



Annual Shareholders' Meeting

7 November 2017

NEW ZEALAND KING SALMON – 2017 ANNUAL SHAREHOLDERS' MEETING

The attached presentation will be given at New Zealand King Salmon Investments Limited's Annual Shareholders' Meeting starting at 1:00 pm today in the Wairau Room, Marlborough Convention Centre, 42A Alfred Street, Blenheim.

- 2017 New Zealand King Salmon Investments Limited Annual Shareholders' Meeting – Chair and Managing Director's Address
- 2017 New Zealand King Salmon Investments Limited Annual Shareholders' Meeting – Presentation

ENDS

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About New Zealand King Salmon

New Zealand King Salmon is the world's largest aquaculture producer of the premium King salmon species. We operate under our four key brands: Ōra King, Regal, Southern Ocean, and Omega Plus, and the New Zealand King Salmon label. We have been growing and selling salmon to consumers for more than 30 years. Today we employ more than 400 people. More information can be found at www.kingsalmon.co.nz

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Address by the Chair: John Ryder

[SLIDE 2: AGENDA]

My name is John Ryder. I'm Chairman of New Zealand King Salmon and it's my pleasure to welcome you all to this, the inaugural annual meeting of the company as a publicly listed company.

Some housekeeping matters before we start. Firstly, I would like to remind you, as a matter of courtesy, to turn your mobile phones to silent. If there is an emergency and we need to leave the venue please do so through the marked exits. The assembly point is [outside].

I am pleased to confirm that we have a quorum and therefore declare the 2017 Annual Shareholders' Meeting of New Zealand King Salmon Investments Limited open.

The items of business for this meeting and the resolutions to be considered by shareholders are contained in the Notice of Meeting which was sent to shareholders on the 16th of October.

The order of proceedings today is that I will briefly comment on the highlights of the last 12 months followed by an address by Grant Rosewarne, our CEO and Managing Director. We will then attend to the resolutions. While voting is taking place there will be an opportunity for you to ask questions. We will conclude with an opportunity for you to raise any matters of a general nature.

In terms of the formal business, we will cover each resolution in turn and invite questions specific to those items. It will then be time to vote on the resolutions. I will outline the process for the discussion and voting on the resolutions at that point in the agenda.

At the close of the meeting we hope you will join us for refreshments.

I would like to introduce my fellow Directors – they are:

- Grant Rosewarne, Managing Director;
- Thomas Song, Non-Executive Director;
- Jack Porus, Non-Executive Director;
- Mark Hutton, an Independent Non-Executive Director;
- Paul Steer, an Independent Non-Executive Director; and
- Xin Wang, a Non-Executive Director.

I would also like to note that members of New Zealand King Salmon's management and staff are in attendance as well as our external auditors, Ernst & Young.

[SLIDE 3: CHAIRMAN'S REVIEW]

Last year represented an exciting step forward for New Zealand King Salmon. On 19 October 2016, shares in New Zealand King Salmon Investments Limited began trading on the Main Board of the New Zealand Stock Exchange, as well as the Australian Securities Exchange. Our listing provided us with an opportunity to raise \$30 million in capital to pursue our growth strategy, but also provided an opportunity for all New Zealanders to take a stake in the success of our business, and we were delighted to see

nearly 400 residents of the Top of the South take advantage of the opportunity to invest via the priority pool allocated for locals.

The listing also provided an opportunity to sell a strategic parcel of New Zealand King Salmon shares to China Resources, a very large and influential business with strong ties to China including retailing of premium food products. This strategic partnership has enabled a re-commencement of sales to China which we expect will continue to grow.

We are pleased to report that since listing, the business has traded well. In July 2016 we began harvesting fish from our Waitata sea farm, the first of our three new sea farms. This was followed up by initial harvesting at our Ngamahau sea farm, the second of our new sea farms in December 2016. Initial harvests from the last of our new sea farms, Kōpaua, are expected to take place in mid-2018.

Fish from the new farms are exceptional, with good size and flesh characteristics, with many fish meeting our discerning criteria for our ultra-premium branded salmon, Ōra King.

The business also delivered a very pleasing financial result, with all financial performance metrics ahead of our IPO forecasts. This enabled the company to pay a larger than forecast dividend to shareholders.

