



THE FOOD REVOLUTION GROUP

ASX Announcement

20th October 2020

September Quarter Sales Revenue up 28%, delivering Positive Profits

The Food Revolution Group Limited (ASX: FOD, or 'the Company') is pleased to update the market on activity levels for the quarter ended 30 September 2020.

Highlights

- Sales revenue for the 3-months ended 30 September 2020 was \$9.6m, a 28% increase versus 1st quarter of last year.
- Un-audited EBITDA for the period was \$1.5m versus prior year loss of (\$483k).
- During the period FOD secured significant price increases with all of our major retailing customers for the Original Black Label (OBL) juice products as well as increases for house brands packed for the major retailers. Most of the price increases commenced from 14th September, providing improved margins for overall business.
- OBL in Retailer stores grew at 22% over the last quarter outperforming the market
- The Company launched Eridani, a premium range of Marine Collagens, which marked the commissioning of the company's state-of-the-art clean room facility in Melbourne.

With improving volumes, strengthening prices, security of raw material supply and a focus on operational efficiencies and cost control, FOD is well positioned, subject to broader macro-economic conditions, to deliver improved financial performance in FY21.

Food Revolution Group CEO and Managing Director, Tony Rowlinson, commented *"It is extremely pleasing to see the turn-around in FOD's financials due to team's execution of our FY21 plan. The strong sales volumes for our Original Juice Co brands YTD reflect the growing consumers demand for fresh juices (especially oranges) with increased importance on vitamin enriched and functional beverages to help build their immune system.*

I would like to thank our Retailer partners in working with us in securing higher prices with them.

Also big thanks to our growers that have ensured we are now getting consistent supply with 2- year supply agreements in place. The operational 'performance improvement' programs commenced at the beginning of the financial year have increased production through-put, reduced waste and lowered overall labour costs. We still have a lot of upside as we strive for operational excellence at our Mill Park facility.

The launch of Eridani on the 10th September marks the launch of our wellness range from our state-of-the-art clean room facility in Melbourne. We secured our first \$1m order from Careline who will be using their 10,000 plus distributors to distribute the range into the Chinese market.

Regarding innovation, over the next 6 months we have an aggressive new product program that will involve investment in getting to market and aligned to current and new customer category reviews. I am delighted to announce that we will have 6 new products launching into Coles and Woolworths in October and November.

Whilst I am really encouraged by the solid start to the year, we are trading in uncertain environment due to the COVID-19 pandemic and realise there will continue to be numerous new challenges over the remainder of the year. We continue to build our capabilities and the improvements in our business over the past 6 months demonstrate our ability to manage adversity and stay committed to drive shareholder value.

In ensuring our shareholders are notified as to our progress and following discussions with the ASX, the company will be lodging quarterly reporting covering activity, cashflow and market updates. The first quarterly report will be for the period ended 30 September 2020, which will be lodged by 30 October 2020.

I thank the Board for the support and am extremely thankful to the FOD team who have done a remarkable job in our turnaround.”

This announcement was authorised by FOD Board

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About The Food Revolution Group

The Food Revolution Group Limited (ASX: FOD) is an Australian-based food processing company that uses a combination of conventional juice processing equipment and custom-developed equipment and processes to manufacture a range of high-quality juices, fibres, infused fruits and fruit waters that are sold as branded products or ingredients to customers domestically and overseas.

FOD uses a range of processing technologies, including Current Counter Extraction (CCE) technology which was developed in conjunction with Australia’s CSIRO to extract juice from fruit and vegetables. Its processing facilities are located in Mill Park, Victoria.

FOD is aiming to generate shareholder value through exploring opportunities for growth in the functional food, beverage and nutraceutical markets in Australian and key international markets, including China.