



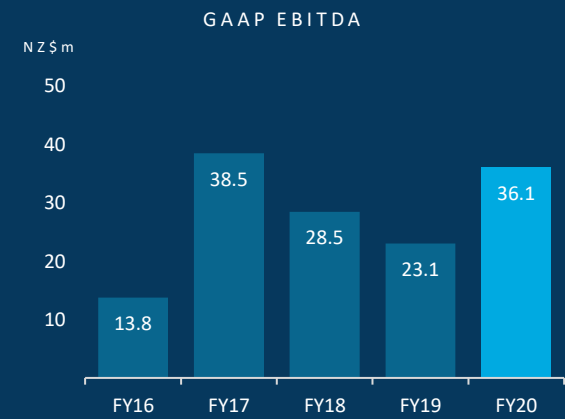
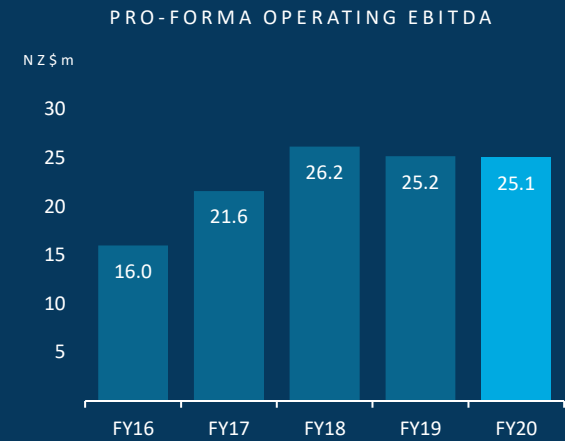
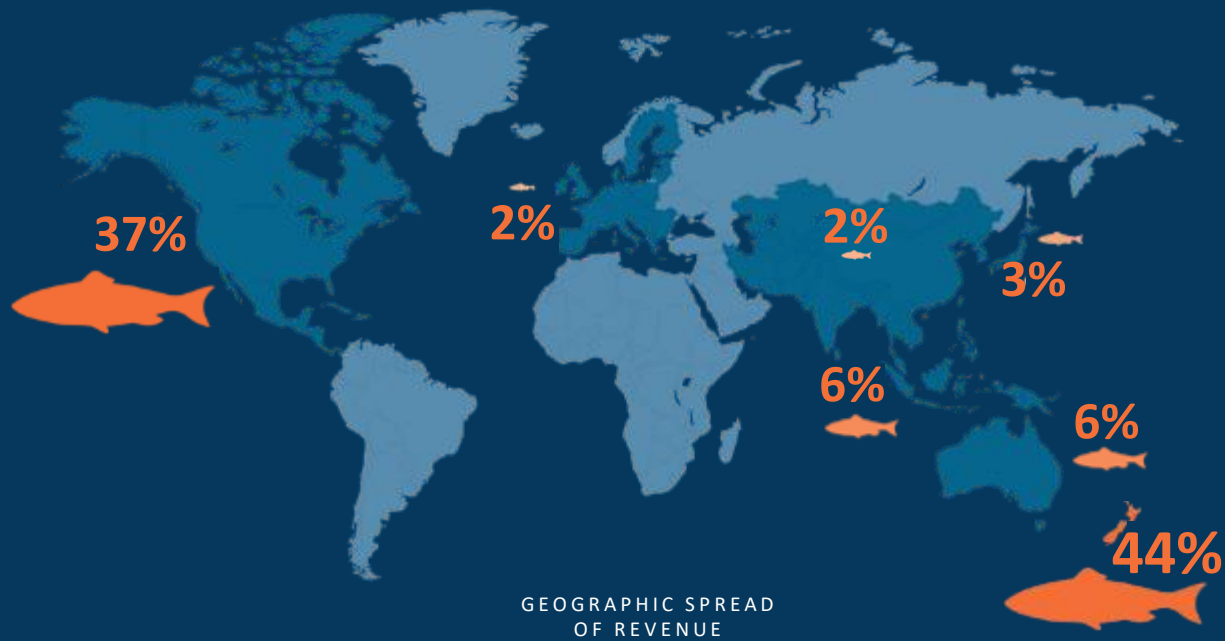
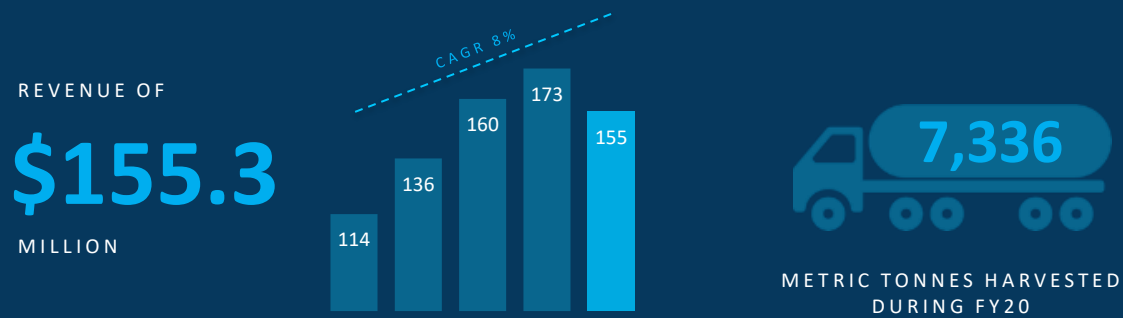
ANNUAL RESULTS FY20

01

HIGHLIGHTS



FACTS AND FIGURES



FINANCIAL HIGHLIGHTS

Good financial result, despite challenges posed by COVID-19 and disruptions to supply chains:

- Sales volumes of 6,331 tonnes, down 16% on FY19, sales dropped by 50% during lockdown but have now recovered to ~80% of prior year run rate by August.
- Revenue of \$155.3m, down 10% on FY19.
- Achievement of strong pricing with average of \$24.54/kg, up 7% on FY19.
- Solid Pro Forma Operating EBITDA of \$25.1m*, in line with FY19 and within the FY20 earnings guidance range of \$25.0m – 28.5m.
- COVID-19 Wage subsidy helped us to protect all jobs.
- GAAP NPAT of \$18.0m, up 59% on FY19 due to an increase in biomass and average fish size as we slowed harvest.

