

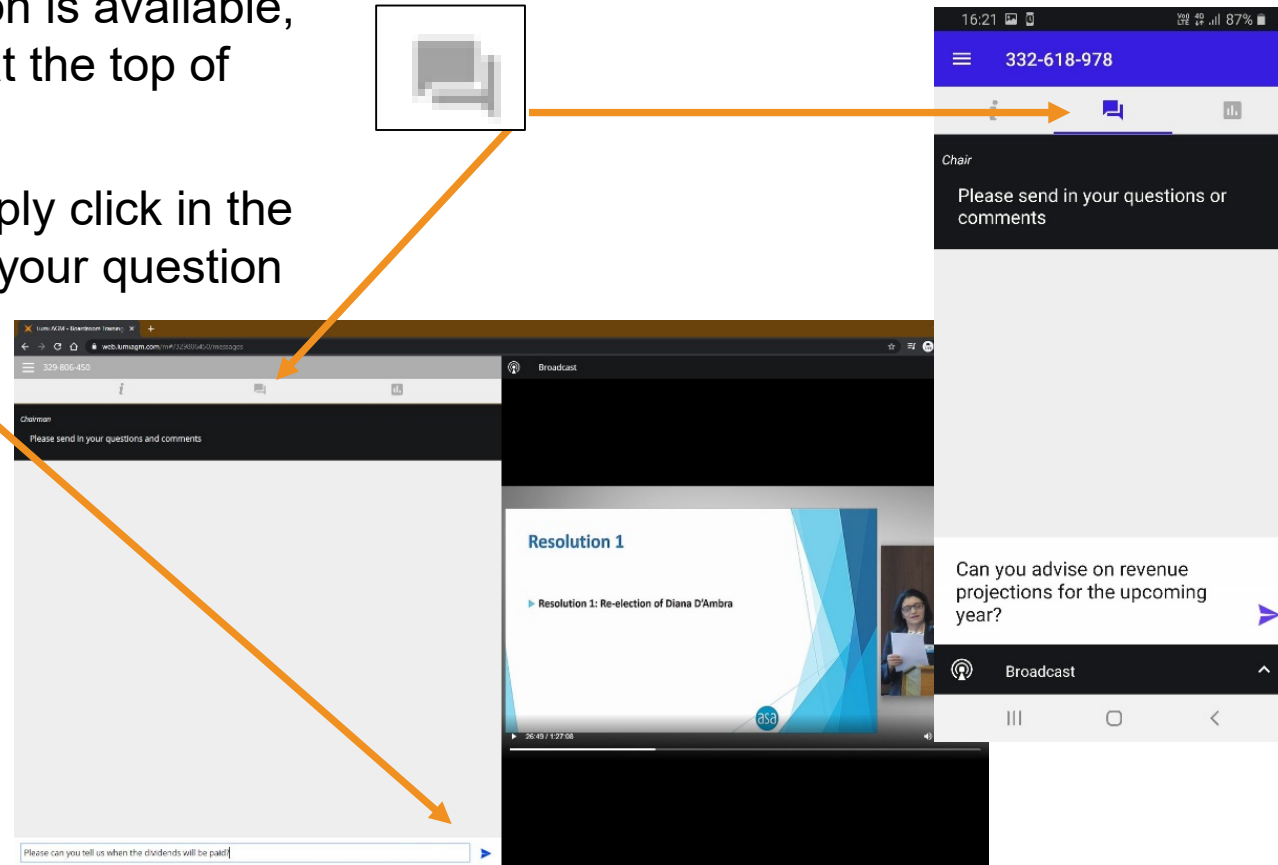


Tassal Group 2020 Annual General Meeting

**1:30 pm AEDT
28 October 2020**

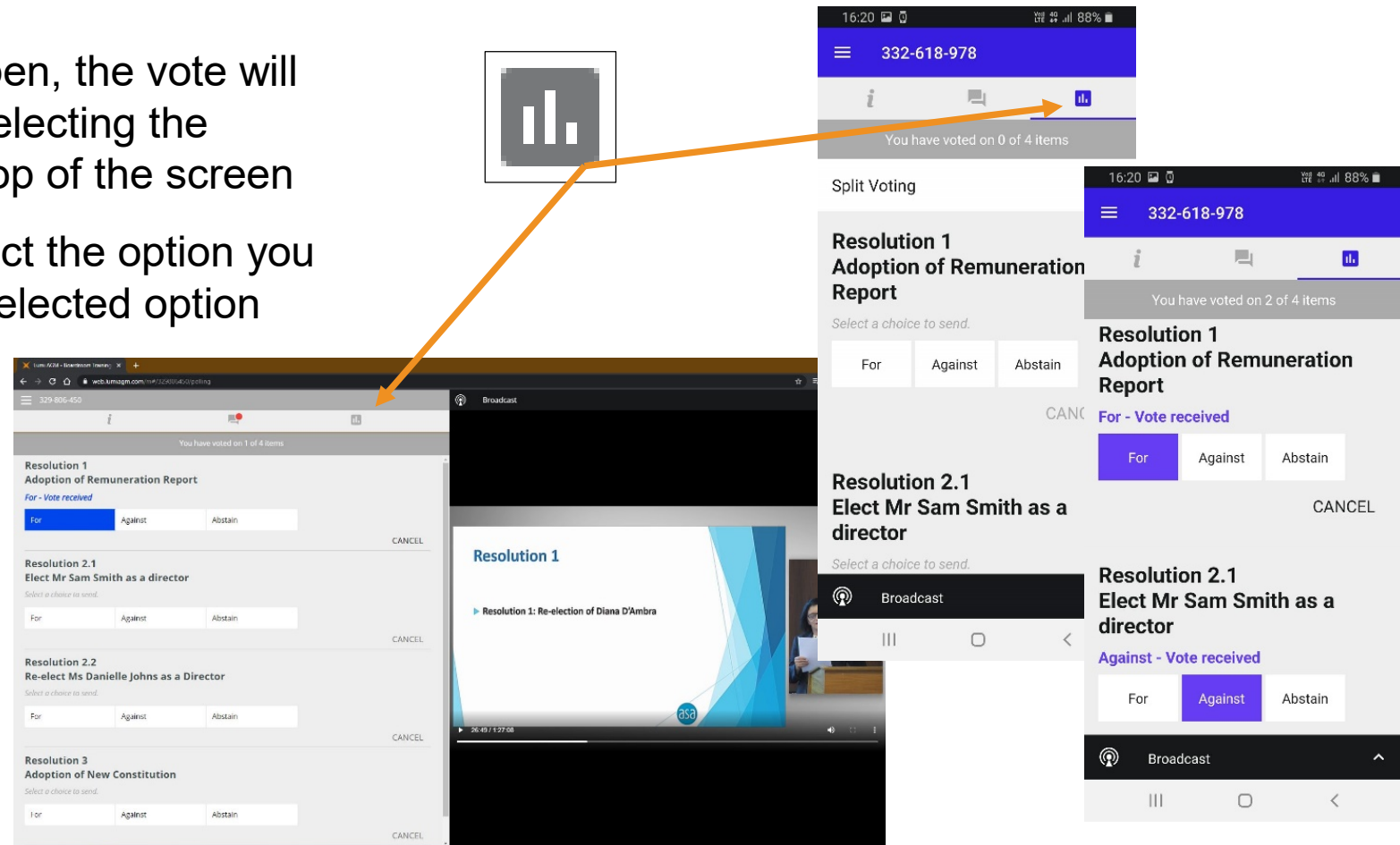
Online Attendees – Question process

- When the Question function is available, the Q&A icon will appear at the top of the app.
- To send in a question, simply click in the 'Ask a question' box, type your question and then press the send arrow
- Your question will be sent immediately for review
- Submit your questions now on any resolution



Online Attendees – Voting process

- When the poll is open, the vote will be accessible by selecting the voting icon at the top of the screen
- To vote simply select the option you wish to send, the selected option will change colour
- There is no submit or send button, your selection is automatically recorded



