



1H18 HALF YEAR FINANCIAL RESULTS

01

# HIGHLIGHTS



# FINANCIAL HIGHLIGHTS

**Revenue of \$87.7m, up 38% on 1H17.**

**Pro Forma Operating EBITDA of \$19.5m\*, up 169% on 1H17.**

**GAAP NPAT of \$15.7m, up 81% on 1H17.**

**Fully imputed dividend of 2.0 cents per share declared\*\*. To be paid 23 March 2018.**

**Firm global demand for King Salmon continues to support strong pricing.**

**Significantly above average sea temperatures and consequent fish survival challenges will impact 2H18 performance. We will update the market following the summer period as we did last year.**

\* A full reconciliation between GAAP and Pro Forma results is shown on page 27 of this presentation

\*\* New Zealand King Salmon's Product Disclosure Statement dated 23 September 2016 (PDS) provided for an interim dividend of 2.0 cents and a final dividend of 2.0 cents per share in FY18.

# OPERATING HIGHLIGHTS

Pleasing improvement in Health, Safety and Wellness metrics.

- LTIFR\* down to 11.4 at Dec 2017 (24.1 at Dec 2016)

Harvest volumes increasing:

- Total harvest of 4,424 MT, up 30% on 1H17.
- FCR of 1.74 (an improvement on FCR for 1H17 of 1.76).
- Mortality up to 9.0% from 4.7%. Mortality will increase further during 2H18.

4,392 MT G&G\* sold, up 29% on 1H17 due to strong FY17 fish performance:

- Strong sales volume growth in New Zealand (2,294 MT, up 13% on 1H17) and North America (1,158 MT, up 70% on 1H17).

Sales of branded products up 17% on 2H17.

- Ōra King sales up 22%.

Average sales prices up in key markets and ahead of PFI.

- Weighted average NZ\$ / kg sale price achieved of \$20.0, up from \$18.7 in 1H17 and FY18 PFI of \$19.2.

Closing biomass in the sea of 6,684 MT.

- Closing biomass of 6,684 MT up 9% on 1H17 and 7% on Jun 2017.

Successful launch of new products:

- Regal Manuka smoked (and Al Brown TV campaign).
- Ōra King Tyee (soft launch).
- Omega Plus product range extended.

\* A glossary of terms is included on page 29 of this presentation.



An underwater photograph showing a dense field of green and brown seaweed or kelp. Sunlight rays penetrate the water from the surface, creating a dappled light effect on the plants and the sandy seabed. The overall tone is natural and serene.

# SUSTAINABILITY

# SUSTAINABLE DEVELOPMENT GOALS

## Our Sustainable development goals

**As a company we are committed to the implementation of sustainable aquaculture and production practices that benefit the communities we operate in.**

We previously selected five United Nations Sustainable Development Goals that we believe are most relevant to New Zealand King Salmon:



...and we are now working through specific sustainability objectives that will align to the UN goals, and deliver a framework for our future reporting.

We are currently engaging with our team members to test and finalise our objectives before publication.

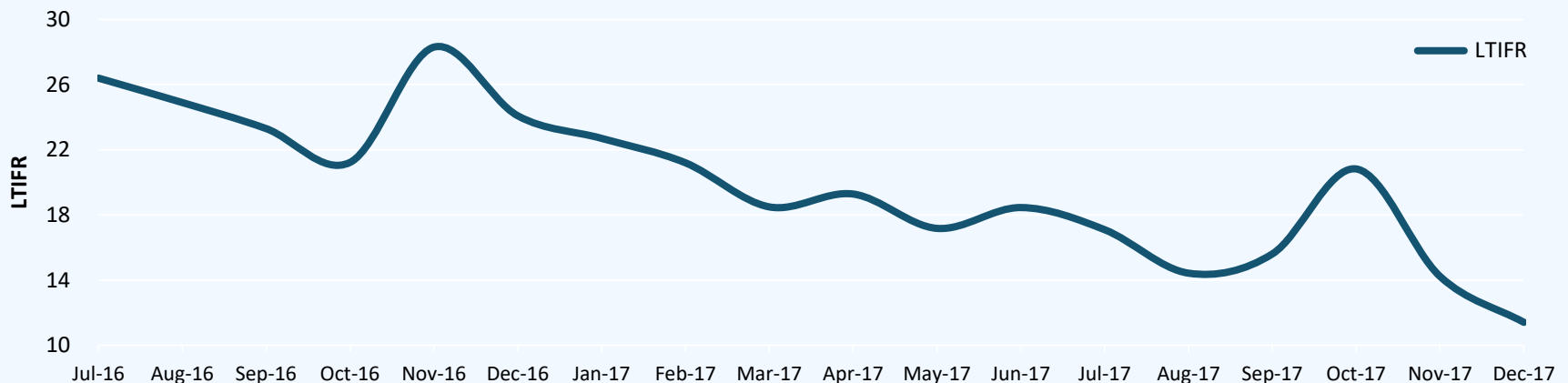
# HEALTH, SAFETY AND WELLNESS

We are uncompromising in our commitment to Health, Safety and Wellness

The health, safety and wellness of our team members is critical to the continued growth of our business. It's well understood that good safety is good business, as a positive, safe and engaged workforce drives organisational performance.

