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ASX Market Announcements Office

Second Avian Influenza outbreak detected in Farm Pride operation

Following our announcement on 10 August 2020, Farm Pride Foods Ltd (ASX:FRM) (Company) advises that Agriculture Victoria ("**Ag Vic**") has now confirmed a further avian influenza (AI) outbreak in the Lethbridge area impacting a second Farm Pride farm. The farm is leased and operated by Farm Pride.

The second Farm Pride farm affected by AI is a Free-Range operation housing 40,000 hens and an Ag Vic destruction order has been issued for all livestock on this site. This process has now commenced.

The Company continues to work closely with Ag Vic to ensure compliance with all Restricted and Control Area Orders. This further outbreak has occurred despite strict monitoring and controls that have prohibited the movement of birds, equipment and products within and out of restricted areas and this farm. It is disappointing that despite the highest bio security levels and efforts of the farm management and Ag Vic that this site has now succumbed to the virus. The AI H7N7 virus is a particularly virulent and aggressive strain.

The Company previously provided guidance on the likely impact of the outbreak for the financial year ended 30 June 2021 noting again that there still remains a level of uncertainty regarding the extent and duration of the consequences of this AI outbreak. With this second farm now impacted by AI we can provide the following further detail:

- The revised approximate number of layer hens lost including cage, free range and barn is now 380,000 representing 33% of the Company's productive hen flock.
- The full financial impact is still being determined and remains material.
- The reduction in full year FY21 net revenue is still expected to remain in the range of $18 to $23 million.
- Recovery strategies are already being implemented and to that end the Company acknowledges the support of all of its stakeholders especially our customers and staff.
- The release of our FY20 Accounts will provide further information about the impact of this AI event.

As previously advised, all other Company operations remain unaffected by this AI issue. The issue is contained to the farms affected. We continue to operate as normal across all other parts of the business.

This announcement has been authorised for release to the ASX by the Board.