

28 April 2023

ASX Announcement

Transfer of brand name to Sunnya

Jatcorp Limited (JAT) refers to its announcement lodged on 18 April 2023 concerning legal proceedings against former directors of Sunnya Pty Ltd (Sunnya).

The Company has seen further development in the legal proceedings between its subsidiary Sunnya and its former directors Mr Yinghan He and Mrs Yanxia Lu as well as their associated entities.

A defendant company, Guangzhou Aotea Biotechnology Pte Ltd (GABT) (being a Chinese company) carried out various actions which, in the view of Sunnya, as well as the Company, caused significant damage to Sunnya's ability to continue supply its well-known Neurio brand of products into the China market. These adverse actions included:

- Making public statements that Neurio products supplied by Sunnya are 'fakes' or 'counterfeits';
- Causing lawyers to make complaints to ecommerce platforms such as Tmall, that vendors selling Sunnya's Neurio products are conducting illegal trading;
- Registering GABT's 'Neurio' Chinese trademarks with the Chinese Customs Intellectual Property Rights Enforcement System to prohibit the importation of all Sunnya supplied Neurio branded products.

These actions, amongst others, can and will confuse the market and will directly affect the brand as well as restrict Sunnya's sales into China.

As a result, and at the request of Sunnya, the Company has agreed to assign to Sunnya its "Moroka" (and corresponding Chinese name "Mo-Lan-Ka") trademark which is owned and registered by one of the Company's wholly owned subsidiaries. The "Moroka" brand is trademarked for use with dairy and food products in both Australia and China. Sunnya has since made a public announcement that it will temporarily suspend the supply of its Neurio branded products into China and will move to make sales into that market using the "Moroka" brand.

The Company anticipates that Sunnya's sales will be impacted by about \$1m for FY2023. The impact on sales in FY2024 is difficult to quantify and will be offset by increased sales made under the Moroka brand, however lost sales not taking into account the increased sales may amount to between \$7m and \$9m. JAT does not expect the impact to be material to its FY2023 and FY2024 results given the likely offset of increased sales of Moroka product.

Legal steps to counter the actions taken by GABT are being taken by Sunnya in the Supreme Court of NSW proceedings as well as in China.

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This announcement authorised by JAT's Board.

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About Jatcorp Limited

Jatcorp (ASX: JAT), at the forefront of innovative technology servicing the world's largest retail markets. With a track record of successful product development and distinguished technology, JAT is a leading producer of supplementary food products, plant-based products and dairy food products.