AGM Presentation - May 2017

TasFoods Ltd

Creating value through revenue growth from a portfolio of food brands differentiated by provenance attributes that deliver on premium consumer expectations.

NICHOLS ETHICAL FREE RANGE CHICKEN

NICHOLS POULTRY

NICHOLS KITCHEN

SHIMA WASABI

MEANDER VALLEY DAIRY

ROBUR FARM DAIRY

PRIDE OF PLATE

The TASMANIAN FOOD Co

Authenticity is the heart of our brand underpinned by 3 core elements

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1. We believe that food should reflect the environment in which it was produced

This is why we choose to produce food in Tasmania – a cool climate capable of producing a wide range of food products with a high level of water security. As an island located in the remote Southern Ocean it offers biosecurity advantages for high value products.

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2. We believe that people should be able to trust in the authenticity of claims made about the processes used to grow and produce food

To build that trust we aim to be transparent in our production processes. Open days, videos, social media shares and tasting sessions are some of the ways in which we share information about what we do.

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3. We believe that our employees and contractors should be proud and open about what they do for our business and how they do it.

We are creating systems and processes to support our employees and contractors to understand the standards that have been designed to meet customer and consumer expectations. We have a continuous improvement process that involves regular reviewing of standards combined with internal and external auditing of compliance.

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2016 Overview

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Key Outcomes of 2016

- Capital raising to fund acquisitions of $25.39 million before costs
- Two significant acquisitions, being:
  - Nichols Poultry for $12.74 million ($9.36 million of equity, $3.38m debt repaid post acquisition)
  - Shima Wasabi for $2.77 million
- Relocation of the dairy processing operation to a larger facility
- Development of a shared services operation model
- Development of a brand identity for the business

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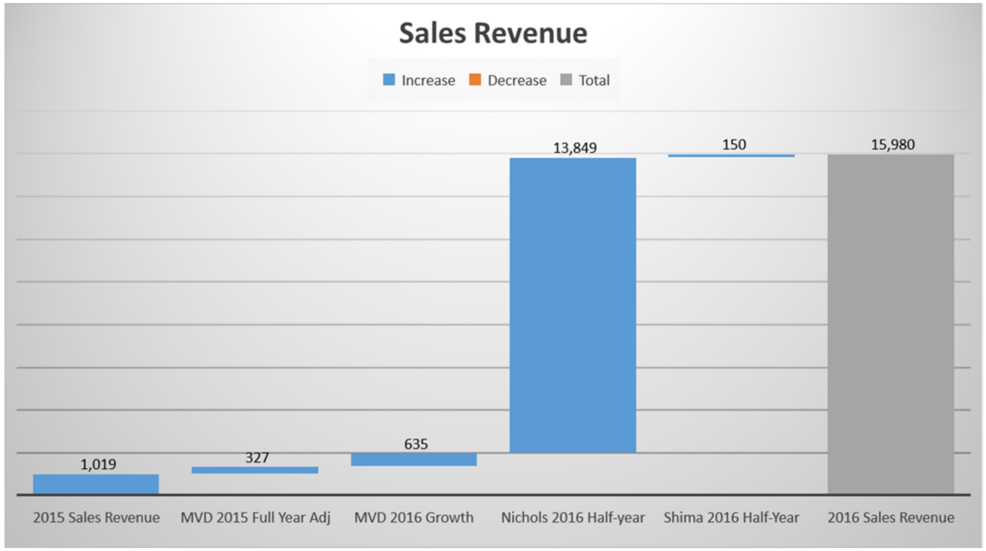
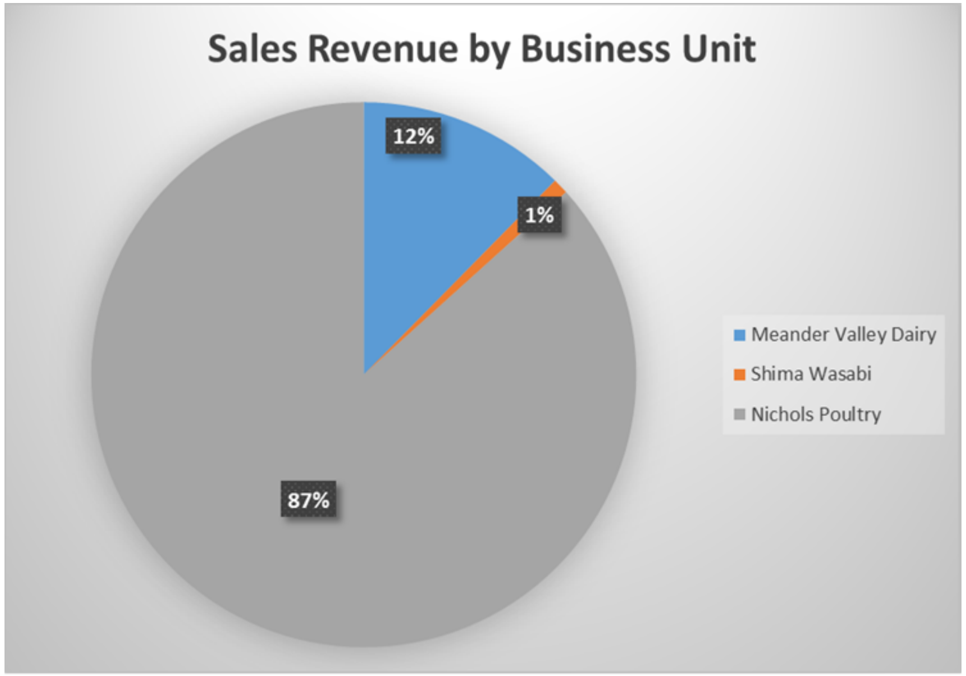
2016 Financial Performance

