



TASSAL GROUP LIMITED

1H22 RESULTS

OPTIMISING CASH & RETURNS

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15 February 2022

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OVERVIEW AND HIGHLIGHTS

Leveraging the investments made in salmon and prawn infrastructure and the resulting scale achieved, Tassal has delivered a step-change in cashflow generation and is focussed on further growing cashflows and optimising returns.

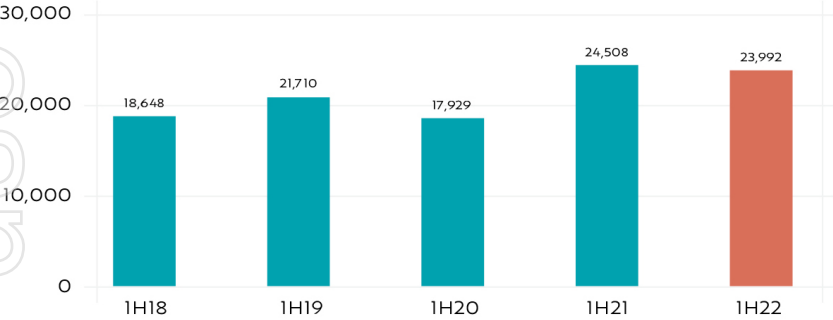
1H22 DELIVERED a step-change in cashflows

TASSAL IS WELL POSITIONED TO FURTHER GROW CASHFLOWS AND OPTIMISE RETURNS WITH ITS STRONG BALANCE SHEET.

Tassal has generated a step-change increase in both operating and free cashflows having completed its incremental salmon biomass investments (now at a sustainable harvest of c40,000 hog tonnes). Excess frozen salmon inventory from FY21 was profitably sold during 1H22.

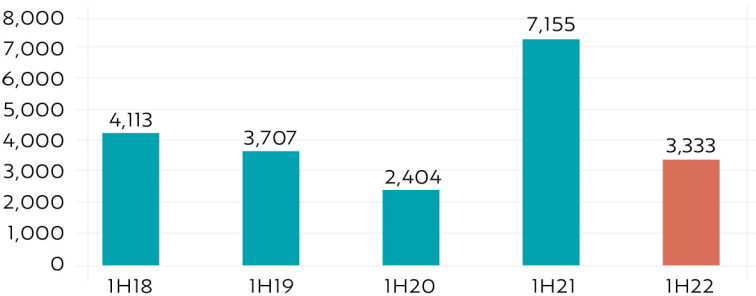
STABLE SALMON HARVEST AT 23,992 HOG TONNES

HOG Tonnes



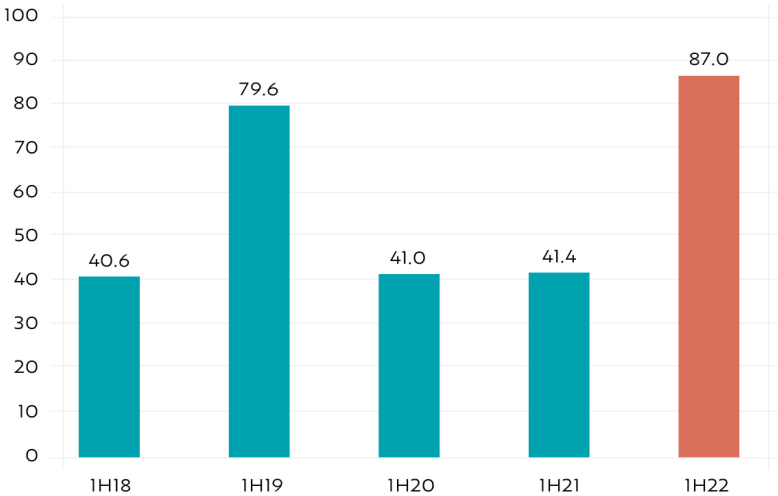
PROFITABLY SOLD EXCESS FROZEN SALMON INVENTORY DOWN 53.4% TO 3,333 TONNES

HOG Tonnes



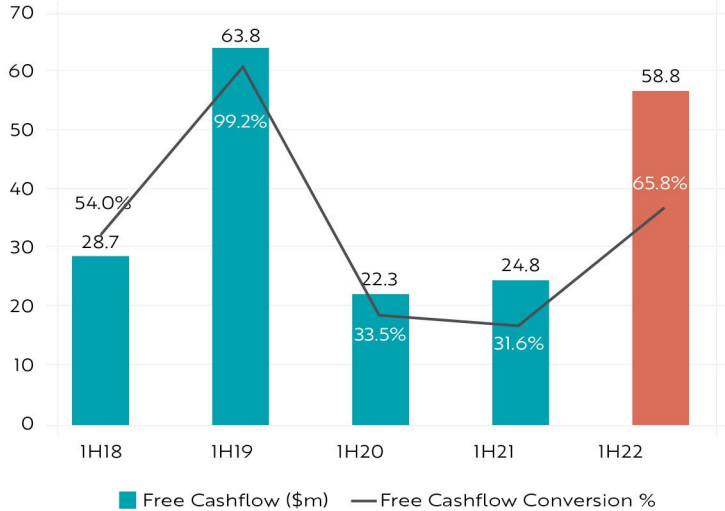
STRONG OPERATING CASHFLOW UP 110.2% TO \$87.0M

A\$m



STRONG FREE CASHFLOW UP \$34.0M TO \$58.8M

A\$m



INVESTMENTS & SCALE underpin further growth & optimisation of cash & returns

SALMON

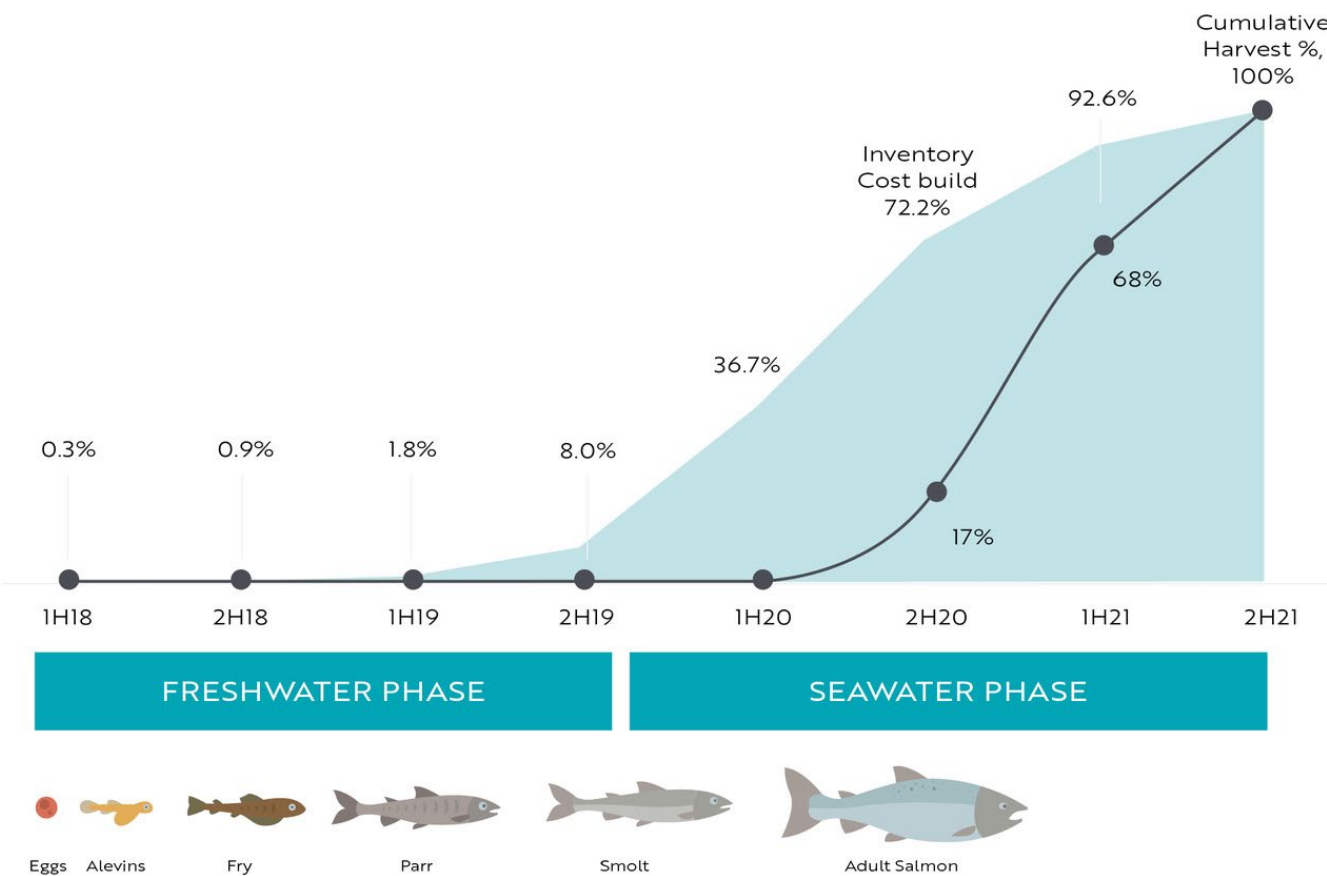
With a 5-year capital cycle and 3-year working capital cycle, building incremental salmon biomass required significant upfront funding.

At a sustainable salmon annual harvest of c40,000 hog tonnes from its existing marine leases, Tassal has a scale position and no longer requires incremental funding for growth. Focus is now on targeted price, sales mix, cost optimisation, brand building and product innovation initiatives to cover any underlying supply chain cost increases and to drive future returns.

PRAWNS

Investment in the Proserpine prawn farming footprint, together with a 2-year capital cycle and 1-year working capital cycle delivers superior cash flow conversion and returns – future biomass and infrastructure growth will be aligned to domestic growth opportunities.

SALMON LIFECYCLE
Build up of Inventory Cost vs Harvest Timing



... while focusing on the THINGS THAT MATTER drives sustainable growth

TASSAL CONTINUES TO FOCUS ON ACHIEVING THE RIGHT BALANCE BETWEEN MINIMISING OUR ENVIRONMENTAL IMPACT AND MAXIMISING SHAREHOLDER VALUE TO ENSURE EARNINGS AND RETURNS GROWTH IS OPTIMISED AND SUSTAINABLE.

STRATEGY

Delivering shareholder value through safe and sustainable operations

RIGHT TO OPERATE

(i.e. our “Balanced Scorecard”) world leading environmental certification, investment in societal/community and brand value credentials

RIGHT TO GROW

Optimal margins, reduce operating costs, maintain existing channels/grow emerging ones, product innovation

RESPONSIBLE BUSINESS - BALANCED SCORECARD

RESPONSIBLE BUSINESS SCORECARD

December 2021

Our “Responsible Business measure” is underpinned by our five Ps; our people; our planet; our product; our prosperity and our principles of governance. Each category is calculated against multiple aspects, goals and targets.



OUR RESPONSIBLE BUSINESS MEASURE 87.3%

Note:

“People” % negatively impacted by Tassal’s TRIFR. Target TRIFR <10. At the end of December 2021 TRIFR was 14.2. TRIFR negatively impacted by a lost time incident for Dover of 20 in May 2021.

OUR 1H22 ACHIEVEMENTS

Australia’s #1 sustainable protein producer.

#1 trusted fresh protein brand.