We continue to focus on our six critical risk areas which has seen improvements implemented over the past 6 months:

- LTIFR\* down to 11.4 at December 2017 (from 18.5 at June 2017, 24.1 at December 2016)



\* LTIFR is the Lost Time Injury Frequency Rate and refers to the number of lost time injuries occurring in a workplace per 1 million hours worked.



# FINANCIAL OVERVIEW



# SUMMARY FINANCIAL INFORMATION

## Growth in all key financial metrics

### Key drivers of performance include:

- A 29% increase in volumes sold.
- A 38% increase in revenue growth reflecting:
  - ▶ Fine tuning of market position in Australasia.
  - ▶ An increase in sales of premium branded products including Ōra King and wood smoked.
- A reduction in cost of sales\*\* with increased harvest volumes leading to scale economies in production and processing, and modestly favourable recent feed prices.

Group Financial Performance						
NZ\$000s	Pro-Forma*			GAAP		
	1H18	1H17	% chg.	1H18	1H17	% chg.
Volume Sold (MT)	4,392	3,407	29%	4,392	3,407	29%
Revenue	87,688	63,626	38%	87,688	63,626	38%
Gross Margin	29,521	15,646	89%	34,426	27,032	27%
Gross Margin %	34%	25%		39%	42%	
EBITDA	19,516	7,264	169%	24,310	16,188	50%
EBITDA %	22%	11%		28%	25%	
EBIT	17,097	5,158	231%	21,891	14,082	55%
NPAT	12,283	3,497	251%	15,735	8,705	81%

1H17 and 1H18 GAAP results shown above are unaudited.

GAAP NPAT (\$15,735k) includes Fair Value gains on increases in biomass at sea and costs incurred in relation to the Ministry for Primary Industries proposed salmon farm relocation process.

\* A full reconciliation between GAAP and Pro Forma results is shown on page 27 of this presentation

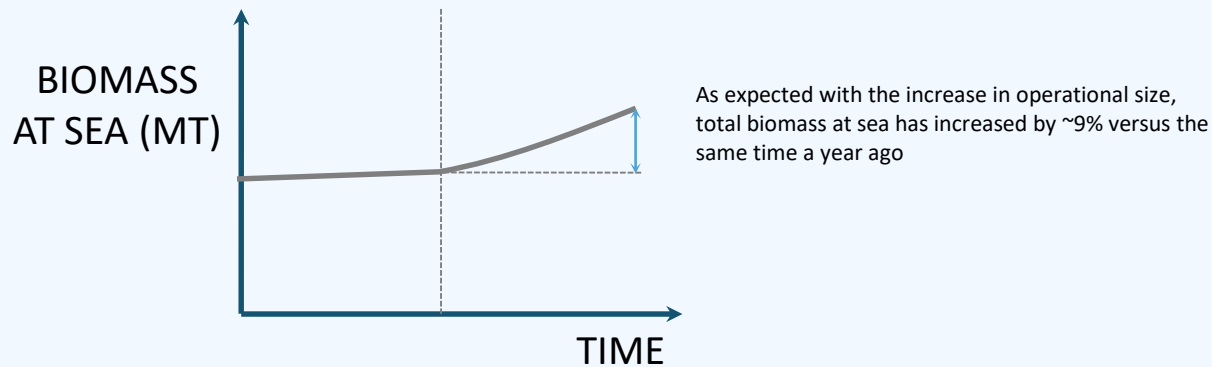
\*\* Prior to fair value adjustments

# UNDERSTANDING OUR GAAP RESULTS

## Fair Value gains and losses arising from IAS 41 *Agriculture* and IAS 2 *Inventory*

As expected, our results are significantly impacted by NZ IAS 41 *Agriculture* and NZ IAS 2 *Inventory*. These standards require us to record fair value adjustments associated with ongoing changes in the value or volume of fish at sea, and our inventories of finished product

When we record a change in biomass at sea (currently increasing as new farms come on stream), or where the profit we expect to 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.



