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ASX RELEASE

FIJI KAVA APPOINTS ROOLIFE AS CHINA DISTRIBUTOR

12th April 2023, Brisbane Australia: Fiji Kava Limited (ASX:FIJ), a global functional beverage and natural medicine company has entered into an exclusive distribution agreement with RooLife Group (ASX:RLG) "RooLife" for eCommerce distribution in Australia and China.

Under the terms of the agreement, RooLife has been granted performance rights to achieve retail sales of up to AUD\$15m, with a minimum of AUD\$9m in China over a period of five years.

HIGHLIGHTS

- RooLife has been appointed as the exclusive distributor of the Fiji Kava range of capsules and drinking kava products in China.
- The distribution deal includes the rights to market Fiji Kava's dietary shots and new ready to drink 'RTD' products that are licenced by Fiji Kava for the China market.
- RooLife's will also assume management of Fiji Kava's Australian based online sales via www.fjikava.com
- Performance rights granted to RooLife vest on the achievement of ratcheted sales targets of up to AUD500k by 30 June 2025, AUD1-2m by 30 June 2026, up to AUD5-10m by 30 June 2027 and up to AUD15m by 30 June 2028.
- RooLife has a wealth of experience in sales and marketing of functional beverages in the Chinese market. This includes their recent successful launch of the Australian brand, Remedy Kombucha, in the retail trade sector, following the growth of their online sales since 2020.
- RooLife will co-market the Fiji Kava powdered drinking kava range alongside their VORA protein range in the lucrative online sports nutrition channel in Australia and China. Sports nutrition in China is valued at over USD300m¹ and dominated by eCommerce for more than 80% of sales²
- FijiKava Limited has terminated their distribution contract with PuMate Shanghai.

1. Global Market for Sports Nutrition and Dairy Ingredients 2019-2023, 3A, October 2019.

2. Euromonitor, The Evolution of Sports Nutrition – A 2019 Update on Trends and Innovations, March 2019.

FijiKava Limited CEO, Anthony Noble said “Alongside the USA, the Chinese market is the biggest international opportunity for FijiKava’s products. This agreement represents work that has been ongoing for more than a year between RooLife and FijiKava, and I am excited to see this come to life in the months ahead.

“The partnership also enables us to leverage the expertise of RooLife’s Australian eCommerce capabilities to drive domestic online sales through fijikava.com. With this approach, we can find product positioning and marketing synergies in both Australia and China to ensure a successful cross-border eCommerce venture. For example, in comarketing our drinking kava with the VORA protein range (www.vora.com.au) to support post workout muscle relaxation.

“RooLife has a proven track record in China with Remedy Kombucha, so we are confident that they can grow an Australian brand through Chinese eCommerce channels and then transition to bricks and mortar retail in the world’s largest consumer market.”

RooLife Group CEO, Bryan Carr said “We are delighted to be working with Fiji Kava and with the opportunity to market and sell their natural and healthy functional beverages, drinking powders, dietary shots and capsules. It is a natural alignment with our health and wellbeing positioning and digital marketing and e-commerce capabilities in the two key markets for both companies of Australia and China and fits perfectly with our VORA health product range. We look forward to a long and mutually successful partnership.”

About RooLife Group

RooLife Group (ASX: RLG) offers comprehensive digital marketing and customer acquisition services, with a strong emphasis on boosting online sales of products and services for their clients. RooLife specialises in personalized, targeted marketing for online channels in real-time. Their main objective is to boost sales in both Australia and China through their eCommerce platforms, which enable businesses to sell their products directly to Chinese consumers and accept payments via popular mobile payment platforms such as WeChat and Alipay. The foundation of RooLife's strategy lies in the ability to establish and maintain a deep connection with Chinese consumers. This enables brands to effectively market and sell their products to Chinese consumers based on their unique profiles and purchasing behaviour.

Summary of Performance Rights granted to RooLife Group by FijiKava Limited

<p>Up to 30 June 2025, achievement of AUD\$500,000 in retail sales with not less than AUD\$50,000 in Sales to China, RLG is to be issued AUD\$38,000 of Fully Paid Ordinary Securities of Fiji Kava Limited, determined by the 5-day VWAP prior to the reported sales achievement, and</p>
<p>Upon achievement of AUD\$1m in retail sales with not less than AUD\$300k in Sales to China prior to 30 June 2026, RLG is to be issued AUD\$88,000 of Fully Paid Ordinary Securities of Fiji Kava Limited, determined by the 5-day VWAP prior to the reported sales achievement, or</p> <p>Upon achievement of AUD\$2m in retail sales with not less than AUD\$750k in Sales to China prior to 30 June 2026, RLG is to be issued AUD\$188,000 of Fully Paid Ordinary Securities of Fiji Kava Limited, determined by the 5-day VWAP prior to the reported sales achievement, and</p>
<p>Upon achievement of AUD\$5m in retail sales with not less than AUD\$2.5m Sales to China prior to 30 June 2027, RLG is to be issued AUD\$288,000 of Fully Paid Ordinary Securities of Fiji Kava Limited, determined by the 5-day VWAP prior to the reported sales achievement, or</p> <p>Upon achievement of AUD\$10m in retail sales with not less than AUD\$6m in Sales to China prior to 30 June 2027, RLG is to be issued AUD\$388,000 of Fully Paid Ordinary Securities of Fiji Kava Limited, determined by the 5-day VWAP prior to the reported sales achievement and</p>
<p>Upon achievement of AUD\$15m in retail sales with not less than AUD\$9m in Sales to China prior to 30 June 2028, RLG is to be issued AUD\$888,000 of Fully Paid Ordinary Securities of Fiji Kava Limited, determined by the 5-day VWAP prior to the reported sales achievement</p>
<p>All share issues will be issued within 7 days of achievement of sales milestone and subject to shareholder approval where required and shall be voluntarily escrowed for 2 years from date of issuance.</p>

This release has been approved by the Board of Directors

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ABOUT FIJI KAVA

Fiji Kava Ltd (ASX: FIJ), provides natural solutions to calm nerves, support mind and muscle relaxation and induce sleep. The product range includes functional beverages, drinking powders, teas, shots, concentrates and capsules. Sold under our house of brands: Fiji Kava, Taki Mai and Danodan Hempworks in markets including USA, Australia, New Zealand and Fiji.

FORWARD LOOKING STATEMENTS

This ASX release includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Fiji Kava. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.