We take best-practice corporate governance very seriously at New Zealand King Salmon and this year was no exception:

- We undertook a Sustainability Materiality Review and expect to produce our inaugural Sustainability Report later this year.
- We moved towards best practice Corporate Governance reporting within our Annual Report; and
- Whilst the Board is confident that it has the right mix of experience and skills to take the company forward, we are continually evaluating the performance of the Board including identification of skill gaps. Where skill gaps are identified, we will consider these when making future Director appointments, however locating directors with complementary skills and specialist knowledge can take time.

Finally, I would like to acknowledge the commitment of the team to delivering on excellent shareholder communication. As a Board we are focused on providing comprehensive, transparent, and timely communications to our shareholders.

I'll now invite Grant Rosewarne to address you. At the conclusion of Grant's presentation we will move to the formal business of the meeting. While voting is taking place you will have an opportunity to ask questions. We ask please that if you have a question you save it for this time.

[SLIDE 4: MANAGING DIRECTOR'S REVIEW]

Thank you John, and good afternoon ladies & gentlemen. In this section of today's presentation, I will be covering:

- Key highlights from our FY17 year.
- An overview on our approach to Sustainability
- An overview of the financial performance of the business during FY17.
- An update on our business and strategic initiatives.
- An update on our operational performance metrics.
- And conclude with some commentary surrounding the outlook for the company.

[SLIDE 6: FY17 HIGHLIGHTS]

As John touched on in his opening address, we consider last year's IPO to be a resounding success for the business. Not only did we raise capital to help us in pursuing our growth objectives, but we welcomed the strategic addition of China Resources as well as improving our social licence by enabling all New Zealanders to participate in the growth of New Zealand King Salmon.

We were also very pleased to deliver a financial result that exceeded expectations. All financial metrics were ahead of our IPO forecasts, and our key performance metric, Pro Forma Operating EBITDA, was 35% ahead of FY16 and 13% ahead of our IPO forecasts at \$21.6 million.

Our stronger than expected performance enabled us to declare and pay a larger than forecast dividend. Total dividends paid in respect of the FY17 year were 5.0 cents per share, which included ordinary dividends of 4.0 cents per share and a special dividend of 1.0 cent per share. In total the dividends paid were 39% ahead of the level of dividends forecast in our Product Disclosure Statement.

[SLIDE 7: FY17 HIGHLIGHTS (continued)]

We are uncompromising on our commitments to improving health, safety and wellness outcomes for our team members. During the year we achieved pleasing improvement in key Health and Safety metrics. Specifically, our lost time injury frequency rate (or LTIFR) was down from 28.3 last year to 18.5 this year. Our ACC compensation "days off" were also down substantially from 425 during FY16 to 110 days during FY17. Continuing to improve on these metrics is a key focus for the team and your Board.

Total sales volumes were up 18% on FY16 to 7,223 MT. Sales volumes were also 4% ahead of our IPO forecasts.

Sales growth was recorded for all regions, but most notably we experienced large increases in sales to North America – which was up 38% on last year, Australia – up 18% on last year, and domestic sales which were up by 11% on last year.

Sales of our ultra-premium branded salmon, Ōra King, were up 27% on last year and 5% ahead of our IPO forecasts.

Our branding strength is a critical component to value growth. Our ultra-premium foodservice brand Ōra King, and our premium retail brand Regal have strong customer awareness and gravitas amongst consumers. Our branding strength supported increased average sales prices for all key sales regions. Of particular note were the sales price increases achieved in both domestic and Australian sales.

Our attention and increased focus on fish performance would appear to be showing results, with this also aided by a mild summer. Survival improved with mortality down to 8.5%, and FCR improved to 1.84.

During the year we were excited to be awarded our 3rd 'Best Aquaculture Practice' star by BAP.

[SLIDE 9: SUSTAINABILITY]

Operating sustainably is critically important to us. Our activities depend critically on the environments in which we operate, the communities we live in, and the people who care for our salmon and products.

We have always tried to be leaders in our field for sustainability and to this end have been awarded BAP stars and the 'Best Choice' for sustainably caught seafood from the Monterey Bay Aquarium. In the past our efforts and focus on sustainability has centred around our seafarm activities.

