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TasFoods Ltd (TFL.ASX) Annual General Meeting 12 May 2025

Chairman: John Murphy
CEO: Joshua Fletcher



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Procedural

TasFoods Board of Directors

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JOHN MURPHY
Non-Executive
Chairman



JOHN O'HARA
Non-Executive
Director



BEN SWAIN
Non-Executive
Director



JOSHUA FLETCHER
Executive
Director



GREG STONES
Non-Executive
Director

TasFoods Executive



JOSHUA FLETCHER Chief Executive Officer



LEANNE PRITCHARD Chief Financial Officer and
Company Secretary

CHAIRMAN'S ADDRESS

CEO ADDRESS

ITEMS OF BUSINESS

Item 1: Consideration of Financial Statements

Resolutions:

- 1: Adoption of Remuneration Report
- 2: Election of Director – Mr Greg Stones
- 3: Election of Director – Mr Joshua Fletcher



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Chairman's Address

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TasFoods Strategic Lens

Four key pillars to enable the business to build a strong foundation and realise its potential



Nichols Poultry

Strengthen our Operational cost base leveraging Product quality /waste stream



Pet Treat Market

Build a path to scale Isle and Sky via sales and distribution partners



Pyengana Dairy

Expand product portfolio and ranging Aust/Internationally

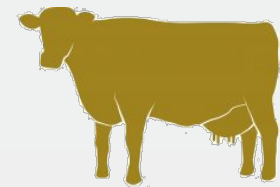


NICHOLS
POULTRY



Shared Capability Platform

Leverage core capabilities, asset utilisation and reduce the cost base



PYENGANA
DAIRY

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Significant actions delivered on our path forward in Extremely Challenging Market

Following the significant restructure in 2023 TasFoods has become a streamlined and simplified business

- This has aided the company to best navigate the challenging market dynamics in FY2024 and into 2025 particularly with the unprecedented surplus chicken supply on the mainland flowing into Tasmania.
- Key initiatives undertaken to strengthen TasFoods business position in FY2024 included:
 - **Redbank Poultry Integration:** Completed the full integration of Redbank poultry, securing our supply chain and enhancing our commercial position;
 - **Optimised Feed Supply:** Transitioned feed supply from Inghams to Ridley, achieving a ~6% improvement in feed conversion ratio (FCR) and ongoing deeper engagement to further benefits;
 - **Cost Reduction:** Reduced corporate overhead costs by \$3.8m despite market volatility. Further efforts are in play to improve service, flexibility and drive additional savings;
 - **Pet Treats Expansion:** Continued rollout of the Isle & Sky Pet Treats strategy, supported by new product development, expanded distribution, and strong retailer feedback supporting our ambition; and
 - **Pyengana Dairy Growth:** Completed a strategic external review of our Pyengana Dairy business, with steps underway to accelerate growth in both domestic and international markets.
- Our refocused business model has enabled us to navigate market challenges and reduce the impact of revenue declines whilst best protecting margins in our key market segments.
- We are focused on delivering a more stable core business performance, reducing our overhead cost base and building on our growth streams in Pet Treats and Pyengana Dairy to improve business performance.



FY24 Results

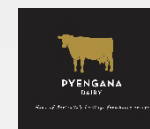
Extremely Challenging market conditions with oversupply chicken

FY24 Profit & Loss

- Total Revenue for continued operations of \$46.8m down 3.7% on prior year;
- Group Operating EBITDA for continued operations loss of \$2.3m compared with \$3.5m loss in prior year;
- Net Loss After Tax of \$10.7m compared with \$5.1m NLAT in prior year;
- Non-cash impairment charge against Nichols Poultry PPE of \$6.0m.

Balance Sheet at 31 December 2024

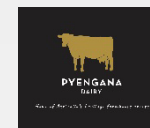
- Year end cash of \$0.5m and \$2.4 undrawn capacity;
- Net Tangible Assets of \$7.1m (1.63 cents per share).



