



TASSAL GROUP



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ANNUAL
REPORT

2022

sustainably feeding tomorrow

Company Directory

Directors

James Fazzino, B.Ec (Hons), CPA
(Appointed Chair 28 October 2021)

Allan McCallum AO, Dip.Ag Science, FAICD
(Resigned as Chair and from the Board 28 October 2021)

Mark Ryan, B.Com, CA, MAICD, FAIM (Managing Director)

Richard Haire, B.Ec, FAICD

Georgina Lynch, BA, LLB

Jackie McArthur, B.Eng (Aero)

Kathy Parsons, B.Com, ACA (Appointed 29 October 2021)

John Watson, AM

Chief Executive Officer

Mark Ryan, B.Com, CA, MAICD, FAIM

Company Secretary

Monika Maedler BEc, LLB, FCIS
(Retired on 30 April 2022)

Simon Barrile, BA (Hons), LLB (Hons), LLM (Hons)
(Appointed 1 May 2022)

Registered Office*

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Tasmania 7000
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E-mail tassal@tassal.com.au
Website www.tassalgroup.com.au
ABN 15 106 067 270
(*Also principal administration office)

Auditors

Deloitte Touche Tohmatsu
Level 8
22 Elizabeth Street
Hobart
Tasmania 7000

Bankers

Westpac Banking Corporation
Level 7
150 Collins Street
Melbourne
Victoria 3000

Commonwealth Bank of Australia
Level 20, Tower 1
727 Collins Street
Docklands
Victoria 3008

Coöperatieve Rabobank U.A.
Level 9
1 Collins Street
Melbourne
Victoria 3000

Stock Exchange Listing

Tassal Group Limited is listed on the Australian Securities Exchange.

The Home Exchange is Melbourne, Victoria.

ASX Code: TGR

Share Registry

Register of Securities is held at the following address:

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford
Victoria 3067

Enquiries (within Australia)	1300 850 505
Enquiries (outside Australia)	61 3 9415 4000
Investor Enquiries Facsimile	61 3 9473 2555
Website	www.computershare.com

Executive Directory

Mark Ryan	Managing Director and Chief Executive Officer
Mark Asman	Head of Aquaculture
Andrew Creswell	Chief Financial Officer
Ben Daley	Head of Supply Chain and Commercial Services (Resigned 1 July 2021)
Kaylene Little	Head of People and Communities
Hamish Sutton	Head of Strategy and Supply Chain (Appointed 1 July 2021)
Matthew Vince	Head of Sales and Marketing

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Chairman's and Chief Executive Officer's Report

1. REVIEW OF OPERATIONS

Strong execution against strategy delivers step change in cashflows and returns in FY22

The 12 months ended 30 June 2022 (FY22) saw Tassal successfully execute its focused strategy of driving increasing cashflows and shareholder returns. The Company delivered a step change in operating cashflow and free cashflow, and strong financial results in FY22.

The strong operational and financial performance was sustainably underpinned by the completion of a period of significant infrastructure investment over prior years, growth in salmon prices in Australia and international markets, optimisation of salmon domestic and international sales mix, and strong growth in Tassal's prawn business.

The Company's focused growth strategy has been centred on leveraging its privileged assets and scale to optimise its existing business while capturing new opportunities to innovate and grow:

- With respect to salmon, this has involved delivering sales mix and price optimisation and a continuous focus on efficiency and tech-enablement, maximising cashflow and returns from existing leases
- In prawns, we are now reaping the benefits of increasing scale and yields as Australia's largest prawn farmer and leveraging Tassal's salmon learnings of the past 35 years

- At the same time, Tassal continues to evolve and expand as Australia's Blue AgTech leader through continued innovation and leadership, capturing new market opportunities in seaweed and SmartFarming, as we strive towards a climate-positive future.

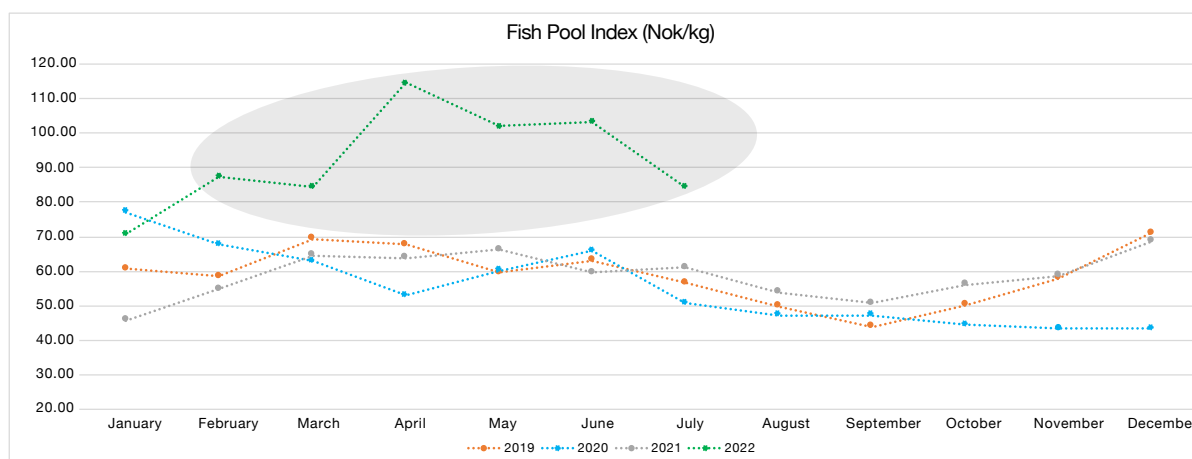
For FY22, delivery of the Company's strategy translated into strong financial results with 32.8% growth in revenue to \$788.7 million, and strong growth in earnings with:

- Statutory EBITDA up 35.7% to \$162.6 million
- Statutory NPAT up 59.9% to \$55.4 million
- Operating (i.e. before SGARA and Significant Items) EBITDA up 25.3% to \$174.5 million
- Operating NPAT up 31.9% to \$63.7 million.

Supportive market and industry conditions

A strong re-rating in salmon prices was experienced globally through FY22, with favourable mega trends continuing to drive salmon consumption growth through a period of no to low supply growth.. Strong pricing gains have also supported the domestic out-of-home (OOH) channel, with prices ending the year at ~\$23 / hog kg, having started at ~\$12 / hog kg.

Set out below is the Fish Pool Index 2022.

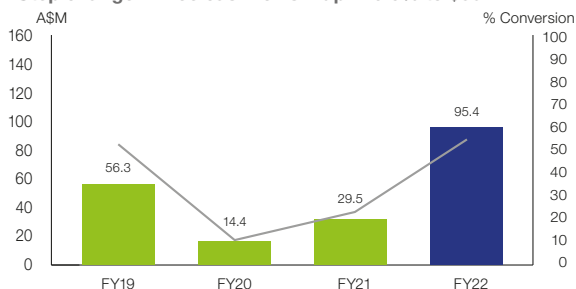


Infrastructure investment has Tassal at scale and moving into a period of reducing net debt

Tassal's performance has been more than a function of market dynamics. Following a period of infrastructure investment through FY18 to FY21 totalling circa \$420 million in capital expenditure, Tassal has reached a position to deliver a sustainable salmon harvest at scale of around 40,000 hog tonnes pa and cemented its market leadership of the domestic prawn market with 5,700 tonnes sold in FY22.

With the completion of the significant capex program, free cashflow stepped up to \$95.4 million in FY22 (FY21: \$29.5 million) and free cashflow after investing activities moved to an inflow of \$62.7 million (FY21: outflow of \$44.6 million). With the strong improvement in cashflows, Tassal stabilised its net debt position at \$333.3 million as at 30 June 2022.

Step change in free cashflows¹ - up 223.6% to \$95M



¹ Free Cashflow is calculated as cashflows from operating activities less maintenance capex. FCF excludes growth capex, ROU liability repayments, debt proceeds and dividends.

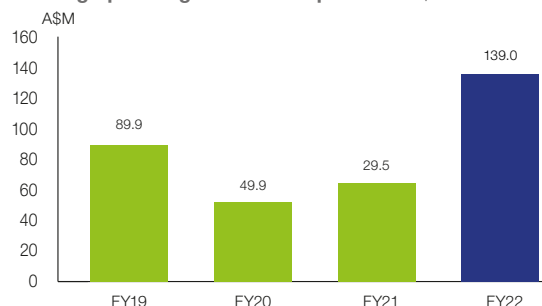
Salmon returns strengthen on sales mix and pricing

In the salmon industry, Tassal has long held market leadership with circa 40% share of domestic supply, underpinned through long term leases to farm circa 1,300 hectares of Tasmanian waterways and world-class infrastructure both on the water and onshore. Barriers to entry have been high through biosecurity restrictions on imports of both fresh hog salmon and genetics, country of origin labelling, limitations on marine leases and long lead time capital and working capital cycles.

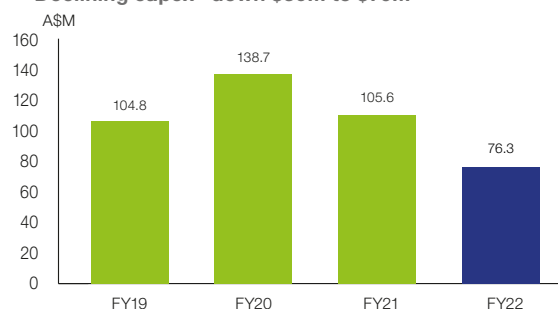
Tassal's strategy of leveraging its unique assets to optimise sales mix and pricing was rewarded. Salmon volume growth of 14.8% translated to 29.8% growth in revenue to \$610.9 million and 22.1% growth in EBITDA to \$146.6 million.

Results were predominately driven by a doubling of international sales volumes as this market became a strong viable alternative to lower value segments of grocery, and Tassal leveraged its supply chain advantage into Asia. The profitable sale of frozen inventory through smoked salmon sales also contributed positively for the year. While OOH volume was down due to COVID-19 restrictions on foodservice, price increases achieved well above inflation drove an uplift in EBITDA per kg in this highly profitable channel. The opportunistic mix shift to attractively priced international sales was also accretive to EBITDA per kg for the year.

Strong operating cashflow - up 128% to \$139M



Declining capex - down \$30M to \$76M



Total Salmon Sales	FY22	FY21	Change
Salmon Volume (Hog equivalent tonnes)	43,075	37,509	14.8% ▲
Salmon Average price (\$/Hog kg equivalent)	\$14.18	\$12.54	13.1% ▲
Salmon Revenue (A\$m)	610.92	470.54	29.8% ▲
EBITDA (A\$m)	146.59	120.03	22.1% ▲
EBITDA (\$/kg)	\$3.40	\$3.20	6.3% ▲

Chairman's and Chief Executive Officer's Report (continued)

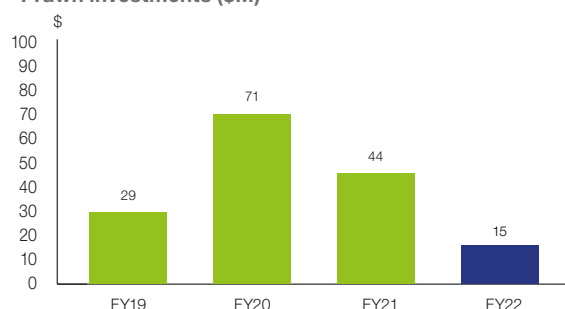
Prawns reaping benefits of scale

With more than \$150 million in capital invested since FY19, Tassal is now reaping the benefits of economies of scale as Australia's largest prawn farmer. Competitive advantages similar to salmon are also facilitating price rises and returns, with biosecurity restrictions providing barriers to comparable imports and nitrogen caps acting as a hurdle to new domestic entrants.

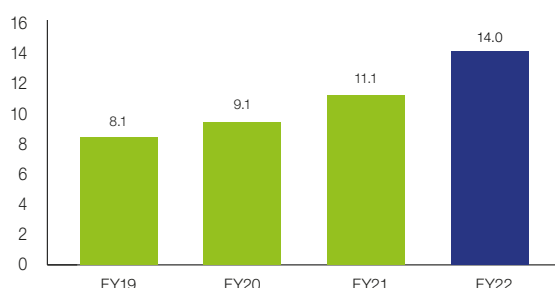
Substantial prawn volume growth of 70.0% was supported by gains on average yield, with this growth and efficiency being achieved through applying the lessons from 35 years of salmon farming. SmartFarming initiatives including selective breeding programs, fish husbandry, automated feeding, diet optimisation and real-time monitoring, all having proven transferable between species.

Reducing speed and increasing efficiency

Prawn investments (\$M)



Average yield (tonnes/hectare)



With the Company's focus on driving per capita prawn consumption growth and vision for Tropic Co to be Australia's number 1 farmed tiger prawn brand, volumes into grocery outperformed the growth in OOH market. Prawn revenue increased 80.4% to \$107.9 million, with price increases coming through both channels.

EBITDA also grew at a high rate of 56.5% to \$26.9 million, albeit EBITDA per kg was lower with the mix shift to grocery and partial offsets of inflation across the supply chain. EBITDA per kg at \$4.70 nonetheless remains attractive relative to other aquaculture.

Total Prawn Sales	FY22	FY21	Change
Prawn Volume (tonnes)	5,697	3,350	70.0% ▲
Prawn Average Price (\$/kg)	\$18.94	\$17.85	6.1% ▲
Prawn Revenue (\$m)	107.90	59.81	80.4% ▲
EBITDA	26.88	17.18	56.5% ▲
EBITDA (\$/kg)	\$4.72	\$5.13	(8.0%) ▼

Tassal is leading the industry on environmental initiatives

Tassal remains Australia's number 1 ranked and top 15 globally ranked sustainable protein producer on the FAIRR Protein Producer Index, and maintained industry leading compliance and certification rates across salmon and prawn operations during the year.

As Australia's Blue AgTech leader and largest vertically integrated seafood producer, Tassal's purpose is to contribute to a prosperous, healthy planet for future generations. Tassal's 5 pillars (5P's) of a responsible business – Product, Planet, People, Principles of governance and Prosperity – and shared values are an essential part of delivering on the Company's purpose, business objectives and culture.

Tassal has become Australia's largest seaweed farmer, with circa 3,300 tonnes of seaweed grown to date and an estimated 22 tonnes of nitrogen removed from prawn ponds. Seaweed is proving a reliable nature-based solution for water quality restoration.

Information on Tassal's sustainability initiatives and achievements is outlined in the Company's FY22 results materials and its Sustainability Report.

Tassal has embedded its commitment to sustainability into its financing

Tassal's new sustainability linked loan provides incentives to Tassal to deliver against three categories of KPIs:

- Reducing Scope 1, 2 & 3 greenhouse gas emissions in salmon production
- Improving the biological feed conversion ratio in salmon operations and percentage of certified marine feed ingredients
- Maintaining Aquaculture Stewardship Council (ASC) certification across Tassal's South-East salmon harvest leases.

FY22 statutory results

EBITDA, EBIT and NPAT excluding significant items are financial measures not prescribed by Australian Accounting Standards (AIFRS) and represent the profit under AIFRS adjusted for specific significant items. The Directors consider these measures to reflect the core earnings of the Company, and are described in this report as either 'underlying' profit (when considered after the impact of AASB 141) and 'operational' profit (when considered before the impact of AASB 141).

Tassal has followed the guidance for underlying profit as issued by the Australian Institute of Company Directors and Financial Services Institute of Australasia in March 2009, and ASIC Regulatory Guide RG 230 'Disclosing non-IFRS financial information'.

The key financial results for FY22 were:

Full Year ended 30 June 2022	Statutory Profit \$'000	Significant Items \$'000	Underlying Profit \$'000	AASB 141 Impact \$'000	Operational Profit \$'000
Revenue (from all sources)	\$788,670	\$0	\$788,670	\$0	\$788,670
EBITDA	\$162,643	\$32,118	\$194,761	(\$20,195)	\$174,566
EBIT	\$90,478	\$32,118	\$122,596	(\$20,195)	\$102,401
Profit before income tax expense	\$76,624	\$32,118	\$106,742	(\$20,195)	\$86,547
Income tax expense	(\$19,279)	(\$9,635)	(\$28,914)	\$6,058	(\$22,856)
Net profit after income tax expense	\$55,345	\$22,483	\$77,828	(\$14,137)	\$63,691

Full Year ended 30 June 2021	Statutory Profit \$'000	Significant Items \$'000	Underlying Profit \$'000	AASB 141 Impact \$'000	Operational Profit \$'000
Revenue (from all sources)	\$594,035	\$0	\$594,035	\$0	\$594,035
EBITDA	\$119,814	\$16,431	\$136,245	\$3,106	\$139,351
EBIT	\$61,359	\$16,431	\$77,790	\$3,106	\$80,896
Profit before income tax expense	\$48,061	\$16,431	\$64,492	\$3,106	\$67,598
Income tax expense	(\$13,441)	(\$4,929)	(\$18,370)	(\$932)	(\$19,302)
Net profit after income tax expense	\$34,620	\$11,502	\$46,122	\$2,174	\$48,296

Statutory results

Biological assets (being salmon at sea and prawns in ponds) are accounted for in accordance with Accounting Standard AASB 141 'Agriculture'. The biological assets are accounted for at the fair value of the salmon and prawns at an estimated harvest tonnage and at an estimated future net market value.

Further, finished goods (being harvested salmon and prawns on hand at reporting date) are accounted for in accordance with AASB 102 'Inventories'. The finished goods are accounted for at the fair value of the raw materials (i.e. salmon and prawns) at the point of harvest (not including processing costs) at an estimated future net market value.

The combination of the above calculations, are, in aggregate compared to the values at the previous reporting period (i.e. 30 June 2021) with any difference in value then applied to the income statement as an increment (SGARA uplift) or decrement (SGARA reduction).

The Company's pre-tax adjustment for FY22 was an increment of \$20.2 million (FY21: decrement of \$3.1 million).

The key FY22 statutory financial results were:

- **EBITDA** up 35.7% to \$162.6 million (FY21: \$119.8 million)
- **EBIT** up 47.5% to \$90.5 million (FY21: \$61.4 million)
- **NPAT** up 59.9% to \$55.4 million (FY21: \$34.6 million)
- **Operating cashflow** up 127.8% to \$139.0 million (FY21: \$61.0 million).

Dividend

The Directors of Tassal have not declared a final dividend for FY22.

Risk & Risk Management

Tassal recognises that risk is an integral part of doing business and that effective risk management is required to create and protect value for all our stakeholders. Tassal is committed to fostering a risk-aware corporate culture and embedding robust risk management practices within all our operations.

The Company's risk management system identifies risks, rates their severity and puts in place mitigations, strategies and controls to both minimise the likelihood of risk events occurring and reducing any adverse consequences if they do, including business continuity planning to proactively manage any business disruption events.

Material business risks are reviewed regularly by the Board. The Board does this through the Risk and Responsible Business and Audit Committees. Where appropriate, the Committees will also source the support of both internal and external risk professionals.

Tassal's approach to Risk Management comprises the following key elements:

- Risk Management Policy
- Risk Appetite Statement broken out into our 5 guiding Principles of People, Product, Planet, Prosperity and Principals of Governance

Chairman's and Chief Executive Officer's Report (continued)

- Risk Management Framework which provides the structure to support the process of identifying, assessing, managing, monitoring and reporting both financial and non-financial risks so risks are managed within the agreed risk tolerance set by the Board.

Tassal's Risk Management Framework is regularly reviewed and aligns to AS/NZS ISO 31000:2018 Risk Management – Guidelines and ASX Corporate Governance Council's Corporate Governance Principles and Recommendations - 4th edition (2019) and considers both the external and internal environment in which the business operates.

Risk Management Framework Summary



Key Risks

The following table provides a selection of the material risks that could impact Tassal. This list is not necessarily exhaustive, the nature and materiality of some risks may change and new risks may emerge. We have categorised our risk reporting to align with our "5P's" – people, product, planet, prosperity and principles of governance, which guide our strategic purpose.

Risk Category	Description	Key Risk Mitigation Actions to Manage Risk
PEOPLE		
Safety	Tassal recognises the risk of serious harm to employees, visitors or contractors as an inherent risk within our operations, and one that requires active and continuous focus, culture, investment and resourcing at all levels and across all operations.	<ul style="list-style-type: none"> • Work Health and Safety Management System, accredited to ISO 45001:2018. • "Zero by Choice" safety and workforce culture programs. No job is considered so important it cannot be done safely. • Safety measures established to drive safety performance and culture across the organisation, including zero tolerance of medically treated injuries.
People & Culture	Tassal recognises that our ability to attract, engage, develop and retain the right employees is critical to our ongoing success. Tightening labour market forces conditions are recognised as a risk.	<ul style="list-style-type: none"> • Providing conditions of employment that are competitive to attract and retain high performing talent, including "Employer of Choice" accreditation. • Continued commitment to Tassal's Inclusion and Diversity Policy and programs. • Continued commitment to programs and strategies that grow the skills and performance of our people.
Covid-19	Tassal continues to recognise and manage the risk of Covid-19, both in terms of the safety of our people, and potential disruption to our workforce and supply chain.	<ul style="list-style-type: none"> • Tassal continues to maintain and develop Covid-19 safe work practices, business continuity plans and supply chain contingencies. • While experiencing some challenges with respect to Covid-19 related absenteeism, increased freight costs and global supply chain disruptions, Tassal's operations have responded to Covid-19 impacts throughout.

