

11 July 2025

ASX Announcement

Preliminary FY2025 Unaudited Loss Guidance

Jatcorp Limited (ASX: JAT) ("Jatcorp" or "the Company") advises that, following an initial review of its draft management accounts, it expects to report a net loss after tax in the range of **\$7.6million to \$8 million(unaudited)** for the financial year ended 30 June 2025 (FY2025), subject to any adjustments arising from the audit process. This represents a further \$1.5 million to \$1.9 million(unaudited) of net loss in the second half of FY2025 as compared with \$6.1 million (unaudited) of net loss reported for the first half of FY2025, and a material decline in financial performance compared to the Company's FY2024 audited result.

Summary of Key Drivers

The expected statutory loss for FY2025 is primarily attributable to the following factors:

- **Revenue Contraction**
Total revenue for FY2025 declined by approximately \$39 million, primarily due to the cessation of the Company's international trading operations and the unexpected suspension of sales of Neurio-branded products in China, following an unfavourable interim ruling in the ongoing Neurio Dispute, which was disclosed in the half year report of FY2025. While the disruption to Neurio sales had a material impact on revenue, this was partially offset by stronger-than-anticipated sales performance of Moroka-branded products in Q3 and Q4. The overall revenue decline resulted in reduced gross profit and a loss of operating leverage.
- **Impairment of Sunnya Goodwill**
The legal proceedings in China have led to the suspension of all sales for Neurio products in mainland China, resulting in very low sales expectations. Consequently, the goodwill of \$2,347,482 and trade names valued at \$225,633 have been impaired this period, as the recoverable amount of Sunnya's Cash Generating Unit (CGU) is now below its carrying amount. This amount has been included in HY report of FY2025
- **Inventory Write-Downs**
The Company recognised a non-cash inventory impairment of approximately \$1.4 million (\$1.16M was included in HY report of FY 2025), largely relating to excess stock associated with the suspended Neurio operations in China. The write-down reflects a adjustment to inventory carrying value and aligns with the Company's quality assurance and accounting policies.
- **High Legal and Professional Expenses**
While legal and professional fees decreased by approximately \$1 million compared to the prior year, they remained high at \$4.1 million driven primarily by the continuation of litigation and associated legal costs linked to the Neurio brand dispute in China.

The FY2025 financial results remain unaudited and are subject to finalisation and review by the Company's external auditors.

Preliminary Outlook of FY2026

The Company remains focused on the execution of its strategic growth agenda and is cautiously optimistic about the financial outlook for FY2026. Building on the operational restructuring efforts undertaken in FY2025, management expects improved performance in the year ahead, supported by a sharpened focus on brand development, distribution expansion, and margin recovery.

The Moroka® brand continues to gain traction, with an expanding product portfolio and growing consumer engagement across key markets. The Company's principal distributor, H&S International (HK) Co. Ltd., has demonstrated strong sales momentum in recent quarters and has reaffirmed its commitment to achieving the contracted sales target of \$11 million for FY2026, representing a 22% increase of FY2025 sales achieved by H&S.

Further information on the FY2026 strategy, growth initiatives, and operational guidance will be provided in conjunction with the release of the audited FY2025 results.

Jatcorp remains committed to keeping the market informed in accordance with its continuous disclosure obligations under ASX Listing Rule 3.1.

Registered office

JAT refers to its announcement yesterday concerning its change of registered office and notes the postcode for the registered office was incorrectly stated. It is in fact 3026.

ENDS

This announcement has been authorised for release by the Board of Jatcorp Limited.

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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.