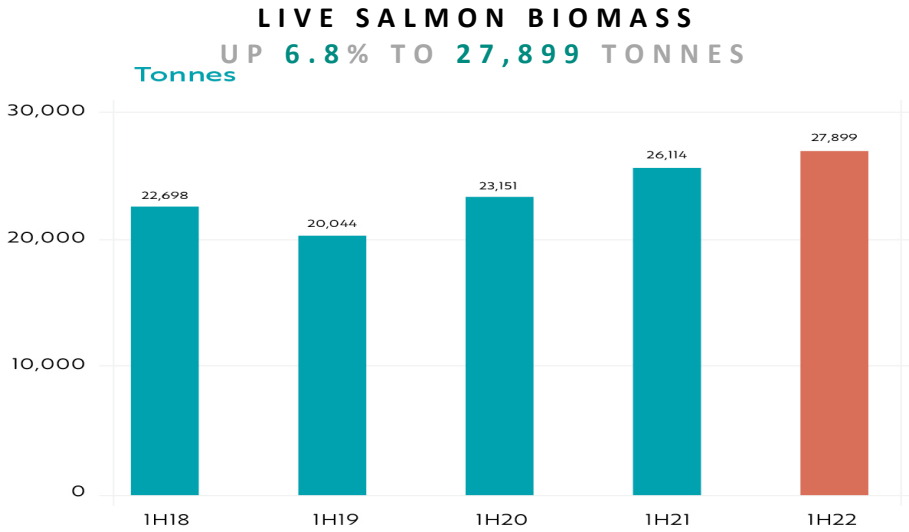
#1 recalled seafood brand.

#2 for customer engagement. (seafood supplier)

STRONG BIOMASS supporting favourable market dynamics

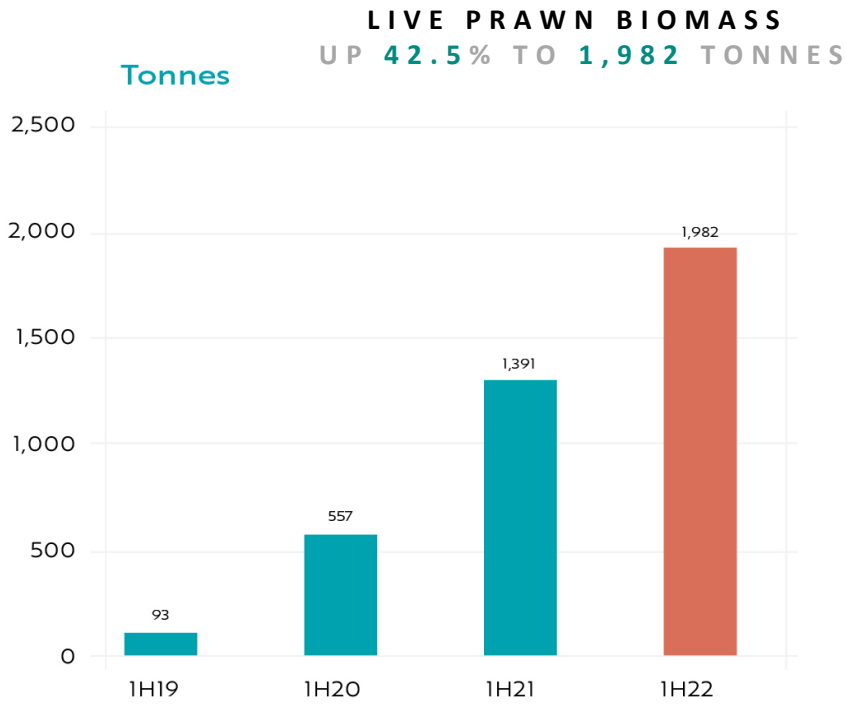
SALMON BIOMASS is targeted to **maintain harvesting at c40,000 hog tonnes pa**, with a focus on ensuring the sales mix between fixed (Grocery contracted volume) and variable (Out-Of-Home & International Fresh HOG) sales allows the business to leverage favourable market dynamics. Demand both globally and domestically is expected to be strong and there is limited global supply growth¹.

Further, it is Management’s experience that diversification of channels allows an optimisation of harvest utilisation and returns, whilst diversification of markets reduces risks of external interruptions to any channel or customer.



PRAWN BIOMASS growth to be aligned with domestic market opportunities in the short term (i.e. out to FY24) with a more conservative growth pathway to the targeted 20,000 tonnes by 2030 (subject to relevant approvals and licences).

Should supply chain pressures from COVID-19 ease, the investment in the Proserpine prawn farming footprint would allow Tassal to target more aggressive growth.



1: Fish Pool, Kepler Chevreux, Rabobank, 2022

STRONG SALMON PRICING RECOVERY particularly in international markets

STRONG SALMON GROWTH IN INTERNATIONAL HOG \$/KG RETURNS AND VOLUMES AND COMMENCEMENT OF RECOVERY OF DOMESTIC OUT-OF-HOME HOG \$/KG RETURNS

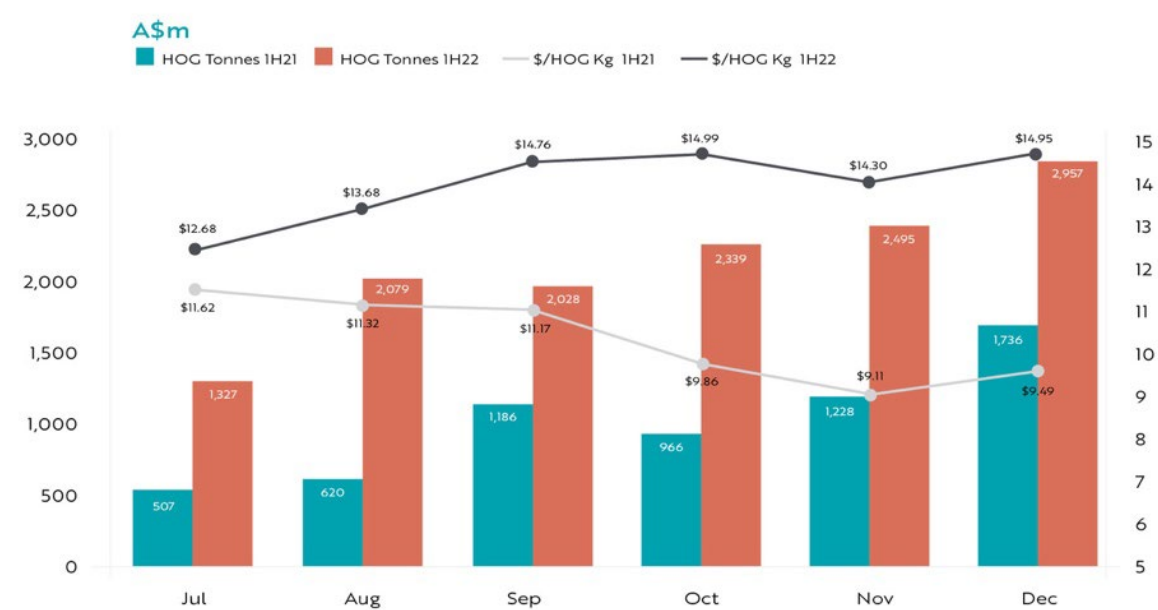
OUT-OF-HOME (WHOLESALE & FOODSERVICE) FRESH HOG SALES

+\$0.59/HOG kg vs last year for 1H22 despite lower volume due to COVID impacted demand



INTERNATIONAL (EXPORT) FRESH HOG SALES

+\$4.23/HOG kg vs last year for 1H22 with significantly higher volume



Note: Charts above represent Out-Of-Home and International Salmon only for Fresh HOG sales. Out-Of-Home Salmon based on Net Price (not Gross Price)

OUR CORE ... what drives us as Australia's Blue AgTech Leader

TASSAL IS AUSTRALIA'S BLUE AGTECH LEADER AND THE LARGEST VERTICALLY INTEGRATED SEAFOOD PRODUCER IN AUSTRALIA

We are a purpose driven company, and we know that being a responsible business is more than sustainability and routine disclosure – it's about learning from the past, innovating and evolving into the future.

With this in mind, we have evolved our company's purpose, embracing what is truly at our core and driving shareholder value.

Our ongoing prosperity affords us the opportunity to deliver both ongoing sustainable shareholder returns and a healthy planet.

MARK RYAN, MD & CEO

OUR PURPOSE
ignites & inspires us...

A prosperous, healthy planet for future generations.

OUR AMBITION
fuels us...

Sustainably produced and accessible food, clean water, and a healthy planet.

OUR PLEDGE
drives us...

As Australia's Blue AgTech Leader, our people proudly believe in our responsibility to ensure water is a sustainable, and prosperous resource for all.

ersonal use only

FINANCIAL RESULTS

Increasing cash & financial returns.

STRONG GROWTH in cashflows & earnings

Financial Summary (A\$m)	1H22	1H21	Change
Revenue	419.14	292.48	43.3% ▲
Statutory results			
AASB 141 SGARA Impact ¹	27.93	9.46	195.0% ▲
EBITDA	96.88	77.51	25.0% ▲
EBIT	57.43	45.90	25.1% ▲
NPAT	36.37	27.64	31.6% ▲
Operating results			
EBITDA ²	89.46	78.40	14.1% ▲
EBIT ²	50.01	46.78	6.9% ▲
NPAT ³	31.18	28.26	10.3% ▲
Operating cashflow ⁴	86.99	41.39	110.2% ▲
Free cashflow ⁵	58.83	24.79	137.3% ▲
Free cashflow conversion ⁶	65.8%	31.6%	
Interim dividend - cps ⁷	8.00	7.00	14.3% ▲

1. SGARA post tax increment of \$19.6 million (1H21: increase of \$6.6 million).
2. Before significant items of \$20.5 million (1H21: \$10.3 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 export freight costs for 1H22 were still \$20.5 million higher before tax (relative to the pre-COVID-19 cost \$/kg rates) post receiving this rebate (1H21: \$9.6 million). The additional cost of export freight is presented as a Significant Item and added back to underlying results to present Operational EBIT, EBITDA.
3. Before significant items after tax.
4. Includes significant items of \$20.5 million.
5. Free cashflow (**FCF**) equals cashflows from operating activities less maintenance capex. FCF excludes growth capex, ROU liability repayments, debt proceeds and repayments, and dividends.
6. Free cashflow conversion equals FCF divided by Operating EBITDA.
7. Interim dividend unfranked (1H21: Interim dividend unfranked).

STATUTORY NPAT UP BY 31.6% TO \$36.4M

REVENUE UP BY 43.3 %

- Tassal made a strategic decision during FY21 to be disciplined around its sales mix between fixed (Grocery contracted volume) and variable (Out-Of-Home & International Fresh HOG) sales positions to enable the business to leverage favourable market dynamics that were targeted for FY22
- Global pricing increased significantly during 1H22 driven by strong demand and reduced supply. Strong demand driven by “at home consumption” of Tassal branded products – i.e. people cooking at home from Grocery (“retail”) purchases

OPERATING EBITDA up 14.1% to \$89.5m, with an improved sales mix, reduction in inventory held and pricing \$/kg for fresh hog sales offsetting planned reduction in Grocery fixed price contracts (i.e. both pricing and volume) and an increase in supply chain cost – with energy, feed commodities, labour and domestic freight costs all materially increasing.

OPERATING CASHFLOW up 110.2% to \$87.0m as no longer funding incremental salmon working capital growth and excess frozen inventory sold profitably.

