



28 April 2025

ASX Announcement

Jatcorp delivers resilient Q3 performance and strengthens strategic positioning for growth

Jatcorp Limited (ASX: JAT) ("Jatcorp" or the "Company"), an Australian health and wellness consumer goods company, provides its quarterly activities and cash flow report for the quarter ending 31 March 2025 (Q3 FY25). Financial data for Q3 FY25 in this announcement is unaudited.

Highlights

- Revenue of \$6.5 million, reflecting a strategic repositioning toward higher-margin, self-branded products and the deliberate wind-down of the low-margin trading division.
- Gross profit of \$2.9 million, maintaining a strong margin profile despite reduced topline.
- Positive net operating cash flow of \$0.322 million, demonstrating effective cost management and operational resilience.
- Strong brand momentum for Moroka® products. Consumer demand and brand equity continued to grow in China.
- Successful return and ongoing resale of Neurio® stock in the Australian market, with results exceeding expectations.
- Strategic expansion of OEM manufacturing capabilities, with three new partners onboarded by ANMA.
- Signed a Strategic Sales Incentive Agreement with Tier 1 retailer H&S International, expanding Jatcorp's distribution channels.
- Appointed Dr Xinpeng (Sean) Li as Executive Director to support strategic expansion and R&D.

Jatcorp CEO, Sunny Jian Xin Liang, said:

"This quarter's results reflect the disciplined execution of our strategic shift towards premium, self-branded consumer products and selective OEM partnerships. Despite the impact of a narrower product base on revenue, our underlying profitability and cash position improved.

The rising success of Moroka® in China, alongside the promising performance of our returned Neurio® inventory in Australia, highlights the strength of our brand equity and consumer trust.

The successful onboarding of new OEM clients and our agreement with a Tier 1 retailer H&S International demonstrate our capacity to scale and diversify income streams while staying focused on high-margin branded sales.

We remain committed to strengthening our presence in Asia-Pacific and globally through new partnerships, digital engagement and expanding production capabilities.”

Operational Update

New Channels and New Products

Jatcorp continues to execute its growth strategy by expanding both branded sales and OEM operations. ANMA onboarded three new contract manufacturing partners and installed new equipment in this quarter

The agreement with H&S International positions Jatcorp within a Tier 1 retail network, further elevating product visibility and scaling distribution.

Favourable Legal Judgement in China

On 31 March 2025, Jatcorp subsidiary Sunnya obtained a favourable first-instance judgment in litigation against Guangzhou Niurui Trading Co. Ltd. in China. The case centered on unpaid debts and alleged breaches of agreement. The court ruled in favour of Sunnya and ordered Niurui to pay approximately RMB 20.9 million (AU\$4.4 million), including interest.

Leadership for New Growth

Jatcorp appointed Dr Xinpeng (Sean) Li as Executive Director during the quarter. Dr Li brings extensive experience in biotechnology and product innovation, strengthening the Company's leadership as it scales its R&D and international expansion efforts.

Outlook

Jatcorp remains positive heading into Q4 FY25, despite short-term uncertainties related to ongoing legal proceedings and a shifting geopolitical environment.

The Company expects continued growth of the Moroka® brand in China and plans to enter new international markets by leveraging its growing digital and physical sales channels. Jatcorp also plans to exhibit at international trade events in Q4 to engage with new distributors and buyers.

Expenditure on business activities

A summary of the expenditure incurred on Jatcorp's business activities for the quarter is as follows:

Expenditure Category	Q3 FY25	Q3 FY24	yoy
	AUD'000	AUD'000	(+/-)%
Product manufacturing and operating costs	4,862	13,419	-64%
Advertising and marketing costs	1,403	1,361	3%
Leasing	116	112	4%
Employees	762	1,372	-44%
Interest	86	48	79%
Administration and corporate*	548	1,611	-66%

Note: No international trading business this year.

The payments made to related parties and their associates totalled \$190K for the quarter including:

- Directors' remuneration and consulting fee of \$109k
- Marketing fees etc paid to a related party of \$81k in line with standard marketing fee policy

This announcement was authorised by the Board of Jatcorp Limited.

ENDS

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About Jatcorp Limited

Jatcorp Limited (ASX: JAT) is a rapidly evolving Australian health and wellness consumer goods company recognised for its innovative and unique health and functional food products. Our vision is to become a health and wellness consumer goods leader in the Asia Pacific region.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Jatcorp Limited

ABN

31 122 826 242

Quarter ended ("current quarter")

31/03/2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	7,657	24,924
	-Receipts from ordinarily sales	5,952	22,015
	-Receipts from customer deposit	1,705	2,909
1.2	Payments for		-
	(a) research and development	-	-
	(b) -product manufacturing and operating costs	(4,862)	(12,769)
	-Costs related to international trading		-
	(c) advertising and marketing	(1,403)	(5,032)
	(d) leased assets	(116)	(349)
	(e) staff costs	(762)	(2,559)
	(f) administration and corporate costs	(548)	(3,357)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	14
1.5	Interest and other costs of finance paid	(86)	(267)
1.6	Income taxes paid	437	148
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	322	753
2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(30)	(561)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	(288)

(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(30)	(849)

3 Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	2	20
3.6 Repayment of borrowings	(32)	(312)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.1 Net cash from / (used in) financing activities	(30)	(292)

4 Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,123	2,773
4.2 Net cash from / (used in) operating activities (item 1.9 above)	322	753
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(30)	(849)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(30)	(292)
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of quarter	2,385	2,385

5 Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1 Bank balances	2,385	2,123
5.2 Call deposits	-	
5.3 Bank overdrafts	-	
5.4 Other (provide details)	-	
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,385	2,123

6 Payments to related parties of the entity and their associates

Current quarter
\$A'000
190

6.1 Aggregate amount of payments to related parties and their associates included in item 1

- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7 Financing facilities available		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term 'facility' includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	4,500	-
7.2	Credit standby arrangements	5	2
7.3	Other (please specify)		
7.4	Total financing facilities	4,505	2

7.5 **Unused financing facilities available at quarter end**

4,503

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

7.1 NAB unsecured debt facility: \$2 M , 45 days repayment ,Annual rate 1.5%+ATR rate; \$1M ,120 days repayment ,Annual rate 1.5%+AIR rate; \$1.5M,preapproval revolving leasing .
7.2 Credit card limit : \$5K

8 Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	322
8.2	Cash and cash equivalents at quarter end (Item 4.6)	2,385
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	2,385
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	N/A

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- 1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

- 2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

- 3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28/04/2025

Authorised by: The Jatcorp Limited Board

(Name of body or officer authorising release – see note 4)

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.