

19 February 2025

ASX Announcement

JATCORP ENTERS STRATEGIC SALES INCENTIVE AGREEMENT WITH TIER 1 RETAILER H&S INTERNATIONAL

Jatcorp Limited (ASX: JAT) (“Jatcorp” or the “Company”), a leading Australian health and wellness consumer goods company, is pleased to announce that it has signed a sales incentive agreement (“**Agreement**”) with strategic partner and Tier 1 retailer, H&S International (HK) Co. Limited (“**H&S International**” or “**H&S**”) to drive sales of Jatcorp’s Moroka® brand in Mainland China.

Highlights

- **Equity investment by H&S in Jatcorp via an allotment and issue of shares will strengthen the strategic partnership between the companies and the alignment of H&S with the long-term growth and financial performance of Jatcorp**
- **Agreement conditional on H&S meeting product purchase milestones of at least A\$8 million in FY25 and an accumulated A\$25 million across FY25 and FY26**
- **Up to 4,000,000 ordinary shares may be issued to H&S if the FY25 and FY26 sales targets are met, representing 4.80% of Jatcorp’s current issued capital**
- **Expected to deliver a material step change in Moroka® sales in Mainland China**

H&S International (HK) operates over 200 cross-border e-commerce (CBEC) stores across China’s leading platforms Tmall, JD, VIP, Kaola, Taobao, and Pinduoduo - and is a long-term strategic partner and major distributor for Jatcorp. In FY24, H&S generated A\$3.35 million in sales of Moroka® products and played a pivotal role in making Moroka® the fastest-growing lactoferrin brand in China’s CBEC channel, securing the #3 ranking on Tmall by revenue.

The Sales Incentive Agreement is designed to strengthen the partnership between Jatcorp and H&S, incentivise and reward H&S for its commitment to Moroka® and help grow the brand into a leading household wellness brand.

Commenting on the agreement, Jatcorp Chief Executive Officer, Sunny Jian Xin Liang said:

“H&S has been a valued partner in our China growth strategy, demonstrating strong historical sales performance and an ability to scale our presence in key e-commerce channels. This agreement is a natural evolution of our strong partnership and provides a structured incentive to further align our objectives and expand our market penetration in the ‘Mother & Baby’ and ‘Health Supplements’ categories. We believe this deepened collaboration will drive sustained growth and long-term value for our shareholders and help grow Moroka® into a leading household wellness brand in China.”

Key Terms of the Agreement

Parties: Jatcorp Limited and H&S International (HK) Co. Limited.

Term: The agreement is for an initial period from 1 July 2024 to 30 June 2026, with an option for extension subject to mutual agreement.

Scope: Jatcorp has conditionally agreed to progressively issue up to 4,000,000 ordinary shares to H&S, subject to the achievement of specified product purchase milestones:

1. FY25 Sales Target

- If H&S purchases at least A\$8 million worth of Moroka® products between 1 July 2024 and 30 June 2025, and all invoices are paid by 30 August 2025, Jatcorp will issue 1,000,000 ordinary shares to H&S (representing 1.20% of Jatcorp's current issued capital).

2. FY25 & FY26 Accumulated Sales Targets

- If H&S purchases at least A\$19 million but less than A\$22 million of Moroka® products across FY25 and FY26, and all invoices are paid by 30 August 2026, Jatcorp will issue 1,000,000 shares to H&S (1.20% of current issued capital).
- If H&S purchases exceed A\$22 million but are less than A\$25 million of Moroka® products across FY25 and FY26, and all invoices are paid by 30 August 2026, Jatcorp will issue 2,000,000 shares to H&S (2.4% of current issued capital).
- If H&S purchases exceed A\$25 million of Moroka® products across FY25 and FY26, and all invoices are paid by 30 August 2026, Jatcorp will issue 3,000,000 shares to H&S (3.60% of current issued capital).

Considerations: The incentive shares will be issued under Jatcorp's existing placement capacity in accordance with ASX Listing Rule 7.1 and will be subject to a voluntary escrow period of 3 months from the date of issue.

Conditions and Timing: The issuance of shares under the Agreement is subject to obtaining all necessary regulatory approvals and compliance with ASX Listing Rules. The incentive shares will be allotted within five business days following the verification of H&S purchase volumes by Jatcorp's independent auditors.

Termination: Either party may terminate the agreement with seven days written notice.

ENDS

This announcement was authorised by the Board of Jatcorp Limited.

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About Jatcorp Limited

Jatcorp Limited (ASX: JAT) is an ASX-listed, Australian health and wellness consumer goods company recognised for its innovative and unique health and functional food products. Jatcorp's vision is to become a health and wellness consumer goods leader in the Asia Pacific region.