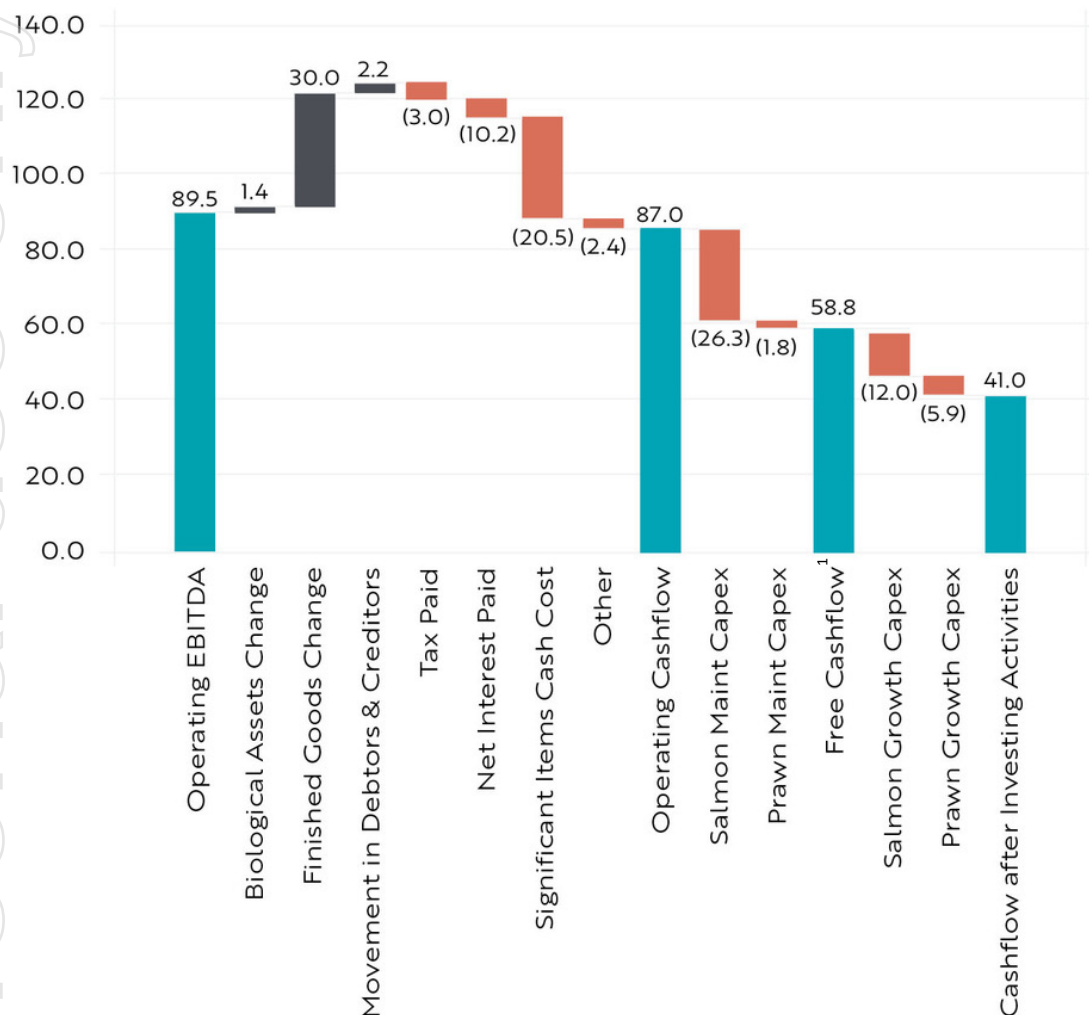
FREE CASHFLOW up 137.3% to \$58.8m following the increase in Operating Cashflow.

INTERIM UNFRANKED DIVIDEND up 14.3% to 8 cents per share declared.

ALIGNMENT of EBITDA and operating cashflow

Operating EBITDA to Cashflow after Investing Activities (\$M) - Changes to Cash Balance

■ Increase ■ Decrease ■ Total



Operating cashflow is **more aligned with Operating EBITDA** now that salmon biomass has reached c40,000 hog tonnes and frozen salmon inventory has returned to normal levels.

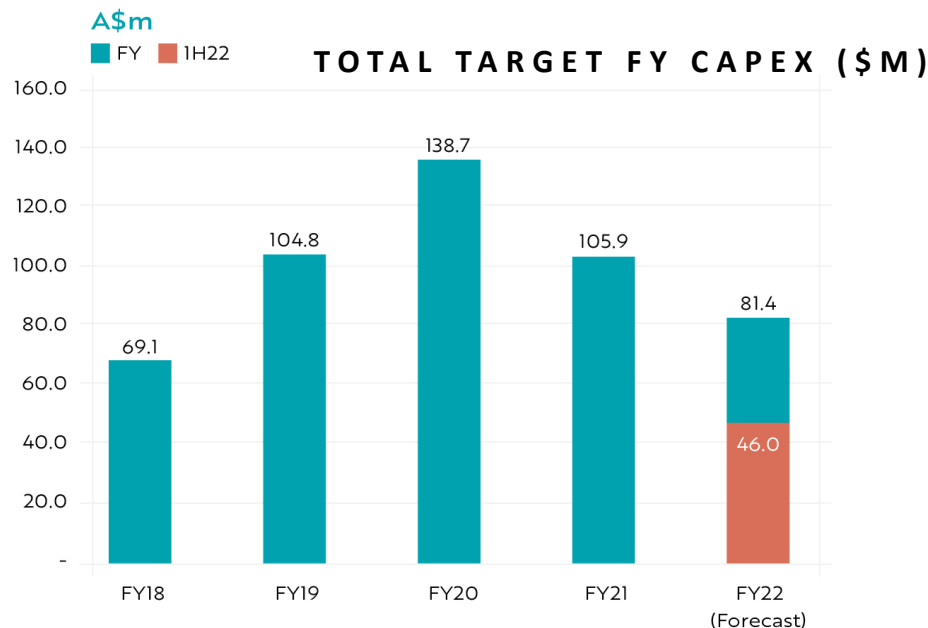
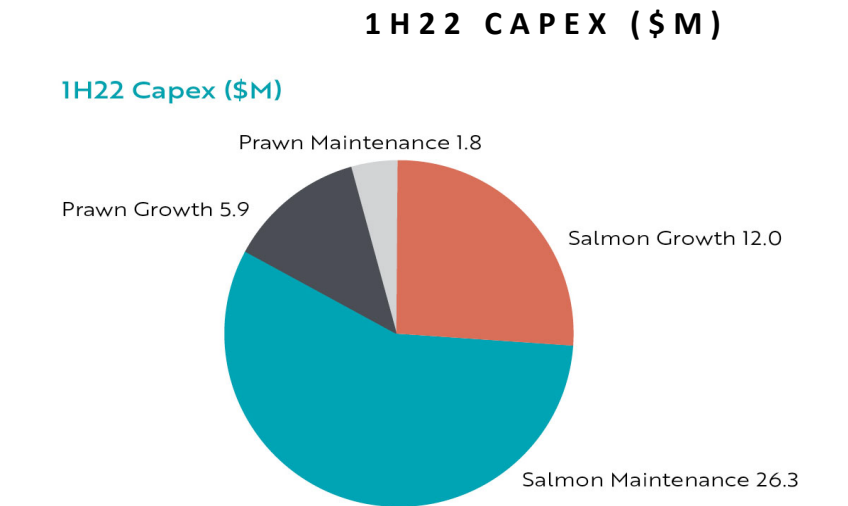
COVID-19 related impacts were limited to the Significant Items of \$20.5m which represented excess export freight costs above pre-COVID rates. There has been some downward movement on cost for some major freight rates, albeit they were not material movements. Supply chain from Australia is still likely to be the greatest risk going forward – both from a capacity and cost perspective.

Overall, the cost of export supply chains is still elevated, we expect this cost to occur again in 2H22. The number of Australian outbound flights is circa 80% below pre COVID-19 levels. IFAM continues to be extended for FY22.

We **expect to further grow operating and free cashflows** from 2H22. The salmon growth capital spend of \$12.0m in 1H22 and targeted \$9.2m for 2H22 relates to final infrastructure required for an annualised harvest of c40,000 hog tonnes. Salmon capital for the mid-term will be focused on maintenance spend. Overall for FY22, total capital maintenance spend for Tassal should approximate total depreciation.

1: Free Cashflow (FCF) equals cashflows from operating activities less maintenance capex. FCF excludes growth capex (-\$17.9m), ROU liability repayments (-\$26.3m), debt proceeds (+\$8.4m) and repayments (\$nil), and dividends (-\$10.6m).

CAPEX DECREASING given scale position of salmon



- **38.9%** of 1H22 capex was growth focused reflecting scale position reached in salmon and prawn investment reducing following initial capex to establish and grow farming footprint
- **Future prawn growth capex to be aligned with domestic market growth**
- **Maintenance capex** levels appropriate to support sustainable operation of the business
- **Capex targeted to decline** from \$105.9m to \$81.4m as major growth investment program is completed
- **2H22 target capex** expected to decline to c\$35.4m.
- **Targeted FY22 salmon & prawn depreciation** circa \$48.0m – maintenance capex \$49.8m

INCREASING FREE CASHFLOW and now reducing net debt

Funding	31-Dec-21	30-Jun-21	Change
Debt	356.9	348.4	2.4% ▲
Cash and cash equivalents	(43.1)	(30.6)	40.9% ▲
Reported Net debt	313.7	317.8	(1.3%) ▼
Lease liabilities	196.4	209.1	(6.0%) ▼
Total Funding	510.2	526.9	(3.2%) ▼

Credit Metrics	31-Dec-21	30-Jun-21
Leverage ¹	2.37	2.55
Debt Service Cover ²	2.80	2.70
Gearing ³	38.0%	39.7%

Committed Debt Facilities	31-Dec-21		
	Facility	Drawn	Undrawn
Debt facilities	517.0	356.9	160.1
Cash and cash equivalents			43.1
Receivables Purchase Facility (RPF)	110.0	69.9	40.1

1. Bank debt / Operating EBITDA (post AASB 16).

2. Operating EBITDA (post AASB 16) less taxation payments plus rental commitments / principal, interest and rental commitments.

3. Net debt / Equity.

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

Pleasingly and as planned, reported net debt and total funding reducing. With the end of the salmon growth capital spend, reduction in salmon inventory and a sustainable and maintainable c40,000 annual harvest for salmon, we are focused on further debt reduction.

Leverage reduced from 2.55 to 2.37 as cash is used to lower debt and EBITDA grows (in line with operating cashflow)

Appropriate tenor in the bank debt book (weighted average 3.5 years at 31 December 2021).

Prudent credit metrics at 31 December 2021 – significant headroom to banking covenants.

Substantial headroom available in debt facilities with \$160.1m in undrawn debt facilities + cash of \$43.1m at 31 December 2021.

Tassal has a sound funding position with growing sales and cashflows, and reduced capex leading to decreasing debt

ESG AND SUSTAINABILITY

Optimising (minimising) Tassal's impact.

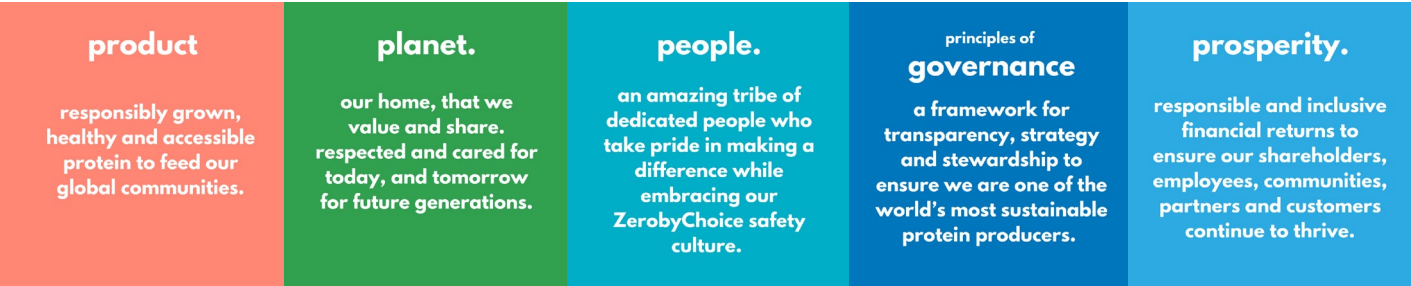
OUR CORE ...