Investor Relations

Committed to being an accessible and transparent company

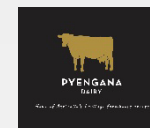
- **Investor relations activities will continue throughout the year**
 - Reporting against our strategy and key initiatives;
 - Continuing to highlight the opportunities intrinsic to the TasFoods business;
 - Updating on the evolving market conditions and business environment;
 - Keeping shareholders informed on key strategic developments.



Remuneration

Fit for purpose, aligned with strategy and stage of company lifecycle

- Remuneration approach considered annually to ensure it is fit for purpose;
- FY24 STI weighted towards financial performance and an EBITDA performance hurdle – Nil STI paid in FY24;
- Linking of remuneration at-risk equity based on LTI indicators to shareholder return;
- Aim to recruit and retain key talent in the business.



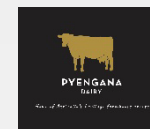
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We are razor focused on building a more robust and stable business with consistent results

Our immediate priorities are:

- **Strengthening the Poultry Supply Chain:** Progressing initiatives to strengthen our poultry grower network, improving supply reliability and building on our relationships to improve results;
- **Optimising Poultry Processing Solutions:** Leveraging newly implemented analytics and technology to refine decision-making, streamline workflows and enhance efficiency;
- **Expand Isle & Sky Pet Treats Range:** Accelerating growth in pet treats segment, utilising our available poultry waste stream to access a significant growing market;
- **Advance Pyengana Dairy's Export Potential:** Completing export accreditation (90% achieved) at Pyengana Dairy while expanding our product range and distribution in both domestic and international markets, leveraging our café and visitor centre; and
- **Continued Reduction in Overhead Costs:** Further reduce our overhead cost base looking at all inhouse and outsource service provisions to enhance our earnings position.

Continuous evaluation of our cost base and operating platform in conjunction with targeted capital expenditure and cashflow analysis whilst also remaining tuned to other broader strategic options available to improve our results.



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Building a path to robust sustainable earnings

Strength & Consolidate

- Poultry remains an affordable, healthy, and widely favored protein of choice, with Nichols Poultry standing out as a unique and trusted brand in Tasmania;
- Nichols Poultry has a long-term strong relationship with major customers in grocery and independents who prioritises our RSPCA Poultry for the Tasmanian market.

Growth & Expansion

- National relationship with largest Pet retailer in Australia for Isle & Sky Pet Treat and recently announced Sales and Distribution Partnership with Natures Best utilising the waste stream of Nichols Poultry to derisk volatility in Poultry earnings;
- We have a very strong brand with Pyengana Dairy cheese delivering category leading margins and opportunity to extend portfolio in Australia and International markets;
- We have an opportunity to scale both Pyengana and Isle & Sky by establishing retail partners to add the expertise and capability at the front end and become much larger revenue contributors.

Optimise

- We have installed advanced manufacturing performance analytic systems in our poultry processing to drive costs down in conjunction with further measures to reduce corporate costs;

Portfolio

- The combination of these ingredients over time will provide the opportunity for a far more resilient and robust growth-based business.



Thank you

For your continued support in a very challenging environment

In a very challenging market environment for Food and Beverage companies we thank everyone on the TasFoods journey with us:

- All of our employees led by Josh and the leadership team;
- Our customers;
- Our suppliers;
- Our shareholders;
- Our partners.

