

# TASSAL GROUP LIMITED

FU21 Results

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# FY21 saw Tassal focus on factors in its control

**Salmon retail "Tassal" branded volume growth**: MAP up 27.7% and smoked up 19.5%, reflecting a focussed marketing campaign that delivered increased brand strength and trust, and successful levering of the megatrends that underpin salmon growth

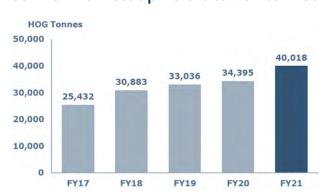
**Growing salmon production** – 40,018 hog tonnes achieved in FY21 (up 16.3%), 3 years ahead of strategic plan, underpinned by improved survival and food conversion rates

Australia's largest prawn harvest – 3,915 tonnes achieved in FY21 (up 59.1%) underpinned by significant improvements in farming yield and harvest biomass

**Strong efficiency gains** – cost of growing and production savings of \$0.33/kg and \$1.45/kg across both salmon and prawns, respectively through infrastructure upgrades and operation optimisation

Sustainability - Responsible Business platform to cement Tassal's ESG and sustainability industry leadership

### Salmon harvest up 16.3% to 40k tonnes



### Revenue up 5.6% to \$594m



### Operating cashflow up 22.4% to \$61m

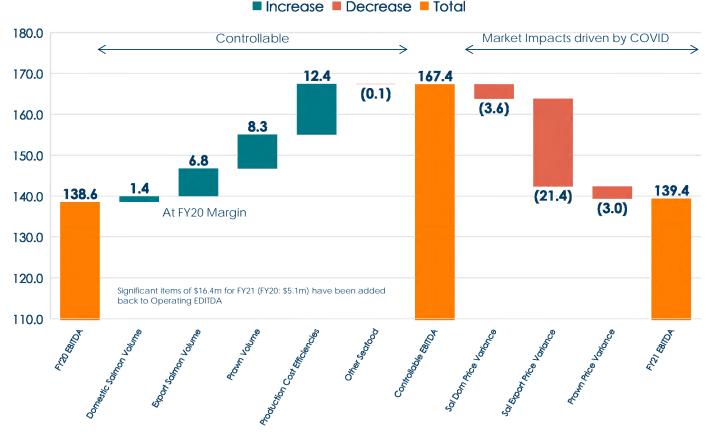


# STRONG EXECUTION on controllable factors

# FY20 v FY21 EBITDA Analysis (\$m)1

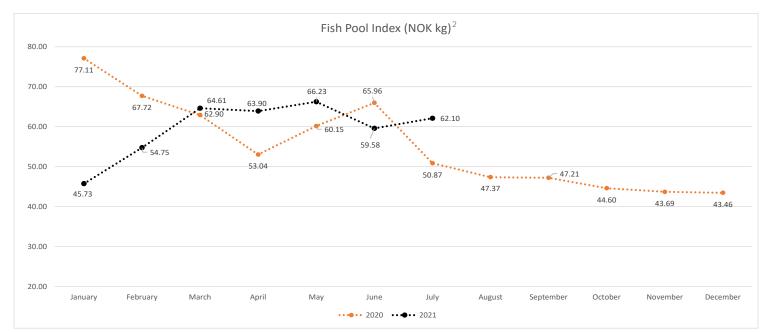
- Successfully executed and delivered on all controllable factors over FY21
- "Controllable" FY21 EBITDA was up20.7% to \$167.4m
- Operating EBITDA 1 was up 0.6% to \$139.4m
- Operating EBITDA (pre AASB 16) was down 12.2% to \$111.7m
- Global pricing significantly impacted by COVID-19 which in turn negatively influenced both export and domestic markets for Tassal

<sup>1.</sup> Operating EBITDA (earnings before interest, tax, depreciation and amortisation) excluding significant items and SGARA



# NON-CONTROLLABLE: Covid-19 Market Impact

- After growing at 9% pa (2005-20), global salmon demand fell by -11% in CY20 as a result of global lockdowns and restrictions on foodservice, with the market impact
  compounded by a 6% increase in global supply. Current market forecasts see global demand growing at between 10% to 15% in CY21, with only a 2% increase in
  global supply forecast 1
- Asian export markets, the key export region for Australian salmon producers, were impacted with foodservice shutdowns from resulting lockdowns and high logistics costs associated with shortages in air freight capacity (particularly in 1H21)
- Global pricing (see Fish Pool Index below) experienced significant price deflation over CY20 for both salmon and prawns, and recovered from March 2021
- Significant dislocation in global markets in CY20 (particularly from July 2020) impacted salmon domestic wholesale pricing in 1H21 (currently recovering) and retail delicontracts for supply from 4Q21 (Tassal reduced supply into fresh deli)

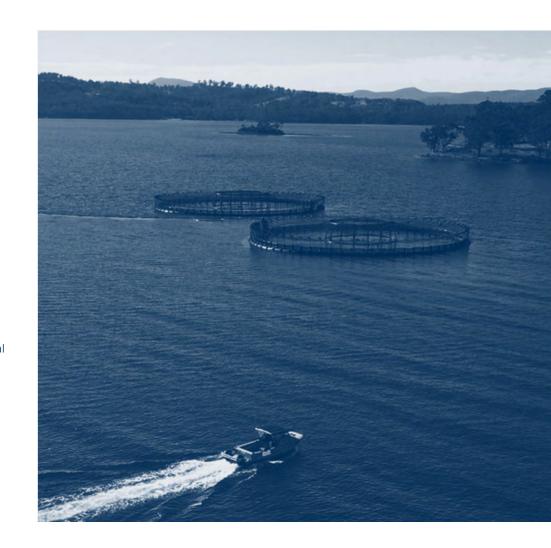


### Notes

- 1. Rabobank 2021
- 2. Fish Pool Index 2021

# SUCCESSFULLY NAVIGATING A year of Covid-19

- Over FY21, Tassal's focus and actions were on the controllables:
  - Managing supply to meet domestic demand
  - Growing the tassal and tropic co brands
  - Maintaining share within existing customers
  - Accelerating growth with new partners
- Initiatives implemented to mitigate the impact of covid-19 on business performance included:
  - Focusing on operational excellence
    - Lowering growing and processing costs
    - Improving survival and optimising fish size
  - Working closely with government & freight partners to secure ongoing international airfreight capacity
  - Leveraging tassal's strong brand recognition in retail to mitigate softer domestic wholesale market
- Tassal did not receive, nor sought to receive, any jobkeeper payments