Risk Category	Description	Key Risk Mitigation Actions to Manage Risk
PRODUCT		
Consumer Safety & Product Quality	Tassal recognises that a major food safety issue can result in human health impacts, regulatory consequence, diminished reputation and loss of customers.	<ul style="list-style-type: none"> Comprehensive Food Safety and Quality Management System, centred around a risk-based food safety approach known as HACCP (Hazard Analysis Critical Control Point). Active traceability program, tested frequently (e.g. through mock recalls). Comprehensive program of internal and external audits and certifications.
Operational Risks for livestock in Farming Environment	<p>As a farmer, Tassal is subject to a range of operational risks for livestock in the marine and land farming environment, including:</p> <ul style="list-style-type: none"> natural risks - e.g. inclement weather fluctuating water temperatures (e.g. higher ocean temperatures over summer) predation – e.g. seals; and disease and biological events - e.g. salmon with Amoeba Gill Disease (AGD) and Pilchard Orthomixus Virus (POMV), and for prawns White Spot. <p>Which may adversely impact growth, harvest weight and volume, mortality, product quality and reputation.</p> <p>A key risk consideration for Tassal is aquaculture insurance (i.e. insurance of our salmon and prawn livestock). Tassal continues to rely on risk management programs in lieu of taking out livestock insurance policies.</p>	<ul style="list-style-type: none"> Geographical diversity of marine leases and hatcheries (salmon) and land-based farms (prawns). Animal health, welfare and biosecurity management programs and plans, supported by our veterinarians and animal health and welfare specialists. Continued focus on R&D and innovation programs, including Smart Farming technology and seaweed growing. Tassal's Business Continuity Planning Policy and Framework provides for a structured approach to manage business-disruption risk and mitigation of adverse consequences should a stock health event occur. <p>Specifically for salmon:</p> <ul style="list-style-type: none"> Continual focus on improved husbandry practices including stocking density management, automated feeding, optimised diets, net hygiene, emergency oxygenation systems and vaccinating against disease (e.g. POMV vaccine). Tassal's well boat (the "Aqua Spa") has optimised the fresh water bathing and fish transport programs, critical to management of AGD and stock health. The completion of our Ocean Sanctuary Pen program to reduce seal interactions with our stock and staff. The Selective Breeding Program (SBP) continues to improve growth, resistance to diseases and resilience of salmon with warming water temperatures. <p>Specifically for prawns:</p> <ul style="list-style-type: none"> Biosecurity management program to mitigate risks of disease impacting our stock Commencement of Specific Free Pathogen (SFP) program for broodstock, the first element of our selective breeding program for prawns. Continual focus on improved husbandry practices, including optimising management of water quality, flows and oxygenation, diet and automated feeding through our Smart Farming technology. Establishment of fresh water storage systems at Proserpine to mitigate salinity risks during tropical dry season.
Farming Infrastructure & Equipment Risks	Tassal's vertically integrated business involves various Tassal facilities, including hatcheries, vessels and shore bases, primary and value-add processing facilities.	<ul style="list-style-type: none"> Tassal recognises that a loss, or disruption to a facility or key equipment could occur through a range of events (e.g. natural disasters, fire, extended loss of critical service or infrastructure, equipment failures or breakdowns), and that this may impact WH&S as well as stock production and performance. Asset management and preventative maintenance programs, including regular inspections and scorecards. Emergency response and business continuity plans and procedures across various categories of asset risk. Insurance programs in place which cover loss of major infrastructure and equipment assets.
Information Technology (IT), Operational Technology (OT) & Cyber Risk	Tassal's operations rely on IT and OT systems. Tassal recognises the elevated risk of cyber-attack.	<ul style="list-style-type: none"> Tassal has undertaken a cyber security hardening program, along with external benchmarking. In recognition of increased threat environment Tassal is implementing further programs to strengthen mitigations against cyber risks.

Chairman's and Chief Executive Officer's Report (continued)

Risk Category	Description	Key Risk Mitigation Actions to Manage Risk
PLANET		
Compliance and Operating Licences	<p>Tassal's operations are subject to local, state and federal regulation, including extensive regulation by environmental agencies.</p> <p>Tassal recognises that a significant non-compliance may have serious regulatory, financial and reputational consequences.</p>	<ul style="list-style-type: none"> Our marine farming operations (salmon) are dependent on fish farming licences. We invest significantly in programs to maintain the health and compliance of our farms, factories and hatcheries. Enterprise Compliance Management Framework, including compliance programs and specialist teams in key risk areas: Environment, Work Health and Safety and Quality (food safety). Third party sustainability certifications and audits (e.g. ASC), provide third party assurance. Sustainability reporting, aligned to the Global Reporting Initiative (GRI) Standards, together with 'live' dashboards provides visual transparency on compliance performance, approaches and activities – e.g., Tassal's commitment to our 'stop it at the source' program (marine debris). Ongoing review of any changes in relevant laws, regulations and policies that may impact Tassal is undertaken by our legal and community engagement teams.
Negative Community Sentiment and Media Coverage	<p>Aquaculture-raised salmon, in particular, has in some instances been subject to criticism from various interest groups and individuals, locally and around the world. Negative attitudes and adverse media coverage may impact demand for Tassal products.</p>	<ul style="list-style-type: none"> Commitment to maintaining community, consumer and regulatory support and trust through transparency and disclosure to enable people to access accurate information about our industry and our products – e.g. Sustainability Reporting and dashboards. A proactive engagement strategy implemented across operating communities and more broadly. This focuses on a range of partnerships and initiatives aligned to Tassal's Community Charter.
Climate Change	<p>Climate-related risks relate to transition risks to a lower carbon economy as well as risks related to the physical impacts of climate change.</p> <p>Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaption requirements related to climate change.</p> <p>Physical risks resulting from climate change can be acute or chronic.</p> <p>Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones or floods.</p> <p>Chronic physical risks refer to longer term shifts in climate patterns (e.g. sustained higher temperatures, changes in rainfall patterns) that may cause sea level rises or chronic heat waves, droughts.</p>	<p>Across salmon and prawns:</p> <ul style="list-style-type: none"> Board Risk and Responsible Business Committee established to assist the Tassal Board with overseeing climate-related risk & risk management. Continuing to work towards publication of climate road-map to 2030, and reporting in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Continually improving farming technologies and practices – utilising "SmartFarming" to better respond to volatility in climate, and potential transition risks. Species diversification with prawns – prawns are a "warmer" climate species. Species diversification with seaweed – recognising opportunity to unlock blue carbon opportunities. Tassal's Business Continuity Planning Policy and Framework, includes planning for event-driven physical risks (e.g. cyclones, floods, bushfires). <p>For salmon:</p> <ul style="list-style-type: none"> Selective Breeding Program (SBP), including focus on resilience of salmon to warming waters. Developing fuel reduction and renewable energy initiatives to reduce Tassal dependence on fossil fuels and further embed salmon as a low carbon protein alternative for consumers (e.g. progressively substituting diesel compressors with lower GHG emitting electrical alternatives). <p>For prawns:</p> <ul style="list-style-type: none"> Tassal has commenced our SPF program for prawns, in order to reduce our reliance on wild-caught broodstock. Continuing to explore on-farm renewable energy initiatives and partnerships (e.g. solar) to reduce reliance on fossil fuels.

Risk Category	Description	Key Risk Mitigation Actions to Manage Risk
PROSPERITY		
Liquidity Risks	Tassal exposure to movements in interest rates, foreign exchange rates, and customer default.	<ul style="list-style-type: none"> With major salmon and prawn expansion capex projects completed. Tassal is now delivering strong cash generation. Management, the Board, and the Audit Committee receive regular reports on key performance indicators reflecting interest and foreign currency exposures, product pricing, liquidity and funding, and which are managed in accordance with Tassal's Treasury Policy. Tassal maintains credit insurance arrangements for appropriate customer accounts.
Pricing Risk	<p>Tassal's financial performance is subject to a number of market factors, including pricing variability.</p> <p>Future pricing outcomes may differ materially from the current pricing due to (but not limited to) changes in general business and economic conditions.</p>	<ul style="list-style-type: none"> The global salmon pricing environment is currently strong, supported by attractive domestic salmon industry dynamics, high barriers to entry, strong demand and limited supply growth. Tassal continues to focus on building strong customer relationships, disciplined channel mix (variable vs fixed pricing), balanced customer mix, increasing branded ranging & distribution, and product innovation as a mitigation to pricing risk.
Economic Risks and Volatility - the "3Cs" – Covid-19, Conflict with Russia & Ukraine, & Climate	<p>Tassal recognises that the current economic climate is particularly impacted by the 3Cs.</p> <p>The 3Cs have the potential to lead to further input-cost inflation (e.g. feed, electricity and fuel), along with further global supply chain pressures and disruptions.</p>	<ul style="list-style-type: none"> Tassal continues to focus on building resilience to offset economic conditions - delivering improved cash flow, pricing and mix optimisation. Increased pricing currently offsetting cost-inflation pressures. Noting that future pricing outcomes may differ materially from the current pricing due to (but not limited to) changes in general business and economic conditions. Electricity supply to all major sites contracted to 2024, minimal exposure to current pricing volatility. Fuel use reduction program in place to both reduce cost and GHGe.
PRINCIPLES OF GOVERNANCE		
ESG Governance	Tassal recognises that management and disclosure of sustainability risks (including ESG and climate change) is key to maintaining our reputation and performance.	<ul style="list-style-type: none"> Tassal's Responsible Business Roadmap represents an evolution of Tassal's ESG approach. It sets out a tailored program of inclusive action across seven areas of accelerated transformation: waste, people and communities, climate and circularity, freshwater, responsible sourcing, governance and animal welfare, and provides for enhanced reporting and transparency. Risk and Responsible Business Committee of the Board established, with responsibility for overseeing ESG risk, strategy, and reporting.

On behalf of the Directors,



James Fazzino
Chair



M. A. Ryan
Managing Director & Chief Executive Officer
Hobart, this 16th day of August 2022

Directors' Report

The Directors present their report together with the Annual Financial Report of Tassal Group Limited (the Company) and the consolidated Annual Financial Report of the consolidated entity, being the Company and its controlled entities (the Group), for the year ended 30 June 2022.

1. DIRECTORS

At the date of this report, the Directors of the Company who held office at any time during or since the end of the financial year are:

Name:

Mr James Fazzino
(Director since 29 May 2020)
(Appointed Chair 28 October 2021)

Mr Allan McCallum AO
(Resigned as Chair and from the Board 28 October 2021)

Mr Mark Ryan – Chief Executive Officer
(Director since 21 December 2005)

Mr Richard Haire
(Director since 5 March 2020)

Ms Georgina Lynch
(Director since 27 November 2018)

Ms Jackie McArthur
(Director since 27 November 2018)

Ms Kathy Parsons
(Appointed 29 October 2021)

Mr John Watson
(Director since 19 March 2018)

2. PRINCIPAL ACTIVITIES

During the year the principal activities of the consolidated entity were the farming of Atlantic Salmon and Tiger Prawns and the processing and marketing of salmon, prawns and other seafood.

3. DIVIDENDS

Since the end of the 2021 financial year the following dividends have been paid:

- a. On 17 August 2021, the Directors declared an unfranked dividend of 7.00 cents per ordinary share amounting to \$14.864 million in respect of the financial year ended 30 June 2021. The record date for determining entitlements to this dividend was 15 September 2021. The final dividend was paid on 29 September 2021.
- b. On 15 February 2022 the Directors declared an interim unfranked dividend of 8.00 cents per ordinary share amounting to \$17.089 million in respect of the half year ended 31 December 2021. The record date for determining entitlements to this dividend was 15 March 2022 with a payment date of 30 March 2022.

4. REVIEW OF OPERATIONS

The consolidated net profit after tax for the financial year was \$55.345 million. (For the financial year ended 30 June 2021: \$34.620 million).

The consolidated entity's revenue was \$773.338 million compared with \$583.860 million for the financial year to 30 June 2021.

Earnings before interest and tax (EBIT) was \$90.478 million compared with \$61.359 million for the financial year to 30 June 2021.

Cashflow from operating activities was significantly utilised to underpin the growth of livestock inventory and infrastructure investment which, in turn, will underpin future profitability.

Earnings per share (EPS) on a weighted average basis was 25.91 cents per share compared with 16.40 cents per share for the financial year to 30 June 2021.

Further details on review of operations and likely future developments are outlined in the Chairman's and CEO's Report on pages 2 – 9 of this Annual Report.

5. CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review not otherwise disclosed in this Directors' Report or the Annual Report.

6. FUTURE DEVELOPMENTS

Likely developments in the consolidated entity's operations have been commented on in a general nature in the Annual Financial Report. In particular, reference should be made to the joint Chairman's and CEO's Report.

7. EVENTS SUBSEQUENT

Material events subsequent to the reporting date are disclosed in note 2 to the financial statements.

8. INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company (as named above), the Company Secretary, and all officers of the Company against a liability incurred as such a Director, Secretary or officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

9. ENVIRONMENTAL REGULATION

The consolidated entity's operations are subject to Commonwealth and State regulations governing marine and hatchery operations, processing, land tenure and use, environmental requirements, including site specific environmental licences, permits, and statutory authorisations, workplace health and safety and trade and export.

The consolidated entity's management regularly and routinely monitor compliance with the relevant environmental regulations and compliance is regularly reported to the Board.

The consolidated entity has well established procedures to monitor and manage compliance with existing environmental regulations and new regulations as they come into force.

The consolidated entity employs a Head of Sustainability whose role is to ensure compliance with the regulatory framework and implement processes of continuous improvement with respect to environmental management.

Further details with respect to the consolidated entity's sustainability credentials and environmental management policies are outlined in the Chairman's and CEO's Report on pages 2 - 9 of the Annual Report.

The Directors believe that all regulations have been materially met during the period covered by this Annual Report and are not aware of any significant environmental incidents arising from the operations of the consolidated entity during the financial year.

10. CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support the principles of good corporate governance.

The consolidated entity's statement on the main corporate governance practices in place during the year is set out on the Company's website at <http://www.tassalgroup.com.au/investors/governance/policies/>

The Chief Executive Officer and Chief Financial Officer have declared, in writing to the Board, that the Company's Annual Report is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

The Company's Head of Risk has also provided a letter of assurance confirming that:

- the Company's risk management system is supported by a well-structured framework and policy, which is established based on the guidelines from AS/NZS ISO 31000:2009 Risk Management and ASX Corporate Governance Principles and Recommendations;
- appropriate and adequate risk management and control monitoring and reporting mechanisms are in place; and
- the Company's risk management and internal compliance and risk related control systems are operating efficiently and effectively in all material respects.

11. AUDITOR'S INDEPENDENCE DECLARATION

There were no former partners or directors of Deloitte Touche Tohmatsu, the Company's auditor, who are or were at any time during the financial year an officer of the Company.

The auditor's independence declaration made under section 307C of the *Corporations Act 2001* is set out on page 30 and forms part of this Directors' Report.

12. NON-AUDIT SERVICES

During the year Deloitte Touche Tohmatsu, the Company's auditor, has performed certain "non-audit services" for the consolidated entity in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- Non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed to ensure they do not impact the integrity and objectivity of the auditor; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards.

Details of the amounts paid to Deloitte Touche Tohmatsu for audit and non-audit services provided during the year are set out in note 6 to the financial statements.

13. PROCEEDINGS ON BEHALF OF THE COMPANY

There were no proceedings brought or intervened in on behalf of the Company with leave under section 237 of the *Corporations Act 2001*.

Directors' Report (continued)

14. INFORMATION ON DIRECTORS

Director	Qualifications and experience	Special responsibilities	Particulars of Directors' interests in ordinary shares, options and performance rights over ordinary shares in the Company
JAMES FAZZINO (Chair from 28 October 2021) BEc (Honours)	<p>James has extensive national and international business experience in industrial chemicals, fertilisers, explosives and manufacturing sectors.</p> <p>James held senior executive roles with Incitec Pivot Limited in the period 2003 to 2017 including being its Managing Director and Chief Executive Officer from 2009 to 2017. James is currently a director of APA group and Rabobank Australia Limited. He is also the Chair of Implant Solutions Pty Limited (Osteon Medical) and Manufacturing Australia.</p> <p>James holds a Bachelor of Economics (Honours) and is a fellow of CPA Australia.</p>	<p>Chair of the Board of Directors from 28 October 2021</p> <p>Chair of the Nominations Committee from 28 October 2021</p> <p>Independent Non-executive Director</p>	131,369 Ordinary Shares
ALLAN McCALLUM AO (Chair until retirement from the Board on 28 October 2021) Dip. Ag Science, FAICD	<p>Allan is Chairman of Cann Group Limited.</p> <p>Allan is a member of the Rabobank Advisory Board.</p> <p>Allan is a former Chairman of Vicgrain Limited and CRF Group Ltd and Deputy Chairman of Graincorp Limited. He was also a Non-Executive Director of Incitec Pivot Limited and Medical Developments International Limited.</p> <p>Allan has extensive experience in the agribusiness sector across production, processing, logistics and marketing.</p>	<p>Chair of the Board of Directors until 28 October 2021</p> <p>Independent Non-executive Director</p> <p>Chair of the Nominations Committee until 28 October 2021</p>	Nil Ordinary Shares
MARK RYAN (Managing Director and Chief Executive Officer) B.Com, CA, MAICD, FAIM	<p>Mark is the Managing Director and Chief Executive Officer of Tassal Group Limited, a position that he has held since November 2003. Mark holds a Bachelor of Commerce from the University of Tasmania, is a Chartered Accountant, a fellow of Australia Institute of Management and a Member of the Australian Institute of Company Directors. Mark holds Board positions with Salmon Enterprises of Tasmania Pty Ltd (Industry hatchery), Seafood Industry Australia and Tasmanian Bakeries.</p> <p>Mark has extensive experience in the finance and turnaround management sector, with experience gained through PricewaterhouseCoopers, Arthur Andersen and KordaMentha. Mark was previously a partner with KordaMentha.</p>	<p>Managing Director and Chief Executive Officer</p>	234,512 Ordinary Shares 363,740 Performance Rights
JACKIE MCARTHUR BEng (Aero)	<p>Jackie has more than 20 years' experience at executive level roles in supply chain and logistics, as well as in operations, transport, food and packaging manufacturing, emerging brand issues and crisis management, risk management, corporate social responsibility, compliance, governance and information technology. Most recently she was Managing Director, Australia and New Zealand, of Martin-Brower ANZ, the exclusive distributor to McDonald's restaurants across Australia and New Zealand. Previously, for more than thirteen years, she held various senior executive positions with McDonalds, both in Australia and overseas, including Vice President of Supply Chain for Asia, Pacific, Middle East and Africa and, in McDonalds Australia, as Senior Vice President Chief Restaurant Support Officer and Vice President Supply Chain Director.</p> <p>Jackie was the 2016 Telstra NSW Business Woman of the Year and overall 2016 Telstra Business Women's Awards - Corporate and Private National Winner. She has completed the INSEAD International Executive Program, has a Bachelor of Engineering from the University of Sydney and is a member of the Australian Institute of Company Directors. Jackie is also a Non-Executive Director of Ingham's and Qube Holdings Ltd. She has also been a non-executive director of Invocare and Blackmores Limited.</p>	<p>Independent Non-executive Director</p> <p>Chair of the Risk and Responsible Business Committee</p> <p>Member of the Audit Committee</p> <p>Member of the Remuneration Committee until 29 October 2021</p>	55,879 Ordinary Shares

Director	Qualifications and experience	Special responsibilities	Particulars of Directors' interests in ordinary shares, options and performance rights over ordinary shares in the Company
JOHN WATSON AM	<p>John has returned to the Tassal Board as from March 2018 having previously served as a Non- Executive Director from October 2003 to October 2015. John has had extensive experience in the food production and processing industries as a producer and Non-Executive Director. In his time as a Non-Executive Director, John has been on many boards of listed and unlisted companies in Australia and New Zealand and has served on numerous advisory boards to State and Commonwealth governments.</p> <p>John was a Non-Executive Director and Chairman of Incitec Pivot Limited from December 1997 to 30 June 2012. John was also Governor of the Van Dieman's Land Company (now VDL Farms) from 2008 to 2011 and was on the Board of the Numurkah District Health Service from 2015 to 2018.</p>	<p>Chair of the Audit Committee until 5 July 2022</p> <p>Independent Non-executive Director</p> <p>Member of the Nominations Committee</p> <p>Member of the Audit Committee</p>	240,841 Ordinary Shares
GEORGINA LYNCH BA LLB	<p>Georgina has over 25 years' experience in the financial services and property industry. In her executive career she held senior roles at AMP Capital Investors, Galileo Funds Management and Stockland.</p> <p>In addition to her role on the Tassal board Georgina is the Independent non -executive Chairman of Cbus Property and Independent Non-Executive Director of ASX-listed Waypoint REIT (formerly Viva Energy REIT) and ASX and JSE listed Irongate Group (formerly Investec Property Group).</p> <p>Georgina brings significant global experience in corporate transactions, capital raisings, initial public offerings, funds management, corporate strategy and acquisitions and divestments to the board.</p>	<p>Independent Non-executive Director</p> <p>Member of the Remuneration Committee</p> <p>Member of the Nominations Committee</p> <p>Member of the Risk and Responsible Business Committee</p>	35,833 Ordinary Shares
RICHARD HAIRE BEc FAICD	<p>Richard has more than 29 years' experience in the international cotton and agribusiness industry, including 27 years in agricultural commodity trading and banking.</p> <p>Richard is also the Chair of the Cotton Research and Development Corporation and Endeavour Foundation and former Chair of Reef Corporate Services Limited. He also serves as a Non-Executive Director of BEC Stockfeed Solutions Pty Ltd. Richard is a former Director of Bank of Queensland Limited, Open Country Dairy (NZ) and New Zealand Farming Systems Uruguay.</p> <p>Richard holds a Bachelor of Economics from the University of New England, a Diploma in Corporate Management from the University of Sydney and holds a Company Directors Diploma.</p>	<p>Independent Non-executive Director</p> <p>Chair of the Remuneration Committee</p> <p>Member of the Risk and Responsible Business Committee</p>	17,000 Ordinary Shares
KATHY PARSONS (Appointed to the Board from 29 October 2021)	<p>Kathy has over 30 years' experience in finance, accounting and risk management across a range of industries locally and internationally. She is a former senior assurance partner with Ernst & Young and has spent time as a partner in the firm's practices in Australia, USA and UK and brings contemporary financial expertise to the Board.</p> <p>In addition to her role on the Tassal Board, Kathy is a Non-Executive Director and Chair of the Audit Risk and Compliance Committee at McMillan Shakespeare Limited and a Non-Executive Director and Chair of the Audit and Risk Committee at Shape Australia Corporation Limited.</p> <p>Kathy holds a Bachelor of Commerce, Accounting, from the University of New South Wales and is a member of CAANZ.</p>	<p>Independent Non-executive Director</p> <p>Chair of the Audit Committee from 5 July 2022</p> <p>Member of the Remuneration Committee</p>	45,749 Ordinary Shares

The particulars of Directors' interests in ordinary shares, options and performance rights over ordinary shares disclosed above are as at the date of this Directors' Report and as notified by Directors to Australian Stock Exchange Limited in accordance with the S205G(1) of the *Corporations Act 2001*.

