

8th February 2023

ASX RELEASE

CJ PATEL AND FIJI KAVA ENTER AUD11M INTERNATIONAL DISTRIBUTION PARTNERSHIP FOR TAKI MAI

8th February 2023, Suva, Fiji Islands: Fiji Kava Ltd (ASX:FII) a global functional beverage and natural medicine company announces that it has appointed CJ Patel (Pacific) Pte Ltd (CJ Patel) to be the exclusive distributor of the Taki Mai range of products across seventeen countries.

HIGHLIGHTS

- Fiji Kava wholly owned subsidiary, South Pacific Elixirs Pte. Ltd signs an exclusive distribution agreement for Taki Mai with CJ Patel (Pacific) Pte Ltd covering seventeen countries
- The agreement targets minimum sales of AUD11 million (FJD17m) to retain exclusivity over an initial three-year term
- The agreement is specifically for the Taki Mai brand, which has growing sales and strong brand recognition in Fiji and with Pacific Island communities internationally
- CJ Patel is the largest distribution company in the South Pacific and represents some of the world's best known FMCG companies and brands

The distribution agreement targets minimum sales of FJD3m, FJD 6m and FJD 8m over the initial three-year term to retain the exclusive distribution rights for Taki Mai in Fiji, New Zealand, Australia, PNG, Samoa, American Samoa, Tonga, East Timor, Canada, USA (retail), Nauru, Marshall Islands, Kiribati, Cook Islands, Solomon Islands, Wallis and Futuna and Vanuatu.

CEO, Anthony Noble, commented: "Taki Mai is a heritage brand with strong brand recognition in the Fijian islands and Pacific Island communities internationally. It was brought to market in Fiji and the USA by Zane Yoshida and the South Pacific Elixirs team in 2015. The Taki Mai brand continues to grow and evolve. We have recently added a Traditional Grind product to our drinking kava line, alongside the longstanding Taki Mai Instant Kava range. These products will soon be joined by Taki Mai "Low Key" and Taki Mai "Mateni Mix". New product formats may also be sold under Taki Mai branding in future.

"CJ Patel is the ideal distribution partner for Taki Mai. They are the largest FMCG distribution company in the Pacific, with a supply network that also extends to Australia, New Zealand, Canada

and the USA. They also have great expertise in targeting consumers from Pacific Island communities in those countries which represent a big segment of our target market.”

“Having now modernised and cyclone proofed our supply chain in Fiji, we are confident that our Fijian operations will be able to support the big growth projected by the CJ Patel team for Taki Mai which equates to more than AUD11m in the first three years.”

CJ Patel Group COO, Mr. Vishwa Sharma commented: “We are excited to embark on this partnership with Fiji Kava and are confident in growing and taking on number one position in the category. Our philosophy has always been to build on brands to make them number one. With Fiji Kava and the Taki Mai brand, we are fully and wholly committed to driving distribution within our customer base across all our territories.”

About CJ Patel

CJ Patel (Pacific) Limited (CJPPL) works with many multinational companies such as Sanitarium, Glaxo Smith Kline, Colgate Palmolive and Nestle to distribute their household brands such as Weet Bix, Panadol, Milo, Maggie and Nescafe in Fiji and throughout the South Pacific.

It is the largest FMCG distributor in Fiji with warehousing and production operations across most large Pacific islands. In Fiji, the company has its main warehouse in Wailekutu, Lami and other warehouses in Lautoka and Labasa ensuring comprehensive national distribution.

Key Terms of the Distribution Agreement.

1. CJPPL will distribute Taki Mai products across seventeen countries. They include Fiji, New Zealand, Australia, PNG, Samoa, American Samoa, Tonga, East Timor, Canada, USA, Nauru, Marshall Islands, Kiribati, Cook Islands, Solomon Islands, Wallis and Futuna and Vanuatu.
2. The agreement is for an initial three-year term. It may then be extended for a further three years if the conditions of the agreement are met.
3. Termination provisions provide that Fiji Kava may terminate the agreement with written notice if CJPPL fails to meet minimum performance clauses or breaches certain conditions of the agreement. The contract may also be terminated by mutual agreement with 6 months' notice.

This release has been approved by the Board of Directors.

ENDS

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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: Leilo, 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.