

## ASX RELEASE

22 May 2020

### **JAT plant-based meats products delivered to restaurants in Shanghai**

Jatenergy Limited (ASX: JAT) is pleased to announce that the first batch of its plant-based meat products has been distributed to restaurants and major Chinese food chains in Shanghai.

As announced to the ASX on 22 November 2019, JAT and Oppenheimer Pty Ltd established a 50/50 joint venture company, JAT Oppenheimer Pty Ltd, to develop plant-based meat substitute products for sale worldwide.

Since November 2019, JAT Oppenheimer Pty Ltd has been developing and testing products, arranging the first customers to serve the products in China and arranging all regulatory requirements including licenses and permits to import the products to China.

#### **First batch of products released**

The first batch of mixed plant-based meat products produced by JAT Oppenheimer has been released by the Chinese customs authorities after all necessary testing and inspections were satisfactorily completed.

The products included a total of 600kg of unique JAT Oppenheimer plant-based Wagyu beef, hot pot meatballs, pork and beef minces, beef burger, chicken strips, normal beef and pork balls. The products have been distributed to major Chinese catering and food chains such as Shanghai Xinghualou Group, Tianjin Guifaxiang Food Group and other large hotel groups. The supply of the products by JAT Oppenheimer has been made free of charge in order it to allow those groups to assess and test how the products will be used and in what types of meals.

JAT believes the hot pot beef meatball is the world's first plant-based meatball which can be used by traditional Chinese hot pot restaurants. The product has been satisfactorily tested by a well-known Chinese hot pot restaurant chain to confirm that the product can be used in the distinctive hot pot cooking method and can be cooked over a long period. As a result of the successful trial, the product will be rolled out to other Chinese hot pot restaurants.

The Wagyu plant-based beef is to be marketed as a premium plant-based meat product to be included on the menus of 5-star hotel restaurants and other fine dining restaurants.

JAT has contributed approximately \$12,000 in cash so far to the costs incurred by JAT Oppenheimer Pty Limited, in addition to non-reimbursable internal management and labour costs. Oppenheimer Pty Ltd has borne the cost (mostly non-reimbursable internal labour costs) of developing the products so far.

#### **Development of the business in China**

JAT Oppenheimer expects to receive feedback from its Chinese customers regarding the first batch of products over the next few weeks. That feedback may require both changes in recipes

and the development of new recipes. Once that feedback is received and acted upon, it is expected that the next batch will be delivered in approximately two months' time and will be a significantly larger volume, it is likely to be several tonnes of food.

Discussions have commenced with a number of large Chinese state-owned food companies to jointly develop the Chinese market for our plant-based meat products. These discussions have included the potential to utilise facilities in China to produce the plant-based meats. This will result in significant savings in production and transport costs as well as being able to deliver the products to market more quickly. Although negotiations are in the early stage, JAT Oppenheimer is proceeding on the basis that it will provide the technology and expertise for the production of the plant-based meats in China, all production and transport costs will be funded by our Chinese partners.

JAT Oppenheimer's strategy to grow the business in China is to develop its own distribution network as follows:

- it will sell directly to the major Chinese catering and food chains, including those listed above;
- it is in discussions with a number of major Chinese food companies to jointly market the products throughout China; and
- it is providing sample products to supermarkets and retail stores for testing in order to establish a very broad demand in the local Chinese market.

The release of the JAT Oppenheimer products into the China market is a continuation of JAT's strategy since June 2018 to develop its own products to sell into its distribution network in China. This strategy allows significantly greater margins on its products to be secured.

### **Australian business development**

JAT Oppenheimer has started work on selling its range of plant-based meats into the major supermarket chains in Australia. Samples of the plant-based meat products have been provided to Australian distributors. It is not yet possible to provide guidance on whether that initiative will be successful or when sales might commence.

The release of this announcement was authorised by the Company's Managing Director on behalf of the JAT board.

**Wilton Yao**  
**Managing Director**  
**Ph: +61 3 9090 7592**