



**TASSAL GROUP**  
*a better tomorrow*

# Tassal Group Limited FY22 delivers a strong financial result

Mark Ryan, MD & CEO  
Andrew Creswell, CFO

16 August 2022

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# KEY HIGHLIGHTS

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- **Record cash generation** with a step change in free cashflow (**\$95m vs. \$29m in FY21**) following the completion of significant infrastructure investment phase (~\$420m capex over FY18-21) and the recovery and then re-basing of salmon prices
- **Strong FY22 financial result**, with revenue growing +33% year on year to \$789m and operating EBITDA and NPAT up +25% and 32% year on year to \$175m and \$64m, respectively
- **Salmon production now at scale**, with opportunity for further top and bottom-line growth through optimisation and efficiency
- **Prawn investment delivering strong results**, and optionality to expand production to drive medium to long term growth
- **Tassal has entered into a Scheme Implementation Deed with Cooke** under which Cooke has agreed to acquire 100% of the ordinary shares in Tassal for cash consideration of \$5.23 per Tassal share, assuming no final dividend being declared for FY22

# STRONG RESULTS

## Revenue

**\$789m**  
**+33% YoY**

## EBITDA

<b>Statutory:</b>	<b>Operating<sup>1</sup>:</b>
<b>\$163m</b>	<b>\$175m</b>
<b>+36% YoY</b>	<b>+25% YoY</b>

## NPAT

<b>Statutory:</b>	<b>Operating<sup>1</sup>:</b>
<b>\$55m</b>	<b>\$64m</b>
<b>+60% YoY</b>	<b>+32% YoY</b>

## Free Cashflow (FCF)<sup>2</sup>

**\$95m**  
**+224% YoY**

## Average Price

<b>Salmon:</b>	<b>Prawn:</b>
<b>\$14.18 / hog kg</b>	<b>\$18.94 / kg</b>
<b>+13% YoY</b>	<b>+6% YoY</b>

## Volume

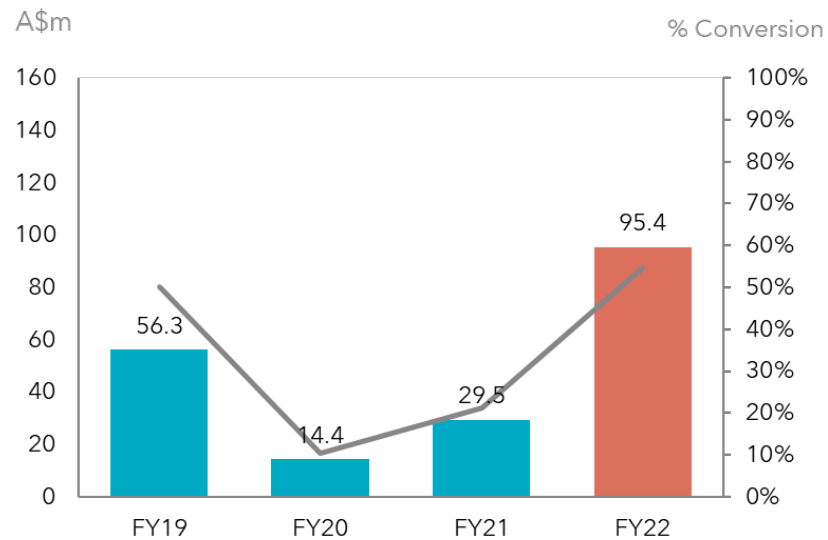
<b>Salmon:</b>	<b>Prawn:</b>
<b>43,075 Hog tonnes</b>	<b>5,697 tonnes</b>
<b>+15% YoY</b>	<b>+70% YoY</b>

1. *Operating EBITDA and NPAT is calculated before Significant Items*
2. *Free Cashflow (FCF) is calculated as cashflows from operating activities less stay in business capex. FCF excludes growth capex, ROU liability repayments, debt proceeds and repayments, and dividends*

# RECORD CASH GENERATION

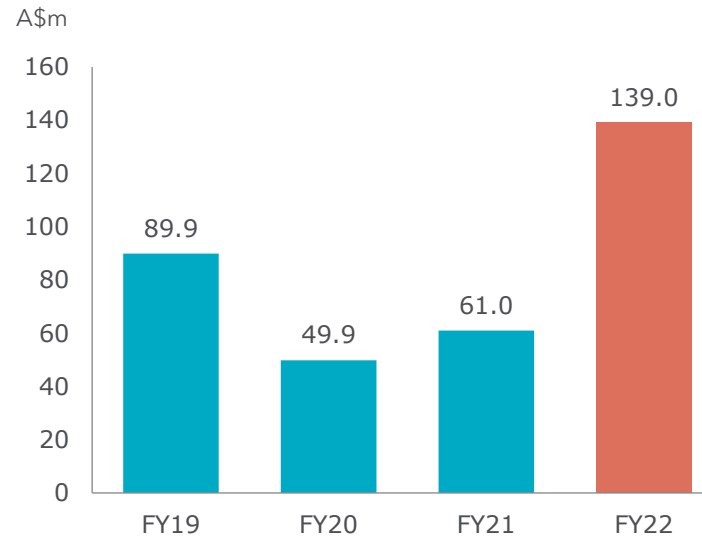
*Tassal is delivering strong cash generation following completion of significant infrastructure investment phase*

## STEP CHANGE IN FREE CASHFLOW <sup>1</sup> UP 223.6% TO \$95M



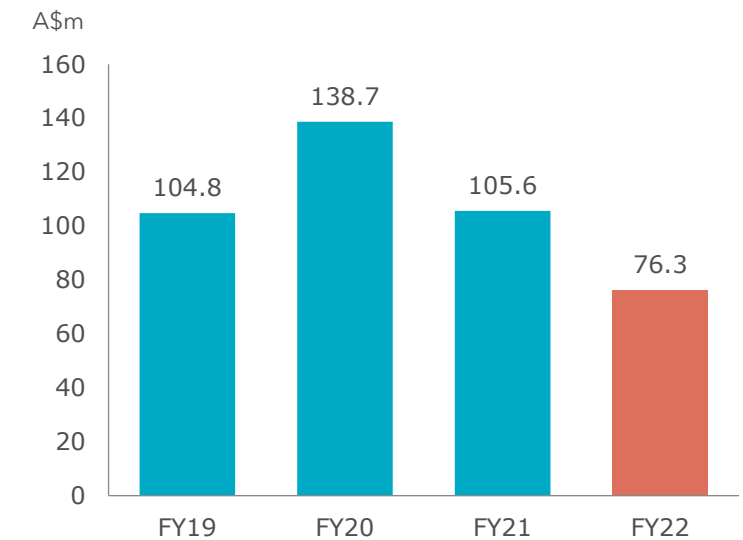
- Free cashflow saw a step change in FY22, reflecting the increase in Operating Cashflow and reduction in growth capex following completion of salmon infrastructure and biomass growth and prawn investments

