



8th February 2023

ASX RELEASE

UPDATE ON USA STRATEGY & PROPOSED ACQUISITION OF LEILO INC

8th February 2023, Brisbane Australia: Fiji Kava Limited (ASX:FII), a global functional beverage and natural medicine company provides the following update relating to the company's growth strategy in the USA.

KEY UPDATES

- The acquisition of Leilo will not proceed under the terms approved by shareholders and the exclusive negotiation period with Leilo Inc has ceased.
- Fiji Kava Inc. will continue with its strategy to launch functional beverage products in the USA under Fiji Kava's proprietary brands and new brands. These products include sparkling and still ready to drink beverages as well as products based on juices.
- Our dietary shots range will be launched with The Vitamin Shoppe in more than 700 US locations mid-year under Fiji Kava's own brand.
- To accelerate our functional beverage production plan for new RTD formats, the company is currently exploring manufacturing and co-packing options in Fiji, including with our Taki Mai distribution partner, CJ Patel.

Group CEO, Anthony Noble, commented: "The company remains focused on the execution of our strategy to launch functional beverages in the USA. Our Taki Mai brand will substantially grow its US footprint with the launch of dietary shots through The Vitamin Shoppe in over 700 national locations from April."

"While we have worked closely with Leilo management to find a structure that will enable the transaction to proceed as an all stock and debt free merger, at this point in time we could not achieve consensus between Leilo's shareholders and noteholders on terms that the Fiji Kava Limited Board could recommend to our shareholders."

“Sol Broady and the Leilo team have conducted the process professionally and we feel confident that co-operation in the future may still be possible. I thank Sol and his team for the way in which they have conducted this process.”

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: 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.