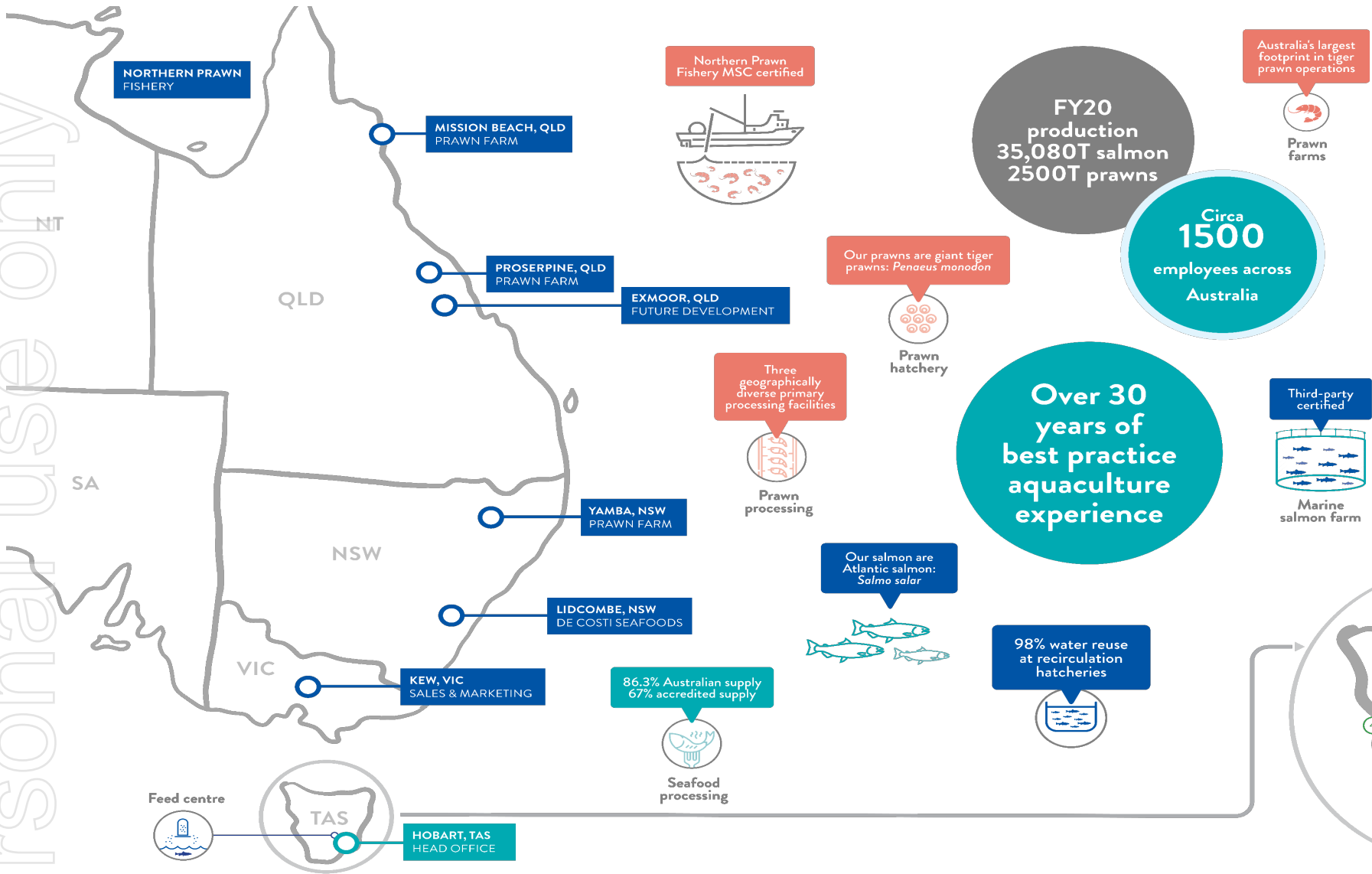
Item 1 – Financial Statements & Reports

To receive and consider the Company's Financial report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2020



Chairman's Address Mr Allan McCallum AO

Tassal footprint - land & sea

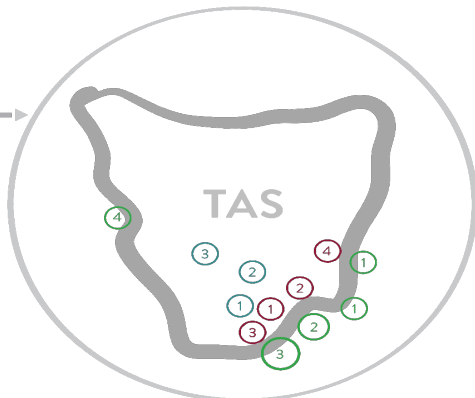


OUR FOOTPRINT SEAFOOD & PRAWNS

- | | |
|---|---|
| PROSERPINE, QLD
Prawn farm, hatchery & processing facility | YAMBA, NSW
Prawn farm & processing facility |
| MISSION BEACH, QLD
Prawn farm, hatchery & processing facility | LIDCOMBE, NSW
Processing facility |
| EXMOOR, QLD
Future development | 'XANADU'
Northern Prawn Fishery |

OUR FOOTPRINT SALMON

- | | |
|---|---|
| MARINE FARMING ZONES | PROCESSING FACILITIES |
| 1. EASTERN ZONE
Okehampton Bay
Nubeena & Port Arthur | 1. HUONVILLE
Smoking & processing |
| 2. CHANNEL ZONE
D'Entrecasteaux Channel | 2. MARGATE
Fresh processing |
| 3. SOUTHERN ZONE
Dover & Huon River | 3. DOVER
Primary processing |
| 4. WESTERN ZONE
Macquarie Harbour
(joint venture) | 4. TRIABUNNA
Value add by-products |
| FRESHWATER HATCHERIES | |
| 1. ROOKWOOD I & II
Ranelagh, TAS | |
| 2. RUSSELL FALLS & KARANJA
Mount Field, TAS | |
| | 3. SALTAS
(Industry Hatchery)
Wayatinah, TAS |



Tassal's growth strategy

As an industry leader in Australia, we are harnessing our strengths across the business to sustainably and strategically improve how we farm, process and bring our Seafood to market

“Tassal farms the ocean and land to produce a high quality/healthy source of food, leveraging its industry leading scientific know how, that is both sustainable and efficient in its production, respecting the resources of the earth and the wider society in which it operates”

Our growth strategy is underpinned by 5 pillars:

1. Being the market leader on all operational, financial, environmental and societal value metrics
2. Ensuring geographic and species diversification
3. Driving domestic per capita consumption growth
4. Maintaining an Eastern Seaboard supply chain: ensuring we are freshest to market on a national basis
5. Maintaining best practice aquaculture: being regarded as global leaders in aquaculture production and environmental stewardship

Our anticipated growing returns should come from innovating, value adding and capitalising on increased consumption of farmed salmon and prawns in the homes of Australians

FY20: Doing what we said we would do

We have the right strategy in place to drive long term growth in sustainable earnings

1. **Delivered sustainable growth:** Balancing strategic, operational, financial, environmental and societal value metrics
2. **Strong growth in operating EBITDA to \$138.6m:** Reflecting the benefits of Tassal's growth strategy
3. **Further growth investment:** Supported by operating cashflows, debt headroom, comfortable gearing levels and a strong balance sheet
4. **Salmon delivering on strategy:** Investment and subsequent 12.9% increase in live biomass, production efficiencies and further optimised sales mix, and positions us well for growing returns
5. **Prawns delivering on expectations:** Harvest of 2,460 tonnes was expected, with substantial uplift in planned FY21 harvest volume to circa 4,000 tonnes with infrastructure in place
6. **Industry world best ESG initiatives:** Underpin sustainable growth for both salmon and prawns
7. **Overall:** Despite sales challenges imposed by COVID-19 market fractures, shareholder value was maximised through optimising margins via sales mix and operating efficiencies. Salmon and prawn product and brand strategy aligns to consumer needs during and after COVID-19, and will continue driving domestic per capita consumption growth. Increasing harvest biomass, optimising margins via sales mix and operating efficiencies, and a strong sustainable diversified operating platform, best position Tassal to navigate through COVID-19 and further grow earnings and returns in FY21

Responding to COVID-19

While the COVID-19 pandemic has unleashed unprecedented impact throughout the world, it did not disrupt our progress as we continued to make strategic decisions and take actions aligned with our guiding principles – our people, planet, product and performance

- Sustainability guides our production of accessible healthy food for the world; our efforts to build resilient and supported employees and communities; and our delivery of strong and consistent economic results, while respecting our planet and its environment for future generations
- Our status as an essential service means we can maintain our focus on responsible farming and food production, allowing us to:
 - Keep our people informed and safe;
 - Deliver a continuous supply of our salmon, prawns and seafood;
 - Deliver responsible and sustainable growth for our customers and shareholders; and
 - Support the amazing communities we live and operate within
- Despite the global health and economic challenges, we took bold actions and made significant progress against our strategic, sustainability, operational and financial targets
- Our investment in the domestic retail channel pre COVID-19 has set up Tassal to capitalise on the home consumption trend
- The past year also saw the completion of long-standing projects and the beginning of new directions

We again delivered strong results in salmon supported by:

- The introduction of our Wellboat Aqua Spa;
- Completing our project to roll-out our world leading Ocean Sanctuary Pens;
- Optimising our internal scientific expertise and scientific partnerships like the Blue Economy Cooperative Research Centre (CRC); and
- Our continued focus on product quality to keep up with changing consumer preferences

This year was also about cementing our prawn footprint and launching TropicCo tiger prawns:

- Achieving growth in our prawn farming footprint by 53 per cent, setting us up for further success for FY21;
- Farming operations grew from c190ha to c270ha over FY20;
- Continuing our innovation focus to ensure a competitive advantage;
- Creating hundreds of jobs, supporting regional growth and building stronger local economies from our strategic decisions; and
- To deliver growth strategy, farming operations planned to grow to c350ha in FY21 which will deliver returns over the medium term

Using technology to optimise operations

Heading into COVID-19 Tassal was a global seafood leader in digital technology – our competitive advantage with digital technology should be further enhanced in FY21

Digital Farming - increasing digitalisation of salmon and prawn farming operations

- Through smart farming, we continue to transform our operations and create a competitive edge through artificial intelligence, automation, data and predictive analytics tools
- Continued advancements in feed automation. Using data improvements to increase understanding of prawn and salmon
- Leveraging cloud platforms enabling the digitisation of operational processes across salmon & prawn farming and other critical business processes such as safety management and employee engagement
- Increased rollout out of Internet of Things ('IoT') beyond environmental data systems to asset and infrastructure tracking and optimisation

Data & Analytics – extracting more value from our data

- Integrating SmartFarm data into our analytics platform to draw insights that drive better farming behaviours and outcomes
- Real-time data analytics around operations (environmental and asset performance), spreading best practices across our sites
- Improving data literacy across the whole business through identification of power users, training and better data tools

Cyber Risk Management – protecting our crucial technology assets

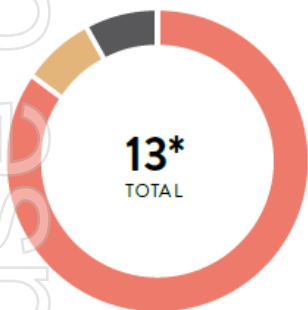
- Strong IT Infrastructure and Service foundation
- Adopting best practice standards such as 'Essential 8'
- Deploying new tools to assist - network control and advanced threat detection systems

Our people & communities

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

COMMUNITY COMPLAINTS

We actively listen to our communities and are proactive in responding to concerns or complaints relating to our operations. We have a Community Complaint Policy to support our engagement team with managing community feedback.