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

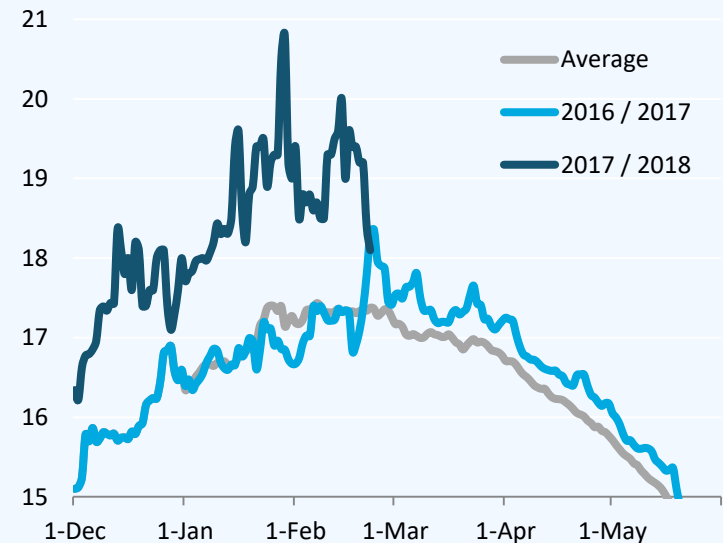
# PERFORMANCE PHASING

Known and expected summer mortality will impact our 2H result

**1H and 2H results vary due to a number of factors. Water temperature and its resulting influence on mortality is expected to be a significant factor for FY2018F:**

- Water temperatures during the 2017 summer were broadly representative of 'average'.
- These conditions, coupled with operational improvements, gave rise to lower mortality and consequently higher volumes of fish harvested during 2H17 and 1H18.
- Extraordinarily high sea temperatures for the 2017/18 summer have given rise to increased mortalities (which will be recognised in the 2H18 result) lowering harvest volumes for 2H18 and FY19.

**Pelorus Sound - Water Temperatures  
Dec-May (°C)**














# HARVEST BY FARM

## Volumes from new farms driving larger harvest

1H18 harvest volume has been enhanced by solid fish growth last summer.

Farm	Indicative Size (FY2018F harvest)	Water	Other factors	Volume Harvested			
				1H17	2H17	1H18	2H18
Ruakaka		Low flow	Low automation, less efficient	650 MT	10 MT	1,140 MT	-
Otanerau		Low flow	Low automation, less efficient	650 MT	-	760 MT	~100 MT
Clay Point		High flow	Good automation	200 MT	1,710 MT	-	~1,200 MT
Te Pangu		High flow	Good automation	300 MT	1,900 MT	340 MT	~1,600 MT
Waitata		High flow	High automation, new equipment	1,290 MT	-	1,930 MT	-
Ngamahau		High flow	Good automation	270 MT	220 MT	250 MT	~500 MT
Kōpaua		High flow	High automation, new equipment	-	-	-	~100 MT
				<b>3,360 MT</b>	<b>3,840 MT</b>	<b>4,420 MT</b>	<b>~3,500 MT</b>

Key:  FY18F Harvested volume (~900 MT G&G)

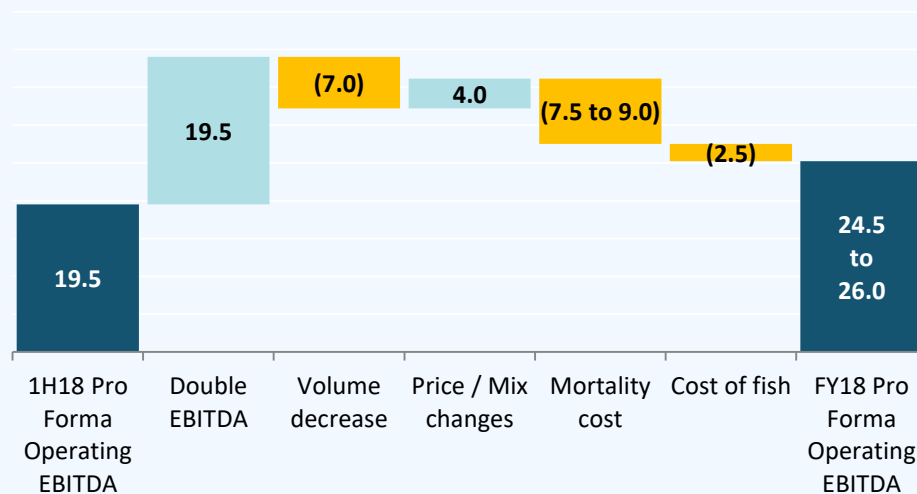
 Eventual production from new farms (~900 MT G&G)

# BRIDGING TO FULL YEAR FORECAST PROFIT

Profitability in 2H18 is expected to be approximately \$13.0m to \$14.5m lower than 1H18. This is due to:

- Lower sales volumes:
  - ▶ 1H18 sales volumes benefitted from stronger than anticipated demand and increased fish availability as outlined previously.
  - ▶ This demand also led to an acceleration of harvesting, which has been slowed in 2H18.
- Price increases implemented in early 2H18 in response to strong demand.
- Increased mortality cost (expensed as it is incurred) as previously outlined.
- Increased cost of fish harvested largely due to expected increases in feed cost (increased cost of raw ingredients coupled with changes in feed mix – use of summer diets).

