



ANNUAL RESULTS FOR THE
7 MONTHS TO 31 JANUARY 2021

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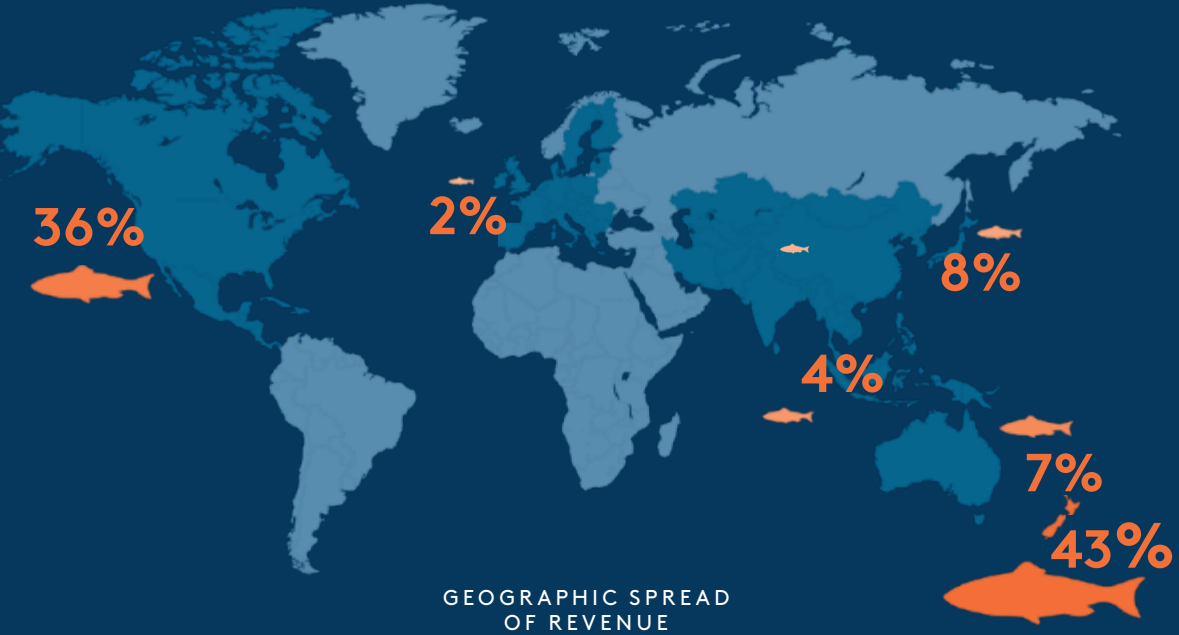
HIGHLIGHTS

FACTS AND FIGURES

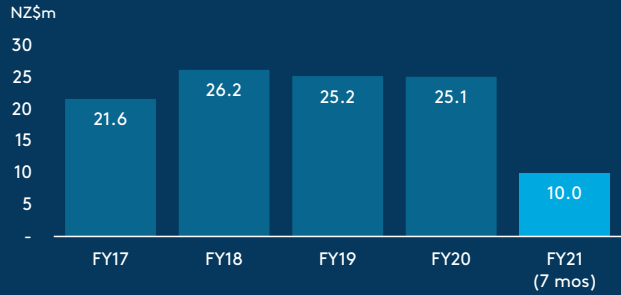
FY21 (7mos) REVENUE OF
\$95.2
MILLION



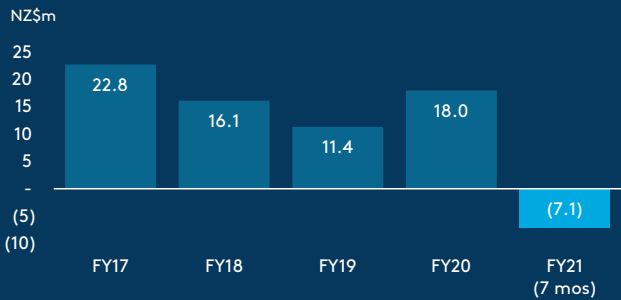
METRIC TONNES HARVESTED
DURING FY21 (7mos)



PRO-FORMA OPERATING EBITDA



STATUTORY NPAT



FY21 SUMMARY

Change in balance date to 31 January to align with summer seasonality.