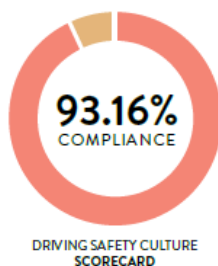
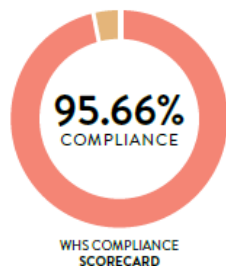


- 11* Noise
- 1 Marine Debris
- 1 Safety

*Two complaints were on behalf of community groups and were ongoing in nature

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.



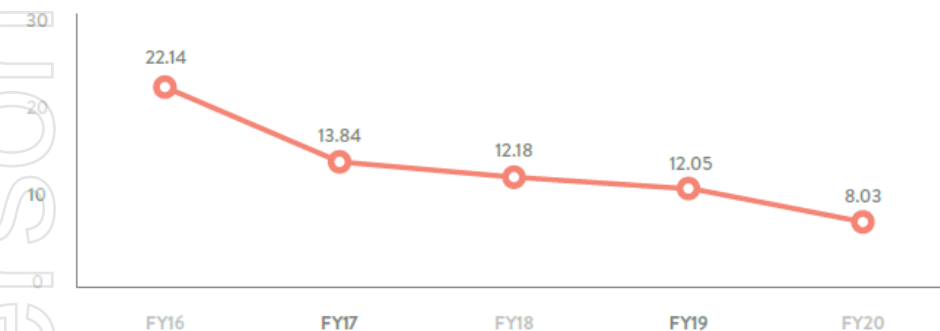
MARINE DEBRIS

We are working hard to play our part in reducing marine debris. We have a **Towards Zero** approach to this threat and are relentless in our focus, taking accountability for our actions. By 2020, our goal is to reduce marine debris attributed to our operations to below 10 per cent of all rubbish collected or reported.

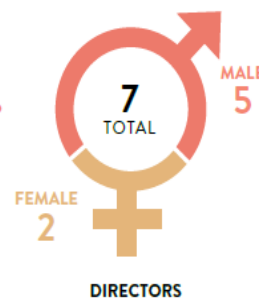
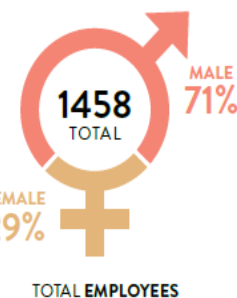
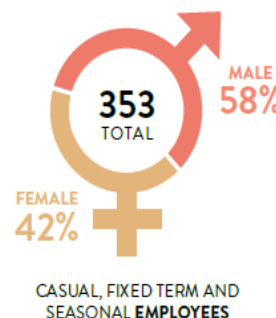
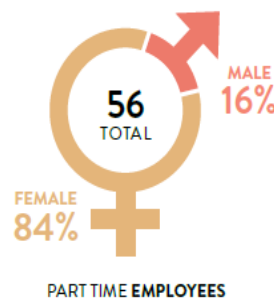
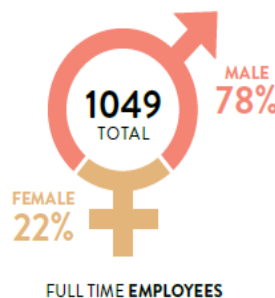
	FY16	FY17	FY18	FY19	FY20
RUBBISH REMOVED (m³)	23.5	72	79.5	218.9	99.6
HOURS COLLECTING	250	386	1,776	3,881	2,268
ATTRIBUTION TO TASSAL FARMS (%)	30	26.9	27	22.5	15.3

TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR)

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



EMPLOYEE SNAPSHOT



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



Water use reduced by **18 L/kg** produced which is a **27% reduction** in L/kg water use in marine salmon farming

SEAL INTERACTIONS

	FY16	FY17	FY18	FY19	FY20
RELOCATION EVENTS	151	2131	1344	N/A	N/A
EUTHANISED	1	3	1	0	0
ACCIDENTAL DEATH (RELOCATION)	3	1	0	N/A	N/A
ACCIDENTAL DEATH (ENTANGLEMENT)	2	1	6	14	5

BENTHIC COMPLIANCE

	FY16	FY17	FY18	FY19	FY20
NUMBER OF ROV DIVES	380	206	182	373	210
NUMBER IN COMPLIANCE	367	169	179	350	200
% COMPLIANCE	96.5	82.0	98.4	93.8	95.2

The number of compliance dives reduced for FY20 as some leases were being followed.

ENVIRONMENTAL COMPLIANCE



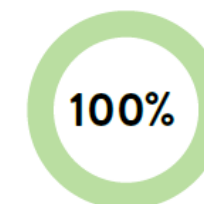
SALMON PROCESSING COMPLIANCE



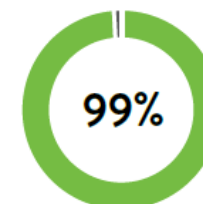
SALMON HATCHERY COMPLIANCE



PRAWN HATCHERY COMPLIANCE

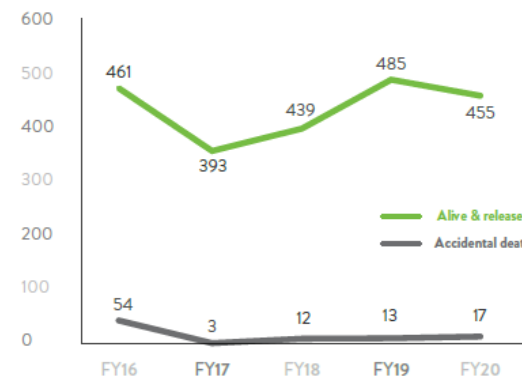


PRAWN PROCESSING COMPLIANCE

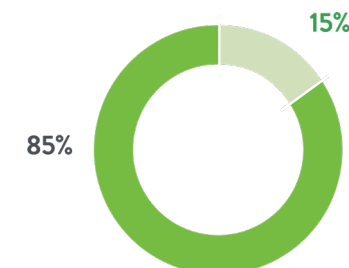


PRAWN FARMING COMPLIANCE

BIRD INTERACTIONS (SALMON)



BIRD MORTALITIES (PRAWNS)



WASTE

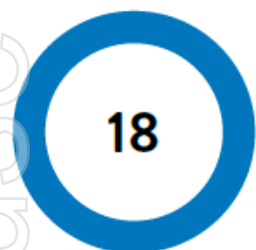
- 17,991 t Recycled
- 3,276 t Landfill

Our product

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

PROCUREMENT PRACTICES

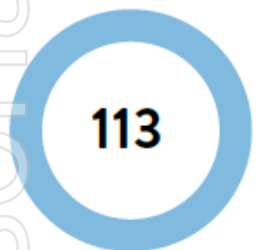
Suppliers of goods or services which have the potential to impact food safety or quality, such as suppliers of raw materials, ingredients, processing aids, packaging, warehousing, thawing, date coding and contract processing, are required to participate in our Quality Approved Supplier Program.



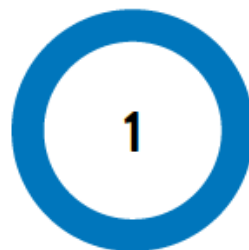
NUMBER OF NEW SUPPLIERS IN FY20



% OF NEW SUPPLIERS SCREENED THROUGH APPROVED SUPPLIER PROGRAM IN FY20



NUMBER OF APPROVED SUPPLIERS

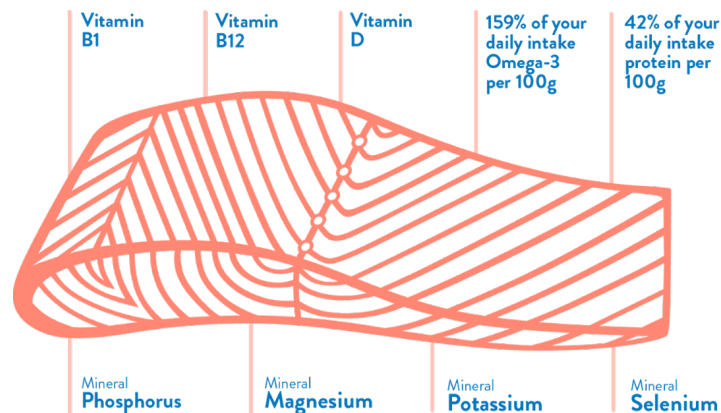


PHYSICAL SUPPLIER AUDITS CONDUCTED IN FY20

OUR THIRD-PARTY ACCREDITATIONS



OUR PRODUCT



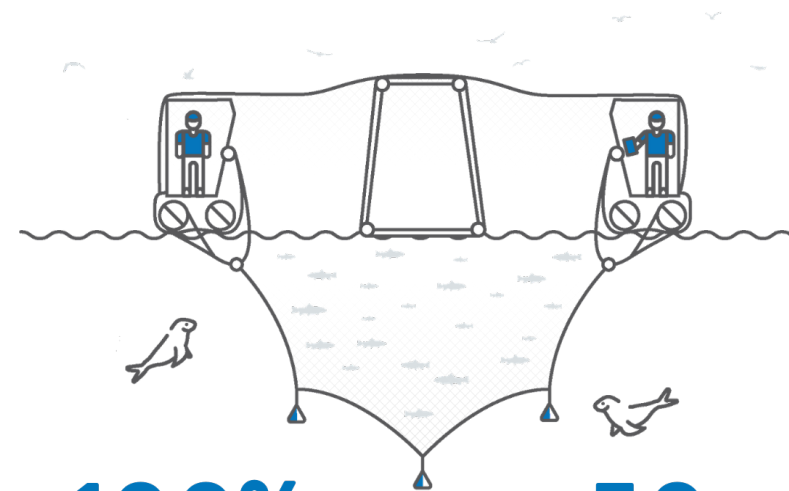
GLOBAL SEAFOOD SUPPLY*

Argentina	Brazil	China	Indonesia	New Zealand	Thailand	Tunisia	USA	Vietnam	Australia
0.04%	0.06%	0.01%	0.06%	0.11%	0.89%	0.01%	0.01%	8.72%	90.09%

