

ASX/Media Release



Issued: 29 April 2020

MARKET UPDATE INCLUDING IMPACT OF COVID-19 MEASURES

Huon Aquaculture Group Limited ("Huon", ASX: HUO) provides an update to the market on trading conditions during the third quarter of FY2020 and the first three weeks of April, including the important Easter trading period. During this time a number of measures were implemented by the state and federal governments to contain the spread of the novel corona virus, COVID-19, in Australia. This included the closure of Tasmania's border to non-residents on 21 March and the implementation of a stage 3 lockdown across Australia from 30 March. International travel bans were also put in place from 24 March which had the immediate impact of restricting access to flights carrying freight as the major airlines progressively grounded their fleets.

Third Quarter Operating Performance

Huon's operations during the first three months of Calendar 2020 were in line with those described in the 1H2020 release of 21 February 2020. In particular, as a result of the ongoing focus in 1H2020 on building biomass and completion of good summer growing conditions, the Company was on target to exceed the planned harvest of at least 25,000 tonnes for FY2020.

Huon has been adhering to Government and Health Department guidelines and has been permitted to continue all operations 'as normal', albeit with modified policies and procedures to contain any potential outbreaks of Covid-19 within the business. There have been no disruptions to the ongoing operations of the business to date.

During April the impact of the lockdown, in particular the closure of restaurants, clubs and the food catering industry more generally, has virtually closed the food services sector in Australia. While sales through retail channels have been strong, due to its high exposure to the food service channel, Huon has experienced a significant drop in sales in its wholesale market during April. Access to export markets has also been interrupted since late March due to the disruption to international air freight services.

Withdrawal of Guidance

With two of its major channels to market impacted, Huon has modified its harvest program, slowing harvest of the 19 Year Class Salmon until such time as channels to market begin to normalise. As a result, it is likely that the harvest for FY2020 will be between 5 and 10 per cent below the forecast of 'at least 25,000 tonnes'. The harvest in FY2021 however is expected to increase between 20 to 25 per cent above the base line forecast of 30,000 tonnes for that year due to the carryover of fish from FY2020, operational improvements and good growing conditions.

Nevertheless, due to the ongoing impact of COVID-19 disruptions in Australia and internationally there is sufficient uncertainty regarding the trading outlook for the remainder of FY2020 that Huon is withdrawing its guidance in relation to the performance of operating and statutory earnings relative to FY2019.

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For further information, contact:

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