Directors' Report (continued)

15. DIRECTORSHIPS OF OTHER LISTED COMPANIES

Directorships of other listed companies held by the Directors in the three years immediately before the end of the financial year are as follows:

Director	Company	Period of Directorship (last 3 years)
Allan McCallum AO	Cann Group Limited	Throughout
James Fazzino	APA Group	Throughout
Mark Ryan	-	None held
John Watson AM	-	None Held
Jackie McArthur	Inghams Group Limited Blackmores Limited Invocare Limited Qube Holdings Ltd	Throughout Until August 2019 Until May 2021 As from August 2020
Georgina Lynch	Waypoint REIT Ltd (formerly Viva Energy REIT) Irongate Group (formerly Investec Property Group)	Throughout As from 1 July 2019 and until July 2022
Richard Haire	Reef Casino Trust Bank of Queensland	Until May 2021 Until April 2020
Kathy Parsons	McMillan Shakespeare Limited Shape Australia Corporation Limited	As from 22 May 2020 As from 5 November 2021

16. DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings (including meetings of Committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or Committee Member). During the financial year, 14 Board meetings, 5 Audit Committee meetings, 3 Remuneration Committee meetings, 2 Nominations Committee meetings and 2 Risk and Responsible Business Committee meetings were held. A Committee re-structure occurred, in which the Risk and Responsible Business Committee was established with its remit to oversee non-financial risk while the Audit Committee continued to oversee financial risk.

Director	Board of Directors meetings		Audit Committee meetings		Remuneration Committee meetings		Nominations Committee meetings		Risk and Responsible Business Committee meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Allan McCallum	4	4	*	*	*	*	*	*	*	*
James Fazzino	14	14	5	5	*	*	2	2	2	2
Mark Ryan	14	14	*	*	*	*	*	*	2	2
John Watson	14	14	5	5	*	*	2	2	*	*
Jackie McArthur	14	14	5	5	2	2	*	*	2	2
Georgina Lynch	14	14	*	*	3	3	2	2	2	2
Richard Haire	14	14	5	5	3	3	*	*	2	2
Kathy Parsons	10	10	3	3	1	1	*	*	*	*

(*not a committee member)

17. COMPANY SECRETARY

Monika Maedler BEc, LLB, FCIS retired as company secretary on 30 April 2022.

Simon Barrile has over 26 years' experience in the legal services industry in governance, commercial and corporate fields, in both private practice at Clayton Utz and in senior executive roles at Racing Victoria Limited.

Simon holds a Bachelor of Arts (Hons), Bachelor of Laws (Hons) and Master of Laws (Hons) from the University of Melbourne and was appointed company secretary on 1 May 2022.

18. REMUNERATION REPORT - AUDITED

16 August 2022

LETTER FROM THE CHAIR OF REMUNERATION COMMITTEE

I am pleased to present Tassal Group's Remuneration Report for financial year 2022.

Remuneration philosophy

The Remuneration Committee is responsible for making recommendations to the Board on remuneration policies and packages applicable to Non-Executive Directors (**NEDs**), the Managing Director & Chief Executive Officer (**MD & CEO**) and the Executive Leadership Team (**ELT**).

The primary objectives of the Remuneration Policy are to ensure that remuneration design and outcomes are aligned to the creation of sustainable shareholder value and entrench Tassal's culture of "no harm". Our Remuneration Policy aims to provide a competitive, flexible and benchmarked reward structure that reflects market practice, is tailored to the specific circumstances of the Company and which reflects the employees's duties and responsibilities. Remuneration levels are determined so as to attract, motivate and retain appropriately qualified and experienced NEDs and executives. To ensure we remain contemporary, the Remuneration Committee references market and industry data on relevant remuneration trends and quantum.

The remuneration packages of the MD & CEO and the ELT includes a short-term incentive (**STI**) component that is linked to the overall financial and operational performance of the Company. The STI is contingent upon achieving a Board approved Operational NPAT threshold. Once that threshold is met, the employee becomes eligible for up to 70 percent of their STI entitlement with the final entitlement a function of the level of Operational NPAT delivered. The remaining 30 percent of their STI entitlement will be allocated based on actual performance against a suite of responsible business scorecard targets that are also approved by the Board.

Further, the MD & CEO and ELT and other senior management may also be invited to participate in the Company's Long-term Incentive Plan (**LTI Plan**). The long-term benefits of the LTI Plan are conditional upon the Company achieving certain performance criteria, details of which are outlined in the Remuneration Report.

The Remuneration Committee believes that the approach to remuneration for the MD & CEO and the ELT should fundamentally be aligned with and support the Company's "no harm" culture delivering on the Company's responsible business roadmap; caring for people, communities, the environment, and assets; and living the Company's values. To this end the Board will apply discretion when actions or outcomes do not align with and support these dual objectives.

With respect to the NEDs, the aggregate remuneration threshold is set at \$1.2m per annum, as approved by shareholders at the AGM on 31 October 2018.

NEDs receive a cash fee for service and have no entitlement to any performance-based remuneration or participation in any share-based incentive schemes. This policy reflects the differences in the role of the NED, which is to provide oversight and guide strategy, and the role of management, which is to operate the business and execute the Company's strategy

Remuneration outcomes for FY22

The Operational NPAT for FY22 was \$63.4m. The MD & CEO and the ELT received 100.00% (2021: 0.00%) of their respective aggregate FY22 STI entitlements. This was the maximum that could be achieved.

The Board considers that the FY22 operational NPAT and responsible business scorecard thresholds represented appropriate and challenging targets having regard to the business conditions faced by the Company in FY22.

The LTI Plan 2019 (i.e. FY20 to FY22) has now lapsed. Neither the return on asset (**ROA**) nor the earnings per share (**EPS**) thresholds were achieved and therefore, there were no vesting of shares.

In FY22, the NEDs received an adjustment of 2.5% to their remuneration (including Superannuation).

Directors' Report (continued)

Changes to the Key Management Personnel (KMP)

During FY22, Hamish Sutton was appointed to the ELT as Head of Strategy and Supply Chain and Matthew Vince as Head of Sales & Marketing.

Remuneration changes for FY23

Whilst there are no significant changes to the remuneration framework for FY23, as part of the annual review of our executive remuneration framework, the following changes have been made for FY23:

- increasing fixed remuneration and also STI and LTI opportunities for Hamish Sutton and Matthew Vince to align with the other KMP members;
- increasing the fixed remuneration of the other KMP's by 2.5% (including Superannuation); and
- reviewing and aligning the responsible business scorecard targets to the "no harm" objectives described above to ensure that they are relevant to the nature of the Company's strategic goals and operations.

Further detail on these changes, particularly for the MD & CEO will be provided in this year's Notice of Meeting and the FY23 Remuneration Report.

In FY23, the NEDs will receive an adjustment of 2.5% to their remuneration (including Superannuation).

I hope you find this Remuneration Report informative. We look forward to receiving your support at the 2022 AGM.



Richard Haire
Chair of the Remuneration Committee

(a) Introduction

The Remuneration Report outlines the Company's overall reward strategy for the year ended 30 June 2022 and provides detailed information on the remuneration arrangements in this period for the Directors of the Company including the Managing Director and Chief Executive Officer (**MD & CEO**) and Other Key Management Personnel (**Other KMP**). KMP have the authority and responsibility for planning, directing and controlling the activities of the Company for the year ended 30 June 2022.

The Remuneration Report forms part of the Directors' Report and has been prepared in accordance with the requirements of the *Corporations Act 2001* and its Regulations. This Remuneration Report is audited.

Individuals forming Tassal's KMP

The following were KMP of the consolidated entity at any time during the financial year and unless otherwise indicated were for the entire period.

Directors:

Name	Title
J. Fazzino	Chair, Non-executive Director (Appointed Chair 28 October 2021)
A. McCallum	Chair, Non-executive Director (Resigned 28 October 2021)
M. Ryan	Chief Executive Officer and Managing Director
R. Haire	Non-executive Director
G. Lynch	Non-executive Director
J. McArthur	Non-executive Director
K. Parsons	Non-executive Director (Appointed 29 October 2021)
J. Watson	Non-executive Director

Other Key Management Personnel:

Name	Title
M. Asman	Head of Aquaculture
A. Creswell	Chief Financial Officer
B. Daley	Head of Supply Chain and Commercial Services (Resigned 1 July 2021)
K. Little	Head of People and Communities
H. Sutton	Head of Strategy and Supply Chain (Appointed 1 July 2021)
M. Vince	Head of Sales and Marketing

(b) Executive Summary

The Board recognises the important role remuneration plays in supporting and implementing the achievement of Tassal's operational strategy and continuing to reinforce the "no harm" culture, over both the short and long-term. The key principles of the remuneration policy and a summary of the ELT remuneration framework is outlined below.

Shareholder value - ensure that remuneration design and outcomes are aligned to the creation of shareholder value and are consistent with Tassal's values and the promotion of Tassal's strategic objectives.

Market competitive - Provide competitive rewards to attract, motivate and retain highly skilled executives by being informed with respect to contemporary market trends and practices.

Business strategy - Drive delivery of Tassal's strategy, while maintaining its financial strength.

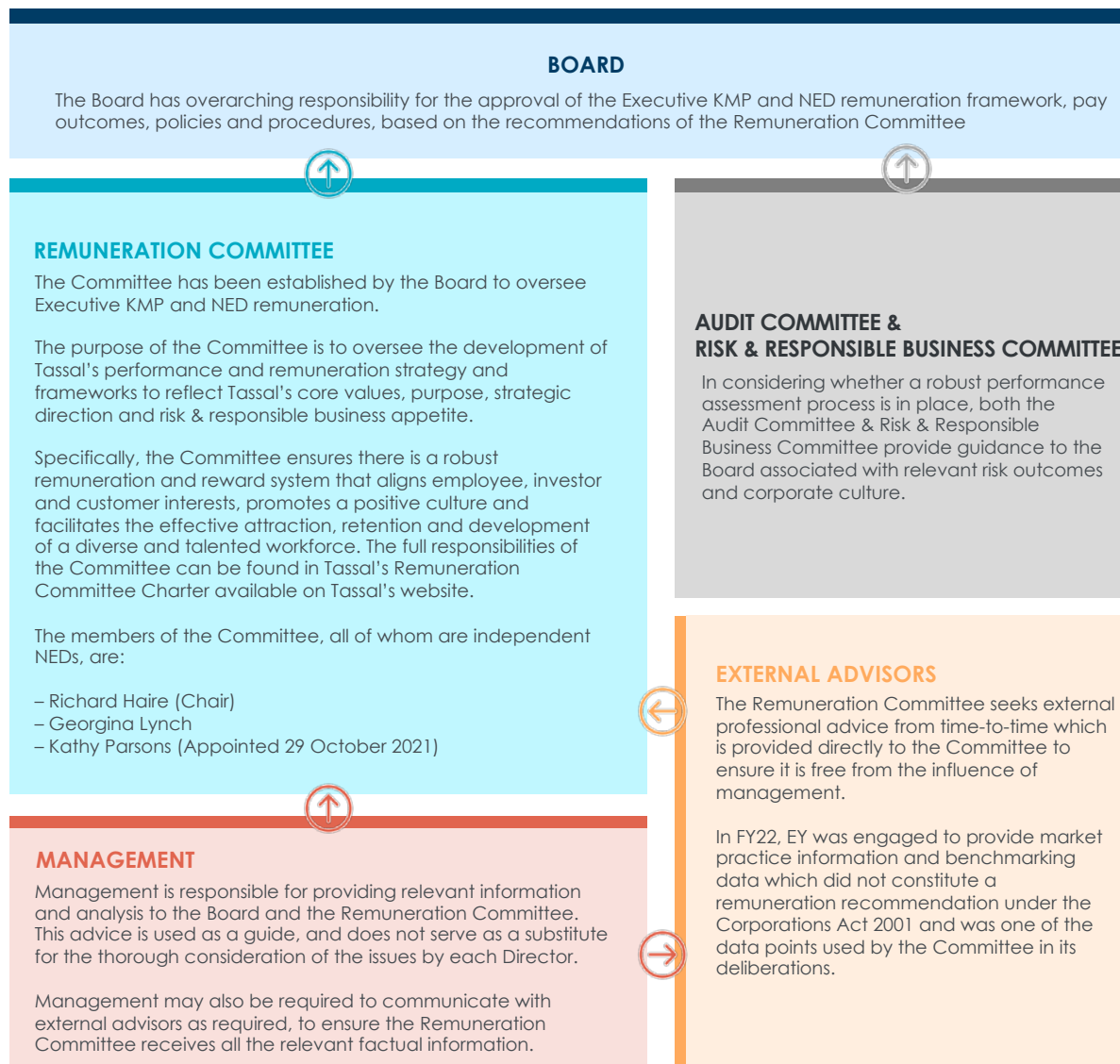
Culture - Drive our "no harm" culture delivering on our Responsible Business Roadmap; caring for people, communities, the environment and our assets; living the Tassal values.

Risk Management & Responsible Business alignment - Ensure performance and behaviours align with the interests of shareholder expectations.

The Remuneration Committee believe that the approach to remuneration for the KMP should fundamentally be aligned with and support Tassal's "no harm" culture. To this end the Committee will apply discretion when actions or outcomes do not align with and support this.

Directors' Report (continued)

(c) Remuneration Philosophy



Tassal's Remuneration Policy may be amended from time to time and is reviewed at least once a year with responsibility with the Remuneration Committee. This review may result in changes being made to the Policy for the year ending 30 June 2023.

Remuneration levels are competitively set to attract appropriately qualified and experienced Directors and executives. The Remuneration Committee obtains market data on remuneration quantum. The remuneration packages of the MD & CEO and the Executive Leadership Team (ELT) include a short-term incentive (STI) component that is linked to the overall financial and operational performance of the Company. The STI is set on achieving a Board approved Operational NPAT threshold, achieving which results in 70% linked of the

STI entitlement with the remaining 30% allocated against responsible business scorecard targets that are also approved by the Board.

Further, the MD & CEO and ELT and other senior management may also be invited to participate in the Company's Long-term Incentive Plan (LTI Plan). The long-term benefits of the LTI Plan are conditional upon the Company achieving certain performance criteria, details of which are outlined below.

(d) Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive Director remuneration is separate and distinct from executive remuneration.

(e) Relationship Between the Remuneration Policy and Company Performance

The Consolidated entity's key operations performance indicators in the financial year ended 30 June 2022 and the previous four financial years are summarised below.

	30-June 2022	30-June 2021	30-June 2020	30-June 2019	30-June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue (from all sources)	\$788,670	\$594,035	\$562,540	\$560,788	\$484,535
Net profit before tax	\$74,624	\$48,061	\$96,563	\$81,989	\$79,316
Net profit after tax	\$55,345	\$34,620	\$69,111	\$58,439	\$57,293
	30-June 2022	30-June 2021	30-June 2020	30-June 2019	30-June 2018
Share price:					
Share price at the start of the year	\$3.58	\$3.45	\$4.90	\$4.13	\$3.81
Share price at the end of the year	\$4.79	\$3.58	\$3.45	\$4.90	\$4.13
Dividend per share:					
Interim dividend	\$0.0800	\$0.0700	\$0.0900	\$0.0900	\$0.0800
Final dividend	\$0.0000	\$0.0700	\$0.0900	\$0.0900	\$0.0800
	\$0.0800	\$0.1400	\$0.1800	\$0.1800	\$0.1600
Earnings per share:					
Basic	\$0.2591	\$0.1640	\$0.3403	\$0.3301	\$0.3313
Diluted	\$0.2580	\$0.1635	\$0.3393	\$0.3288	\$0.3301

The consolidated entity ultimately assesses its performance from increases in earnings and shareholder value. The performance measures for both the Company's STI and LTI Plan have been tailored to align at-risk remuneration and performance hurdle thresholds to the delivery of financial and operational objectives and sustained shareholder value growth.

(f) Components of Compensation – Non-executive Directors (NEDs)

The Board seeks to attract and retain high calibre NEDs who are equipped with the diverse skills needed to oversee all functions of the Company in an increasingly complex environment.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of NEDs shall be determined from time to time by a general meeting. Currently, the aggregate remuneration threshold is set at \$1,200,000 per annum as approved by shareholders at the AGM on 31 October 2018. Legislated superannuation contributions made in respect of NEDs are included in determining this shareholder approved maximum aggregate annual pool limit.

NEDs receive a cash fee for service and have no entitlement to any performance-based remuneration or participation in

any share-based incentive schemes. This policy reflects the differences in the role of the NED, which is to provide oversight and guide strategy, and the role of management, which is to operate the business and execute the Company's strategy.

NEDs are not subject to a minimum shareholding requirement but are encouraged to acquire a number of shares whose value is at least equal to their annual fees as a Director of the Company.

Each NED receives a fee for being a Director of the Company. An additional fee is also paid for being a Chair or a member of the Board's Remuneration Committee, Nominations Committee, Risk and Responsible Business Committee and Audit Committee. The payment of an additional fee recognises the additional time commitment required by Directors who serve on those committees. The Board Chair does not receive additional fees for membership on other Committees.

Fees payable to the non-executive Directors of the Company for the 2022 financial year (inclusive of legislated superannuation contributions) were as follows:

Per annum	Base	Remuneration Committee	Nominations Committee	Risk and Responsible Business Committee	Audit Committee
Chairman of the Board	\$253,717	N/A	N/A	N/A	N/A
Each other non-executive Director	\$121,092	\$10,871	\$10,871	\$10,871	\$10,871

Directors' Report (continued)

The Chair of the Audit Committee received an additional \$10,871 for chairing that Committee.

The Chair of the Risk and Responsible Business Committee received an additional \$10,871 for chairing that Committee.

The Chair of the Remuneration Committee received an additional \$5,435 for chairing that Committee.

There is no separate fee for the Chair of the Nominations Committee as the chair of that committee is Chair of the Board.

(g) Components of Compensation – MD & CEO and ELT

(i) Structure

The Company aims to reward the MD & CEO and the ELT with a level and mix of remuneration commensurate with their position and responsibilities within the Group, so as to:

- reward them for Company, business unit and individual performance against targets set by reference to appropriate benchmarks and key performance indicators;
- align their interests with those of shareholders; and
- ensure total remuneration is competitive by market standards.

Remuneration consists of both fixed and variable remuneration components. The variable remuneration component consists of an STI and the LTI Plan.

The proportion of fixed remuneration and variable remuneration (potential short-term and long-term incentives) is established for the MD & CEO by the Board and for each of the ELT by the Board following recommendations from the MD & CEO and the Remuneration Committee.

The MD & CEO and the ELT's remuneration packages are all respectively subject to Board approval.

(ii) Fixed annual remuneration

Fixed Remuneration levels are reviewed annually and may be adjusted on a more frequent basis if market conditions require to ensure that they are appropriate for the responsibility, qualifications and experience of the MD & CEO and each ELT and are competitive with the market.

The MD & CEO and the ELT have the option to receive their fixed annual remuneration in cash and a limited range of prescribed fringe benefits such as a motor vehicle and car parking. The total employment cost of any remuneration package, including fringe benefits tax, is taken into account in determining an employee's fixed annual remuneration.

(iii) Variable remuneration – STI

The objective of the STI is to link the achievement of the annual operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the executive to achieve the operational targets such that the cost to the Company is reasonable in the circumstances.

Actual STI payments granted to the MD & CEO and the ELT depend on the extent to which specific financial and operational targets, set at the beginning of the year, are met. The financial operational targets may include a weighted combination of:

- meeting a pre-determined growth target in consolidated entity operational net profit after tax over the prior year;
- meeting strategic objectives;
- achieving a responsible business scorecard target; and
- assessed personal effort and contribution.

The Remuneration Committee considers the performance against targets, and determines the amount, if any, to be allocated to the MD & CEO and the ELT. STI payments are delivered as a cash bonus.

The target STI % range for the MD & CEO and Other KMP in respect of the financial year ended 30 June 2022 is detailed below.

Executive	STI range calculated on fixed annual remuneration*
M. Ryan	40% - 80%
M. Asman	30% - 60%
A. Creswell	30% - 60%
K. Little	30% - 60%
H. Sutton	20% - 40%
M. Vince	20% - 40%

* Fixed annual remuneration is comprised of base salary, superannuation and benefits provided through salary sacrificing arrangements.

