



1HY23 HALF YEAR FINANCIAL RESULTS

PRESENTERS



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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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EXECUTIVE SUMMARY

1HY23	<ul style="list-style-type: none"> • 1HY23 Net loss after tax of \$24.5m, performance impacted by summer mortality with a higher mortality expense, lower harvest and a decline in biomass at sea • Pro forma EBITDA loss of \$13.7m • Mortality has continued to improve over the cooler months (Q1 \$19m v Q2 \$3m) albeit tracking higher than our original forecasts • Price increases have been successfully implemented in all markets. This has enabled us to keep revenue flat at ~\$80m • Focus on right sizing the business as we move to a long-term sustainable harvest of 6,500 tonnes G&G (from FY24) (7,386 tonnes GW) • Aspects of the Covid hangover remain in the form of supply chain bottlenecks and cost of freight
Equity raise	<ul style="list-style-type: none"> • NZ King Salmon completed a \$60.1 million pro rata rights offer in 1HY23 - proceeds were used to repay debt • Net cash position of \$15.6m at 31 July 2022 in addition to \$6.5m a revolving debt facility which remains undrawn
Reset of aquaculture farming model	<ul style="list-style-type: none"> • Two farms in the Pelorus were fully harvested out in 1HY23 and are now fallow, with Forsyth due to be fallowed at the end of August after harvest. Waitata will remain operational for seasonal smolt and evaluating vaccine strategies • In addition to this we have made the decision to mothball our Waiau Freshwater Facility which is surplus to NZ King Salmon's requirements under the current aquaculture farming model
FY23 guidance	<ul style="list-style-type: none"> • Remain on track to deliver pro forma EBITDA guidance of a loss of \$8m to \$12m

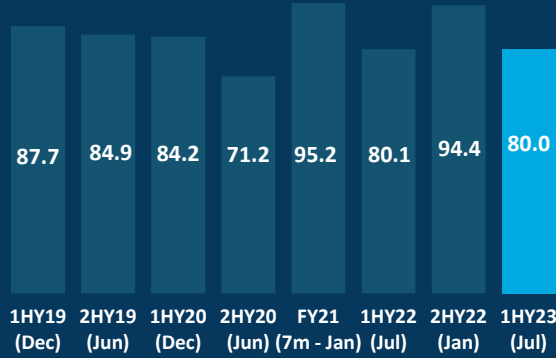
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1HY23 PERFORMANCE

