

KEYTONE DAIRY AWARDED COLES POWDER PRIVATE LABEL TENDER

7 December 2020

- Keytone has been awarded a significant Coles Private Label Tender
- Tender valued at \$5.2 million per annum
- Product to be stocked in Coles through the second quarter of 2021 calendar year, with production commencing late in the first calendar quarter of 2021

Sydney and Melbourne, Australia and Christchurch, New Zealand – Keytone Dairy Corporation Limited (ASX:KTD or KTD.AU) (the “Company” or “Keytone”) is pleased to announce it has been awarded a significant Coles Private Label Tender by Coles Supermarkets, part of Coles Group Limited (“Coles”).

The details are as follows:

- A\$5.2 million sales forecast per annum¹
- Production to commence late in the first quarter of 2021, with product in Coles store from the second quarter of 2021
- The term of the arrangement has not been specified and Keytone anticipates the term will be longer than an initial 12 month period, implying a gross sales value multiples higher than the annual value
- Product awarded under the tender includes multiple powdered SKUs in various pack formats, flavours and sizes

The products will be manufactured at Keytone’s Melbourne powdered facilities.

While the award of the Tender specifies the products, sizes, pack formats and forecast volumes to be manufactured, Keytone believes there is significant upside in the volume of the products to be manufactured as well as further collaboration between Keytone’s product development team and Coles to introduce further private label products at significant volumes for the business in the future.

The tender was a competitive process undertaken by Coles and was won as a result of Keytone’s first class manufacturing facilities and rigorous health and safety standards, highly responsive and innovative new product development team and the growing strategic relationship between Keytone and Coles. The win places Keytone at the forefront of a broader strategic relationship both for future private label work and importantly, additional ranging and distribution of Keytone’s health halo stable of proprietary brands.

Keytone’s CEO Danny Rotman stated, “This is a fantastic and significant win for the business. It highlights the growing awareness of the Keytone brand of quality and our credentials across the

¹ The sales forecast provided is not a legally binding purchase order and Coles Group Limited is not legally bound to supply purchase orders for the forecast amount. Accordingly, the purchase orders could be significantly higher or lower through the period and the business award is subject to completion of standard Coles quality audit requirements.

broader health and wellness sector. This tender win comes shortly after and in addition to the recently announced Foodstuffs contract in New Zealand and significant increases in the sales forecast for Walmart China and Nouriz China, providing Keytone with a growing sales pipeline through the next calendar year and beyond. The calibre of the client base is becoming increasingly robust and we look forward to supporting the growth of our diversified customer base through our state of the art facilities and first class product development and operations teams.”

The release of this announcement was authorised by the Non-Executive Chairman, Mr. Peter James, on behalf of the board.

Further Information

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About Keytone Dairy Corporation Limited

Based in Sydney and Melbourne, Australia and Christchurch, New Zealand, Keytone Dairy Corporation Ltd is an established manufacturer and exporter of formulated dairy products and health and wellness products. Keytone Dairy’s wholly-owned subsidiary Omniblend is a leading Australian product developer and manufacturer in the health and wellness sector, with both dry powder and ready to drink health and wellness-based product capability. In addition to Keytone Dairy’s own brands, the company is a trusted production partner, contract packing for well-known brands in Australia, New Zealand and internationally. The Company’s purpose-built production facilities in Australia and New Zealand offer a wide range of dairy, health and wellness and nutritional packing solutions, meeting the diverse needs of consumers from different markets and cultures. Please visit www.keytonedairy.com for further information.

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