

27 January 2022

## ASX ANNOUNCEMENT

### **JAT and CocoSoul signs strategic agreement to jointly make products for Saputo**

### **Co-branded products to be sold into North American and UK markets**

#### **Highlight**

- **JAT has entered a co-branding agreement with Pinnacle to jointly develop and manufacture products for Saputo**
- **Immune support co-branded products will be distributed by Saputo into worldwide markets**
- **JAT will leverage its Moroka Platinum formula which was scientifically tested (The University of Sydney) for SAR- CoV-2**
- **Initial order from Saputo of 288,000 units**

Jatcorp Limited (ASX: JAT) is pleased to announce that it has entered into a co-branding agreement with Pinnacle Laboratories of Melbourne, the owner of the CocoSoul range of coconut milk products. The co-branded products will be distributed worldwide by Saputo, one of the top 10 dairy processors in the world.

#### **A. CocoSoul Co-branding Agreement and Distribution by Saputo**

Jatcorp produces unique and innovative dairy products under the Moroka brand.

Pinnacle's CocoSoul brand covers a range of coconut milk and coconut water consumer products (<https://www.organiccocosoul.com/>). Pinnacle has entered into an exclusive distribution agreement with Saputo (<https://www.saputodairyaustralia.com.au/en/>) whereby Saputo distributes worldwide the CocoSoul products produced by Pinnacle.

Under the co-branding agreement, Pinnacle and Jatcorp have agreed to develop new products under a new co-brand to be known as CocoSoul Moroka. Products produced under the CocoSoul Moroka brand will be distributed worldwide by Saputo under the exclusive distribution agreement between Pinnacle and Saputo (see section B below). Currently, Pinnacle products are distributed by Saputo into North America, South America, Eastern Europe, Oceania, Middle East and Western Europe. JAT expects that the agreement with Pinnacle will result in the CocoSoul Moroka branded products being sold into all of these markets as well.

The agreement with Pinnacle is a very significant component of JAT's global market expansion strategy utilising the uniqueness of its immune support products. Currently, JAT's

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products are sold in Australia, China and a limited number of Asian countries. The venture with Pinnacle is expected to drive sales of the immune support products through the Saputo global sales network. Utilisation of that network is intended to drive sales to a level which JAT, on its own, might not otherwise be able to achieve. JAT will benefit by reaching new customers who are already engaging with Pinnacle's global supply of its popular CocoSoul brand in a much faster timeframe. CocoSoul is a highly regarded premium quality coconut-based range of products including coconut milk and coconut water.

Wilton Yao, CEO of Jatcorp stated:

“This strategic partnership is part of JAT's expansion strategy and will serve as a significant enhancement of our capabilities to distribute utilising Saputo's worldwide retail network.”

## **B. CocoSoul Co-branding Agreement and Distribution by Saputo**

Pinnacle's CocoSoul branded products include Delicious Organic Coconut Milk, Organic Oats & Coconut Milk Blend and Organic Sparkling Coconut Water.

Pinnacle has an exclusive distribution arrangement with Saputo which sells its products into North America, South America, Eastern Europe, Oceania, Middle East and Western Europe. The products are sold to retailers across the globe such as Costco, Walmart and Coles.

Saputo is one of the top ten dairy processors in the world, a leading cheese manufacturer and fluid milk and cream processor in Canada, the top dairy processor in Australia, and the second largest in Argentina. In the USA, Saputo ranks among the top three cheese producers and is one of the largest producers of extended shelf-life and cultured dairy products. In the United Kingdom, Saputo is the largest manufacturer of branded cheese and a top manufacturer of dairy spreads. Saputo products are sold in over 60 countries worldwide.

## **C. Commencement of Production and Future Sales**

The initial order by Saputo on Pinnacle is for \$331,200 to be produced in 250ml packaging for delivery in the March 2022 quarter. Saputo has advised Pinnacle that a second order the same size will be made in the March 2022 quarter. The packaging has been designed and ordered. The products making up the initial order are CocoSoul Moroka Immune Support Coffee, CocoSoul Moroka Immune Support Chocolate, CocoSoul Moroka Matcha and CocoSoul Moroka Immune Support Oat Milk.

JAT and Pinnacle are currently designing and ordering packaging for additional products so that the expected second order can be manufactured and delivered to Saputo in the June 2022 quarter for distribution in Saputo's North American and UK sales networks.

Pinnacle has, as a result of the popularity of its CocoSoul range, developed a strong relationship with Saputo resulting in the distribution of the CocoSoul range throughout the Saputo sales network. Pinnacle and Saputo have both seen the market opportunity for JAT's immune support products, resulting in the decision to create a co-brand between CocoSoul and Moroka. The initial order above of \$331,200 is considered to be insignificant compared to the production required if the CocoSoul product is successful.

Saputo has no obligation to order further CocoSoul Moroka products beyond the first order referred to above together with the intention to make a further order. However, if the first order (and potentially the second order) are as successful as the CocoSoul products have been for Saputo, the release of the CocoSoul Moroka products could result in a significant worldwide market for JAT's immune support products. This will justify the significant investment that JAT has made in the scientific development of these products by The University of Sydney and RMIT. JAT expects that it will have a strong indication from Saputo of the likely success of the products by the end of June 2022.

#### **D. Background and significance of the Pinnacle/Saputo arrangements**

Over the past year, JAT has focused on research and development and product innovation. As announced to the ASX, collaboration and research has taken place with The University of Sydney and RMIT to develop and test JAT's range of innovative formulas for immune support and diabetes.

The innovation has been supported financially in Australia with Federal Government providing a grant (see ASX announcement 6 September 2021). In South Korea, JAT products have been approved as a medical food in hospitals and clinics (see ASX announcement 16 September 2021).

#### **E. Further development of JAT products**

The co-operation between JAT and Pinnacle will enable JAT to develop, produce and co-brand its products with Pinnacle. Immune support formulas (Jinvigorate Platinum and Moroka Platinum) recently tested by The University of Sydney against COVID-19 will be utilised to develop new co-branded products using JAT's health food supplements to provide nutritional benefits which will further leverage Saputo's distribution channel and cater to the worldwide market. It is expected that additional products will be added once the current research being undertaken by RMIT is completed and released.

#### **F. Details of co-branding agreement between Pinnacle and JAT**

Further terms of the co-branding agreement between Pinnacle and JAT are as follows:

1. Pinnacle and JAT will jointly own the CocoSoul Moroka branded products.
2. Pinnacle and JAT will develop products for Saputo to be sold under the distribution agreement between Pinnacle and Saputo.
3. JAT will supply the formulas and materials to Pinnacle for delivery to Pinnacle's manufacturing facility in Vietnam.
4. Pinnacle will manage the manufacture in Vietnam and sale of the products to Saputo.
5. The profit from the manufacture and sale of all CocoSoul Moroka brand products will be shared equally by Pinnacle and JAT.
6. The term of the agreement is indefinite, the agreement will terminate upon either party giving six months' notice of termination. The agreement also has the standard termination clauses expected for a commercial agreement of this kind including for material breaches which are not remedied and for insolvency of either party.
7. There are no conditions precedent to the agreement.

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

Wilton Yao  
Managing Director  
Ph: +61 3 9090 759

### **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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