THE LARGEST VERTICALLY INTEGRATED SEAFOOD PRODUCER IN AUSTRALIA

OUR 5 PILLARS (5P's) OF A RESPONSIBLE BUSINESS AND OUR VALUES

Our 5P'S and shared values are an essential part of delivering on our purpose, business objectives and culture – they define us. They underpin and guide our commitment, attitude, how we work and the quality of our products.

OUR 5 PILLARS OF A RESPONSIBLE BUSINESS – ‘5P’s

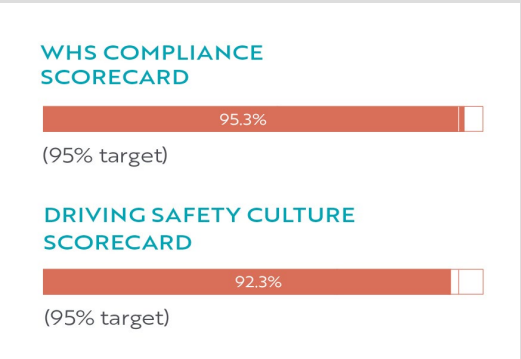


OUR VALUES



ZEROBYCHOICE

At Tassal, safety is one of our highest priorities. It drives and underpins our ZeroByChoice safety culture. ZeroByChoice, my choice - our choice.

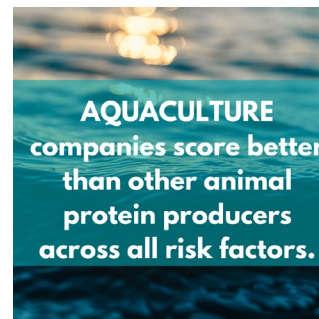
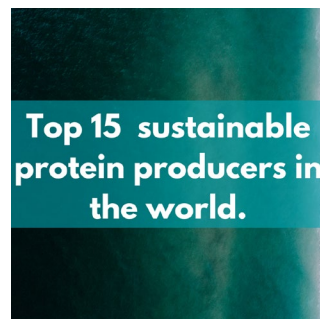


TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR)

FY18	FY19	FY20	FY21	1H22
12.18	12.05	8.03	14.13	14.21

Tassal ranked #1 SUSTAINABILITY amongst Australian food producers

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



100 %

harvested salmon volume certified.

97 %

prawn operations compliance.

98 %

salmon farming compliance.

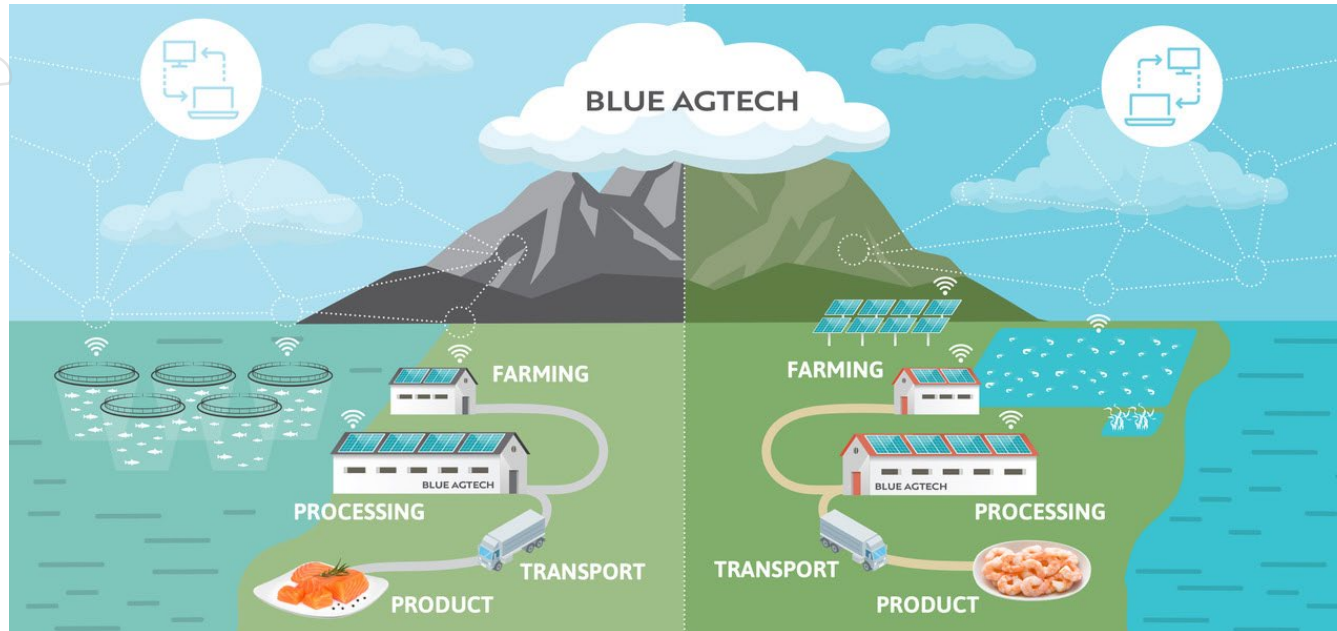
100 %

salmon hatchery and processing compliance.

SEE APPENDIX 1 FOR ESG HIGHLIGHTS

UNLOCKING value through innovation and technology

TASSAL HAS INTRODUCED TECHNOLOGICAL ADVANCES TO FARMING, PRODUCTION AND SUPPLY



BLUE AGTECH

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

Artificial intelligence to support behavioural analysis of stock.
Automation of pond and pen aeration.
Real time access to critical environmental information.
Automated remote feeding.
Increased inventory evaluation.
24/7 in pen underwater visuals, including night vision (salmon).
24/7 in pond underwater audio (prawns).
Nature based solutions, i.e. seaweed, solar and alternate energy sources

SMART FARMING

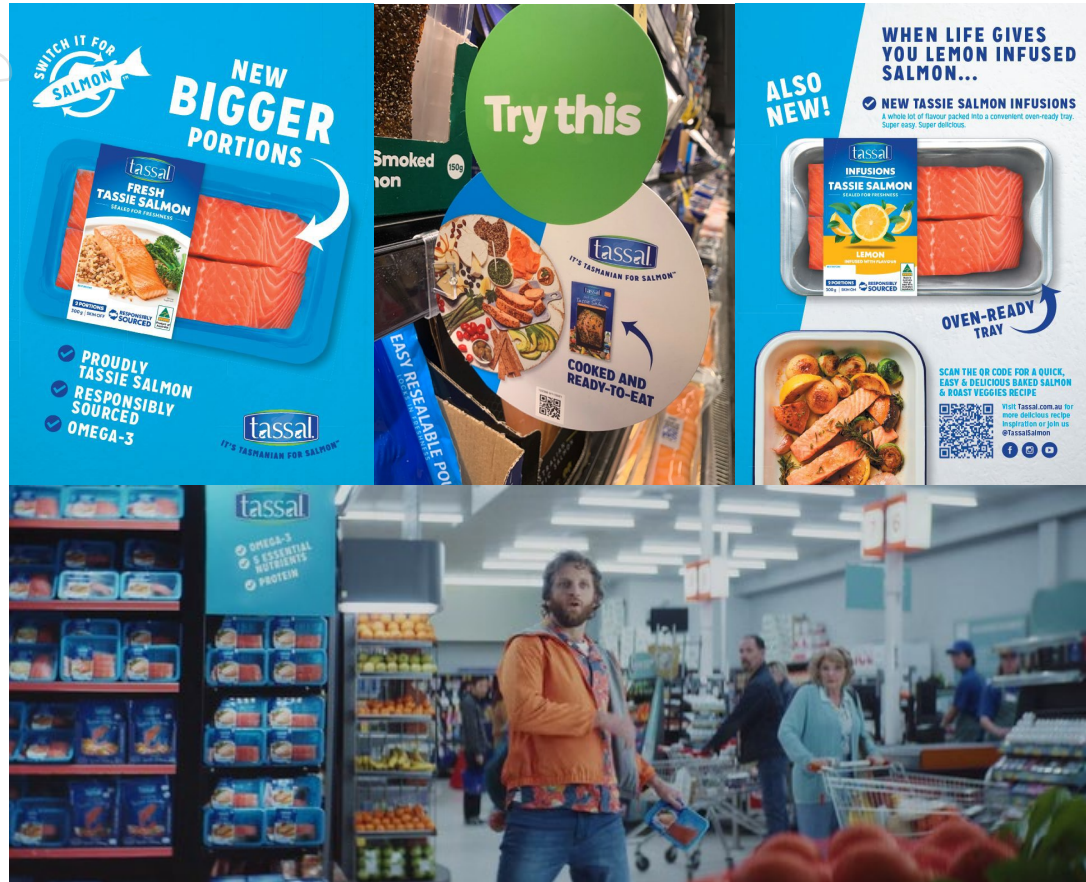
Tassal has introduced technology to both large scale salmon and prawn farming operations, bringing an integrated feed, welfare and environmental management experience to our farmers. Real time in-pen/pond data, visuals and sensing across stock behaviour, climatic and environmental monitoring coupled with AI and localised predictive tools are supporting improved yields, reduced feed wastage, reduced environmental impact, agility to respond to natural challenges farmers face and informed decisions are being made on the spot.

SALMON

Given the scale now achieved in salmon harvest volume, our focus is on optimising returns buoyed by executing our sales mix evolution strategy and pricing recovery.

AUSTRALIA'S #1 salmon/protein brand

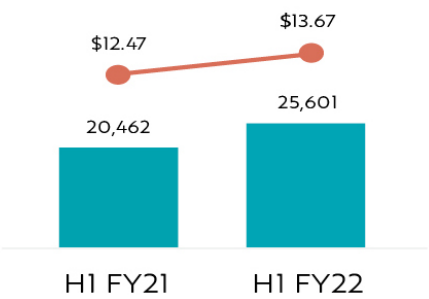
TASSAL'S BRAND STRATEGY IS LEVERAGING ITS CATEGORY LEADERSHIP AND DECOMMODITISING THE SALMON MARKET



SALES MIX ... strategically balanced contracted sales to optimise returns

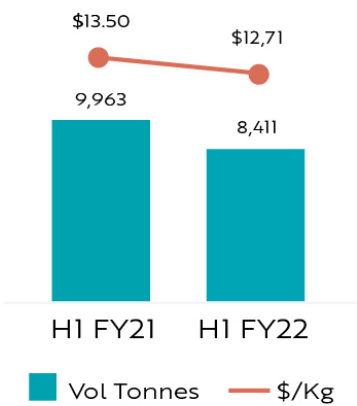
STRONG SUSTAINABLE GROWTH IN OVERALL SALES UNDERPINNED BY CONTINUED GROWTH IN DEMAND AND STRATEGICALLY BALANCED GROCERY FIXED PRICE CONTRACTS.