# Financial Summary

Financial Summary (A\$m)	FY21	FY20	Change
Revenue	594.04	562.54	5.6%
Statutory results			
AASB 141 SGARA Impact <sup>1</sup>	(3.11)	12.17	(125.5%)
EBITDA	119.81	145.61	(17.7%)
EBIT	61.36	106.87	(42.6%)
NPAT	34.62	69.11	(49.9%)
Operating results			
EBITDA <sup>2</sup>	139.35	138.55	0.6%
Salmon EBITDA \$/Kg	3.20	3.60	(11.0%)
Prawn EBITDA \$/Kg	5.13	6.42	(20.1%)
EBIT <sup>2</sup>	80.90	99.82	(19.0%)
NPAT <sup>2</sup>	48.30	64.17	(24.7%)
Operating cashflow	61.02	49.85	22.4%
Final dividend - cps	7.00	9.00	(22.2%)
Total dividend - cps <sup>3</sup>	14.00	18.00	(22.2%)

### Notes

- 1. SGARA post tax decrement (\$2.2m) (FY20: increase \$8.5m)
- 2. Before significant items of \$16.4m (FY20: \$5.1m) and SGARA
- 3. The final dividend unfranked (FY20: Final dividend 25% franked)
- 9 FY21 RESULTS | MARK RYAN & ANDREW CRESWELL

### Revenue up 5.6% to \$594.0m

Salmon domestic retail strength and an increasing prawn contribution, offset by declines in export salmon and prawn price and domestic wholesale salmon price

Export sales price was significantly negatively impacted due to global foodservice market dislocations and closures caused by COVID-19 lockdowns

Domestic industry salmon supply was significantly up, leading to domestic wholesale market experiencing significant price deflation in 1H21, but then recovering in late 2H21

Domestic salmon and prawn sales volume, and therefore consumption, was significantly up

Statutory EBITDA down 17.7% to \$119.8m, reflecting global and domestic pricing pressures, together with the material impact of export supply chain costs (i.e. significant item) and a SGARA decrement

Operating EBITDA up 0.6% to \$139.4m, with reductions in cost of growing and efficiencies in salmon and prawns of \$0.33/kg and \$1.43/kg, respectively offsetting global and domestic pricing pressures

Operating cash flow up 22.4% to \$61.0m as growth in biomass translating to cash inflows

Final dividend of 7 cents per share declared, taking total FY21 dividends to 14 cents per share, consistent with payout ratio of at least 50% of Operating NPAT

Tassal way

# Funding in place to support growth

Diversity of funding sources – bank debt, leasing and receivable purchase facility (RPF)

Drawdown in debt to fund salmon and prawn growth

Appropriate tenor in the bank debt book (weighted average currently 2.3 years)

Prudent credit metrics at 30 June 2021 – significant headroom to banking covenants

Focus on ensuring Tassal maintains appropriate access to banking sources and minimises refinance risk by operating well within defined banking covenants at all times

Substantial headroom available in debt facilities with \$118.6m in undrawn debt facilities + cash of \$30.6m at 30 June 2021

Funding	30-Jun-21	30-Jun-20	Change
Debt	348.4	219.6	(58.7%)
Cash and cash equivalents	(30.6)	(21.9)	40.1%
Reported Net debt	317.8	197.7	(60.7%)
Lease liabilities	209.1	217.3	3.8%
Total Funding	526.9	415.1	(26.9%)

Credit Metrics	30-Jun-21	30-Jun-20
Leverage <sup>1</sup>	2.5	1.6
Debt Service Cover <sup>2</sup>	2.7	2.8
Gearing <sup>3</sup>	40.9%	25.0%

Committed Debt Facilities		30-Jun-21			
	Facility	Drawn	Undrawn		
Debt facilities	467.0	348.4	118.6		
Cash and cash equivalents			30.6		
Receivables Purchase Facility (RPF)	110.0	68.1	41.9		

### Notes

- Bank debt / Operating EBITDA (post AASB 16)
- Operating EBITDA (post AASB 16) less taxation payments plus rental commitments / principal, interest and rental commitments
- 3. Net debt / Equity

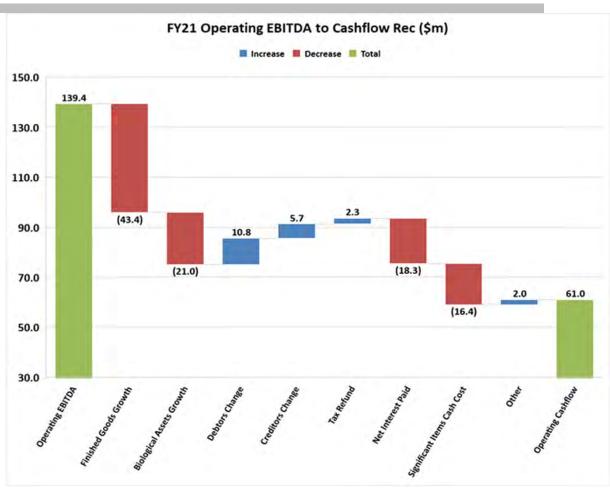




# Operating cashflow is expected to move closer towards Operating EBITDA

### **COVID-19** related impacts:

- Growth in finished goods of \$43.4m which was 1H21 driven due to lack of capacity in airfreight in the early stages of COVID-19 which has now been resolved to a large extent.
   Record export sales in July and August 2021 supports this position. Accordingly, this growth in finished goods should not replicate in FY22
- Biological assets growth of \$21.0m was driven by the excellent growth performance on the salmon year class for sale in late FY22 and early stocking of prawns. We are not planning for this to replicate in FY22
- Significant Items of \$16.4m largely reflected elevated export freight costs. Given the cost of export supply chains is still elevated, we expect this cost to occur again n FY22



# Capex supporting sustainable growth program

### 70.2% of FY21 capex was growth focused

Maintenance capex levels appropriate to support sustainable operation of business