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CEO Address

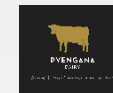


Financial Performance – continued and discontinued operations

2024	Continued operations				Discontinued operations				Consolidated
	Dairy	Poultry	Shared Services	Total	Dairy	Horticulture	Shared Services	Total	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	2,125	44,416	280	46,821	238	-	-	238	47,059
Expenditure	(2,010)	(44,012)	(3,079)	(49,101)	13	1	-	14	(49,087)
OPERATING EBITDA	115	404	(2,799)	(2,280)	251	1	-	252	(2,028)
GP Margin	41%	23%	84%	23%	-	-	-	-	24%
Fair Value - Biological Assets (AASB 141)	-	(359)	-	(359)	-	-	-	-	(359)
Profit/(Loss) Sale of Assets	-	29	(16)	13	1	-	-	1	14
Impairment (Non-Cash)	-	(5,960)	-	(5,960)	-	-	-	-	(5,960)
Statutory EBITDA	115	(5,886)	(2,815)	(8,586)	252	1	-	253	(8,333)
NPAT			(3,069)	(10,654)				200	(10,454)
					0	0			

2023	Continued operations				Discontinued operations				Consolidated
	Dairy	Poultry	Shared Services	Total	Dairy	Horticulture	Shared Services	Total	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	2,432	46,011	160	48,603	26,094	211	-	26,305	74,908
Expenditure	(2,121)	(44,300)	(5,717)	(52,137)	(25,958)	(284)	(1,165)	(27,407)	(79,544)
OPERATING EBITDA	311	1,711	(5,556)	(3,534)	136	(73)	(1,165)	(1,102)	(4,636)
GP Margin	33%	24%	33%	25%	1%	39%	-	1%	26%
Fair Value - Biological Assets (AASB 141)	-	243	-	243	-	-	-	-	243
Sale of Assets	-	(100)	(5)	(105)	7,112	(1,043)	-	6,069	5,964
Impairment (Non-Cash)	-	-	-	-	-	-	-	-	-
Statutory EBITDA	311	1,854	(5,561)	(3,396)	7,248	(1,116)	(1,165)	4,967	1,571
NPAT				(5,047)				4,060	(987)

- Operating EBITDA for 2024 for continued operations was \$2.3 million loss, which was \$1.3m or 35% improvement on the previous year being \$3.5m loss.
- Total Consolidated (continued and discontinued operations) operating EBITDA for FY2024 was \$2m loss, this was a \$2.6m or 56% improvement on FY2023 being \$4.6m loss, which included the divested business units of Betta Milk, Meander Valley Dairy and Shima Wasabi.
- Gross profit margin across the Group declined 2% compared to FY2023, driven by reduced consumer spending and an unprecedented oversupply of poultry in the market.
- Dairy division, comprising Pyengana Dairy, saw an 8% increase in gross profit margin. This was driven by expanded national distribution through our strong partnerships with key distributors,
- Additionally, efforts to right-size the Shared Services (corporate) structure in 2024 resulted in \$3.8m in cost savings, representing a ~55% cost reduction compared to FY2023.



Profit and loss – Consolidated Group

Profit or Loss (\$000's)	FY2024	FY2023
Income	Total Consolidated	
Revenue from operations	46,054	74,052
Other income	1,005	856
Profit/(loss) on sale of fixed assets	14	5,964
Total income	47,073	80,872
Expenses		
Fair value adjustment of biological assets	(359)	243
Impairment	(5,960)	-
Raw materials used	(24,867)	(42,965)
Employment and contractor expense	(14,904)	(21,602)
Freight	(3,637)	(6,011)
Occupancy costs	(1,004)	(1,338)
Depreciation and amortisation	(1,521)	(1,948)
Finance costs	(699)	(772)
Insurance	(751)	(935)
Legal and professional fees	(896)	(1,030)
Marketing and event expenses	(173)	(440)
Repairs and maintenance	(712)	(1,208)
Loss on sale of assets		
Other expenses	(2,044)	(3,853)
Net Loss before income tax	(10,454)	(987)
Income tax benefit/(expense)	-	-
Net Loss after tax for the year	(10,454)	(987)

- Consolidated NPAT loss of \$10.5m (continued and discontinued operations), inclusive of a \$6m non-cash impairment of Nichols Poultry assets, was \$9.5m higher compared to pcp (2023: \$1m loss).
- Non- cash impairment of \$6m was recorded for Nichols Poultry assets including organic assets no longer in use. This follows a review of the value of cash generating units and assets in the Company. This is reflective of the macro-economic environment and the unprecedented oversupply of poultry in markets Nichols Poultry competes in.
- Total consolidated revenue declined by 37% over pcp to \$47.1m (2023: \$74.9m, inclusive of divested business units).