- FY21 therefore 7 month reporting period.
- Sales volumes of 4,117 MT up 1% compared to prior 7 month period.
- Revenue of \$95.2m, down 6% compared to prior 7 month period.

Profitability impacted by COVID-19 and related clearance of excess inventory at lower prices. Impacts are expected to be temporary.

- Pro Forma* Operating EBITDA of \$10.0m, compared with \$19.6m for FY20 (7 mos).
- Proforma NPAT of \$2.3m, compared with \$10.4m for FY20 (7 mos).
- Statutory NPAT of (\$7.1m), compared with \$18.0m for FY20 (7 mos).

Continuing to invest in, innovate, develop brands and launch new products in line with our global premium strategy.

* A full reconciliation between GAAP and Pro Forma results is shown in Appendix II of this presentation.

SUSTAINABILITY

OPERATING SUSTAINABLY

Care for the environment is a key pillar in our business strategy – we want to minimise our footprint, whilst helping our people, our community and our stakeholders in the long-term.

To independently verify our aquaculture and supply chain sustainable practices, we have committed to a self-imposed assessment regime with regular audits or assessments by third-party organisations. We are also focused on using resources responsibly.



Our progress:

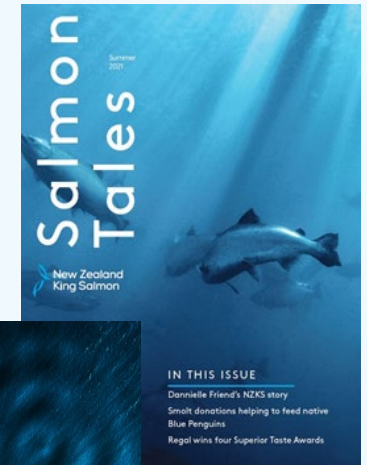
- Reconfirmation of our 4-star certification with Best Aquaculture Practices.
- Achieved ASC certification on Clay Point farm – currently the only active ASC certification in NZ.
- Developed a supplier Code of Conduct in line with the UN Global Compact Ten Principles (a voluntary code addressing fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption).
- Collaborated on the UN Global Compact's "Sustainable Ocean Principles" for investors in ocean-focused business.
- Completed a TCFD Gap analysis for future climate reporting.
- Reported on our carbon footprint in the FY20 Annual Report.
- Second annual Communication of Progress (COP) submitted in November 2020 as part of our participation in the UN Global Compact.



SUSTAINABLY ACHIEVEMENTS

We continue to look to the future.

- Launching a GoGreen fund for team contribution to sustainability.
 - Committed to 100% reusable, recyclable or compostable packaging across our business by 2025.
- New product development includes:
- ▶ Recyclable hotsmoke tray  using post-consumer recycled material and plant based material.
 - ▶ PVC material no longer used.
 - ▶ Polypropylene boards will be embossed with  from June 2021.
 - ▶ ARL (Australasian Recycling Label) logos to be used on our packaging, telling consumers how to treat our packaging.
- Continued engagement with the community through events and newsletters.



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FINANCIAL OVERVIEW



SUMMARY FINANCIAL INFORMATION

- Results impacted by:
 - ▶ COVID-related expenses and clearance of excess inventory at lower prices.
 - ▶ Fair value adjustments on livestock due to COVID margin impact.
 - ▶ Treatment of FX close-outs.

