



COMPANY

Update

Shareholder & Market Update | Autumn 2023



Jon Poke
JON'S
RESERVE

Jon's Reserve

In December, TOC soft-launched its flagship premium oyster brand 'Jon's Reserve' in Australia which was met with substantial demand for the luxury product. The brand encapsulates the story of TOC's own Jon Poke, one of the forefathers of the Tasmanian oyster industry, and the family legacy that continues within the company.

Having farmed oysters for more than forty years in the far north-west of Tasmania, Jon has overcome many adversities and challenges to develop farming processes and techniques that produces the exclusive, luxury product.

The brand has been developed in conjunction with Jon and his family to

ensure retention of authenticity. The brand is positioned as the most premium oyster in the market, and commands a premium price, at >50% increase on our regular wholesale pricing.

Jon's Reserve is currently exclusively sold to limited wholesalers through to the food-service market, with a premium retail product in development to be launched this calendar year. The product has also featured alongside iconic Tasmanian brands such as House of Arras, selected as the perfect pairing in product launches.

The initial response from chefs and consumers alike has been phenomenal to date in Tasmania, Victoria and New South Wales and we look forward to sharing the experience with the rest of the country.



📍 290 Bicheno Street,
Clifton Beach, Tasmania,
Australia 7020

☎ (03) 6248 9441

✉ info@tasmanianoysterco.com.au

🌐 tasmanianoysterco.com.au

CEO Report

The first half of FY2023 was certainly not without its challenges. Material interruptions to harvests due to a third La Niña season bringing higher than average rainfall and consequential waste-water infrastructure failings. In key harvest areas, as few as five harvest days were available between September and December.

As a result, mature sales were lower than anticipated, and costly stock movements were necessary to maximise available stock. It is improbable that this volume will be regained by the end of the financial year. Revenue for the period totaled c. \$6.4M and we sold 425k dozen mature oysters.

The domestic wholesale market has continued to exhibit strength, with demand surpassing supply during the period. This trend has led to significant farm-gate price increases across the industry, with TOC's prices increasing by over 10% during this period. Late summer and autumn will see a growing demand for our triploid oysters in key markets, which is expected to coincide with the peak oyster demand. Additionally, we are excited to announce that our company was invited to participate in the Taste of Summer event in Tasmania, where we were able to showcase our premium quality oysters and build on our reputation as a leading producer in the region.

Although there was a period of reduced production at our Tasmanian hatchery, I am pleased to report that as of the date of this report, we have significant volumes of spat in our hatchery. In fact, we have achieved a number of highly successful spawns, resulting in strong outcomes for both diploids and triploids. This bodes well for our future production capacity and provides the impetus to explore opportunities with contract growing and joint-venture farming.

I am pleased to announce the recent hiring of John Ramsden and John Wright as Hatchery Manager and Breeding Manager, respectively, for our Tasmanian hatchery operations. The addition of these highly qualified individuals brings a wealth of experience and knowledge to our hatchery business. They come with a proven track record in their respective fields and have already made significant contributions to our operations. Furthermore, the

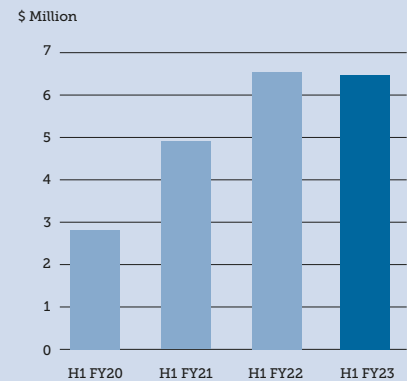
appointment of a specialist Breeding Manager is a testament to our commitment to enhancing our existing breeding program to ensure that our oysters remain world class quality.

Our oyster business in South Australia is experiencing further growth and a deepening understanding of the local industry complexities. Despite the season presenting several interruptions, we have achieved strong production levels, leading to an impressive volume of spat across a wide range of sizes. Pleasingly, sales revenue increased >100% versus the prior year. We continue to implement initiatives to further bolster our position in the market and enhance our reputation in South Australia.

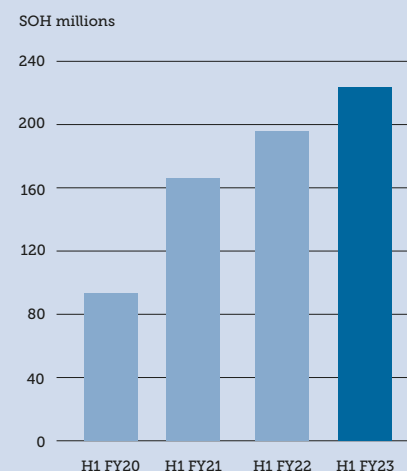
Notably, our asparagopsis joint venture R&D project has been renamed as 'Clean Eyre Global', and we have made further progress on pure cultures in the scaling up phase. To maintain momentum, there has been further investment in P&E, and a dedicated project coordinator has been appointed to oversee the expansion. TOC is now a 30% shareholder in this venture, and maintains a shared-services agreement with the company.

As we progress through the second half of FY2023, we expect to see sustained and robust demand for our oyster products. By leveraging our growing knowledge of the regions in which we operate, we are taking steps to optimise productivity and maximise output, with a focus on building towards future years. Our renewed emphasis on our nursery operations and continued exploration of our geographical diversity will enable us to minimise potential interruptions and risks. As a company, we remain fully committed to delivering value to our shareholders and we maintain a positive long-term outlook.

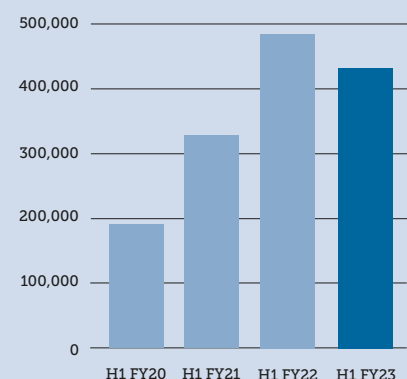
H1 Revenue (\$)



H1 Stock on Hand



H1 Sales Volume Dozens Sold





Sustainable TOC

TOC continues to lead the industry when it comes to bay cleanups.

In October, a team of more than fifteen TOC staff lead an effort to remove more

than fifteen tonnes of feral oysters from Pipeclay Lagoon, in southern Tasmania. This is in addition to the regularly scheduled bay and foreshore cleanups that we complete in each bay.

During the period TOC successfully passed our annual audits for our NASAA Organics certification and our Friends of the Sea Sustainability certification, via the World Sustainability Organisation.

Our People

At the heart of what we do, is our people, and we are committed to providing opportunities for our employees to grow and develop in their roles. During the period we have had three people complete their Cert III or IV in aquaculture and a further five sign on to their traineeships.

We currently have twenty-seven employees undertaking study in aquaculture across our sites.

TOC has also provided opportunities for our employees to participate in secondments interstate which allows



them to gain exposure to new ideas, approaches and best practices. Our commitment to investing in our people has helped us to build a strong and

talented team that is well-equipped to meet the demands of our business and maintain our reputation as a leading oyster producer in Tasmania.