Due to uncertainty caused by the impact of Covid-19, higher levels of inventory and ensuring prudent cash availability, the Board has decided not to pay a final dividend in respect of the FY20 year. The payment of dividends will be reviewed next year.

* A full reconciliation between GAAP and Pro Forma results is shown on slide 36 of this presentation.

OPERATING HIGHLIGHTS

Strong sales price growth with volumes initially constrained by supply and sales later constrained by COVID-19.

Sales volume of 6,331 tonnes, down 15.8% on FY19:

- Sales volume was impacted by:
 - ▶ Constrained 1H20 volume resulting from FY19 summer mortality and strong demand.
 - ▶ The COVID-19 pandemic during 2H20 which particularly impacted global foodservice market.
 - ▶ Disruptions to global supply chains which limited airfreight capacity and increased cost for fresh export product.

Strong increase in sales prices, up in all key markets and ahead of FY19:

- Positive average price increases across all markets.

Successful implementation of the new Aquaculture model:

- Adoption of best possible biosecurity practices and fallowing between crops.
- Use of upwelling systems to improve environmental conditions.
- Targeted approach to fish husbandry reducing fish handling, eliminating towing, and rotating and repairing fish nets more often.

We expect to refine this model over the coming years.

Regal smoked range grows international sales

- Now in over 600 stores in North America and with solid growth in SE Asia.

Omega Plus continues to gain traction in export markets

- FY20 saw a significant increase in revenue from sales of Omega Plus in China to ~\$650k via online pet retailer Boqii.

* A glossary of terms is included on slide 38 of this presentation.

HEALTH, SAFETY AND WELLNESS

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

FY20 saw three incidents take place that required WorkSafe notification; in all cases detailed investigations have taken place and improvements were implemented to prevent reoccurrence.

Key lagging Health, Safety and Wellness metrics for the period saw a pleasing improvement:

- Total Recordable Incident Frequency rate (TRIFR), an indicator of severity, was 207.2 compared to 248.4 for FY19.
- Lost Time Injury Frequency Rate (LTIFR) was 13.7, down from 28.1.

Our key leading Health, Safety and Wellness indicator, near miss reporting, decreased to 560 compared with 832 in FY19, with increasing reporting rates and frequency now a key area of focus.

NZKS continues building an engaged and motivated workforce, and measures its levels of team member engagement through an annual engagement survey. Health, Safety and Wellness continues to be our highest scoring area from the survey and that reflects our ongoing commitment to this area.

SUSTAINABILITY

OPERATING SUSTAINABLY

New Zealand King Salmon's mission is that every stakeholder is better off because we exist. We aim to improve the lives of our people, our community and our stakeholders whilst minimising our long term footprint.

With a growing interest from customers, consumers, community and investors in our sustainable business practices, including our positive contribution to mitigating climate change, our sustainability program becomes more important every year.

Our certification programme provides independent verification of our sustainable practices with regular assessments by expert third party organisations.



OPERATING SUSTAINABLY

Our company continues to be assessed very positively for our farming and processing practices in independent third-party reviews.

- Renewal of our 4-star rating with the Global Aquaculture Alliance's Best Aquaculture Practices (BAP) certification programme.
- First Aquaculture Stewardship Council (ASC) certification specific to our Clay Point farm.
- Renewal of the New Zealand King salmon industry's Green/'Best Choice' rating from the globally respected Monterey Bay Seafood Watch programme
- Completion of a life cycle analysis research report to better understand our company's carbon emissions. Due to the nutritional requirements of our unique King salmon species and our decision to minimise marine protein in our King salmon diets, our carbon footprint falls at the higher end of aquaculture species, but remains a very good choice when compared with proteins derived from land animals.
- Opportunities to reduce our carbon footprint align with operational goals to improve survival rates and feed conversion ratios, but incremental gains also possible in the reduction of waste in packaging, consumables and energy usage.