## 1H18 to full year Pro Forma Operating EBITDA (\$M)



# BALANCE SHEET

New Zealand King Salmon is in a strong financial position.

Our balance sheet is in a strong position with the capacity to finance expected capital investment and growth:

- Net cash of \$4.0m.
- Key working capital lines (receivables, inventories and payables) increasing as expected with sales volumes.
- Biological asset growth reflects revaluation of livestock pursuant to NZ IAS 41 *Agriculture*.
- 'Other' non current assets includes goodwill of \$39.3m
- 'Other' non-current liabilities largely reflects deferred tax on fair value gains.
- Increase in PP&E reflects key new sea farm infrastructure now in place at Kōpaua and Waihināu as noted in our PDS.

## Group Financial Position

	Dec-17 Unaudited	Jun-17 Audited	Dec-16 Unaudited
NZ\$000s			
<b>Assets</b>			
<b>Current Assets</b>			
Cash and equivalents	15,529	10,647	10,694
Receivables	19,299	11,687	15,210
Inventories	18,522	16,674	19,244
Biological Assets	74,454	68,556	58,464
Other	2,604	2,487	1,426
	<b>130,408</b>	<b>110,051</b>	<b>105,038</b>
<b>Non-current Assets</b>			-
Property, plant & equipment	38,671	35,726	34,294
Biological assets	9,126	10,960	8,828
Other	48,646	47,775	46,567
	<b>96,443</b>	<b>94,461</b>	<b>89,689</b>
<b>Total Assets</b>	<b>226,851</b>	<b>204,512</b>	<b>194,727</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Loans (external)	(1,513)	(414)	(1,239)
Payables	(18,790)	(13,282)	(21,424)
Other	(8,166)	(6,608)	(4,301)
	<b>(28,469)</b>	<b>(20,304)</b>	<b>(26,964)</b>
<b>Non-Current Liabilities</b>			
Loans (external)	(10,016)	(10,124)	(10,140)
Other	(16,912)	(15,409)	(12,855)
	<b>(26,928)</b>	<b>(25,533)</b>	<b>(22,995)</b>
<b>Total Liabilities</b>	<b>(55,397)</b>	<b>(45,837)</b>	<b>(49,959)</b>
<b>Net Assets</b>	<b>171,454</b>	<b>158,675</b>	<b>144,768</b>
<b>Net Cash / (Net Debt)</b>	<b>4,000</b>	<b>109</b>	<b>(685)</b>



04

# BUSINESS UPDATE



# BRANDING / NEW PRODUCTS

## Our premium branded product strategy underpins value growth

- Demand continues to outpace supply:
  - ▶ This provides us with an opportunity to rebalance supply and increase prices in lower returning markets / product categories.
  - ▶ We have recently implemented, or are in the process of implementing, price increases that will benefit FY2019F and future periods.
  - ▶ Supports expected future increases in volumes from new farms.
- Ōra King featured on the menu of more than 850 restaurants.
- Successful TV advertising campaign for new Manuka Smoked product featuring well known New Zealand chef Al Brown and Reg the seal.



# OMEGA INNOVATIONS

## Improving whole of fish value by adding value to by-products

The Omega Innovations adds value to remaining raw materials (RRM) through applications including pet food and treats (under our pet food range Omega Plus), and other products.

The Omega Plus pet food range continues to be extended. It currently includes dry cat and dog food (kibble), wet cat and dog food (cans), freeze dried treats and a salmon oil dietary supplement, all of which are available in retail stores through New Zealand.

Omega Plus will be launching in China this year working in partnership with online platform Boqii to access an estimated 10m unique users through their website.

We continue to evaluate other opportunities to add value to our 1,700 MT of RRM produced annually. Products launched by Omega Innovations recently include:

- Big Catch Salmon Burley – heat treated for bio security purposes (estimated market size 300 MT).
- Wet Block – block frozen salmon viscera for pet food (market size 1,000 MT).



# MPI MARLBOROUGH SALMON FARM RELOCATION PROCESS

The Ministry for Primary Industries' proposal to relocate up to six salmon farms to deeper locations with higher water flow ('high-flow sites') in the Marlborough Sounds is set to advance to the next stage with February's release of the Marlborough Salmon Farm Relocation Advisory Panel recommendations for the Government to consider.

The panel has recommended that three of the six farms be relocated. Their recommendation is for relocation of the three most productive low-flow sites to the three least productive high-flow sites. If adopted in its current form, New Zealand King Salmon expects the following benefits (that would be unlikely to be realised prior to FY21):

- Improved environmental and social outcomes, including adoption of Best Management Practice Guidelines on the new sites.
- Modest long-term increases in production.
- New 20-year consents providing long-term production certainty.

New Zealand King Salmon is undertaking a thorough review of the report and the cultural, landscape, and navigation concerns raised against the new sites that were not recommended.

