Dear Shareholders

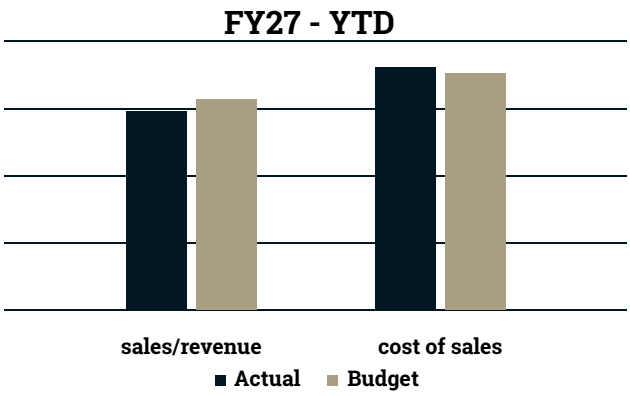
Welcome to the first quarterly update under the revised management structure of TOC Ltd. The Board is committed to reintroducing quarterly updates for members to track the Company's performance and initiatives.

FY26 AUDIT & RESULTS

The FY26 audit is tracking to schedule and will be completed in line with ASIC requirements. The finance team led by CFO Genevieve Ettia has reviewed and implemented systems and efficiency initiatives which will assist the business for future audits. Interim unaudited figures below provide a high-level snapshot for the upcoming FY26 results.

	YEAR ENDED 30 JUNE 2026 $AUD	YEAR ENDED 30 JUNE 2025 $AUD
Revenue from customers	$16.2M	$15.9M
Cost of sales	$16.2M	$17.5M
NPBT (un-audited)	(3.1M)	($10.6M)

Revenue increased YoY, but more importantly our cost of production decreased through reducing total number of employees by 15% and operational expenditure also a reduction YoY.



FY27 BUDGET AND YTD RESULTS

The FY27 budget is forecasting a return to a modest profit. This result will be highly dependant on returning our hatcheries to full production (see below hatchery production).

FY27 performance for the first two months remains in line with budget.

Additional seed purchases from external hatcheries to cover TOCs impacted seed production, resulted in the cost of sales being marginally over budget.

Our financiers NAB provided additional support during July to see the business through the winter period.

SHARE TRANSFERS – SUSPENSION OF TRADING

The new constitution, approved at the FY25 AGM, has raised several practical issues that



HATCHERY AGLAE CULTURE

the Board believes should be revisited.

In particular, clause 10.2, which relates to pre-emptive rights, has created confusion and imposed unintended restrictions on members. As currently drafted, any share transfer or sale, including internal transfers, must be offered to all shareholders. This means even small transfers between related entities, such as superannuation funds and trusts, require TOC to notify all shareholders and facilitate a bidding process for the seller. This process is preventing members from efficiently managing their individual circumstances.

Based on this, the Board, under clause 10.5 of the constitution have suspended the registration of share transfers to enable this aspect of the constitution to be reviewed for better efficiency and for shareholders have considered and voted on the proposed changes. TOC will present proposed constitutional amendments at the AGM scheduled for 27 November 2026.

The TOC Board intends to propose amendments to the TOC Constitution at the upcoming Annual General Meeting on 27th November 2026, to allow for the sale of small parcels of shares without following the pre-emptive rights process.

HATCHERY PRODUCTION CHALLENGES

Over the past 12 months, hatchery performance has been below expectations. Following independent advice, a deep clean, and a review of both hatchery systems, management has identified opportunities to strengthen hygiene practices, standard operating procedures, and water and algae management. These improvements are now being implemented with stronger compliance controls, and early signs indicate that production performance is improving, quickly. While several underlying issues developed over the past 12 months, the focus is firmly on addressing them and rebuilding reliable production capacity.

The business is also working with external hatcheries to rebuild stock levels at the lower end of the production cycle, helping to avoid revenue gaps in future years and to continue supporting our loyal seed customers.

ESPL endured another challenging year recovering from the Harmful Algae Bloom (HAB) event of FY25/FY26, which also resulted in a reduction in stock on hand. Recent personnel appointments have strengthened technical



capability at the South Australian hatchery, with positive production results achieved over the past two months of FY27.

The Board and management will continue to provide shareholders and customers with regular updates on hatchery performance.

TOC | PRODUCTION FY27 OUTLOOK

Abnormal seasonal Autumn and Winter conditions, through calmer weather and warmer sea temperatures, has resulted in above long-term average stock growth. This provides strengthening forecasts for sales leading into the busy Christmas & Summer peak demand. Sales of our mature oysters are tracking to budget, with demand remaining strong.

An intensifying El Niño pattern has emerged in the Pacific Ocean, with scientists forecasting unprecedented summer sea temperatures more than 2 degrees above average. Warmer waters at this level present both opportunities and challenges, including the potential for faster growth rates driven by increased algae, as well as an uncertain risk of increased POMS intensity. TOC's breeding program over the past decade has focused heavily on POMS resistance, with little to no mortality recorded across TOC farms over the past five summers. While the Board is confident the breeding program will help protect stock against any increase in viral loading caused by warmer temperatures, these are unprecedented climate conditions and will continue to be monitored closely.

TOC | SALES

Direct to restaurant sales are increasing, with TOC now supplying 80 restaurants direct on a weekly basis across Tasmania. Planning is underway to increase TOCs direct to restaurant footprint in Northern Tasmania via our Tarkine Fresh brand out of Smithton.

Direct-to-market retail supply is improving price margins; however, processing and distribution costs remain high. Partnering with larger supply chain providers will be a focus this financial year to increase Average Selling Price (ASP).

TOC will again operate a stall at Hobart's Taste of Summer festival from 27 December to 3 January 2027, please drop by and say hello to our team.

EYRE SHELLFISH PTY LTD | RAZOR FISH PROGRAM

ESPL has partnered with Razor Fish Australia to commercialise a controlled and scalable aquaculture and restoration species.

Razor fish “heart”, or abductor muscle, is highly valued by fine-dining restaurants in Australia. It has a sweet, firm texture similar to a scallop, with a more refined flavour profile.

The Harmful Algal Bloom (HAB) significantly affected South Australia’s razor fish population. In December 2025, ESPL successfully completed a trial production spawn run at its Kellidie Bay hatchery and nursery facility, achieving controlled egg and sperm separation and fertilisation. ESPL is now conditioning razor fish broodstock for a commercial spawn run in late 2026.

Post-HAB reef restoration is also being considered. A partnership program has been established with the University of Adelaide to support waterway recovery.

ANNUAL GENERAL MEETING

Our AGM is set for Friday 27th November 2026, with notices to be mailed 4 weeks prior.

The presentation of the FY26 results will be held at our major harvesting farm Boomer Bay, in Dunalley Tasmania. A farm tour will be arranged post meeting for shareholders to view our operations, engage with our team, and taste fresh product direct from the sea.

The Board looks forward to hosting our members.



RAZORFISH HEART