TOTAL SALMON



GROCERY

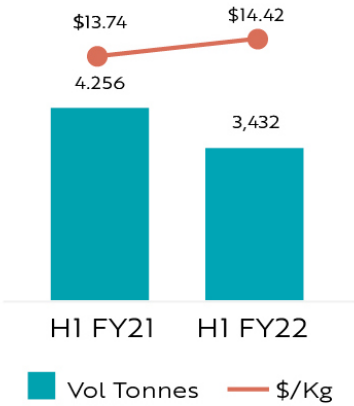
SALMON



* Retail contract

OUT-OF-HOME

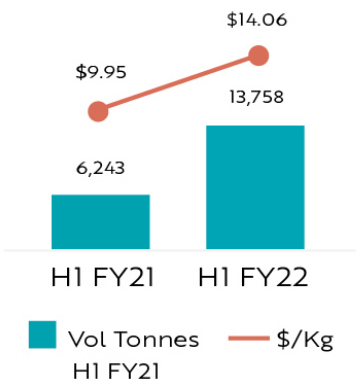
SALMON



* Wholesale & foodservice

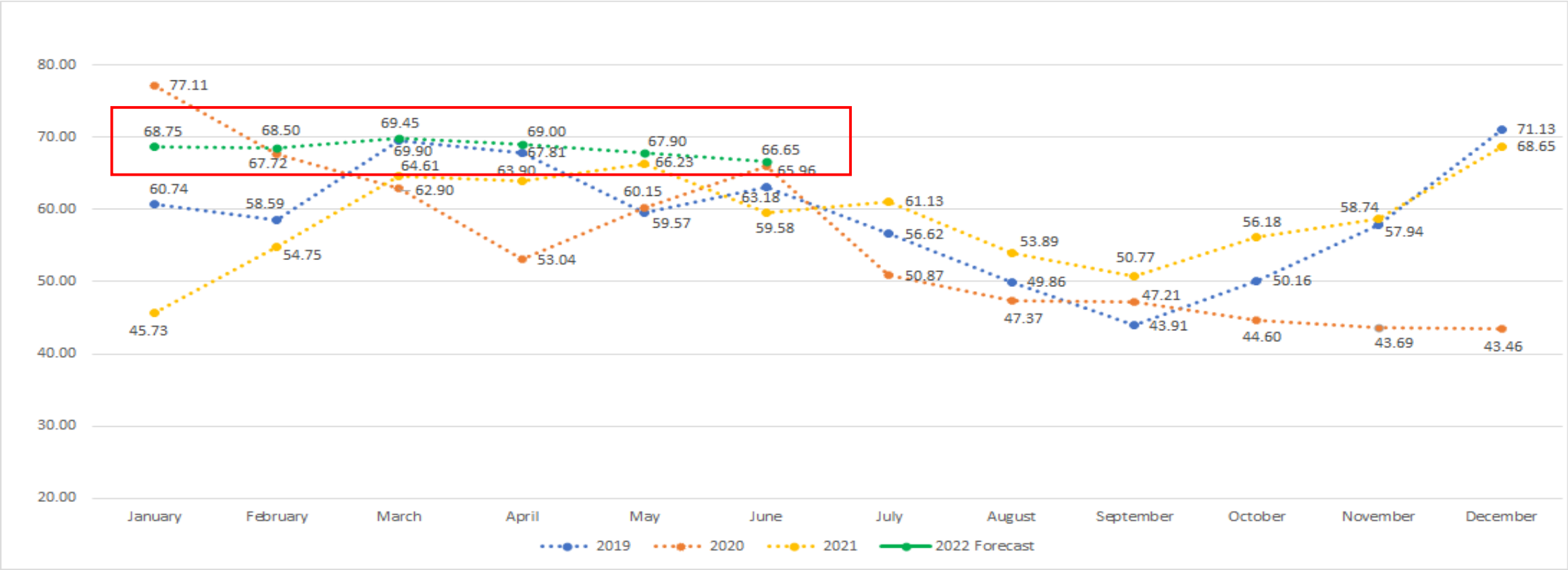
INTERNATIONAL

SALMON



GLOBAL PRICING back above 2019 levels & expected to remain high for 2H22

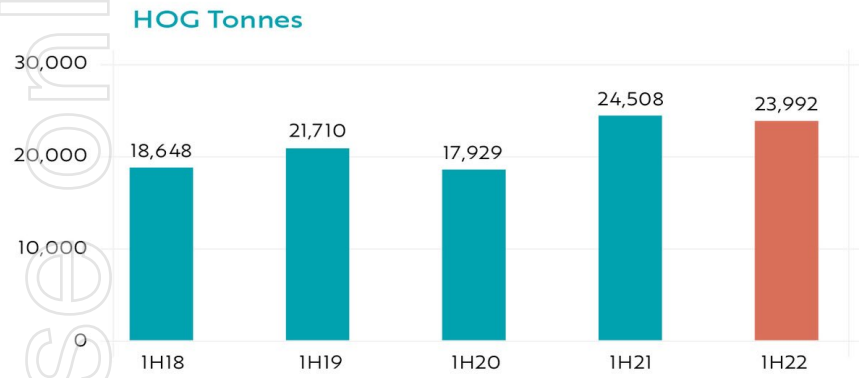
FISH POOL INDEX
NOK kg



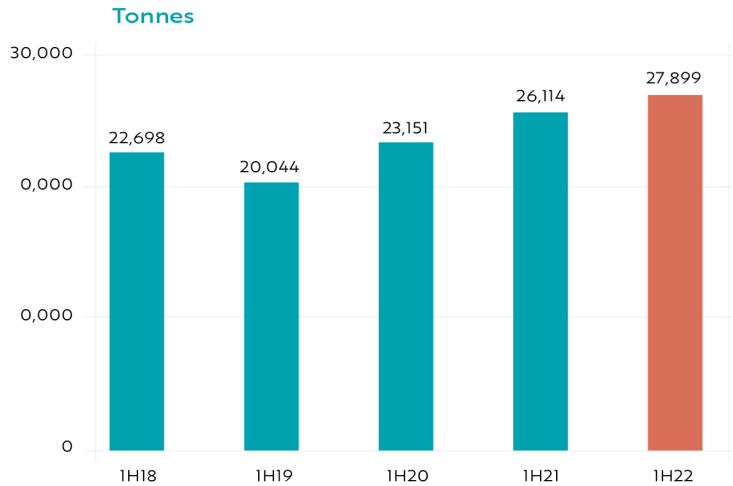
Source: Fish Pool Index, 2022

SALMON BIOMASS now at scale

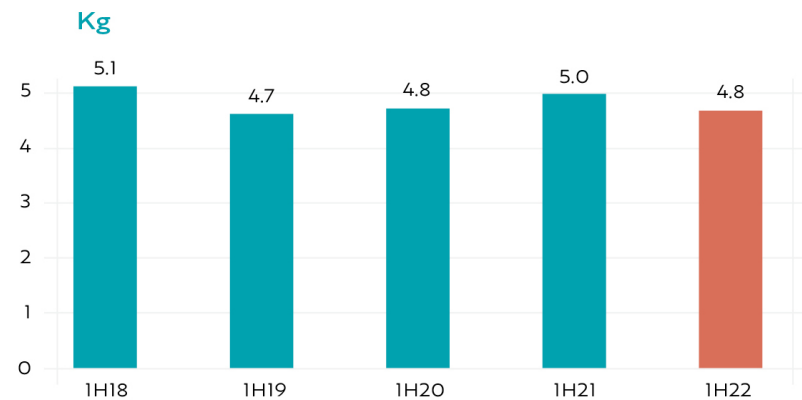
SALMON HARVEST
STABLE AT 23,992 HOG TONNES



LIVE SALMON BIOMASS
UP 6.8% TO 27,899 TONNES



SALMON HARVEST SIZE
STABLE AT 4.8 HOG KG



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

Survival improvements given POMV vaccine and successful investment in Ocean Sanctuary Pens decreasing seal impacts, lead to high survival rates c90%

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

Cost of growing \$/kg increasing globally due to an increase in supply chain cost increases – with energy, feed commodities, labour and domestic freight costs all materially increasing

Sustainable and maintainable annual harvest of c40,000 hog tonnes

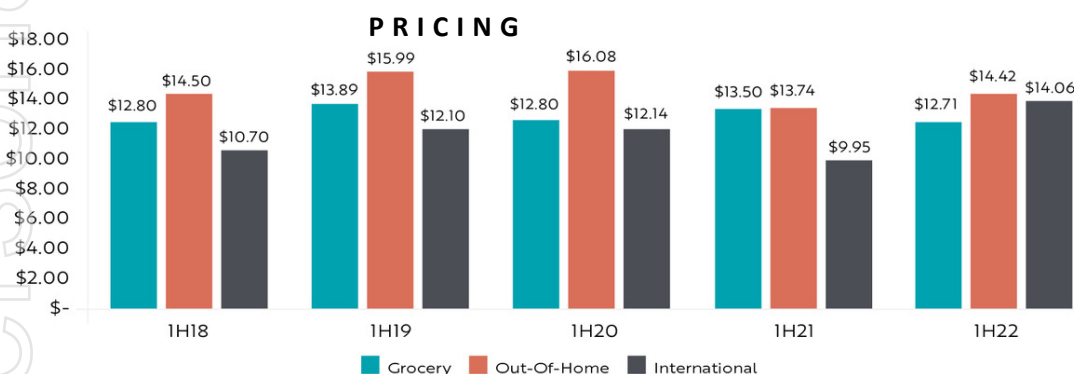
GROWING returns targeted to come from sales mix and pricing

STRONG PRICING RECOVERY IN INTERNATIONAL MARKETS AND COMMENCEMENT OF PRICING RECOVERY IN OUT-OF-HOME MARKETS - WHICH IS EXPECTED TO CONTINUE IN 2H22 FOR INTERNATIONAL MARKETS¹ & TARGETED IN OUT-OF-HOME MARKETS.

Salmon Sales Volume (Hog equiv tonnes)	1H22	1H21	Change
Domestic Salmon Market	11,843	14,219	(16.7%) ▼
International Salmon Market	13,758	6,243	120.4% ▲
Total Salmon Market	25,601	20,462	25.1% ▲

Domestic Grocery Market	8,411	9,963	(15.6%) ▼
Domestic Out-Of-Home Market	3,432	4,256	(19.4%) ▼
Total Domestic Salmon Market	11,843	14,219	(16.7%) ▼

Total Salmon Sales (A\$m)	1H22	1H21	Change
Salmon Volume (Hog equiv tonnes)	25,601	20,462	25.1% ▲
Salmon Average Price (\$/Hog kg equivalent)	\$ 13.67	\$ 12.47	9.6% ▲
Salmon Revenue (\$m)	349.92	255.16	37.1% ▲
Operating EBITDA	82.30	75.97	8.3% ▲
Operating EBITDA (\$/kg)	\$ 3.21	\$ 3.71	(13.4%) ▼



Operating EBITDA up 8.3% due to:

- Tassal made the strategic decision to execute its sales mix evolution strategy – i.e. lowering its fixed (Grocery contracted volume) and increasing its variable (Out-Of-Home & International Fresh HOG) sales positions during late FY21 to enable the business to leverage favourable market dynamics that were targeted for FY22
- Global pricing increased significantly during 1H22 driven by strong demand and reduced supply. Strong demand driven by “at home consumption” of Tassal branded products – i.e. people cooking at home from Grocery (“retail”) purchases
- Partially offset in 1H22 by supply chain cost increases – with energy, feed commodities, labour and domestic freight costs all materially increasing.