*Percentage of total seafood sourced from each country



93.5% Seafood accredited to a third-party standard



100%

ocean sanctuary pens coverage

50

ocean sanctuary pens installed in FY20

Managing climate risk

A comprehensive risk management system is used to manage the long-term risks, issues and opportunities presented by climate change and respond accordingly

Climate plays an important role in Tassal's salmon operations – managing our stock in a sustainable and responsible way

- Winter water temperatures on average for June and July 2020 were around 0.3 degrees lower than the previous year
- The Aqua Spa (Wellboat) provides improved farming practices and has been in operation for 9 months now
- Automated feeding and improved diets, appropriate level of harvest for frozen hog (for later and further value adding) and isolating larger fish to cooler sites, helped decrease mortality rates and improve overall health of our salmon

Tassal has developed considerable options for adapting to climate change:

- Species diversification with prawns – prawns are a 'warmer' climate species
- Selective breeding program for salmon, focusing on breeds that can withstand temperature increases and volatility
- Improved feed diets for both salmon and prawns
- Modified farming technologies and practices
- Geographic diversification

Tassal engages scientists to identify emerging climate trends and system responses, and undertakes comprehensive broad scale environmental monitoring to help minimise the risk and impact we have on the environment

What sets us apart, today and tomorrow

We are defined by our actions and our ambition

- Our strategy continues to show we are well positioned to meet consumer and market needs and our voluntary third-party certifications demonstrate our ongoing commitment to going above and beyond our regulatory settings to meet global sustainability benchmarks
- To our incredible staff, thank you for your amazing efforts. As farmers, we are often at the forefront of what nature delivers – from storms, drought, bushfires, warmer waters or a global pandemic. During these times we dig deep, stand together, support our neighbours, partners and the communities we operate within. I am so proud to be associated with our people
- To my fellow Directors and Management, thank you for your support and input over the past 12 months – it certainly has been a challenging time but our resilience and focus really shone through
- I warmly welcome our new Directors Richard Haire and James Fazzino – we have certainly welcomed your experience and input to date
- I sadly say farewell Trevor Gerber. Since April 2012, I have had the pleasure of working closely with Trevor Gerber on the Tassal Board. Trevor has played an important role on our Board – particularly from a strategic and financial perspective. With Trevor retiring from the Tassal Board after 8.5 years of service as a non-executive Director, on behalf of the Board, management and all our shareholders, I would like to thank Trevor for his immense contribution that has helped make Tassal a better place for all stakeholders
- To our shareholders and other stakeholders, your continuing support is appreciated and valued

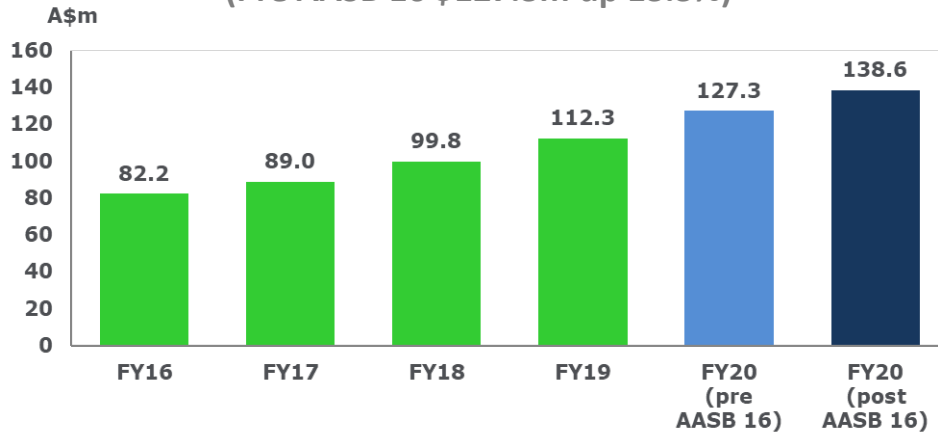


Managing Director & CEO Address Mr Mark Ryan

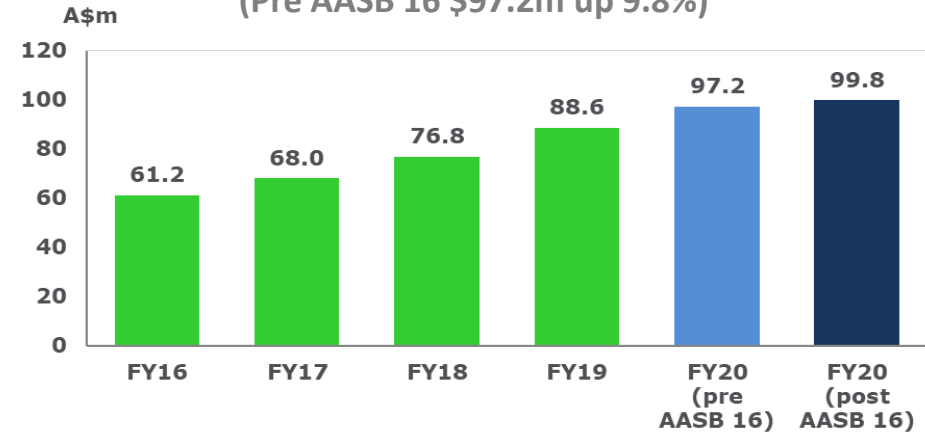
Growth in FY20 earnings support business investment

Operating NPAT up 13.4% to \$64.2m due to further optimising operations and sales mix. Operating cashflow invested in working capital to grow salmon and prawn stock for earnings and returns in FY21

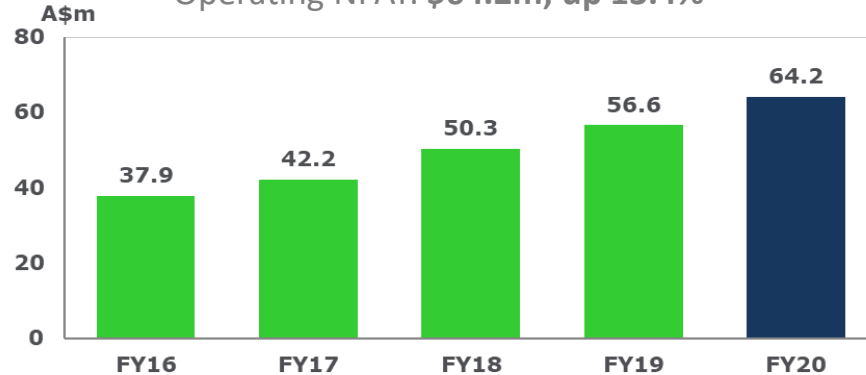
Operating EBITDA : \$138.6m;
(Pre AASB 16 \$127.3m up 13.3%)



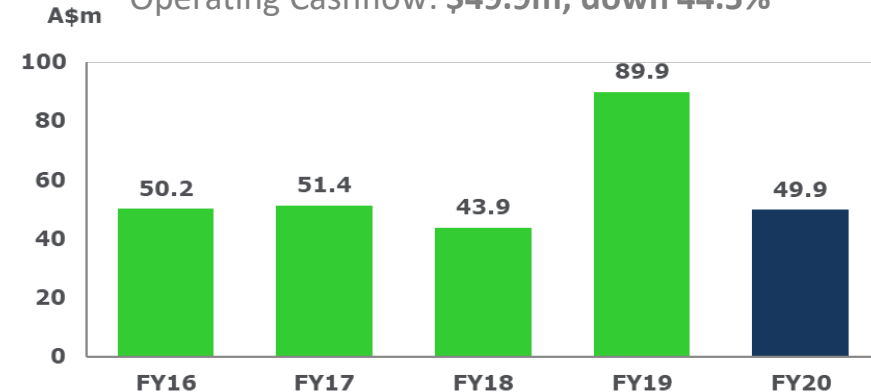
Operating EBIT: \$99.8m;
(Pre AASB 16 \$97.2m up 9.8%)



Operating NPAT: \$64.2m; up 13.4%



Operating Cashflow: \$49.9m; down 44.5%



Definitions:

Statutory NPAT + Significant Items = Underlying Profit

Underlying Profit – AASB141 Impact = Operating Profit

Strong growth in FY20 operating EBITDA

Successful execution of our focused growth strategy

Financial Performance (A\$m)	FY20	FY19	Change
Revenue	562.54	560.79	0.3% ▲
Operating results			
Operating EBITDA	138.55	112.31	23.4% ▲
Salmon Operating EBITDA \$/Kg (Pre AASB 16)	3.29	3.16	4.3% ▲
Salmon Operating EBITDA \$/Kg (Post AASB 16)	3.60		
Prawn Operating EBITDA \$/Kg (Pre AASB 16)	6.11	6.12	(0.2%) ▼
Prawn Operating EBITDA \$/Kg (Post AASB 16)	6.42		
Operating EBIT	99.82	88.55	12.7% ▲
Operating NPAT	64.17	56.62	13.3% ▲
Statutory results			
AASB 141 SGARA Impact ¹	12.17	4.61	163.8% ▲
Statutory EBITDA ¹	145.61	114.91	26.7% ▲
Statutory EBIT ¹	106.87	91.16	17.2% ▲
Statutory NPAT ¹	69.11	58.44	18.3% ▲
Operating cashflow	49.85	89.90	(44.5%) ▼
Final dividend - cps	9.00	9.00	0.0% ▬
Total dividend - cps ²	18.00	18.00	0.0% ▬

Notes:

1. Pre-tax SGARA adjustment benefit of \$12.2m (FY19: increase \$4.6m). Post tax benefit \$8.5m (FY19: increase \$3.2m).
2. Total dividend is 25% franked (FY19: 25% franked)

Salmon: Operating EBITDA \$/kg continues to increase

- Optimisation of harvest biomass and size flowing through with better production costs and higher margins on more and larger salmon
- Domestic salmon sales mix and pricing kept up throughout the year – and despite COVID-19 implications – domestic retail sales offset wholesale sales late in year
- Export market strategically targeted with bigger salmon

