



NEW ZEALAND COASTAL SEAFOODS



**A leading producer of premium
marine products and nutraceutical
ingredients
– driver of new growth through
recent acquisitions**

October 2022 > Investor Presentation

ASX: NZS

Corporate overview

A sustainable processor, distributor, and exporter of premium seafood and nutraceutical products.

- Focused on processing (specifically drying) of seafood, predominately ling maw and the sale of its recently developed powdered nutraceutical collagen product
- Large product suite also includes a ready to eat range such as Cooked Ling Maw and Paua (Abalone) – further nutraceutical products under development to accelerate new market opportunities
- Products are sold direct to consumers and via distributors, restaurants, seafood traders, supermarkets and other retailers in New Zealand, Australia, and Asia – multiple revenue channels
- Earnings accretive acquisition of Nine Ocean Group provides access to a leading seafood fisher, product wholesale/export business based in Australia with a growing sales profile

BOARD OF DIRECTORS & CEO

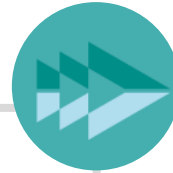
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|--|-----------------------|
| Non-Executive Chairman | Winton Willesee |
| Executive Director & Co Founder | Aldo Miccio |
| Non-Executive Director | Nathan Maxwell-McGinn |
| Non-Executive Director | Evan Hayes |
| Company Secretary & Non-Executive Director | Erlyn Dawson |
| Chief Executive Officer | Andrew Peti |

CAPITAL STRUCTURE

| | |
|--|-----------------|
| ASX code | NZS |
| Shares on issue | 1,127,005,031 |
| Options | 311,000,004 |
| Performance Rights | 36,500,000 |
| Share price (as 19 October 2022) | A\$0.003 |
| Market capitalisation (undiluted) | A\$3.38 million |
| Number of shareholders (30 September 2022) | 3,238 |

Company overview

New Zealand Coastal Seafoods is focused on three major opportunities through its established operating businesses – the Company is pursuing a number of initiatives to unlock value and cross selling opportunities



High growth nutraceuticals

Focused on the commercialisation of a new hydrolysed marine collagen powder

Product uses proprietary processes and the swim bladder of NZ's ling fish (maw)

Multiple other products under development with clinical trials to commence H2 2022

Market opportunity:

US\$16Bn

Projected value for the global collagen market for 2028

Premium fresh & live seafood

Products supplied through recent earnings accretive acquisition, Nine Ocean Group

Nine Ocean has an established wholesale and export business in Cairns, Australia

Provides NZS with a broadened footprint and immediate increase in revenue

Market opportunity:

A\$252Bn

Global seafood market in 2021 with demand expected to grow

Dried & Processed premium seafood*

Sales generated through an product suite of dried and ready to eat seafood products

Specifically focused on sustainably caught ling maw from Southern New Zealand

International sales footprint through direct to consumer and distribution channels

Market opportunity:

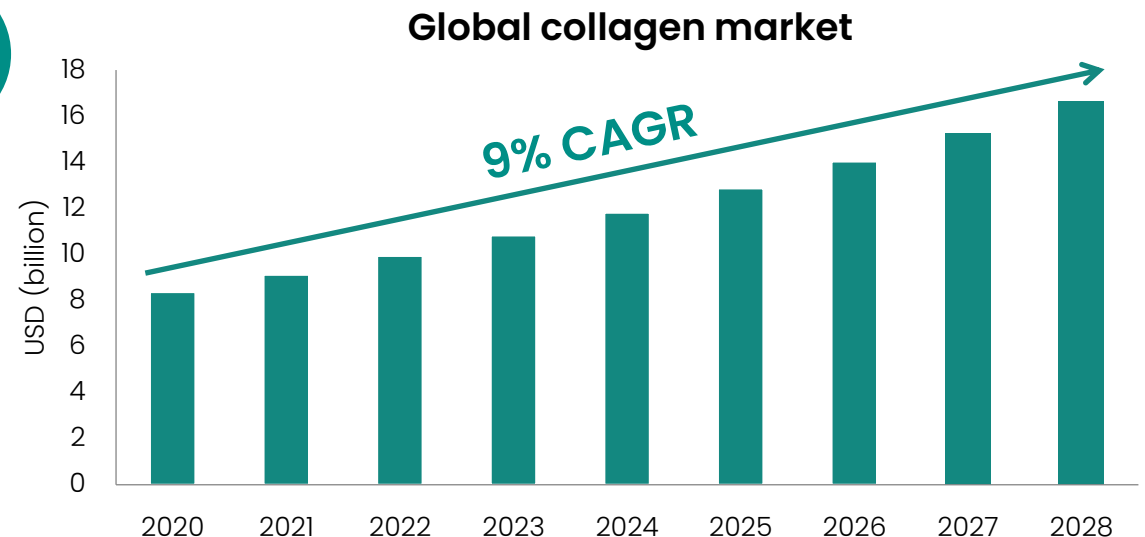
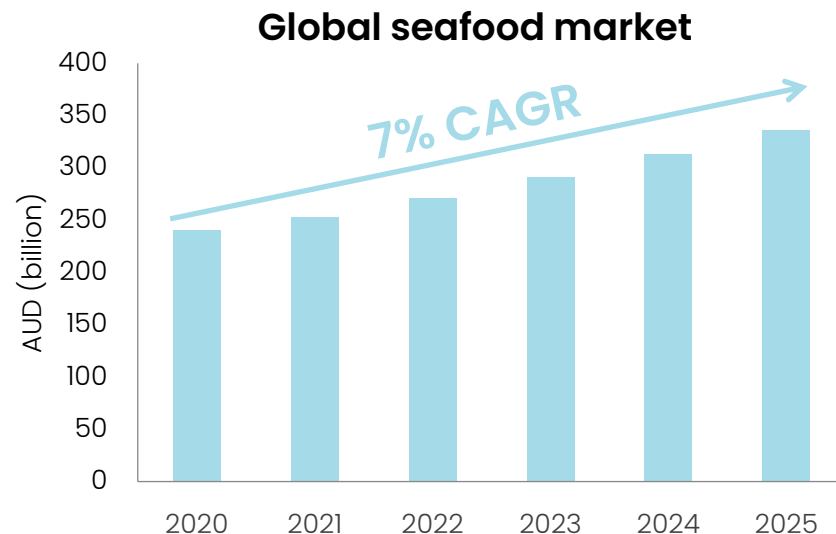
70%

