



ASX ANNOUNCEMENT – 12 November 2021

- Significant partnership entered with Australian Plant Proteins to develop hemp concentrate and isolates
- Allows TSN to enter the \$10.8b global plant-based ingredients market with limited capex requirements
- Production to occur at the state-of-the-art APP facility in Victoria, which is undergoing a \$50M investment
- TSN to own the intellectual property and have 15 year exclusivity on its sales
- End products expected to attract a premium due to their superior protein properties and will be sold into rapidly expanding plant-based food and beverage markets
- Commercialisation of the agreement expected to occur in Q4 FY2022 with discussion commenced with leading ingredients distributors globally

Melbourne, Australia, 12 November 2021: The Sustainable Nutrition Group Ltd (ASX:TSN) ("TSN or the "Company"), a producer, manufacturer, and distributor of premium plant-based health and wellness products, is delighted to announce that it has entered into an agreement with Australian Plant Proteins Pty Limited ("APP") to develop a Hemp Concentrate and Isolate.

APP is a premium plant-based powder processing, packaging and distribution business, with state-of-the-art facilities in Werribee and Horsham, Victoria, which has recently undergone a \$50m investment from a leading global agri-food company.

This agreement will enable the Company to enter the US\$10.8 billion global plant-based ingredients market with limited capital expenditure requirements.

TSN will make an initial investment during the first quarter of calendar 2022, to develop a Hemp Concentrate and Isolate in APP's state-of-the-art protein isolate fractional facility. TSN will own the intellectual property for this unique hemp concentrate and isolate, and have 15-year exclusivity on its sale.

Commercialisation of this new agreement is expected to commence in Q4 FY2022 initially in the Australian and New Zealand markets, and thereafter into global markets. This new range of products will generate new revenue streams for the Company and will be margin accretive, reflecting their unique nutritional benefits, high quality, and sustainability.

Following a successful completion of the initial product development, TSN anticipates investing in additional development activities with APP to further expand TSN's hemp concentrate and isolate product suite.

TSN's Hemp Isolate is expected to contain between 88% and 92% protein, while maintaining other important nutritional benefits of Hemp such as, its Omega 6 & 9 profile, magnesium content and other nutritional benefits.

The development of Isolates and Concentrates overcomes issues of colour, flavour profile, solubility and emulsification experienced by current hemp proteins. The products will be pale in colour, neutral in flavour, and have excellent solubility and emulsifying characteristics, which are critical for broad utilisation.

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Unlike other plant and animal proteins, the Hemp Isolates will also be non-allergenic and non-GMO addressing consumers with sensitivities and allergies. From an environmental perspective, these Australian-grown and developed hemp products are a carbon sink, regenerate the soil and are traceable back to seed genetics.

The Company has commenced discussions with leading ingredients distributors supplying over 30 countries globally. Together, the products are expected to be sold into the rapidly expanding plant-based food and beverage markets, including milks, yoghurts, meat alternatives, protein bars and shakes, baked goods, protein supplements as well as sauces and condiments producers. Brands that utilise these products could include Beyond Burgers, Weet Bix, Bounce Ball treats, Up and Go Protein drinks, Primo smallgoods and their equivalents in the US, Europe and across Asia.

Commenting on the agreement, TSN Managing Director, Mr Neale Joseph, said, “investing in research and development and product innovation is one of TSN’s key strategic pillars. By partnering with APP, TSN can leverage opportunities in the plant protein market to take advantage of strong consumer demand for plant-based health and wellness products.

“The partnership creates fast to market opportunities, without significant capex requirements for products which attract a premium due to their superior protein properties.

“In particular, APP’s proprietary protein extraction process creates ‘clean’ protein powders without the use of solvents or enzymes. The result is a sustainably produced, great tasting plant protein ideally suited to a broad range of food and beverage applications.”

Hemp Isolates compared to market leader Soy Isolates

	Hemp Protein Isolate	Soy Protein Isolate
Protein concentration	>85%	>85%
Protein digestibility	High	High
Phytoestrogens	No	Yes
Allergenicity	Low	High
Arginine ⁽¹⁾ %	High	Mid-Range
Genetically modified	No	Potentially ⁽²⁾
Australian grown & processed	Yes	No

1. Arginine is precursor in the production of Nitric Oxide. Hemp protein is especially rich in Arginine
2. Soy proteins can be derived from GM and non-GM sources

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Hemp has been shown to demonstrate excellent gelling solubility and emulsifying properties

Property ⁽¹⁾	Application
Gelling	Meat extension
	Meat-free analogues
	Egg substitutes
	Yoghurt additive for syneresis reduction
Solubility	Nutritional beverages
	Milk substitutes
Nutritional value	Low allergen protein fortification in a wide range of food products, including: <ul style="list-style-type: none"> - Breads - Bars - Meat and meat substitutes - Beverages - Confectionery - Formulated sports foods
Emulsification	Low allergen vegan mayonnaise and dressings
Film-forming	Batters

1. Properties may vary depending on final manufacturing method.

ENDS

Authorised on behalf of the TSN Board of Directors by:

Pauline Gately
Non-Executive Chair
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About The Sustainable Nutrition Group:

The Sustainable Nutrition Group Ltd ("TSN") is a vertically integrated business which produces, manufactures and distributes a range of sustainable and plant-based nutrition brands, including hemp products under the Mt Elephant, Australian Primary Hemp, and Field Day brands to retail, wholesale, e-commerce and white label customers in Australia. TSN engages across the value chain encompassing seed selection, farming, processing, packaging, distribution and sales of bulk, food service and retail products.



THE SUSTAINABLE
NUTRITION GROUP

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Forward-Looking Statements:

This announcement contains forward-looking statements, including references to future events. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond TSN's control and speak only as of the date of this announcement. Readers are cautioned not to place undue reliance on forward-looking statements.

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