

Mr John Murphy

Chair Address – AGM 12 May 2025 11am

Following the Company's restructure that commenced in late 2023, TasFoods is now a much more streamlined business comprising Nichols Poultry closely aligned to core consumer consumption occasions and the Pyengana Dairy Cheese business positioned in the premium end of the cheese market. Completing the portfolio is our successful move into the growing Pet Treat market with Isle and Sky Pet Treats leveraging the Nichols Poultry waste stream.

The 2024 financial year presented significant challenges for the Company, shaped by economic uncertainty weighing heavily on business and consumer confidence, persistent cost of living pressures, and an unprecedented oversupply of poultry in key markets in which we operate.

As household budgets tightened, we observed consumers prioritise value in their everyday purchases, particularly in the grocery channel as discretionary spend declined and the move to more in-home consumption negatively impacted the food service channel. This trend was evident in TasFoods key markets, where value offerings gained market share at the expense of premium brands. This resulted in a notable shift of consumer preference from independent local operators to major national chains. Compounding these challenges, an oversupply of poultry in Australian mainland markets led to a substitution of low-cost mainland poultry into the Tasmanian market, intensifying competition and driving down wholesale price points.

The board and management remain committed to positioning Nichols Poultry as a leading brand in the affordable premium branded poultry segment while further establishing Pyengana Dairy as Australia's premier cheddar cheese brand – and ultimately one of the world's best whilst accelerating our efforts in the Pet Treat market.

We are disappointed that we have not delivered the results we were targeting in 2024 despite all our efforts and the significant reshaping of the business. We continue to actively review and implement key initiatives to establish a more resilient and robust business with more consistent results focusing on the elements we can control. A key milestone in 2024 was the successful integration of the Nichols Hatchery (Redbank Poultry) into our Poultry division, an important step to strengthen our control over supply chain performance and quality. The successful transition of feed supply from Inghams to Ridley has significantly enhanced the broiler growing operations, improving efficiency and delivering a feed conversion rate of approximately 6% improvement.

Despite the external challenges of 2024, all the team at TasFoods remain laser focused on enhancing operational efficiency, driving more sustainable financial performance across Nichols Poultry and Pyengana Dairy and accelerating growth streams in our emerging Isle and Sky Pet Treats.

I will now make some overall comments on the FY24 results and our CEO Mr Josh Fletcher will provide further commentary and detail on trading and performance in his address.

FY2024 Results

The Company generated total revenue of \$46.8m, down 3.7% on the prior year for continued operations. The lower revenue performance was largely impacted by the challenging market conditions. Operating EBITDA of a \$2.3m loss was an improvement of 35% on the prior year loss of \$3.5m for continued operations. Total Consolidated EBITDA (continued and discontinued operations) for 2024 was a \$2.0m loss, this was a \$2.6m or 56% improvement on 2023.

Total Group Statutory EBITDA loss for continued and discontinued operations was \$8.3m for 2024. Following a review of the value of cash generating units and assets the Company recorded a non-cash impairment charge of \$6.0m for the full year against Nichols Poultry, property, plant and equipment including organic category assets. The impairment is reflective of the current macro-economic environment and the poultry market that Nichols operates in. Despite the impairment the board and management believe in the long-term value of the Nichols Poultry business having established strong brand equity in the premium segment of the market. With Nichols consistent high quality unbranded product it has the potential to be a sustainable business into the future.

The Company delivered a Net Loss After Tax (NLAT) of \$10.7m for continued operations compared to the prior year NLAT of \$5.1m. The impairment charge on Nichols heavily impacted this result.

At year end the Company held \$0.5m in cash, and \$2.4m of undrawn capacity in debt facilities. Net Assets at 31 December 2024 were \$7.1m, representing 1.63 cents per share.

Board Approach

We are committed to being accessible and transparent with the investment community and we will continue to report to investors against our strategy and key initiatives as economic conditions evolve. We regularly review the performance and effectiveness of the board, board composition and skills matrix, to ensure board members possess the range of experience, knowledge and capabilities necessary to deal with the current and emerging business environment.

