

28 February 2022

ASX ANNOUNCEMENT

Half Year Results Commentary

Jatcorp Limited (ASX: JAT) is pleased to announce its results for the half-year ended 31 December 2021.

The sales revenue for the December 2021 half year of \$16,042,583 increased compared to the immediately preceding half year ended 30 June 2021 of \$7,465,314. This represents a strong rebound indicating that the obstacles caused by Covid-19 and the challenging macro political environment are being overcome. The sales revenue for the December 2021 half year also increased compared to the sales revenue of the corresponding previous half year ended 31 December 2020 of \$13,490,661.

The rebound is evidence that the strategies put in place by JAT over the last two years are working. Those strategies include dramatically improving the quality and capacity of the ANMA factory and developing a number of new JAT products which are now positioned in the market. The directors believe that these strategies will drive a significant increase in revenue for the second half of the 2022 financial year and beyond.

The directors expect an increase in revenue in the second half of FY22 to be driven by:

- Firm orders received by ANMA from third-party customers have increased by 100% for March 2022 with continuing orders for April and onwards. Increased production of JAT in-house products has also been ordered to meet the demand from customers. As a result, the ANMA factory has started to operate two shifts a day, six days a week.
- The final sample test for co-branding products for Saputo (see ASX announcement 27 January 2022) has been completed and Saputo have advised that the first batch of the co-branding products will be released in Australia and US markets in April 2022. This represents a major milestone with JAT products being marketed in the US for the first time.
- The development of JAT's plant-based meats has led to the development of plant-based snacks products. JAT is working to obtain China regulatory approval for the sale of the products and it is expected that the products will be ready for sale on in Australia, China and other countries from April 2022.

Other financial highlights expected in FY 22 include:

- Having concluded the development phase of a number of products, the gross margin on manufactured products by both ANMA and plant-based products manufactured in China should increase;
- Financing costs should reduce as a result of equity funds being raised utilised in the repayment of high interest-bearing debt; and
- Impairment of goodwill during the half year ended 31 December 2021 of \$1,487,770

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is unlikely to recur as a result of expected increase in revenue in JAT's subsidiary, Sunnya.

This announcement is authorised by JAT's Managing Director, Wilton Yao.

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About Jatcorp Limited

Jatcorp Ltd (ASX: JAT) innovates, manufactures and markets a portfolio of in-house branded FMCGs, focusing on growth opportunities in dairy products.

JAT has positioned itself as a major player in the flourishing Australian consumer goods export industry, offering Chinese retail presence, online sales to Chinese consumers through offshore platforms, and high-volume wholesaling to daigou groups and other distribution channels.

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