During FY17 we commenced an exploration into what a broader approach to sustainability should look like across our business and hope to publish our inaugural Sustainability Report at the end of 2017.

We are committed to five of the UN sustainable development goals, as noted on the right hand side of this slide, where we believe we can make a positive difference.

As mentioned on the previous slide, we were pleased to have been awarded our 3rd BAP star during FY17. This star covered our hatchery activities, and now means that we have stars for hatcheries, seawater and processing. We are now focused on achieving a fourth and final star for feed, and are working with our feed suppliers to achieve this.

[SLIDE 11: SUMMARY FINANCIAL INFORMATION]

The table on this slide summarises our key financial information for the FY17 period. We are very pleased to report results that exceed our IPO forecasts in all respects.

As shown in the table, volumes sold were 4% higher than forecast, a function of lower mortality and good performance from new sea farms. This, coupled with price improvements, led to an increase in revenue, 5% higher than forecast. In addition to increased revenues, margins were positively influenced by the lower mortality result and price improvements, which gave rise to a Pro Forma Operating EBITDA result for the full year of \$21.6 million, 13% ahead of our IPO forecast.

[SLIDE 12: BALANCE SHEET]

We continue to be in a strong financial position, with a net debt-free cash position at year end and funding facilities available to fund growth.

Timing of our capex projects did result in a lower level of capex spend through FY17 than provided for in our IPO forecasts, however we expect that there may be some "catch-up" during the FY18 year.

[SLIDE 14: BRANDED PREMIUM POSITION CONTINUES TO GENERATE STRONG DEMAND]

We are continuing to invest and focus resource to improve our branded position including marketing campaigns and better resourced sales activity. We are seeing strong demand for our products both domestically and offshore.

A key plank to our strategy is to leverage our customers' menus as a form of advertising for our salmon. To this end we are now featured on the menus of more than 850 restaurants globally. This is up significantly from the 400 restaurants noted at the time of our IPO.

Regal continues to be a very strong brand domestically, with brand awareness of 85%. Developing sales for Regal offshore is a current focus.

We are also pleased to announce our refreshed corporate logo which was recently unveiled. Our modernised logo coupled with updated corporate imagery as shown throughout the slide pack, are a part of our broader strategy to increase and improve engagement with our stakeholders. It is also a part of our commitment to 'create the ultimate salmon experience' in everything that we do.

[SLIDE 15: MPI CONSULTATION PROCESS]

Most of our stakeholders will be aware of the MPI proposal to relocate up to six of our salmon farms (a total of 9 surface hectares) from their historic locations to higher water flow sites.

If this process results in some or all of our farms being relocated we make the following comments:

- The first harvest from any relocated farms would be unlikely to be prior to the FY20 year.
- The higher flow sites should permit an overall increase in the volume of salmon harvested in addition to improved environmental outcomes.
- Each site would require an investment in pens and barges that are suitable for high flow sites, which is indicatively assessed at \$6m per farm – or a maximum total expenditure of \$36m if all proposed relocations are approved. We are confident that increased volumes readily justify the associated investment.

If the process results in none of our farms being relocated, our assessment of a worst case scenario is that our total production might be lowered by 700-750 MT in the event that we were unable to renew one of the sea farm consents at expiry. We note that we have successfully renewed all consents in the past.

To date we have invested around \$1.2m in this process during FY16 and 17; we do not anticipate further material spend to complete the project.

At this early stage, it is not possible to say what effect, if any, the change of government has had on the MPI process.

[SLIDE 16: OMEGA PLUS – PREMIUM PETFOOD]

Work continues to progress well in developing our salmon petfood range: Omega Plus. We are now stocked in approximately 90 supermarkets throughout the country. The Omega Plus team intends to launch new SKUs in the upcoming months and continue to achieve deeper penetration in the category.

Sales are growing well albeit off a low base and we note that Omega Plus remains in its early stages of development.

[SLIDE 18: SALES BY MARKET - DOMESTIC]

We experienced a larger than forecast uplift in domestic sales during FY17, which was particularly notable in retail sales where we experienced a 24% increase in volume.

This partly reflects better availability of our salmon after being supply constricted in recent years whilst awaiting production from new farms. It also reflects our desire to grow the domestic salmon category and ensure that our products are available to all of our stakeholders. This is important for our social license to operate.