Prawns: Delivered on FY20 strategic plan and set for further growth

- Prawn sales up \$32.3m to \$41.4m
- Prawns size, operating efficiencies and strong export markets underpinning EBITDA

AASB 16 Leases

- FY20 EBITDA includes \$11.3m benefit relating to AASB 16 Leases standard, with \$2.6m impact to EBIT. There was no impact to Operating NPAT

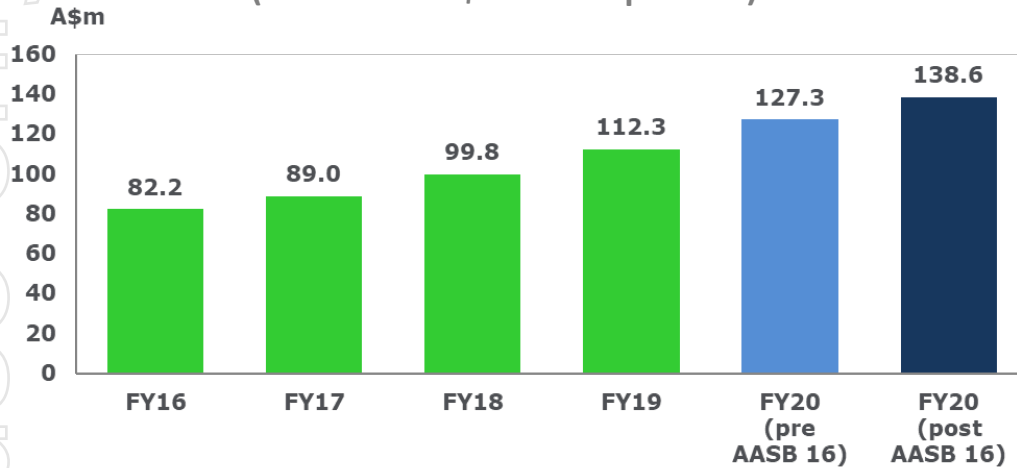
Responsible growth and capex initiatives funded from operating cashflow

- Reflects the increased working capital costs to grow incremental inventory for salmon and prawn stock to drive increased FY21 earnings

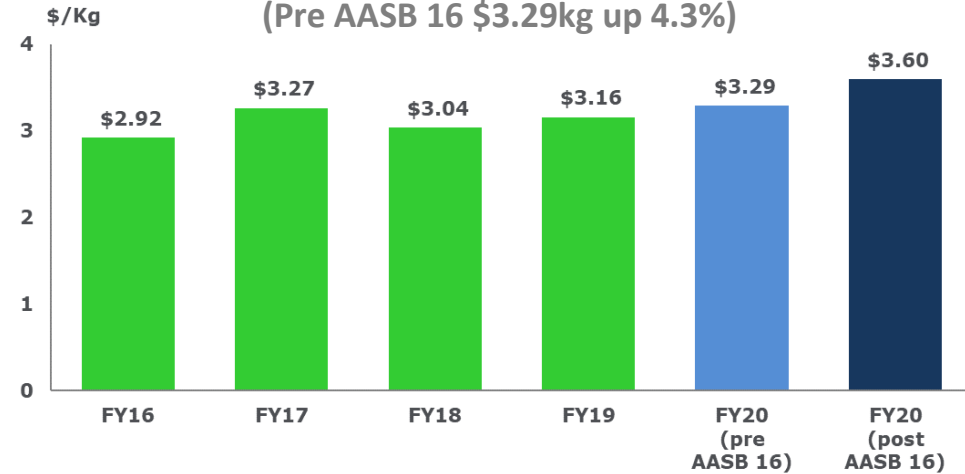
Optimising operations and sales mix underpins growth

Both salmon and prawns generated appropriate EBITDA \$/kg returns

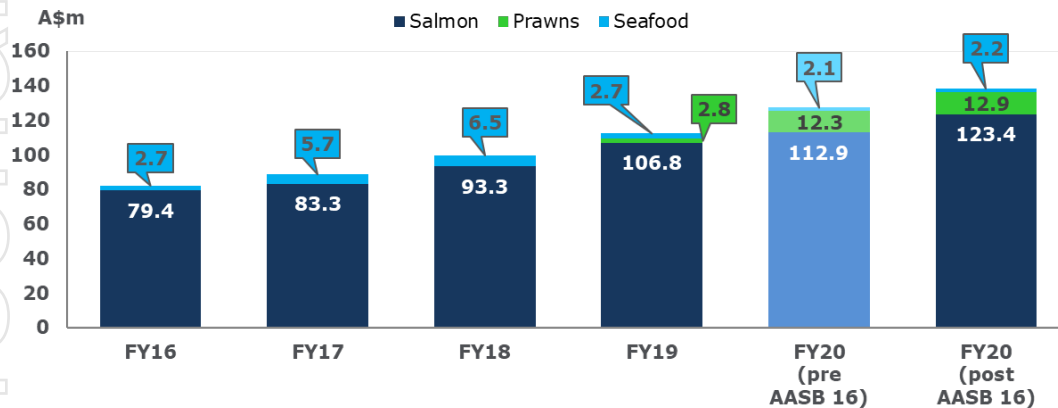
Operating EBITDA: \$138.6m;
(Pre AASB 16 \$127.3m up 13.3%)



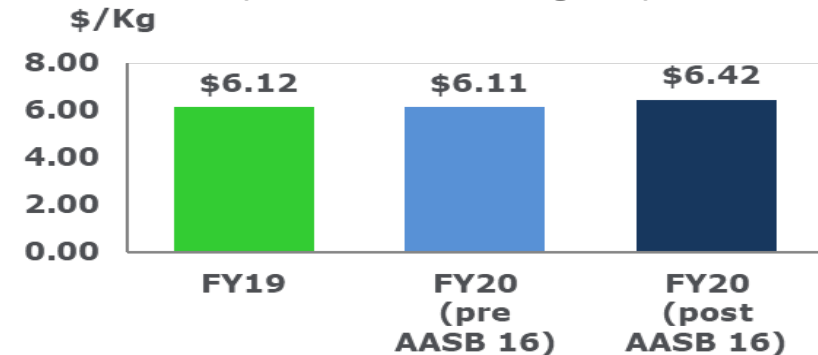
Salmon Operating EBITDA \$/kg: \$3.60/kg
(Pre AASB 16 \$3.29/kg up 4.3%)



Operating EBITDA: Split between salmon, prawns and seafood



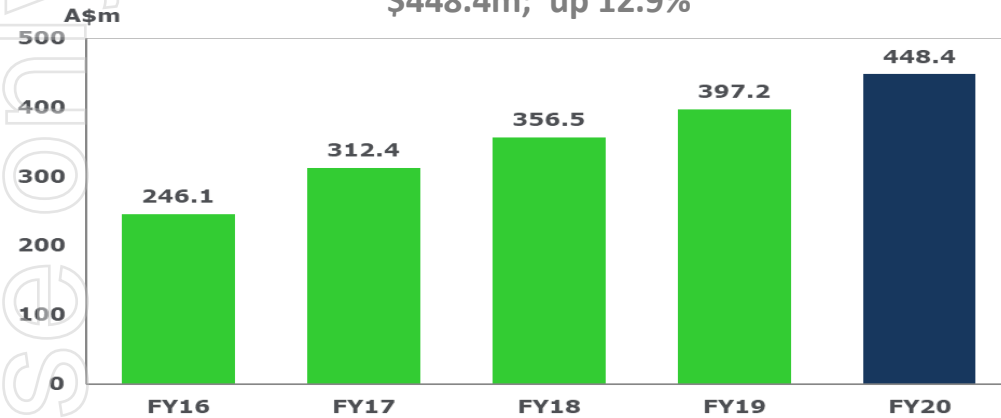
Prawn Operating EBITDA \$/kg: \$6.42/kg
(Pre AASB 16 \$6.11/kg; flat)



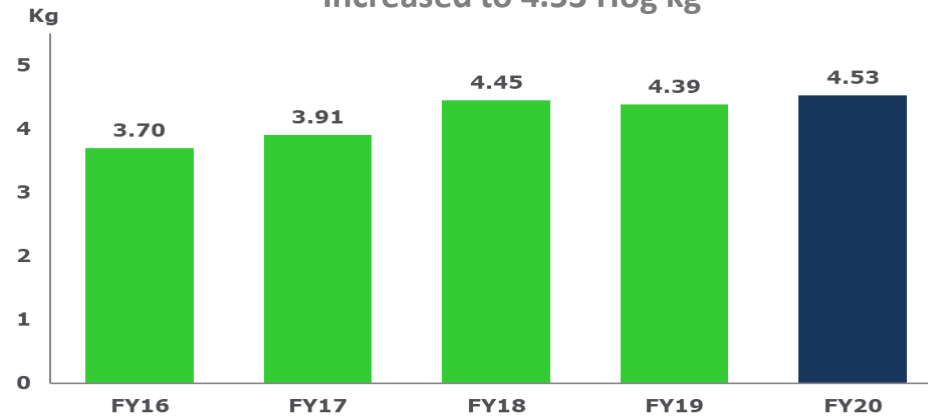
Salmon - Strong platform driving increased earnings and returns

Better technology, infrastructure and biosecurity driving increasing salmon biomass and supporting future growth and returns on capital