Group Financial Performance						
NZ\$000s	Pro-Forma*				GAAP	
	FY21 (7mos)	FY20 (7mos)	% chg.	FY20 (12mos)	FY21 (7mos)	FY20 (12mos)
Volume Sold (MT)	4,117	4,070	1%	6,331	6,331	6,331
Revenue	95,239	101,126	-6%	155,344	95,239	155,344
Gross Margin	20,380	35,086	-42%	47,346	14,152	58,349
Gross Margin %	21%	35%		30%	15%	38%
Other Operating Income	6,285	129	4786%	4,247	541	4,247
EBITDA	9,964	19,604	-49%	25,071	(2,008)	36,074
EBITDA %	10%	19%		16%	-2%	23%
EBIT	4,975	15,199	-67%	17,123	(7,977)	26,689
NPAT	2,348	10,388	-77%	11,240	(7,079)	18,004

* A full reconciliation between GAAP and Pro Forma results is shown in Appendix II of this presentation.

COVID AND OTHER IMPACTS

- Our results have been impacted by a number of items, primarily related to COVID. These include:

- ▶ Provisions made against frozen whole fish inventories (FY21 has provision for expected loss on sale during 1H22).
- ▶ Additional airfreight expenses.
- ▶ NZ retail price promotions.
- ▶ Sales of excess frozen fish at a loss.
- ▶ Additional storage and distribution costs on excess frozen inventory.
- ▶ Increased mortality rates due to holding fish longer.
- ▶ Mitigated by early FX closeouts.

Reconciliation of COVID and Other Impacts									
FY21 NZD 000s	Pro Forma Operating Financial Information	COVID and Other Impacts							Adjusted Pro Forma Operating Results
		Inventory provisioning (frozen whole fish)	Additional Airfreight Expenses	FX Close- Outs	Retail Promo Costs	Frozen Fish Sales	Storage & Distribution Expenses	Increased Mortality	
Revenue	95,239				2,400	900			98,539
Cost of goods sold	(63,243)	2,200						2,100	(58,943)
Freight costs to market	(11,616)		2,100						(9,516)
Gross Profit	20,380	2,200	2,100	-	2,400	900	-	2,100	30,080
Other operating income	6,285			(5,744)					541
Overheads									
Sales, marketing and advertising	(7,702)				400				(7,302)
Distribution overheads	(3,131)						800		(2,331)
Corporate expenses	(4,979)								(4,979)
Other expenses	(889)								(889)
EBITDA	9,964	2,200	2,100	(5,744)	2,800	900	800	2,100	15,120

BALANCE SHEET

Continued strong financial position.

- Net debt of \$38.8m (out of total debt facilities of \$65.0m):
 - ▶ Ongoing sale of excess inventories, with material sales expected 1H22.
- No material change in PP&E, capex for the 7 month period \$5.4m.
- 'Other' current and non-current assets increase due to mark-to-market valuation of foreign exchange contracts.
- Given the continued macroeconomic uncertainty, no dividend will be declared for the 7 month period to January 2021.

Group Financial Position		
	Jan-21	Jun-20
NZ\$000s	Audited	Audited
Current Assets		
Cash and equivalents	3,479	7,115
Receivables	16,186	12,777
Inventories	42,489	35,612
Biological Assets	69,588	81,784
Other	5,413	907
	137,155	138,195
Non-current Assets		
Property, plant & equipment	60,716	60,481
Right of use assets	6,810	4,581
Biological assets	18,600	10,594
Other	66,866	60,333
	152,992	135,989
Total Assets	290,147	274,184
Current Liabilities		
Loans (external)	(3,024)	(1,132)
Lease Liabilities	(1,580)	(1,347)
Payables	(18,597)	(14,847)
Other	(9,810)	(10,767)
	(33,011)	(28,093)
Non-Current Liabilities		
Loans (external)	(39,250)	(37,000)
Lease Liabilities	(5,389)	(3,258)
Other	(19,954)	(21,519)
	(64,593)	(61,777)
Total Liabilities	(97,604)	(89,870)
Net Assets	192,543	184,314
Net Cash / (Debt)	(38,795)	(31,017)

CAPITAL EXPENDITURE

Investment in capex slowed to preserve cash.