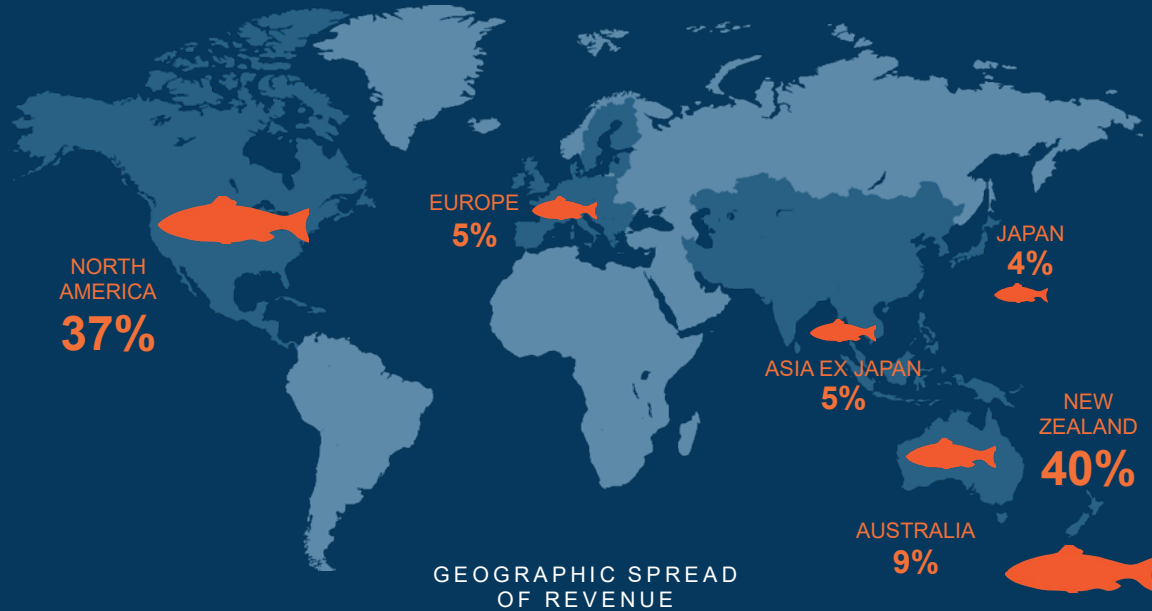


1HY23 OPERATIONAL HIGHLIGHTS

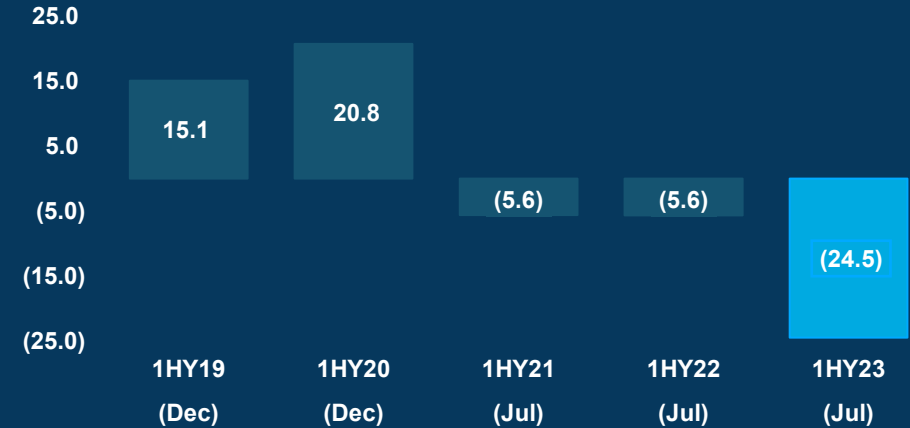
1HY23
REVENUE OF
\$80
MILLION



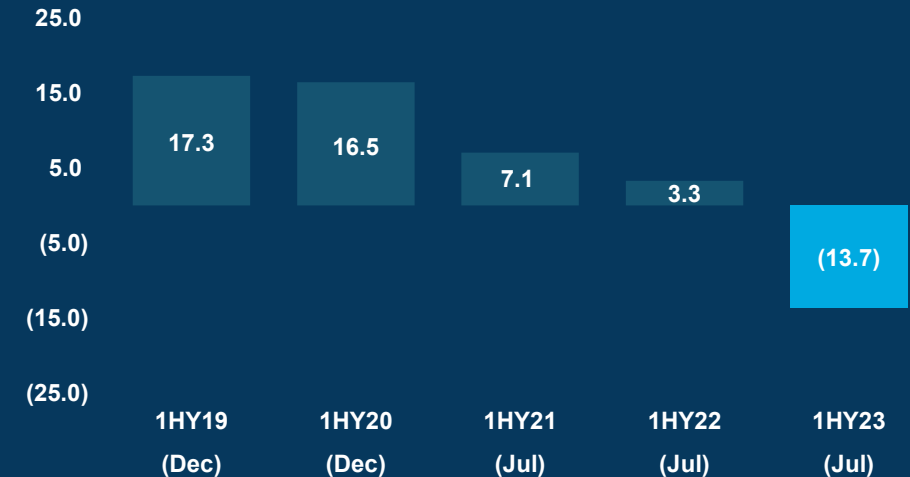
METRIC TONNES
HARVESTED
DURING 1HY23



1HY23 GAAP NPAT



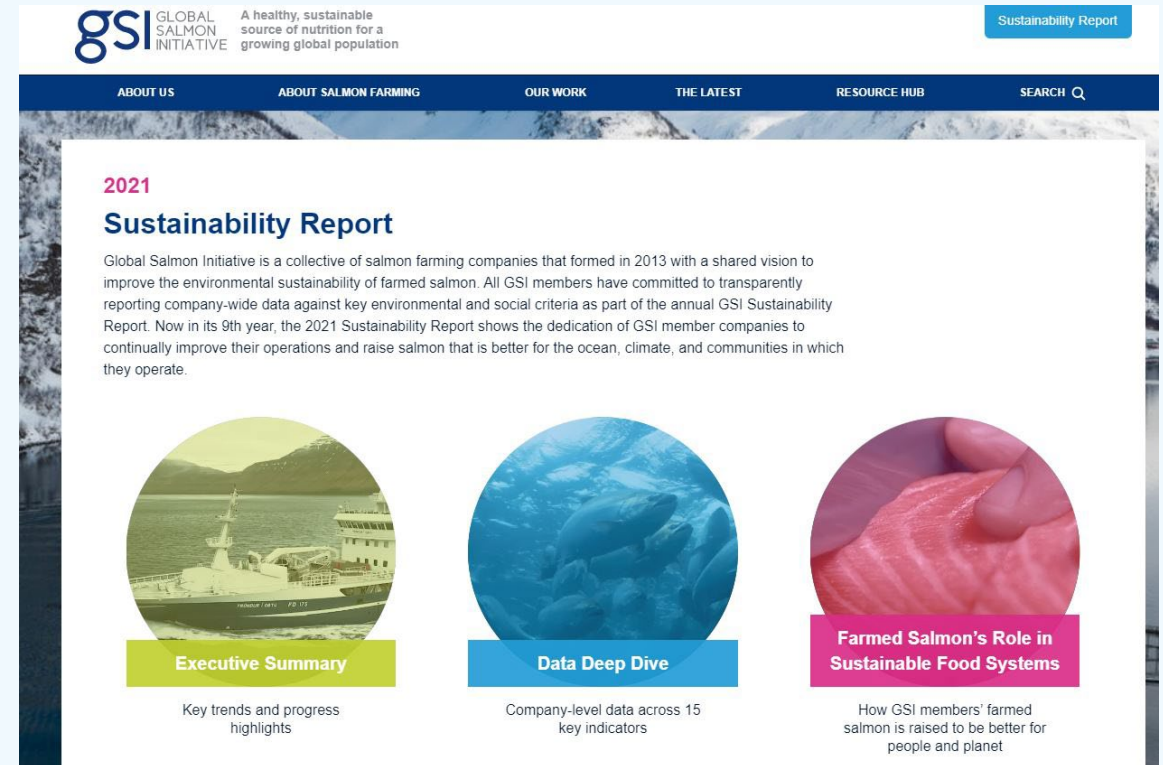
1HY23 PRO FORMA OPERATING EBITDA



OUR SUSTAINABILITY DEVELOPMENTS

We continue to progress on our sustainability journey:

- Committed to reusable, recyclable or compostable packaging across our business - currently at 55%
- Participated in annual Global Salmon Initiative (GSI) sustainability report representing members from across the salmon industry
- Submission of second Modern Slavery Report
- Preparation for annual Best Aquaculture Practices audit
- Preparation for the incoming External Reporting Board (XRB) Climate-related Disclosures (effective for financial year 2024)



KEEPING OUR BRANDS PROMINENT

Creating innovative strategies for our markets:

- Connecting with our end-users through:
 - ▶ Focus on engagement with Ōra King Ambassadors
 - ▶ In-house digital and social media programmes for our retail and foodservice brands to maintain brand presence with relevant audiences in the most cost-efficient way possible
 - ▶ Continuously refreshing Omega Plus digital, social media and ambassador programmes to maintain brand presence in NZ and China market
 - ▶ Establish Omega Plus brand presence in North America and accumulate high end pet owner fans on social media