Balance sheet

\$000's	FY2024	FY2023
Current Assets		
Cash & Cash Equivalents	485	3,432
Trade & Other Receivables	2,005	3,209
Biological Assets	2,805	3,487
Inventory	2,232	2,128
Assets classified as held for sale	1,597	-
Prepayments	934	691
Total Current Assets	10,058	12,947
Non-Current Assets		
Property, Plant & Equipment	9,135	17,264
Right of Use Assets	4,228	4,422
Intangible Assets	413	572
Total Non-Current Assets	13,776	22,258
Total Assets	23,834	35,205
Current Liabilities		
Trade & Other Payables	7,514	9,662
Borrowings	948	2,284
Lease Liabilities	305	332
Provisions	893	987
Total Current Liabilities	9,660	13,265
Non-Current Liabilities		
Borrowings	2,773	13
Lease Liabilities	4,188	4,241
Provisions	92	111
Total Non-Current Liabilities	7,053	4,365
Total Liabilities	16,713	17,630
Net Assets	7,121	17,575
Equity		
Contributed Equity	66,834	66,834
Reserves	1,353	1,353
Accumulated Losses	(61,066)	(50,612)
Total Equity	7,121	17,575

- The Group is supported by a balance sheet with a net asset position of \$7.1m (noting PP&E balances of \$10.7m).
- Closing cash as at 31 December 2024 was \$0.5m. This excludes available overdraft facilities of \$2m with the NAB.
- Biological assets, relating to birds and eggs at Nichols Poultry and Nichols Hatchery declined in value by \$0.7m due to fair value valuation under AASB 141 (Agriculture).
- Assets classified as held for sale relate to the Betta Milk Burnie site carry value amount \$1.6m.
- Intangible assets solely relate to ERP development costs in Shared Services and water licenses in the Poultry business unit.
- Trade and other payables reduced by \$2.1m due to supplier payments relating to divested business units (Betta Milk and Meander Valley Dairy) that were outstanding as at 31 December 2023.
- Total borrowings (current and non-current) have increased by \$1.4m for term debt with NAB, which replaced the loan facility with Roadnight Capital (31 Dec 2023) and an equipment finance facility with NAB of \$0.5m, of which \$0.4m remains available.



Cash flow

\$'000's	FY2024	FY2023
Cash flows from operating activities		
Receipts from customers	47,188	48,586
Payments to suppliers and employees	(48,796)	(51,355)
Interest received	4	182
Interest paid	(312)	(415)
Other	-	(766)
Net cash used in operating activities relating to continued operations	(1,916)	(3,768)
Operating cash flows relating to discontinued operations	(495)	266
Net cash used in operating activities relating to continued and discontinued operations	(2,411)	(3,502)
Cash flows from investing activities		
Proceeds/(payments) from disposal of property, plant and equipment	179	(17)
Payments for property, plant and equipment	(526)	(1,558)
Payments for other non-current assets	-	(27)
Net cash flows (used in)/ provided by investing activities relating to continued operations	(347)	(1,602)
Investing cash flows relating to discontinued operations	(68)	12,123
Net cash (used in)/ provided by investing activities relating to continued and discontinued operations	(415)	10,521
Cash flows from financing activities		
Proceeds from borrowings	1,997	1,743
Principal elements of borrowing payments	(1,527)	5,639
Principal elements of lease payments	(202)	(238)
Transaction costs related to borrowings	(335)	(146)
Net cash used in financing activities relating to continued operations	(67)	6,998
Financing cash flows relating to discontinued operations	(54)	(10,936)
Net cash (used in)/provided by financing activities relating to continued and discontinued operations	(121)	(3,938)
Net (decrease)/increase in cash held	(2,947)	3,081
Cash and cash equivalents at the beginning of the year	3,432	351
Cash and cash equivalents/ (bank overdraft) at the end of the half year	485	3,432