Capital expenditure of \$5.4m in the 7 months to January 2021, including:

- Investment in hatchery facilities including a 'first-feeding' and incubation facility at Tentburn (\$1.1m), with the project now nearing completion. This investment will improve our hatchery capacity and smolt quality (as smolt will be reared in a controlled environment).
- Blue Endeavour Resource Consent application (\$0.8m).
- Other regular maintenance and replacement capex.



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BUSINESS UPDATE



FUTURE FARMING

This slide provides an update on future farming volumes:

Farm relocation (MPI Salmon Relocation Process):

- Adoption of the 2017 Panel recommendation would be 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 calendar year 2024 or beyond due to process timing.

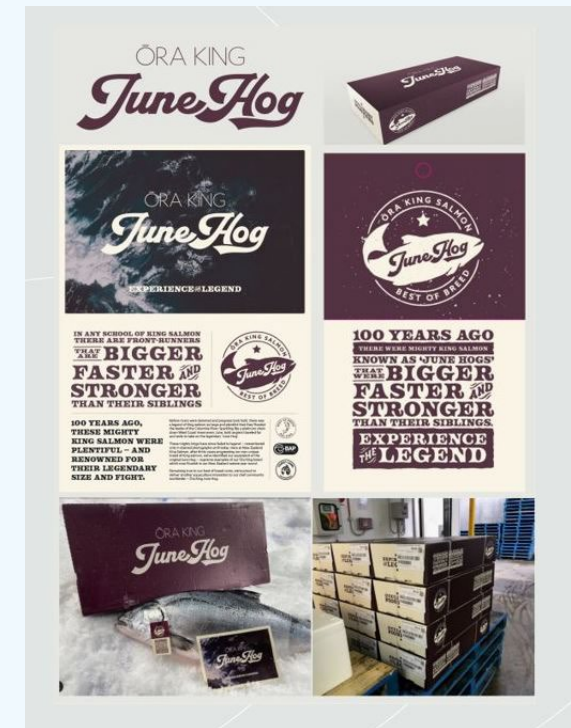
Open Ocean Farming - NZKS has applied for its first open ocean farming consent comprising two farm sites, in the Marlborough region:

- The region has been named “Blue Endeavour” representing a step towards the long term sustainability of the industry.
- The RMA consenting process is underway and submitter meetings are expected for mid-2021, with a hearing to follow later in the year.
- The earliest possible harvest from the region would be in the middle of the 2024 calendar year.
- Capital costs for the infrastructure associated with Blue Endeavour are estimated at ~\$35m with some ability for this spend to be staged. This investment would be expected to generate an eventual production volume of ~4,000 MT per site per 18 month cycle.
- Blue Endeavour is both a volume and unit value driver.

BRANDING INITIATIVES

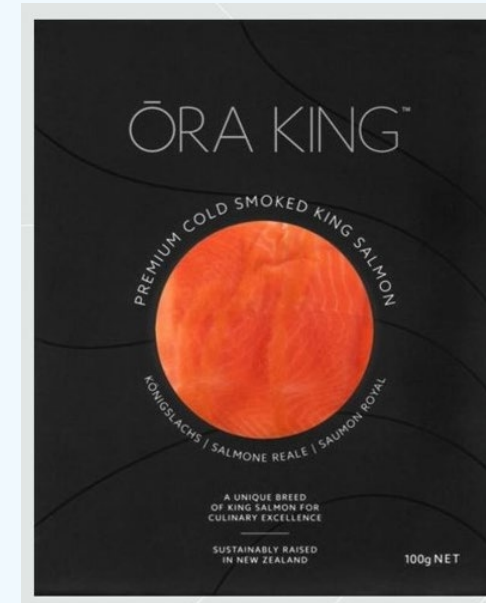
We are creating innovative strategies for our markets:

- Connecting with our end-users through:
 - ▶ Launch of the Ōra King Global Ambassador Programme.
 - ▶ Regal consumer research – segmenting and gap analysis.
- Product innovation momentum maintained through:
 - ▶ Regal Maple.
 - ▶ Ōra King June Hog.
 - ▶ Ōra King Keiji (to be launched mid-April).