FINANCIAL OVERVIEW



SUMMARY FINANCIAL INFORMATION

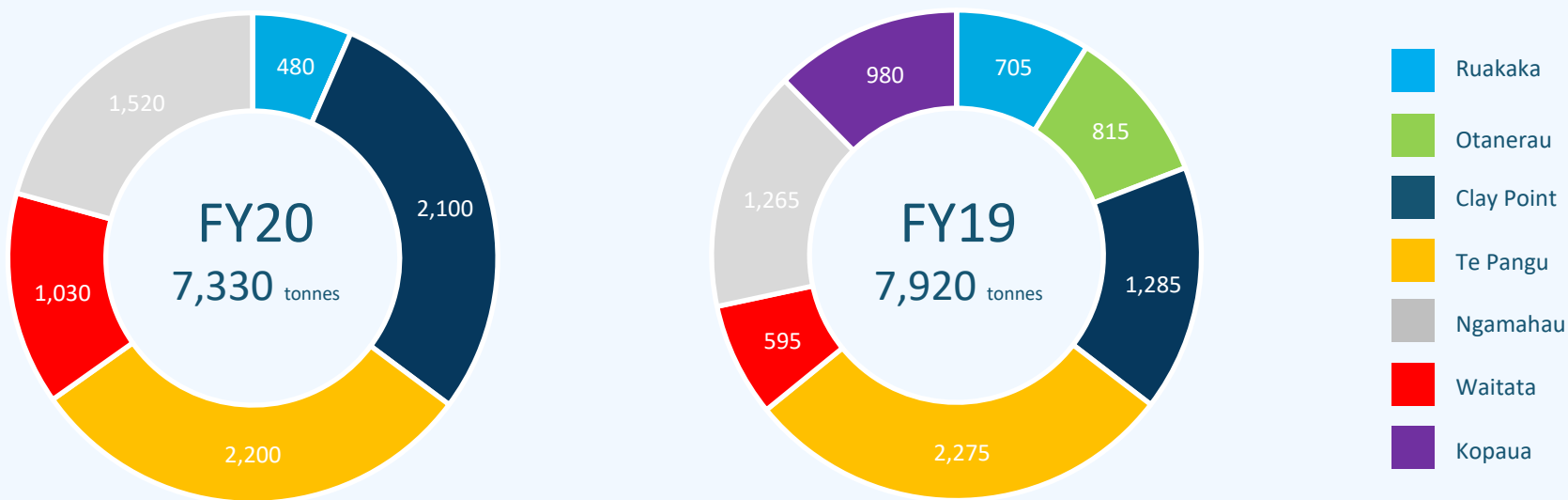
- Pricing is positive
- Sales volumes and market accessibility negatively impacted by COVID-19 in 2H20, with impact on Gross Margin (increased working / cost base).
- GAAP results are positively impacted by fair value gains due to slower harvest and larger fish.

Group Financial Performance								
	Pro-Forma*					Statutory		
NZ\$000s	FY20	FY19	% chg.	FY18	% chg.	FY20	FY19	% chg.
Volume Sold (tonnes)	6,331	7,520	-16%	7,779	-19%	6,331	7,520	-16%
Revenue	155,344	172,609	-10%	160,271	-3%	155,344	172,609	-10%
Gross Margin	47,346	46,925	1%	47,499	-4%	58,349	44,822	30%
Gross Margin %	30%	27%		30%		38%	26%	
EBITDA	25,071	25,166	0%	26,165	-4%	36,074	23,063	56%
EBITDA %	16%	15%		16%		23%	13%	
EBIT	17,123	18,932	-10%	21,060	-19%	26,689	16,829	59%
NPAT	11,240	12,864	-13%	14,457	-22%	18,004	11,350	59%

* A full reconciliation between GAAP and Pro Forma results is shown on slide 36 of this presentation.

HARVEST BY FARM

Our aquaculture model means farms may be harvested in alternative years. Timing variances, fish performance and harvest management programmes also give rise to individual farm production variances.



* Based on FY20 harvest volumes, note that a further 6 tonnes was harvested from our hatcheries (11 tonnes for FY19).

BALANCE SHEET

New Zealand King Salmon maintains its strong financial position.

Our balance sheet is strong with debt increasing due to higher inventory levels.

- Net debt of (\$31.0m).
 - ▶ We consider our funding facilities have sufficient headroom on debt and covenants to manage through temporary FY21 impact of higher inventory / debt.
- Inventories increase significantly to \$35.6m due to:
 - ▶ Slow down of sales during COVID-19.
 - ▶ The need to harvest fish to ensure optimal fish health and grow-out, plus compliance with consented feed discharge levels.
 - ▶ Further inventory growth is forecasted for FY21 (until sales return to pre COVID levels).
- Property, Plant & Equipment increased by \$8.6m, see slide 19 for details
- 'Other' non-current assets of \$60.3m includes goodwill of \$39.3m and increases due to increases in the fair value of derivatives.
- 'Other' non-current liabilities of \$21.5m reflects deferred tax on fair value gains.

Group Financial Position		
	Jun-20	Jun-19
NZ\$000s	Audited	Audited
Assets		
Current Assets		
Cash and cash equivalents	7,115	6,231
Receivables	12,777	13,502
Inventories	35,612	20,830
Biological assets	81,784	68,052
Other	907	494
	138,195	109,109
Non Current Assets		
Property, plant and equipment	60,481	51,843
Right-of-use Assets	4,581	-
Biological assets	10,594	10,180
Other	60,333	50,928
	135,989	112,951
Total Assets	274,184	222,060
Liabilities		
Current liabilities		
Loans (external)	1,132	416
Lease liabilities	1,347	-
Payables	14,847	16,499
Other	10,767	5,274
	28,093	22,189
Non-current liabilities		
Loans (external)	37,000	15,000
Lease liabilities	3,258	-
Other	21,519	16,119
	61,777	31,119
Total Liabilities	89,870	53,308
Net Assets	184,314	168,752
Net Cash / (Debt)	(31,017)	(9,185)

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BUSINESS UPDATE

NEW AQUACULTURE MODEL

This is our key initiative for FY20 and FY21 years, it targets the protection of fish health, improved survival rates and the adoption of the **best possible biosecurity** practices. This year, we achieved:

- Upwelling systems installed on all farms to improve flow and provide cooler water from lower depths. The initiative also helped mitigate the effects of Algal blooms and Jellyfish inclusion on nets.
- An increased focus on net cleaning and maintaining the best possible environmental conditions on farms.
- Reduced handling of stock, freeing up team member time for husbandry focus – all stock entered into their eventual harvest farm and no stock graded or pumped.
- A greater focus on feed management– especially during summer – with pleasing improvements seen from tide specific feeding regimes and altered feeding practices during the warmest periods.