Regal Brand Insights

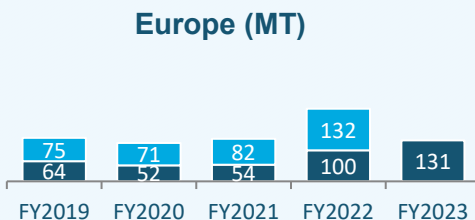
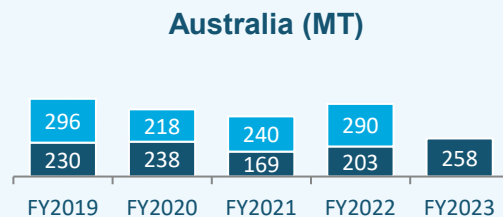
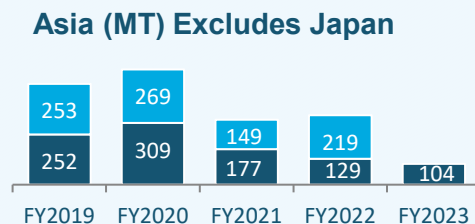
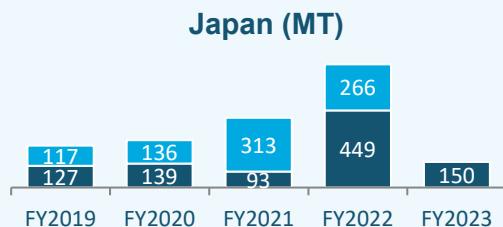
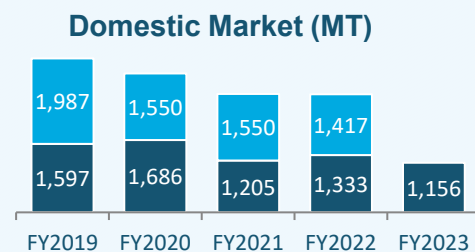
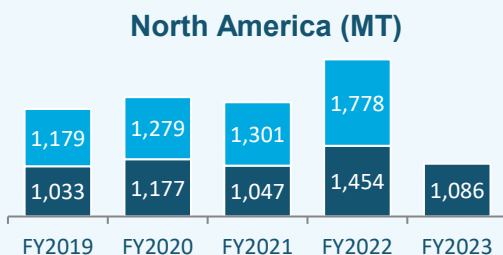
- ▶ Regal remains New Zealand's most preferred smoked salmon brand proving consumer trust in the Regal brand, and the exceptional quality & consistency of our King salmon and value-added product offerings
- ▶ 16,000 people visit our global Regal website every month (80% growth YOY). Visitor data helps us learn more about our Regal shoppers and their interests. As the most popular pages are for recipes, we continue to develop first class recipes and content to engage with our Regal fans

ŌRA KING®



SALES PERFORMANCE

Continuing to target branded premium markets



■ First half sales ■ Second half sales

Sales performance

- Steady performance across both foodservice and retail sectors. The mortality event in January 2022 requires NZKS to rebuild our biomass at sea, thereby restricting harvest and sales.
- North American premium demand remains strong with Ōra King in foodservice and Regal branded retail. The reduction of volume when comparing to 1HY22 is due to ending of frozen whole salmon agreements.
- Japan market maintains a consistent performance. Both foodservice sectors (sushi chains) and our retail business remain as the core volume. The reduction when comparing to 1HY22 is due to cessation of frozen whole salmon agreements.
- Asian markets, excluding Japan, have emerged post Covid in a strong position. NZKS exit from China market is the main contributor to the decline in 1HY23 volumes when compared to previous years.
- The Australian market continues the strong post Covid recovery. Demand throughout 1HY23 continues across all branded product ranges. The recent Coles Supermarket volume contributes to the growth compared to 1HY22.
- European market growth is predominantly retail supermarket programs and branded foodservice expansion.

AVERAGE SALE PRICES

Branding underpins customer loyalty and value to our business

New Zealand King Salmon's core branded and differentiated business continues to attract premium pricing. Pricing for these products has remained firm.

Price increases have been implemented in all markets. Large focus on managing supply and demand in FY23 following a reduced harvest associated with the summer mortality.

Sales Prices¹ and Exchange Rates

		1HY20	1HY21	1HY22	1HY23
Average Sales price per kg					
Domestic Sales	NZD	22.71	25.07	24.07 ²	28.24
Export Sales (All Markets)	NZD	24.24	24.75	19.94 ³	27.95
Export Sales (All Markets) [Excl. Frozen Whole Fish]	NZD	24.32	24.90	23.64	28.14
Foreign Exchange Rates					
NZD:AUD		0.93	0.95	0.94	0.94
NZD:USD		0.67	0.67	0.67	0.68
NZD:JPY		70.67	66.58	70.37	72.45

¹ Volume weighted average sales price for all exported salmon based on foreign exchange rates achieved as outlined on the table above.