BRANDING INITIATIVES (CONT.)

- **Continued geographical, category and channel diversification:**
 - ▶ Sale of Regal Fresh in the USA through a multi-store premium retailer.
 - ▶ Launch of Ōra King speciality range (100g cold smoked) into high-quality Italian retail stores.
 - ▶ E-commerce and new USA geographies, e.g. the record sale of the Ōra King TYEE salmon via Goldbelly.com.
 - ▶ USA launch of Omega Plus petfood treats (launch later this year).



OPERATIONAL UPDATE



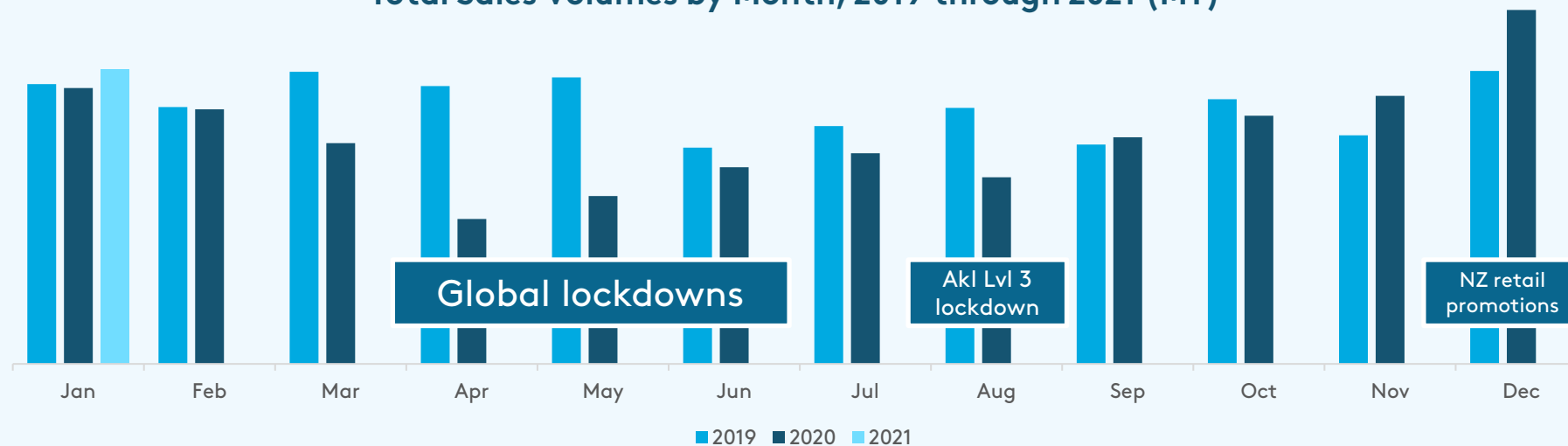
SALES PERFORMANCE

Continued recovery in sales in 2021

Sale volumes display year on year increases to above pre-COVID levels:

- Benefit of retail promotions continued in January.
- Sales resource focussed on retail channels whilst foodservice market is impacted by implications of COVID.
- Anticipate significant clearance sales of excess frozen inventory during first half of CY21, then demand to exceed supply once again by late-CY21.