## STRONG OPERATING CASHFLOW UP 128% TO \$139M



- Strong operating cashflow in FY22
- 80% cash conversion from Operating EBITDA achieved despite absorbing the cash cost of significant items of \$32m in FY22

## DECLINING CAPEX DOWN ~\$30M TO \$76M



- Capex declined from \$105.6m in FY21 to \$76.3m in FY22, following completion of salmon growth phase and prawn infrastructure investment phase

1. Free Cashflow (FCF) is calculated as cashflows from operating activities less stay in business capex. FCF excludes growth capex, ROU liability repayments, debt proceeds and repayments, and dividends.

# STRONG INCREASE IN SALMON PRICES

## Underpinned by favourable supply-demand fundamentals

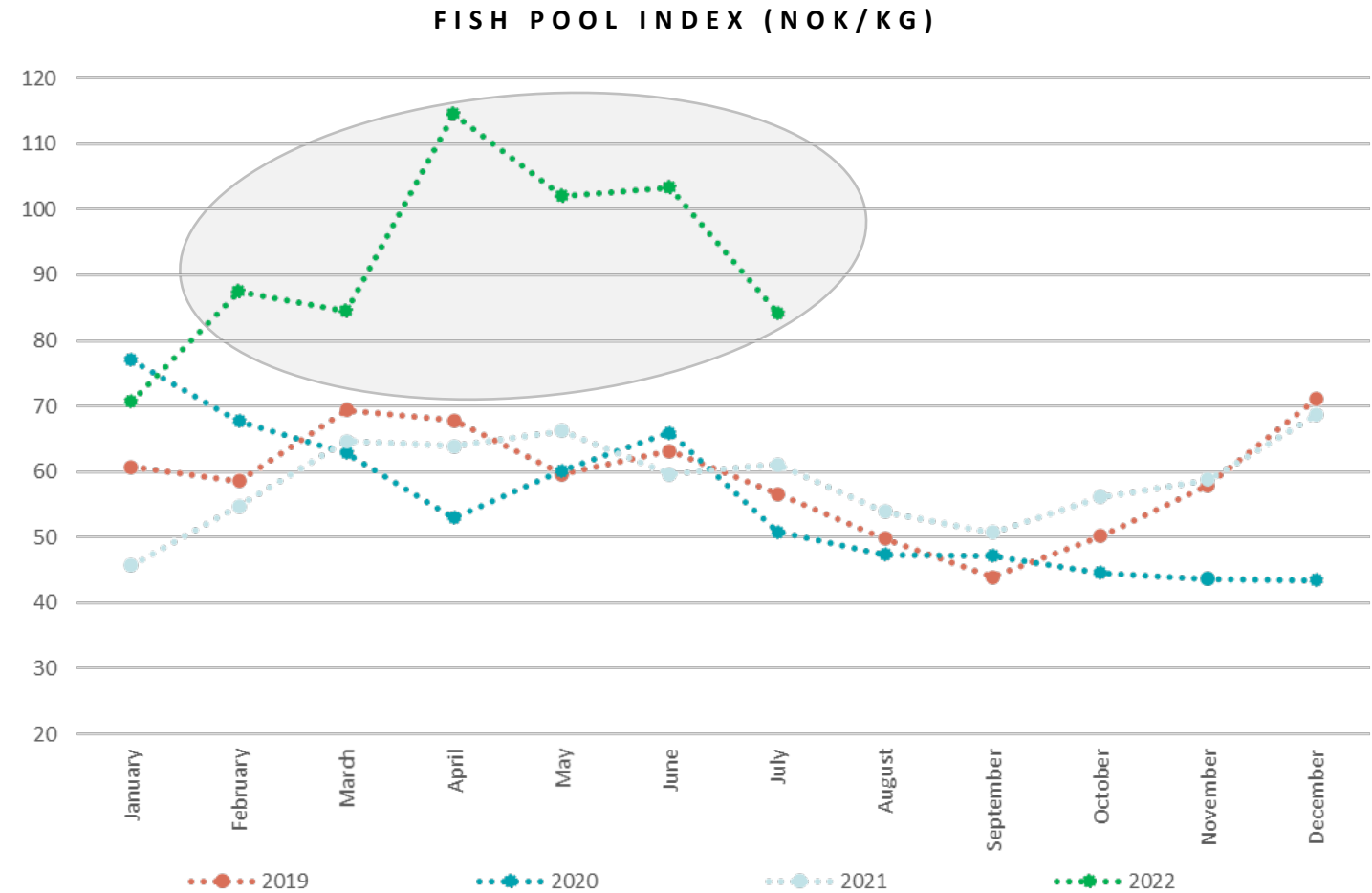
### Attractive domestic salmon industry dynamics

1. Sustainable industry structure now established
2. Tassal's privileged asset position strengthened
  - No new leases in Tasmania for salmon
  - Nitrogen caps in place for prawns
3. Domestic Out-of-Home (OOH) market is reflecting global price increases supporting margin increases
4. Domestic retailers have accepted price rises to pass on cost increases
5. Growing per capita consumption

### Current global salmon demand > supply

1. Favourable mega trends driving global demand higher
2. Low or no growth in supply globally for calendar years 2022 & expected for 2023<sup>1</sup>

Factors above are driving a salmon price re-rating, more than offsetting current cost inflation pressures