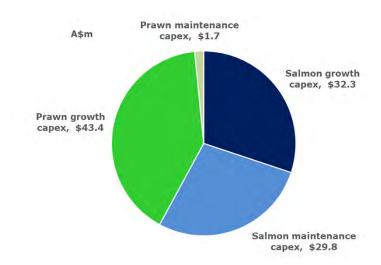
**Net \$1.4m benefit** (not in pie chart) from Prawns' land sale and acquisitions

Capex declined from \$138.7m down to \$105.9m as major investment program reduced

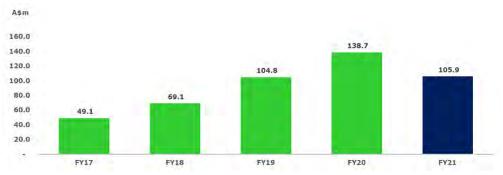
**FY22 forecast capex expected to decline** further to circa \$80.0m to \$90.0m

Salmon & prawn depreciation circa \$48.0m – maintenance capex \$49.7m

### FY21 capex (\$m)



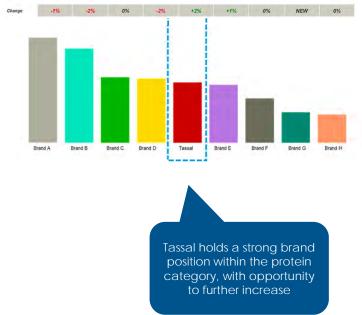
Total FY capex (\$m)



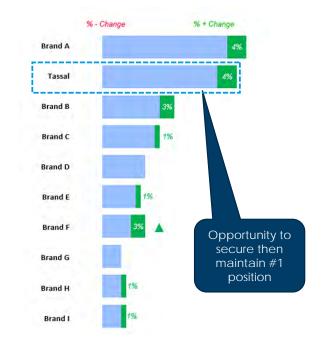


# TASSAL IS AUSTRALIA'S No. 1 salmon / protein brand...

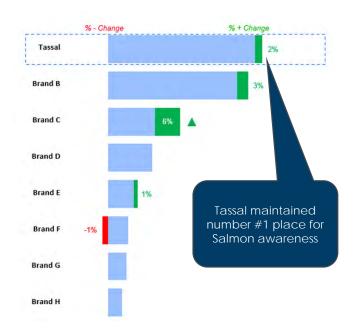
### **Unprompted Protein Awareness**

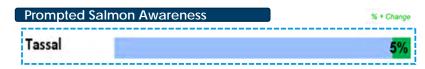


### **Unprompted Seafood Awareness**



### **Unprompted Salmon Awareness**





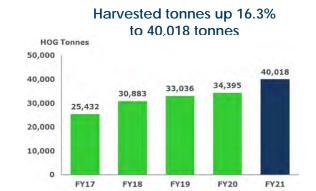
# SUPPORTED BY effective marketing...

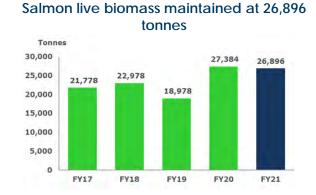
	FY21 Marketing Plan - objectives	Outcome - May 2021 vs Aug 2020 (% change)
•	Increase consumer consumption of Tassal salmon (May 21 MAT)	Penetration +8% Frequency +14%*
•	Increase Tassal brand awareness (Unprompted)	+38%#
•	Drive consumer brand trust	+5%#
•	Drive Tassal brand purchase & intent (Ever Bought)	+13%#
•	Drive Tassal as main brand purchased	+43%#



# SALMON production outperformed

### Salmon biomass 3 years ahead of Strategic Plan







Smolt input has been materially the same over the past 3 years, so growth reflects improved survival and SmartFarming application

**Survival improvements** given POMV vaccine and successful investment in Ocean Sanctuary Pens decreasing seal impacts, lead to survival rate of 94% for the current harvest year class

Fish size largest ever supported by Well Boat, automated Feed Centre, improved diets and a more tolerant fish to summer water temperatures

Cost of growing \$/kg improvements delivered \$0.33/kg in savings from fish survival and "cost-out" focus

Processing \$/kg improvements were generated given fish size and condition underpinned increased yield and throughput

**Strategic increase in frozen hog volumes** mitigated lower global pricing in 1H21, which is now being efficiently and effectively used for smoked salmon production in CY21, which in turn allows fish to be kept in the water longer to enable maintaining / bigger size fish

# ... underpinning strong growth in salmon volumes...

# Tassal's refocus to retail and fresh hog wholesale business during FY21 provides a strong platform for growth in FY22, particularly as export prices recover

Salmon Sales Volume (Hog equiv tonnes)	FY21	FY20	Change
Domestic Salmon Market	28,620	28,259	1.3% 🛆
Export Salmon Market	8,889	6,051	46.9% 🛆
Total Salmon Market	37,509	34,310	9.3% 🛆
Domestic Retail Market	20,228	20,306	(0.4%)
Domestic Wholesale Market	8,392	7,954	5.5% 📤
Total Domestic Salmon Market	28,620	28,259	1.3% 🛆

# Domestic wholesale and export price volatility – particularly in 1H21



Domestic Salmon Market - Key Products (Hog equiv tonnes)	FY21	FY20	Change
Wholesale - Fresh Hog	7,009	6,445	8.8% 📤
Retail - Tassal Brand MAP	1,921	1,503	27.7% 📤
Retail - Private Label MAP	4,881	4,841	0.8%
Retail - Tassal Brand Smoked	2,326	1,947	19.5%
Retail - BTC / Deli	5,789	6,175	(6.2%)

 Effectively refocused sales and marketing efforts in 1H21 (including Tassal branded TVC) into more profitable categories over FY21, while growing fresh hog wholesale business during 2H21



# ... and continued growth in domestic market sales

### Total salmon volume and revenue grew

Total Salmon Sales (A\$m)	FY21 FY20		Change		
Salmon Volume (Hog equiv tonnes)	37,509		34,310	9.3% 🚄	_
Salmon Average Price (\$/Hog kg equivalent)	\$ 12.54	\$	13.28	(5.5%)	
Salmon Revenue (\$m)	470.54		455.55	3.3% 🚄	
EBITDA	120.03		123.42	(2.7%)	
EBITDA (\$/kg)	\$ 3.20	\$	3.60	(11.0%)	