Total Sales Volumes by Month, 2019 through 2021 (MT)



SALES BY MARKET

Overall sales volumes in line with prior 7 month period

- Demand from North America remains strong:
 - ▶ Strong sale volumes to this market whilst maintaining price in a challenging environment (excluding discrete disposal sales at a lower price).
 - ▶ New sales channels cultivated (e.g. online delivery, fishmongers and specialty retail) to replace foodservice channels. These channels provide a platform for accelerated growth as this market emerges from COVID restrictions.
- Australia exhibiting positive sales growth compared to the prior 7 month period as NZKS continues to establish its premium positioning in foodservice markets.
- Asia (ex Japan and China) continues to track well (albeit this market has been impacted by the short-term loss of airline customers) and displays potential as a future growth market.
- Excess frozen volumes were partially cleared through Japan resulting in increased volumes to this market but with margins temporarily impacted.
- Sales to China continue to be restricted due to challenges presented by COVID.
- Strong and pleasing growth in sales to Europe (albeit off a relatively low base), as increased resources in this market have delivered record sales volumes for this region.
- Disruption to export and foodservice markets created the opportunity to renew domestic retail interest, grow the market, and build brand awareness. Domestic sale volumes have trended upwards and are back to levels consistent with the prior period.

FISH PERFORMANCE

Fish performance continues to be a key focus for the business

- Harvest volumes for the 7 months of 4,880 MT.
- Feed Conversion Ratio consistent with results generally achieved during the second half of each calendar year.
- Mortality levels impacted by higher levels of fish maturation with the harvest delayed through the April to June 2020 period. January mortality elevated due to warmer temperatures, however has since declined (February ~\$2.2m, March ~\$1.8m (estimate)).
- Biomass in the water has now been returned to normal levels.

Biological Performance			
	FY21 (7 mos)	2H21 (1 mo)	1H21 (6 mos)
Harvest Volume (MT)	4,880	730	4,150
Feed Conversion Ratio (FCR)	1.69	1.54	1.73
Mortality Value (\$000s)	8,253	3,175	5,077
Closing Livestock Biomass	6,866	6,866	6,944
Feed Cost (\$ / Kg of feed)	2.53	2.42	2.54

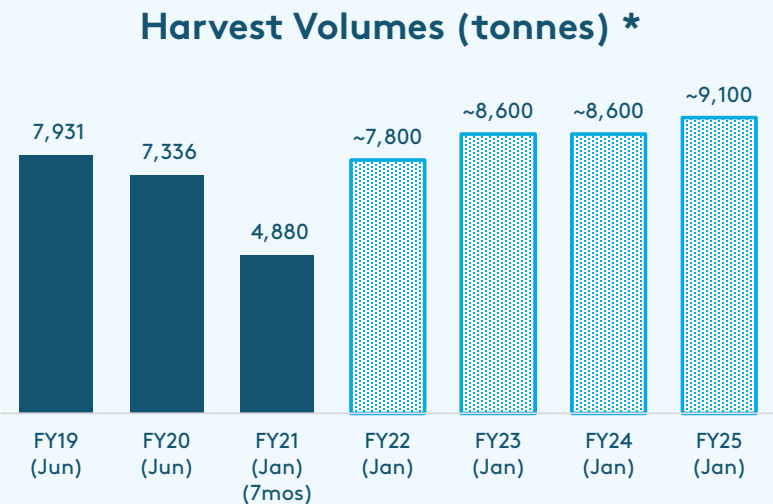
OUTLOOK



FORECAST VOLUMES – FY22-FY25

Future harvest volumes continue to be impacted by consent and compliance challenges

- The peak mortality for the 2020/2021 summer is now over. Whilst January mortality was above-trend, mortality through the remainder of summer was below trend and overall mortality results during FY22 are expected to be superior to recent years.
- FY22 harvest volumes lower than previous guidance due to:
 - A refinement of the production model.
 - Ensuring fish are located in the most beneficial locations over the summer period.
- Once fully developed, forecast volumes from existing inshore sites remains at between 10,000 to 11,000 tonnes.



* 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.