Operating EBITDA\$/kg down 13.4% due to:

- Reduced EBITDA \$/kg for Grocery – tenders in late FY21 resulted in reduced pricing for unbranded Grocery Deli contracts and the introduction of lower margin Private Label MAP contracts
- Supply chain cost increases – with energy, feed commodities, labour and domestic freight costs all materially increasing
- However, pleasingly EBITDA \$/kg up for combined International and Out-Of-Home markets based on pricing recovery in both markets.

1. Fish Pool, Kepler Chevreux, Rabobank, 2022



PRAWNS + SEAWEED

Prawn infrastructure now positioned to accelerate returns given scale from Proserpine Farming precinct... with incremental seaweed initiatives now in play.

Building Tropic Co into AUSTRALIA'S #1 prawn brand



**GRAB LIFE
BY THE
PRAWNS**

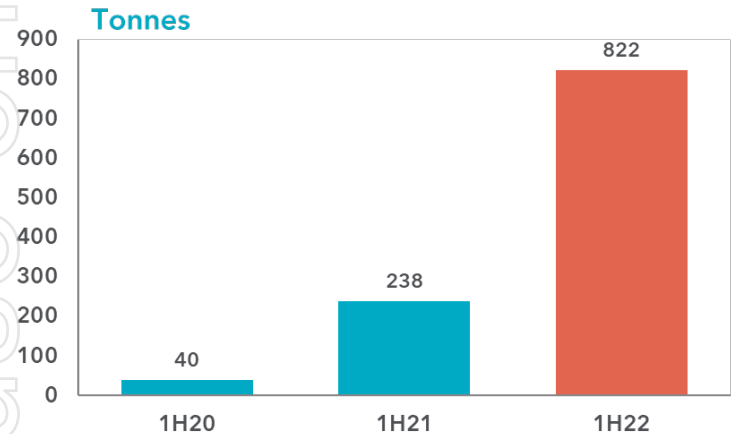


Go get 'em Tiger!

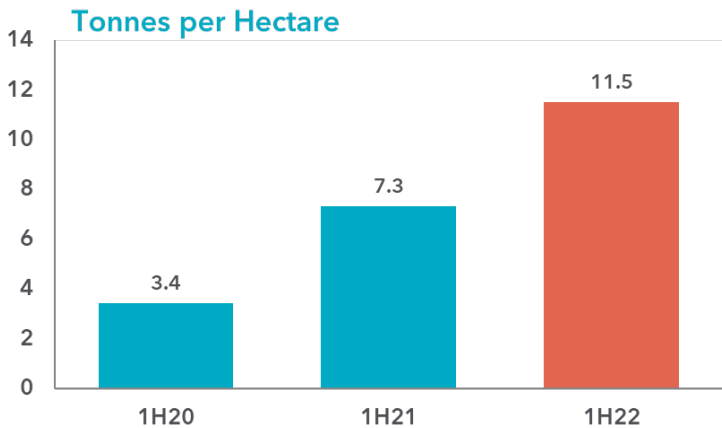


AUSTRALIA'S LARGEST PRAWN FARMER with further scale advantages to come

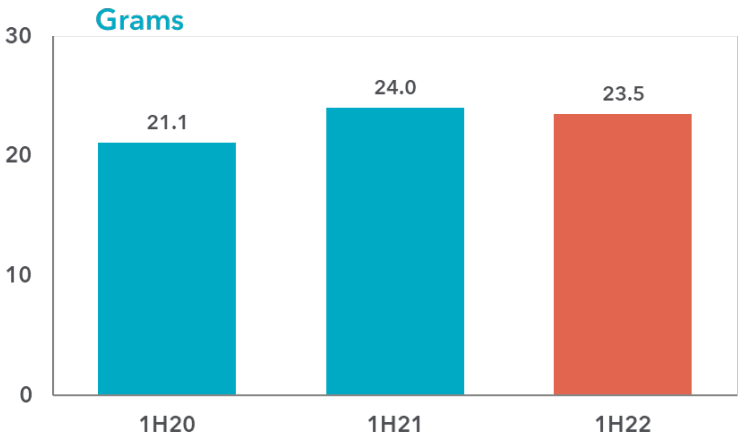
HARVESTED TONNES
UP 244.9% TO 822 TONNES



AVERAGE YIELD
UP 57.5% TO 11.5 TONNES/HECTARE



AVERAGE HARVEST SIZE
STABLE AT 23.5 GRAMS



Delivering – Since the commencement of our prawn farming operations, we have continued to deliver on commitments made on targeted annual harvest tonnage

Operations – Successful implementation of innovation and expertise from salmon to 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 2021 facilitated a significant uplift in harvest volumes – particularly for the key Christmas period

Future yield and growth improvement – via SmartFarm, improved feed diets and fish husbandry, leading to improved sizes, survival, live and harvest biomass

GROWING returns targeted to come from sales mix and pricing

TOTAL PRAWN VOLUME AND REVENUE GREW STRONGLY WITH IMPROVED PRICING IN OUT-OF-HOME MARKET WHICH IS TARGETTED TO CONTINUE IN 2H22.

Prawn Sales Volume (tonnes)	1H22	1H21	Change
Domestic Prawn Market	1,520	359	323.7% ▲
International Prawn Market	150	0	100.0% ▲
Total Prawn Market	1,670	359	365.3% ▲
Domestic Grocery Market	792	180	339.0% ▲
Domestic Out-Of-Home Market	728	178	308.2% ▲
Total Domestic Prawn Market	1,520	359	323.7% ▲
Total Prawn Sales (\$Am)	1H22	1H21	Change
Prawn Volume (tonnes)	1,670	359	365.3% ▲
Prawn Average Price (\$/kg)	\$ 18.08	\$ 14.50	24.7% ▲
Prawn Revenue (\$m)	30.19	5.21	480.0% ▲
Operating EBITDA	6.53	1.32	395.0% ▲
Operating EBITDA (\$/kg)	\$ 3.91	\$ 3.67	6.4% ▲

Operating EBITDA up 395.0% to \$6.53m due to:

- Tassal made strategic decision during FY21 to:
 - Sell more frozen prawn inventory domestically to increase overall domestic consumption per capita. Frozen inventory was reduced from 1,215 tonnes at 30 June 2021 to 330 tonnes at 31 December 2021
 - Grow more fresh stock for the key Christmas sales market and with its scale, the business was able to leverage favourable market dynamics (demand outstripping supply) in the variable (Out-of-Home) sales market and ultimately optimise pricing
- Partially offset in 1H22 by supply chain cost increases – with energy, feed commodities, labour and domestic freight costs all materially increasing.

Operating EBITDA\$/kg up 6.4% due to:

- Out-Of-Home market up based on pricing increases in 1H22 - which are targeted to continue in 2H22
- Partially offset due to:
 - Sales mix was skewed toward Out-of-Home during 1H22 and with fixed pricing the supply chain cost increases were not able to be passed on
 - Further, frozen prawns traditionally make a lower return vs fresh cooked prawns .

SEAWEED initiative commenced with a pilot R&D project

SEAWEED OFFERS A NATURE-BASED SOLUTION FOR WATER QUALITY RESTORATION WHILE ALSO UNLOCKING MARKET OPPORTUNITIES IN TERMS OF COMMODITY OR FUTURE BLUE CARBON CREDITS

We continue to take a beyond carbon neutral approach and look toward both carbon and climate positivity. In 1H22, we initiated new R&D partnerships and initiatives to abate greenhouse gases through the introduction of a solar farm during FY23 and also introduced R&D trials on seaweed farming to abate nutrient outputs. These measures further support food system adaptation.

FUTURE

We are looking into opportunities to commercialise seaweed harvest.

Opportunities include: fertiliser and soil conditioning, biochar for carbon sequestration, animal feed supplements and human food and nutraceuticals.



FOOTPRINT OF PILOT R & D PROJECT

In 1H22, we converted 13HA of settlement pond area into seaweed production at our Proserpine Prawn Farm.

PRODUCTION

Harvested 305t tonnes of seaweed by 31 December 2021.

COLLABORATION

This has been spearheaded through a new partnership with the University of Sunshine Coast Seaweed Research Group.

BIOREMEDIATION via SEAWEED

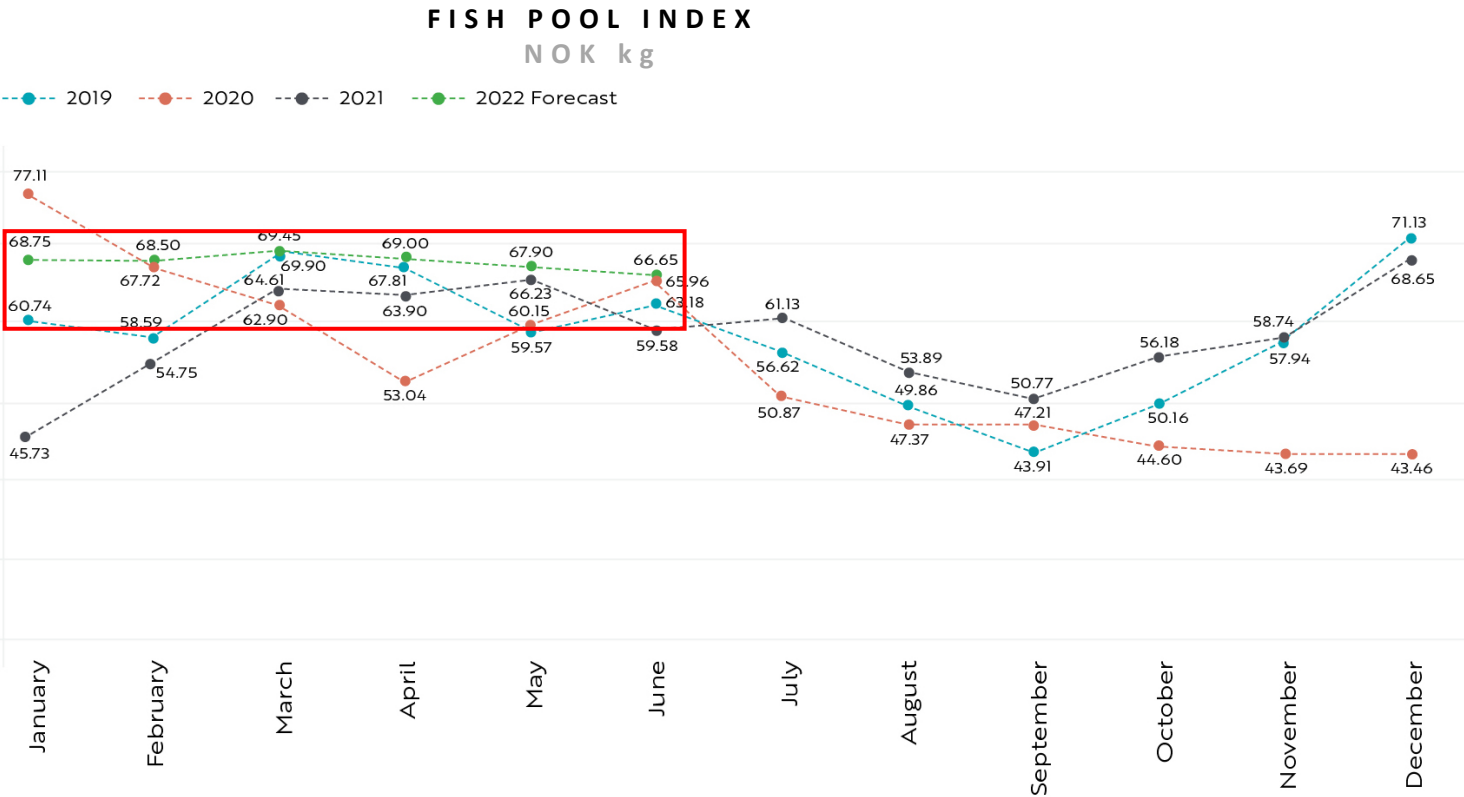
The Proserpine Prawn Farm is Tassal's largest and the principal site of future expansion. This is a nature-based solution to both reduce nutrient loads discharged from the farm and further protect the local environment.

