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SIGNIFICANT FOLLOW-ON ORDERS FROM CHINESE RETAILERS

8 April 2020

- Keytone Dairy receives significant follow-on orders from Walmart China and Nouriz for their Whole Milk and Skim Milk Powders
- Combined received orders totalling approximately $1,688,000
- Orders from both Walmart and Nouriz, substantially higher than their respective most recent orders

Sydney and Melbourne, Australia and *Christchurch, New* Zealand - Keytone Dairy Corporation Limited (ASX:KTD) ("Keytone" or the "Company") is pleased to announce the receipt of confirmed purchase orders from Walmart (China) Investment Co. Ltd ("Walmart China") and Nouriz (Shanghai) Fine Food Co Ltd ("Nouriz") for a combined total of $1,688,000.

These combined orders of $1,688,000 represent significant follow-on orders from the Chinese Retail divisions of Walmart China and Nouriz. Walmart China places orders for private label milk powders under their Sam's Club brand, operating 24 Sam's Club megastores, averaging 20,000 square meters of retail space each currently through China. Walmart China is aiming to increase this number of stores to approximately 40 by the end 2020. Nouriz, a related party of China Animal Husbandry Group, a China State Owned Enterprise, orders whole and skim milk powders under their Nouriz private label. Nouriz products are customised for Chinese consumers and are high-quality premium New Zealand foods and nutritional products for the whole family.

The specific details of each order are as follows:

- the Walmart order accounts for more than $822,000 and is a magnitude c.2.4x larger than their last order placed approximately 6 weeks ago in February 2020; and
- the Nouriz order is $866,000 being c.7.0x greater than their most recent order invoiced only 4 weeks ago in March 2020.

These orders will be manufactured in the coming months and exported to China for June and July deliveries.

As previously announced, following the outbreak of COVID-19, the increased uplift and global demand Keytone is experiencing for clean, green, pristine food staples and a range of health and wellness products is significant. These substantial follow-on orders from Walmart and Nouriz (in addition to the opening orders of $3,600,000 from Iovate Health Sciences announced yesterday, 7 April 2020) are reflective of the surge in demand being experienced across all aspects of the business for both private label work and proprietary products. The Company is well placed to service this demand given the diversified nature and scale of its manufacturing plants across Australia and New Zealand.

Keytone's Chief Executive Officer, Danny Rotman, commented: "These are substantial follow-on orders for key strategic clients of Keytone. As Walmart and Nouriz scale the existing product offering across their retail stores in China as well as introduce new product SKUs, Keytone will continue to

work closely with each client to grow volumes and product capability. In the last 24 hours the Company has announced orders of approximately $5,300,000, being more than 210% greater of the audited financial result of the Company in the FY19 year. These results continue to speak to the credentials, scale and capabilities of the Company and we will continue to work closely with all our strategic clients and distributors."

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

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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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