Source: Fish Pool Index, 2022

1. Fish Pool, Rabobank, 2022

# RECOMMENDED ACQUISITION OF TASSAL BY COOKE

Transaction overview	<ul style="list-style-type: none"> <li>Tassal has entered into a Scheme Implementation Deed (SID) with Cooke under which Cooke has agreed to acquire 100% of the ordinary shares in Tassal by way of scheme of arrangement (Scheme)</li> <li>Under the Scheme, Tassal shareholders will receive cash consideration of \$5.23 per Tassal share, assuming no final dividend being declared for FY22</li> </ul>
Cash consideration	<ul style="list-style-type: none"> <li>The Scheme consideration of \$5.23 cash per Tassal share represents a: <ul style="list-style-type: none"> <li>— 49% premium to Tassal's undisturbed closing price of \$3.52 on 22 June 2022, being the last trading day prior to press reports of Amore Foods Pty Ltd (an entity affiliated with Cooke) acquiring a stake in Tassal</li> <li>— 47% premium to the 1-month volume-weighted average price (VWAP) of \$3.55 to 22 June 2022</li> <li>— 46% premium to the 3-month VWAP of \$3.59 to 22 June 2022</li> <li>— an implied acquisition EV/EBITDA multiple of approximately 10.0x<sup>1</sup> Tassal's FY22 EBITDA<sup>2</sup></li> </ul> </li> </ul>
Unanimous recommendation of Tassal Board	<ul style="list-style-type: none"> <li>The Tassal Board unanimously recommends that Tassal shareholders vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to an independent expert concluding (and continuing to conclude) that the Scheme is fair and reasonable and in the best interests of Tassal shareholders</li> <li>Subject to those same qualifications, each member of the Tassal Board intends to vote, or cause to be voted, any shares held or controlled by them in favour of the Scheme</li> </ul>
Conditions	<ul style="list-style-type: none"> <li>The implementation of the Scheme is subject to conditions customary for a transaction of this nature, including: <ul style="list-style-type: none"> <li>— an independent expert concluding (and continuing to conclude) that the Scheme is fair and reasonable and in the best interests of Tassal shareholders;</li> <li>— approval of Tassal shareholders and the Court;</li> <li>— no Tassal Prescribed Occurrence or Material Adverse Change; and</li> <li>— other customary conditions</li> </ul> </li> </ul>
Timing	<ul style="list-style-type: none"> <li>Tassal shareholders do not need to take any action at the present time</li> <li>A Scheme Booklet containing further important information relating to the Scheme and the Scheme meeting, reasons for the Tassal Board's unanimous recommendation, and the independent expert's report will be issued to Tassal shareholders in due course</li> <li>The Scheme is subject to approval by Tassal shareholders at the Scheme meeting which is currently expected to be held mid to late November 2022</li> <li>Cooke will not be permitted to vote its approximately 10.5% stake in Tassal at the Scheme meeting</li> </ul>

1. Includes lease liabilities of \$198m and RPF of \$81m.

2. Based on FY22 Operating EBITDA of \$175m before significant items of \$32m and SGARA.



An aerial photograph of a tropical coastline. The image shows a sandy beach curving along the edge of the ocean. The water is a vibrant turquoise color, with white foam from breaking waves visible. Several large, brown, rocky formations are scattered in the shallow water. In the bottom right corner, there is a dense area of green tropical vegetation, including palm trees. A few small figures of people can be seen swimming in the water on the right side.

# FINANCIAL RESULTS

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# STRONG GROWTH in earnings & cashflow

Financial Summary (A\$m)	FY22	FY21	Change
<b>Revenue</b>	788.67	594.04	32.8% ▲
<b>Statutory results</b>			
AASB 141 SGARA Impact <sup>1</sup>	20.19	(3.11)	▲
EBITDA	162.64	119.81	35.7% ▲
EBIT	90.48	61.36	47.5% ▲
NPAT	55.35	34.62	59.9% ▲
<b>Operating results</b>			
EBITDA <sup>2</sup>	174.57	139.35	25.3% ▲
EBIT <sup>2</sup>	102.40	80.90	26.6% ▲
NPAT <sup>3</sup>	63.69	48.30	31.9% ▲
Operating cashflow <sup>4</sup>	139.03	61.02	127.8% ▲
Free cashflow <sup>5</sup>	95.44	29.49	223.6% ▲
Free cashflow conversion <sup>6</sup>	54.7%	21.2%	

1. SGARA post tax increment of \$14.1 million (FY21: decrease of \$(2.2) million).

2. Before significant items of \$32.1 million (FY21: \$16.4 million) and SGARA. The Federal Government's International Freight Assistance Mechanism (IFAM) was implemented to assist with COVID-19 impacted international airfreight. While Tassal continues to be grateful for this Government support program, overall International freight costs for FY22 were still \$29.9 million higher before tax (relative to the pre-COVID-19 cost \$/kg rates) post receiving this rebate. The additional cost of International freight is presented as a Significant Item and added back to underlying results to present Operational EBIT, EBITDA. Also included in Significant items is \$2.2m of costs relating to the settlement of a De Costi wage issue.

3. Before significant items after tax.

4. Includes significant items of \$32.1 million.

5. **Free cashflow (FCF)** equals cashflows from operating activities less stay in business capex. FCF excludes growth capex, ROU liability repayments, debt proceeds and repayments, and dividends.

6. **Free cashflow conversion** equals FCF divided by Operating EBITDA.

**STATUTORY NPAT UP BY 60% TO \$55.4M**

**REVENUE UP BY 33% to \$789m**, strong prices and improved sales mix, along with salmon and prawn sales volume growth

**OPERATING EBITDA** up 25% to \$175m with price/mix gains compensating for moderate supply chain cost inflation including energy, feed, labour and domestic freight

**OPERATING CASHFLOW** up 128% to \$139m as no longer funding incremental salmon working capital growth and excess frozen inventory sold profitably.

**FREE CASHFLOW** up 224% to \$95m reflecting the increase in Operating Cashflow and reduction in growth capex following completion of salmon biomass build-up and prawn investments

# POSITIVE SALMON returns from sales mix and pricing

*Disciplined sales mix strategy supported by favourable market conditions*

Total Salmon Sales	FY22	FY21	Change
Salmon Volume (Hog equiv tonnes)	43,075	37,509	14.8% ▲
Salmon Average Price (\$/Hog kg equivalent)	\$ 14.18	\$ 12.54	13.1% ▲
Salmon Revenue (A\$m)	610.92	470.54	29.8% ▲
EBITDA (A\$m)	146.59	120.03	22.1% ▲
EBITDA (\$/kg)	\$ 3.40	\$ 3.20	6.3% ▲

## Salmon sales volumes up 15%, driven by

- Doubling of International sales volumes as this market became a strong viable alternative to lower value (i.e. deli) sales in Grocery
- We profitably sold down excess frozen inventory through smoked salmon sales
- Partly offset by lower domestic volumes due to COVID-19 restrictions in foodservice in FY22
- International volume up, inline with our strategy to evolve our sales mix towards more profitable, variable priced channels