The Minister of Fisheries has indicated that he will consider the recommendation made by the panel and that a final decision will not be made for some months.

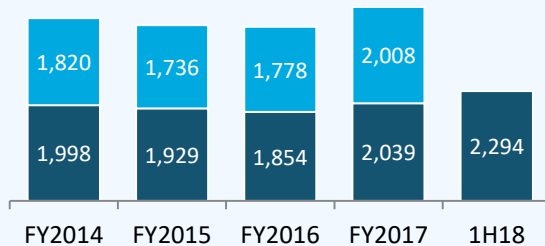
Further details on the MPI process can be found at

<http://www.mpi.govt.nz/news-and-resources/consultations/marlborough-salmon-relocation/>

# SALES BY MARKET

Strong performance from the Domestic and North American markets

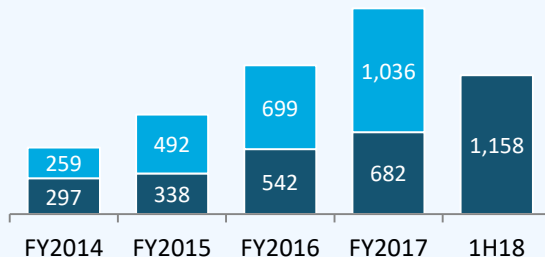
## Domestic market (MT)



## Domestic sales are up 12% on 1H17:

- We are working hard to grow the domestic category through increases in per capita consumption.
- We recorded retail sales growth of 29% by volume sold.

## North America (MT)



## Sales to North America are up by 70% on 1H17 as we continue to direct resources and focus into this market:

- Ōra King growth in North America remains strong, with branding prominent on restaurant menus.
- We have secured contracts for the supply of branded frozen portions in premium restaurant groups. These sales provide strong returns and processing flexibility.



# SALES BY MARKET - EXPORT

Strong performance from other export markets

**Sales to export markets were also up in 1H18 as a result of an increase in fish availability.**

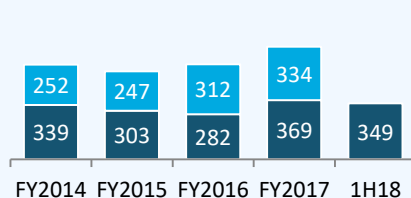
Australia – volumes are rebalancing following significant price increases to improve returns from this market.

Asia (ex Japan) – good growth continues through the Asian continent including China (albeit off a low base). We are exploring opportunities to enter Asian retail markets with our smoked and ready to eat products.

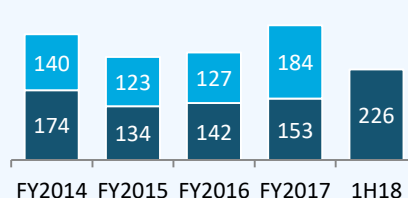
Japan – sales up significantly following increased promotional activity. We continue to work on developing our premium branded position in this market.

Europe – ongoing steady growth in sales to Europe.

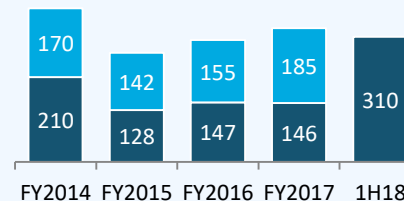
**Australia (MT)**



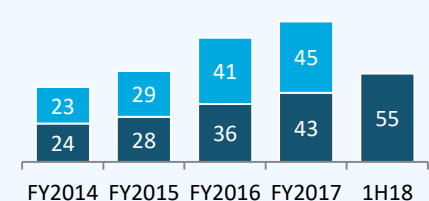
**Asia (ex Japan, MT)**



**Japan (MT)**



**Europe(MT)**



■ 1H sales      ■ 2H sales



# AVERAGE SALE PRICES

Strong branding delivers improved value to our business

The majority of markets saw price increases over FY17 and well ahead of PFI. Price increases have been underpinned by our premium positioning and branding to the consumer, together with strong demand.