The farming of low flow sites continues to pose a challenge in terms of feed discharge and compliance with consent conditions as previously detailed in the MPI Salmon Relocation Process.

Improvements seen to date are pleasing with further improvements to fish health and survival expected over the next 2-3 years as the model is refined.

FORECAST VOLUMES – FY21-FY23

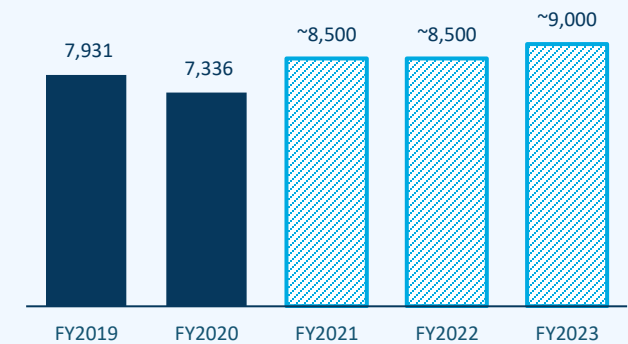
Future harvest volumes impacted by challenges with consenting and compliance

- FY21 harvest increases on previous guidance due to slowing of harvest in FY20.
- Slower increase than previous guidance due to:
 - ▶ The delay of the permitted feed discharge increase at Waitata, with our application for additional feed discharge and pens declined.
 - ▶ The extended fallowing of the Forsyth farm due to challenges in compliance with resource consent, as agreed with Marlborough District Council.
 - ▶ Maximum volume from existing sites is forecast at 10,000 – 11,000 tonnes with this down on previous guidance as environmental management of the Kopaua site is proving more challenging than originally expected.

Guidance for future periods is dependent on respective summer fish performance

* Harvest volumes have been forecast based on utilisation of existing resource consents, historic performance and our new aquaculture model. They do not include any impact of farm relocation or open ocean initiatives.

Harvest Volumes (tonnes) *



FUTURE FARMING – FARM RELOCATION

This slide provides an update on future farming volumes:

Farm relocation (MPI Salmon Relocation Process):

- The 2017 Hearing Panel recommendation to the Minister on which farms to relocate is unlikely to have any material impact on site capacity, however it may result in modest fish performance improvements.
- A revised proposal from Iwi and NZKS was provided to MPI in June 2019, including use of the proposed site at Mid Waitata.
- Any potential production benefit from relocation would be achieved in FY24 or beyond due to process timing and existing production cycles.
- We support the relocation proposal concurrently with Blue Endeavour, as this ensures better production continuity.

FUTURE FARMING – OPEN OCEAN

This slide provides an update on future farming volumes:

Open Ocean Farming - NZKS has applied for its first open ocean farming consent comprising two stages, in the Marlborough region:

- The project has been named “Blue Endeavour” representing a step towards the long term sustainability of the industry.
- NZKS is currently in the process of providing the Marlborough District Council (MDC) with additional information as requested, a pre hearing meeting is expected in Nov / Dec 2020 with any public hearings to follow in early 2021.
- The earliest possible harvest from the region would be in the 4th quarter of the 2023 calendar year.
- Capital costs for the infrastructure associated with Blue Endeavour are estimated at ~\$35m with some ability for this spend to be staged.
- Our consent application is for up to 5,000 tonnes of harvest per annum, per stage.
- NZKS submitted on the fast track resource management bill to ensure Aquaculture could be part of this process. However we have chosen not to use the fast track process as the Blue Endeavour application is already well advanced and ensures we continue to positively engage with current submitters and the community.

CAPITAL EXPENDITURE

Additional capital investment has been made to build capacity and improve performance:

FY20 Capital expenditure was \$17.8m, allowing NZKS to undertake the following key projects:

- Completion of the *Thomas Song* Barge, replacing temporary barging infrastructure and increasing long term capacity (\$2.7m in FY20 of a total \$4.9m investment).
- Investment in future farming projects: site relocation, open ocean monitoring and consenting (\$1.0m).
- Investment in hatchery facilities to build resilience, decrease risk and increase capacity: first feeding and grading building (\$2.0m in FY20 of a total \$4.1m investment).
- Processing automation, risk mitigation, health and food safety improvements including automated filleting, sprinkler install and bin wash (\$2.8m)
- Implementation of new aquaculture model including: installation of additional pens, lighting, nets and upwelling pontoons (\$3.2m)

Balance of capital expenditure relates to routine replacement of existing assets.

CAPITAL EXPENDITURE – KEY PROJECTS (FY20)



Rendering of the Tentburn first feeding facility (first eggs transferred August, expected completion November 2020).

This facility is the first recirculation facility to be built for the commercial rearing of Salmon in New Zealand and will be used to grow our fry prior to transfer to outdoor raceways.

This facility reduces risk posed by variable (upstream) water quality, builds resilience and is expected to benefit fish performance in both freshwater and seawater.