Salmon live biomass at 30 June 2020:
\$448.4m; up 12.9%



Average salmon harvest size:
Increased to 4.53 Hog kg

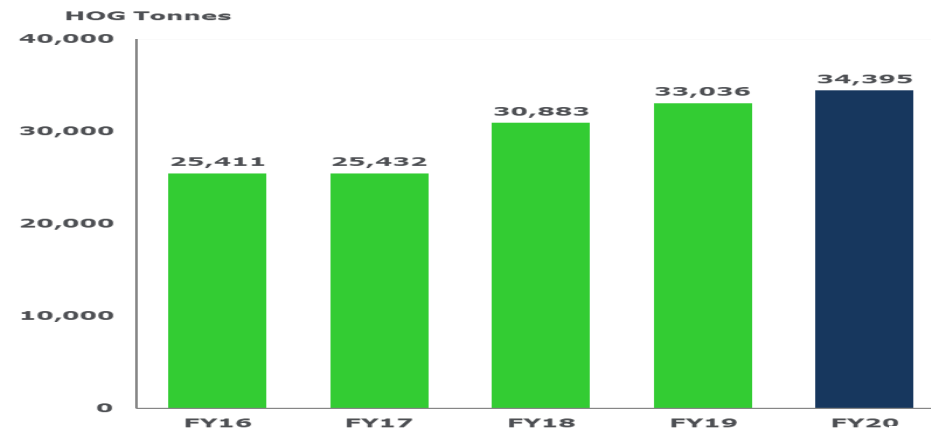


For optimal sales mix, an average fish size of 4.5kg to 5.0kg hog optimises returns

Rebalancing salmon harvesting:
1H/2H of 52%/48%



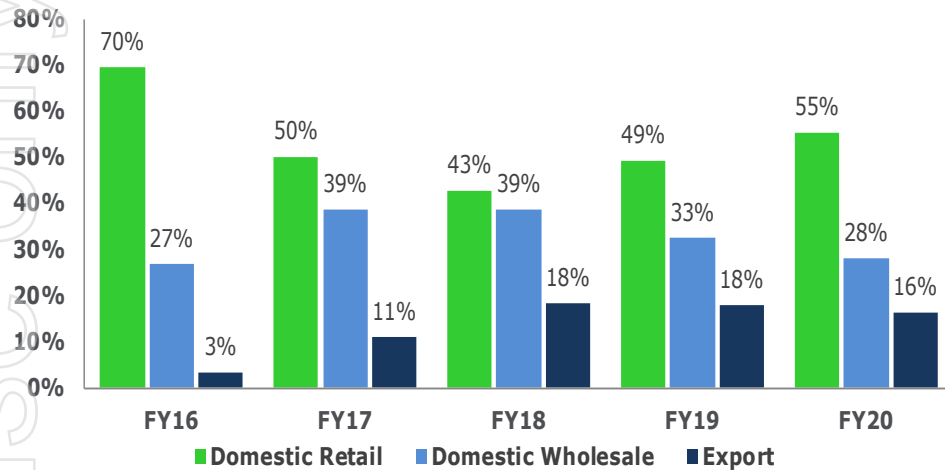
Salmon harvest tonnes:
34,395 tonnes; up 4.1%



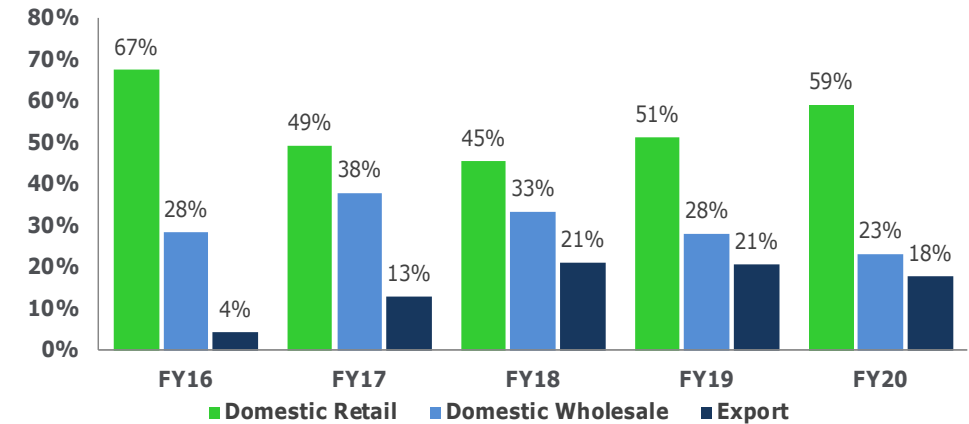
Salmon - Strong platform driving increased earnings and returns

Sustainable sales platform – revenue, volume & pricing, with export market targeted for excess supply

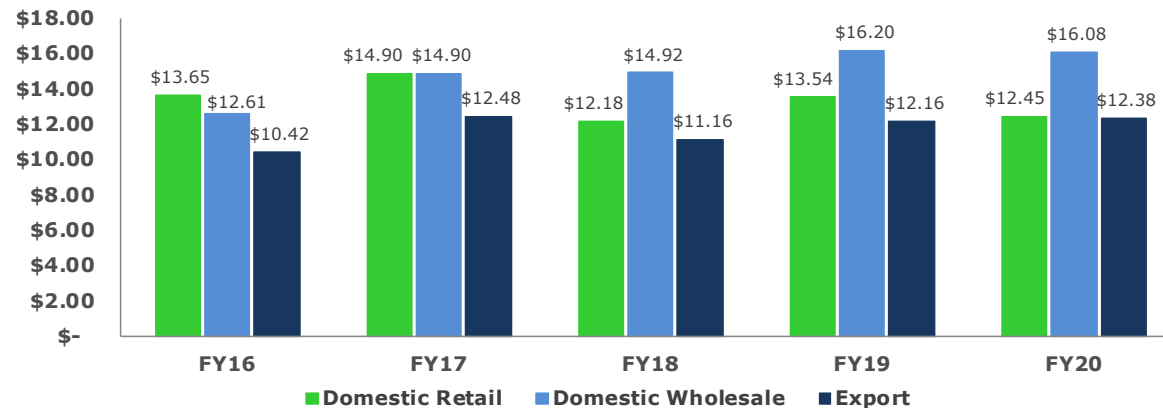
Salmon sales revenue split: sustainable



Salmon sales volume split: sustainable



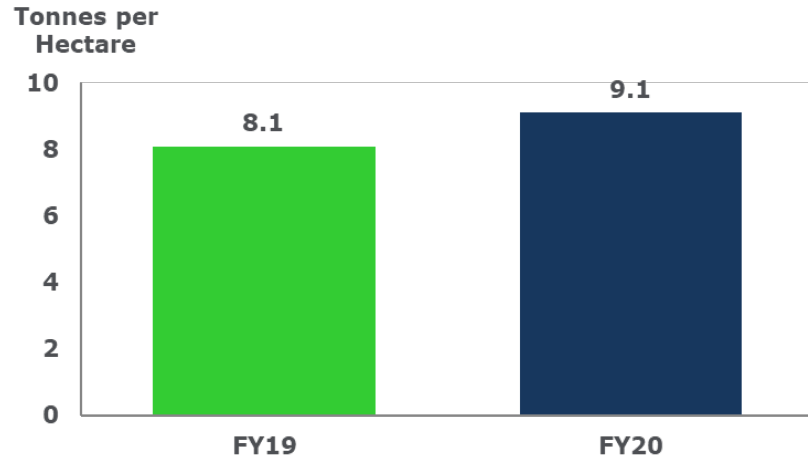
Salmon sales pricing: sustainable



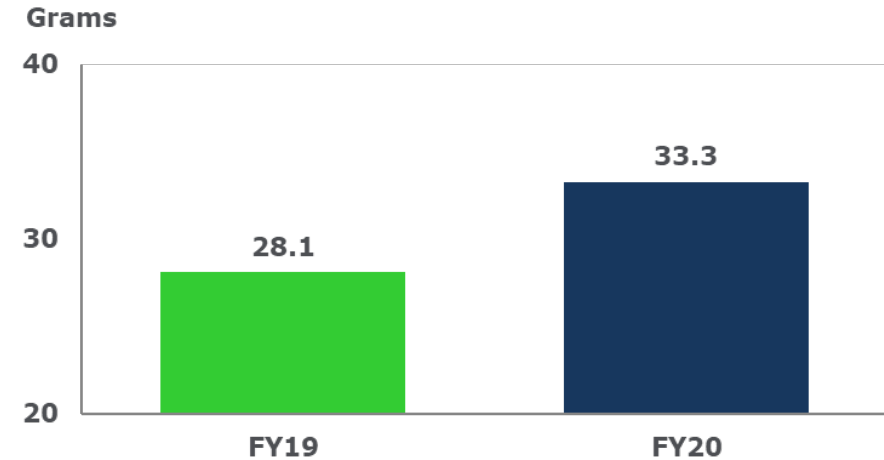
Prawns - Strong platform to drive increased earnings and returns

Delivering expectations: investment in technology, infrastructure and biosecurity driving increasing returns

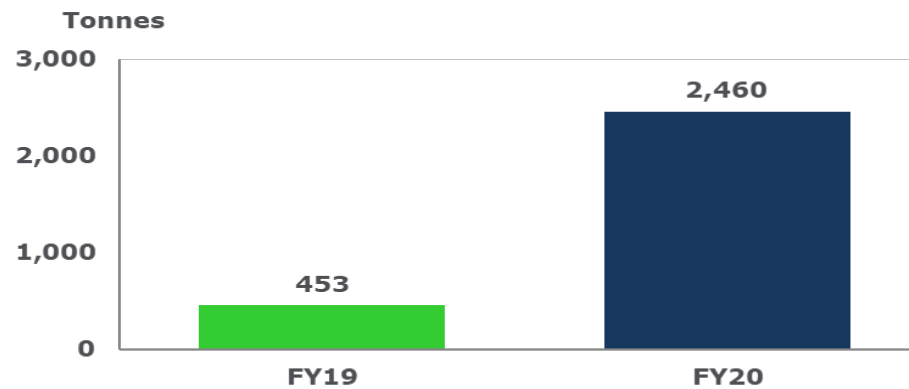
Prawn average harvest yield: Increased to 9.1 tonnes/ha



