

SECOND MANUFACTURING FACILITY IN NEW ZEALAND RECEIVES REGULATORY APPROVAL

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- Keytone Dairy receives licensing for second purpose-built state-of-the-art facility in New Zealand from the Ministry of Primary Industries, and by extension Chinese CNCA approval
- New facility is now ready to commence full-scale production
- Keytone Dairy has more than tripled its product manufacturing capacity in New Zealand on a one shift basis
- Facility enables Keytone to manufacture significantly higher volumes of finished product from its New Zealand manufacturing facilities and re-align the sales mix towards higher value, proprietary products, in line with its stated strategy

Sydney and Melbourne, Australia and Christchurch, New Zealand - **Keytone Dairy Corporation Limited (ASX:KTD or KTD.AU) (“Keytone Dairy” or the “Company”)** is pleased to announce its recently-completed state-of-the-art, second manufacturing facility in New Zealand has received all required licensing approvals from the New Zealand Ministry of Primary Industries (“NZMPI”) and by extension, CNCA registration (Certification and Accreditation Administration of the People’s Republic of China) for the manufacture and export of formulated dairy nutritional products.

The receipt of this required licence from NZMPI under their Risk Management Program enables the immediate commissioning of the plant ahead of full-scale production.

The second facility has been constructed to comply with the highest food grade standards, is infant formula capable, and incorporates highly automated plant and equipment with technology which is a first of its kind in New Zealand. These attributes are expected to drive operational leverage and efficiencies within the business and further improve gross margins.

The additional capacity from the second manufacturing facility will more than triple Keytone Dairy’s total name plate product manufacturing capacity in New Zealand on a one shift basis. Given the demand from the existing client base for both high-value, high-margin Keytone Dairy proprietary products and third-party private label work, the Company expects to scale up production to multiple shifts in the new year.

Keytone Dairy is now in a position to manufacture significantly higher volumes of finished product from its New Zealand manufacturing facilities more efficiently across a broader range of the Company’s proprietary product suite, and re-align the sales mix towards higher value proprietary products, with a view to substantially growing sales and meeting demand of the existing client base. The new facility will also enable Keytone Dairy to better service the demands of clients and leading brands such as Walmart (China) and Woolworths New Zealand, in addition to potential new large-scale clients, with both increased capacity and broader product capabilities to increase the number of product SKUs it manufactures and develops for these large clients.

The Company now has a wide-ranging manufacturing and product range capability and an experienced executive talent pool, including the recent senior appointment of Kim Brown as Head of International Sales, presenting a substantial opportunity for the Company, given the Company's global sales channels, its significant and growing distribution footprint and its world class manufacturing facilities both in New Zealand and Australia.

Keytone Dairy's Chief Executive Officer, Danny Rotman, commented "This is an important milestone in the history of Keytone Dairy. Our manufacturing capability in New Zealand is first class and now that we have obtained the necessary licensing approvals from NZMPI for the second manufacturing facility, we are incredibly well placed to service the substantial demand from our client base in New Zealand, Australia and China. Coupled with our highly-experienced executive and sales team now in place, we are ready to capitalise on the opportunities available and grow the business exponentially."

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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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