FY22 OUTLOOK

FY22 expectations:

- Return to pre-Covid momentum during FY22.
- The peak mortality for the 2020/2021 summer is now over. Whilst early-Summer mortality (Dec-20 to Jan-21) was above-trend, mortality for the remainder of summer has been below-trend.
- Whilst sale volumes are now running at above pre-COVID levels, we caution that ongoing uncertainty and the ripple-effects of COVID will continue to have an impact on our results for FY22, especially through the first half.
- Harvest expectations for FY22 are forecast at ~ 7,800 tonnes.
- Clearance of excess inventory is ongoing. This programme is expected to complete near the middle of calendar 2021, and we anticipate that demand will exceed supply in the latter parts of this calendar year.
- Opportunity for price increases to recover lost margins likely from late-CY21.
- FY22 capital expenditure expected to be ~\$10m, broadly in line with depreciation.

APPENDICES



REALIGNMENT OF DATA

CHANGE OF BALANCE DATE, AND HISTORIC TABLES REALIGNED

As New Zealand King Salmon has changed its balance date to 31 January, it will report its results to the market as follows:

- Interim (first half) financial results for six months to 31 July.
- Full year audited financial results for year ended 31 January each year, except for FY21 when a 7 month period to 31 January 2021 is being reported.

To assist investors in comparing future performance against similar historic periods, a presentation including charts and tables for July/January periods for the three years ended 31 January 2020 was recently submitted to the NZX.

The following slides provide information for the period 1 February 2020 to 31 January 2021.

SUMMARY FINANCIAL INFORMATION

Group Financial Performance			
H1 July / H2 January			
NZ\$000s	FY21H1	FY21H2	FY2021
Volume Sold (MT)	2,745	3,635	6,380
Revenue	69,134	80,567	149,701
Gross Margin	16,251	23,129	39,380
Gross Margin %	24%	29%	26%
EBITDA	7,082	8,880	15,961
EBITDA %	10%	11%	11%
EBIT	2,829	4,566	7,394
NPAT	1,328	2,567	3,895

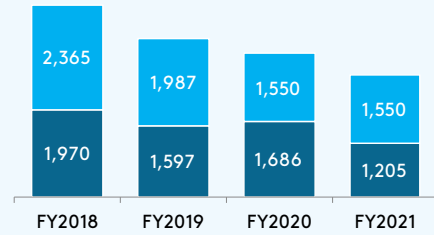
Sale Prices and Exchange Rates				
H1 July / H2 January				
		FY21H1	FY21H2	FY2021
Average Gross Sales Price per kg				
Domestic Sales	NZD	25.07	23.68	24.29
Export Sales (All Markets)	NZD	24.75	23.22	23.87
Foreign Exchange Rates				
NZD:AUD		0.95	0.95	0.95
NZD:USD		0.67	0.66	0.67
NZD:JPY		66.58	70.02	69.01

* Results restate historic information to new January year end / July half year.

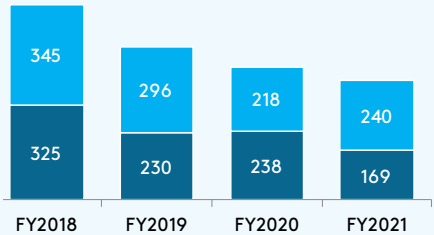
SALES BY MARKET

H1 July / H2 January / FY February to January

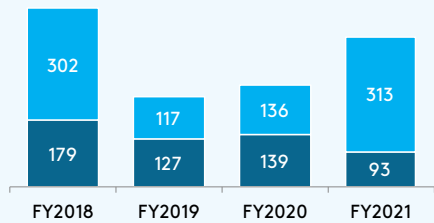
New Zealand (MT)



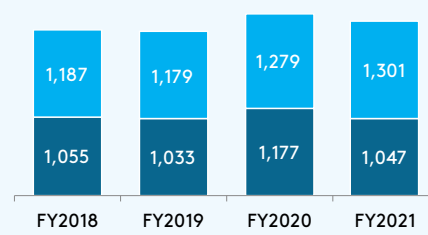
Australia (MT)