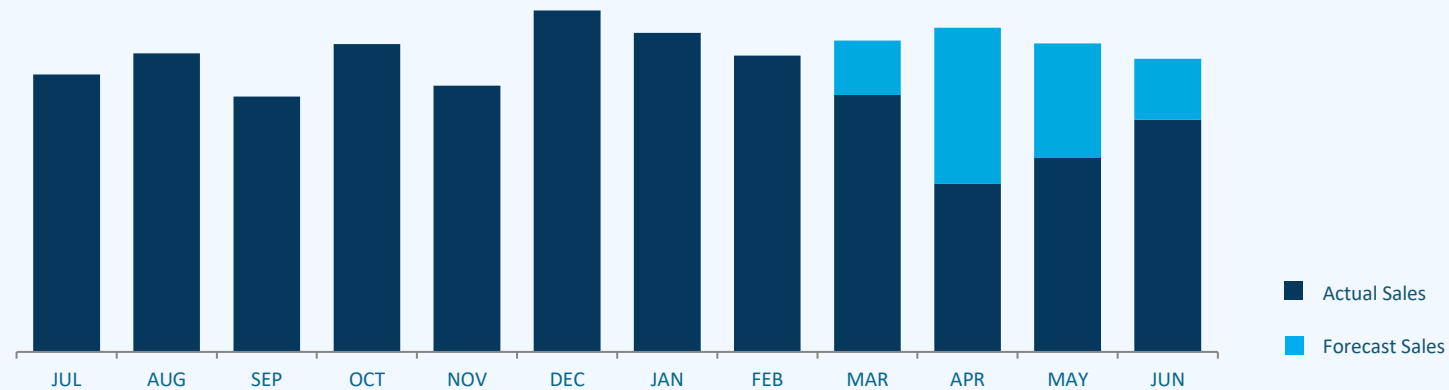
Our latest barge the *Thomas Song* installed at our Waitata farm in October 2019.

OPERATIONAL UPDATE



SALES BY MONTH

COVID-19 had a significant impact on H2 sales



The impact of COVID-19 on 2H20 sales has been estimated at between 600 – 700 tonnes with this impact being felt across all markets.

- New Zealand foodservice was essentially shut down when NZ went to Level 4 lockdown on the 25th of March.
- Despite NZKS being listed as an essential service provider, disruptions to global supply chains meant that we were unable to fulfil all available orders.
- Where air freight was able to be secured for export customers it was significantly in excess of normal rates.
- The need to maintain our farming and processing operations through this period also saw NZKS incur an increased cost of working.
- By April the full global impact of COVID-19 was being felt restricting demand despite New Zealand being in a position to loosen lockdown restrictions.

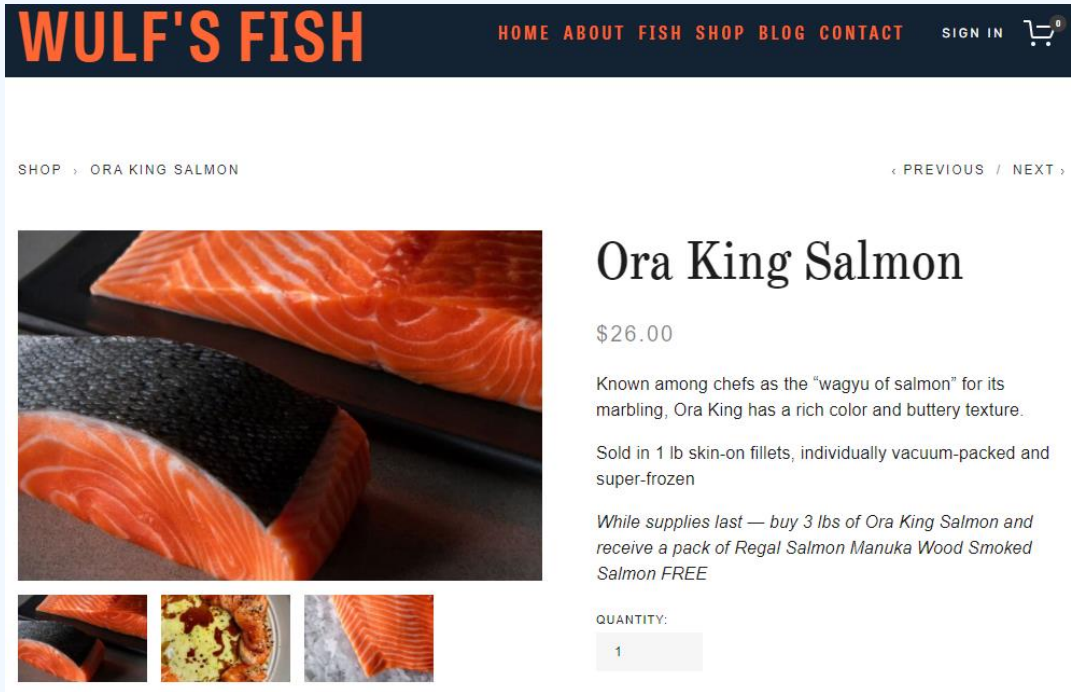
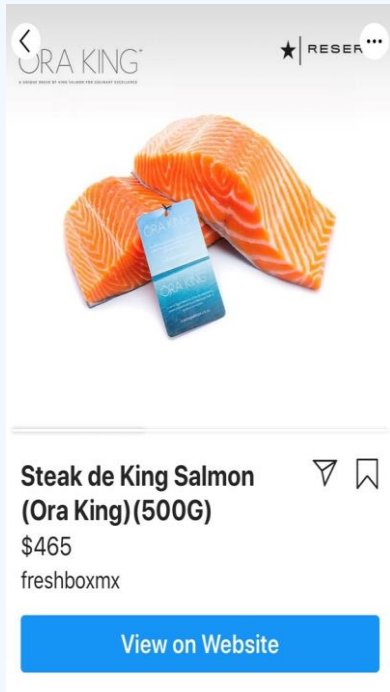
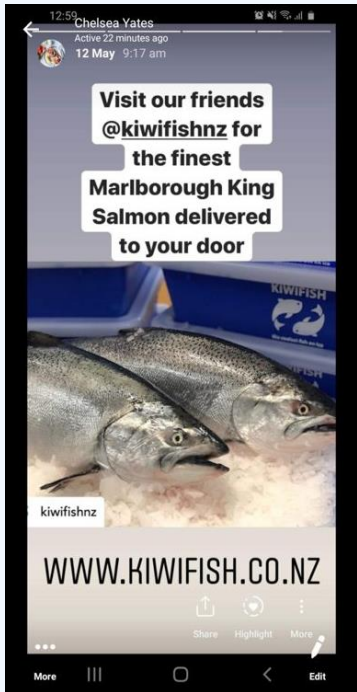
Sales have continued to recover and are currently at ~80% of pre COVID-19 levels but with increased freight costs impacting margins.