The remuneration packages of the MD & CEO and the ELT include a STI component that is linked to the overall financial and operational performance of the Company. The STI is set on achieving a Board approved Operational NPAT threshold, achieving which results in 70% linked of the STI entitlement with the remaining 30% allocated against responsible business scorecard targets that are also approved by the Board. The responsible business scorecard measures are assessed across what we define as our five Ps: our people, our planet, our product, our prosperity and our principles of governance. Each category is assessed against multiple aspects, goals and targets. The detail of each component is outlined as follows:

30 June 2022		30 June 2021	
NPAT ⁽ⁱ⁾ Threshold \$'000	% of STI Triggered %	NPAT ⁽ⁱ⁾ Threshold \$'000	% of STI Triggered %
<\$59,339	Nil	<\$65,640	Nil
\$59,339	35%	\$65,640	50%
\$59,339 - \$65,759	35% - 70%	\$65,640 - \$72,549	50% - 100%
>\$65,759	70%	>\$72,549	100%

(i) Derivation of NPAT for the purposes of calculating the STI payment is determined excluding the impact of applying AASB 141 'Agriculture' and prior to recognising the post-tax STI and LTI expense of \$2.502 million (2021: \$0)

Responsible Business Scorecard Threshold	
<80%	0.00%
80%	15.00%
=/>85%	20.00%
=>90%	25.00%
>95%	30.00%

The responsible business measure achieved by the Company in 2022 was 97.80%

The MD & CEO and the ELT received 100.00% (2021: 0.00%) of their respective aggregate FY2022 STI entitlements. This was the maximum that could be achieved.

The Board considers the FY2022 operational NPAT and responsible business scorecard thresholds represented appropriate and challenging targets having regard to the business conditions faced by the Company in FY2022.

(iv) Variable remuneration – LTI Plan

The LTI Plan has been designed to link employee reward with key performance indicators that drive sustainable growth in shareholder value over the long term. The objectives of the LTI Plan are to:

- align the MD & CEO's and ELT interests with those of shareholders;
- help provide a long-term focus; and
- retain high calibre senior employees by providing an attractive equity-based incentive that builds an ownership of the Company mindset.

Under the LTI Plan, the MD & CEO and ELT are granted performance rights which will only vest on the achievement of certain performance hurdles and service conditions. An offer may be made under the LTI Plan to the MD & CEO and ELT and other senior management each financial year and is based on individual performance as assessed by the annual appraisal process. If the ELT and senior management does not sustain a consistent level of high performance they will not be nominated for LTI Plan participation. The Remuneration Committee reviews all personnel nominated, with participation subject to final Board approval. In accordance with the ASX Listing Rules approval from shareholders is obtained before participation in the LTI Plan commences for the MD & CEO.

Each grant of performance rights is subject to specific performance hurdles. The extent to which the performance hurdles have been met will be assessed by the Board at the expiry of a three year performance period.

The Board has retained the discretion to vary the performance hurdles and criteria for each offer under the LTI Plan. Once the Board has prescribed the performance hurdles for a specific offer under the LTI Plan, those performance hurdles cannot be varied in respect of that offer except as provided for under the LTI Plan rules in limited circumstances with respect to regulatory compliance.

If a change of control occurs during a performance period, the Board can determine the treatment of performance rights held by participants. This includes the ability to pro rata, or vest some, or all, of the performance rights.

Performance rights granted for the financial year ended 30 June 2021:

The performance hurdles for the grants of performance rights in the financial year ended 30 June 2021 are based on the Company's Earnings per Share (**EPS**) growth over the performance period of the three years from 30 June 2020 (being the Base Year) to 30 June 2023 (the Performance Period), and on the Company's Return on Assets (**ROA**) performance for the financial year ended 30 June 2023. Each performance condition is summarised as follows:

Earnings Per Share Hurdle (EPS) (Applies to 50% of performance rights granted in the financial year ended 30 June 2021).

"EPS" means earnings per share for a financial year which is calculated as operating reported net profit after tax divided by the weighted average number of Shares on issue in the Company in respect of that financial year.

The EPS hurdle requires that the Company's EPS growth over the Performance Period must be greater than the target set by the Board. The EPS target growth rate is linked to the Company's Strategic Plan. The EPS hurdle was chosen as it provides evidence of the Company's growth in earnings. The hurdle is as follows:

- if the compound average annual EPS growth rate over the Performance Period compared to the Base Year is less than 4% no performance rights will vest;
- if the compound average annual EPS growth rate over the Performance Period compared to the Base Year is equal to 4% but less than 10%, the portion of performance rights vesting will be increased on a pro-rata basis between 50% and 100%; or
- if the compound average annual EPS growth over the Performance Period compared to the Base Year is equal to or greater than 10%, all of the performance rights granted (and attached to this hurdle) will vest.

Return on Assets (ROA) (Applies to 50% of performance rights granted in the financial year ended 30 June 2021).

"ROA" means Return on Assets for a financial year which is calculated as operating earnings before interest and tax (EBIT) divided by average total assets in respect of that financial year.

The ROA hurdle requires that the Company's ROA for the financial year ending 30 June 2023 must be greater than the target set by the Board. The ROA target is linked to the Company's Strategic Plan. The ROA hurdle was chosen as it provides evidence of the Company's ability to deliver growth in earnings through efficient use of the available asset base. The hurdle is as follows:

- if the Company's ROA for the financial year ending 30 June 2023 is less than 8% no performance rights will vest;
- if the Company's ROA for the financial year ending 30 June 2023 is equal to or greater than 8% but less

Directors' Report (continued)

than 10%, the proportion of performance rights vesting will be increased on a pro-rata basis between 50% and 100%; or

- if the Company's ROA for the financial year ending 30 June 2023 is equal to or greater than 10%, all of the performance rights (and attached to this hurdle) will vest.

The Board considers that the selection and structuring of both EPS and ROA performance hurdles provides a suitably balanced approach to creating long term shareholder value whilst ensuring that rewards reflect sustainable performance results.

The performance hurdles have been aligned with the performance expectations underlying the delivery of the Company's Strategic Plan.

The minimum and maximum percentage of the MD & CEO and Other KMP fixed annual remuneration applicable to performance rights granted during the financial year ending 30 June 2021 is detailed below.

Executive	LTI range calculated on fixed annual remuneration*
M. Ryan	40% - 80%
M. Asman	30% - 60%
A. Creswell	30% - 60%
K. Little	30% - 60%

* Fixed annual remuneration is comprised of base salary, superannuation and benefits provided through salary sacrificing arrangements.

Performance rights granted during the financial year ended 30 June 2022:

The performance hurdle for the grants of performance rights in the financial year ended 30 June 2022 is based on the Company's EPS and ROA growth over the performance period of the three years from 30 June 2021 (being the Base Year) to 30 June 2024 (the Performance Period) and are summarised as follows.

Earnings Per Share Hurdle (EPS) (Applies to 50% of performance rights granted in the financial year ended 30 June 2022).

"EPS" means earnings per share for a financial year which is calculated as operating reported net profit after tax divided by the weighted average number of Shares on issue in the Company in respect of that financial year.

The EPS hurdle requires that the Company's EPS growth over the Performance Period must be greater than the target set by the Board. The EPS target growth rate is linked to the Company's Strategic Plan. The EPS hurdle was chosen as it provides evidence of the Company's growth in earnings. The hurdle is as follows:

- if the compound average annual EPS growth rate over the Performance Period compared to the Base Year is less than 5% no performance rights will vest;
- if the compound average annual EPS growth rate over the Performance Period compared to the Base Year is equal to 5% but less than 10%, the portion of

performance rights vesting will be increased on a pro-rata basis between 50% and 100%; or

- if the compound average annual EPS growth over the Performance Period compared to the Base Year is equal to or greater than 10%, all of the performance rights granted (and attached to this hurdle) will vest.

Return on Assets (ROA) (Applies to 50% of performance rights granted in the financial year ended 30 June 2022).

"ROA" means Return on Assets for a financial year which is calculated as operating earnings before interest and tax (EBIT) divided by average total assets in respect of that financial year.

The ROA hurdle requires that the Company's ROA for the financial year ending 30 June 2024 must be greater than the target set by the Board. The ROA target is linked to the Company's Strategic Plan. The ROA hurdle was chosen as it provides evidence of the Company's ability to deliver growth in earnings through efficient use of the available asset base. The hurdle is as follows:

- if the Company's ROA for the financial year ending 30 June 2024 is less than 7% no performance rights will vest;
- if the Company's ROA for the financial year ending 30 June 2024 is equal to or greater than 7% but less than 9%, the proportion of performance rights vesting will be increased on a pro-rata basis between 50% and 100%; or
- if the Company's ROA for the financial year ending 30 June 2024 is equal to or greater than 9%, all of the performance rights (and attached to this hurdle) will vest.

The Board considers that the selection and structuring of both EPS and ROA performance hurdles provides a suitably balanced approach to creating long term shareholder value whilst ensuring that rewards reflect sustainable performance results.

The performance hurdles have been aligned with the performance expectations underlying the delivery of the Company's Strategic Plan.

The minimum and maximum percentage of the MD & CEO and Other KMP fixed annual remuneration applicable to performance rights granted during the financial year ending 30 June 2022 is detailed below.

Executive	LTI range calculated on fixed annual remuneration*
M. Ryan	40% - 80%
M. Asman	30% - 60%
A. Creswell	30% - 60%
K. Little	30% - 60%
H. Sutton	20% - 40%
M. Vince	20% - 40%

* Fixed annual remuneration is comprised of base salary, superannuation and benefits provided through salary sacrificing arrangements.

Performance rights to be granted for the financial year ending 30 June 2023:

Since the end of the financial year, the Board has approved the following LTI Plan dual performance hurdle structure for performance rights to be granted during the financial year ending 30 June 2023.

The performance hurdles for the grants of performance rights in the financial year ending 30 June 2023 will be based on the Company's EPS (Earnings per Share) growth over the performance period of the three years from 30 June 2022 (being the Base Year) to 30 June 2025 (the Performance Period), and on the Company's ROA (Return on Assets) performance for the financial year ending 30 June 2025. Each performance condition is summarised as follows:

Earnings Per Share Hurdle (EPS) (Applies to 50% of performance rights granted in the financial year ending 30 June 2023).

"EPS" means earnings per share for a financial year which is calculated as operating net profit after tax divided by the weighted average number of Shares on issue in the Company in respect of that financial year.

The EPS hurdle requires that the Company's EPS growth over the Performance Period must be greater than the target set by the Board. The EPS target growth rate is linked to the Company's Strategic Plan. The EPS hurdle was chosen as it provides evidence of the Company's growth in earnings. The hurdle is as follows:

- if the compound average annual EPS growth rate over the Performance Period compared to the Base Year is less than 5% no performance rights will vest;
- if the compound average annual EPS growth rate over the Performance Period compared to the Base Year is equal to 5% but less than 10%, the portion of performance rights vesting will be increased on a pro-rata basis between 50% and 100%; or
- if the compound average annual EPS growth over the Performance Period compared to the Base Year is equal or greater than 10%, all of the performance rights granted (and attached to this hurdle) will vest.

Return on Assets (ROA) (Applies to 50% of performance rights granted in the financial year ending 30 June 2023).

"ROA" means Return on Assets for a financial year which is calculated as operating earnings before interest and tax (EBIT) divided by average total assets in respect of that financial year.

The ROA hurdle requires that the Company's ROA for the financial year ending 30 June 2025 must be greater than the target set by the Board. The ROA target is linked to the Company's Strategic Plan. The ROA hurdle was chosen as it provides evidence of the Company's ability to deliver growth in earnings through efficient use of the available asset base. The hurdle is as follows:

- if the Company's ROA for the financial year ending 30 June 2025 is less than 8.25% no performance rights will vest;
- if the Company's ROA for the financial year ending 30 June 2025 is equal to 8.25% but less than 10.25%, the proportion of performance rights vesting will be increased on a pro-rata basis between 50% and 100%; or
- if the Company's ROA for the financial year ending 30 June 2025 is equal to or greater than 10.25%, all of the performance rights (and attached to this hurdle) will vest.

The Board considers that the selection and structuring of both EPS and ROA performance hurdles provides a suitably balanced approach to creating long term shareholder value whilst ensuring that rewards reflect sustainable performance results.

The performance hurdles have been aligned with the performance expectations underlying the delivery of the Company's Strategic Plan.

The minimum and maximum percentage of the MD & CEO and Other KMP fixed annual remuneration applicable to performance rights to be granted during the financial year ending 30 June 2023 is detailed below.

Executive	LTI range calculated on fixed annual remuneration*
M. Ryan	40% - 80%
M. Asman	30% - 60%
A. Creswell	30% - 60%
K. Little	30% - 60%
H. Sutton	30% - 60%
M. Vince	30% - 60%

* Fixed annual remuneration is comprised of base salary, superannuation and benefits provided through salary sacrificing arrangements

(v) Contract for services – MD & CEO

The structure of the MD & CEO's compensation is in accordance with his employment agreement. The employment agreement is for an indefinite term. The Company may terminate the agreement by providing twelve months' notice and the MD & CEO may terminate the agreement by providing twelve months' notice to the Company. There are no termination benefits beyond statutory leave and superannuation obligations associated with the MD & CEO's termination in accordance with these notice requirements or in circumstances where notice is not required pursuant to his employment agreement.

(vi) Contract for services – ELT

The terms on which the majority of the ELT are engaged provide for termination by either the Executive or the Company on six months' notice. There are no termination benefits beyond statutory leave and superannuation obligations associated with these notice requirements.

Directors' Report (continued)

(h) Key Management Personnel Compensation

Compensation of Key Management Personnel

Details of the nature and amount of each major element of the remuneration of each Key Management Personnel of the Company and the consolidated entity are set out below. The remuneration tables are calculated on an accrual basis.

		Short-term employment benefits			Post employment		Share-based Payment	Other	Total
		Salary & Fees ¹	Bonus ²	Non-Monetary ³	Super-annuation	Prescribed Benefits	Performance Right ⁴	Termination Benefits ⁵	
		\$	\$	\$	\$	\$	\$	\$	\$
Directors:									
J. Fazzino	2022	190,636	-	-	19,078	-	-	-	209,714
Appointed Chair	2021	107,683	-	-	10,230	-	-	-	117,913
28.10.21									
M. Ryan –	2022	845,099	688,800	24,294	23,684	-	(30,293)	-	1,551,584
Chief Executive Officer	2021	805,845	-	24,174	21,771	-	21,779	-	873,568
T. Gerber	2022	-	-	-	-	-	-	-	-
Resigned 28.10.20	2021	43,475	-	-	-	-	-	-	43,475
R. Haire	2022	141,312	-	-	14,149	-	-	-	155,462
	2021	131,549	-	-	12,827	-	-	-	144,376
G. Lynch	2022	136,374	-	-	13,655	-	-	-	150,029
	2021	127,017	-	-	12,067	-	-	-	139,083
J. McArthur	2022	136,374	-	-	13,655	-	-	-	150,029
	2021	127,017	-	-	12,067	-	-	-	139,083
A. McCallum –	2022	76,273	-	-	7,658	-	-	-	83,931
Resigned 28.10.21	2021	225,622	-	-	21,434	-	-	-	247,056
K. Parsons –	2022	86,827	-	-	8,683	-	-	-	95,510
Appointed 29.10.21	2021	-	-	-	-	-	-	-	-
J. Watson	2022	139,642	-	-	13,983	-	-	-	153,625
	2021	136,684	-	-	12,985	-	-	-	149,668
Other Key Management Personnel:									
M. Asman	2022	462,607	300,000	2,280	39,786	-	(981)	-	803,692
	2021	363,238	-	2,160	31,009	-	12,024	-	408,431
A. Creswell	2022	367,685	233,700	2,280	27,261	-	(6,500)	-	624,426
	2021	377,668	-	2,160	23,699	-	12,024	-	415,551
B. Daley	2022	249	-	20,402	287	-	-	-	20,938
Resigned 01.07.21	2021	382,828	-	32,146	25,158	-	12,024	-	452,155
K. Little	2022	373,640	252,000	15,869	24,697	-	(5,806)	-	660,399
	2021	365,045	-	12,291	25,196	-	16,153	-	418,685
H. Sutton	2022	321,340	139,400	306	29,933	-	21,195	-	512,174
Appointed 01.07.21	2021	-	-	-	-	-	-	-	-
M. Vince	2022	346,498	139,400	-	27,647	-	21,195	-	534,740
From 01.02.21	2021	133,222	-	-	11,741	-	-	-	144,963
D. Williams	2022	-	-	-	-	-	-	-	-
Until 31.01.21	2021	224,789	-	6,766	14,675	-	12,024	-	258,254
Total	2022	3,624,558	1,753,300	65,430	264,156	-	(1,190)	-	5,706,254
Total	2021	3,551,682	-	79,697	234,859	-	86,027	-	3,952,265

(The elements of the remuneration packages in the above table have been determined on the basis of the cost to the consolidated entity and reflect the relevant respective periods of service).

- Salary and fees includes salary and leave on an accruals basis.
- Cash bonuses relate to sign on bonuses, performance bonuses and amounts payable pursuant to the STI Plan. The MD & CEO and ELT received 100.00% (2021: 0.00%) of their respective STI maximum entitlement based on the STI percentages disclosed in section f (iii) of the Remuneration Report.

- Non-monetary benefits include sundry benefits relating to Fringe Benefits Tax.
- Performance rights valuation has been determined in line with the requirements of AASB 2 'Share-based Payments'. AASB 2 requires the measurement of the fair value of the performance rights at the grant date and then to have that value apportioned in equal amounts over the period from grant date to vesting date. A value has been placed on performance rights using a Monte Carlo simulation model. Details of performance rights on issue are set out in the following tables.
- Termination benefits include notice or redundancy payments where applicable.

Non-Statutory remuneration

The statutory format in which Companies are required to present remuneration data may make it difficult for shareholders to understand the total remuneration actually earned by Key Management Personnel from the various components of their remuneration. In particular, the Australian Accounting Standards require the value of share-based payments to be calculated at the time of grant and accrued over the performance period. This may not reflect what the MD & CEO and Other KMP actually received or became entitled to during the financial year.

The following table summarises the value of performance rights calculated in accordance with the statutory method and the value of performance rights received by MD & CEO and Other KMP during the financial year:

		Statutory value of performance rights ¹ \$	Non-Statutory value of vested performance rights ² \$
Managing Director			
M. Ryan	2022	(30,293)	-
Other Key Management Personnel			
M. Asman	2022	(981)	-
A. Creswell	2022	(6,500)	-
K. Little	2022	(5,806)	-
H. Sutton	2022	21,195	-
M. Vince	2022	21,195	-
Total	2022	(1,190)	-
Total	2021	86,027	-

1. Performance rights valuation has been determined in line with the requirements of AASB 2 'Share-based Payments'. AASB2 requires the measurement of the fair value of the performance rights at the grant date and then to have that value apportioned in equal amounts over the period from the grant date to vesting date. A value has been placed on performance rights using a Monte Carlo simulation model.

2. LTI performance rights granted in November 2019 lapsed as a result of not meeting EPS and ROA targets on 30 June 2022.

Analysis of LTI performance rights granted as remuneration

Details of the vesting profile of the performance rights granted as remuneration to the MD & CEO and each of the Other KMP are summarised below:

Performance rights granted during the financial year ended 30 June 2022

							Value yet to vest	
Number granted	Grant date	Vesting date	Vested during the year number	Vested during the year %	Forfeited during the year number ¹	Forfeited during the year %	Minimum \$ ²	Maximum \$ ³
Director:								
M. Ryan	186,586	19 Nov 2021	30 Jun 2024	-	-	-	Nil	569,088
Executive Officers:								
M. Asman	73,139	19 Nov 2021	30 Jun 2024	-	-	-	Nil	223,074
A. Creswell	63,306	19 Nov 2021	30 Jun 2024	-	-	-	Nil	193,083
K. Little	63,306	19 Nov 2021	30 Jun 2024	-	-	-	Nil	193,083
H. Sutton	37,761	19 Nov 2021	30 Jun 2024	-	-	-	Nil	115,171
M. Vince	37,761	19 Nov 2021	30 Jun 2024	-	-	-	Nil	115,171

(1) The number forfeited in the year represents the reduction from the maximum number of performance rights available to vest due to performance criteria not being achieved.

(2) The minimum value of performance rights yet to vest is nil as the performance criteria may not be met and consequently the right may not vest.

(3) The maximum value of performance rights yet to vest represents an estimate of the maximum possible value of the performance rights to be recognised based on the fair value at grant date of \$3.050.

Directors' Report (continued)

Performance rights granted during the financial year ended 30 June 2021

								Value yet to vest	
Number granted	Grant date	Vesting date	Vested during the year number	Vested during the year %	Forfeited during the year number ¹	Forfeited during the year %	Minimum \$ ²	Maximum \$ ³	
Director:									
M. Ryan	177,154	30 Nov 2020	30 Jun 2023	-	-	-	-	Nil	567,077
Executive Officers:									
M. Asman	60,106	30 Nov 2020	30 Jun 2023	-	-	-	-	Nil	192,402
A. Creswell	60,106	30 Nov 2020	30 Jun 2023	-	-	-	-	Nil	192,402
B. Daley	60,106	30 Nov 2020	30 Jun 2023	-	0.00%	60,106	100.00%	Nil	Nil
K. Little	60,106	30 Nov 2020	30 Jun 2023	-	-	-	-	Nil	192,402
D. Williams	60,106	30 Nov 2020	30 Jun 2023	-	-	-	-	Nil	192,402

- (1) The number forfeited in the year represents the reduction from the maximum number of performance rights available to vest due to performance criteria not being achieved.
- (2) The minimum value of performance rights yet to vest is nil as the performance criteria may not be met and consequently the right may not vest.
- (3) The maximum value of performance rights yet to vest represents an estimate of the maximum possible value of the performance rights to be recognised based on the fair value at grant date of \$3.201.