### Slight growth in domestic salmon market

Domestic Salmon Market	ı	FY21 FY20		Change	
Salmon Volume (Hog equiv tonnes)		28,620		28,259	1.3% 🛕
Salmon Average Price (\$/Hog kg equivalent)	\$	13.35	\$	13.47	(0.9%)
Salmon Revenue (\$m)		381.95		380.65	0.3%
EBITDA		109.63		108.88	0.7%
EBITDA (\$/kg)	\$	3.83	\$	3.85	(0.6%)

# Operating EBITDA decreased to \$3.20/kg due to reduced export pricing, partially offset by efficiency benefits

- Strong growth in salmon sales volume, up 9.3% to 37,509 hog tonnes
- Salmon efficiency benefits delivered lower cost of growing and production -\$0.33/kg
- Negative pricing in domestic wholesale and export markets
  - Export market returns down 19% given lower global pricing and an appreciating AUD/USD exchange rate
  - Domestic market returns were also impacted due to reduced wholesale pricing and the costs of marketing and promotional efforts

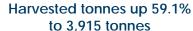
### Export salmon market impacted by COVID pricing

Export Salmon Market	F	FY21 FY20		FY20	Change
Salmon Volume (Hog equiv tonnes)		8,889		6,051	46.9% 📤
Salmon Average Price (\$/Hog kg equivalent)	\$	9.97	\$	12.38	(19.5%)
Salmon Revenue (\$m)		88.59		74.90	18.3% 📤
EBITDA		10.40		14.54	(28.5%)
EBITDA (\$/kg)	\$	1.17	\$	2.40	(51.3%)





# HARVEST TONNAGE Underpinned strong growth in sales

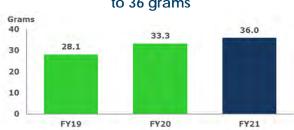




# Average yield up 22.0% to 11.1 tonnes/hectare



# Average harvest size up 8.1% to 36 grams



- Operations Consolidation of innovation and expertise from salmon to Tassal's prawn farming model evident data capture and insights continuing to
  drive yield gains and improved utilisation of assets
- Harvesting uplift Planned earlier stocking program in 2020 facilitated a significant uplift in harvest volumes
- Yield and growth improvement combination of SmartFarm, improved feed diets and fish husbandry, leading to improved sizes, survival and live biomass

### Total prawn volume and revenue grew strongly

Total Prawn Sales (\$A\$m)	F	FY21		FY20	Change	
Prawn Volume (tonnes)		3,350		2,011	66.6%	
Prawn Average Price (\$/kg)	\$	17.85	\$	20.59	(13.3%)	•
Prawn Revenue (\$m)		59.81		41.42	44.4%	
EBITDA		17.18		12.91	33.1%	
EBITDA (\$/kg)	\$	5.13	\$	6.42	(20.1%)	•

- Operating EBITDA down to \$5.13/kg due to negative export pricing and sales mix into domestic market, partially offset by efficiency benefits
- Strong growth, with prawn sales up 66.% and revenue up 44.4%
- Average pricing reduction due to sales mix change into domestic retail market, and short-term net pricing impact due to COVID-19 market dislocation for export market
- Wholesale market pricing remained stable despite significant volume growth
- Efficiency benefits from auto-feeders and state-of-the-art hatchery processing facilities delivered \$1.45/kg lower cost of growing and production

# ... with farming footprint supporting goal of 20k tonnes







	Proserpine Farming Precinct	Mission Beach	Yamba	Total Pond ha	Total volume	Tonnes/ha
FY21	270	32	48	350	3,915	11.1
FY22	289	32	48	369	5,000	13.7

Once fully authorised and developed, the Proserpine Farming Precinct expansion plus the remaining 1,000ha at Exmoor Station, provides an optimal path to 20,000 tonnes by 2030



# THE RIGHT SIDE of Sustainability Tassal Salmon and Tropic Co prawns perform well when compared to other land animal proteins...

	tassal	Tropic Co			
			<b>\$</b>		Shall a
PROTEIN RETENTION	28%	32%	37%	21%	13%
FEED CONVERSION RATIO (FCR)	1.3	2.1	1.63	3.1*	8.O <sup>2</sup>
EDIBLE MEAT PER IOOKG FEED	48kg	47kg	39kg	19kg	7kg
CARBON FOOTPRINT (KG CO <sub>3</sub> E/KG EDIBLE MEAT) <sup>1</sup>	12kg	11kg	7kg	13kg	66kg

- All data presented for Tassal and Tropico based on raw data provided by Tassal
- Based on global average taken from Fry et al (2018) Feed conversion efficiency in aquaculture: do we measure it correctly? Environ. Res. Lett. 13 024017
- Based on average for Australian grown broilers taken from <a href="https://www.chicken.org.au/facts-and-figures/">https://www.chicken.org.au/facts-and-figures/</a>
- Based on average for Australian grown pork taken from <a href="http://porkcrc.com.au/wp-content/uploads/2016/06/4C-117-Fianl-report.pdf">http://porkcrc.com.au/wp-content/uploads/2016/06/4C-117-Fianl-report.pdf</a>
- Based on global average taken from http://www.fao.org/gleam/results/en/#c300947 converted from kg protein to kg edible meat using FSANZ Australian Food Composition Database

https://www.foodstandards.gov.au/science/monitoringnutrients/afcd/Pages/default.aspx

# THE RIGHT SIDE of Sustainability

Land-based grow out systems are still in their infancy globally, and while we continue to monitor progress, it is important to recognise the high energy use, high carbon footprint and high stocking densities associated with these operations

	tassal	SALMON LAND-BASED RAS IF BASED IN N.S.W.	SALMON LAND-BASED RAS IF BASED IN TASMANIA
		<b>6</b>	<b>6</b>
PROTEIN RETENTION	28%	28%	28%
FEED CONVERSION RATIO	1.3	Th.	1.31
EDIBLE MEAT PER 100KG FEED	48 kg	48 kg	48 kg
CARBON FOOTPRINT (KG CO. E/KG EDIBLE MEAT)	12 kg	49 kg²	18 kg <sup>2</sup>

### Our fish are thriving...

	tassal	SALMON LAND-BASED RAS		Best Aquaculture Practices
FARMING DENSITY (KG/M²)	8 kg <sup>s</sup>	50-100 kg <sup>4</sup>	15 kg <sup>5</sup>	25 kg <sup>6</sup>

