

Mr Craig Treasure

Chair Address - AGM 30 May 2022 11 am

2021 was a year of significant change at TasFoods and one that we are confident will lay the foundation for sustained future growth. The Board focussed on taking the Company forward by ensuring effective oversight in the areas of strategy, governance, risk and remuneration.

Strategy

In January 2022 the Board endorsed an updated strategy that will focus strongly on establishing the foundations of the business for the future; capitalising on our strength in Tasmania through delivering a positive financial return; aggressively expanding our interstate and e-commerce offerings; and being continuously aware of opportunities in adjacent categories that fit with the strategy of TasFoods premium authentic business.

We believe that this focus will put TasFoods on the path to long-term prosperity, and will bring to life our vision to create the most reputable, sustainable and authentic premium products collective.

New executive team

Last October, my fellow directors and I were delighted to invite Scott Hadley to lead the Company as Chief Executive Officer. Scott has an outstanding track record of growing valuable businesses, developing his people, building high performing teams and cultivating supplier partnerships. Scott's passionate commitment to consumers and customers makes him uniquely positioned for this role.

Scott's first appointment was to secure Shona Croucher as our new Chief Financial Officer. Shona has extensive experience in the ASX agriculture environment, and has proven to be a tremendous asset to the leadership team since commencing in October.

FY21 Results

I'll make some general observations about the last 12 months and the business environment and Scott will provide us with some reflections on the current trading conditions.

The Company delivered a disappointing financial result in FY 2021. We continued to see sales revenue growth in FY21, up 4% to \$69.4 million, which maintained momentum in a challenging market and demonstrated a strong underlying consumer demand for the Company's products. However operational and environmental factors resulted in the sales growth not translating into positive financial results, and the Company recorded an operating EBITDA of -\$4.4 million, compared to the previous years' operating EBITDA of -\$0.45 million.

Further, the Company recognised an impairment charge of \$3.9 million across the poultry and dairy divisions, leaving no goodwill remaining on the balance sheet. As a result, the Company delivered a net loss after tax of \$10.7 million.

Balance Sheet and Capital Management

At year end, the Company held \$1.5 million in cash, and \$2.5 million of undrawn capacity in debt facilities. Net assets at year-end were \$28.6 million, representing 8.1 cents per share.

Equity Raising

Recently the company announced an equity raising to support the implementation of the Company's new strategic direction including general working capital support, connectivity improvements and commercial acceleration initiatives.

The Company has successfully raised approximately \$5.9 million, under a two tranche Placement and Share Purchase Plan. I note that completion of the second tranche of the Placement is subject to shareholder approval at this meeting.

I would like to express the Board's appreciation to all eligible shareholders who participated in the Placement and Share Purchase Plan, and thank shareholders for their continued support.

Board renewal

Sustainable businesses require robust succession planning at every level of the business, including the Board.

Last year, in line with our Board renewal process, we assessed our collective strengths and sought out new directors to strengthen our skills in the areas of food, agriculture, sales and distribution. In June 2021, we were very pleased to welcome John Murphy and John O'Hara to the Board. Both directors are standing for election at today's meeting, and the Board is supportive of their nomination.

As announced to the ASX earlier today, subject to the election of John Murphy and John O'Hara at today's meeting, I will step off the Board, and hand over the role of Chair to John Murphy. Further, the Board's composition and capabilities will continue to be reviewed to ensure the skill set, industry experience and tenure of the Directors remains appropriate for the business and continues to provide the necessary support and guidance to the management team as it embarks on the implementation stage of the new business strategy.

Remuneration

The Board considers the Company's remuneration structure on an annual basis, having consideration to relevant market practices and the circumstances of the Company, and makes regular changes to ensure it is fit for purpose.

In 2021 the Board carefully set Short Term Incentives with a weighting towards financial performance and an EBITDA performance hurdle; and granted an LTI that rewarded strong share price performance. As outlined in the Remuneration report, the EBITDA hurdle was not met, and no Short-Term Incentives were paid in 2021.

The Board believes that it is in the interests of shareholders for executives, directors and other selected employees to receive part of their remuneration in the form of at-risk equity that will vest based on performance against indicators that are linked to shareholder benefit. This year we sought expert advice, and have modernised the TasFoods Rights Plan, aligning it with current regulations and market best-practices. A summary of the Plan was included in today's Notice of Meeting.

The Board remains confident that given the Company's strategic objectives, the remuneration framework is appropriate.

As announced to the ASX earlier today, resolution 5(a) seeking shareholder approval for the issue of Share Appreciation Rights to me has been withdrawn.

Investor Relations

TasFoods is committed to being an accessible and transparent company. Since their appointment, Scott and Shona have actively engaged with the investment community, speaking to current and prospective investors and analysts, as well as institutional and retail stock brokers. We will continue our investor relations activities throughout the year, reporting against our strategy and key initiatives; and we will continue to highlight the opportunity intrinsic in the TasFoods business.

TasFoods has a premium portfolio of authentic brands with the highest quality and I am confident the business will deliver on its potential to deliver superior consumer and customer experience and market leading shareholder returns.

On behalf of the Board, I would like to close by thanking all our employees for their continued skill, passion and hard work. My thanks go to our CEO Scott Hadley, and the Executive team; and to my fellow Board members for their commitment and clear thinking. And to you our shareholders for your continued support.

Thank you.

I look forward to addressing questions submitted by shareholders, but first I invite CEO Scott Hadley to outline the FY21 results and how we are tracking so far in FY22.