

ASX/Media Release



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MARKET UPDATE

Hulon Aquaculture Group Limited (ASX: HUO) ("Company", "Hulon")

Strategic Review Update

Hulon announced on 26 February 2021 that, in light of unsolicited approaches, it had initiated a strategic review to assess the potential for corporate level transactions.

With the assistance of Grant Samuel and Ashurst, the strategic review remains ongoing, and the Company continues to assess potential corporate level transactions. The Company is currently facilitating due diligence by select interested parties (with customary confidentiality obligations in place) in order to explore whether a transaction could be consummated for the benefit of shareholders.

The Board notes that there is no certainty around whether the current engagement with interested parties will result in a binding transaction, the form, or terms of any transaction, or whether there will be a decision or recommendation by the Board of Hulon to pursue any transaction.

The Board will continue to update shareholders as appropriate.

Operational Update

Whilst the challenges brought on by COVID-19 persist, the Company has seen a recent steady increase in demand from the domestic wholesale market as hospitality and food service businesses reopen, and the impacts from COVID-related lockdowns in Australia begin to ease. Pricing and volumes in the wholesale/food service market are now generally back to pre-COVID levels. There have also been recent price improvements in export markets (before freight costs) which are also now generally back to pre-COVID levels, particularly for the larger size fish that Hulon is able to supply.

The strategic market focused initiatives to grow per capita consumption in the domestic market and increase the contribution of retail sales to overall revenue, met key milestones following the release of the campaign, 'Give Chicken the Night Off' and successful results in recent retail tenders for the supply of fresh salmon, the majority of which have now commenced.

Hulon continues to trade in line with previous guidance provided to the market including an expected harvest of around 35,000 tonnes for full year FY2021. Operating earnings (EBITDA) for FY2021 is likely to be within previous guidance of \$15-20 million.

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For further information, contact:

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