## EBITDA\$/kg up 6% reflecting:

- Strong supply-demand fundamentals (both domestically and globally) driving higher prices in OOH and International and allowing cost increases to be passed on through Grocery
- Price rises offsetting inflation across the supply chain – with energy, feed commodities, labour and domestic freight costs all increasing

Domestic Salmon Out-Of-Home Market	FY22	FY21	Change
Salmon Volume (Hog equiv tonnes)	7,603	8,392	(9.4%) ▼
Salmon Average Price (\$/Hog kg equivalent)	\$ 16.10	\$ 13.84	16.3% ▲
Salmon Revenue (A\$m)	122.40	116.15	5.4% ▲

International Salmon Market	FY22	FY21	Change
Salmon Volume (Hog equiv tonnes)	17,765	8,889	99.8% ▲
Salmon Average Price (\$/Hog kg equivalent)	\$ 14.72	\$ 9.97	47.7% ▲
Salmon Revenue (A\$m)	261.42	88.59	195.1% ▲

Domestic Salmon Grocery Market	FY22	FY21	Change
Salmon Volume (Hog equiv tonnes)	17,708	20,228	(12.5%) ▼
Salmon Average Price (\$/Hog kg equivalent)	\$ 12.82	\$ 13.14	(2.4%) ▼
Salmon Revenue (A\$m)	227.10	265.79	(14.6%) ▼



# PRAWN INVESTMENTS have delivered strong results

*Tassal has achieved price rises while growing the domestic prawn market*

Total Prawn Sales		FY22	FY21	Change
Prawn Volume (tonnes)		5,697	3,350	70.0% ▲
Prawn Average Price (\$/kg)	\$	18.94	\$ 17.85	6.1% ▲
Prawn Revenue (A\$m)		107.90	59.81	80.4% ▲
EBITDA (A\$m)		26.88	17.18	56.5% ▲
EBITDA (\$/kg)	\$	4.72	\$ 5.13	(8.0%) ▼

## Prawn sales volumes up 70%

- Seeing the benefits of our investments in production capacity over recent years - uplift in harvested tonnes and average yield
- Grocery outgrowing domestic OOH due to focus on driving per capita consumption with retailers
- International not currently a priority in prawns given global competitive dynamics

## EBITDA \$/kg down 8%

- Mix shift towards lower EBITDA \$/kg Grocery channel during the period
- Average prices in each domestic channel saw positive growth in FY22
- Partially offset by inflation across the supply chain – with energy, feed commodities, labour and domestic freight costs all increasing

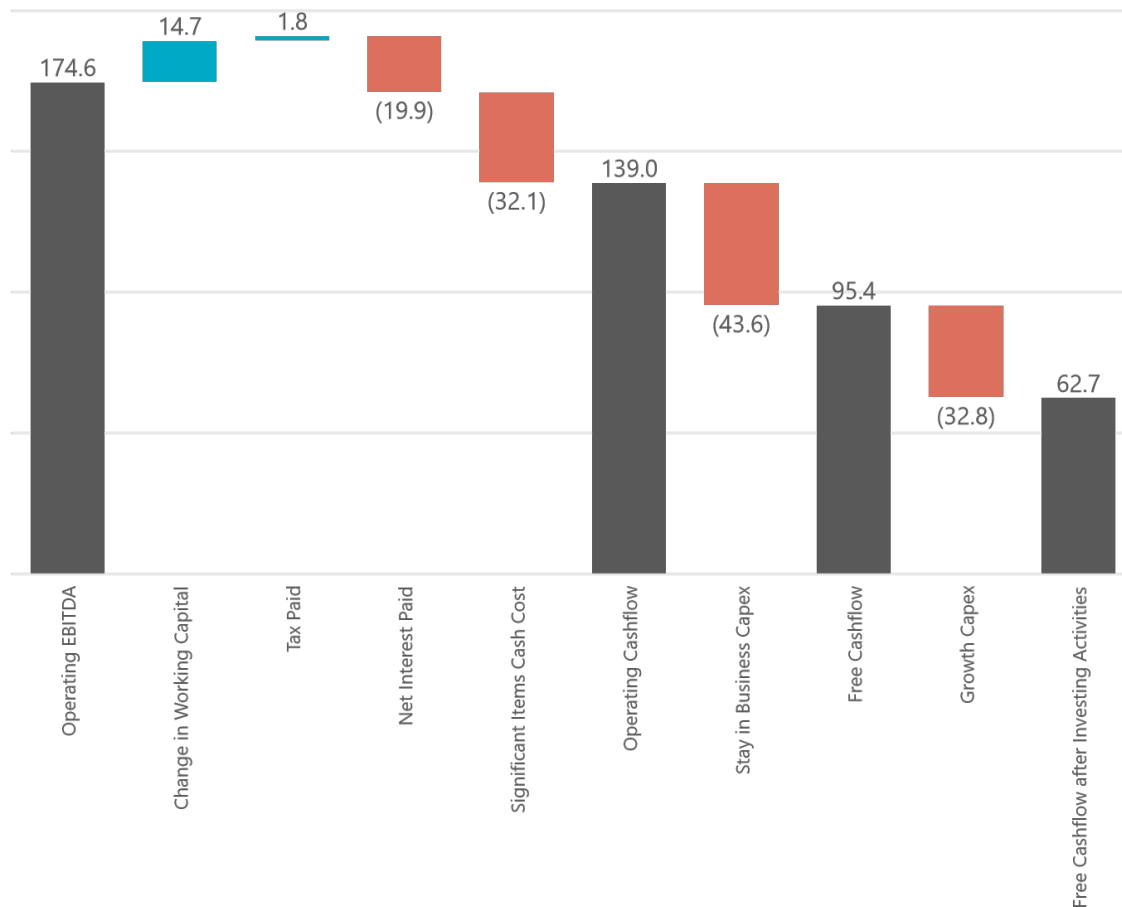
Domestic Prawn Grocery Market		FY22	FY21	Change
Prawn Volume (tonnes)		2,793	1,506	85.5% ▲
Prawn Average Price (\$/kg)	\$	18.90	\$ 17.08	10.7% ▲
Prawn Revenue (A\$m)		52.79	25.71	105.3% ▲

Domestic Prawn Out-Of-Home Market		FY22	FY21	Change
Prawn Volume (tonnes)		2,670	1,845	44.7% ▲
Prawn Average Price (\$/kg)	\$	19.02	\$ 18.48	2.9% ▲
Prawn Revenue (A\$m)		50.77	34.09	48.9% ▲

International Prawn Market		FY22	FY21	Change
Prawn Volume (tonnes)		234	n.a.	n.a.
Prawn Average Price (\$/kg)	\$	18.55	n.a.	n.a.
Prawn Revenue (A\$m)		4.34	n.a.	n.a.