² Covid Impact – price promotion

³ Covid Impact – frozen unbranded sales

FISH PERFORMANCE

- As previously disclosed mortality in 1HY23 was elevated by the fallout from the mortality event at the end of FY22. Over the latter part of 1HY23, fish performance has returned to expected parameters.
- The change to the farming model is being implemented with the following of a number of our Pelorus farm sites. As of 31 July 2022, Waihinau Bay and Kōpaua have been fully harvested out and are now fallowed. Forsyth is being harvested in August and will be fallowed afterwards. Out of the two non-operational Crail Bay sites, one site is fallowed with the other site being used by a third party for a seaweed trial. The remaining Waitata site is being used as an active salmon farm to evaluate vaccine and seasonal smolt strategies.

Biological Performance			
	1HY23	1HY22	% Chg.
Harvest Volume G&G (t)	2,773	3,435	-19%
Average G&G Harvest Weight (kg)	3.60	3.19	13%
Harvest Volume GW ¹ (t)	3,152	3,903	-19%
Feed Conversion Ratio (FCR)	1.69	1.98	-14%
Closing Livestock Biomass	3,791	6,473	-41%
Feed Cost (\$ / Kg of feed)	2.75	2.39	15%

Sound	Farm	Volume Harvested (G&G)	
		1HY23	1HY22
Queen Charlotte	Ruakaka	-	364
	Otanerau	-	-
Tory Channel	Clay Point	524	-
	Te Pangu	1,699	6
	Ngamahau	-	1,530
Pelorus Sound	Waitata	28	1,391
	Kōpaua	124	131
	Waihinau	136	-
	Forsyth	252	-
Freshwater		10	12
Total		2,773	3,435

¹ For comparison to other competitive industries we have added in greenweight (GW)