Performance rights granted during the financial year ended 30 June 2020

	Number granted	Grant date	Vesting date	Vested during the year number ^{1,4}	Vested during the year %	Forfeited during the year number ²	Forfeited during the year %	Value forfeited during the year \$ ³	Value yet to vest \$
Director:									
M. Ryan	80,079	30 Nov 2019	30 Jun 2022	-	0.00%	80,079	100.00%	314,149	-
Executive Officers:									
M. Asman	21,221	30 Nov 2019	30 Jun 2022	-	0.00%	21,221	100.00%	83,250	-
A. Creswell	21,221	30 Nov 2019	30 Jun 2022	-	0.00%	21,221	100.00%	83,250	-
B. Daley	21,221	30 Nov 2019	30 Jun 2022	-	0.00%	21,221	100.00%	83,250	-
K. Little	20,129	30 Nov 2019	30 Jun 2022	-	0.00%	20,129	100.00%	78,966	-
D. Williams	21,221	30 Nov 2019	30 Jun 2022	-	0.00%	21,221	100.00%	83,250	-

- (1) The number vested in the year represents the allotment from the maximum number of performance rights available to vest due to performance criteria being achieved.
- (2) The number forfeited in the year represents the reduction from the maximum number of performance rights available to vest due to performance criteria not being achieved.
- (3) The value of performance rights forfeited as the performance criteria were not met and consequently the right did not vest, based on the fair value at grant date of \$3.923.
- (4) An equivalent number of fully paid ordinary shares in respect of the performance rights granted during the year ended 30 June 2020 and which vested on 30 June 2022 will be issued pursuant to the Company's Long-term incentive plan.

Equity Holdings

The following tables show details and movements in equity holdings of fully paid ordinary shares during the respective current and prior reporting periods of each member of the KMP of the consolidated entity.

	Balance as at 01.07.21	Balance at appointment date (if applicable)	On exercise of performance rights	On Exercise of options	Net other change	Balance at resignation date (if applicable)	Balance as at 30.06.22	Value as at 30.06.22
2022	No.	No.	No.	No.	No.	No.	No.	\$
Directors:								
J. Fazzino	57,413	-	-	-	73,956	-	131,369	629,258
M. Ryan ¹	234,512	-	-	-	-	-	234,512	1,123,312
R. Haire	17,000	-	-	-	-	-	17,000	81,430
G. Lynch	25,000	-	-	-	10,833	-	35,833	171,640
J. McArthur	54,519	-	-	-	1,360	-	55,879	267,660
A. McCallum (resigned 28.10.21)	398,996	-	-	-	13,707	412,703	-	-
K. Parsons (appointed 29.10.21)	-	45,749	-	-	-	-	45,749	219,138
J. Watson	220,841	-	-	-	20,000	-	240,841	1,153,628
Other Key Management Personnel:								
M. Asman	50,491	-	-	-	16,702	-	67,193	321,854
A. Creswell	61,501	-	-	-	-	-	61,501	294,590
B. Daley (resigned 01.07.21)	52,617	-	-	-	-	52,617	-	-
K. Little	21,196	-	-	-	-	-	21,196	101,529
M. Vince	-	-	-	-	-	-	-	-
H. Sutton (appointed 01.07.21)	-	-	-	-	-	-	-	-
Total	1,194,086	45,749	-	-	136,558	465,320	911,073	4,364,040

1. Details of Mr Ryan's share based remuneration arrangements are separately disclosed in the Remuneration Report and note 5(c)

	Balance as at 01.07.120	Balance at appointment date (if applicable)	On exercise of performance rights	On Exercise of options	Net other change	Balance at resignation date (if applicable)	Balance as at 30.06.21	Value as at 30.06.21
2021	No.	No.	No.	No.	No.	No.	No.	\$
Directors:								
J. Fazzino	-	-	-	-	57,413	-	57,413	205,539
M. Ryan ¹	187,053	-	47,459	-	-	-	234,512	839,553
T. Gerber (resigned 28.10.20)	50,000	-	-	-	-	50,000	-	-
R. Haire	-	-	-	-	17,000	-	17,000	60,860
G. Lynch	25,000	-	-	-	-	-	25,000	89,500
J. McArthur	53,205	-	-	-	1,314	-	54,519	195,178
A. McCallum	381,023	-	-	-	17,973	-	398,996	1,428,406
J. Watson	190,841	-	-	-	30,000	-	220,841	790,611
Other Key Management Personnel:								
M. Asman	35,617	-	12,576	-	2,298	-	50,491	180,758
A. Creswell	48,925	-	12,576	-	-	-	61,501	220,174
B. Daley	40,041	-	12,576	-	-	-	52,617	188,369
K. Little	43,209	-	9,887	-	(31,900)	-	21,196	75,882
M. Vince (from 01.02.21)	-	-	-	-	-	-	-	-
D. Williams (until 31.01.21)	26,444	-	12,576	-	(12,182)	-	26,838	96,080
Total	1,081,358	-	107,650	-	81,916	50,000	1,220,924	4,370,908

1. Details of Mr Ryan's share based remuneration arrangements are separately disclosed in the Remuneration Report and note 5(c)

Directors' Report (continued)

Long-term incentive plan - performance rights

The following table shows details and movements in equity holdings of performance rights granted pursuant to the Company's Long-term Incentive Plan during the current and prior reporting periods of each member of the KMP of the consolidated entity:

	Balance as at 01.07.21	Balance at appointment date (if applicable)	Granted	Vested	Lapsed	Net other change	Balance as at 30.06.22
2022	No.	No.	No.	No.	No.	No.	No.
MD & CEO:							
M. Ryan ¹	257,233	-	186,586	-	(80,079)	-	363,740
Other Key Management Personnel:							
M. Asman	81,327	-	73,139	-	(21,221)	-	133,245
A. Creswell	81,327	-	63,306	-	(21,221)	-	123,412
B. Daley (resigned 01.07.21)	81,327	-	-	-	-	(81,327)	-
K. Little	80,235	-	63,306	-	(20,129)	-	123,412
M. Vince	-	-	37,761	-	-	-	37,761
H. Sutton (appointed 01.07.21)	-	-	37,761	-	-	-	37,761
Total	581,449	-	461,859	-	(142,650)	(81,327)	819,331

1. Details of Mr Ryan's share based remuneration arrangements are separately disclosed in the Remuneration Report and note 5(c)

	Balance as at 01.07.20	Balance at appointment date (if applicable)	Granted	Vested	Lapsed	Net other change	Balance as at 30.06.21
2021	No.	No.	No.	No.	No.	No.	No.
MD & CEO:							
M. Ryan ¹	175,898	-	177,154	-	(95,819)	-	257,233
Other Key Management Personnel:							
M. Asman	46,613	-	60,106	-	(25,392)	-	81,327
A. Creswell	46,613	-	60,106	-	(25,392)	-	81,327
B. Daley	46,613	-	60,106	-	(25,392)	-	81,327
K. Little	40,091	-	60,106	-	(19,962)	-	80,235
M. Vince (from 01.02.21)	-	-	-	-	-	-	-
D. Williams (from 31.02.21)	46,613	-	60,106	-	(25,392)	-	81,327
Total	402,441	-	477,684	-	(217,349)	-	662,776

1. Details of Mr Ryan's share based remuneration arrangements are separately disclosed in the Remuneration Report and note 5(c)

All performance rights granted to the Other KMP were granted in accordance with the provisions of the Company's Long-term Incentive Plan. Refer to the Remuneration Report and note 5 to the financial statements, for further details.

(i) Additional KMP Disclosures

Loans to KMP

In the year ended 30 June 2022, there were no loans to any KMP and their related parties (2021: nil).

Other KMP transactions

In the year ended 30 June 2022, there were no transactions entered into during the year with KMP's (including their related parties).

End of audited Remuneration Report

Signed in accordance with a resolution of Directors made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors,



M. Ryan
Managing Director & CEO
Tassal Group Limited
Hobart, 16 August 2022



J. Fazzino
Chair of the Board
Tassal Group Limited
Hobart, 16 August 2022

Auditor's Independence Declaration

Deloitte.

The Board of Directors
Tassal Group Limited
Level 9, 1 Franklin Wharf
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16 August 2022

Dear Board Members

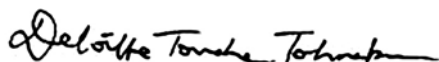
Tassal Group Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Tassal Group Limited.

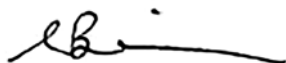
As lead audit partner for the audit of the financial statements of Tassal Group Limited for the financial year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Chris Biermann
Partner
Chartered Accountant

Liability limited by a scheme approved under Professional Standards Legislation
Member of Deloitte Asia Pacific Limited and the Deloitte Network

Financial Report

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Income Statement

for the year ended 30 June 2022

	Note	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Revenue	3(a)	773,338	583,860
Other income	3(b)	15,332	10,175
Fair value adjustment of biological assets		43,408	(17,918)
Fair value adjustment of biological assets at point of harvest		(23,213)	14,812
Share of profits / (losses) of associates accounted for using the equity method	12	1,271	975
Changes in inventories of finished goods and work in progress		(47,519)	43,422
Raw materials and consumables used		(386,920)	(335,454)
Significant item – De Costi wages settlement		(2,206)	-
Significant item – export supply chain expense		(29,911)	(14,832)
Employee benefits expense	3(c)	(153,710)	(139,786)
Depreciation and amortisation expense	3(c)	(72,165)	(58,455)
Finance costs	3(c)	(15,854)	(13,297)
Significant item - property transaction costs		-	(1,599)
Other expenses		(27,227)	(23,842)
Profit before income tax expense		74,624	48,061
Income tax expense	4	(19,279)	(13,441)
Net profit for the period attributable to members of the Company		55,345	34,620
	Note	Cents per share 2022	Cents per share 2021
Earnings per ordinary share:			
Basic (cents per share)	28	25.91	16.40
Diluted (cents per share)	28	25.80	16.35

Notes to the financial statements are included on pages 37 to 74.

Statement of Comprehensive Income

for the year ended 30 June 2022

	Note	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Profit for the period		55,345	34,620
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gain / (loss) on revaluation of property	14	12,661	-
Income tax relating to items that will not be reclassified subsequently		(3,798)	-
Other comprehensive income for the period (net of tax)		8,863	-
Total comprehensive income for the period attributed to owners of the parent		64,208	34,620

Notes to the financial statements are included on pages 37 to 74.

Statement of Financial Position

as at 30 June 2022

	Note	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Current Assets			
Cash and cash equivalents		29,746	30,623
Trade and other receivables	7	66,795	37,294
Inventories	8	62,274	133,006
Biological assets	9	518,798	463,235
Current tax asset	4	-	1,795
Other financial assets	10	530	622
Other	11	8,835	8,070
Total Current Assets		686,978	674,645
Non-Current Assets			
Investments accounted for using the equity method	12	14,160	12,889
Other financial assets	13	1,632	1,910
Property, plant and equipment	14	632,891	594,635
Investment property	15	10,662	10,662
Right-of-use assets	31	240,938	232,447
Goodwill	16	89,894	89,894
Other intangible assets	17	24,184	24,184
Other	18	9,608	6,091
Total Non-Current Assets		1,023,969	972,712
Total Assets		1,710,947	1,647,357
Current Liabilities			
Trade and other payables	20	104,975	102,559
Borrowings	21	6,000	-
Current tax liability	4	4,756	-
Lease liabilities	31	48,040	45,446
Provisions	22	18,714	14,186
Total Current Liabilities		182,485	162,191
Non-Current Liabilities			
Borrowings	23	357,079	348,443
Lease liabilities	31	150,106	163,627
Deferred tax liabilities	4	177,533	169,869
Provisions	24	2,687	2,681
Total Non-Current Liabilities		687,405	684,620
Total Liabilities		869,890	846,811
Net Assets		841,057	800,546
Equity			
Issued capital	25	437,854	429,499
Reserves	26	24,479	15,715
Retained earnings	27	378,724	355,332
Total Equity		841,057	800,546

Notes to the financial statements are included on pages 37 to 74.

Statement of Changes in Equity

for the year ended 30 June 2022

Consolidated	Issued capital \$'000	Asset revaluation reserve \$'000	Hedging reserve \$'000	Equity-settled employee benefits reserve \$'000	Retained earnings \$'000	Total attributable to equity holders of the entity \$'000
Balance as at 1 July 2020	418,635	14,090	-	1,982	354,342	789,049
Profit for the period	-	-	-	-	34,620	34,620
Total comprehensive income for the period	-	-	-	-	34,620	34,620
Payment of dividends	-	-	-	-	(33,630)	(33,630)
Issue of shares pursuant to dividend reinvestment plan	10,432	-	-	-	-	10,432
Issue of shares pursuant to executive long term incentive plan	432	-	-	(432)	-	-
Recognition of share-based payments	-	-	-	75	-	75
Balance as at 30 June 2021	429,499	14,090	-	1,625	355,332	800,546
Balance as at 1 July 2021	429,499	14,090	-	1,625	355,332	800,546
Profit for the period	-	-	-	-	55,345	55,345
Gain / (loss) on revaluation of property (net of any related tax)	-	8,863	-	-	55,345	64,208
Total comprehensive income for the period	-	8,863	-	-	55,345	64,208
Payment of dividends	-	-	-	-	(31,953)	(31,953)
Issue of shares pursuant to dividend reinvestment plan	8,355	-	-	-	-	8,355
Recognition of share-based payments	-	-	-	(99)	-	(99)
Balance as at 30 June 2022	437,854	22,953	-	1,526	378,724	841,057

Notes to the financial statements are included on pages 37 to 74.

Statement of Cashflows

for the year ended 30 June 2022

	Note	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Cashflows from Operating Activities			
Receipts from customers		804,796	663,881
Payments to suppliers and employees		(647,660)	(586,888)
Interest received		10	2
Interest and other costs of finance paid		(19,916)	(18,260)
Income taxes (paid) / refunded		1,795	2,282
Net cash (used in) / provided by operating activities	37(b)	139,025	61,017
Cashflows from Investing Activities			
Payment for property, plant and equipment	14	(76,392)	(120,892)
Proceeds from sale of property, plant and equipment		52	9
Proceeds from sale of investment property		-	15,000
Net cash (used in) / provided by investing activities		(76,340)	(105,883)
Cashflows from Financing Activities			
Proceeds from borrowings		14,636	128,833
Repayment of lease liabilities		(54,600)	(52,006)
Dividends paid to members of the parent entity		(23,598)	(23,198)
Net cash (used in) / provided by financing activities		(63,562)	53,629
Net increase / (decrease) in cash and cash equivalents		(877)	8,763
Cash and cash equivalents at the beginning of the financial year		30,623	21,860
Cash and cash equivalents at the end of the financial year	37(a)	29,746	30,623

Notes to the financial statements are included on pages 37 to 74.

Notes to the Financial Statements

for the year ended 30 June 2022

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Notes to the Financial Statements

for the year ended 30 June 2022

1. SUMMARY OF ACCOUNTING POLICIES

Statement of Compliance

The Annual Financial Report is a general purpose financial report and has been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and complies with other requirements of the law. For the purposes of preparing the consolidated financial statements, the consolidated entity is a for-profit entity. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the consolidated entity comply with International Financial Reporting Standards (IFRS).

The Annual Financial Report was authorised for issue by the Directors on 16 August 2022.

Basis of Preparation

The Annual Financial Report has been prepared on the basis of historic cost except for biological assets which are measured at net market value, and certain non-current assets and financial instruments, which are carried at fair value where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

All amounts are presented in Australian Dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 or value in use in AASB 136.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company is a company of the kind referred to in ASIC Corporations Instrument 2016/191 and in accordance with that Instrument amounts in the Annual Financial Report are rounded to the nearest thousand dollars, unless otherwise indicated.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the consolidated entity's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and various other factors, including expectations of future events, that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of consolidated entity's accounting policies that have significant effects on the Annual Financial Report and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements. They include the following significant judgements and estimates:

- Biological assets (refer to notes 1(w) and (9)) – including forecast harvest weights, forecast sale prices, forecast feed costs, labour and overheads, as well as discount rate.
- Impairment testing (refer to notes 1(g) and 1(k)), including assessment of future cash flows against carrying amounts.
- Land and buildings (refer to note 14) carried at fair value.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2022, and the comparative information presented in these financial statements.

Application of New and Revised Accounting Standards

(i) New and amended Australian Accounting Standards that are effective for the current year

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2021.

(ii) **New and revised Australian Accounting Standards and Interpretations on issue but not yet effective**

Standard / Interpretation	Effective for financial years commencing on or after
AASB 17 Insurance Contracts and AASB 2020-5 Amendments to Australian Accounting Standards - Insurance Contracts	1 January 2023
AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128, AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections and AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 January 2023
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information	1 January 2023

These new and revised Australian Accounting Standards have been considered and are not expected to have a material impact on the group.

Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the Annual Financial Report:

(a) Basis of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the Company (the

parent entity) and its subsidiaries as defined in Accounting Standard AASB 10 'Consolidated Financial Statements' (the Group). Control is achieved when the company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceeds the cost of acquisition, the difference is credited to profit or loss in the period of acquisition.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entities. In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

(b) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

(c) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Notes to the Financial Statements

for the year ended 30 June 2022

(e) Derivative Financial Instruments

The consolidated entity uses derivative financial instruments, principally foreign exchange and interest rate related, to reduce their exposure to movements in foreign exchange rate and interest rate movements. Further details of derivative financial instruments are disclosed in note 38 to the financial statements.

The consolidated entity has adopted certain principles in relation to derivative financial instruments:

- it does not trade in a derivative that is not used in the hedging of an underlying business exposure of the consolidated entity; and
- derivatives acquired must be able to be recorded on the consolidated entity's treasury management systems, which contain appropriate internal controls.

The Company and consolidated entity follow the same credit policies, legal processes, monitoring of market and operational risks in the area of derivative financial instruments, as they do in relation to financial assets and liabilities on the statement of financial position, where internal controls operate.

On a continuing basis, the consolidated entity monitors its future exposures and on some occasions hedges all or part of these exposures. The transactions which may be covered are future foreign exchange requirements and interest rate positions.

These exposures are then monitored and may be modified from time to time. The foreign exchange hedge instruments are transacted on a commitment basis and hedge operational transactions the consolidated entity expects to occur in this time frame. Interest rate derivative instruments can be for periods up to 3 – 5 years as the critical terms of the instruments are matched to the life of the borrowings.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The consolidated entity designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges) or hedges of highly probable forecast transactions (cashflow hedges).

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cashflow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cashflow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other expenses or other income.

Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

(f) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

Contributions to defined contribution superannuation plans are expensed when incurred.

(g) Financial Assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the parent accounts. Subsequent to initial recognition, investments in associates are accounted for under the equity method in the consolidated financial statements and the cost method in the Company financial statements.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost using the effective interest method less impairment.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income (**FVTOCI**), lease receivables, trade receivables and

contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

(h) Financial Instruments Issued by the Consolidated Entity

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the

Company are recorded at the proceeds received, net of direct issue costs.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair values and subsequently at the higher of the amount recognised as a provision and the amount initially recognised less cumulative amortisation in accordance with the revenue recognition policies described in note 1(u).

Financial liabilities

Financial liabilities are classified as either financial liabilities "at fair value through the profit or loss" or other financial liabilities.

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related debt or equity instruments or component parts of compound instruments.

(i) Foreign Currency

Foreign currency transactions

All foreign currency transactions during the period are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise except that:

- exchange differences which relate to assets under construction for future productive use are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer to note 1(e)).

(j) Goods and Service Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cashflows are included in the statement of cashflows on a gross basis. The GST component of cashflows arising from investing

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and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cashflows.

(k) Goodwill

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. Goodwill is subsequently measured at its cost less any impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (**CGUs**) (or groups of CGUs). CGUs (or groups of CGUs) to which goodwill has been allocated are tested for impairment annually, or more frequently if events or changes in circumstances indicated that goodwill might be impaired.

If the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or groups of CGUs), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or groups of CGUs) and then to the other assets in the CGU (or groups of CGUs). An impairment loss recognised for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period.

On disposal of an operation within a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal of the operation.

(l) Government Grants

Government grants are assistance by the government in the form of transfers of resources to the consolidated entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government grants include government assistance where there are no conditions specifically relating to the operating activities of the consolidated entity other than the requirement to operate in certain regions or industry sectors.

Government grants are not recognised until there is reasonable assurance that the consolidated entity will comply with the conditions attaching to them and the grants will be received.

Government grants whose primary condition is that the consolidated entity should purchase, construct or otherwise acquire long-term assets are recognised as deferred income in the statement of financial position and recognised as income on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the consolidated entity with no future related costs are recognised as income of the period in which it becomes receivable.

(m) Impairment of Long-lived Assets Excluding Goodwill

At each reporting date, the consolidated entity reviews the

carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cashflows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cashflows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. Refer also note 1(s).

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. Refer also note 1(s).

(n) Income Tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial

recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

[Current and deferred tax for the period](#)

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

[Tax consolidation](#)

The Company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Tassal Group Limited is the head entity in the tax-consolidated group.

Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement. Further information about the tax funding

arrangement is detailed in note 4 to the financial statements. Where the tax contribution amount recognised by each member of the tax-consolidated group for a particular period is different to the aggregate of the current tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

[\(o\) Intangible Assets](#)

[Research and development costs](#)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible assets first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

[Brand names](#)

Brand names recognised by the Company have an indefinite useful life and are not amortised. Each period, the useful life of this asset is reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy stated in note 1(m).

[Intangible assets acquired in a business combination](#)

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

[Intangible assets acquired separately](#)

Intangible assets with finite lives that are acquired separately are

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carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(p) Inventories

Agricultural produce harvested from biological assets is measured at fair value less costs to sell at the point of harvest. Such measurement is the cost at that date when applying AASB 102 'Inventories'.

Other inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out or weighted average cost basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

(q) Leased Assets

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is

subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss. As a practical expedient, AASB 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease

components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(r) Payables

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

(s) Property, Plant and Equipment

Land and buildings are measured at fair value. Fair value is determined on the basis of an independent valuation prepared by external experts and in conformance with Australian Valuation Standards. The fair values are recognised in the financial statements of the consolidated entity, and are reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not materially different from their fair values.

Any revaluation increase arising on the revaluation of land and buildings is credited to a revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve, net of any related taxes, is transferred directly to retained earnings.