Our market share of domestic salmon products also increased, with our volume growth outpacing that of the overall market. We have seen consumers prefer King salmon to imported alternative salmon products.

Branding visibility on fresh salmon sales remains a key opportunity and we are focused on improving branding control through to the final consumer.

[SLIDE 19: SALES BY MARKET - EXPORT]

The chart on the left hand side of this slide shows the continued success we are having in driving sales growth to North America. Volumes sold were up a staggering 38% to more than 1,700 metric tonnes.

Øra King is now used by more than 800 restaurants in the United States, and we have also commenced retail sales to this region.

We are pleased to have recorded sales growth in all other export markets, with volumes to Australia performing strongly. This market was influenced by internal market supply constraints. We also achieved a significant increase in the average sales price of Australian bound salmon and are continuing to improve returns from this market through price rebalancing.

Sales to Asia were partly assisted by increases in sales to China, albeit on initial small volumes and off a low base.

Japan and Europe also noted increases. European sales grew by less than anticipated reflecting delays in the implementation of our single harvest method that have now been addressed.

[SLIDE 20: ØRA KING BRANDED SALES]

We had another successful year in growing sales of our ultra-premium branded salmon, Øra King. Total volumes sold were 27% higher than FY16 and 5% ahead of our IPO forecasts.

The increase in sales reflects a higher proportion of eligible fish, with larger fish being harvested from our new sites as well as our focus on branding campaigns and better resourced sales activity.

[SLIDE 21: FISH PERFORMANCE]

We are pleased to announce an improvement in all fish performance metrics over FY16 and an improvement in most metrics over our IPO forecasts.

The most notable improvement was in our mortality rate, which at 8.5% was materially below the FY16 mortality rate of 13.7% and significantly below our IPO forecast mortality of 11.0%. The improvement in mortality can be ascribed to a range of factors including better performance from low flow sites, improved diets – especially around the summer diet, improved hatchery practices which have enabled us to put bigger and more robust smolt to sea, and a more benign summer. The improved mortality result enabled us to achieve a larger harvest and have a higher closing livestock biomass – putting us in good stead for the FY18 year.

Our feed conversion ratio improved from 1.91 to 1.84. FCR is a key focus for our team who are working with feed suppliers to configure a diet that is optimally suited to the King Salmon species. We believe that with ongoing attention to this metric we will be able to achieve the 1.76 IPO target in time (fish size being equal).

[SLIDE 23: OUTLOOK]

As a result of strong first quarter trading results, we are pleased to have raised our FY18 Pro Forma Operating EBITDA guidance to between \$24.5 million and \$26.0 million. This compares to our original PFI forecast for FY18 of \$22.4 million.

Last year's unseasonably mild summer and the increased use of premium diets saw an increase in survival and strong fish growth. This has raised the volume outlook for FY18 to approximately 8,000 MT as opposed to our PFI forecast of approximately 7,500 MT.

Pricing remains solid in all markets. Feed prices are also significantly lower than forecast for the first half of FY18, although this benefit is not expected to persist into the second half, due to the use of premium summer diets.

Based on current trading performance the result for the first half of FY18 is expected to be materially above the prior comparable period with the split of earnings between the first and second half expected to differ markedly to FY17.

Beyond FY18, your company continues to focus on innovation and improving to deliver better future performance. We are creating significant international demand for our premium seafood which is supported by solid domestic demand growth.

Our petfood range provides a valuable pathway to improve whole-of-fish returns.

Strong demand which is running ahead of our ability to supply supports opportunities for gradual and ongoing price increases.

We are seeing pleasing results from initial harvests from our new farms with further volume to come online over coming years.

We saw a good improvement in fish performance metrics which we hope to build on in future periods.

The recent Government announcement regarding increases to the minimum wage over the next few years is not expected to have any material impact on our business, as our base pay rates are currently well above minimum wage and moving towards a Living Wage.

Finally, your Board believes that the sales and harvest remain on track to achieve the FY2021 projection of around 9,500mt outlined in the PDS at the time of our IPO, excluding any benefit of site relocations.

That concludes my presentation, I will now pass back to John for the Ordinary Business and Resolutions.