As previously announced John O'Hara will step off the board at the conclusion of this AGM and I thank John for his significant input, advice and energy to support the board and the management team and wish him well for the future. Recently the board welcomed two directors who are being put forward for election at today's meeting. Both Joshua Fletcher our CEO and Greg Stones bring significant relevant experience and skills to the board. Greg in his short time on the board has brought a fresh perspective and we are benefiting from his contribution. This will be covered when we move to the formal business of the meeting.

The board reviews the Company's remuneration approach on an annual basis to ensure it is fit for purpose considering the relevant market practices and circumstances of the Company. We also continue to recognise the need to recruit and retain the very best talent. This informs the setting of Short-Term and Long-Term incentives that are aligned to growing EBITDA and share price performance. As outlined in the remuneration report, the hurdles were not met in FY24 and as such no incentives were paid.

Outlook

The Company faced a challenging year in 2024 and continues to face a significant number of these dynamics into 2025 as are many industries in the grocery and food service supply sector. We continue to monitor all the settings in the business, in particular the unprecedented surplus mainland chicken supply, and our asset profiles to best navigate through this and remain focused on our key strategic priorities to deliver the best return for shareholders.

The key priorities for the business in 2025 are:

- Enhance earnings in the Poultry division through disciplined cost management, improved equipment reliability, increased production efficiency and further optimise sales channels and product mix initiatives. The recently announced lease of our largest external chicken grower is a significant action to strengthen our supply chain security and commercial position;

- Scale up Pyengana Dairy product range, capability and access to domestic and international markets with the completion of export accreditation (90% achieved) and leverage our café and visitor centre as part of a premium growth strategy;
- Maximise value from our poultry waste streams to reduce costs and increase yield at our poultry production facility and avoiding landfill;
- Accelerate our sales and distribution of Isle and Sky Pet treats leveraging our premium positioning to extend further into new products as we recently announced with the three-year Sales and Distribution agreement with Natures Best one of Australia's largest retail and distribution businesses. This agreement also includes utilising Nichols Poultry waste stream for other products in the Natures Best portfolio;
- Further reduce our overhead cost base reviewing all options to insource or outsource service provisions to enhance our earnings position; and
- Maintain strict disciplines on our working capital management and continue to evaluate our asset portfolio to maximise potential.

The board is currently conducting a review of the merits of TasFoods remaining as a listed entity on the ASX given the historical limited trading and liquidity in our stock, the market capitalisation and share price undervaluing the Company and the greater flexibility in pursuing strategic options as an unlisted company with lower costs and improved management effort in the business. We will keep all shareholders updated as this review progresses and any recommendation by the board would be subject to shareholder and ASX approval.

On behalf of the board, I would like to acknowledge all employees at TasFoods for their resilience and tenacity during a year of extraordinary change and uncertainty. Despite all our efforts our results are not where we want them to be and I thank the team for remaining focused and committed to driving success in 2025 as we continue to deliver outstanding products of the highest quality with our team through our values of passion, respect, accountability and togetherness. We continue to focus on the things we can control and when you look at the features of the total business portfolio and positioning there is a path to sustainable earnings.

I would also like to thank all our valued customers, suppliers and shareholders for your continued support over the journey and what has been a very challenging 2024.

Finally, having announced earlier in the year my stepping down as Chairman and Director of TasFoods at the conclusion of today's Annual General Meeting this will be my final chair address for the company and the role will be well served by Ben Swain as Acting Chairman going forward who has been a significant contributor to the board over the journey. I would like to thank my fellow board directors, Josh, Leanne and the leadership team and all the hard-working team at TasFoods for their incredible support and efforts. It has been a privilege to have been part of such a great team and I look forward to staying in touch, being a supporter and loyal consumer and watching the company transition to the next phase of its evolution.

Thank you.