Plant and equipment and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost or other re-valued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period, with the effect of any change recognised on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following estimated useful lives are used in the calculation of depreciation:

- Buildings 25 – 50 years
- Plant and equipment 2 – 20 years
- Equipment under finance lease 2 – 20 years

(t) Provisions

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the consolidated entity has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Restructurings

A restructuring provision is recognised when the consolidated entity has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Dividends

A provision is recognised for dividends when they have been approved on or before the reporting date.

(u) Revenue Recognition

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the consolidated entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

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- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(v) Share-based Payments

Equity-settled share-based payments with employees are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of a Monte Carlo simulation model, taking into account the terms and conditions upon which the equity-settled share-based payment were granted. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. Further details on how the fair value of equity-settled share-based transactions has been determined can be found in note 5 (c) (i) to the financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest.

At each reporting date, the Group revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with corresponding adjustment to the equity-settled employee benefits reserve.

(w) Biological Assets – Livestock

Livestock assets are valued at fair value less estimated point of sale costs. This fair value is the amount which could be expected to be received from the disposal of the asset in an active and liquid market less the costs expected to be incurred in realising the proceeds of such disposal. The net increment / (decrement) in the fair value of livestock is recognised as income / (expense) in the reporting period.

Where an active and liquid market is not available, fair value is determined using the present value of expected net cashflows from the asset discounted at a current market-determined rate. The net cashflows are reduced for harvesting costs and freight costs to market. Further the expected net cashflows take into account the expected weight of the livestock at harvest, expected costs and sale prices, and incorporates expected possible variations in the net cashflows.

The change in estimated fair value is recognised in the income statement and is classified separately.

Fair value has been determined in accordance with Directors' valuation.

Historic cost is used as an estimate of fair value where little or no biological transformation has taken place.

(x) Investments in Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The result and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 '*Non-current Assets Held for Sale and Discontinued Operations*'. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments.

Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of the acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the acquisition, after reassessment, is recognised immediately in profit or loss. Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

(y) Investment Property

Investment property, which is property held to earn rentals and/or capital appreciation (including property under construction for such purposes) is measured at cost. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising from the derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2. SUBSEQUENT EVENTS

On 16 August 2022 Tassal entered into a Scheme Implementation Deed with Cooke Inc (Cooke) under which Cooke has agreed to acquire 100% of the ordinary shares in Tassal by way of a scheme of arrangement. Under the scheme, Tassal shareholders will receive cash consideration of \$5.23 per Tassal share, assuming no final dividend is declared and paid for FY22.

3. PROFIT FOR THE YEAR BEFORE TAX

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Profit from operations before income tax expense includes the following items of revenue and expense:		
(a) Revenue		
Revenue from the sale of goods:		
Domestic wholesale market	175,782	153,766
Domestic retail market	331,162	338,702
Export market	266,384	91,390
Interest revenue	10	2
Total revenue	773,338	583,860
(b) Other income		
Gain / (loss) on disposal of property, plant and equipment	(70)	-
Gain / (loss) on disposal of investment property	-	2,235
Government grants received	4,251	3,852
Research and development concession	10,657	3,490
Other	494	598
Total other income	15,332	10,175
(c) Expenses		
Depreciation of non-current assets	42,354	36,823
Depreciation of right-of-use assets	29,781	21,602
Amortisation of non-current assets	30	30
Total depreciation and amortisation	72,165	58,455
Interest	8,914	6,663
Interest – lease liabilities	6,940	6,634
Total finance costs (i)	15,854	13,297
Notes:		
(i) Additional finance costs of \$1.786 million were included in the cost of qualifying assets during the current year (2021: \$1.529 million).		
(ii) The weighted average capitalisation rate on funds borrowed generally is 1.87% (2021: 0.09%).		
Employee benefits expense:		
Equity settled share-based payments	(99)	75
Post-employment benefits	11,171	10,081
Salaries and other employee benefits	142,638	129,630
Total employee benefits expense	153,710	139,786
Net bad and doubtful debts – other entities	-	36
Write-downs of inventories to net realisable value	780	892
Research and development costs immediately expensed	1,495	978

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4. INCOME TAXES

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
(a) <i>Income tax recognised in profit or loss:</i>		
Tax (expense)/income comprises:		
Current tax (expense)/income	(4,756)	(2,961)
Deferred tax (expense)/income relating to the origination and reversal of temporary differences and use of carry forward tax losses	(14,523)	(10,480)
Total tax (expense)/income	(19,279)	(13,441)
The prima facie income tax (expense)/income on pre-tax accounting profit from operations reconciles to the income tax (expense)/income in the financial statements as follows:		
Profit from operations	74,624	48,061
Income tax (expense)/benefit calculated at 30%	(22,387)	(14,418)
Non-tax deductible items	(89)	(70)
Research and development concession	3,197	1,047
Income tax (expense)/benefit	(19,279)	(13,441)
The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.		
(b) <i>Income tax recognised directly in equity</i>		
Deferred tax:		
Property, plant and equipment	3,798	-
Employee share reserve	-	65
	3,798	65
(c) <i>Current tax balances:</i>		
Current tax assets/(liabilities) comprise:		
Income tax payable attributable to:		
Entities in the tax-consolidated group	(4,756)	1,795
Net current tax asset/(liability)	(4,756)	1,795
(d) <i>Deferred tax balances:</i>		
Deferred tax assets comprise:		
Temporary differences	5,639	8,219
Carry forward tax losses and R&D offsets	40,085	18,899
	45,724	27,118
Deferred tax liabilities comprise:		
Temporary differences	(223,257)	(196,987)
	(223,257)	(196,987)
Net deferred tax asset/(liability)	(177,533)	(169,869)

4. INCOME TAXES

(d) Deferred tax balances: (cont.)

Taxable and deductible temporary differences arise from the following:

	Opening balance	Acquisition	Charged to income	Charged to equity	Closing balance
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
Deferred tax liabilities:					
Biological assets	(132,740)	-	(10,300)	-	(143,040)
Inventories	(17,843)	-	8,709	-	(9,134)
Property, plant and equipment	(41,266)	-	(17,869)	(3,798)	(62,933)
Investment in associates	(1,645)	-	(381)	-	(2,026)
Other financial assets	(3,493)	-	(2,631)	-	(6,124)
	(196,987)	-	(22,472)	(3,798)	(223,257)
Deferred tax assets:					
Provisions	5,124	-	253	-	5,377
Trade and other payables	238	-	24	-	262
Tax losses and R&D offsets	18,899	-	21,186	-	40,085
Other	2,857	-	(2,857)	-	-
	27,118	-	18,606	-	45,724
	(169,869)	-	(3,866)	(3,798)	(177,533)
Reduction arising from:					
Revenue tax losses and R&D offset	-	-	-	-	-
Net deferred tax asset/(liability)	(169,869)	-	(3,866)	(3,798)	(177,533)
2021					
Deferred tax liabilities:					
Biological assets	(129,386)	-	(3,354)	-	(132,740)
Inventories	(10,415)	-	(7,428)	-	(17,843)
Property, plant and equipment	(32,527)	-	(8,739)	-	(41,266)
Investment in associates	(1,352)	-	(293)	-	(1,645)
Other financial assets	(3,473)	-	(20)	-	(3,493)
	(177,153)	-	(19,834)	-	(196,987)
Deferred tax assets:					
Provisions	4,389	-	735	-	5,124
Trade and other payables	219	-	19	-	238
Tax losses and R&D offsets	5,580	-	13,319	-	18,899
Other	4,022	-	(1,230)	65	2,857
	14,210	-	12,843	65	27,118
	(162,943)	-	(6,991)	65	(169,869)
Reduction arising from:					
Revenue tax losses and R&D offset	-	-	-	-	-
Net deferred tax asset/(liability)	(162,943)	-	(6,991)	65	(169,869)

Notes to the Financial Statements

for the year ended 30 June 2022

4. INCOME TAXES (CONT.)

(e) Tax consolidation

Relevance of tax consolidation to the consolidated entity

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 19 September 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Tassal Group Limited. The members of the tax-consolidated group are identified at note 33.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity.

Under the terms of the tax funding arrangement, Tassal Group Limited and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

5. KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Identity of Key Management Personnel:

The following were Key Management Personnel of the consolidated entity at any time during the financial year and unless otherwise indicated were Key Management Personnel for the entire period. Further details of the company's determination of key management personnel for the 2022 and 2021 financial years are included in the Remuneration Report in the Director's Report.

Name	Title
J. Fazzino	Chair, Non-executive Director (Appointed Chair 28 October 2021)
A. McCallum	Chair, Non-executive Director (Resigned 28 October 2021)
M. Ryan	Chief Executive Officer and Managing Director
R. Haire	Non-executive Director
G. Lynch	Non-executive Director
J. McArthur	Non-executive Director
K. Parsons	Non-executive Director (Appointed 29 October 2021)
J. Watson	Non-executive Director

Other Key Management Personnel:

Name	Title
M. Asman	Head of Aquaculture
A. Creswell	Chief Financial Officer
B. Daley	Head of Supply Chain and Commercial Services (Resigned 1 July 2021)
K. Little	Head of People and Communities
H. Sutton	Head of Strategy and Supply Chain (Appointed 1 July 2021)
M. Vince	Head of Sales and Marketing

5. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT.)

(b) Key Management Personnel Compensation

The aggregate compensation of Key Management Personnel of the consolidated entity is set out below:

	Consolidated 2022 \$	Consolidated 2021 \$
Short-term employee benefits	5,443,288	3,631,379
Post-employment benefits	264,156	234,859
Share-based payment	(1,190)	86,027
	5,706,254	3,952,265

Details of the consolidated entity's Key Management Personnel compensation policy and details of Key Management Personnel compensation are discussed in section 20 of the Directors' Report.

(c) Share-based Remuneration

(i) Long-term Incentive Plan

The Company established a Long-term Incentive Plan during the financial year ended 30 June 2007. Employees receiving awards under the Long-term Incentive Plan are those of an Executive level (including the Managing Director and Chief Executive Officer).

Under the Company's Long-term Incentive Plan, participants are granted performance rights to ordinary shares, subject to the Company meeting specified performance criteria during the performance period. If these performance criteria are satisfied, ordinary shares will be issued at the end of the performance period. The number of ordinary shares that a participant will ultimately receive will depend on the extent to which the performance criteria are met by the Company. If specified minimum performance hurdles are not met no ordinary shares will be issued in respect of the performance rights.

An employee granted performance rights is not legally entitled to shares in the Company before the performance rights allocated under the Plan vest. A performance right to ordinary shares does not entitle a participant under the Plan to voting rights, participation in new issues of securities or to receive dividends. In the event that shares are issued under the Plan at the end of the performance period pursuant to the performance rights, those shares will rank equally with existing ordinary shares, including entitlement to voting rights. Once shares have vested they remain in a holding lock until the earlier of the employee leaving the consolidated entity, the seventh anniversary of the date the performance rights were awarded or the Board approving an application for their release.

Set out below is a summary of performance rights granted to participants under the Plan (Consolidated and Parent Entity):

Grant date	Vesting date	Balance at start of year (Number)	Granted during the year (Number)	Vested during the year (Number)	Lapsed during the year (Number)	Balance at end of year (Number)
30 Nov 2019	30 Jun 2022	366,390	-	-	366,390	-
30 Nov 2020	30 Jun 2023	754,495	-	-	-	754,495
19 Nov 2021	30 Jun 2024	-	751,780	-	-	751,780
		1,120,885	751,780	-	366,390	1,506,275

Details of the performance rights holdings of the respective Key Management Personnel, including details of performance rights granted, vested or lapsed during the year are disclosed in the Director's report.

Notes to the Financial Statements

for the year ended 30 June 2022

5. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT.)

The independently assessed fair value at grant date of performance rights granted under the Long-term Incentive Plan during the financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 and applicable to participants was:

Performance condition	Value at grant date \$
Performance rights issued during the financial year ended 30 June 2020:	
Operating earnings per share ('EPS')	159,761
Operating return on assets ('ROA')	349,059
	508,820
Performance rights issued during the financial year ended 30 June 2021:	
Operating earnings per share ('EPS')	465,887
Operating return on assets ('ROA')	609,469
	1,075,356
Performance rights issued during the financial year ended 30 June 2022:	
Operating earnings per share ('EPS')	805,965
Operating return on assets ('ROA')	459,962
	1,265,927
	2,850,103

The above performance rights valuations have been determined in line with the requirements of AASB 2 'Share-based Payments'. AASB 2 requires the measurement of the fair value of the performance rights at the grant date and then to have that value apportioned in equal amounts over the period from grant date to vesting date.

(i) Long-term Incentive Plan (cont.)

The expense recognised in relation to performance rights applicable to Key Management Personnel for the financial year ended 30 June 2022 is \$(1,190) (2021: \$86,027).

50% of the performance rights granted to Key Management Personnel during the financial year ended 30 June 2021 attach respectively to each of the EPS and ROA performance hurdles.

50% of the performance rights granted to Key Management Personnel during the financial year ended 30 June 2022 attach respectively to each of the EPS and ROA performance hurdles.

The fair value of the performance rights is based on the share price at grant date of \$3.39 (2021: \$3.63) adjusted for the present value of expected dividends over the vesting Performance Period.

6. REMUNERATION OF AUDITORS

	Consolidated 2022 \$	Consolidated 2021 \$
Audit or review of the financial reports	424,500	350,400
Non-audit services (i)	62,900	18,811
	487,400	369,211

Notes:

(i) The "non-audit services" principally refers to the provision of a whistleblower hotline and a cyber security review. Non-audit services are any services provided, excluding audits required by the *Corporations Act 2001*.

All amounts shown above are exclusive of GST.

The parent entity's audit fees were paid for by Tassal Operations Pty Ltd, a wholly-owned subsidiary.

7. CURRENT TRADE AND OTHER RECEIVABLES

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Trade receivables (i)	60,174	30,589
Loss allowance	(481)	(373)
	59,693	30,216
Goods and services tax (GST) receivable	3,868	3,161
Other receivables	3,234	3,917
	66,795	37,294

Notes:

- (i) The average credit period on sales of goods is 30 days from the previous month's statement date. No interest is charged on the trade receivables for the first 60 days from the date of the invoice. Thereafter, interest may be charged at 2% per month on the outstanding balance. The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL (expected credit loss). ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor's, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 75% against all receivables over 120 days past due as historical experience has indicated that the majority of these receivables are generally not recoverable.

The Group writes off a trade receivable when there is information indicating the debtor is in severe financial difficulty and there is no realistic prospect of recovery. None of the trade receivables that have been written off are subject to enforcement activities.

- (ii) Transfer of Financial Assets:

During the financial year, Westpac Banking Corporation ("Westpac") continued to provide a Trade Finance Facility ("Receivables Purchase Facility") under which it may purchase receivables from the Company at a discount. The maximum available at any time under the facility was \$110.000 million during the financial year. All receivables sold to Westpac are insured by the Company with a 10% deductible per insurance claim in the event of a debtor default, representing the Company's maximum exposure under the facility. Westpac retains 15% of any receivable purchased as a security deposit until it has received payment for the full face value of the receivable purchased. The Receivables Purchase Facility is committed for two years and revolving.

The funded value of the Company's Receivables Purchase Facility was \$81.128 million as at 30 June 2022 (2021: \$68.125 million). The receivables sold by the Company into this facility are de-recognised as an asset as the contractual rights to cashflows from these receivables have expired on acceptance of the sale with Westpac. Further, the amount funded under this facility is also not recognised as a liability. The Company does recognise the security deposit as cash. The security deposit held as at 30 June 2022 was \$16.427 million (2021: \$14.630 million).

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

Trade Receivables - days past due

	Not past due	>30 days	>60 days	>90 days	>120 days	Total
2022	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables	49,892	6,305	3,409	464	103	60,174
Expected loss rate (%)	0.50	1.00	2.00	5.00	75.00	
Estimated total at default	249	63	68	23	77	481
Lifetime ECL	249	63	68	23	77	481

Trade Receivables - days past due

	Not past due	>30 days	>60 days	>90 days	>120 days	Total
2021	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables	21,203	3,629	5,437	256	63	30,589
Expected loss rate (%)	0.50	1.00	2.00	5.00	75.00	
Estimated total at default	106	36	109	13	47	311
Lifetime ECL	127	44	130	15	57	373

Notes to the Financial Statements

for the year ended 30 June 2022

8. CURRENT INVENTORIES

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Raw materials	21,242	17,557
Finished goods ⁽ⁱ⁾	41,032	115,449
	62,274	133,006

(i) Includes fair value adjustment of biological assets at point of harvest \$6.624 million (2021: \$29.838 million)

9. BIOLOGICAL ASSETS

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Livestock at fair value		
Opening balance	463,235	460,121
Gain or loss arising from changes in fair value less estimated point of sale costs	659,619	531,806
Increases due to purchases	16,009	15,729
Decreases due to harvest	(620,065)	(544,421)
Closing balance⁽ⁱ⁾	518,798	463,235

(i) Includes fair value adjustment of biological assets \$184.902 million (2021: \$141.494 million)

Fair Value of biological assets

The fair value of level 2 biological assets have been determined in accordance with generally accepted pricing models utilising a discounted cashflow analysis based on observable market prices and input costs as described in note 1 (w).

Sensitivity Analysis – Biological Assets

Based on the market prices and weights utilised at 30 June 2022, with all other variables held constant, the consolidated group's pre-tax profit for the period would have been impacted as follows:

- A pricing increase/decrease of \$0.10 would have been a change of \$4,307,533 higher/lower (2021: \$3,750,906)
- A feed price increase/decrease of 1% would have been a change of \$1,574,508 higher/lower (2021: \$1,428,624)
- A weight increase/decrease of 1% would have been a change of \$1,464,561 higher/lower (2021: \$1,200,290).

Financial Risk Management Strategies Relating to Agricultural Activities

The Board considers that there is no satisfactory market for the insurance of livestock (i.e. live salmon and prawns). Recognising this, the consolidated entity has in place a robust and comprehensive risk management strategy to monitor and oversee its agricultural activities (i.e. salmon and prawn farming). The policy framework is broad, with risk management addressed via species diversification, marine and hatchery site geographical diversification, conservative finfish husbandry practices, experienced management with international expertise and extensive investment in infrastructure improvements and automation.

10. OTHER CURRENT FINANCIAL ASSETS

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Loans carried at amortised cost:		
Loans to other parties	530	622
	530	622

11. OTHER CURRENT ASSETS

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Prepayments	8,835	8,070
	8,835	8,070

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Investments in associates	14,160	12,889
	14,160	12,889
Reconciliation of movement in investments accounted for using the equity method		
Balance at the beginning of the financial year	12,889	9,752
Share of profit / (loss) for the year	1,271	975
Additions	-	2,162
Disposals	-	-
Balance at the end of the financial year	14,160	12,889

Name of entity	Principal activity	Country of Incorporation	Ownership interest	
			2022 %	2021 %
Associates:				
Salmon Enterprises of Tasmania Pty Ltd (i)	Atlantic salmon hatchery	Australia	72.06	72.06

(i) The Consolidated entity owns 72.06% (2021: 72.06%) of the issued capital and 61.22% (2021: 61.22%) of the voting shares of Salmon Enterprises of Tasmania Pty Ltd (**Saltas**). Saltas supplies smolt to the Tasmanian aquaculture industry.

The Board has concluded that despite the ownership interest and voting rights held by the consolidated entity, the consolidated entity does not control Saltas. The consolidated entity only has the power to appoint one out of four Directors on the Board of Saltas. Given the consolidated entity's involvement on the Board of Saltas, the Board has concluded it has significant influence.

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Summarised financial information of associates: ⁽ⁱ⁾		
Current assets	25,596	23,701
Non-current assets	36,678	39,134
	62,274	62,835
Current liabilities	(8,634)	(10,145)
Non-current liabilities	(17,810)	(17,144)
	(26,444)	(27,289)
Net assets	35,830	35,546
Revenue	14,390	11,584
Net profit / (loss)	307	1,261
Share of associates' profit / (loss):		
Share of profit / (loss) before income tax	1,997	(361)
Income tax (expense)/benefit	(726)	1,336
Share of associates' profit / (loss) – current period	1,271	975

(i) Profit and loss resulting from upstream and downstream transactions between an investor and an associate are recognised in the investor's financial statements only to the extent of unrelated investors' interest in the associate.

13. OTHER NON-CURRENT FINANCIAL ASSETS

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Shares in other entities at cost	43	43
Loans to other parties	1,589	1,867
	1,632	1,910

Notes to the Financial Statements

for the year ended 30 June 2022

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land at fair value \$'000	Buildings at fair value \$'000	Plant and equipment at cost \$'000	Capital works in progress at cost \$'000	Total \$'000
Consolidated 2022					
Gross carrying amount					
Balance at 30 June 2021	38,413	158,787	542,858	65,315	805,373
Disposals	(100)	(25)	(13,572)	-	(13,697)
Work-In-Progress Additions	-	-	-	72,543	72,543
Capitalisation to asset categories	-	25,365	60,195	(85,560)	-
Net revaluation increment / (decrement)	7,369	(6,524)	-	-	845
Balance at 30 June 2022	45,682	177,603	589,481	52,298	865,064
Accumulated depreciation					
Balance at 30 June 2021	-	(17,976)	(192,762)	-	(210,738)
Depreciation expense	-	(6,767)	(40,049)	-	(46,816)
Disposals	-	24	13,541	-	13,565
Net adjustments from revaluations	-	11,816	-	-	11,816
Balance at 30 June 2022	-	(12,903)	(219,270)	-	(232,173)
Net book value					
Balance at 30 June 2021	38,413	140,811	350,097	65,315	594,635
Balance at 30 June 2022	45,682	164,700	370,211	52,298	632,891

	Freehold land at fair value \$'000	Buildings at fair value \$'000	Plant and equipment at cost \$'000	Capital works in progress at cost \$'000	Total \$'000
Consolidated 2021					
Gross carrying amount					
Balance at 30 June 2020	26,732	118,939	490,679	73,689	710,039
Disposals	-	(802)	(18,486)	-	(19,288)
Work-In-Progress Additions	-	-	-	114,622	114,622
Capitalisation to asset categories	11,681	40,650	70,665	(122,996)	-
Net revaluation increment / (decrement)	-	-	-	-	-
Balance at 30 June 2021	38,413	158,787	542,858	65,315	805,373
Accumulated depreciation					
Balance at 30 June 2020	-	(13,896)	(173,257)	-	(187,153)
Depreciation expense	-	(4,883)	(37,933)	-	(42,816)
Disposals	-	803	18,428	-	19,231
Net adjustments from revaluations	-	-	-	-	-
Balance at 30 June 2021	-	(17,976)	(192,762)	-	(210,738)
Net book value					
Balance at 30 June 2020	26,732	105,043	317,422	73,689	522,886
Balance at 30 June 2021	38,413	140,811	350,096	65,315	594,635

14. PROPERTY, PLANT AND EQUIPMENT (CONT.)

The Group's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Group's freehold land and buildings as at 30 June 2022 were performed by Mr M.J.Page [B.Bus.(Property) AAPI CPV] and Mr B Hill [AAPI, Val] independent valuers not related to the Group. The valuation was based on comparable and observable market prices adjusted for property-specific factors and conforms to Australian Valuations Standards.

