



10 February 2023

New Zealand King Salmon Investments Limited (NZK) – Trading Update

New Zealand King Salmon is reporting a strong end to trading and production in FY23.

As previously communicated, the company's revised farming model includes a seasonal harvest component (growing salmon for a shorter production cycle to avoid the warmer waters in the Pelorus and Queen Charlotte sounds over summer). In FY23, the seasonal harvest at our Ruakaka farm (Queen Charlotte) was expected to be ~500 MT, however these salmon outperformed expectations and the harvest completed in late January came in at ~750 MT. This has resulted in an increase in our planned FY23 harvest from ~ 5,750 to ~6,000 MT.

In addition to the increase in harvest, both the strong sales performance experienced in 1HFY23 and a focus on cost control has continued into 2HFY23, noting feed and freight costs still sit well above pre Covid levels. Although the company is still finalising FY23 results which are subject to audit, we are revising our earnings guidance on a proforma EBITDA basis for FY23 to a loss of \$3m – \$5m (previously stated as a loss of \$8m – 12m).

Despite the current summer continuing the recent trend of marine heatwaves around New Zealand, our production plan is currently performing well. This involves having the majority of stocks held in the cooler waters of the Tory Channel over the critical summer months. New Zealand King Salmon will provide a further business update, including FY24 Guidance as part of our year end results announcement expected at the end of March.

Authorised by:

Board of Directors of New Zealand King Salmon Investments Limited

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