Prawn average harvest size: Increased to 33.3 grams



Prawn harvest tonnes: Achieved 2,460 tonnes

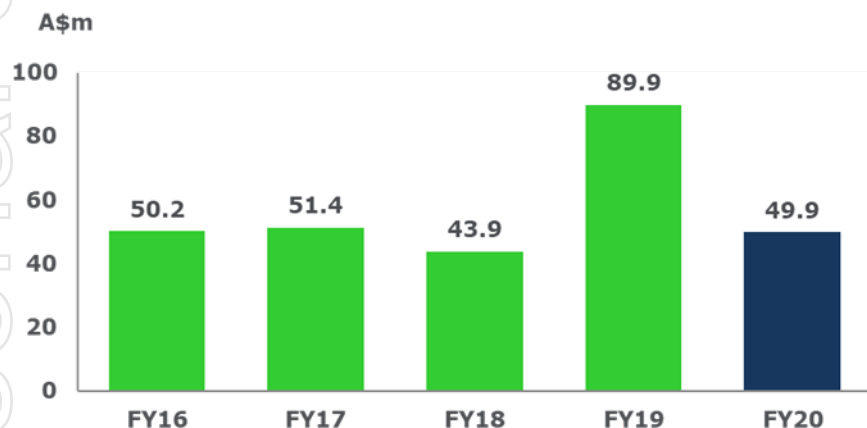


Operating cashflows supporting further growth

Cashflows support salmon and prawn biomass generation and investment in long term growth

Operating Cashflow (A\$m)	FY20	FY19
Operating cashflow	49.85	89.90
Investing cashflow	(138.70)	(138.72)
Financing cashflow	86.14	49.56
Net increase/(decrease) in cash held	(2.71)	0.75

Operating Cashflow: \$49.9m; down 44.5%



Operating cashflow was down 44.5% to \$49.9m

- Reflects the impact on the increase in working capital costs to grow incremental inventory for both salmon and prawns stock for earnings in FY21
 - salmon working capital increase \$37.3m
 - prawn working capital increase \$30.9m

A \$125.8m capital raising was carried out in 2 stages during FY20:

- Placement on 21 August 2019 raised \$108.4m
- Share Purchase Plan on 16 September 2019 raised \$17.4m

Investing cashflow of \$138.7m in FY20 (FY19: \$138.7m) comprised:

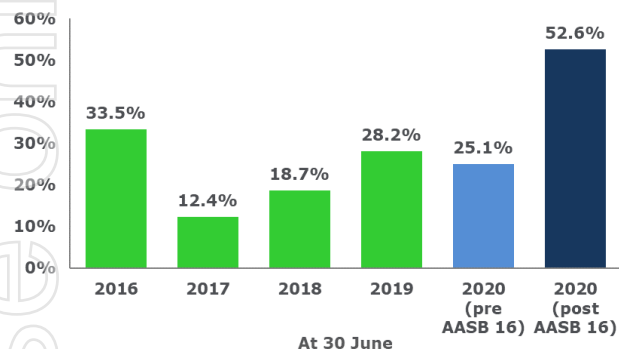
- Salmon growth capex – \$23.7m (FY19: \$46.0m)
- Salmon maintenance capex – \$33.0m (FY19: \$33.6m)
- Exmoor Station – \$27.5m (made up of settlement of \$25.3m + \$2.2m of acquisition costs)
- Prawn growth capex – \$52.0m (FY19: \$25.2m)
- Prawn maintenance capex – \$2.5m (FY19: \$Nil)
- Fortune Group – \$Nil (FY19: \$31.9m + \$2.0m of acquisition costs)

Tassal will continue to responsibly utilise its cashflows, debt facilities and the capital raising proceeds to underpin sustainable growth in long-term returns

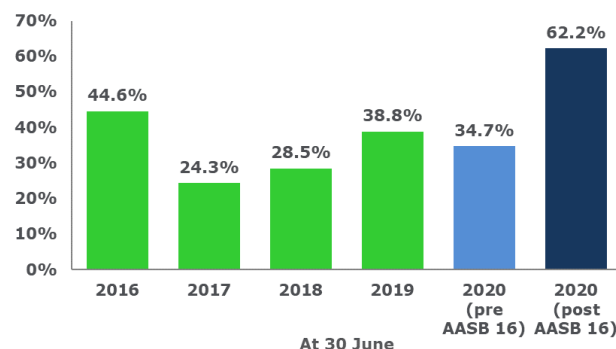
Comfortable balance sheet

\$214.1m in “right of use” assets added to the balance sheet in FY20 to comply with AASB16 Leases standard. Tassal has adopted a post-tax WACC of 6.0%

Gearing Ratio



Funding Ratio



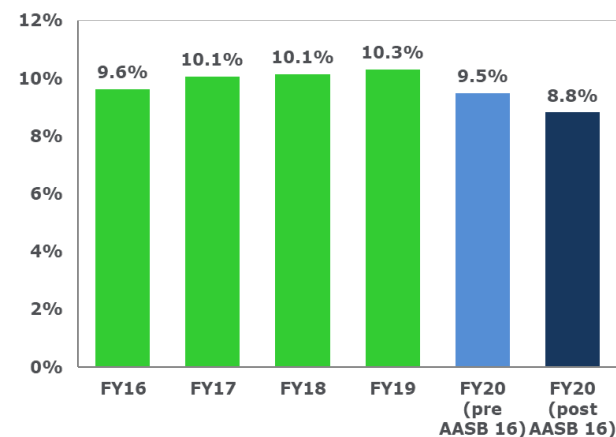
Gearing and Funding Ratios

- Gearing at 25.1% (pre AASB 16 Leases impact) / 52.6% (post AASB 16 Leases impact)
- Funding ratio, i.e. including RPF (net debt + RPF / equity) at 34.7% (pre AASB 16 Leases impact) / 62.2% (post AASB 16 Leases impact)
- Capital raising in 1H20 raised \$122.8m (net of costs)

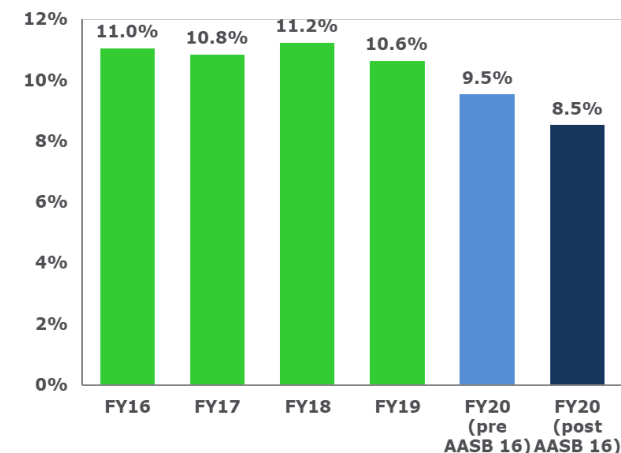
Operating Return on Assets (ROA) and Return on Invested Capital (ROIC)

- ROA 9.5% (pre AASB 16 Leases impact) / 8.8% (post AASB 16 Leases impact)
- ROIC 9.5% (pre AASB 16 Leases impact) / 8.5% (post AASB 16 Leases impact)
- Strategic investments should deliver strong earnings over the short to medium-term, with returns to be enhanced over the long-term
- Tassal's Board has adopted a post-tax WACC of 6.0% based on independent advice

ROA



ROIC





Trading Update & Outlook

Growth continuing - Q1 trading update

Focus for FY21 on domestic sales and cost \$/kg improvements for both salmon and prawns

Overall market conditions

- Our strategy is well positioned to align consumer needs during and after COVID-19 – driving domestic per capita consumption
- Marketing campaign primarily TV-based and focused on Tassal branded products - commenced mid-August 2020 with strong results evident
- Q1 FY21 Sales revenue was \$132.4m up \$31.4m (31.1%) relative to Q1 FY20 – with domestic sales \$105.3m up \$6.3m (6.3%) and export sales \$27.1m up \$25.2m
 - Domestic Retail sales continue to benefit from the change in consumer behavior since the introduction of COVID-19 restrictions, with Q1 FY21 sales \$74.3m up \$13.4m (21.9%)
 - Domestic Wholesale sales continue to be impacted by COVID-19 restrictions that have been significant for foodservice (restaurants and cafes), with Q1 FY21 sales \$31.0m down \$7.1m (18.6%) with Victorian lockdown materially impacting
 - Export sales continue to be impacted by COVID-19, where foodservice markets in many countries remain severely impacted and with airfreight capacity for export markets becoming limited and freight rates significantly increasing
 - The Federal Government's International Freight Assistance Mechanism ("IFAM") was implemented to assist, and the latest advice is that it will continue in some form to 30 June 2021
 - Freight cost differential for FY21 between pre-COVID-19 rates and current rates will continue to be presented as Significant Items while rates remain materially elevated. Global pricing and exchange rates also continue to exhibit volatility

Cost \$/kg improvements

- Salmon - combination of Wellboat, Feed Centre, improved fish diet and diet cost, and fish husbandry (including vaccine), leading to improved survival, biomass and reduced cost of growing \$/kg
- Prawns – combination of SmartFarm, improved feed diets and fish husbandry, leading to improved sizes, survival, biomass and reduced cost of growing \$/kg
- Processing costs for all our processing plants in Q1FY21 is materially better than Q1FY20 and is expected to continue

Growth to continue in FY21

FY21 Outlook

- COVID-19 continues to present a volatile and challenging environment in a world of unknowns, economic recession, and new consumption rules
- The result of COVID-19 has been that globally market segments and, in some instances, markets themselves have been displaced and sometimes closed for a period of time – and this has placed significant strain on existing supply chains and created significant competition
- Positive consumer trends have emerged that should gain further momentum in FY21, and support further growth in Tassal's salmon and prawn volumes
- Tassal is as best prepared as it can be, and current trading, together with an additional debt facility of \$100m provides further flexibility
 - While Tassal is not immune to global and local forces outside its control, our key strengths that will assist us mitigate this environment – diversification strategies across customers and consumers, growing and processing areas, and species and products – combined with our focus on sustainability – position Tassal to continue its growth trajectory
- Tassal is targeting a salmon harvest of circa 39,000 hog tonnes and a prawn harvest of circa 4,000 tonnes. Prawn retail agreement with major retailer commences in December 2020
- **Targeting growth in FY21 operating earnings and returns – with a stronger 2H20 in terms of % of total operating NPAT (relative to 1H) driven by the growth in prawn biomass (majority of sales in 2H) and cycling over 2H20 COVID-19 salmon impacts**