# Further ALIGNMENT of EBITDA and OPERATING CASHFLOW

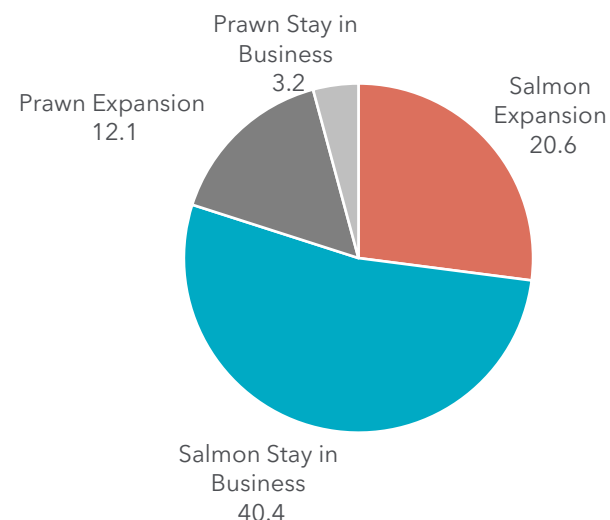
## FY22 Operating EBITDA to Free Cashflow after Investing Activities (\$M)



**80% operating cashflow conversion** (vs. 44% in FY21) despite absorbing the cash cost of significant items for International freight and supply chain costs of \$30m and a one off additional payment to employees of \$2m in FY22

**Free cashflow after investing activities** increased to \$63m, vs. \$(45)m outflow in FY21, supported by improved earnings and operating cashflow, and a reduction in capex from \$106m in FY21 to \$76m in FY22 as salmon growth phase and prawn infrastructure investment phase are completed.

## FY22 CAPEX (\$M)



*Free cashflow after investing activities* excludes ROU liability repayments (-\$55m), net debt proceeds/(repayments) (+\$15m), and dividends (-\$24m).



# NET DEBT STABILISED

<b>Funding</b>	<b>\$m</b>	<b>30-Jun-22</b>	<b>30-Jun-21</b>
Debt		363.1	348.4
Cash and cash equivalents		(29.7)	(30.6)
<b>Reported Net debt</b>		<b>333.3</b>	<b>317.8</b>
Lease liabilities		198.1	209.1
<b>Total Funding</b>		<b>531.5</b>	<b>526.9</b>

<b>Credit Metrics</b>	<b>30-Jun-22</b>	<b>30-Jun-21</b>
Leverage <sup>1</sup>	2.08	2.55
Debt Service Cover <sup>2</sup>	3.03	2.70
Gearing <sup>3</sup>	39.5%	39.7%

<b>Committed Debt Facilities</b>	<b>\$m</b>	<b>30-Jun-22</b>		
		<b>Facility</b>	<b>Drawn</b>	<b>Undrawn</b>
Debt facilities		517.0	363.1	153.9
Cash and cash equivalents				29.7
Receivables Purchase Facility (RPF)		110.0	81.1	28.9

**Leverage reduced** from 2.55x to 2.08x, driven by EBITDA growth and stabilising net debt

**Net debt increased slightly** to \$333m vs. \$317m in FY21

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

**Appropriate tenor** in the bank debt book (weighted average 3.6 years at 30 June 2022)

**Prudent credit metrics** – headroom to banking covenants as at 30 June 2022

**Liquidity** available in debt facilities with \$153.9m in undrawn debt facilities + cash of \$29.7m at 30 June 2022

1. **Leverage** equals bank debt / Operating EBITDA (post AASB 16).
2. **Debt Service Cover** equals Operating EBITDA (post AASB 16) less taxation payments plus rental commitments / principal, interest and rental commitments.
3. **Gearing** equals Net Debt / Equity.

# NEW SUSTAINABILITY LINKED LOAN

*New framework now incorporated into our diverse funding mix*

Tassal has finalised with lenders a Sustainability Linked Loan (SLL), establishing a margin-adjustment framework across all our debt facilities

By entering into a SLL, Tassal is embedding our commitment to sustainability into our financing, with the incentives to deliver against 3 categories of KPIs:	
Greenhouse Gas Emissions reduction	1A: Reduction in scope 1+2 GHG emissions (salmon only) of 4.2% p.a. vs FY21 baseline
	1B: Reduction in scope 3 GHG emissions (salmon only) of 2.5% p.a. vs FY21 baseline
Feed use efficiency and sustainability	2A: Improvement of the biological feed conversion ratio (bFCR) for salmon
	2B: Percentage of certified marine feed ingredients (fish meal and fish oil)
Aquaculture Stewardship Council (ASC) certification	Maintain ASC certification across South-East harvest leases (salmon). ASC is considered the global leading standard for salmon



# CONCLUDING REMARKS

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- ✓ Step change in free cashflow
  - ✓ Strong financial result in FY22
  - ✓ Salmon production now at scale
  - ✓ Prawn investment delivering strong results
  - ✓ Scheme Implementation Deed announced



THANK YOU

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Questions.



An aerial photograph of a coastline. On the left, the ocean has a deep green hue with white foam from breaking waves. A narrow beach of light-colored pebbles and sand runs horizontally across the middle. To the right of the beach is a steep, grassy cliff with patches of yellow and green vegetation.

## APPENDIX 1

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Tassal's footprint & ESG Highlights.

