



**THE FOOD
REVOLUTION
GROUP**

Announcement

5 June 2019

FOD receives first juice order from Costco China

Highlights

- **The Food Revolution Group juice lines will launch in Costco's first retail store in Shanghai**
- **Costco is the world's second largest retailer behind Walmart and is ranked #15 on the Fortune 500 rankings of the largest US corporations by total revenue and is listed on NASDAQ under COST with a market cap of US\$108Bn**
- **There are more than 97 million Costco cardholders worldwide, representing 53 million households. In FY18, Costco generated revenue of US\$138.4 billion**
- **Costco China has made an initial order with juices expected to reach Shanghai ahead of the giant retail store's opening in August**
- **Second purchase order will be forthcoming after store opening**
- **The agreement with Costco allows for further penetration of FODs brands into the Chinese market and could lead to agreements with other markets globally as the relationship with Costco develops**

The Food Revolution Group Limited (ASX: FOD) is pleased to announce it has received its first order from Costco China as the global retail giant prepares to open its first China-based retail store in Shanghai.

FOD has received a purchase order for several of its juice products including its two-litre cloudy apple juice, three of its Farm Pick'd varieties (900ml twin packs), Unbeetable, Coconut Breeze and Gimme Greens.

The shipment is expected to arrive in China ahead of Costco's opening in the Shanghai district of Minhang in mid to late August. The order totals 16 pallets of FOD's juice products and Costco expects to place a second purchase order in the weeks after the store opening.

FOD's agreement with Costco has no guaranteed revenues or minimum volumes but indicates there is strong demand for FOD's juice products in China and the products will be marketed with banner advertisements in store. Total revenue generated for FOD under its agreement with Costco is uncertain at this time, however the deal further extends FOD's China footprint with distribution deals already executed with Careline, JJ Global (to access high-end hotels such as the Marriot Group) and cross-border e-commerce platform ICC Global Pty Ltd which will see ICC Global order \$8 million of FOD's products by the end of 2020 (announced 16 April 2019).

FOD Chief Executive John Florey said the Company was excited to have an opportunity to extend its reach in China with the backing of a global giant such as Costco.

“We have been making great ground in China, especially since our strategic agreement with Careline announced last year, however being able to gain the attention of a retailer such as Costco demonstrates our ability to create and manufacture quality products that are in demand with consumers in China,” he said.

The agreement with Costco allows for further penetration of FODs brands into the China market and could potentially lead to agreements with other markets globally as the relationship with Costco develops.

About Costco

Costco Wholesale Corporation began operations in 1983 in Seattle, Washington, and merged with The Price Company which had pioneered the membership warehouse concept in 1976, to form Price/Costco, Inc. in October 1993.

Costco, is an American multinational corporation which operates a chain of membership-only warehouse clubs. As of 2015, Costco was the second largest retailer in the world after Walmart and as of 2016; Costco was the world's largest retailer of choice and prime beef, organic foods, rotisserie chicken, and wine. Costco is ranked #15 on the Fortune 500 rankings of the largest United States corporations by total revenue and listed on NASDAQ.

Costco world headquarters are located in Issaquah, Washington.

It has more than 770 warehouses around the world, operating in the US and Puerto Rico, Canada, the United Kingdom, Taiwan, Korea, Japan, Australia, Mexico, Spain, Iceland and France, with nearly 250,000 employees in total.

There are more than 97 million Costco cardholders, representing 53 million households worldwide. In FY18, Costco generated revenue of US\$138.4 billion.

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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.