STRONG PARTNERSHIPS

Our strong brand partnerships and collaborative approach supported a prompt pivot into e-commerce and specialty retail to replace lost foodservice sales.



We featured on the ‘NZ special’ of Chef Massimo Buttora’s hugely successful **Kitchen Quarantine** IGTV/YouTube session.



COMMUNITY SUPPORT

NZKS committed to protecting and supporting team members and community.



Team member Graeme Aldridge with a donation of salmon to Te Atiawa Iwi.



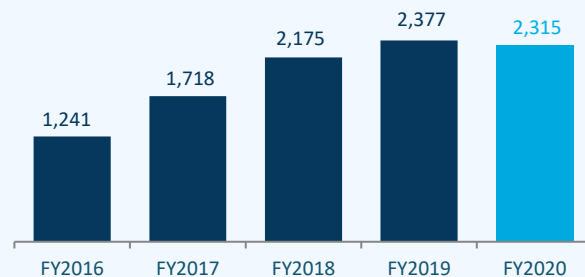
District Nurses in Blenheim who also received a donation of salmon.



SALES BY MARKET - EXPORT

Continuing to target branded premium markets

North America (tonnes)

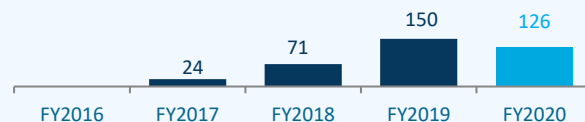


Demand from North America remains strong despite challenges

We continue to deliberately target the North American market and are pleased to see the resilience shown in this market.

- Demand for King Salmon remains strong with NZKS looking to build on this momentum.
- The North American market accounts for 75% of all Ōra King sales (FY19 74%).
- Retail brands continue to develop well with Regal sales up five fold to ~120 tonnes.
- In Q4 of FY20 we successfully redeployed our North American sales team to focus on opportunities in the ecommerce, specialty retail and business to consumer channels.
- We are looking to invest further in the profitable North American retail segment as this aligns with strategy but also allows us to spread risk.

China (tonnes)



Sales to China decrease but market continues to show promise.

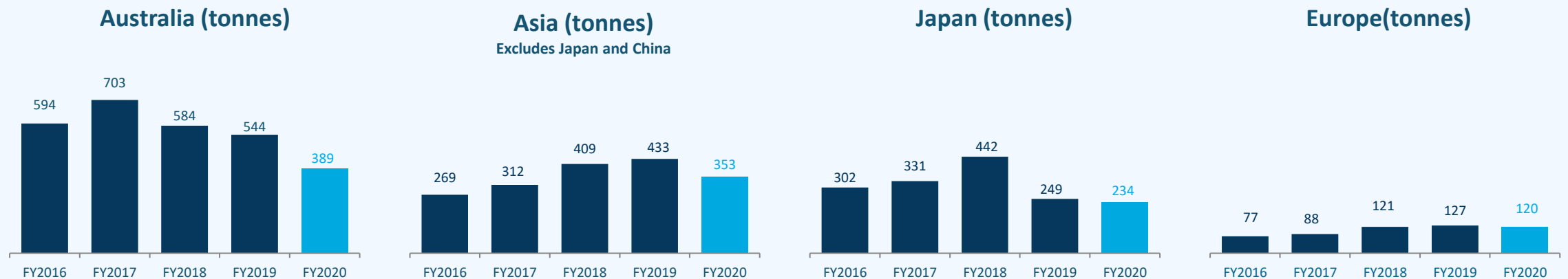
- FY20 Sales to China decreased by 16% on FY19, with significant challenges in this market since the January announcement of the COVID-19 virus.
- We expect to encounter challenges with our targeted growth of this market over the next 12 months.

SALES BY MARKET - EXPORT

Strong growth in average sales price offset by volume decreases

Limited 1H20 supply and 2H20 global foodservice shutdown impact volumes

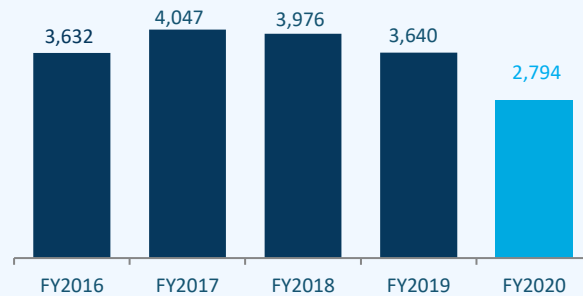
- Australia – focus continues to be on premium branding, with high competition from Australian producers at the low end of the market.
- Asia (ex Japan and China) – this market is growing in significance for New Zealand King Salmon. The shutdown of foodservice in 2H20 significantly impacted fresh sales, this was however partially offset by sales of our retail Regal range up 83% on 2H19 and up 46% on 1H20.
- Japan – ongoing premiumisation has affected sales in this market with sales further impacted by the focus on foodservice.
- Europe – volumes remain flat due to price rebalancing, 2H20 volumes in line with 2H19.