Asia is expected to account for 70% of seafood consumption by 2030

Unlocking major market opportunities

NZS is globally renowned for its clean and green environment and sustainable seafood – The company is well positioned to capitalise through its growing product suite and operations

- 178m tonnes of seafood consumed annually – the world is expected to eat twice as much fish and aquatic food by 2050 when compared to 2015²
- By 2030, Asian countries will account for over 70% of all seafood consumption⁴
- Global seafood market grew from A\$240Bn in 2020 to A\$252Bn in 2021 with an anticipated CAGR of 7% through to 2025, taking to total market value to over A\$335Bn¹
- Global collagen market continues to grow rapidly from a strong base of US\$8.36Bn in 2020 to over US\$16Bn by 2028⁷



Potential high margin nutraceutical division

NEW ZEALAND
COASTAL SEAFOODS



Commercialisation of high-quality marine collagen powder

- New hydrolysed marine collagen powder marks entry into booming nutraceutical market
- Collagen is increasingly recognised as potentially beneficial to musculoskeletal health, cell repair in organs and bone and slowing the aging process
- Product is developed through a more effective and less costly process for collagen extraction from ling maw
- Proprietary hydrolysis process involves less energy and chemical input compared with land animal collagen extraction – highlighting NZCS' ongoing push towards sustainability
- Process achieves high concentration in a form potentially more easily absorbed by the body – all IP is 100%-owned
- New product believed to be among the highest quality collagen powders available as a human dietary supplement worldwide
- Clinical trials to broaden product understanding and opportunity expected to commence H2 2022 alongside leading healthcare distributor Ingredients Plus
- Planned clinical trial expected to confirm high absorption rates and extract quality
- Cost effective clinical trial process – trial costs split between NZS and Ingredients plus will lead to results in Q3 FY2023
- Commercial production is underway with sales discussions well progressed



Ling maw powder and pending nutraceutical ingredients

Nine Ocean – premium fresh & live seafood

Nine Ocean is a leading fishing and seafood product wholesale/export business

- Nine Ocean is a profitable business with established operations in Cairns and the Torres Strait
- Facilities include warehouse capacity, growing supply chain and an Australian base for NZS
- The group is a direct supplier of premium and frozen seafood products to over 700 outlets in Queensland – it also services the Sydney and Melbourne markets
- **Immediate earnings accretive opportunity** – Nine Ocean had sales revenue of \$1.64m in FY2022 and NPAT margin of 37.75% (NPAT: +15% YoY)
- Multiple synergies and cross selling initiatives identified including immediate and substantial cost reduction opportunities unlocking further upside



Nine Ocean's catch and products for sale

- Transaction will complete at the end of November 2022

Fresh catch products:



Products include: lobster tails, sea cucumber, mud crab and lobster amongst others

Major scalability following Nine Ocean acquisition

An opportunity to consolidate a regional market footprint and grow Nine Ocean's operations through NZS' capital and management expertise