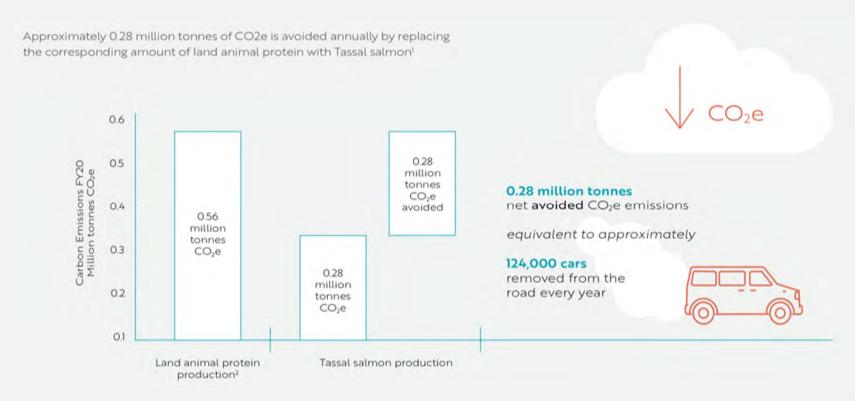
- FCR of 1.1 based on a 10% improvement of FCR in RAS systems
- 2. The carbon footprint of land-based grow out RAS has been estimated using publicly available production volumes and energy use values for existing land-based RAS grow-out operations. We have created hypothetical scenarios of land-based RAS facilities, one located close to market in N.S.W. and the other in Tasmania using current feed composition and emission factors for each state
- Tassal average farming density across all salmon marine sites in FY21
- Land-based grow out RAS stocking density range estimated based on publicly available figures for existing land-based RAS systems
- RSPCA Approved Farming Scheme Standard Farmed Atlantic Salmon Standard from https://rspcaapproved.org.au/wpcontent/uploads/2020/05/2020-05\_FARMEDATLANTICSALMON\_Standard.pdf
- 6. Best Aquaculture Practices (BAP) Salmon Farms Standard from

https://www.bapcertification.org/Downloadables/pdf/standards/Pl%20-%20Standard%20-%20Salmon%20Farms%20-%20Issue%202.3%20-%2013-October-2016.pdf



# AVOIDED Carbon emissions

### Tassal Salmon production is on the right side of sustainability

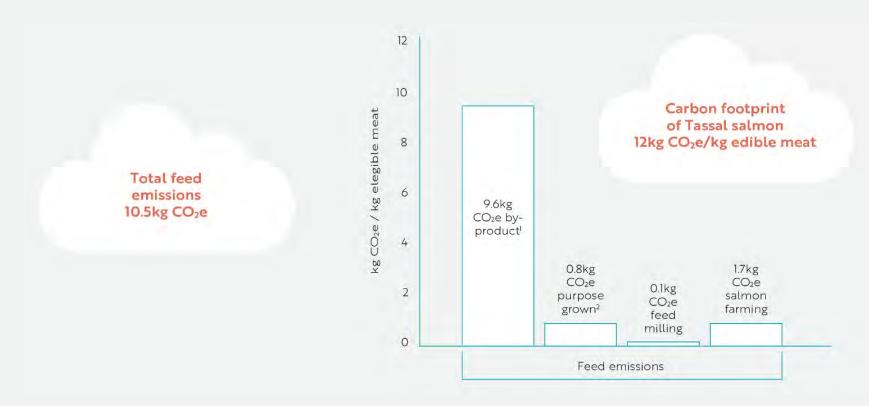


<sup>1.</sup> Based on edible meat equivalents

<sup>2.</sup> Land animal protein is calculated using a consumption weighted average of beef, lamb, chicken and pork taken from ABARES Australian Commodities, March Quarter 2021

# BREAKDOWN of emission sources

### Tassal Salmon production is on the right side of sustainability



<sup>1.</sup> By-product such rendered land animal by-products and trimmings from fish processed for human consumption

<sup>2.</sup> Purpose grown and caught ingredients including agricultural ingredients (wheat, soya derivatives, corn gluten and vegetable oils) and fishmeal and fish oil sourced from reduction fisheries

# CIRCULAR ECONOMY and waste

Playing our part for waste free oceans, coasts and households





# TECHNOLOGY INNOVATION Supporting a sustainable pathway forward

Further enhancing salmon farming, while also significantly improving prawn farming through innovation. Our focus is to continue to improve the energy efficiency of our operations, transitioning to renewable energy and investing in new technologies

### Tassal's salmon farming was further enhanced in FY21

Completion of Ocean Sanctuary Pen roll-out to enhance the safety and welfare of our people and fish while decreasing wildlife impacts and interactions

Improved survival and welfare through successful implementation of POMV vaccine

Pico oxygenation trial which saw an enhanced in-pen environment for salmon during summer

Implementation of Tassal's diverless retrieval system allowing improved product for our rendering facility

### Tassal's SmartFarming technology and ways of working were rolled out across our prawn farms

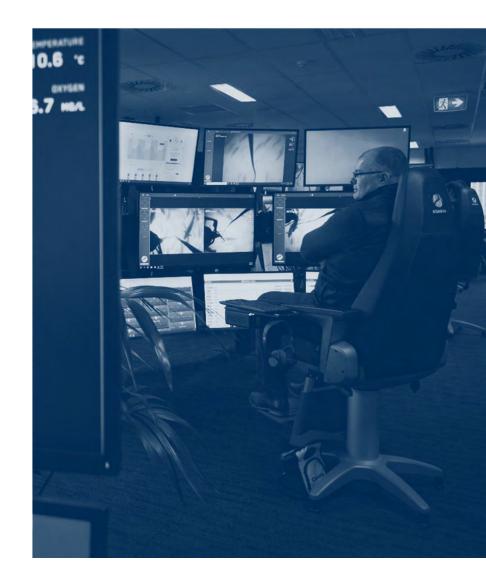
Biggest leap in innovation to prawn farming globally through combination of autofeeders and diets

Enabled real time monitoring of the welfare of our prawns

Construction of state-of-the-art hatchery and processing facilities

A blueprint to substitute all marine based compressors on our salmon farms to electric compressors to further reduce GHG emissions and noise in sensitive areas was set in motion

We are actively exploring partnerships and initiatives to unlock Blue Carbon opportunities through seaweed and support food systems adaption



# NEW ESG STRATEGY Takes further bold steps



Tassal is proud of the role it plays in the global production of responsibly farmed salmon and prawns, that in turn provides nutritious and healthy food to a growing population in Australia and globally...