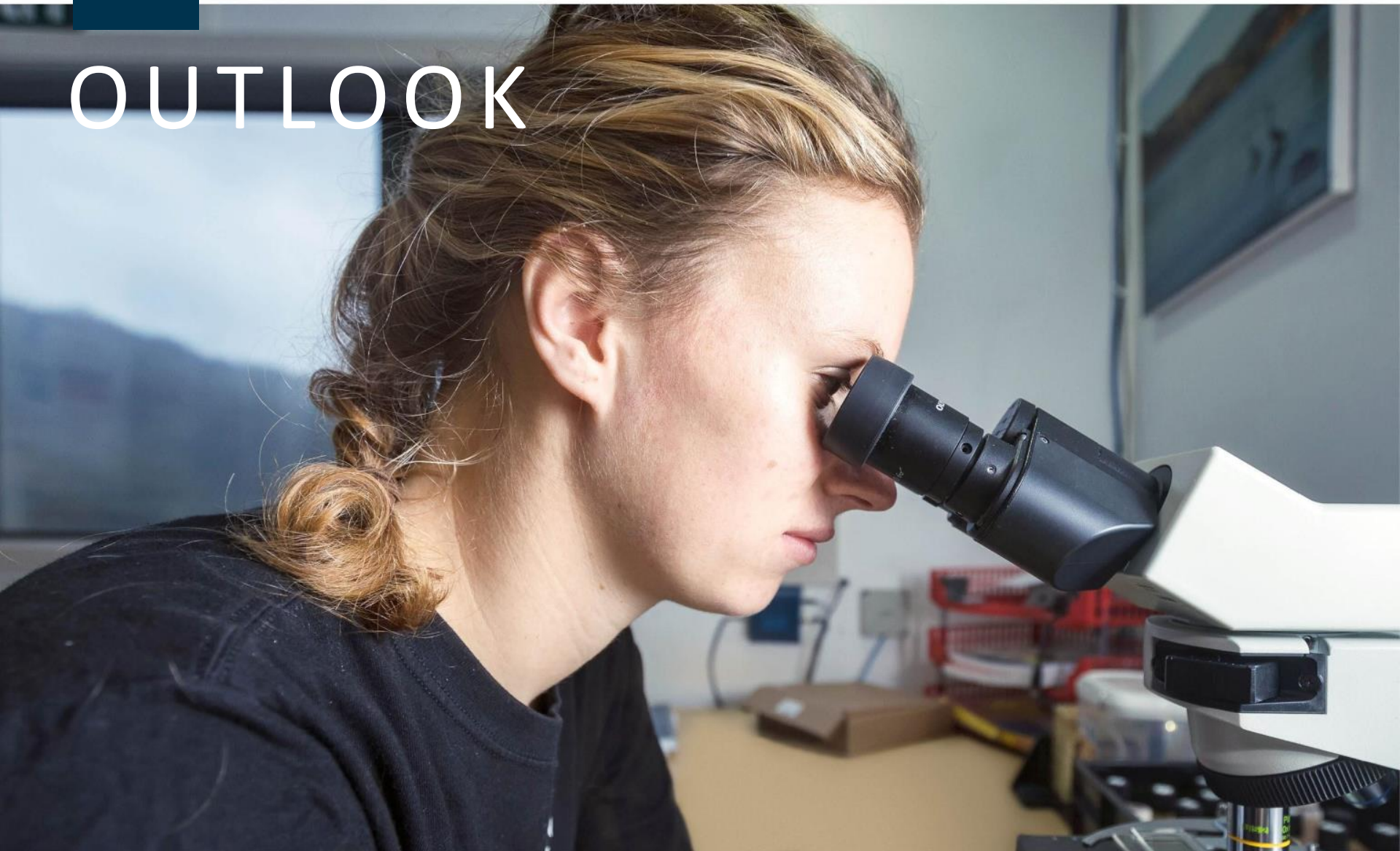
Average Sales price per kg		FY2014	FY2015	FY2016	FY2017	1H18	FY2018 PFI
<b>Domestic Sales</b>							
Foodservice	NZD	16.29	16.84	17.05	17.90	18.75	17.18
Retail	NZD	17.39	18.36	19.25	19.78	20.16	19.44
<b>Domestic Average</b>	<b>NZD</b>	<b>16.81</b>	<b>17.50</b>	<b>17.97</b>	<b>18.77</b>	<b>19.47</b>	<b>18.16</b>
<b>Export Sales</b>							
North America	USD	13.53	14.71	14.74	14.90	14.97	15.05
Australia	AUD	14.21	15.35	15.14	16.49	17.70	16.18
Asia (ex Japan)	NZD	17.11	19.54	21.16	21.37	21.95	22.34
Japan	JPY	1,177	1,387	1,428	1,428	1,393	1,400
Europe	NZD	20.83	21.26	24.82	22.88	23.77	23.11
Foreign Exchange Rates		FY2014	FY2015	FY2016	FY2017	1H18	FY2018 PFI
NZD:AUD		0.85	0.89	0.91	0.93	0.93	0.91
NZD:USD		0.77	0.79	0.68	0.69	0.68	0.69
NZD:JPY		72.18	77.96	77.52	77.05	76.43	73.92

# FISH PERFORMANCE

- Harvest volume increased to 4,424 MT, up 30% on 1H17.
- FCR improved to 1.74x from 1.76x in 1H17. FCR improvements reflect increased focus on this key biological performance metric. FCR continues to be a key focus for the aquaculture team.
- Feed cost in 1H18 was down 6% on 1H17 due to decreases in the price of raw materials (fish oil and meal).
  - ▶ Cost of feed inputs have increased recently. Full year feed costs are forecast to be \$2.31/Kg (PFI \$2.65/Kg).
- Mortality biomass in 1H18 was impacted by abnormally warm water temperatures through the summer. With the majority of mortalities realised in the second half of the year, mortality is likely to be in excess of PFI.
- Solutions to combat the risk of increasing sea temperatures will include:
  - ▶ Tight focus on fish husbandry and animal welfare.
  - ▶ Preventative immunisation in hatcheries.
  - ▶ Robustness incorporated into breeding program.
  - ▶ Active management of stocking density by region.