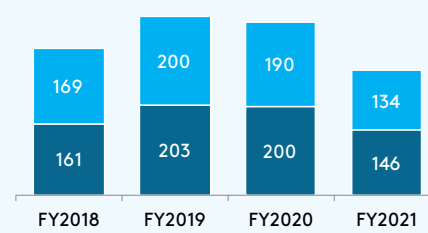
Japan (MT)



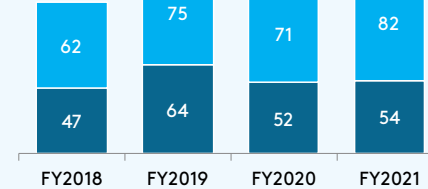
North America (MT)



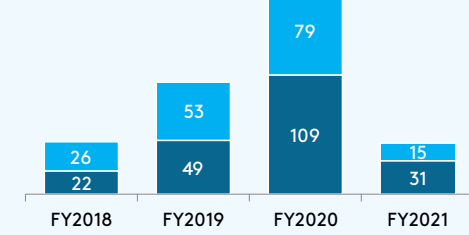
Asia (ex Japan & China) (MT)



Europe (MT)



China (MT)



KEY:



* Results restate historic information to new January year end / July half year.

BIOLOGICAL PERFORMANCE

Biological Performance			
H1 July / H2 January			
	FY21H1	FY21H2	FY2021
Harvest Volume (MT)	3,543	4,262	7,805
Bio Feed Conversion Ratio (BFCR)	1.95	1.70	1.81
Mortality Cost \$m	8.3	7.8	16.1
Closing Livestock Biomass ('000)	6,512	6,864	6,864
Feed Cost (\$/kg of feed)	2.42	2.55	2.49

* Results restate historic information to new January year end / July half year.

RECONCILIATIONS

FY21 (7 MONTHS) RECONCILIATION BETWEEN GAAP RESULTS AND PRO FORMA FINANCIALS

FY21	Statutory Financial Statements	Fair Value Adjustments	IFRS 16 Lease Adjustments	FX Close-Outs	Pro Forma Operating Financial Information
NZD 000s					
Revenue	95,239				95,239
Cost of goods sold	(98,820)	36,562	(984)		(63,243)
Fair value gain / (loss) on biological transformation	29,350	(29,350)			-
Freight costs to market	(11,616)				(11,616)
Gross Profit	14,152	7,212	(984)		20,380
Other operating income	541			5,744	6,285
Overheads					
Sales, marketing and advertising	(7,702)				(7,702)
Distribution overheads	(3,131)				(3,131)
Corporate expenses	(4,979)				(4,979)
Other expenses	(889)				(889)
EBITDA	(2,008)	7,212	(984)	5,744	9,964
Depreciation and amortisation	(5,969)		981		(4,988)
EBIT	(7,977)	7,212	(3)	5,744	4,975
Finance income	5				5
Finance costs	(1,353)		140		(1,213)
Net finance costs	(1,349)	-	140	-	(1,208)
Profit / (loss) before Tax	(9,326)	7,212	137	5,744	3,767
Income tax (expense) / credit	2,247	(2,019)	(38)	(1,608)	(1,419)
Net Profit / (loss) for the Year	(7,079)	5,193	98	4,136	2,348

FY20 (12 MONTHS) 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

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, with FY21 seeing a reduction in fair value as the value of biomass in the sea was revalued downwards reflecting COVID driven margin compression especially in offshore sales. 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.



GLOSSARY AND DISCLAIMER

GLOSSARY OF TERMS

CY21	Calendar year 2021
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
FY20	Financial results for the 12 months from 1 July 2019 to 30 June 2020
FY20 (7mos)	Financial results for the 7 months from 1 July 2019 to 31 January 2020
FY21 / FY21 (7 mos)	Financial results for the 7 months from 1 July 2020 to 31 January 2021
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
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
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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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.



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