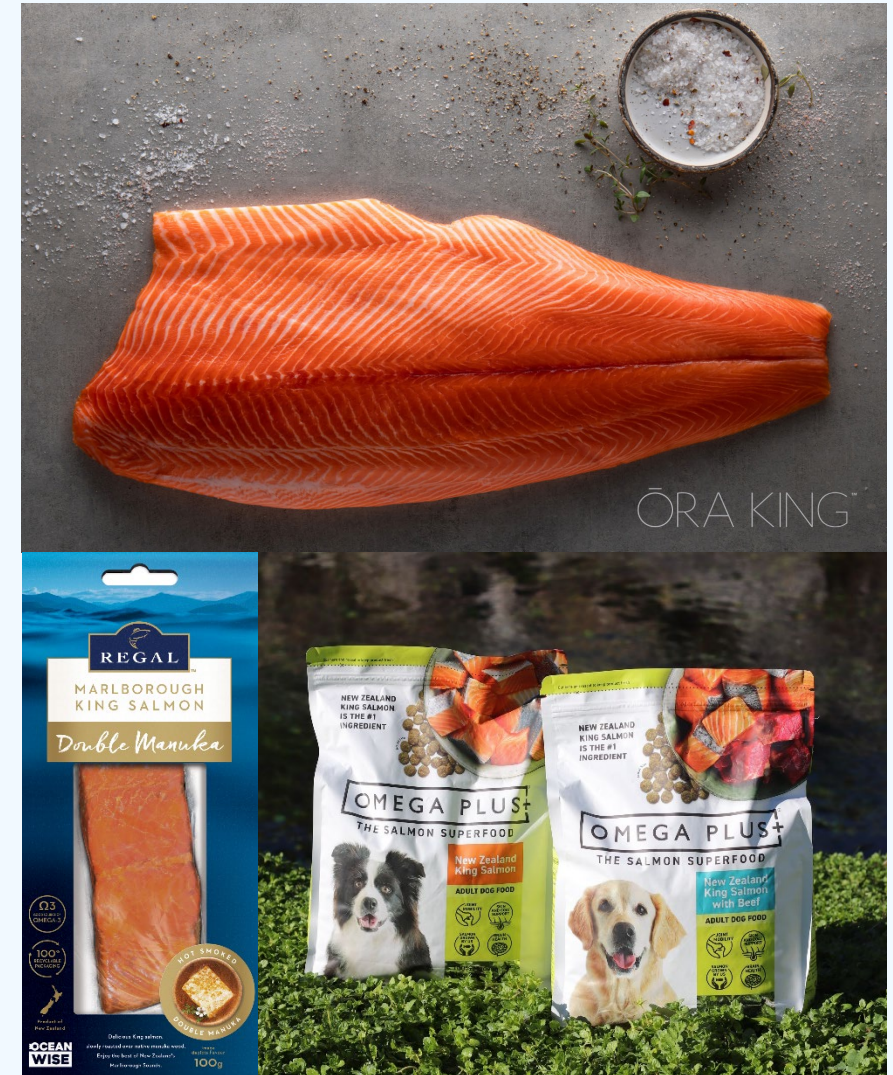
RESILIENT BRANDS

Rebuild brand equity; focus on high-value opportunities.

- Connecting with key chef advocates through the Ōra King Global Ambassador Programme + in-market events
- Social and digital media to engage with the Regal consumer
- Omega Plus exciting new specialty retail strategy

Product innovation and accolades:

- Huge reach across social media channels off the back of successful famils with international customers
- Regal 100gm successful launch



OPERATIONAL UPDATES

- First shipment of feed delivered via the new direct shipping route from Tasmania, Australia arrives
- Takaka freshwater site undertakes the largest harvest of Ōra King Tyee
- Our new 320mT barge Kai Hāmana is operational at our Clay Point farm and our new net cleaning vessel Ika Mā is also operational
- Introduction of fish to Tentburn's new first feeding facility
- Our Waiau freshwater facility is sold
- Construction complete on our new facility for the Regal smoked salmon dips range



OUTLOOK



OUTLOOK

- Focus on optimising the core business to maximise earnings
- Building on from a successful seasonal harvest and fish management in FY23
- Strong demand and limited supply globally providing strong price support
- Freight and Supply Chain Challenges easing but still prevalent
- Forecast FY24 harvest volumes of ~6,600MT
- Forecast FY24 pro-forma EBITDA of \$21m to \$25m (Q1FY24 ~\$6m profit v Q1FY23 ~\$15m loss)
- Limited Growth Capex is focussed on further optimising the core business
- In addition to Blue Endeavour, we are continuing to investigate several other growth options.