POSITIVE OUTLOOK

Growing and optimising cash and returns.

POSITIVE OUTLOOK for global salmon pricing

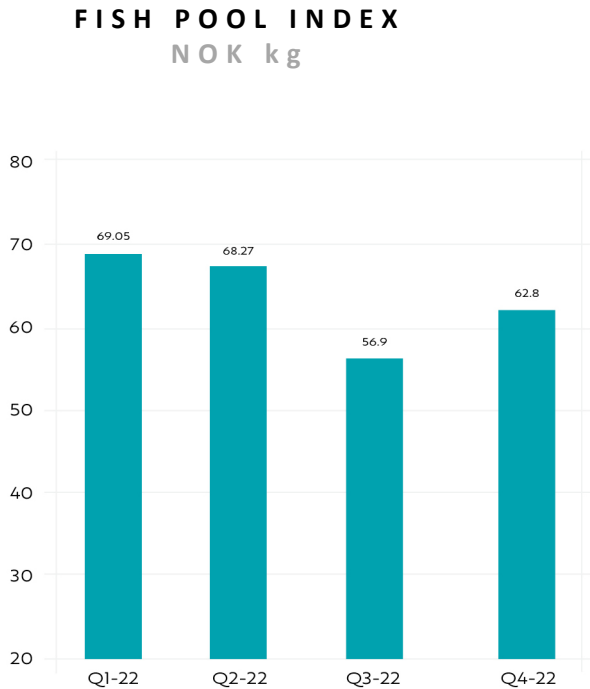
- Market analysis is for global supply growth for calendar year 2022 to be 0%, potentially contracting in 1st half of calendar year 2022 (i.e. 2H22), with **high demand remaining** across retail and foodservice demand growing.
- **Demand is expected to continue to outstrip supply**; particularly in South-East Asia which has allowed Tassal to generate significant pricing recovery Vs. FY21¹.



Source: Fish Pool Index, 2022

Note:

1. Fish Pool, Kepler Chevreux, Rabobank, 2022



POSITIVE OUTLOOK for salmon returns

FOOTPRINT

The Tasmanian Government has announced the development of a 10-year plan for the salmon industry... with the Government's position being that the industry doesn't need more hectares in Tasmanian waters, Tassal is committed to working responsibly within its current salmon footprint.

PRICING

Global salmon market has recovered with pricing restored to pre-COVID 19 levels. Demand into South-East Asia remains strong with pricing expected to remain stable for the remainder of this financial year¹.

Pricing – Tassal is well placed to capitalise on improving Out-Of-Home and higher International Fresh Hog pricing conditions and focus on Tassal brand expansion with Grocery customers and channels.

Note:

1. Fish Pool, Kepler Chevreux, Rabobank, 2022

PRODUCTION

Targeting a sustainable harvest of c40,000 hog tonnes in FY22.

Overall capex spend will be decreasing now we have completed the salmon expansion program.

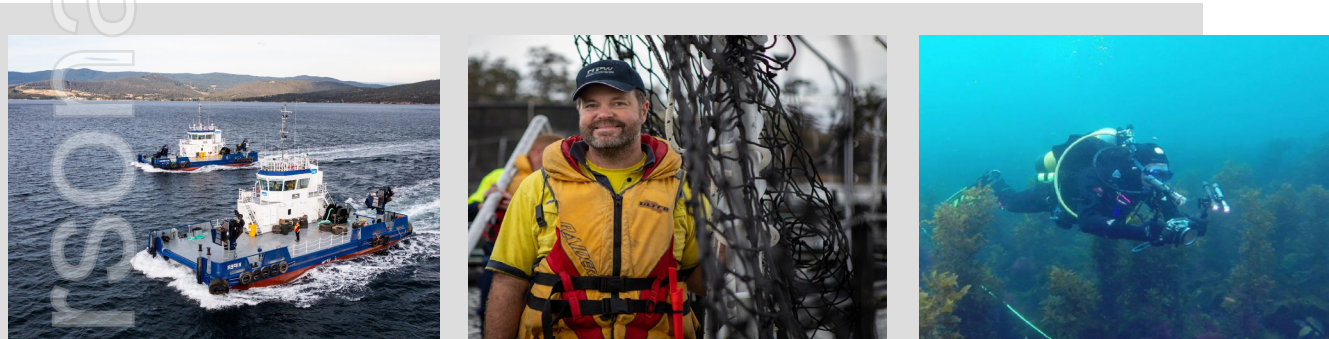
SUPPLY CHAIN COSTS

Supply chain cost have materially increased – with energy, feed commodities, labour and domestic freight costs all increased in 1H22 – and management is not expecting any relief from these increases in 2H22.

INITIATIVES

Continue driving price improvement, sales mix, cost-out \$/kg efficiencies and fish performance.

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.



POSITIVE OUTLOOK for prawn returns

FOOTPRINT

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.

PRICING

Domestically, demand continues to outstrip supply at key periods with strong \$/kg gains experienced in 1H22 and targeted to continue in 2H22.

PRODUCTION

Remain on track for c5,300 tonnes in FY22.

C5,500 to 6,000 tonnes of production targeted for FY23.

Given the shorter working capital cycle and capital cycle in prawns, the growth program can be flexed as market conditions evolve.

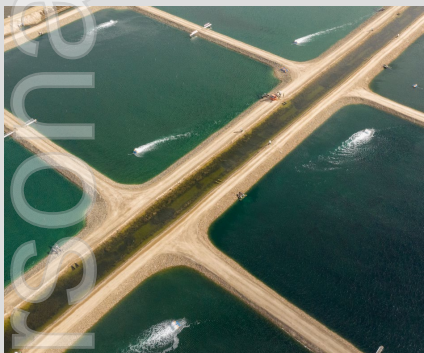
SUPPLY CHAIN COSTS

Supply chain cost have materially increased – with energy, feed commodities, labour and domestic freight costs all increased in 1H22 – and management is not expecting any relief from these increases in 2H22.

INITIATIVES

Production growth expected from improving yield (survival and growth) via a similar path to salmon – fish husbandry (health), domestication (i.e. selective breeding), automated feeding systems, improving fish diets and diet cost.

Similar to salmon, branding will become central – vision is for Tropic Co to be Australia's no. 1 farmed Tiger Prawn brand, recognised and trusted by customers and consumers.



ATTRACTIVE LONG-TERM CASHFLOW outlook given salmon investments already made and growth platform in place for prawns

TARGETING ASX200 TOP QUARTILE FREE CASHFLOW CONVERSION

PRICING

Based on market dynamics, we believe that the salmon and prawn markets will both benefit from strong global demand. Further, there is expected to be little to no salmon supply growth in calendar year 2022¹.

PRODUCTION

We are targeting by 2030:

- c40,000 hog tonnes of salmon production annually from existing lease hectares in Tasmanian waterways
- Up to 20,000 tonnes of prawns (subject to relevant approvals and licences), with the growth aligned to domestic market growth
- Circa 50% of future earnings coming from sea production (i.e. salmon) and 50% from the land (i.e. prawns)

BLUE AGTECH

Tassal's technology-enabled ways of operating are embedded into the everyday operations of other aquaculture industry participants.

Tassal becomes both carbon and climate "positive" leveraging its technology gains for commercial benefit.

Note:

1. Fish Pool, Kepler Chevreux, Rabobank, 2022

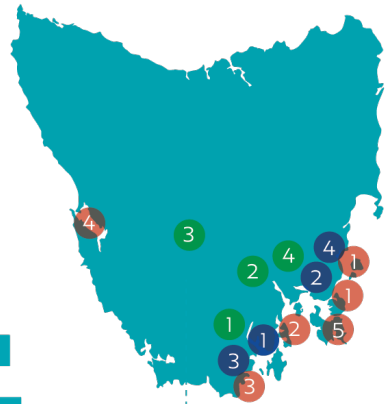
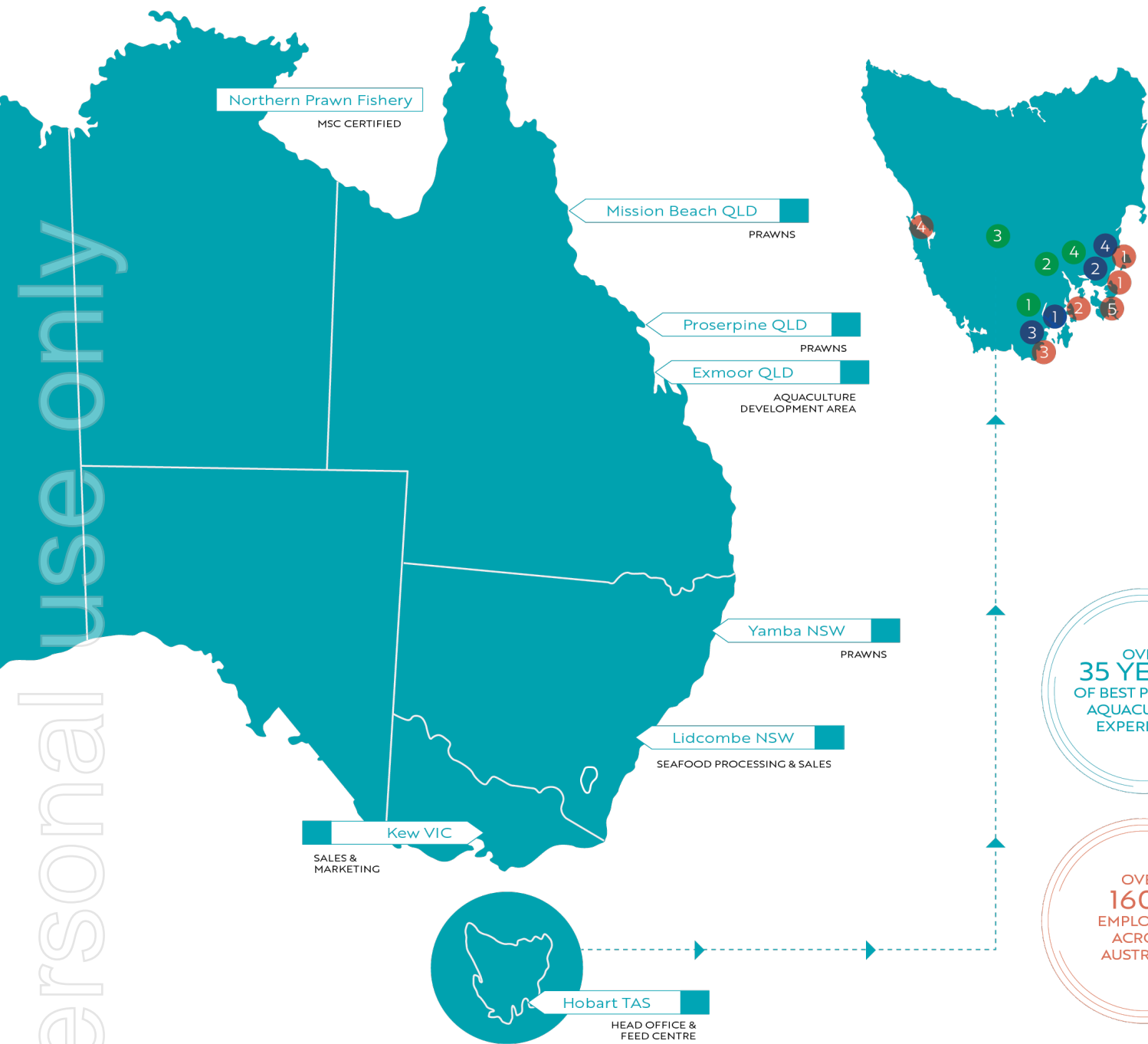
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THANK YOU

Questions.