- Nine Ocean's operations will be immediately earnings accretive to the combined group – existing distribution channels for sales into China bolster NZS' business
- NZS will deploy growth capital to Nine Ocean – both parties have agreed to seek to acquire another, larger fishing boat with capability to remain at sea for longer periods
- Increasing Nine Ocean's existing fleet will increase catch size and product sales leading to further revenue growth
- Through its Nth Queensland location, Nine Ocean gives NZS a unique distribution hub to further serve lucrative Asian markets – cross selling opportunities also arise across other business divisions
- NZS management have extensive industry experience and will optimise Nine Ocean's operations through supply chain management, wastage reduction and marketing
- All scrip transaction highlights confidence in Nine Ocean management to grow existing business in the near term
- Cost reduction opportunities identified and to be implemented – Nine Ocean to reduce expenditure by leveraging NZS' existing management, administration (Finance / ERP) systems with selected processing to be undertaken through shared existing facilities



Our current processing facilities

Existing operations and product suite

Considerable value still to be unlocked from existing operations in Christchurch, NZ and focus on delivering premium dried seafood products

- Large, established product suite of premium branded and bulk bought products – all products are sustainability caught in NZ waters
- Sales underpinned by reach through B2B and B2C channels – demand continuing to increase
- Currently selling premium branded products into high growth markets across China, Southeast Asia, Australia and New Zealand
- Reliable supply of high-quality raw seafood maintained through strong relationships with multiple NZ-based premium suppliers – provides competitive price advantages
- Diverse and growing distribution– direct sales to consumers and international distributors
- Focused on scaling through M&A – highlighted by agreement with Nine Ocean Group to build trans Tasman presence

Premium marine products

Branded:



L-R: Cooked maw in sauce, cooked medium abalone and dried ling maw

Bulk purchase:



L-R: Bulk ling fish maw and bulk dried greenshell mussels

Near term growth drivers

Focused on delivering a number of value catalysts during FY2023



Completion and integration of Nine Ocean with existing operations



Secure licensing agreements and/or sales for collagen product through B2B and B2C channels



Progress fleet expansion initiatives, including boat acquisition with Nine Ocean to expand haul and revenues



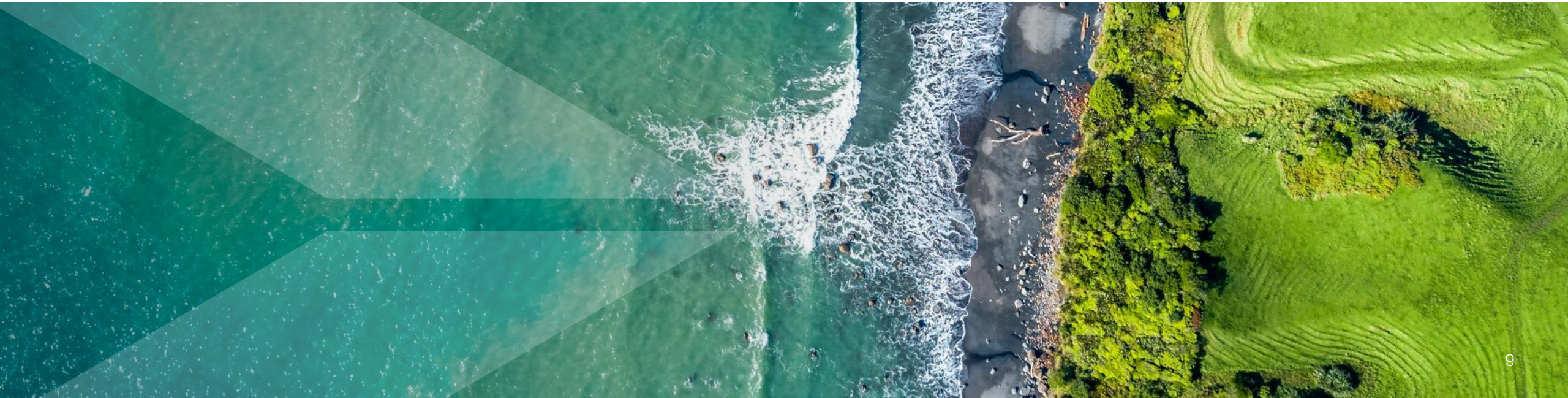
Commencement and completion of clinical studies with pending university partners to define collagen bioavailability



Optimisation of nutraceuticals manufacturing through expansion of internal processes



Expected increase of revenue base following integration and expansion of existing offering and Nine Ocean