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1HY23 RESULTS



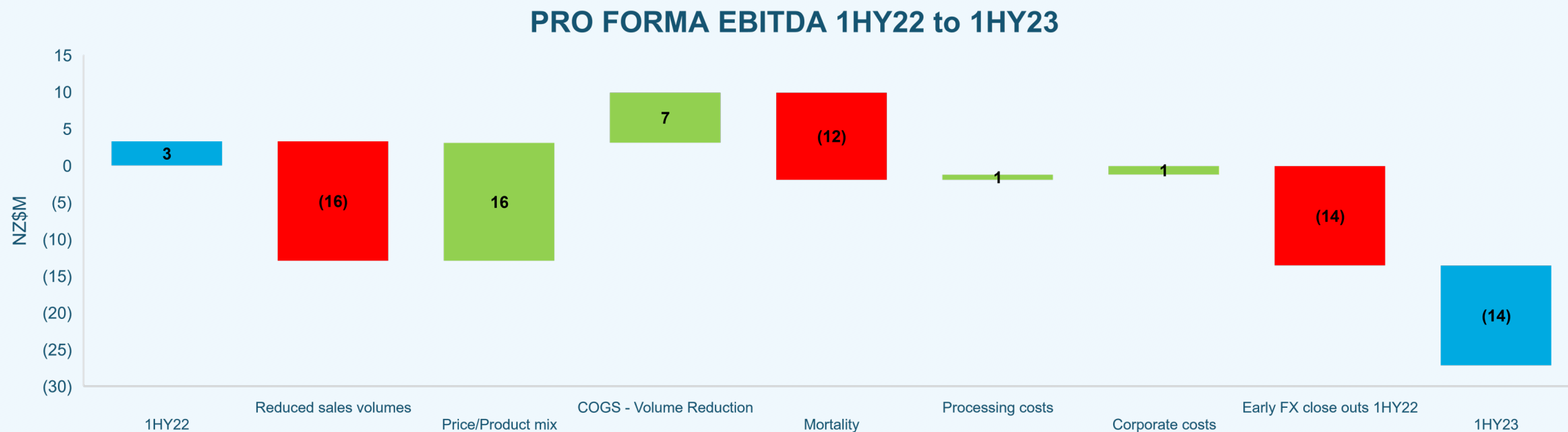
1HY23 HEADLINE FINANCIAL PERFORMANCE

Group Financial Performance						
NZ\$000s	GAAP			Pro-Forma*		
	1HY23	1HY22	% chg.	1HY23	1HY22	% chg.
Volume Sold (t)	2,886	3,669	-21%	2,886	3,669	-21%
Revenue	80,033	80,095	0%	80,033	80,095	0%
Gross Margin	(8,045)	12,880	-162%	(710)	3,790	-119%
Gross Margin %	-10%	16%		-1%	5%	
EBITDA	(17,984)	(1,114)	-1514%	(13,672)	3,290	-516%
EBITDA %	-22%	-1%		-17%	4%	
EBIT	(22,343)	(6,284)	-256%	(16,639)	(1,029)	-1517%
NPAT	(24,487)	(5,596)	-338%	(21,144)	2,058	-1127%

- **Gross Margin %** 1HY22 was negatively impacted by a change in the farming model (single year class), 1HY23 was negatively impacted by higher sea farm mortality
- **Pro forma EBITDA** In addition to the gross margin impacts noted above, 1HY22 benefitted from the early close out of in the money FX contracts
- **GAAP NPAT** – In addition to the gross margin impacts noted above, 1HY23 was impacted by a reduced fair value gain on biological transformation due to the higher sea farm mortalities over summer and smaller fish sizes

¹ A full reconciliation between GAAP and Pro Forma results is shown on pages 21 and 22 of this presentation

PRO FORMA¹ EBITDA COMPARISON



- **Revenue** has remained consistent with the prior comparable period with improvements in pricing and product mix offset by a reduction in harvest post the summer mortality
- **Cost of goods sold** decrease from 1HY22 has been driven by the decrease in harvest volumes
- **Mortality** The increase in mortality on 1HY23 reflects the mortality event which started at the end of FY22 and carried on into 1HY23
- **Processing & Corporate costs** Cost savings are underway across the business, these are being partially eroded by inflationary pressure
- There have been no early close outs of **in the money FX contracts** in 1HY23

¹ Refer to pages 21 & 22 for full reconciliation between GAAP and Pro Forma results

BALANCE SHEET – RECAPITALISED AND DELEVERAGED

Following the \$60.1m equity raise NZ King Salmon is now in a net cash position:

- NZ King Salmon's net bank (debt)/cash position has improved from a debt position of \$44.1m at 31 January 2022 to a net cash position of \$15.6m at 31 July 2022. In addition to cash on hand NZ King Salmon has access to a \$6.5m revolving debt facility which remains undrawn.
- Inventory - Finished goods on hand have decreased as high value SKUs (smoked products) continue to reduce back to normal levels as we exit the build of these products from COVID disruptions and prioritise fresh Salmon sales with the reduced FY23 harvest.
- Biological assets have decreased significantly due to the summer mortality event with the value of biological assets on hand decreasing from \$75.0m at 31 January 2022 to \$55.2m at 31 July 2022 (Estimated Closing Biomass 6,473 MT at 31 January 2022 to 3,791 MT at 31 July 2022). Biomass at sea will continue to grow over the next 12 months as we rebuild to our sustainable levels under the new farming model.
- NZ King Salmon invested \$4.5m in capex for the 6 months ended 31 July 2022. A majority of this spend related to the completion of capex projects commenced in FY22 (Otanerau pens, New barge and net cleaning vessel) in addition to the ongoing expenditure associated with the Blue Endeavour resource consent application.