Fair value of land and Buildings

Details of the Group's freehold land and buildings and information about the fair value hierarchy as at 30 June 2022 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair value as at 30 June 2022 \$'000
Freehold land	-	-	45,682	45,682
Buildings	-	-	164,700	164,700

Fair value of land and Buildings

Details of the Group's freehold land and buildings and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair value as at 30 June 2021 \$'000
Freehold land	-	-	38,413	38,413
Buildings	-	-	140,811	140,811

15. INVESTMENT PROPERTY

In 2021, the Company reassessed the appropriate classification of the Exmoor Station land that was acquired in the previous financial year and determined that consistent with its ASX announcement at the time of acquiring the land, it was always the Company's intention to dispose of the majority of the land, and it was therefore appropriate to reclassify the land as an Investment Property carried at cost.

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Balance at the beginning of financial year	10,662	25,427
Acquisition of Exmoor Station land	-	-
Disposal of surplus land	-	(14,765)
Balance at the end of financial year	10,662	10,662

Notes to the Financial Statements

for the year ended 30 June 2022

16. GOODWILL

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Gross carrying amount		
Balance at the beginning of financial year	89,894	89,894
Additional amounts recognised from business combinations occurring during the period	-	-
Balance at the end of financial year	89,894	89,894
Accumulated impairment losses		
Balance at the beginning of financial year	-	-
Impairment losses for the year	-	-
Balance at the end of the financial year	-	-
Net book value		
Balance at the beginning of the financial year	89,894	89,894
Balance at the end of the financial year	89,894	89,894

Impairment test for goodwill

Goodwill relates to the consolidated entity's acquisition of the wholly-owned controlled entities, Aquatas Pty Ltd acquired in FY05, De Costi Seafoods Pty Ltd acquired in FY16 and the Fortune Group prawn aquaculture business acquired in FY19. For impairment testing purposes, goodwill has been tested at the cash generating unit (CGU) level, being the domestic and export CGU's. The recoverable amount of each CGU is determined based on the value-in-use calculation. These calculations use a discounted cashflow projection using a post-tax discount rate of 7.16% (2021: 6.00%). The calculations are based on management approved cashflows and financial projections to 2027, and a terminal value. The recoverable amount calculated exceeds the carrying value of goodwill. The cashflows beyond a five-year period have been extrapolated using a 2.25% (2021: 2.25%) per annum growth rate. Discounted cash flow projections are significantly higher than the carrying amount of goodwill and any reasonably possible change to the key assumptions would not cause an impairment.

17. OTHER INTANGIBLE ASSETS

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Gross carrying amount		
Balance at the beginning of the financial year	24,184	24,184
Additional amounts recognised from acquisition of Superior Gold Brand	-	-
Balance at the end of the financial year	24,184	24,184
Accumulated impairment losses		
Balance at the beginning of the financial year	-	-
Impairment losses for the year	-	-
Balance at the end of the financial year	-	-
Net book value		
Balance at the beginning of the financial year	24,184	24,184
Balance at the end of the financial year	24,184	24,184

Impairment test and useful life assessment for other intangible assets

The carrying value of other intangible assets relating to the Superior Gold brand as at 30 June 2022 is \$24.184 million (2021: \$24.184 million). Management have assessed that the brand has an indefinite useful life. There is no foreseeable limited life for the brand and management has no intentions of ceasing use of the brand such that the life would be limited. The Brand will continue to be actively promoted and supported in the markets where Superior Gold branded products are sold.

The recoverable amount of the Brand is based on the relief-from-royalty method. The calculation uses a discount rate (WACC) of 8.16%, a royalty rate of 8.00% and a long-term growth rate of 2.00%. The calculation is based on management approved cash flows and financial projections expected to be derived from the use of the Superior Gold branded product sales. The recoverable amount calculated exceeds the carrying value of the Superior Gold brand.

18. OTHER NON-CURRENT ASSETS

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Marine farming lease – at cost	826	826
Accumulated amortisation (i)	(634)	(604)
Selective breeding program contribution asset (ii)	9,416	5,869
	9,608	6,091

(i) Amortisation expense is included in the line item "depreciation and amortisation" in the income statement.

(ii) The Selective Breeding Program (SBP) is controlled by Salmon Enterprises of Tasmania Pty Ltd (Saltas). The success of the SBP and accordingly, the broodstock and resultant progeny is fundamental to the sustainability of Tassal Group Limited. The carrying value of the "selective breeding program contribution asset" is \$9.416 million (2021: \$5.869 million) and represents payments to the SBP to date.

As the SBP eggs and smolt are progressively received by the Group, the capitalised value will transfer from the SBP contribution asset back to the finish biological asset and be subsequently released to profit and loss as the livestock is harvested and sold.

19. ASSETS PLEDGED AS SECURITY

In accordance with the security arrangements of liabilities, as disclosed in notes 21 and 23 to the financial statements, all current and non-current assets of the consolidated entity, except goodwill and deferred tax assets, have been pledged as security.

The consolidated entity does not hold title to the equipment under finance lease pledged as security.

20. CURRENT TRADE AND OTHER PAYABLES

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Trade payables (i)	93,894	92,904
Other creditors and accruals	10,767	8,535
Goods and services tax (GST) payable	314	1,120
	104,975	102,559

(i) The average credit period on purchases of goods is 60 days. No interest is generally charged on trade payables for the first 60 days from the date of the invoice. Thereafter, interest may be charged at varying rates per annum on the outstanding balance. The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

21. CURRENT BORROWINGS

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Secured:		
At amortised cost		
Bank overdrafts (i)	-	-
Cash advance (i)	6,000	-
	6,000	-
Unsecured:		
At amortised cost		
Other loans	-	-
	-	-

(i) Secured by registered mortgages over the consolidated entity's assets and undertakings, freehold land and buildings and shares in other related parties, the current market value of which exceeds the value of the mortgages.

Notes to the Financial Statements

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22. CURRENT PROVISIONS

Current provisions comprise:

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Employee benefits (refer to note 24)	18,714	14,186
	18,714	14,186

(i) The current provision for employee entitlements includes \$2.943 million (2021: \$2.933 million) of annual leave and vested long service leave entitlements accrued but not expected to be taken within twelve months.

23. NON-CURRENT BORROWINGS

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Secured:		
At amortised cost:		
Cash advance (i)	357,079	348,443
	357,079	348,443

(i) Secured by registered mortgages over the consolidated entity's assets and undertakings, freehold land and buildings and shares in other related parties, the current market value of which exceeds the value of the mortgages.

24. NON-CURRENT PROVISIONS

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Non-current provisions comprise:		
Employee benefits	2,171	2,165
Remediation & capital maintenance	516	516
	2,687	2,681
The aggregate employee benefit liability recognised and included in the financial statements is as follows:		
Provision for employee benefits		
Current (refer to note 22)	18,714	14,186
Non-current	2,171	2,165
	20,885	16,351

25. ISSUED CAPITAL

		Consolidated			
	Note	2022 Number	2022 \$'000	2021 Number	2021 \$'000
<i>(a) Ordinary share capital (fully paid):</i>					
Ordinary shares		214,821,181	437,854	212,342,143	429,499
Changes to the Corporations Law abolished the authorised capital and par value concepts in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.					
<i>(b) Movements in ordinary share capital</i>					
Balance as at the beginning of the financial year		212,342,143	429,499	209,118,582	418,635
Issue of shares pursuant to dividend reinvestment plan	(i)	2,479,038	8,355	3,049,810	10,432
Issue of shares pursuant to executive long term incentive plan	(ii)	-	-	173,751	432
Balance as at the end of the financial year		214,821,181	437,854	212,342,143	429,499

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

Current financial year

- (i) On 29 September 2021, 1,266,305 ordinary shares were issued pursuant to the Company's dividend reinvestment plan at an issue price of \$3.38 per share. A discount of 2% was applicable.

On 30 March 2022, 1,212,733 ordinary shares were issued pursuant to the Company's dividend reinvestment plan at an issue price of \$3.36 per share. A discount of 2% was applicable.

Previous financial year

- (i) On 29 September 2020, 2,041,802 ordinary shares were issued pursuant to the Company's dividend reinvestment plan at an issue price of \$3.49 per share. A discount of 2% was applicable.

On 30 March 2021, 1,008,008 ordinary shares were issued pursuant to the Company's dividend reinvestment plan at an issue price of \$3.28 per share. A discount of 2% was applicable.

- (ii) On 25 August 2020, 173,751 ordinary shares were issued pursuant to the Company's Long-Term Incentive Plan at an issue price of \$2.4854 per share. There was no exercise price paid on this conversion.

Notes to the Financial Statements

for the year ended 30 June 2022

26. RESERVES

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Equity-settled employee benefits	1,526	1,625
Asset revaluation	22,953	14,090
	24,479	15,715
(a) Equity-settled employee benefits reserve		
Balance at the beginning of the financial year	1,625	1,982
Share-based payment	(99)	75
Issue of shares pursuant to Executive Long Term Incentive Plan	-	(432)
Balance at the end of the financial year	1,526	1,625

The equity-settled employee benefits reserve arises on the grant of ordinary shares to the Chief Executive Officer pursuant to entitlements under his employment contract and in respect of performance rights issued to the Chief Executive Officer and Senior Executives pursuant to the Company's Long-term Incentive Plan. Amounts are transferred out of the reserve and into issued capital when the shares are issued.

(b) Asset revaluation reserve

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Balance as at the beginning of the financial year	14,090	14,090
Revaluation increments / (decrements)	12,661	-
Deferred tax liability arising on revaluation	(3,798)	-
Balance at the end of the financial year	22,953	14,090

The asset revaluation reserve arises on the revaluation of freehold land and freehold and leasehold buildings. Where a revalued land or building is sold, that portion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred directly to retained profits.

(Refer to note 14 for details of independent valuation of freehold land and freehold and leasehold buildings).

27. RETAINED EARNINGS

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Balance at the beginning of the financial year	355,332	354,342
Net profit attributable to members of the parent entity	55,345	34,620
Dividends provided for or paid (refer to note 29)	(31,953)	(33,630)
Balance at the end of the financial year	378,724	355,332

28. EARNINGS PER SHARE (EPS)

	Consolidated 2022 (Cents per share)	Consolidated 2021 (Cents per share)
Earnings per ordinary share		
Basic (cents per share) (i)	25.91	16.40
Diluted (cents per share) (ii)	25.80	16.35

(i) Basic earnings per share is calculated by dividing the net profit for the reporting period by the weighted average number of ordinary shares of the Company.

(ii) Diluted earnings per share is calculated by dividing the net profit for the reporting period by the weighted average number of ordinary shares outstanding including dilutive potential ordinary shares.

	2022 No. '000	2021 No. '000
Weighted average number of ordinary shares used as the denominator in the calculation of EPS		
Number for basic EPS	213,605	211,061
Shares deemed to be issued for no consideration in respect of performance rights issued pursuant to Long-term Incentive Plan	881	741
Number for diluted EPS	214,486	211,802

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Earnings used as the numerator in the calculation of EPS (i)		
Earnings for basic EPS	55,345	34,620
Earnings for diluted EPS	55,345	34,620

(i) Earnings used in the calculation of basic and diluted earnings per share is as per net profit in the income statement

29. DIVIDENDS

	Year Ended 30 June 2022		Year Ended 30 June 2021	
	Cents per share	\$'000	Cents per share	\$'000
(a) Recognised amounts				
Fully paid ordinary shares				
Interim dividend in respect of current financial year	8.00	17,089	7.00	14,794
Final dividend paid in respect of prior financial year	7.00	14,864	9.00	18,836
	15.00	31,953	16.00	33,630
(b) Unrecognised amounts				
Fully paid ordinary shares				
Final dividend in respect of current financial year	-	-	7.00	14,864

	Consolidated 2022 '000	Consolidated 2021 '000
Franking account balance	(4,756)	(2,961)

Notes to the Financial Statements

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30. COMMITMENTS FOR EXPENDITURE

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Capital expenditure commitments		
Plant and equipment		
Not longer than 1 year	5,526	24,016
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	5,526	24,016

31. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group leases several assets including buildings, plant, equipment, vessels, marine licences and IT equipment. The average term is 6.2 years

(a) Right-Of-Use Assets

	Buildings \$'000	Plant and equipment \$'000	Total \$'000
Gross carrying amount			
Balance at 30 June 2021	39,872	279,563	319,435
Additions	986	54,126	55,111
Disposals	(562)	(12,318)	(12,880)
Balance at 30 June 2022	40,296	321,371	361,667
Accumulated depreciation			
Balance at 30 June 2021	(24,326)	(62,663)	(86,989)
Depreciation expense	(3,557)	(38,083)	(41,640)
Disposals	562	7,338	7,900
Balance at 30 June 2022	(27,321)	(93,408)	(120,729)
Carrying Amount			
Balance at 30 June 2021	15,546	216,900	232,446
Balance at 30 June 2022	12,975	227,963	240,938

(b) Lease Liabilities

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Current Liabilities	48,040	45,446
Non-current Liabilities	150,106	163,627
	198,146	209,073

Maturity Analysis

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Not longer than 1 year	48,040	45,446
Longer than 1 year and not longer than 5 years	101,912	110,770
Longer than 5 years	48,194	52,857
	198,146	209,073

32. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets at the date of this Annual Financial Report.

33. INVESTMENTS IN CONTROLLED ENTITIES

Details of controlled entities are reflected below:

		Ownership interest	
Name of entity	Country of incorporation	2022	2021
Parent entity:			
Tassal Group Limited (i)	Australia		
Controlled entities: (ii)			
Tassal Operations Pty Ltd (iii), (v), (vii), (ix)	Australia	100%	100%
Aquatas Pty Ltd (iv), (v), (vii), (ix)	Australia	100%	100%
De Costi Seafoods Pty Ltd (vi), (viii), (ix)	Australia	100%	100%

Notes:

- (i) Tassal Group Limited is the head entity within the tax-consolidated group and also the ultimate parent entity.
- (ii) These companies are members of the tax-consolidated group.
- (iii) Tassal Operations Pty Ltd was established as a wholly-owned subsidiary on 19 September 2003.
- (iv) Aquatas Pty Ltd was acquired on 18 March 2005 pursuant to a Merger Agreement with Webster Limited.
- (v) On 28th June 2006 Tassal Operations Pty Ltd and Aquatas Pty Ltd as wholly-owned subsidiaries entered into a deed of cross guarantee with Tassal Group Limited (2006 Deed of Cross Guarantee) for the purpose of obtaining for these wholly-owned subsidiaries the benefit of relief from complying with certain accounting and audit requirements of the Corporations Act (including the requirements to prepare and lodge an audited financial report) granted by ASIC by an order made under sub-section 340(1) of the Corporations Act on 27th June 2006. The order made by ASIC relieved those wholly-owned subsidiaries from complying with the same provisions of the Corporations Act as they would be relieved from complying with if they had satisfied the conditions set out in ASIC Class Order 98/1418.
- (vi) De Costi Seafoods Pty Ltd was acquired on 1 July 2015 pursuant to a share sale agreement.
- (vii) On 1 June 2016, Tassal Operations Pty Ltd and Aquatas Pty Ltd as wholly-owned subsidiaries entered into a Deed of Variation to the 2006 Deed of Cross Guarantee with Tassal Group Limited.
- (viii) On 1 June 2016 De Costi Seafoods Pty Ltd entered into an Assumption Deed with Tassal Group Limited, on behalf of the Group entities to the Deed of Cross Guarantee, to join as a party to the 2006 Deed of Cross Guarantee (as varied).
- (ix) Relief is now pursuant to ASIC Class Order 98/1418.

Notes to the Financial Statements

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34. SEGMENT INFORMATION

The Group has identified operating segments based on the internal reports that are reviewed by the chief operating decision maker (CODM) in assessing performance and in determining the allocation of resources. The CODM at Tassal is considered to be the Board of Directors.

The principal activities of the group are to farm, process, market and sell salmon and prawns and to procure, process, market and sell other seafood species.

Reportable segments are determined by the similarity of goods sold and the method used to distribute the goods. Information reported to the CODM is primarily focused on geographical regions. The Group's reportable segments under AASB 8 'Operating Segments' are therefore domestic and export markets for the sale of all seafood products.

Operational EBITDA is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

2022	Domestic Segment \$'000	Export Segment \$'000	Consolidated \$'000
Sales (1)	506,944	266,384	773,328
Segment operational EBITDA	110,361	64,205	174,566
Significant item - De Costi wages settlement	-	-	(2,206)
Significant item - export supply chain expense	-	-	(29,912)
Fair value adjustment of biological assets	-	-	20,195
Statutory EBITDA	-	-	162,643
Depreciation & amortisation expense	-	-	(72,165)
Finance costs	-	-	(15,854)
Profit before income tax expense	-	-	74,624
Income tax expense	-	-	(19,279)
Profit for the period	-	-	55,345
(1) Sales Information	Salmon \$'000	Seafood \$'000	Total \$'000
Domestic wholesale	122,403	53,379	175,782
Domestic retail	227,097	104,065	331,162
Export	261,416	4,968	266,384
Total sales	610,916	162,412	773,328

2021	Domestic Segment \$'000	Export Segment \$'000	Consolidated \$'000
Sales (1)	492,468	91,390	583,858
Segment operational EBITDA	130,321	9,030	139,351
Significant item - property transaction costs	-	-	(1,599)
Significant item - export supply chain expense	-	-	(14,832)
Fair value adjustment of biological assets	-	-	(3,106)
Statutory EBITDA	-	-	119,814
Depreciation & amortisation expense	-	-	(58,455)
Finance costs	-	-	(13,297)
Profit before income tax expense	-	-	48,061
Income tax expense	-	-	(13,441)
Profit for the period	-	-	34,620
(1) Sales Information	Salmon \$'000	Seafood \$'000	Total \$'000
Domestic wholesale	116,152	37,614	153,766
Domestic retail	265,795	72,907	338,702
Export	88,592	2,798	91,390
Total sales	470,539	113,319	583,858

The Group had two customers who individually contributed more than 10% of revenue for the year. Included in the domestic market section of revenue from the sale of goods of \$506,944 thousand (2021: \$492,468 thousand) are sales of \$240,877 thousand (2021: \$263,979 thousand) which arose from sales to the Group's two largest customers. Additional export supply chain expense was due to COVID-19 and the resulting removal of airfreight capacity.

35. SEASONALITY

The consolidated entity's principal activities, being principally the hatching, farming, processing, sales and marketing of Atlantic Salmon are not generally subject to material or significant seasonal fluctuations.

36. RELATED PARTY DISCLOSURES

Identity of related parties

The following persons and entities are regarded as related parties:

(i) Controlled entities:

Tassal Operations Pty Ltd
Aquatlas Pty Ltd
De Costi Seafoods Pty Ltd
(Refer to note 33 for details of equity interests in the above controlled companies).

(ii) Associates:

Salmon Enterprises of Tasmania Pty Ltd
(Refer to note 12 for details of equity interests in the above associate).

(iii) Key Management Personnel:

Directors and other Key Management Personnel also include close members of the families of Directors and other Key Management Personnel.

Transactions between related parties

(a) Key Management Personnel

In determining the disclosures noted below, the Key Management Personnel have made appropriate enquiries to the best of their ability and the information presented reflects their knowledge.

Other than as disclosed herein, the Key Management Personnel are not aware of any relevant transactions, other than transactions entered into during the year with Directors and Executives of the Company and its controlled entities and with close members of their families which occur within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those, it is reasonable to expect the entity would have adopted if dealing at arm's length with an unrelated person.

(i) Loans

There have been no loans entered into during or since the end of the financial year to or from Key Management Personnel.

(ii) Compensation

Details of Key Management Personnel compensation are disclosed in the Remuneration Report and in note 5 to the financial statements.

(iii) Other transactions

Excluding contracts of employment, no Key Management Personnel have entered into a contract or other transactions with the Company or the consolidated entity during the financial year and there were no contracts or other transactions involving Key Management Personnel's interests subsisting at year end.

(b) Associates

(i) Purchase (sales) of goods and services

The consolidated entity entered into transactions with the following associate for the supply of smolt (juvenile salmon), ancillary related items and the sale of various goods and services. These transactions were conducted on normal commercial terms and conditions.