- Net cash outflows from operating activities were \$2.4m (continued and discontinued operations) for the year (2023: \$3.5m) which is reflective of:
 - Unprecedented oversupply of Poultry in markets;
 - Current challenges of household spending and economic climate; and
 - Operational cost increases in the poultry business for direct labour, logistics, and repairs and maintenance.
- Cash receipts from customers were \$47.2m, from continued operations, a decrease of 3% on pcp.
- Net cash outflow from investing activities of \$0.4m (2023: \$10.5m inflow, including divested business units) relates to PP&E in continued and discontinued operations;
- Net cash outflows from financing activities were \$0.1m, an improvement of 97% on pcp, largely due to the reduction of external borrowings associated with discontinued operations and transition of financial institutions from Roadnight Capital, AMAL Security Services Pty Ltd to NAB.



Simplified brand hierarchy and applied a focused sales channel strategy

Brands & Product Strategy



ISLE & SKY™
PLANET FRIENDLY PET NUTRITION



Brand that reflects artisan provenance and Tasmanian heritage, targeted at food lovers seeking authenticity.

Brand that reflect sustainability and animal welfare. Pet owners who want 100% premium Tasmanian chicken as a healthy treat for their dog or cat.



Brands that support loyal customers with local products providing profitable volume to underpin the operations.

Sales Channels



Retail



Distributors



Food Service



E-Commerce

Path Forward

Expand Isle & Sky Pet Treats Range:

- Established a 3 Year Sales and Distribution Agreement with Natures Best (Pet Solutions International) April 2025 to accelerate the growth of our Isle and Sky brand but also to utilize our waste stream in the broader range of products that Natures Best takes to market;

The relationship with Natures Best also provides access to NPD development for new range and varieties for air-dried, pet treat, fresh and frozen pet foods late 2025 and into 2026;

We have continued to grow our National relationship with Petbarn through the year and our products continue to grow by 1.5 units per store per week across all 220 Petbarn stores nationally and we continue to receive great feedback on the products.



69%

Of Australian households are estimated to own a pet, significantly above 2019 levels of 61%



2.7% CAGR

Expected until 2028 in Australian pet food products



\$33bn

Is spent annually on Australian pets with 51% made up by food products



Humanisation of Pets

Creating demand for health and wellness products that are targeted and use high quality ingredients

Current Product Range



Vet recommended nutrition



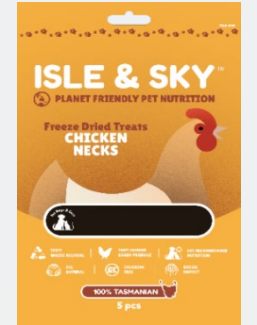
100% human grade produce



All natural



Chlorine free

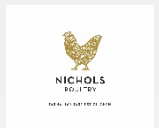
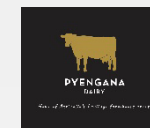


Social impact



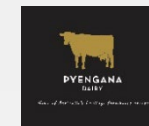
100% waste neutral

Source: Ibis World, Mordor Intelligence



Advance Pyengana Dairy's Potential:

- Targeting achieving export accreditation Pyengana Dairy in June 2025;
- Expanding our product range (shorter maturation cheeses, flavoured varieties and soft rind cheese) and distribution in domestic markets Q4 2025;
- Refreshing and leveraging our café and visitor centre;
- Building our brand equity and awareness in Australia and International markets;
- Building out our sales and distribution model with front end partners to accelerate our performance;



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