SALES BY MARKET - DOMESTIC

Sales impacted by foodservice shutdown and cheaper substitutes

Domestic Market(tonnes)



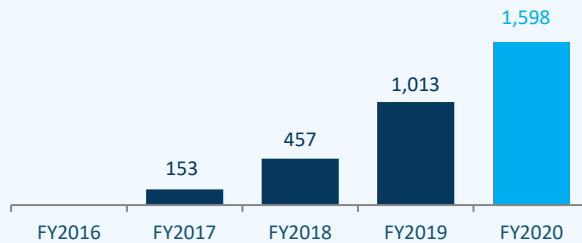
We continue to focus on branding and value added products

- With limited available salmon we have prioritised branded premium markets particularly export over the last few years, with this limiting supply in the domestic market.
- Improved domestic pricing underlines our focus on branded premium products.
- 2H20 sales volumes were down 27% on 2H19 with this largely driven by COVID-19 disruption to the foodservice channel which saw a 34% decrease in sales vs 1H20.
- Overall sales decrease by 23% on FY19 with this being driven by:
 - COVID-19 impact on the foodservice channel in 2H20.
 - Our strategy of focusing on the top end of the salmon category.
 - Increased competition at the lower end of the market.
 - Limited promotion in the fresh salmon category.

DIVERSIFICATION BUILDS RESILIENCE

Sales of Atlantic and Omega Plus continue to grow, from a low base

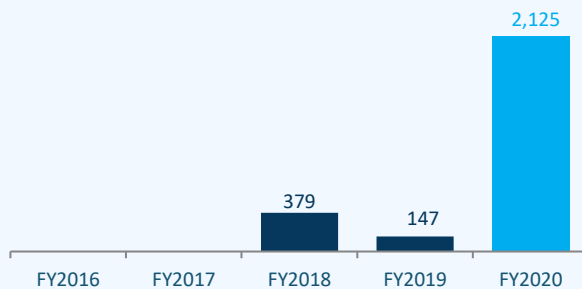
Omega Plus(Revenue \$000)



We continue to see strong demand and growth in export markets

- Omega Plus is currently being sold domestically and exported to China and South Korea
- FY20 saw a significant increase in revenue from sales of Omega Plus in China, up 675% albeit off a low base. We have partnered with online pet retailer Boqii in China.
- Domestically we continue to invest in growing Omega Plus and optimising our supply chain, whilst investigating alternative distribution channels

Atlantic Salmon (Revenue \$000)



Competition at the lower end of the market continues to grow with Atlantic taking a greater share of the New Zealand salmon market.

- Our first Atlantic range - Regal Epicurean hot smoked was launched in November.
- NZKS has plans to gain a larger share of this segment; financial impact on FY21 is immaterial.

AVERAGE SALE PRICES

Branding underpins ongoing improved value to our business

Key markets experienced price growth with the optimisation of our product mix, and demand exceeding supply pre Covid-19.

Challenging current environment – core sales maintain pricing despite temporary decrease in demand due to foodservice disruptions.

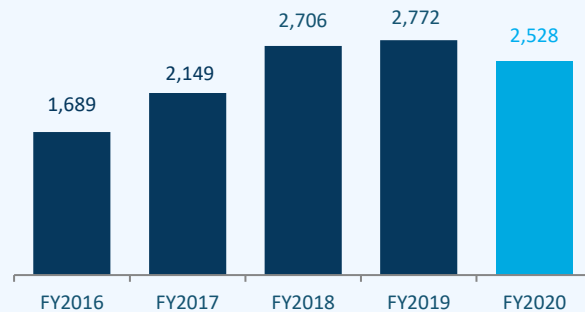
Sales Prices and Exchange Rates						
		FY16	FY17	Fy18	FY19	FY20
Average Sales Price per KG						
Domestic Sales	NZD	17.97	18.77	20.22	22.11	24.91
Export Sales	NZD	20.12	20.46	21.70	23.85	25.05
NZD:AUD		0.91	0.93	0.93	0.94	0.94
NZD:USD		0.68	0.69	0.69	0.68	0.66
NZD:JPY		77.5	77.1	75.6	71.3	68.3

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

ŌRA KING SALES

2H20 and full year impacted by COVID-19

Ōra King Sales (tonnes)



Ōra King sales down 9% on FY19, a respectable result given the challenges posed by the disruption to the foodservice industry globally.

Ōra King sales of 1H20 of 1,444 tonnes up 5% on 1H19 were followed by sales of 1,084 tonnes in 1H20 due to COVID-19 disruption to foodservice channels and a lack of airfreight capacity.

This small decrease reflects:

- Continued demand from North America with 2H20 seeing demand in excess of the available cargo capacity.
- The resilience of the Ōra King brand in the face of the challenges in the wider global foodservice market in 2H20.

As an organisation we continue to focus on:

- Reaching the menus of more premium restaurants, via a combination of branding campaigns in key markets and targeted sales activity.
- Re-establishing Ōra King sales and supporting key industry partners.

FISH PERFORMANCE

Feed Conversion Ratio (FCR) continues to improve, to 1.76 in FY20

Key challenges:

- Harvest volume decreased as we faced the disruption of global foodservice markets due to COVID-19.
- Significant increase in closing livestock biomass, with harvest volumes set to increase in the next 6 months.
- Mortality as a % of biomass decreased from 23.2% to 15.0% (2018: 20.4%), with this also impacted by smolt entry timings.
- Feed cost decreased slightly with seawater feed now exclusively purchased from Australian feed suppliers.