Address by the Chair: John Ryder

[SLIDE 24: ORDINARY BUSINESS AND RESOLUTIONS]

Thank you Grant.

We will now move to the business of the meeting and the procedure for this part of the meeting. All items of business are ordinary resolutions and are required to be passed by a simple majority of votes.

The resolutions that we will be voting on today are as follows:

- Resolution 1: Authorisation for the Directors to fix the auditor's remuneration for the coming year.
- Resolution 2: Re-election of Paul Steere as a Director.
- Resolution 3: Re-election of Jack Porus as a Director.
- Resolution 4: Election of Xin Wang as a Director.
- Resolution 5: Increase of Directors' fee pool.

Current best practice for Shareholder voting is by way of poll. Accordingly, in my capacity as Chair I require that a poll be held for each of the resolutions.

Shareholders who are entitled to vote and proxies who have discretion as to how they vote have received a Voting / Proxy Form when they registered upon arrival at the meeting. If you completed a postal vote, you do not need to complete another Voting / Proxy form.

If you have not received a Voting / Proxy form, please go to the Computershare desk at the back of the room where their representatives will be able to assist you. After voting, you should place your Voting / Proxy form in one of the ballot boxes which will be passed around the room. I'll invite you to vote after all of the resolutions have been introduced to the meeting.

I and my co-directors hold undirected proxies:

- With respect to Resolution 1, authorisation for the Directors to fix the auditor's remuneration for the coming year: 108,040 shares.
- With respect to Resolution 2, re-election of Paul Steere as Director: 117,563 shares.
- With respect to Resolution 3, re-election of Jack Porus as Director: 119,253 shares.
- With respect to Resolution 4, election of Xin Wang as Director: 121,753 shares.

Your Board supports these resolutions and we intend to vote all of these shares in favour of these resolutions.

In accordance with the NZX Listing Rules, Directors, and their associated persons, are not able to vote on Resolution 5, which relates to Directors' Fees. Accordingly, the directors will not vote on this resolution and will not exercise any discretion given to them by proxies in relation to this resolution.

However, votes cast by directors will count where that director is voting as a proxy in accordance with express instructions.

There will be an opportunity to ask questions on, or speak to, each resolution being put to shareholders. I ask that, in the interests of fairness to all shareholders attending this meeting, anyone wishing to speak

to a resolution be as concise as possible and be considerate to other shareholders who may also wish to ask questions.

[SLIDE 25: RESOLUTION 1]

Resolution 1 relates to the remuneration of auditors. The proposed ordinary resolution is to authorise the Directors to fix the auditor's remuneration for the coming year. In accordance with the Companies Act, Ernst & Young have been automatically reappointed as the company's auditors. As is usual with audit fees, due to the complexity and changing nature of the company's affairs, it is not possible to fix the remuneration at the beginning of the year.

I now move, as an ordinary resolution, that the Board is authorised to fix the auditor's remuneration for the coming year.

I now invite discussion on the resolution.

[Discussion]

There appears to be no [further] discussion.

We will now move to the next resolution.

[SLIDE 26: RESOLUTION 2]

Resolutions 2 and 3 relate to the re-election of Directors, as required by the NZX Listing Rules. Two directors are required to retire at this meeting. The Directors to retire are those who have been longest in office since their last election, with the exception of Grant Rosewarne as an Executive Director nominated by the Board. Each of the Directors, other than Xin Wang, was reappointed by the Board on 21 September 2016. The Board has resolved that Paul Steere and Jack Porus will retire and, each being eligible, offer themselves for re-election.

Accordingly, Resolution 2 relates to the re-election of Paul Steere.

The Board recommends Paul Steere to you as a director of the company and unanimously supports his re-election.

I now invite Paul to briefly address the meeting on his proposed re-election.

[Address from Paul Steere]

Thank you Paul.

I now move, as an ordinary resolution, having retired by rotation (as determined by lot), that Paul Steere be re-elected as a director. Is there any discussion on this resolution?

[Discussion]

There appears to be no [further] discussion.

We will now move to the next resolution.

[SLIDE 27: RESOLUTION 3]

Resolution 3 relates to the re-election of Jack Porus.

The Board recommends Jack Porus to you as a director of the company and unanimously supports his re-election.