Our sustainability journey began in earnest 10 years ago. FY21 has been used to reframe our ESG and sustainability outlook and operations

We use the framework of 5Ps – **People**, **Planet**, **Product**, **Prosperity** and **Principles** of governance – which is a united platform to drive long-term value and make a positive contribution to our shareholders and the broader global community

- This new approach intends to drive long-term value and make a lasting positive contribution to our shareholders and the broader global community
- It takes into account global challenges, demand and trends and incorporates what matters to our consumers, customers shareholders, people, and the communities within which we operate

Our new Beyond Sustainability, **Responsible Business Roadmap** sets out commitments and an accelerated program of inclusive action in seven areas of transformation – waste, people and communities, climate and circularity, freshwater, responsible sourcing, governance and animal welfare

- It involves more transparency on progress, including visual transparency into our operations and farms
- Reporting metrics that will be included in our Sustainability Report for FY21 are outlined in the Appendix

... and we are confident that our Responsible Business platform will not only accelerate our ESG and sustainability journey to 2030 but ensure we are one of the world's most sustainable protein producers



# IMPROVED MARKET FUNDAMENTALS AND OPERATIONAL INITIATIVES

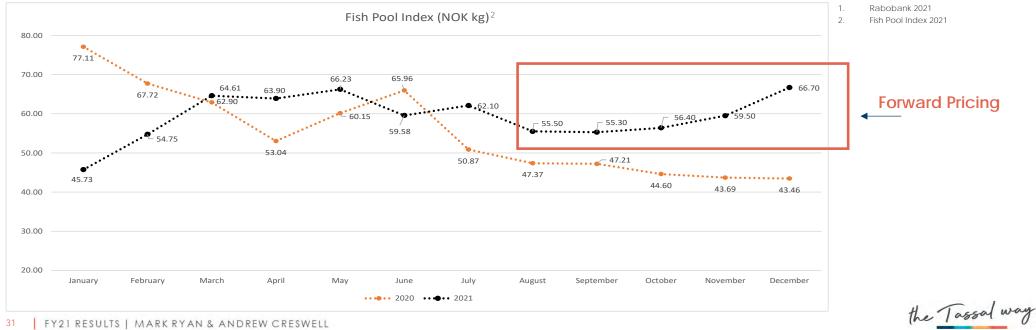
underpin positive growth outlook

### THE GLOBAL SALMON MARKET AND PRICING IS RECOVERING

Following 7% growth in CY20, global supply has tightened, with negligible supply growth of c2% forecast for CY21, with supply declines expected in H2 CY21. For CY21, most market commentary suggests that the salmon industry is expected to deliver 10-15% demand growth with only a 2% increase in global supply forecast 1 Larger EU+UK and US retail customer base and a recovery in "other markets" (due to restricted supply) expected to underpin this growth. Foodservice is returning as lockdowns ease and vaccines are rolled out

CY21 has seen a recovery in global pricing. Prices look promising in Q3 and Q4 CY21 based on FishPool Futures Pricing, which is the optimum supply period for Australian producers

Supply chain from Australia is still likely to be the greatest risk going forward - both from a capacity and cost perspective. Number of Australian outbound flights is circa 80% below pre COVID-19 levels. IFAM continues to be extended for FY22





### NON CONTROLLABLE FACTORS:

- Global salmon market beginning to recover, albeit not yet to pre-COVID-19 levels.
   Current forward export pricing is promising. Unit economics will remain dependent on exchange rates and the cost and availability of airfreight
- Political risk surrounding China exports remain, though volume was stable in FY21 and Tassal maintains strong relationships in the region
- Domestic pricing (particularly in the wholesale market) is currently recovering inline with the global pricing – however it will take longer for some retail contracts – e.g. BTC/deli support - to recover due to 3–5-year agreements in place

### FOCUS TO REMAIN ON THE CONTROLLABLE FACTORS:

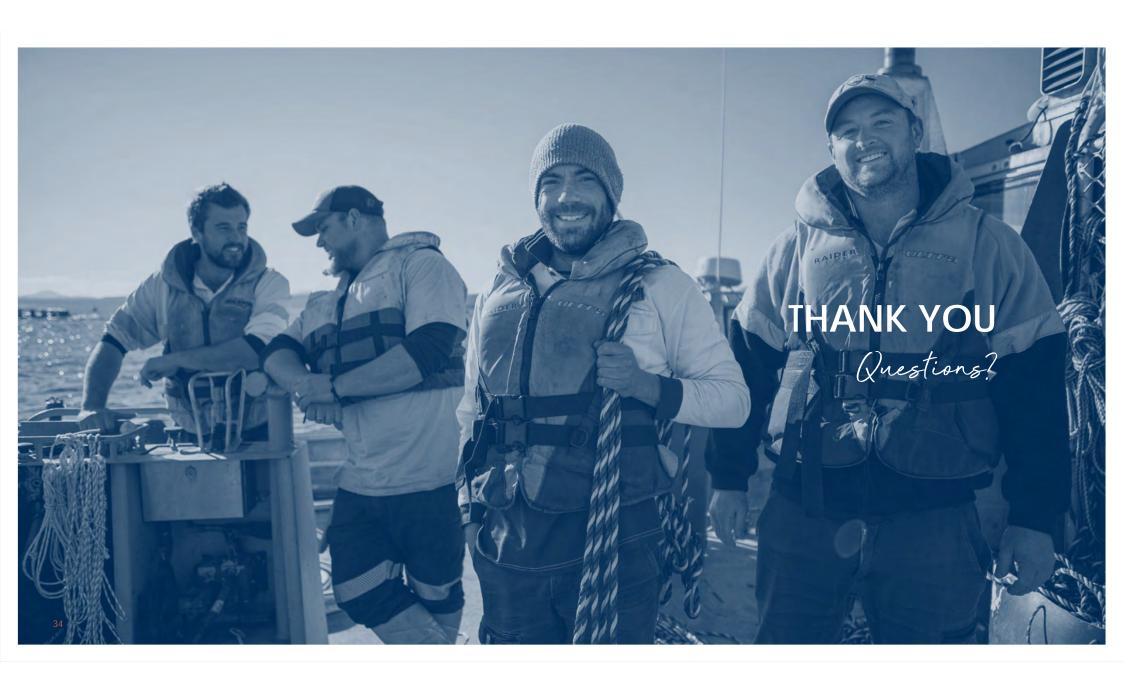
- Driving cost-out \$/kg efficiencies and fish performance
- Circa 40,000 hog tonnes of salmon production expected in FY22 remains ahead of strategic plan
- Expected to reach 41,000 hog tonnes of production in FY23 and maintain this level until more favourable domestic conditions return
- Maintaining salmon replacement and upgrade capital expenditure of circa \$50m pa will enable the 'housing' of 41,000 hog tonnes
- Continued brand investment to support no. 1 brand status and top of mind awareness – marketing plan will build on FY21 success to continue to drive long term demand for "Tassal" branded products



