



8 March 2021

Supply Agreement with Talley's

Highlights

- NZCS has entered a Supply Agreement with leading seafood supplier, Talley's Limited, for bone-in and boneless Ling Maw, Green-Lipped Mussel meat and Ling and Hoki Fish Skin products.
- The Supply Agreement further secures NZCS's supply of raw seafood, as the Company enters the next stage of growth, with further high value purchase orders anticipated over the coming period.
- Under the Supply Agreement, Talley's will supply seafood products to NZCS with pre-determined maximum quantities and product pricing, with the committed quantities representing circa 50% of the Company's current annual production capacity.

New Zealand Coastal Seafoods Limited (ASX:NZS) ("NZCS", the "Company") is pleased to announce that the Company has entered into a Supply Agreement ("Supply Agreement") with Talley's Limited ("Talley's") for bone-in and boneless Ling Maw, Green-Lipped Mussel meat and Ling and Hoki Fish Skin products.

NZCS has been working with Talley's for several years and, until now, has relied solely on its established relationship for its supply of raw seafood without any formal agreements in place. The Supply Agreement now further secures NZCS's supply of raw seafood from a reputable business, significantly de-risking the supply side of the business as the Company enters the next stage of growth.

Commenting on the Supply Agreement, NZCS CEO, Andrew Peti, said: "We are very pleased to have entered into the Supply Agreement with Talley's to further secure a consistent supply of raw seafood products as the Company enters its next stage of growth. With the Company now focused on securing additional high value purchase orders, it is welcomed that NZCS has further control over the supply chain to ensure that customers' expectations are met or exceeded. As a world leading seafood supplier, we look forward to continuing to work with Talley's over the long term."

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Founded in 1936, Talley's is a leading multi-division, international company specialising in the supply of seafood and other food products. Talley's prides itself on sourcing its fish solely from the pristine marine waters of New Zealand and meets strict harvesting and processing regulations to ensure the highest standard of environmental sustainability, food safety and quality.

Under the Agreement, Talley's has agreed to supply NZCS with predetermined maximum quantities of the seafood products listed below, at prevailing market prices on a best endeavours basis, subject to successful fishing and procurement activities and/or availability of stock at the time of purchase:

- Fresh boneless Ling Maw;
- Frozen bone-in Ling Maw;
- Frozen Green-Lipped Mussel meat;
- Frozen Ling fish skin; and
- Frozen Hoki fish skin.

The committed supply quantities represent approximately 50% of the Company's current annual production capacity, providing increased security of supply for the Company.

The Supply Agreement does not confer an obligation on NZCS to purchase the quantities listed above. The Supply Agreement will run for an initial period of 12 months and may be terminated by either party upon giving two months written notice.

Authority:

This announcement has been approved by the Board of New Zealand Coastal Seafoods Limited.

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About New Zealand Coastal Seafoods

New Zealand Coastal Seafoods (NZCS) is a New Zealand based, ASX listed, secondary producer of nutraceutical, seafood products and premium marine ingredients. The Company recently acquired Kiwi Dreams International Limited (KDI), a leading developer of innovative nutraceutical products and services including ingredient supply, quality and validation, as well as formulation and development.

Through the development of Nutraceutical projects, NZCS has recognised significant opportunities in this high growth market, with the global Nutraceutical market estimated at US \$230.9 billion in 2018.¹

Harnessing the countries reputation for pure, pristine waters and fisheries provenance, NZCS utilise raw ingredients sourced from New Zealand's finest deep sea fishing companies, employing a nose-to-tail philosophy to create a range of high-value products.

The Company's mission is to share the sought-after flavours of sustainably-sourced, nutritious, healthy and organic goodness of New Zealand's seafood with Asian consumers, through expanding distributor, wholesale and consumer channels.

NZCS's growth strategy is focused on the development of a new nutraceutical product range and increasing production and sales of its flagship, collagen-rich, dried ling maw range and developing high-value ready-to-eat, FMCG products for export into new and existing markets.

¹ <https://www.bccresearch.com/market-research/food-and-beverage/nutraceuticals-global-markets.html>

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