I now invite Jack to briefly address the meeting on his proposed re-election.

[Address from Jack Porus]

Thank you Jack.

I now move, as an ordinary resolution, having retired by rotation (as determined by lot), that Jack Porus be re-elected as a director. Is there any discussion on this resolution?

[Discussion]

There appears to be no [further] discussion.

We will now move to the next resolution.

[SLIDE 28: RESOLUTION 4]

Resolution 4 relates to the re-election of Xin Wang.

Ms Xin Wang was first appointed a director of the company by the board on 28 February 2017. Having been appointed by the board during the year, as required by the Constitution and the NZX Listing Rules, Ms Wang retires and, being eligible, offers herself for re-election. The Board recommends Ms Xin Wang to you as a director of the company and unanimously supports her re-election.

I now invite Xin to briefly address the meeting on his proposed re-election.

[Address from Xin Wang]

Thank you Xin.

I now move, as an ordinary resolution, that having been appointed during the year by the board and holding office only until the Annual Meeting, that Ms Xin Wang be elected as a director. Is there any discussion on this resolution?

[Discussion]

There appears to be no [further] discussion.

We will now move to the next resolution.

[SLIDE 29: RESOLUTION 5]

Resolution 5 relates to a proposal to increase the maximum total pool of directors' remuneration available for your Board of Directors.

This increase reflects the appointment of an additional Director during the 2017 financial year and provides the Board with a remuneration fee pool considered appropriate to remunerate a Board of six non-executive Directors, including for associated committee work.

An appropriate fee structure is important to ensure that your Company is able to continue attracting and retaining the right directorial skills and experience to govern your business, and that those directors are being fairly remunerated for the work they do.

I now move, as an ordinary resolution, that the maximum total pool of Directors' remuneration payable by New Zealand King Salmon to Directors (in their capacity as Directors) be increased by \$65,000 per annum, from \$400,000 per annum to \$465,000 per annum.

As I referenced, in accordance with the NZX Listing Rules, the directors and their associated persons are restricted from voting on this resolution.

Is there any discussion on this resolution?

[Discussion]

There appears to be no [further] discussion.

[SLIDE 30: VOTING & QUESTIONS]

If you wish to vote on all of these motions, you should use either the Voting / Proxy Form that was sent to you with the Notice of Meeting or an alternative voting form given to you by Computershare when you entered the meeting.

When you cast your vote, please tick one box to select “for”, “against” or “abstain”, alongside each resolution in the section named Step 1: Voting Instructions / Voting Form.

If you hold a proxy on behalf of a shareholder, you will need to cast that shareholder’s votes in order for them to be counted. The Voting / Proxy Form given to proxy holders, sets out the number of proxy votes held and records directed votes.

If there are no undirected votes, the proxy holder needs only to sign the voting form. Where there are undirected votes, proxy holders may vote these as they see fit by ticking the appropriate box.

Finally, in all cases, please ensure the voting form is signed. I remind you that you are voting on each separate resolution as detailed in the Notice of Meeting. After voting, you should place your Voting / Proxy Form in one of the ballot boxes which will be passed around the room. If anyone is unsure how to complete the voting form or hasn’t got a form, please go to the registration desk where someone will be able to help you.

Once all the votes have been cast, they will be counted by the Company’s share registrar, Computershare, and scrutinised by the Company’s auditor. The results of today’s meeting will be released to the NZX on the completion of verification of voting.

Please prepare your forms and cast your votes now, while we take questions.

[Can I now ask Computershare to please bring the ballot boxes forward?]

Questions

Before I ask for questions I would like to take this opportunity to thank my fellow Directors and the Senior Management Team for their continued contribution to New Zealand King Salmon’s leadership, governance and in the formulation of our strategic intent.

At this point we will open the floor to any questions on the financial results, the business update or any other matters you would like to raise.

[Questions]

[After no more questions]

Are there any items of general business to be discussed?

There appears to be no further business for discussion.

Ladies and gentlemen, that brings us to the end of formal business for New Zealand King Salmon’s 2017 Annual Shareholders’ Meeting. Thank you for taking the time to participate today.

I would now like to invite you to join us for afternoon tea.

Thank you. **[ENDS]**