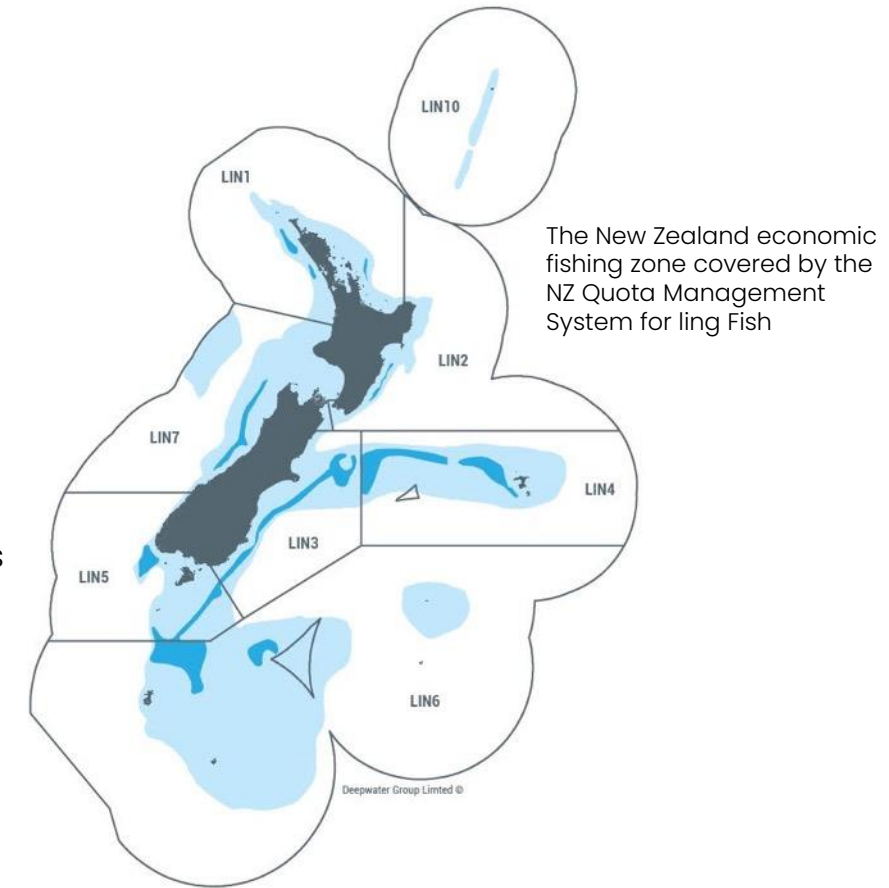
Our ongoing focus on sustainability

NZCS' operations remain sustainable and best practise:

- The Company's ling maw and collagen is caught and processed under the NZ quota management system for sustainable management of the NZ offshore fishery and is regulated by the Ministry of Primary Industry
- Only ling fish caught within the NZ economic fish zone, under the NZ quota management system is used
- All third party suppliers are required to be in line with these sustainable guidelines

Nine Ocean complements the company's approach:

- Nine Ocean's operating adhere to Australian Fisheries Management Authority (AFMA) guidelines and the company strictly abides by Protected Zone Joint Authority (PZJA) guidelines
- Major focus on local community engagement, including the supply of administrative services and equipment to the local population
- The company also purchases any suitable hauls from locals ensuring capital continues to flow back into the local community in North Queensland





Contact

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7 Bolt Place,
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1. <http://www.fao.org/3/ca7968en/CA7968EN.pdf>
2. <https://www.stockholmresilience.org/research/research-news/2021-09-15-global-demand-for-aquatic-foods-set-to-nearly-double-by2050.html#:~:text=The%20world%20is%20likely%20to,review%20of%20%E2%80%9CBlue%20Foods%E2%80%9D.&text=of%20the%20article.-,China%20is%20expected%20to%20continue%20to%20be%20the%20world's%20largest,in%20demand%20coming%20from%20Asia.>
3. https://www.einnews.com/pr_news/552594241/global-seafood-market-trends-strategies-and-opportunities-in-the-seafood-market-2021-2030
4. <https://www.foodnavigator-asia.com/Article/2014/02/06/Asia-to-consume-over-two-thirds-of-the-world-s-fish-by-2030>
5. <https://www.undercurrentnews.com/2020/01/23/chinas-seafood-imports-surge-39-to-15bn-in-2019/>
6. <https://www.undercurrentnews.com/2019/05/23/how-much-seafood-does-china-consume/>
7. <https://www.grandviewresearch.com/press-release/global-collagen-market>

Appendix 1: Board & Management



**Winton
Willesee**

Non-Executive Chairman



**Aldo
Miccio**

Executive Director



**Evan
Hayes**

Non-Executive Director



**Nathan
Maxwell-McGinn**

Non-Executive Director



**Erlyn
Dawson**

Non-Executive Director &
Company Secretary



**Andrew
Peti**

Chief Executive Officer



**Peter
Fletcher**

Chief of Sales



**Alexander
Li**

Head of Operations



**Peter
Win**

GM Business Development



**Bruce
Whall**

Chief Financial Officer

Appendix 2: Achievements and milestones