Biological Performance			
	1H18	1H17	% chg.
Harvest Volume (MT)	4,424	3,397	30%
Feed Conversion Ratio (FCR)	1.74	1.76	-1%
Mortality as a % of Biomass	9.0%	4.7%	91%
Closing Livestock Biomass	6,684	6,152	9%
Feed Cost (\$ / Kg)	2.20	2.33	-6%

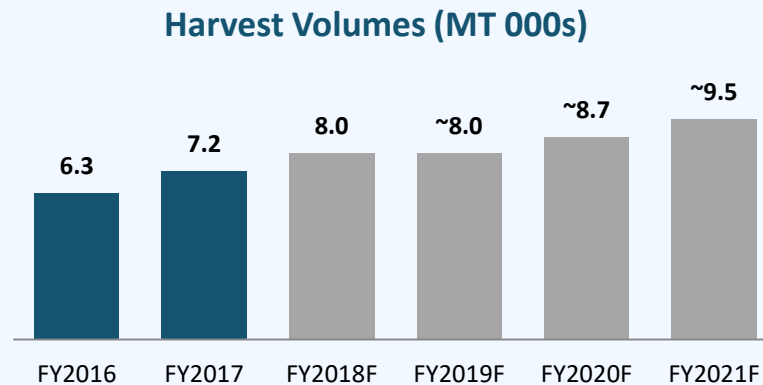
# OUTLOOK



# FUTURE VOLUME

## Recent and expected future mortalities limit short term volume growth

- FY2018F harvest now forecast at approximately 8,000 MT, 6% above PFI forecasts of 7,500 MT.
- Recent and expected mortalities will likely mean that the FY2019F harvest is consistent with the FY2018F\*.
- A degree of uncertainty and risk exists principally regarding the FY2019F harvest should high water temperatures persist beyond current forecasts.
- We re-affirm the FY2021F harvest of ~9,500 MT as presented in our PDS.



\* Subject to current summer fish survival rates.

# SUMMARY AND OUTLOOK

- Most key operating metrics are on track.
- Strong revenue growth of \$87.7m, up 38% on 1H17.
- Pro Forma Operating EBITDA of \$19.5m, and GAAP NPAT of \$15.7m.
- Strong increase in volumes sold, up by 38% on 1H17, albeit sales growth will be tempered during 2H18.
- Recently implemented and planned price increases lay foundation for long-term profit improvement.
- We will update the market following the summer period as we did last year.



# APPENDICES



# APPENDIX – 1H18 RECONCILIATION BETWEEN GAAP RESULTS AND PRO FORMA FINANCIALS

1H18	Statutory Financial Statements	Non-recurring or infrequent items Marlborough salmon relocation costs	Pro Forma Historical Information	Fair Value Adjustments	Pro Forma Operating Financial Information
NZD 000s					
<b>Revenue</b>	<b>87,688</b>		<b>87,688</b>		87,688
Cost of goods sold	(76,245)		(76,245)	26,300	(49,945)
Fair value gain / (loss) on biological transformation	31,204		31,204	(31,204)	-
Freight costs to market	(8,222)		(8,222)		(8,222)
<b>Gross Profit</b>	<b>34,426</b>	-	<b>34,426</b>	<b>(4,904)</b>	<b>29,521</b>
Other operating income	1,500		1,500		1,500
<b>Overheads</b>					
Sales, marketing and advertising	(5,862)		(5,862)		(5,862)
Distribution overheads	(1,593)		(1,593)		(1,593)
Corporate expenses	(4,048)		(4,048)		(4,048)
Other expenses	(112)	110	(2)		(2)
<b>EBITDA</b>	<b>24,310</b>	<b>110</b>	<b>24,420</b>	<b>(4,904)</b>	<b>19,516</b>
Depreciation and amortisation	(2,419)		(2,419)		(2,419)
<b>EBIT</b>	<b>21,891</b>	<b>110</b>	<b>22,001</b>	<b>(4,904)</b>	<b>17,097</b>
Finance income	88		88		88
Finance costs	(425)		(425)		(425)
Net finance costs	(337)	-	(337)	-	(337)
<b>Profit / (loss) before Tax</b>	<b>21,554</b>	<b>110</b>	<b>21,664</b>	<b>(4,904)</b>	<b>16,760</b>
Income tax (expense) / credit	(5,819)	(31)	(5,850)	1,373	(4,477)
<b>Net Profit / (loss) for the Year</b>	<b>15,735</b>	<b>79</b>	<b>15,814</b>	<b>(3,531)</b>	<b>12,283</b>