Group Financial Position		
	Jul-22	Jan-22
NZ\$000s	Unaudited	Audited
Current Assets		
Cash and equivalents	19,800	2,913
Receivables	11,977	19,817
Taxation Receivable	393	294
Inventories	29,233	34,636
Biological Assets	47,617	65,529
Derivative financial assets	2,283	1,338
	111,303	124,527
Non-current Assets		
Property, plant & equipment	51,890	50,620
Biological assets	7,568	9,432
Other	14,033	12,749
	73,491	72,801
Total Assets	184,794	197,328
Current Liabilities		
Loans (external)	1,636	49,659
Lease Liabilities	1,403	1,531
Payables	14,844	16,434
Other	8,976	6,993
	26,859	74,617
Non-Current Liabilities		
Loans (external)	3,500	-
Lease Liabilities	4,113	4,402
Other	9,103	7,080
	16,716	11,482
Total Liabilities	43,575	86,099
Net Assets	141,219	111,229
Net Cash / (Debt)	15,550	(44,087)

03

STRATEGY UPDATE & OUTLOOK



STRATEGIC INITIATIVES - RIGHT SIZING THE BUSINESS

Initiative	How we are getting there	Status
Fallow the Pelorus sea farms	<p>To mitigate mortality risk from warmer waters over summer we plan to fallow 3 of the 4 active Pelorus farms.</p> <p>At the end of July 2022, two farms have been fallowed, one is nearing the end of its harvest and will be subsequently fallowed. The remaining Waitata site is continuing to be used as an operational farm to evaluate vaccine and seasonal smolt strategies.</p>	●
Right size our people numbers	Moving our headcount from ~570 to 452 to better meet our business needs. Good progress has been made in this area (with few redundancies – due to tight labour market) and as at 31 July 22 headcount sits at 470.	●
Mothball the Waiau Freshwater Facility	This facility is surplus to NZ King Salmon's requirements with annual running costs of ~\$900k p.a. Progress to mothball the site in 2HY23 is on track.	●
Reduction of net capital expenditure (FY23)	Reduce FY23 capital expenditure to \$6.5m - \$7.5m. NZKS current YTD 31 July expenditure is \$4.5m.	●
Review of expenditure	Cost saving initiatives have been put in place across the business including reprioritising and challenging existing spend.	●

Key	
●	Completed
●	On Track
●	Behind

MARKET GUIDANCE – FY23

Remain on track to deliver pro forma EBITDA guidance of a loss of \$8m to \$12m

In confirming guidance NZ King Salmon notes:

- Mortalities continue to improve post the summer months, but have tracked above plan for the first half of FY23.
- This has been offset by price increases successfully implemented across all markets, optimising customer and product mix in addition to cost savings targeted across all departments. The guidance assumes no significant unplanned increase in mortalities.
- Inflationary pressure is occurring across our cost base (including the cost of feed). Guidance assumes no further significant inflationary pressure beyond that currently forecast.
- In the production model for FY23 we have ~400 tonnes of “seasonal fish” coming from Ruakaka. As we will not be taking these fish through the summer they will be harvested at smaller than our average size. There is a risk around the size of the fish, in that pricing is not certain. In future years it is intended the seasonal volume will come from Waitata, and due to increased entry size and/or entry timing these will be larger than this year's seasonal fish.

BLUE ENDEAVOUR UPDATE

- Consent outcome is due by the end of the year
- Blue Endeavour remains an important medium-term project to deliver growth to NZ King Salmon
- Blue Endeavour would allow the utilisation of Pelorus licenses as nursery sites and harvest locations
- Work continues on refining the production plan and infrastructure
- FY27 is the earliest possible Blue Endeavour harvest
- Blue Endeavour has the potential to add 10,000MT of harvest volume in conjunction with our nursery sites
- Full capacity of existing sites plus Blue Endeavour is ~16,500MT



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APPENDICES



EXISTING SEA FARM RESOURCE CONSENTS AND EXPIRY

Farms	Region	Expiry date	Status
Ruakaka	Queen Charlotte	2024	Active
Otanerau	Queen Charlotte	2024	Active
Forsyth Bay	Pelorus	2024	Harvest finished Aug – then fallow
Waihinau	Pelorus	2024	Fallow
Crail Bay x 2	Pelorus	2024	1 Fallow, 1 seaweed trial
Clay Point	Tory Channel	2036	Active
Te Pangu	Tory Channel	2036	Active
Waitata	Pelorus	2049	Active
Ngamahau	Tory Channel	2049	Active
Kopaua	Pelorus	2049	Fallow