# PRAWN

- Committed to the strategic goal of 20,000 tonnes by 2030 once fully authorised and developed - which can be brought forward if considered appropriate in a 'post COVID-19' world
- Production growth expected from improving yield (survival and growth) via a similar path to salmon – fish husbandry (health), domestification (i.e. selective breeding), automated feeding systems, improving fish diets and diet cost
- Given the shorter working capital cycle (6 months) and capital cycle (12 months) in prawns, the growth program can be flexed as market conditions evolve
- Similar to salmon, branding will become central
  - Vision is for Topic Co to be Australia's no. 1 farmed Tiger Prawn brand, recognised and trusted by customers and consumers
- Remain on track for circa 5,000 tonnes of prawn production in FY22
  - Sales volumes supported by the Coles contract that commenced in December 2020
- Current 369 ha of ponds and associated infrastructure at Proserpine, Mission Beach and Yamba is sufficient to achieve FY22 production targets, with limited growth capex required in FY22









### OUR FOOTPRINT: SEAFOOD & PRAWNS

Prosepine QLD - Prawn farm, hatchery & processing facility
Mission Beach QLD - Prawn farm, hatchery & processing facility
Exmoor Station QLD - (Aquaculture Development Area)
Yamba NSW - Prawn farm & processing facility
Lidcombe NSW - Seafood processing facility
XANADU- Northern Prawn Fishery

### OUR FOOTPRINT: SALMON

### MARINE FARMING ZONES

1. Eastern Zone Okehampton Bay & Port Arthur

### 2. Channel Zone D'Entrecasteaux Channel

3. Southern Zone

### Dover & Huon River 4. Western Zone

Macquarie Harbour

### 5. Storm Bay Zone Nubeena & West of Wedge

IN FY21

WE PRODUCED

40,087 T SALMON

3915 T PRAWNS

### FRESHWATER HATCHERIES

1. Rockwood I & II Ranelagh TAS

### 2. Russell Falls & Karanja Mount Field TAS

3. SALTAS

(industry hatchery) Wayatinah TAS

### 4. HRAS

(future development) Hamilton TAS

### PROCESSING FACILITIES

1. Huonville

Smoking & processing

### 2. Margate

Fresh processing

### 3. Dover Primary processing

4. Triabunna

### 4. Triabunna Value add by-product

### OUR FOOTPRINT

Land and Sea

AQUACULTURE
IS ONE OF THE
MOST EFFICIENT
FORMS OF PROTEIN
PRODUCTION

\$575 MILLION SPENT ON AUSTRALIAN SUPPLIERS IN FY21

## PEOPLE

Sustainability is more than the environment we operate in, it's the people we back and the communities we support through all of life's challenges

### LEAD INDICATORS We pioneered our own Driving Safety Culture Scorecard (ROCK Scorecard) which asks specific questions of our people and evaluates management's approach to WHS across our sites. Safety remains our number one 95.10% 92.08% priority COMPLIANCE COMPLIANCE WGEA REPORT WHS COMPLIANCE DRIVING SAFETY CULTURE SCORECARD SCORECARD Workplace \*Tassal salmon operations and corporate only at 95.60%, Prawns at 83.07% resulting in the Group Gender Equality collective aggregate at 93.62% **EMPLOYEE SNAPSHOT** 1712 1084 Full time employees Part time employees Casual, fixed term and Total employees seasonal employees

### TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR)

TRIFR is the number of injuries requiring medical treatment per million hours worked.



### MARINE DEBRIS

We are working hard to play our part in reducing marine debris. We have a Toward Caro approach and are referilless in our focus, taking accountability for our actions. Our 2020 goal was to reduce marine debris attributed to our operations to below 10 per cent of all rubbish collected or reported.

	FY17	FY18	1416	FY20	TY21
RUBBISH REMOVED (m²)	72	79.5	218.9	99,6	110.2
HOURS COLLECTING	386	1776	3881	2268	2635
ATTRIBUTION TO TASSAL FARMS (%)	26.9	27	22.5	15.3	9.5



# **PLANET**

We are farmers, but we are also stewards of our oceans and coasts on a journey of innovation and continuous improvement

### SEAL INTERACTIONS

	FY17	FY18	FY19	FY20	FY21
RELOCATION EVENTS	2131	1344	N/A	N/A	N/A
EUTHANISED	3	1	0	0	2
ACCIDENTAL DEATH (RELOCATION)	1	0	N/A	N/A	N/A
ACCIDENTAL DEATH (ENTANGLEMENT)	ì	6	14	6	5

### **BENTHIC COMPLIANCE**

	FY17	FY18	FY19	FY20	FY21
NUMBER OF ROV DIVES	206	182	373	210	328
NUMBER IN COMPLIANCE	169	179	350	200	306
% COMPLIANCE	82.0	98.4	93.8	95.2	93.3



### **GHG** EMISSIONS

Tassal reports its energy consumption and greenhouse gas (GHG) emissions to the Commonwealth Government annually. By 31 October each year, Australian corporations that meet certain thresholds must report their emissions and energy information under the National Greenhouse and Energy Reporting scheme.