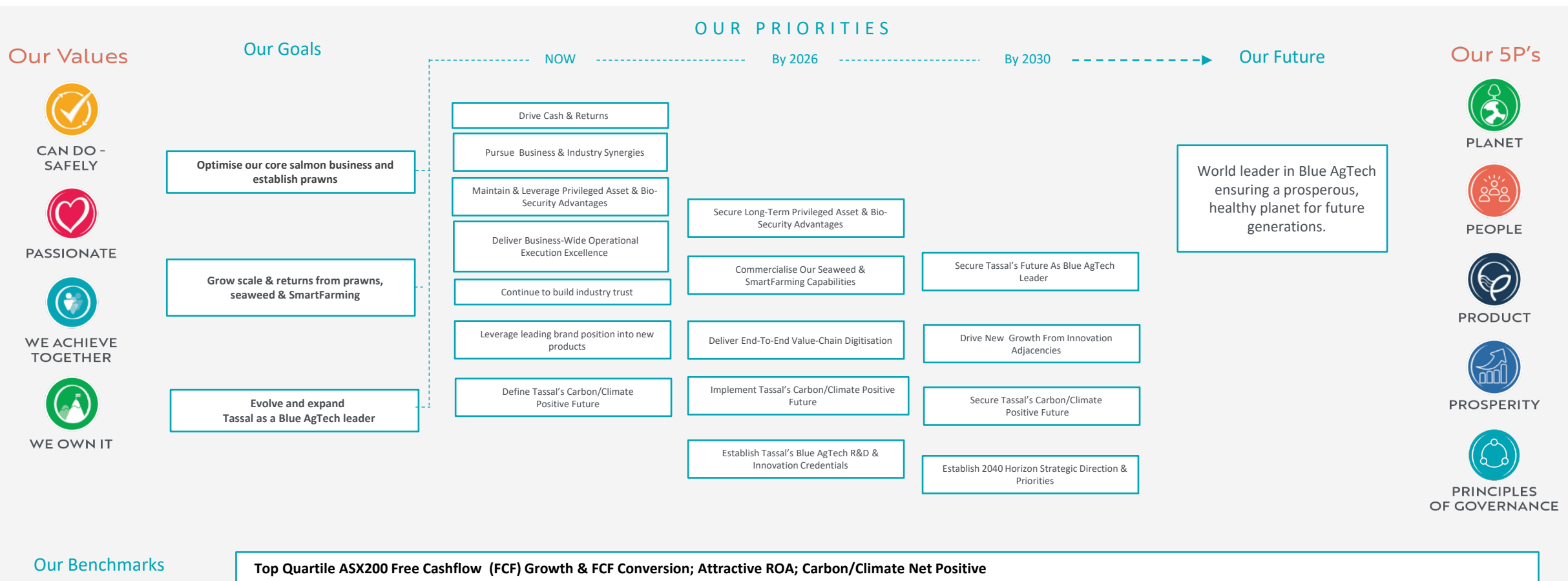


# OUR BLUEPRINT - *Strategy on a page*

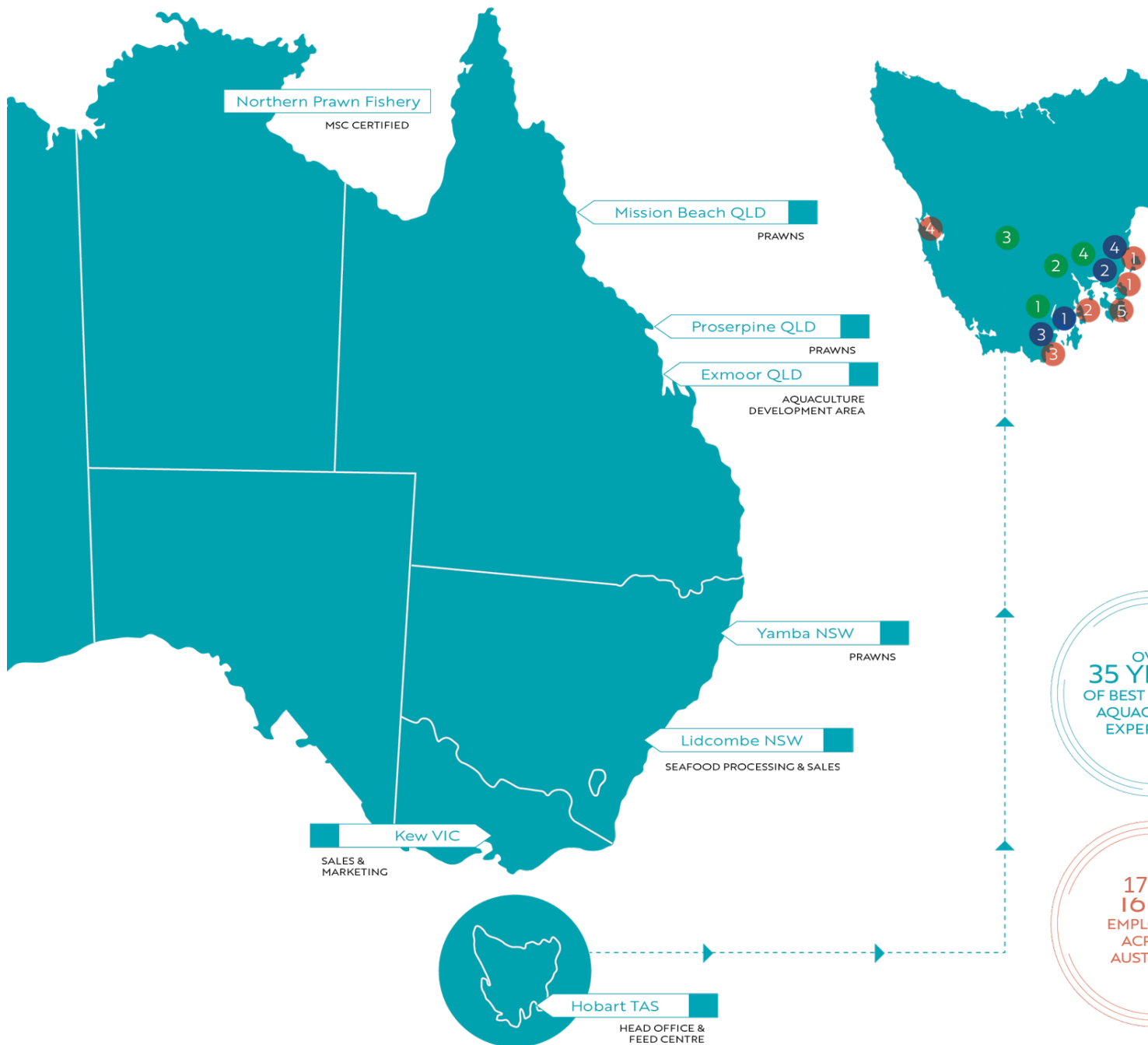
AT TASSAL, OUR PURPOSE IS SUSTAINABLY FEEDING TOMORROW.

