

Market Announcement

29 March 2023

NZK - NEW ZEALAND KING SALMON INVESTMENTS LIMITED ANNOUNCES FY23 RESULT

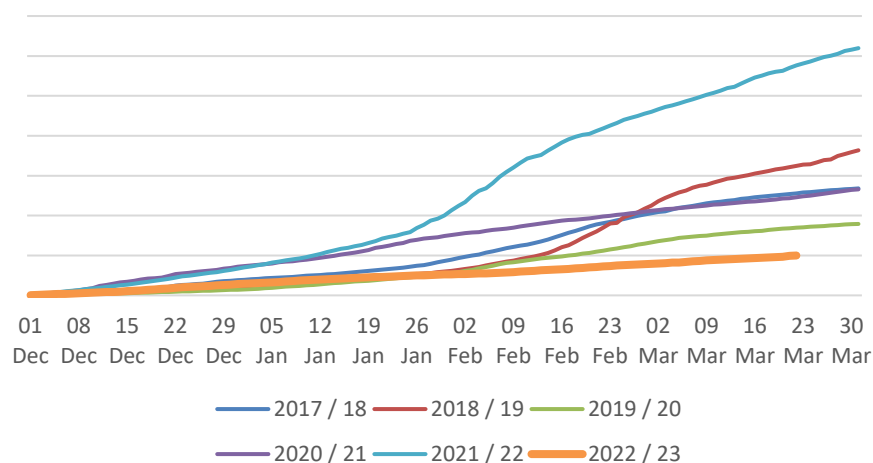
New Zealand King Salmon Investments Ltd (NZX & ASX: NZK) reports its financial performance for the 12 months period ended 31 January 2023 (FY23). Key points include:

- FY23 net profit for the year of \$1.9 million, compared to a net loss of \$73.2 million in FY22.
- FY23 pro-forma EBITDA was a loss of \$4.4 million, compared to an EBITDA profit of \$6.7 million in FY22 (FY22 included \$13.5 million of gains from the early close of FX contracts).
- Sales volumes decreased from 7,672MT in FY22 to 5,837MT in FY23 (a decrease of 24%).
- Revenues decreased from \$174.5 million in FY22 to \$167.1 million in FY23 (a decrease of 4%).
- The mortality cost increased from \$20.8 million in FY22 to \$25.9m in FY23.

New Zealand King Salmon Chairman John Ryder said: “I am pleased to say that after a particularly difficult period, our results have improved. This is due to several changes we have made across the business, including the excellent work done by our aquaculture team in executing our new farming strategies over summer.

“The company’s balance date of 31 January results in summer spanning across two financial year ends. The increase in mortality expense on FY22 is attributable to the mortality event which occurred during the previous summer. We are now seeing the benefit of our new farming strategies in the current summer period (1 December – 22 March) with mortality reducing from \$13.5m to \$2m, which is a significant improvement on the same period last year. This is reflected in the chart below (orange line reflects the most recent summer):

**Summer 2022/23 Mortality lowest in last 6 years
(Metric Tonnes)**



“In a supplementary strategy, we implemented a seasonal harvest, whereby we harvest smaller fish as additional volume prior to the summer months. Towards the end of FY23, we successfully completed the first seasonal harvest from Ruakaka farm in the Queen Charlotte Sound, resulting in an approximate increase of 750 tonnes of biomass,” Mr Ryder added.

“The key lesson in facing adversity is how you react to it. The Board and leadership team have made significant changes to our operations that gives us confidence for the future.”

Acting Chief Executive Graeme Tregidga said: “First and foremost we have focused on the health of our fish and the right sizing of the business. We are making good progress and we acknowledge we have much more work to do.

“We also received news that our Blue Endeavour resource consent application to farm in the open ocean (7km north of Cape Lambert, in Cook Strait) had been approved by commissioners. We had two appeals that the company hopes to mediate to a successful conclusion,” Mr Tregidga added.

The Board is providing pro-forma EBITDA guidance in a range of \$21m to \$25m for FY24. In providing this guidance, NZK is no longer removing the impact of IFRS16 leases, which has the impact of adding ~\$1.4m to the EBITDA range.

Authorised by:

Board of Directors of New Zealand King Salmon Investments Limited

For investor or analyst queries, please contact:

Graeme Tregidga, Acting CEO, New Zealand King Salmon Investments Ltd,
graeme.tregidga@kingsalmon.co.nz

Ben Rodgers, CFO and Company Secretary, New Zealand King Salmon Investments Ltd,
ben.rodgers@kingsalmon.co.nz

About New Zealand King Salmon

New Zealand King Salmon is the world’s largest aquaculture producer of the premium King salmon species. We operate under our four key brands: Ōra King, Regal, Southern Ocean, and Omega Plus, as well as our New Zealand King Salmon label. We have been growing and selling King salmon to consumers for more than 30 years.

More information can be found at www.kingsalmon.co.nz