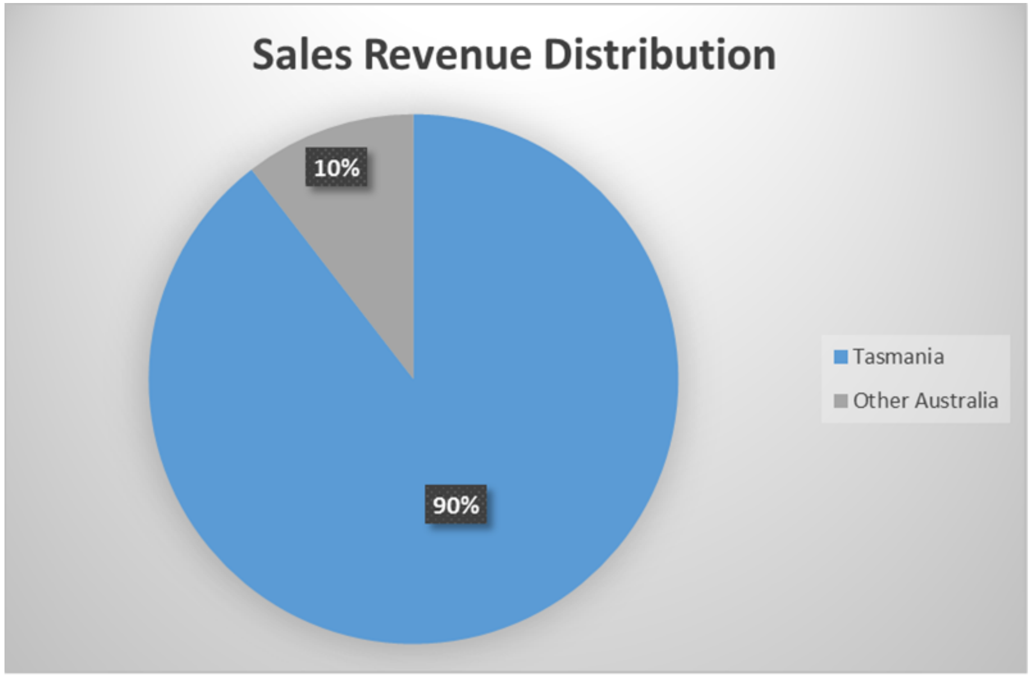
	2016 $'000	2015 $'000
Sales Revenue	15,980	1,019
Profit/(loss) before tax from continuing operations	(2,611)	(2,096)
Profit/(loss) after tax from continuing operations	(2,982)	(2,096)

Each individual business unit reported sales growth during the 2016 financial year when compared to the prior year comparative period, with sales revenue growth of 47% in Meander Valley Dairy, 3% in Nichols Poultry and 79% in Shima Wasabi.