Growth to continue in FY21

Strengthening Balance Sheet

- Available committed debt facilities extended by \$100m to \$509.2m (including Receivable Purchase Facility; “RPF”), secured to April 2023 with pricing in line with the Group’s current overall cost of debt
- Average tenor of all debt facilities is 2.5 years (including RPF)
- **Already strong balance sheet has been further enhanced, with capacity to withstand and respond to a range of economic scenarios while supporting the Group’s salmon and prawn operations and the pursuit of attractive investment opportunities**

Operating Cashflow

- Reduced FY20 operating cashflow reflected a planned increase in working capital costs to grow incremental inventory for both salmon and prawns stock for earnings in FY21
- FY21 operating cashflow expected to grow as working capital build from FY20 is converted into cash. Q1FY21 operating cashflow was \$21.8m better than Q1FY20
- **Dividend payout policy of not less than 50% of operating NPAT maintained**



Strategy Update

Continuing to execute our focused growth strategy

We have not deviated from our strategic vision and plan... our resolve for it and actions around delivering on it as a fundamental platform for growth has been strengthened. Salmon biomass growth is significantly ahead of plan from a timing perspective

Salmon – strategic investment has driven and will continue to drive shareholder returns

- With significant biological performance in FY20 and continuing in FY21, salmon biomass growth for FY21 is currently tracking to levels targeted for FY26 in a strategic planning context
- This biomass growth has been achieved without putting any more fish to sea. The combination of Wellboat, Feed Centre, improved fish diet and fish husbandry (including vaccine), has led to improved improved survival and biomass
- **We expect to deliver harvest biomass of circa 39,000 hog tonnes in FY21**
- This is a terrific achievement – but we believe it will not advance us past our previous target of 45,000 hog tonnes by 2030 without further appropriate salmon leases – it will just mean we may deliver our target quicker
- **We remain confident that we can continue to grow our operating earnings and returns from assets from our salmon assets through to 2030 through focusing on optimising our sales mix and from a reduction in our cost of growing and processing \$/kg**

Continuing to execute our focused growth strategy

Prawn biomass growth is on plan for delivery of the targeted 20,000 tonnes pa by 2030

Prawns – strategic investment will drive future shareholder returns

- The diversification into prawn farming added a second major species to our aquaculture portfolio, in a growing market aligned to our core skills and supply chain advantages and provides geographic and species diversification
 - more attractive EBITDA \$/kg, working capital cycle circa 9 months (salmon 3 years) and capital cycle circa 1.5 years (salmon 4-5 years)
- FY20 validated the operating model and our strategic rationale and we expect to generate returns on our prawn farming assets (once authorised and fully developed) above historic Group levels
- We are continuing to improve our farming model based on learnings to date – focus on data capture and insights will drive yield gains and improved utilisation of assets
- Strategic focus on:
 - yield required to achieve the targeted 20,000 tonnes
 - key metrics to drive improvements to yield
 - relative costs and operating efficiency of developing our current land assets
 - other options (including land) to facilitate growth that could provide a lower cost / higher synergy path

Continuing to execute our focused growth strategy, but with a better path

Prawns – expanding Proserpine farming operations with acquisition of Billy Creek

- Optimising existing operations and infrastructure, together with securing the right land for future farming expansion is key to successfully implementing of our prawn strategy
- Further reviews have shown that we can develop and optimise the Proserpine farm beyond the original target of 400ha of ponds. For Proserpine, we have received regulatory approval for 450ha of ponds – i.e. an additional 50ha of ponds from the existing land base
 - Stocked ponds of 190ha in FY20 and 270ha in FY21 (all Stage 3 infrastructure works complete and ponds fully stocked)
 - Targeting stocked ponds of 340ha in FY22
- We will always consider opportunities as they arise, particularly if they can better facilitate delivery of our strategic plan. To this end, an opportunity has arisen to acquire “Billy Creek” – a c1,300ha property neighbouring our existing Proserpine farm – and create an enlarged Proserpine “farming precinct”:
 - subject to receipt of regulatory approvals and development, the combination provides an opportunity for an additional c350ha of ponds (i.e. in total 800ha of ponds across the wider precinct)
 - proximity to the Bruce Highway provides ready power availability as well as existing road infrastructure
- Billy Creek purchase price of circa \$7m plus acquisition costs includes cattle and cane assets with a value of c\$700k. Settlement is expected 9 November 2020. Settlement will be facilitated from existing banking facilities
- An expanded farming system at Proserpine increases the need for advanced biosecurity protocols (such as water treatment and filtration) and a domesticated animal (i.e. Selective Breeding Program) – both manageable

Continuing to execute our focused growth strategy, but with a better path

Prawns – divesting surplus land at Exmoor Station

- The focus to date has been on developing and optimising Proserpine, with Exmoor Station (once authorised by relevant authorities and developed) identified as part of our prawn growth phase within our strategic plan
- Exmoor Station remains very much a part of the strategic path for the growth beyond the Proserpine “farming precinct”. The access to future farming development land is critical to the successful delivery of the strategic plan. The relevant approval processes to farm Exmoor have commenced
- The expansion of an enlarged Proserpine farming precinct is considered appropriate before the development of Exmoor Station:
 - substantially lower capital investment option vs Exmoor Station
 - material unit cost benefits and asset synergies (processing, hatchery, management etc) vs Exmoor Station
- As previously advised, not all of the land at Exmoor Station is suitable for prawn farming and that at the appropriate time, we would look to divest surplus land. We believe now is an appropriate time to commence the process to divest surplus land at Exmoor Station, with cattle land in Queensland appreciating since our acquisition
- Tassal will retain c1,000ha of land that is deemed most suitable for future prawn farming production, with a pond infrastructure of c500ha targeted (once authorised by relevant authorities and developed). Accordingly, we will now look to proceed with the sale of c6,000ha of surplus land at Exmoor Station to release capital to fund future prawn expansion and optimise returns on invested capital

Overall, we retain the strategic plan growth footprint for our prawn biomass target of 20,000 tonnes by 2030, but with a more economical farming path and portfolio of land assets

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Question & Answer



Tassal AGM Resolutions

Item 2 - Remuneration Report

“That the Remuneration Report for the financial year ended 30 June 2020 (as set out on the Directors’ Report) be adopted.”

PROXY	FOR	AGAINST	PROXY’S DISCRETION	ABSTAIN
Votes	111,417,646	4,989,605	2,002,733	873,499
%.	94.10%	4.21%	1.69%	

Item 3 - Re-election of John Watson as a Director

“That Mr. John Watson, being a Director of the Company, who retires in accordance with Clause 24.1 of the Company’s Constitution and being eligible, is re-elected a Director.”

PROXY	FOR	AGAINST	PROXY’S DISCRETION	ABSTAIN
Votes	116,396,669	1,227,861	2,042,805	728,327
%.	97.27%	1.02%	1.71%	

Item 4 - Election of Richard Haire as a Director

“That Mr. Richard Haire, being a Director of the Company, who ceases to hold office in accordance with Clause 25.4 of the Company’s Constitution and being eligible, is elected a Director”

PROXY	FOR	AGAINST	PROXY’S DISCRETION	ABSTAIN
Votes	116,814,032	685,955	2,119,136	776,539
%.	97.66%	0.57%	1.77%	

Item 5 - Election of James Fazzino as a Director

“That Mr. James Fazzino, being a Director of the Company, who ceases to hold office in accordance with Clause 25.4 of the Company’s Constitution and being eligible, is elected a Director”

PROXY	FOR	AGAINST	PROXY’S DISCRETION	ABSTAIN
Votes	117,135,649	386,464	2,038,159	835,390
%.	97.98%	0.32%	1.70%	

Item 6 - Long-Term Incentive Plan

“That all issues of securities under the terms and conditions of the Company’s Long-Term Incentive Plan, as summarised in the Explanatory Notes which form part of the Notice of Meeting, be approved for the purposes of Exception 13 (b) of ASX Listing Rule 7.2 and for all other purposes.”

PROXY	FOR	AGAINST	PROXY’S DISCRETION	ABSTAIN
Votes	114,743,176	1,823,139	2,005,702	706,466
%.	96.77%	1.54%	1.69%	

Item 7 – Long-Term Incentive plan – Grant of 177,154 Performance Rights to Mr. Mark Ryan pursuant to the 2020 Performance Rights Package

“That, in connection with the Company’s Long-Term Incentive Plan and for the purposes of ASX Listing Rule 10.14 and for tother purposes, approval be given to the grant to Mr. Mark Ryan, the Managing Director of the Company, of up to a maximum of 177,154 performance rights in accordance with the terms and conditions of the Company’s Long-Term Incentive Plan (with each performance right being a right to be allocated one fully paid ordinary share in the capital of the Company (“Share”) subject to the terms and conditions of the Company’s Long-Term Incentive Plan), and the issue of the resultant Shares that are able to be allocated as a result from the vesting of any of those performance rights in accordance with the terms and conditions of the Company’s Long-Term Incentive Plan, as summarised in the Explanatory Notes which form part of this Notice of Meeting.”

PROXY	FOR	AGAINST	PROXY’S DISCRETION	ABSTAIN
Votes	113,627,998	3,571,719	2,032,527	1,163,418
%.	95.30%	3.00%	1.70%	

Item 8 – Amendments to Constitution

“That the Constitution of the Company be amended as set out in the amended Constitution, with the amendments marked up, tabled at the Annual General Meeting convened by this Notice of Meeting and signed by the Chairman of the Meeting for the purposes of identification, with effect from the conclusion of the meeting.”

PROXY	FOR	AGAINST	PROXY’S DISCRETION	ABSTAIN
Votes	93,581,376	23,745,628	2,051,619	1,017,039
%.	78.40%	19.89%	1.71%	



Tassal Group 2020 Annual General Meeting

28 October 2020

