

30 May 2025

Market Update – NZK reduces FY26 harvest volumes

The Board of New Zealand King Salmon Investments Limited (NZX/ASX: NZK) advises that the FY26 earnings guidance provided on 17 March 2025 has been updated following the Board's decision to reduce harvest volumes for ~4 months.

The decision by the Board to reduce harvest has been made to rebuild biomass following a period of lower than anticipated growth. The main contributor to the reduced growth is from subdued feed outs, with these being below forecast volume for longer than anticipated. Although feed outs are improving, the decision has been made to start reducing harvest, to increase biomass and average fish size. Absent this, NZK's future harvests (FY27 and beyond) would be negatively impacted. This decision is expected to contain the profitability impact to FY26.

The harvest reduction has resulted in FY26 forecast harvest volume being revised down to ~5,200 MT to ~5,400 MT (previously issued harvest range ~5,900 MT to 6,300 MT), with the flow on future impact to profitability being reflected in an updated FY26 pro-forma EBITDA guidance. NZK expects harvest volumes to start to recover by September 2025.

As a consequence of the reduced harvest, the FY26 earnings guidance range of pro-forma EBITDA has been revised down to \$6 million - \$12 million (previously issued guidance range of pro-forma EBITDA \$15 million - \$24 million).

In addition, NZK acknowledges the reduction in our FY26 harvest will have an impact across our operations, as well as for our customers, and these are currently being worked through.

The reason for the reduced feed outs and corresponding growth rates, as with anything fish performance related, is multi-factorial, with the dominant correlation occurring with the warmer water months. This can lead to increased stress and exacerbate fish health and performance challenges, which can suppress fish appetite and the associated growth. Reduced feed outs over summer are a normal occurrence, however this year the feed outs were more subdued than anticipated and have taken longer to recover to expected levels. NZK is continuing to develop tools and strategies that will support fish health and performance in general, but also specifically for over these periods.

One key tool NZK will implement for this upcoming summer is a specific summer diet to support fish health and performance. The diet was trialled in our new Ruakākā trail pens over the most recent summer. The trial was positive and identified that the trial diet outperformed our current diet, with our fish experiencing higher feed outs, which promoted higher growth and survival rates when compared to our current diet.

Authorised by: Board of Directors of New Zealand King Salmon Investments Limited

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