We believe in sustainably produced food, through responsibly harnessing our precious water resources and playing our part in ensuring a prosperous, healthy planet for future generations.

Our strategy is simple: Optimise Tassal's advantage in the Asia-Pacific region through our access to Privileged assets, scale and execution excellence, while capturing new opportunities to innovate and grow.







# Our footprint

## OUR FOOTPRINT: SEAFOOD & PRAWNS

Northern Prawn Fishery - Xanadu  
 Mission Beach QLD - Prawn farm, hatchery & processing facility  
 Proserpine QLD - Prawn farm, hatchery & processing facility  
 Exmoor Station QLD - Aquaculture Development Area  
 Yamba NSW - Prawn farm & processing facility  
 Lidcombe NSW- Seafood processing facility

## 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

### FRESHWATER HATCHERIES

1. Rookwood I & II  
Ranelagh
2. Russell Falls & Karanja  
Mount Field
3. SALTAS (industry hatchery)  
Wayatinah
4. HRAS (future development)  
Hamilton

### PROCESSING FACILITIES

1. Huonville  
Salmon processing
2. Margate  
Salmon processing
3. Dover  
Salmon processing
4. Triabunna  
Rendering facility

OVER  
**35 YEARS**  
 OF BEST PRACTICE  
 AQUACULTURE  
 EXPERIENCE

IN FY22  
 WE PRODUCED  
 ~40,000t SALMON  
 ~5,000t PRAWNS  
 822t PRAWNS

1700  
 1600  
 EMPLOYEES  
 ACROSS  
 AUSTRALIA

AQUACULTURE  
 IS ONE OF THE  
 MOST EFFICIENT  
 FORMS OF PROTEIN  
 PRODUCTION

FY22  
 ~A\$790m  
 REVENUE  
 ~A\$175m EBITDA

# SUSTAINABLY FEEDING TOMORROW

Tassal ranked No.1 amongst Australian food producers by FAIRR

## Achievements



“Australia should aspire to having the world’s best aquaculture industry and this result proves we are on the right track.”

- MARK RYAN, MD + CEO










## Certified







Farmed salmon has a lower carbon footprint, land use, freshwater consumption and feed conversion rate than many other protein options.

# Our FOOTPRINT is on the RIGHT SIDE of sustainability

Tassal salmon and TropicCo prawns have performed well when compared to other land animal proteins on a number of sustainability measures

					
					
PROTEIN RETENTION <sup>2</sup>	28%	32%	37%	21%	13%
FEED CONVERSION RATIO (FCR)	1.3	1.6	1.6 <sup>3</sup>	3.1 <sup>4</sup>	8.0 <sup>2</sup>
EDIBLE MEAT PER 100KG FEED <sup>5</sup>	48kg	47kg	39kg	19kg	7kg
CARBON FOOTPRINT (KG CO <sub>2</sub> -e/KG EDIBLE MEAT)	4.6kg	11kg	7kg	13kg	66kg

				
		SALMON LAND-BASED RAS IF BASED IN NSW	SALMON LAND-BASED RAS IF BASED IN TASMANIA	
PROTEIN RETENTION %	28%	28%	28%	
FEED CONVERSION RATIO (eFCR)	1.3	1.1 <sup>1</sup>	1.1 <sup>1</sup>	
EDIBLE MEAT PER 100KG FEED	48kg	48kg	48kg	
CARBON FOOTPRINT (KG CO <sub>2</sub> -e/KG EDIBLE MEAT)	4.6kg	42kg <sup>2</sup>	11kg <sup>2</sup>	

1. All data presented for Tassal and Tropic Co based on raw data provided by Tassal

2. 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

3. Based on average for Australian grown broilers taken from <https://www.chicken.org.au/facts-and-figures/>

4. Based on average for Australian grown pork taken from <http://porkcra.com.au/wp-content/uploads/2016/06/4C-117-Final-report.pdf>

5. 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>

1. 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

Farmed salmon is one of the most eco-friendly animal proteins available. It has a lower carbon footprint, land use, freshwater consumption and feed conversion rate than many other protein options.

## TASSAL’S RESPONSIBLE BUSINESS ROADMAP SETS OUT AREAS FOR ACCELERATION



responsible business roadmap.

playing our part for waste free oceans coasts and households

WASTE

being a responsible global citizen and unlocking our people potential while embracing our ZeroByChoice safety culture

PEOPLE & COMMUNITIES

towards climate and carbon neutral

CLIMATE & CIRCULARITY

every drop counts

FRESHWATER

driving sustainability through traceability, security and responsibility

RESPONSIBLE SOURCING

a pathway for ongoing value creation + confidence through transparency, strategy and leadership to put us on track to be one of the world's most sustainable protein producers

GOVERNANCE

we care about the wildlife in the environment and our stock is thriving and healthy

ANIMAL WELFARE



An underwater photograph looking up towards a bright opening in a cave. Sunlight rays stream down from the opening, illuminating the water and creating a shimmering effect. The cave walls are visible on the left and right, and the water surface is at the top.

## APPENDIX 2

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Reconciliation of statutory to operating profit.



# STATUTORY & OPERATING PROFIT

Full Year ended 30 June 2022	Statutory Profit \$'000	Significant Items \$'000	Underlying Profit \$'000	AASB 141 Impact \$'000	Operational Profit \$'000
Revenue (from all sources)	\$788,670	\$0	\$788,670	\$0	\$788,670
EBITDA	\$162,643	\$32,118	\$194,761	(\$20,195)	\$174,566
EBIT	\$90,478	\$32,118	\$122,596	(\$20,195)	\$102,401
Profit before income tax expense	\$74,624	\$32,118	\$106,742	(\$20,195)	\$86,547
Income tax expense	(\$19,279)	(\$9,635)	(\$28,914)	\$6,058	(\$22,856)
<b>Net profit after income tax expense</b>	<b>\$55,345</b>	<b>\$22,483</b>	<b>\$77,828</b>	<b>(\$14,137)</b>	<b>\$63,691</b>

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)
<b>Net profit after income tax expense</b>	<b>\$34,620</b>	<b>\$11,502</b>	<b>\$46,122</b>	<b>\$2,174</b>	<b>\$48,296</b>

The Federal Government's International Freight Assistance Mechanism ("IFAM") was implemented to assist with COVID-19 impacted international airfreight. While Tassal continues to be grateful for this Government support program, overall International freight costs for FY22 were still \$29.9m higher before tax (relative to the pre-COVID-19 cost \$/kg rates) post receiving this rebate (FY21: \$14.8m). The additional cost of International freight is presented as a Significant Item and added back to underlying results to present Operating EBIT, EBITDA and NPAT FY22. Also included in Significant items is \$2.2m of costs relating to the settlement of a De Costi wage issue.