# APPENDIX – 1H17 RECONCILIATION BETWEEN GAAP RESULTS AND PRO FORMA FINANCIALS

1H17	GAAP Financial Statements	Non-recurring or infrequent items			Structural Listed company capital structure	Pro Forma Historical Information	Fair Value Adjustments	Pro Forma Operating Financial Information
		IPO Transaction Costs	Marlborough salmon relocation costs	Interest Swap Closeout costs				
NZD 000s								
<b>Revenue</b>	<b>63,626</b>					<b>63,626</b>		<b>63,626</b>
Cost of goods sold	(59,239)					(59,239)	17,336	(41,903)
Fair value gain / (loss) on biological transformation	28,722					28,722	(28,722)	-
Freight costs to market	(6,077)					(6,077)		(6,077)
<b>Gross Profit</b>	<b>27,032</b>	-	-	-	-	<b>27,032</b>	<b>(11,386)</b>	<b>15,646</b>
Other operating income	738					738		738
Overheads								
Sales, marketing and advertising	(4,012)					(4,012)		(4,012)
Distribution overheads	(1,436)					(1,436)		(1,436)
Corporate expenses	(3,513)					(3,513)		(3,513)
Other expenses	(2,621)	1,970	492			(159)		(159)
<b>EBITDA</b>	<b>16,188</b>	<b>1,970</b>	<b>492</b>	-	-	<b>18,650</b>	<b>(11,386)</b>	<b>7,264</b>
Depreciation and amortisation	(2,106)					(2,106)		(2,106)
<b>EBIT</b>	<b>14,082</b>	<b>1,970</b>	<b>492</b>	-	-	<b>16,544</b>	<b>(11,386)</b>	<b>5,158</b>
Finance income	86					86		86
Finance costs	(1,572)			458	466	(648)		(648)
Net finance costs	(1,486)	-	-	458	466	(562)	-	(562)
<b>Profit / (loss) before Tax</b>	<b>12,596</b>	<b>1,970</b>	<b>492</b>	<b>458</b>	<b>466</b>	<b>15,982</b>	<b>(11,386)</b>	<b>4,596</b>
Income tax (expense) / credit	(3,891)	-	(138)	(128)	(130)	(4,287)	3,188	(1,099)
<b>Net Profit / (loss) for the Year</b>	<b>8,705</b>	<b>1,970</b>	<b>354</b>	<b>330</b>	<b>336</b>	<b>11,695</b>	<b>(8,198)</b>	<b>3,497</b>

## APPENDIX – GLOSSARY OF TERMS

1H18	Financial results for the first half of the 2018 financial year covering the period 1 July 2017 to 31 December 2017
2H18	Forecast second half (six month) results for the 2018 financial year covering the period 1 January 2018 to 30 June 2018
CAGR	Compounding annual growth rate
EBITDA	Earnings before interest, tax, depreciation and amortisation
FCR	Feed Conversion Ratio – the amount of feed (in kilograms) required to raise fish weight by 1 kilogram.
G&G	Gilled and gutted. Note that all volumetric information presented is on a gilled and gutted basis unless otherwise stated
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
PDS	New Zealand King Salmon's Product Disclosure Statement dated 23 September 2016
NZKS	New Zealand King Salmon
PFI	New Zealand King Salmon's prospective financial information published at the time of our IPO in September 2016
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

# DISCLAIMER

The information in this presentation has been prepared by New Zealand King Salmon Investments Limited with due care and attention. However, neither New Zealand King Salmon Investments Limited nor any of its directors, employees, shareholders nor any other person shall have any liability whatsoever to any person for any loss (including, without limitation, arising from any fault or negligence) arising from this presentation or any information supplied in connection with it.

This presentation may contain projections or forward-looking statements regarding a variety of items. Such projections or forward-looking statements are based on current expectations, estimates and assumptions and are subject to a number of risks, uncertainties and assumptions. There is no assurance that results contemplated in any projections and forward-looking statements in this presentation will be realised. Actual results may differ materially from those projected in this presentation. No person is under any obligation to update this presentation at any time after its release to you or to provide you with further information about New Zealand King Salmon Investments Limited.

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 / (loss) from continuing operations.
- EBIT. We calculate EBIT by adding back (or deducting) finance expense / (income), and taxation expense to net earnings / (loss) from continuing operations.
- 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 or returns, but that they should not 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.

Forward-looking statements are subject to any material adverse events, significant one-off expenses or other unforeseeable circumstances.

The information in this presentation is of a general nature and does not constitute financial product advice, investment advice or any recommendation. Nothing in this presentation constitutes legal, financial, tax or other advice.





New Zealand King Salmon

1H18 HALF YEAR RESULTS