Entity	Consolidated 2022 \$	Consolidated 2021 \$
Salmon Enterprises of Tasmania Pty Ltd	12,256,800	9,997,335
	12,256,800	9,997,335

Notes to the Financial Statements

for the year ended 30 June 2022

37. NOTES TO THE STATEMENT OF CASHFLOWS

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
<i>(a) For the purposes of the Statement of Cashflows, cash and cash equivalents includes cash on hand and in banks and short-term deposits at call, net of outstanding bank overdrafts. Cash and cash equivalents as at the end of the financial year as shown in the Statement of Cashflows is reconciled to the related items in the Statement of Financial Position as follows:</i>		
Cash and cash equivalents (i)	29,746	30,623
Bank overdrafts	-	-
	29,746	30,623
<i>(b) Reconciliation of profit for the period to net cashflows from operating activities:</i>		
Profit for the period	55,345	34,620
Depreciation and amortisation of non-current assets	72,165	58,455
Depreciation – impact of allocation to cost of live and processed fish inventories	16,321	20,229
Net (increment)/decrement in biological assets	(43,408)	17,918
Net (increment)/decrement in biological assets at point of harvest	23,213	(14,812)
Gain on disposal of investment property	-	(2,235)
Share of associates' and jointly controlled entities' profits	(1,271)	(975)
Equity settled share-based payment	(99)	75
(Increase) / decrease in assets:		
Inventories (ii)	47,519	(43,422)
Biological assets (ii)	(12,155)	(21,032)
Trade and other receivables	(29,501)	10,829
Prepayments	(765)	(285)
Other current financial assets	92	103
Current tax asset	1,795	5,243
Other non-current financial assets	278	308
Other non-current assets	(3,547)	(2,398)
Increase / (decrease) in liabilities:		
Current trade and other payables	(3,911)	(8,546)
Current provisions	4,528	(487)
Current tax liability	4,756	-
Deferred tax balances	7,664	6,926
Non-current provisions	6	503
Net cash provided by operating activities	139,025	61,017
(i) Cash and cash equivalents includes \$16.427 million (2021: \$14.630 million) held as a security deposit for the Trade Finance Facility.		
(ii) Changes in inventories and biological assets are shown net of the profit impact of AASB 141 'Agriculture'.		
(c) Financing facilities		
Secured revolving bank overdraft facility subject to annual review and payable at call		
- Amount used	-	-
- Amount unused	20,000	20,000
	20,000	20,000
Secured facilities with various maturity dates		
- Amount used	363,079	348,443
- Amount unused	133,921	98,557
	497,000	447,000

37. NOTES TO THE STATEMENT OF CASHFLOWS (CONT.)

(d) Total liabilities from financing activities

	2021 \$'000	Cash flows \$'000	Non-cash changes			2022 \$'000
			Acquisition \$'000	Foreign exchange movement \$'000	Fair value changes \$'000	
Long-term borrowings	348,443	8,636	-	-	-	357,079
Short-term borrowings	-	6,000	-	-	-	6,000
Total liabilities from financing activities	348,443	14,636	-	-	-	363,079

38. FINANCIAL INSTRUMENTS

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(b) Financial risk management objectives and derivative financial instruments

The Group's activities expose it to a variety of financial risks which include operational control risk, market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cashflow interest rate risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The consolidated entity enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including:

- forward foreign exchange contracts to hedge the exchange rate risk arising on the purchase and sale of imported and exported supply of salmon; and
- interest rate swaps to mitigate the risk of rising interest rates.

The Group uses different methods to mitigate different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risk and aging analysis for credit risk.

There has not been any material change to the objectives, policies and processes for managing financial risk during the year or in the prior year.

(c) Capital risk management

The consolidated entity manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the consolidated entity consists of debt, which includes the borrowings disclosed in notes 21 and 23, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 37(a), 25, 26 and 27 respectively.

Operating cashflows are significantly used to maintain and expand the consolidated entity's biological asset and property plant and equipment asset base, as well as to make the routine outflows of tax, dividends and timely repayment of maturing debt. The consolidated entity's policy is to use a mixture of equity and debt funded instruments in order to meet anticipated requirements.

Notes to the Financial Statements

for the year ended 30 June 2022

38. FINANCIAL INSTRUMENTS (CONT.)

Gearing ratio

The Board of Directors review the capital structure on a regular basis and in conjunction with the Group's formulation of its annual operating plan and strategic plan updates. The Group balances its overall capital structure through the payment of dividends, new shares and borrowings.

The gearing ratio at year end was as follows:

	Net debt to equity ratio	
	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Financial assets		
Debt (i)	363,079	348,443
Cash and cash equivalents	(29,746)	(30,623)
Net debt	333,333	317,820
Equity (ii)	841,057	800,546
Net debt to equity ratio	39.63%	39.70%

(i) Debt is defined as long and short term borrowings as detailed in notes 21 and 23.

(ii) Equity includes all capital and reserves.

(d) Market risk management

Market risk is the risk of loss arising from adverse movements in observable market instruments such as foreign exchange and interest rates.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rates and foreign currency risk, including:

- forward foreign exchange contracts to hedge the exchange risk arising from purchases and sales in foreign currencies [refer note 38 (e)]; and
- interest rate swaps, options and collars to partially mitigate the risk of rising interest rates [refer note 38 (f)].

(e) Foreign currency risk management

The consolidated entity undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

Forward foreign exchange contracts

The consolidated entity regularly assesses the need to enter into forward exchange contracts where it agrees to buy and sell specified amounts of foreign currencies in the future at a pre-determined exchange rate. The objective is to match the contracts with anticipated future cashflows from purchases and sales in foreign currencies, to protect the consolidated entity against the possibility of loss from future exchange rate fluctuations. The forward exchange contracts are usually for no longer than two months.

The consolidated entity enters into forward exchange contracts to hedge all foreign currency plant and equipment purchase in excess of 1 million Australian Dollars and regularly assesses the need to hedge foreign exchange sales on a committed basis.

38. FINANCIAL INSTRUMENTS (CONT.)

(f) Interest rate risk management

The consolidated entity is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. The risk is managed by the consolidated entity by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied, by either positioning the statement of financial position or protecting interest expense through different interest rate cycles.

Pursuant to the consolidated entity's Treasury Policy, the consolidated entity may use interest rate swap contracts to manage interest rate exposure. Under these contracts, the consolidated entity agrees to exchange the difference between fixed and floating interest amounts calculated on agreed notional principal amounts. Such contracts enable the consolidated entity to mitigate the risk of rising interest rates and debt held.

The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

Interest rate sensitivity analysis

The sensitivity analyses in the following table have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. The following table details the consolidated entity's sensitivity to a 1% increase and decrease in interest rates against the relevant exposures. A positive number indicates an increase in profit or loss where interest rates increase. For a reduction in interest rates against the respective exposures, there would be an equal and opposite impact on the profit or loss and the balances below would be reversed.

Interest rate risk		
	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Financial Assets		
Cash and cash equivalents	297	306
Total Profit / (Loss)	297	306

(g) Liquidity risk management

Liquidity risk refers to the risk that the consolidated entity or the Company will not be able to meet its financial obligations as they fall due. The consolidated entity and the Company undertake the following activities to ensure that there will be sufficient funds available to meet obligations:

- prepare budgeted annual and monthly cashflows;
- measurement and tracking of actual cashflows on a daily basis with comparison to budget on a monthly basis;
- matching the maturity profile of financial assets and liabilities; and
- delivering funding flexibility through maintenance of a committed borrowing facility in excess of budgeted usage levels.

Included in note 37 (c) is a summary of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

Liquidity and interest rate tables

The following tables detail the consolidated entity and Company's expected maturity for its financial assets and contractual maturity for financial liabilities.

Notes to the Financial Statements

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38. FINANCIAL INSTRUMENTS (CONT.)

Consolidated 2022	Average interest rate %	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Total \$'000
Financial assets					
<i>Non-interest bearing:</i>					
Trade receivables	-	59,693	-	-	59,693
Other receivables	-	7,102	-	-	7,102
Other financial assets	-	530	1,589	43	2,162
<i>Variable interest rate:</i>					
Cash and cash equivalents	0.82%	29,746	-	-	29,746
<i>Fixed interest rate maturity:</i>					
Other financial assets	-	-	-	-	-
		97,071	1,589	43	98,703
Financial liabilities					
<i>Non-interest bearing:</i>					
Trade payables	-	93,894	-	-	93,894
Other payables	-	11,081	-	-	11,081
<i>Variable interest rate:</i>					
Cash advance	1.87%	6,000	357,079	-	363,079
<i>Fixed interest rate maturity:</i>					
Interest rate swaps	-	-	-	-	-
Bank loans	-	-	-	-	-
Other loans	-	-	-	-	-
		110,975	357,079	-	468,054

Fair value hierarchy			
Item	Fair value as at		Valuation techniques
	30/06/2022 \$'000	30/06/2021 \$'000	
Interest rate swaps	-	-	Level 2 Discounted cashflow. Future cashflows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties

38. FINANCIAL INSTRUMENTS (CONT.)

Consolidated 2021	Average interest rate %	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Total \$'000
Financial assets					
<i>Non-interest bearing:</i>					
Trade receivables	-	30,216	-	-	30,216
Other receivables	-	7,078	-	-	7,078
Other financial assets	-	622	1,867	43	2,532
<i>Variable interest rate:</i>					
Cash and cash equivalents	0.00%	30,623	-	-	30,623
<i>Fixed interest rate maturity:</i>					
Other financial assets	-	-	-	-	-
		68,539	1,867	43	70,449
Financial liabilities					
<i>Non-interest bearing:</i>					
Trade payables	-	92,904	-	-	92,904
Other payables	-	9,655	-	-	9,655
<i>Variable interest rate:</i>					
Cash advance	0.09%	-	348,443	-	348,443
<i>Fixed interest rate maturity:</i>					
Interest rate swaps	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-
Bank loans	-	-	-	-	-
Other loans	-	-	-	-	-
		102,559	348,443	-	451,002

(h) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations or commitments resulting in financial loss to the consolidated entity. To help manage this risk, the consolidated entity has adopted the policy of only dealing with creditworthy counterparties in accordance with established credit limits and where appropriate obtaining sufficient collateral or other security generally via trade credit insurance arrangements. The overall financial strength of customers is also monitored through publicly available credit information.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the consolidated entity's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

The consolidated entity maintains a provision account, described in the Annual Financial Report as an allowance for doubtful debts, which represents the estimated value of specific trade receivables that may not be recovered. A general provision is not maintained. Unallocated receivables are charged to the allowance for doubtful debts account.

(i) Fair value of financial instruments

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective fair values, determined in accordance with the summary of accounting policies disclosed in note 1 to these financial statements and having regard to likely future cashflows.

Notes to the Financial Statements

for the year ended 30 June 2022

39. PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 1 for a summary of the significant accounting policies relating to the Group

	Company 2022 \$'000	Company 2021 \$'000
Statement of financial position		
Current Assets		
Current tax asset	-	1,795
Total Current Assets	-	1,795
Non-Current Assets		
Trade and other receivables	379,438	385,600
Other financial assets	28,119	28,119
Deferred tax assets	40,579	19,610
Total Non-current Assets	448,136	433,329
Total Assets	448,136	435,124
Current Liabilities		
Current tax liability	4,756	-
Total Current Liabilities	4,756	-
Total Liabilities	4,756	-
Net Assets	443,380	435,124
Equity		
Issued capital	437,854	429,499
Reserves	1,526	1,625
Retained earnings	4,000	4,000
Total Equity	443,380	435,124
Statement of comprehensive income		
Profit for the period	31,953	33,630
Other comprehensive income	-	-
Total comprehensive income	31,953	33,630

Directors' Declaration

The Directors declare that:

1. In the opinion of the Directors of Tassal Group Limited (the Company):
 - (a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
 - (b) the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements; and
 - (c) the attached financial statements and notes set out on pages 32 - 74 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2022 and of their performance, for the year ended on that date; and
 - (ii) complying with Accounting Standards and the *Corporations Act 2001*.
2. At the date of this declaration, the Company and its subsidiaries are party to a deed of cross guarantee entered into for the purpose of obtaining for the Company's subsidiaries the benefit of relief from complying with certain accounting and audit requirements of the Corporations Act granted by ASIC by an order made under subsection 340 (1) of the Corporations Act on 27 June 2006 as varied by Deed of Variation to the 2006 Deed of Cross Guarantee dated 1 June 2016. Relief is now pursuant to ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor of each other company which is party to the deed payment in full of any debt owed by each other company.

In the Directors' opinion, there are reasonable grounds to believe that the Company and each of its wholly-owned subsidiaries, being the parties to the deed of cross guarantee as detailed in note 33 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.
3. The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2022.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors,



J. Fazzino

Chair

Hobart, 16 August 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TASSAL GROUP LIMITED

Opinion

We have audited the financial report of Tassal Group Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p>Valuation of biological assets</p> <p>Refer to Note 1(w) <i>Biological Assets – Livestock</i> and Note 9 <i>Biological Assets</i></p> <p>As disclosed in Note 9, the Group has biological assets valued at \$518.798 million as at 30 June 2022. These biological assets are measured at fair value less estimated point of sale costs.</p> <p>In order to determine the carrying value, Management prepare a discounted cash flow model which requires them to exercise significant judgement in respect of:</p> <ul style="list-style-type: none"> • the forecast harvest weights • future net market value to be achieved per kilogram of fish/seafood; and • forecast costs (including feed costs, labour and overhead) to grow the livestock to a harvestable size. 	<p>With the support of our valuation specialists, our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the process including assessing the design and implementation, as well as the operating effectiveness of controls over key inputs (such as number and biomass of livestock) used by management to determine fair value • Assessing the appropriateness of the valuation methodology and testing the integrity of the discounted cash flow model • Assessing and challenging the key assumptions in the model as follows: <ul style="list-style-type: none"> o forecast harvest weights by comparing to historical trends, the Board approved FY23 budget and strategic plan as well as harvest strategies in place o future net market value to be achieved per kilogram of livestock by comparing to recent historical sales prices, the Board approved FY23 budget and strategic plan as well as industry data o forecast costs (including feed costs, labour and overhead) to grow the livestock to a harvestable size by comparing to historical trends and the Board approved FY23 budget and strategic plan. • Assessing historical forecasting accuracy by comparing previous year's key assumptions to those in the current year in particular harvest weight and sales price • Challenging the appropriateness of the discount rate used in the discounted cash flow model • Performing sensitivity analysis in relation to the key assumptions in the model such as harvest weight and sales price; and • Assessing the appropriateness of the disclosures to the financial statements

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TASSAL GROUP LIMITED (CONTINUED)

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's and Chief Executive Officer's Report and the Directors' Report, which we obtained prior to the date of this auditor's report, and also includes the following information which will be included in the Company's report (but does not include the financial report and our auditor's report thereon): Dividend/Distribution – TGR, TGR FY2022 results, TGR FY2022 Results- presentation, Market Briefing on FY2022 results and outlook, additional ASX disclosures and Shareholder Information, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

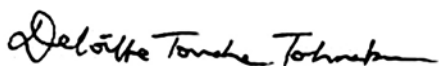
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 29 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Tassal Group Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



DELOITTE TOUCHE TOHMATSU



Chris Biermann

Partner

Chartered Accountants

Hobart, 16 August 2022

Additional Securities Exchange Information

The following additional information is provided in accordance with the ASX Listing Rules as at 8 September 2022.

Number of holder of equity securities

Ordinary share capital (quoted)

214,821,181 fully paid ordinary shares are held by 13,031 shareholders. At a general meeting, every shareholder present in person or by proxy, attorney of representative has one vote on a show of hands and, on a poll, one vote for each fully paid share held.

Performance rights (unquoted) (information not held by Computershare)

1,506,275 performance rights granted pursuant to the Company's Long-term Incentive Plan are held by 30 employees. A performance right to ordinary shares does not entitle a participant under the Plan to voting rights, participation in new issues of securities or to receive dividends. In the event that shares are issued under the Plan at the end of the performance period pursuant to the performance rights, those shares will rank equally with existing ordinary shares, including entitlement to voting rights.

Distribution of holders of equity securities

Number of equity securities held	Ordinary Shares			Performance Rights		
	No. of holders	No. of shares	% of shares	No. of holders	No. of rights	% of rights
1 – 1,000	5,364	2,354,876	1.10	-	-	-
1,001 – 5,000	5,112	12,784,463	5.95	-	-	-
5,001 – 10,000	1,480	10,898,597	5.07	2	19,152	1.27
10,001 – 100,000	1,010	22,860,039	10.64	24	743,314	49.35
100,001 and over	65	165,923,206	77.24	4	743,809	49.38
Rounding			0.00	-	-	-
	13,031	214,821,181	100.00	30	1,506,275	100.00

The number of shareholders holding less than a marketable parcel of 97 fully paid ordinary shares on 8 September 2022 is 458 and they hold 5 029 fully paid ordinary shares

Substantial shareholders – Computershare does not hold this information

The following organisations have disclosed a substantial shareholder notice to ASX during the financial year.

Name	Number of ordinary shares	% of voting power advised
Mitsubishi UFJ Financial Group, Inc (change of substantial holder 05/09/2022)	21,058,385	9.80
Morgan Stanley and its subsidiaries (change of substantial holder 05/09/2022)	18,459,906	8.59
First Sentier Investments Holdings and its related bodies corporate (change of substantial holder 05/09/2022)	21,058,385	9.80
Mitsubishi UFJ Financial Group, Inc (change of substantial holder 30/08/2022)	18,055,668	8.40
Morgan Stanley and its subsidiaries (change of substantial holder 30/08/2022)	15,394,960	7.17
First Sentier Investments Holdings and its related bodies corporate (change of substantial holder 30/08/2022)	18,055,668	8.40
Mitsubishi UFJ Financial Group, Inc (change of substantial holder 19/08/2022)	14,663,197	6.83
First Sentier Investments Holdings and its related bodies corporate (change of substantial holder 19/08/2022)	14,663,197	6.82
Mitsubishi UFJ Financial Group, Inc (initial substantial holder 17/08/2022)	11,421,153	5.32
First Sentier Investments Holdings and its related bodies corporate (initial substantial holder 17/08/2022)	11,421,153	5.32
Argo Investments Limited (ceasing to be a substantial holder 16/08/2022)		

Name	Number of ordinary shares	% of voting power advised
Glenn Bruce Cooke, Cooke Family Inc., Cooke Inc. and the controlled entities of Cooke Inc. from time to time including Aquaculture Australia Company Pty Ltd, Aquaculture Australia Midco 2 Pty Ltd, Aquaculture Australia Midco 1 Pty Ltd and Aquaculture Australia Holdco Pty Ltd (change in substantial holder 15/07/2022)	22,535,121	10.490
Glenn Bruce Cooke, Cooke Family Inc., Cooke Inc. and the controlled entities of Cooke Inc. from time to time including Aquaculture Australia Company Pty Ltd, Aquaculture Australia Midco 2 Pty Ltd, Aquaculture Australia Midco 1 Pty Ltd and Aquaculture Australia Holdco Pty Ltd (change in substantial holder 08/07/2022)	19,097,085	8.890
Glenn Bruce Cooke, Cooke Family Inc., Cooke Inc. and the controlled entities of Cooke Inc. from time to time including Aquaculture Australia Company Pty Ltd, Aquaculture Australia Midco 2 Pty Ltd, Aquaculture Australia Midco 1 Pty Ltd and Aquaculture Australia Holdco Pty Ltd (change in substantial holder 08/07/2022)	16,324,519	7.599
Glenn Bruce Cooke, Cooke Family Inc., Cooke Inc. and the controlled entities of Cooke Inc. from time to time including Aquaculture Australia Company Pty Ltd, Aquaculture Australia Midco 2 Pty Ltd, Aquaculture Australia Midco 1 Pty Ltd and Aquaculture Australia Holdco Pty Ltd (change in substantial holder 29/06/2022)	16,324,519	7.599
Glenn Bruce Cooke, Cooke Family Inc., Cooke Inc. and the controlled entities of Cooke Inc. from time to time including Aquaculture Australia Company Pty Ltd, Aquaculture Australia Midco 2 Pty Ltd, Aquaculture Australia Midco 1 Pty Ltd and Aquaculture Australia Holdco Pty Ltd (initial substantial holder 26/06/2022)	11,596,555	5.398
Yarra Funds Management Group of Companies (ceasing to be a substantial holder 17/06/2022)		
Vanguard Group of Companies (ceasing to be a substantial holder 05/11/2021)		
Vanguard Group of Companies (ceasing to be a substantial holder 05/11/2021)		
Yarra Funds Management Group of Companies (change in substantial holder 20/10/2021)	14,938,704	6.9935
JPMorgan Chase & Co (ceasing to be a substantial holder 16/09/2021)		
JPMorgan Chase & Co (initial substantial holder 15/09/2021)	13,698,061	6.45

Twenty largest holders of quoted ordinary shares

Rank	Name	Units	% of Units
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	47,534,581	22.13
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	32,640,567	15.19
3	CITICORP NOMINEES PTY LIMITED	25,954,597	12.08
4	AMORE FOODS PTY LTD	12,403,517	5.77
5	AMORE FOODS PTY LTD	10,131,604	4.72
6	BNP PARIBAS NOMS PTY LTD <DRP>	6,868,096	3.20
7	NATIONAL NOMINEES LIMITED	6,324,338	2.94
8	NEKON PTY LTD <HERMAN ROCKEFELLER A/C>	3,455,000	1.61
9	ROCKCAR PTY LTD <RCR FAMILY A/C>	2,005,000	0.93
10	RASIN HOLDINGS PTY LTD <G&A COSTI INVESTMENT A/C>	2,000,000	0.93
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	1,352,046	0.63
12	MRS PATRICIA GLADYS WRIGHT + MR MARK GREGORY WRIGHT + MR JAMES GREGORY WRIGHT <PG WRIGHT SUPER FUND A/C>	1,296,802	0.60
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	914,482	0.43
14	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	846,565	0.39
15	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	791,036	0.37
16	GARMARAL PTY LTD	779,539	0.36
17	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	542,291	0.25
18	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	514,869	0.24
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	495,497	0.23
20	MR BRIAN GREGORY WRIGHT + MRS PATRICIA GLADYS WRIGHT <BG WRIGHT SERVICES SUPER A/C>	479,805	0.22
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		157,330,232	73.24
Total Remaining Holders Balance		57,490,949	26.76

On-market buy-back

There is no current on-market buy-back.

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