	F, TE	F-19	FY20
SCOPE ( (TONNES CO2-a)	21,426	27,414	35,883
SCOPE 2 (TONNES CO2.)	8,(19	12,395	22,660
TOTAL ITONNES CO:-)	29,546	39,809	58,544
NEW TO SCOPE		Frawr form rehabilitation in QLD (on coal based giral & NSW, Additional energy, sources required for Rackwood halonery gast on electrical ties.	Prown farm expansion and operations in QLD (on coal based grid) & NSW infraduction of the well boat to common operations.



# PRODUCT

NUMBER OF NEW

SUPPLIERS IN FY21

We are an Essential Service, providing responsibly farmed seafood for millions of Australians through whatever challenges the world faces

### PROCUREMENT PRACTICES Suppliers of goods or services which have the potential to impact food safety or quality, such as suppliers of raw materials, ingredients, processing aids, packaging, warehousing, thawing, date coding and contract processing, are required to participate in our Quality Approved Supplier Program. 100%

**PROGRAM IN FY21** 

THIRD-PARTY SUSTAINABILITY ACCREDITATIONS



# GLOBALG.A.P.

FACT



Seafood accredited to a third-party

\*Purchased seafood acapediled to a third-party sustainability standard

standard\*







### SUSTAINABILITY INITIATIVES













### PROSPERITY

Globally, with increasing pressure on our planet, access to arable land restrictive and wild fisheries plateauing from protecting vulnerable stocks, aquaculture's role in the future of the planet's food supply has been cemented

Our industry is a solution to addressing increased demand for more sustainable, nutritious, efficient and affordable sources of protein. Farming is first and foremost about feeding a growing population



World population is seven billion people and growing.



Wild fish stocks have and continue to decline.



Consumers and retailers want to know where their food comes from and expect producers to hold third-party sustainability certifications.



Oceans cover approximately 71% of our earth's surface, presenting an opportunity for more food production from oceans that acknowledges the oceans assimilation capacity.

Value Creation



## PRINCIPLES OF GOVERNANCE

Responsible Business is a sustainable and inclusive way of delivering value for all stakeholders

Our Vision To create a better tomorrow

### Our Values

Our values define our business and culture, and underpin our commitment, attitude, how we work and the quality of our products

### Passionate

We are committed in heart and mind to the work we do, we care and our energy is infectious

### Achieve Together

We believe together we can achieve more, we motivate, care and support each other - to be the best in our field

### We Own It

We take responsibility for our decisions, performance and safety. We care and never want to let our team down

### Can Do - Safely

We care and are courageous and loyal in our commitment to achieve

### Our Mission

As farmers of the Oceans & Land, it is our responsibility to: · Produce healthy & accessible food for the world;

· Build resilient & supported employees and communities; and · Deliver strong & consistent economic results.

While respecting our planet for future generations as we build a better tomorrow



### Our Guiding Principles









Code of Conduct

### Waste

Playing our part for waste free oceans, coasts & households

### People and Communities Being a responsible global citizen & unlocking our people potential

### Climate and Circularity Towards carbon neutral

### Freshwater Every drop counts

Our Responsible Business Kickstarts

### Responsible Sourcing Driving sustainability through

traceability, security and responsibility

### Governance

A pathway for ongoing value creation through transparency, strategy, and leadership

### Animal Welfare

We care about wildlife and our stock is thriving, growing and healthy

### Targets and Implementation Plans

### What Matters

We conduct internal and external materiality assessments to identify material topics Material topics are the focus of our Responsible Business Platform and routine disclosure activities Projects and operational BAU activities focus on addressing and progressing our targets

Our Community

Our People

Our Investors

Our Customers

Our Consumers

Sentiment Research

Company ESG Policies

Operational Policies

Management, data reporting, risk management and assurance

Responsible Business Architecture

### Board

Board has oversight and ultimate responsibility The Board receive regular updates and has oversight of how our business is performing across all our internally defined, sustainability related material risk areas

Responsible Business Executive Sponsors

Responsible Business Steering Committee

Responsible Business, sustainability and ESG principles, guidance and policies are integrated throughout the business and give guidance on the standards we expect

Transparency and Routine Disclosure We do what we say, and we show you





Innovation





# PRINCIPLES OF GOVERNANCE

We continue to act to understand what matters to investors, customers, consumers, our people and the communities we operate within









# STATUTORY, UNDERLYING & OPERATING PROFIT

Full Year ended 30 June 2021	Statutory Profit \$'000	Significant Items \$'000	Underlying Profit \$'000	AASB 141 Impact \$'000	Operational Profit \$'000
Revenue (from all sources)	\$594,035	\$0	\$594,035	\$0	\$594,035
EBITDA	\$119,814	\$16,431	\$136,245	\$3,106	\$139,351
EBIT	\$61,359	\$16,431	\$77,790	\$3,106	\$80,896
Profit before income tax expense	\$48,061	\$16,431	\$64,492	\$3,106	\$67,598
Income tax expense	(\$13,441)	(\$4,929)	(\$18,370)	(\$932)	(\$19,302)
Net profit after income tax expense	\$34,620	\$11,502	\$46,122	\$2,174	\$48,296
Full Year ended 30 June 2020	Statutory Profit \$'000	Significant Items \$'000	Underlying Profit \$'000	AASB 141 Impact \$'000	Operational Profit \$'000
Full Year ended 30 June 2020 Revenue (from all sources)	_	Items \$'000		Impact \$'000	•
Revenue (from all sources)	Profit \$'000	Items \$'000 \$0	Profit \$'000	Impact \$'000	Profit \$'000
	<b>Profit \$'000</b> \$562,540	Items \$'000 \$0	<b>Profit \$'000</b> \$562,540	\$0 (\$12,170)	Profit \$'000 \$562,540
Revenue (from all sources) EBITDA EBIT	Profit \$'000 \$562,540 \$145,605	\$0 \$5,116 \$5,116	Profit \$'000 \$562,540 \$150,721	\$0 (\$12,170) (\$12,170)	Profit \$'000 \$562,540 \$138,551
EBITDA	Profit \$'000 \$562,540 \$145,605 \$106,874	\$0 \$5,116 \$5,116	Profit \$'000 \$562,540 \$150,721 \$111,990	\$0 (\$12,170) (\$12,170)	Profit \$'000 \$562,540 \$138,551 \$99,820