BLUE ENDEAVOUR UPDATE

- Following a hearing in Blenheim which started in 2021, the Marlborough District Council announced on November 11 2022 the decision by three commissioners to approve NZKS's Blue Endeavour application.
- Two appeals were subsequently lodged by the Department of Conservation (DoC) and the McGuinness Institute Limited. Mediation between the parties was held in Blenheim earlier this year.
- Mediation has been resolved, with all parties having agreed on consent conditions for the Blue Endeavour farms.
- NZKS have sought that the Environment Court make orders by consent, once the Environment Court has made orders, the final regulatory step is an aquaculture decision from the Ministry for Primary Industries (MPI).
- Our ambition to grow our fish volumes remains. Blue Endeavour is a part of this ambition. We intend to progress the project in a structured manner to minimise risk. This will include using the knowledge gained from our recent summer farming strategy changes.
- The global focus on offshore fish farming has seen significant technological advances in recent years.
- Blue Endeavour has the potential to add up to 10,000MT of harvest volume in conjunction with our nursery sites when fully developed
- Future full capacity of existing sites plus a fully developed Blue Endeavour is ~17,000MT.



QUESTIONS

ORDINARY BUSINESS AND RESOLUTIONS

RESOLUTION 1

That the Board is authorised to fix the auditor's remuneration for the coming year.

The Board unanimously recommends that shareholders vote in favour of Resolution 1.

RESOLUTION 2

That the Directors fee pool be increased by \$80,000 per annum, from a total pool of \$520,000 per annum to \$600,000 per annum, effective from the close of the Annual Meeting, with such sum to be divided amongst the directors as the Board may from time to time determine.

RESOLUTION 3

Having retired in accordance with NZX Listing Rule 2.7.1, that Jack Porus be elected as a Director.

The Board unanimously recommends that shareholders vote in favour of Resolution 3.



RESOLUTION 4

Having retired in accordance with NZX Listing Rule 2.7.1, that Catriona Macleod be elected as a Director.

The Board unanimously recommends that shareholders vote in favour of Resolution 4.



RESOLUTION 5

Having retired in accordance with NZX Listing Rule 2.7.1, that Paul Steere be elected as a Director.

The Board unanimously recommends that shareholders vote in favour of Resolution 5.



VOTING



CHAIR CLOSING

- Governance Succession
- Close

APPENDICES AND DISCLAIMER



FY23 RECONCILIATION BETWEEN GAAP RESULTS AND PRO-FORMA FINANCIALS

FY23	Statutory Financial Statements	Fair Value Adjustments	IFRS 16 Lease Adjustments	FX Close-outs	Pro Forma Operating Financial Information
NZD 000s					
Revenue	167,131				167,131
Cost of goods sold	(164,657)	43,040	(1,750)		(123,367)
Fair value gain / (loss) on biological transformation	49,628	(49,628)			-
Freight costs to market	(21,479)				(21,479)
Gross Profit	30,623	(6,588)	(1,750)	-	22,285
Other operating income	8,577			(7,775)	802
Overheads					
Sales, marketing and advertising	(12,245)				(12,245)
Distribution overheads	(3,463)				(3,463)
Corporate expenses	(10,854)				(10,854)
Other expenses	(940)				(940)
EBITDA	11,698	(6,588)	(1,750)	(7,775)	(4,415)
Depreciation and amortisation	(7,915)		1,586		(6,329)
Impairment	(507)				(507)
EBIT	3,276	(6,588)	(164)	(7,775)	(11,251)
Finance income	337				337
Finance costs	(1,499)		209		(1,290)
Net finance costs	(1,162)	-	209	-	(953)
Profit / (loss) before Tax	2,114	(6,588)	45	(7,775)	(12,204)
Income tax (expense) / credit	(223)	1,845	(13)	2,177	3,787
Net Profit / (loss) for the Year	1,891	(4,743)	32	(5,598)	(8,417)