- Five licenses are due for expiry or renewal at the end of 2024, all of which represent warmer, low flow licenses at lower producing sites
- Crail Bay has not been farmed for around 10 years and is currently being used for a seaweed trial
- Kōpaua, Forsyth and Waihinau are fallowed or scheduled to be fallowed for the next few years but may form part of the Blue Endeavour model as nursery or harvest locations
- Ruakaka and Otanerau form part of the updated production plan, receiving fish post summer via tow operations from the Tory Channel farms
- By 2024 there will be new planning provisions in place (at least in draft form)
 - The panel hearing submissions on current proposals has signalled that it is open to inviting iwi, the Government and the wider community to work on new provisions to enable alignment with the NZ Aquaculture Strategy. NZ King Salmon is involved in these discussions
- Renewing the 2024 farms will require applications to be lodged, however it is logical to make progress on the planning provisions before lodging these applications
- Applications would therefore be lodged in 2024 with preparatory work, including consultation with iwi, being undertaken beforehand
- Opportunities may arise for consenting via alternative processes in meantime
- Farms will be able to operate on their current consents until all applications and appeals have been resolved

1HY23 RECONCILIATION BETWEEN GAAP RESULTS AND PRO FORMA FINANCIALS

1HY23	Statutory Financial Statements	Fair Value Adjustments	IFRS 16 Lease Adjustments	Early FX Close-outs	Pro Forma Operating Financial Information
NZD 000s					
Revenue	80,033				80,033
Cost of goods sold	(89,921)	21,533	(977)		(69,364)
Fair value gain / (loss) on biological transformation	13,222	(13,222)			-
Freight costs to market	(11,379)				(11,379)
Gross Profit	(8,045)	8,311	(977)		(710)
Other operating income	3,312			(3,023)	289
Overheads					
Sales, marketing and advertising	(6,324)				(6,324)
Distribution overheads	(1,818)				(1,818)
Corporate expenses	(5,109)				(5,109)
Other expenses	-				-
EBITDA	(17,984)	8,311	(977)	(3,023)	(13,672)
Depreciation and amortisation	(4,359)		1,392		(2,967)
EBIT	(22,343)	8,311	415	(3,023)	(16,639)
Finance income	116				116
Finance costs	(1,276)		114		(1,162)
Net finance costs	(1,161)	-	114		(1,047)
Profit / (loss) before Tax	(23,503)	8,311	529	(3,023)	(17,685)
Income tax (expense) / credit	(984)	(2,327)	(148)		(3,459)
Net Profit / (loss)	(24,487)	5,984	381	(3,023)	(21,144)

1HY22 RECONCILIATION BETWEEN GAAP RESULTS AND PRO FORMA FINANCIALS

1HY22	Statutory Financial Statements	Fair Value Adjustments	IFRS 16 Lease Adjustments	Early FX Close-outs	Pro Forma Operating Financial Information
NZD 000s					
Revenue	80,095				80,095
Cost of goods sold	(86,621)	22,582	(980)		(65,019)
Fair value gain / (loss) on biological transformation	30,692	(30,692)			-
Freight costs to market	(11,286)				(11,286)
Gross Profit	12,880	(8,110)	(980)		3,790
Other operating income	327			13,495	13,822
Overheads					
Sales, marketing and advertising	(6,480)				(6,480)
Distribution overheads	(2,800)				(2,800)
Corporate expenses	(4,939)				(4,939)
Other expenses	(102)				(102)
EBITDA	(1,114)	(8,110)	(980)	13,495	3,290
Depreciation and amortisation	(5,170)		850		(4,319)
EBIT	(6,284)	(8,110)	(129)	13,495	(1,029)
Finance income	16				16
Finance costs	(1,186)		128		(1,058)
Net finance costs	(1,170)	-	128		(1,042)
Profit / (loss) before Tax	(7,454)	(8,110)	(1)	13,495	(2,071)
Income tax (expense) / credit	1,858	2,271	0		4,129
Net Profit / (loss)	(5,596)	(5,839)	(1)	13,495	2,058

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.

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