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 remains below pre COVID-19 levels. IFAM is not continuing for FY23.





## APPENDIX 3

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Glossary & Definitions.



# GLOSSARY & DEFINITIONS

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## **Aquaculture**

The farming of aquatic organisms including fish, molluscs, crustaceans and aquatic plants with intervention such as regular stocking, feeding and protection from predators in the rearing process to enhance production.

## **Aquaculture Stewardship Council (ASC)**

A third party audited, world recognised environmental standard evolving from the Salmon Aquaculture Dialogues.

## **Best Aquaculture Practices (BAP)**

A third party audited, world recognised environmental standard.

## **Benthic**

Ecological region at the lowest level of a body of water.

## **Biomass**

A measure of weight.

## **Biosecurity**

Procedures or measures designed to protect a population against harmful biological or biochemical substances.

## **Blue AgTech**

To responsibly grow the value of aquaculture through the adoption of technology and innovation.

## **Blue carbon**

Blue carbon provides an opportunity to manage carbon stored in wild and farmed kelp and marine flora, as well as coastal and marine ecosystems through carbon offsets or through carbon sequestration and storage. It also offers a potential runway into the carbon credit market.

## **Capex**

Capital Expenditure.

## **Climate change**

Changes in the earth's weather, including changes in temperature, wind patterns and rainfall, especially the increase in the temperature of the earth's atmosphere that is caused by the increase of particular gases, especially carbon dioxide.

## **Diversification**

The process of a business enlarging or varying its range of products or field of operation.

## **EBIT**

Earnings before interest and taxes.

## **EBITDA**

Earnings before interest, taxes, depreciation, and amortization is a measure of a company's overall financial performance.

## **Ecosystem**

A biological community of interacting organisms and their physical environment.

## **ESG**

Environmental, Social, and Governance is an evaluation of a firm's collective conscientiousness for social and environmental factors.

## **Finfish**

Free swimming fish with fins as opposed to less motile crustaceans or molluscs.

## **Fishmeal**

A commercial product made from both whole fish and the bones and offal from processed fish. It is a brown powder or cake obtained by rendering and pressing the cooked whole fish or fish trimmings to remove most of the fish oil and water.

## **Fish oil**

Fish oil is oil derived from the tissues of oily fish.

## **Forage fish**

Often called bait fish, forage fish are usually smaller fish which sustain larger predators.

## **Free Cashflow (FCF)**

Calculated as cashflows from operating activities less stay in business capex. FCF excludes growth capex, ROU liability repayments, debt proceeds and repayments, and dividends.

## **Free Cashflow Conversion**

Calculated as Free Cashflow divided by Operating EBITDA

## **Freshwater operation**

Aquaculture that occurs in a freshwater system.

## **Greenhouse gas (GHG)**

A gas in an atmosphere that absorbs and emits radiation within the thermal infrared range.

## **Hatchery**

A facility where fish eggs are hatched under artificial conditions.

# GLOSSARY & DEFINITIONS

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## **HOG tonnes**

Head on gutted weight.

## **Husbandry**

The care, cultivation and breeding of crops and animals.

## **Lag indicator**

An indicator that follows an event (e.g. rate of incidents/injuries).

## **LTIFR**

Lost Time Injury Frequency Rate

## **Marine farm**

Areas of water registered to grow finfish, shellfish or other marine organisms.

## **MTI**

Medical treatment injury,

## **MTIFR**

Medically Treated Injury Frequency Rate.

## **NPAT**

Net profit after tax.

## **Omega-3**

Any of several polyunsaturated fatty acids found in leafy green vegetables, vegetable oils, and cold-water fish such as salmon and mackerel. These acids are capable of reducing serum cholesterol levels and have anticoagulant properties.

## **Processing facility**

A facility where raw materials are processed into finished products.

## **Recirculating Aquaculture System (RAS)**

A fish growing environment which biologically filters system water for re-use, removes ammonia, CO<sub>2</sub> & solids and oxygenates the water

## **Reduction fisheries**

Are fisheries that reduce or process their catch into fishmeal and fish oil.

## **Rendering**

The process of converting by-products into usable materials.

## **Reticulated**

Water reticulation systems are water distribution networks which have to be collected and then treated before distributed to the consumer

## **RWI**

Restricted Work Injury

## **Sanctuary pens**

Marine enclosures designed to protect fish from seal predation, whilst being benign to seals and keeping our people safe.

## **Salmonid**

Any fish of the family Salmonidae, which includes Atlantic salmon.

## ***Salmo salar***

The scientific name for Atlantic salmon.

## **Selective breeding**

The intentional breeding of organisms with desirable traits to produce offspring with similar desirable characteristics or with improved traits.

## **Significant Items**

The additional cost of International freight and one-off additional payment to employees

## **SmartFarming**

The management of farms using modern information and communication technologies to optimise operations.

## **Smolt**

A stage in the life cycle of salmonids at which the salmon is ready to move from the freshwater to saltwater environment.

## **Tiger prawn**

*Penaeus monodon*, commonly known as the giant tiger prawn.

## **TRIFR**

Total Recordable Injury Frequency Rate. The number of fatalities, lost time injuries, cases and other injuries requiring medical treatment per million hours worked.

## **Traceability**

The ability to track any food through all stages of production, processing and distribution. All movements can be traced one step backwards and one step forward at any point in the supply chain.

## **Value-add**

The enhancement of a product.

## **Vertically integrated**

The structure employed by a company when it controls more than one stage of the supply chain e.g. turning raw material into a product.

## **Year class (YC)**

YC in saltwater: a group of fish that enter the marine environment in a calendar year; YC in freshwater: a group of fish hatched in the same calendar year.



TASSAL GROUP LIMITED  
LEVEL 9, 1 FRANKLIN WHARF, HOBART TAS 7000  
+61 3 6244 9035  
TASSAL@TASSAL.COM.AU

TASSALGROUP.COM.AU