FY22 RECONCILIATION BETWEEN GAAP RESULTS AND PRO-FORMA FINANCIALS

FY22	Statutory Financial Statements	Fair Value Adjustments	IFRS 16 Lease Adjustments	FX Close-outs	Pro-Forma Operating Financial Information
NZD 000s					
Revenue	174,530				174,530
Cost of goods sold	(177,774)	52,050	(1,968)		(127,692)
Fair value gain / (loss) on biological transformation	41,261	(41,261)			-
Freight costs to market	(25,275)				(25,275)
Gross Profit	12,743	10,788	(1,968)		21,563
Other operating income	402			13,471	13,873
Overheads					
Sales, marketing and advertising	(13,471)				(13,471)
Distribution overheads	(5,204)				(5,204)
Corporate expenses	(8,649)				(8,649)
Other expenses	(1,414)				(1,414)
EBITDA	(15,593)	10,788	(1,968)	13,471	6,698
Depreciation and amortisation	(10,125)		1,747		(8,378)
Impairment	(59,255)				(59,255)
EBIT	(84,973)	10,788	(221)	13,471	(60,935)
Finance income	17				17
Finance costs	(2,636)		249		(2,387)
Net finance costs	(2,619)	-	249		(2,370)
Profit / (loss) before Tax	(87,593)	10,788	29	13,471	(63,305)
Income tax (expense) / credit	14,390	(3,021)	(8)	(3,772)	7,590
Net Profit / (loss) for the Year	(73,202)	7,768	21	9,699	(55,715)

UNDERSTANDING OUR GAAP RESULTS

The impact of NZ IAS-41 Agriculture, NZ IAS-2 Inventory and NZ IFRS-16 Leases

Our GAAP results are impacted by Fair Value gains or losses arising from the application of NZ IAS-41 Agriculture, NZ IAS-2 Inventory and the classification of leases under NZ IFRS-16. The impact of these standards are explained below:

Fair Value under NZ IAS-41 Agriculture and NZ IAS-2 Inventory

When we record a change in biomass at sea, or where the expected future profit we realise on fish that we sell changes, these standards require us to quantify and recognise the gain or loss in the current period. This applies to both biomass at sea and inventories of finished products.

Our Statement of Financial Position shows biological assets at their fair value. Pro-forma Operating Financial Performance removes gains / losses associated with the application of these standards. The company will present Pro-forma results for future reporting periods on this basis.

NZ IFRS-16 Leases

Under NZ IFRS-16 a lessee will no longer make a distinction between finance leases and operating leases; all (material) leases will be treated as finance leases.

In the statement of financial position we are therefore required to recognize the asset (or right to use the asset) and the liability for the lease, while in the statement of profit and loss we recognize the interest cost and the depreciation of the leased asset instead of the operating lease expenses. The application of this standard increases EBITDA, assets and liabilities, however this impact is reversed in our Pro-forma results.

From FY24 NZKS will no longer adjust out the impacts of IFRS 16 within our proforma EBITDA results, this has the estimated impact of adding ~\$1.4m to the FY24 EBITDA figure

APPENDIX – GLOSSARY OF TERMS

1HY23	Financial results for the 6 months from 1 February 2022 to 31 July 2022
2HY23	Financial results for the 6 months from 1 August 2022 to 31 January 2023
FY23	Financial results for the 12 months from 1 February 2022 to 31 January 2023
FY22	Financial results for the 12 months from 1 February 2021 to 31 January 2022
EBITDA	Earnings before interest, tax, depreciation and amortisation
FCR	Feed Conversion Ratio – the amount of feed (in kilograms) required to grow 1 kilogram of fish weight
G&G	Gilled and gutted. Note that all volumetric information presented is on a gilled and gutted basis unless otherwise stated
GW	Greenweight
GAAP	Generally Accepted Accounting Practice
Mortality / Mortality Rate	The percentage mortality of salmon in seawater, calculated as the biomass of salmon mortalities in kg divided by the growth of salmon in kg
MT	Metric tonnes
NPAT	Net profit after tax, also reported as net profit for the period in our published financial results
NZKS	New Zealand King Salmon
Pro-Forma Operating EBITDA	Pro-Forma Operating EBITDA refers to earnings before interest, tax, depreciation, amortisation after allowing for pro-forma adjustments as described in the Appendix to this document. Pro-Forma Operating EBITDA is a non-GAAP profit measure



New Zealand King Salmon

FY23 ANNUAL SHAREHOLDERS MEETING