BPH GLOBAL LTD
ACN 009 104 330

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Company Announcements Platform
Australian Securities Exchange

Binding Significant Seaweed Offtake Agreement with Chinese Carrageenan producer

- **Seaweed Offtake Agreement signed with China-based Carrageenan producer Quanzhou Bailijie Biotechnology Co., Ltd. (QBB)**
- **BP8 intends monthly sale of 100 metric tons of seaweed to QBB with scope to increase quantities**
- **Indicative price range of USD1,050 -1,500 per metric ton of seaweed based on recent seaweed price movements**
- **Two-year term**
- **Continued focus on offtake seaweed buyers that process seaweed to produce Carrageenan**

The Board of BPH Global Ltd (ASX: BP8) (**Company**) is pleased to announce that its wholly owned, Indonesia-based subsidiary PT BPH Global Indonesia (**BP8 Indonesia**) has entered into a seaweed offtake agreement with China-based company Quanzhou Bailijie Biotechnology Co., Ltd. (**QBB**) for the supply of high quality *Eucheuma cottonii* seaweed to QBB's factory in China for processing to make Carrageenan (**QBB Seaweed Offtake Agreement**).

Managing Director Matthew Leonard said: "Following the recently announced Kebula Sales Cooperation Agreement, the QBB Seaweed Offtake Agreement marks another significant milestone in the Company's strategy to establish seaweed supply arrangements with Asia-based offtake buyers. QBB is a major buyer of quality Indonesian sourced *Eucheuma cottonii* seaweed which it processes in China to produce Carrageenan."

Commercial objectives

BP8 Indonesia has entered into the QBB Seaweed Offtake Agreement to supply QBB with high quality *Eucheuma cottonii* seaweed for the production of premium-grade Carrangeenan. Carrageenans (also known as carrageenins) are widely used in the food industry, for their gelling, thickening, and stabilizing properties. BP8 Indonesia is able to source naturally occurring *Eucheuma cottonii* seaweed locally from the Maluku and Luwuk regions of Indonesia. These areas are renowned for their pristine waters, which yield high-quality *Eucheuma cottonii* seaweed.

The QBB Seaweed Offtake Agreement is for a term of two years (**Term**) with an effective commencement date of 1 April 2025 (**Commencement Date**). There is a trial operation period of

three months. If there is no dispute existing at the end of the three-months period, the QBB Seaweed Offtake Agreement will automatically terminate at the end of the Term (31 March 2027).

As of the Commencement Date, the parties have agreed on an expected monthly purchase volume of 100 metric tons of *Eucheuma cottonii* seaweed. BP8 Indonesia is required to supply each monthly order in batches of 50 metric tons, equivalent to two shipping containers. The specific quantity for each month will be finalised by mutual agreement between the parties. It is the intention of both parties to progressively increase the monthly supply volume, with the goal of reaching 500 metric tons per month by the end of the Term.

The Company anticipates that the monthly average prices for a metric ton of seaweed sold pursuant to the Sales Cooperation Agreement will range between USD1,050-1,500, based on historical market prices of *Eucheuma cottonii* seaweed over the past six months. Fluctuations in the price of seaweed can be caused by many factors including: (i) supply chain disruptions such as weather events or harvesting issues; (ii) demand fluctuations; (iii) global trade dynamics; (iv) market speculation; and (v) production costs.

QBB Seaweed Offtake Agreement

Additional key terms of the QBB Seaweed Offtake Agreement are as follows:

- **Exclusivity:** The supply of seaweed by BP8 Indonesia to QBB in China is on an exclusive basis; however, nothing in the agreement prevents QBB from selling seaweed to customers outside of China.
- **Quality specifications:** The Seaweed supplied by BP8 Indonesia must meet the following quality requirements:
    - **Moisture Content:** Not to exceed 38%; and
    - **Foreign Matter (Impurities):** Not to exceed 3%.
    - **Origin:** BP8 Indonesia must source the seaweed to be supplied from the agreed location(s) and must not be mixed with seaweed sourced from other locations.
    - **Moisture Content:** Not to exceed 38%; and
    - **Foreign Matter (Impurities):** Not to exceed 3%.
- **Documentation to be provided:** BP8 Indonesia must provide the following documents with each shipment:
    - Commercial Invoice;
    - Packing List;
    - Bill of Lading;
    - Certificate of Origin;
    - Phytosanitary Certificate;
    - Photos and videos of container number and box seal number before, during and after loading;
    - Cargo bag labels; and
    - Electronic release note.
- **INCO terms:** The final price for each monthly shipment will incorporate CIF terms (including insurance and freight unto the discharge port).
- **Payment of purchase price:** In respect of each monthly batch of seaweed supplied by BP8 Indonesia, QBB must:
    - pay 90% of the purchase price for that monthly batch on its verification of the complete set of required shipping documents provided by BP8 Indonesia.
    - pay the balance of 10% of the agreed price for that monthly batch within 5-10 working days of receipt of the relevant monthly shipment, subject to any price adjustment

required by QBB on account of moisture and/or salt content in excess of the agreed amount.

- **Mode of payment:** QBB must make all payments to BP8 Indonesia via telegraphic transfer.

About Quanzhou Bailijie Biotechnology Co., Ltd.

Quanzhou Bailijie Biotechnology Co., Ltd. (**QBB**) is headquartered in Quanzhou City, in the Fujian Province of China. QBB is a producer of premium quality Carrageenan produced solely from high quality *Eucheuma cottonii* seaweed. By purchasing only high quality *Eucheuma cottonii* seaweed, QBB has been able to maintain its position in the Chinese market as a premium seller.

This announcement has been authorised by the Board of Directors.

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For further information, please visit our website at www.bp8global.com or contact:

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