Biological Performance					
	FY20	FY19	% chg.	FY18	% chg.
Harvest Volume(tonnes)	7,336	7,931	-8%	8,018	-9%
Feed Conversion Ratio (FCR)	1.76	1.80	-2%	1.81	-2%
Mortality as a % of Biomass	15.0%	23.2%	-35%	20.4%	-26%
Closing Livestock Biomass	6,293	5,125	23%	5,391	17%
Feed Cost (\$/Kg of feed)	2.48	2.50	-1%	2.22	12%

06

OUTLOOK



OUTLOOK

Expectations for FY21 and beyond

- COVID-19 continues to cause ongoing uncertainty in both the foodservice and retail sectors (many supermarkets are not currently considering new products).
- The current sales rate (August) is around 80% of pre COVID-19 levels and we anticipate continuing improvement. We are investing in additional sales resource in key export markets to support recovery and growth, in both foodservice and new retail opportunities.
- Our species remains scarce and aspirational and our diversification strategy has proven its worth during COVID-19.
- Harvest for FY21 and FY22 is forecast at ~8,500 tonnes with the carry over of stock from FY20 and FY21 used to provide sales and value growth.
- FY20 capital expenditure is expected to be ~\$10m, largely in line with depreciation, targeting key projects (including first feeding) and replacement rather than growth.
- Water space initiatives remain key and we are hopeful of a decision on both our Blue Endeavour Open Ocean resource consent application and the MPI farm relocation, within FY21.
- Given the uncertain global environment due to COVID-19 and usual summer fish performance uncertainty, providing any forward earnings guidance at this stage is difficult. Taking these factors into account as well as higher freight costs, it may be challenging for FY21 EBITDA to exceed FY20. By FY22 we do expect to again be moving towards demand exceeding supply, leading to improved earnings.

APPENDICES



UNDERSTANDING OUR GAAP RESULTS

The impact of *NZ IAS-41 Fair Value*, *NZ IAS-2 Inventory* and *NZ IFRS-16 Leases*

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

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

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

The fair value for FY20 has been positively impacted by the number of large fish on hand at balance date compared with the prior year as harvest has been slowed due to the impacts of COVID-19. This resulted in a larger % of the total fair value being recognised, with this increase in fair value being partially offset by a increase in cost of working and decrease in the margin per kg (and therefore expected future profits).

NZ IFRS-16 Leases

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

In the statement of financial position we are therefore required to recognise the asset (or right to use the asset) and the liability for the lease, while in the statement of profit and loss we recognise 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 – FY20 RECONCILIATION BETWEEN GAAP RESULTS AND PRO FORMA FINANCIALS

FY20	Statutory Financial Statements	NZ IAS-41 and NZ IAS-2 Fair Value Adjustments	NZ IFRS-16 Lease Adjustments	Pro Forma Operating Financial Information
NZD 000s				
Revenue	155,344			155,344
Cost of goods sold	(145,768)	54,705	(1,584)	(92,647)
Fair value gain / (loss) on biological transformation	64,124	(64,124)		(0)
Freight costs to market	(15,351)			(15,351)
Gross Profit	58,349	(9,419)	(1,584)	47,346
Other operating income	4,247			4,247
Overheads				
Sales, marketing and advertising	(12,473)			(12,473)
Distribution overheads	(4,131)			(4,131)
Corporate expenses	(9,012)			(9,012)
Other expenses	(906)			(906)
EBITDA	36,074	(9,419)	(1,584)	25,071
Depreciation and amortisation	(9,385)		1,437	(7,948)
EBIT	26,689	(9,419)	(147)	17,123
Finance income	12			12
Finance costs	(1,748)		171	(1,577)
Net finance costs	(1,736)	-	171	(1,565)
Profit / (loss) before Tax	24,953	(9,419)	24	15,558
Income tax (expense) / credit	(6,949)	2,637	(7)	(4,319)
Net Profit / (loss) for the Year	18,004	(6,782)	17	11,240

APPENDIX – FY19 RECONCILIATION BETWEEN GAAP RESULTS AND PRO FORMA FINANCIALS

FY19	Statutory Financial Statements	NZ IAS-41 and NZ IAS-2 Fair Value Adjustments	NZ-IFRS 16 Lease Adjustments	Pro Forma Operating Financial Information
NZD 000s				
Revenue	172,609			172,609
Cost of goods sold	(172,147)	62,105		(110,042)
Fair value gain / (loss) on biological transformation	60,002	(60,002)		(0)
Freight costs to market	(15,642)			(15,642)
Gross Profit	44,822	2,103		46,925
Other operating income	857			857
Overheads				
Sales, marketing and advertising	(9,619)			(9,619)
Distribution overheads	(3,600)			(3,600)
Corporate expenses	(7,006)			(7,006)
Other expenses	(2,391)			(2,391)
EBITDA	23,063	2,103		25,166
Depreciation and amortisation	(6,234)			(6,234)
EBIT	16,829	2,103		18,932
Finance income	96			96
Finance costs	(1,188)			(1,188)
Net finance costs	(1,092)	-		(1,092)
Profit / (loss) before Tax	15,737	2,103		17,840
Income tax (expense) / credit	(4,387)	(589)		(4,976)
Net Profit / (loss) for the Year	11,350	1,514		12,864

APPENDIX – GLOSSARY OF TERMS

FY20	Financial results for the 2020 financial year covering the period 1 July 2019 to 30 June 2020
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
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
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 Appendices to this document. Pro Forma Operating EBITDA is a non-GAAP profit measure
Upwelling System	A system that allows dense cooler water to be moved towards the ocean surface, displacing the warmer water and increasing water flow.

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- 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.

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New Zealand King Salmon

ANNUAL RESULTS FY20