2016 Sales Revenue





Nichols Poultry represents 87% of the revenue and is sold only within Tasmania
Revenue growth for 2017 is focused on expanding markets within Australian Eastern seaboard for all products

Financial Position

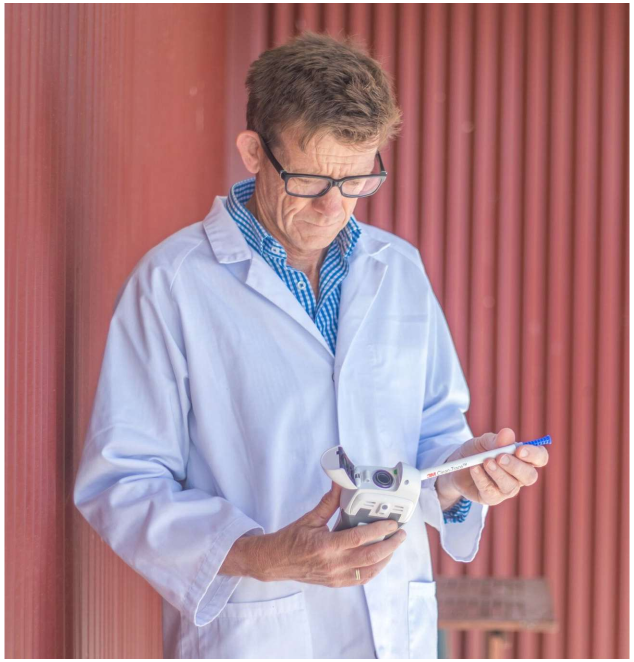
- Net assets increased by $29.5 million as a result of capital raising during the year
- Cash and cash equivalents totalled $11.862. The increase of $9.06 million can be associated with capital raising proceeds retained for working capital and future acquisition and investment activities.
- Property, plant and equipment increased by $12.56 million as a result of the acquisition of Nichols Poultry and Shima Wasabi and investment in equipment and structures to support new business developments
- Minimal debt

	2016 $'000	2015 $'000
Current Assets		
- Cash and cash equivalents	11,862	2,799
- Receivables	2,222	1,718
- Biological assets	1,814	-
- Other	1,569	101
Total Current Assets	17,467	4,618
Non-Current Assets		
- Property, Plant and Equipment	12,793	230
- Intangibles	8,989	1,879
- Other	423	-
Total Non-Current Assets	22,205	2,109
Total Assets	39,672	6,727
Current Liabilities		
- Payables	3,117	990
- Borrowings	690	-
- Provisions	373	187
Total Current Liabilities	4,180	1,177
Non-Current Liabilities		
- Borrowings	321	-
- Provisions	98	-
Total Non-Current Liabilities	419	-
Total Liabilities	4,599	1,177
Net Assets	**35,073**	**5,550**

2016-17 Building Capacity

Establishing standards to support premium market positioning

- Advancing Food Safety programs for all operations to enable compliant supply for wide range of customers
- Developing animal welfare and husbandry standards for new enterprises to meet consumer expectations
- Updating supplier and contractor compliance
- Internal auditing and staff training



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Expanding Production Capacity to Grow the Business

- Relocation of dairy processing operations to larger facility with increased production capacity
- Construction of second wasabi greenhouse to double production
- Installation of new chicken processing equipment to improve product flow and remove bottlenecks
- Expanding number of sheds in chicken contract grower network

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Improving Customer Experience

- Improving quality and consistency of product
- Improving customer feedback processes
- Rationalisation of chicken product range and pricing structure
- Resizing of products
- Provision of sales support material

Building uniformity across the brand portfolio with an endorser brand that focuses on the Tasmanian provenance

shima
wasabi
TASMANIA

島山葵

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Revenue Growth Strategy

- New products
- Improved packaging and product sizing
- Yield improvement
- Expanded lines to existing customers
- New customers

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We expect to see the work we have done to improve the business to impact the company's revenue lines in the second half of 2017

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