APPENDIX 1

Tassal's footprint & ESG Highlights.



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



Our FOOTPRINT is on the RIGHT SIDE of sustainability

TASSAL SALMON AND TROPIC CO PRAWNS PERFORM WELL WHEN COMPARED TO OTHER LAND ANIMAL PROTEINS



PROTEIN RETENTION ²	28%	32%	37%	21%	13%
FEED CONVERSION RATIO (FCR)	1.3	2.1	1.6 ³	3.1 ⁴	8.0 ²
EDIBLE MEAT PER 100KG FEED ⁵	48kg	47kg	39kg	19kg	7kg
CARBON FOOTPRINT (KG CO ₂ -e/KG EDIBLE MEAT)	12kg	11kg	7kg	13kg	66kg

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-Plant-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>



SALMON LAND-BASED RAS
IF BASED IN NSW

SALMON LAND-BASED RAS
IF BASED IN TASMANIA

PROTEIN RETENTION	28%	28%	28%
FEED CONVERSION RATIO (FCR)	1.3	1.1 ¹	1.1 ¹
EDIBLE MEAT PER 100KG FEED	48kg	48kg	48kg
CARBON FOOTPRINT (KG CO ₂ -e/KG EDIBLE MEAT)	12kg	49kg ²	18kg ²

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

ESG ... SUSTAINABILITY + RESPONSIBLE BUSINESS



TASSAL GROUP H122 HIGHLIGHTS REPORT CAN BE FOUND [HERE](#)



TASSAL GROUP RESPONSIBLE BUSINESS ROADMAP CAN BE FOUND [HERE](#)

ESG ... Our RESPONSIBLE BUSINESS in action

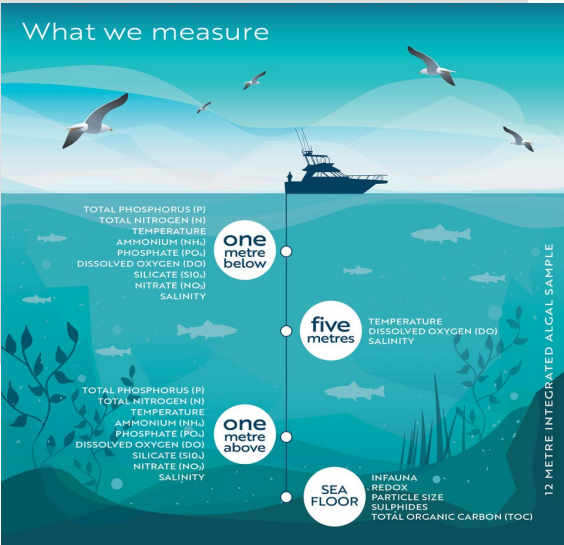
OUR RESPONSIBLE BUSINESS APPROACH IS A STRONGER, MORE STABLE, AND MORE ENDURING ESG AND SUSTAINABILITY VALUE PROPOSITION FOR OUR STAKEHOLDERS.

Innovation and best practice continue to drive action and change in our operations as we further improve production, fish health and welfare, while keeping our people safe and the environments we operate in healthy.

Our ambition to deliver a responsible and inclusive business is matched by our transparency and communication of information on what matters to our stakeholders – health of the marine environment, welfare, feed and climate.

BROADSCALE ENVIRONMENTAL MONITORING PROGRAMS

This monitoring allows us, our regulators and the scientific community to better understand the marine and estuarine health of our coastal waterways and potential impacts from finfish farming practices.



MARINE ENVIRONMENT

Like all marine users, the impact of Tasmania’s salmon farming industry is managed through dozens of legislation, regulations and licence conditions.

As responsible users of shared waterways, Tassal have regulatory and voluntary programs in place to understand and measure overall impact.

Any potential impacts to natural habitats, biodiversity and ecosystem functions are assessed through a range of environmental monitoring programs, including requirements within sustainability certifications.

Environmental regulation of the Tasmanian salmon industry is an important part of protecting and enhancing Tasmania's environment.

When it comes to the marine environment, it is really important to remember that fish convert food substantially more efficiently than humans, and in the context of the ocean, fish waste contributes valuable nutrients to the ecosystem. This is closely monitored.

ESG ... Our RESPONSIBLE BUSINESS in action

WE CARE ABOUT THE WILDLIFE IN THE ENVIRONMENT AND OUR STOCK IS THRIVING AND HEALTHY

FEED

Feed innovations led by salmon farmers are reducing overfishing and helping preserve wild fish stocks.

By shifting our fish to more of terrestrial-based ingredients, we've reduced pressure on wild fish stocks and supported our own fishes' health and nutritional benefits. As a result, we're ensuring farmed salmon remains one of the most resource-efficient animal protein options.

WINTER FEEDS

Our range of raw material options allows us to reduce our dependency on fish meal, the bulk of our winter diets do not require fish meal.



The nutrition of our salmon and prawns plays a crucial role in our sustainability journey. We work closely with our feed suppliers to maintain sourcing and traceability criteria to ensure we meet the requirements of all relevant third-party certifications.

Diet composition varies for each stage of the lifecycle to ensure that the nutritional requirements are met. Innovative diets are trialled each year to put novel ingredients to the test, without compromising performance or welfare. Our objective is to grow biomass efficiently with the lowest possible environmental footprint.

We evaluate the effectiveness of our feed strategy through frequent analysis of stock performance metrics including feed conversion ratios (FCR), growth rates, and survival, as well as environmental monitoring of the seafloor using remotely operated vehicles (ROV) to ensure any feed wastage is kept to a minimum.

Responsible Business Targets

- Develop feed strategy that considers the role of feed in biodiversity, climate, and nutritional systems

ESG ... Our RESPONSIBLE BUSINESS in action

WE CARE ABOUT THE WILDLIFE IN THE ENVIRONMENT AND OUR STOCK IS THRIVING AND HEALTHY

WELFARE

We are farmers first and foremost, and care for our animals and the environment in which we grow them.

Our animal husbandry and farming teams are consummate professionals at making sure our salmon and prawns are properly housed, fed, and protected from predators.

When we do that properly, our salmon and prawns are healthier, and they feed and grow better. We have a range of tools and processes to manage animal health and welfare, including animal health management plans for all our salmon and prawn farms, which outline our expectations around animal health and welfare and detail our procedures for maximising outcomes on a farm-by-farm basis.

Our animals are checked and monitored every single day for behaviour, appetite and any abnormal signs, and a specialised animal health department carries out diagnostic and routine visits.

We carry out animal health and welfare risk assessments before major husbandry events, such as smolt transport to sea sites or post-larval movement to our growout farms.

Responsible Business Targets

- 100% of farming employees complete HAPPYfish animal welfare training
- Towards Tier 1 status under Business Benchmark on Farm Animal Welfare (BBFAW) by 2030, with an initial target of Tier 2 by 2025
- Zero use of antimicrobials listed as critically important by the World Health Organisation (WHO)
- Continued phase out of seal deterrents

ESG ... Our RESPONSIBLE BUSINESS in action

WE CARE ABOUT THE WILDLIFE IN THE ENVIRONMENT AND OUR STOCK IS THRIVING AND HEALTHY

CLIMATE CHANGE & RISING OCEAN TEMPERATURES

In a farming context, selective breeding over a 25 year time frame is expected to deliver and could see an improvement of at least 2.1 degrees in the maximum thermal limit of Tasmanian salmon.

This compares to predictions of between 1 and 7 degrees C increase in global temperatures over the next 100 years in various scientific papers¹.

As we compare conservative estimates of improvement due to selection with the worst case scenario from the published predictions, we still see that it is possible to outpace the changes in average temperature due to climate change.

We are continuing to improve our fish husbandry and continuing to engage in collaborative research to improve the ability of our stocks to deal with climate change. We are also regularly conducting thermal challenge trials.

Responsible Business Targets

- We aspire to be net zero by 2050, and are currently assessing our science-based datasets to set a climate roadmap to 2030
- Establish flagship carbon neutral farm program - one salmon farm and one prawn farm
- Spend \$60 million over three years on initiatives and R&D to reduce the impact of climate change on our operations

1: Ficke, A. D., Myrick, C. A. and Hansen, L. J. (2007). Potential impacts of global climate change on freshwater fisheries. Rev. Fish Biol. Fish. 17, 581-613.

ESG ... Our RESPONSIBLE BUSINESS in action

PLAYING OUR PART FOR WASTE FREE OCEANS, COASTS AND HOUSEHOLDS

CIRCULAR ECONOMY

Management of waste is critical for compliance, traceability, auditing and reporting. The majority of waste generated from our operations is fish and prawn waste, fish by-products, wastewater and sludges, which are all classified as controlled wastes.

Our Triabunna rendering facility was developed to downstream process the majority of salmon fish waste streams in Tasmania and produce a number of saleable products which in turn generates employment and commercial opportunities.

Responsible Business Targets

- 100% polyethylene marine farming equipment is reused, recycled, or repurposed by 2025 (feed pipe, sea pens, stanchions, bird net stands)
- 95% diversion from landfill from processing plants by 2025
- 100% reusable, recyclable, or compostable packaging by 2025



APPENDIX 2

Reconciliation of statutory to operating profit.

Statutory and operating profit

Half Year ended 31 December 2021	Statutory Profit \$'000	Significant Items \$'000	AASB 141 Impact \$'000	Operating Profit \$'000
Revenue (from all sources)	\$419,081	\$0	\$0	\$419,081
EBITDA	\$96,880	\$20,504	(\$27,925)	\$89,459
EBIT	\$57,433	\$20,504	(\$27,925)	\$50,012
Profit before income tax expense	\$48,979	\$20,504	(\$27,925)	\$41,558
Income tax expense	(\$12,605)	(\$6,152)	\$8,378	(\$10,379)
Net profit after income tax expense	\$36,374	\$14,352	(\$19,547)	\$31,179

Half Year ended 31 December 2020	Statutory Profit \$'000	Significant Items \$'000	AASB 141 Impact \$'000	Operating Profit \$'000
Revenue (from all sources)	\$292,478	\$0	\$0	\$292,478
EBITDA	\$77,511	\$10,351	(\$9,465)	\$78,397
EBIT	\$45,897	\$10,351	(\$9,465)	\$46,783
Profit before income tax expense	\$39,013	\$10,351	(\$9,465)	\$39,899
Income tax expense	(\$11,375)	(\$3,105)	\$2,839	(\$11,641)
Net profit after income tax expense	\$27,638	\$7,246	(\$6,626)	\$28,258

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 export freight costs for 1H22 were still \$20.5m higher before tax (relative to the pre-COVID-19 cost \$/kg rates) post receiving this rebate (1H21: \$9.6m). The additional cost of export freight is presented as a Significant Item and added back to underlying results to present Operating EBIT, EBITDA and NPAT 1H22.

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.

APPENDIX 3

Glossary.

Glossary

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 maintenance 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

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, CO₂ & 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.

Smart farming

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.

ersonal use only

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