



**THE FOOD
REVOLUTION
GROUP**

ASX Announcement

10 June 2020

FOD reaffirms \$40M FY20 guidance; appoints Commercial Director

Highlights

- **FOD achieves double digit growth in juice sales amid global COVID-19 pandemic**
- **Demand for hand sanitiser exceeds expectations, with +\$6 million sales in FY20**
- **On track to achieve FY2020 \$40 million revenue guidance**
- **Ex-Mondelez Sales and Supply Chain Director Nick Stoikos appointed Commercial Director**
- **FOD to launch high volume, high margin Wellness Range featuring natural immunity-boosting ingredients, collagen, marine proteins and lactoferrin**
- **Commissioning of new powder, gel and liquid lines all on track in expanded Mill Park operations – with products expected to be in market in early FY20**

The Food Revolution Group Limited (ASX: FOD) is pleased to provide an update on its operations, reaffirming it is on track to achieve FY2020 revenue guidance of \$40 million.

The Company achieved strong sales of its Original Juice Company brand in recent months, and the brand continues to deliver double digit growth. New variants launched into Coles supermarkets performed above expectations and FOD plans to roll out three new variants into Woolworths this month, which it expects will add further momentum to juice sales.

FOD's sales of hand sanitiser under the Care Touch brand as the global COVID-19 pandemic crippled local supply also exceeded the Company's expectations, generating sales of more than \$6 million in FY20.

As FOD continues to build its capabilities, it has appointed former Mondelez Executive Nick Stoikos as Commercial Director. Mondelez Australia is a top five Australian food manufacturing company, with brands including Cadbury and Oreo.

CEO Tony Rowlinson said he was ecstatic to have Nick join the FOD team.

"It is a major win for us to have Nick onboard as Commercial Director. Nick joins us from Mondelez (Cadbury/Kraft) where he was Sales and Supply Chain Director and prior to Mondelez, he was Sales Director for SCA, a leading personal care company, makers of Sorbent, Handee and Libra brands.

"He is highly respected by the major retailers and has a proven track record in profitably growing businesses based on his extensive FMCG experience and exposure to best in class practices.

“Having also managed the route and independent trade for Mondelez, we look forward to Nick extending our beverage availability in Australia, focused on us getting our brands into all stores nationally.”

Wellness range in development

As FOD continues to establish itself as a leading supplier of functional food, beverages and nutraceuticals, the Company is planning to launch a high volume, high margin range of wellness and immunity products featuring natural immunity-boosting ingredients, collagen, marine proteins and lactoferrin

“The COVID-19 pandemic has changed consumer behaviour regarding hygiene and highlighted the need for healthier, preventative food and beverages,” Mr Rowlinson said.

“Our research and development team has done a remarkable job in building an all-natural Wellness range of shots and beverages. We are currently testing the range with consumers and working with our major retailers for a potential launch this summer. The range will be a game-changer for the health market and our business.”

FOD’s commissioning of liquid, gel and powder production lines as part of expanded operations at Mill Park, Victoria, is on track. This will allow FOD to produce and sell added value functional products for both export and local consumption commencing 2H 2020.



Above: New production lines at FOD's Mill Park facility in Melbourne



Above: New powder blender at FOD's Mill Park facility in Melbourne

Purchase of shares by strategic distributors

In anticipation of the commissioning of FOD's new clean room facility and launch of its wellness range and in line with FOD's strategic agenda to align the interests of its distributors with the overall success of the Company, Pacific International Funds Management Pty Ltd through Careline Australia Pty Ltd has sold 6,481,482 shares to Branding Rewards Pty Ltd. Branding Rewards acts for the distributors and paid 5.4 cents for the shares.

CEO's Remuneration

Initial remuneration details for new CEO Tony Rowlinson were released in the company's ASX release of 14 April 2020. The Board has subsequently completed a review of the CEO position and remuneration package and has approved the following:

- Gross Salary of \$300,000 per annum plus superannuation.
- Bonus -- \$50,000 to be paid on or before 30 June 2020 upon Board approval of 2021 Business Plan.
- Effective as of 1 July 2020 onwards – 50% of gross annual salary subject to the company's Board approved budget being met or exceeded.
- Options with an exercise price equal to the weighted average closing price of the shares recorded on the ASX over the last 5 trading days on which sales of the shares were recorded immediately preceding the grant date

Tranche 1: 20 million options to be granted on the signing of this employment contract (each option is exercisable for one ordinary share).

Tranche 2: 10 million options to be granted which vest on the delivery of sales target A in any individual financial year ending on or before 30 June 2023

Tranche 3: 10 million options to be granted which vest on the delivery of earnings before interest and tax (EBITDA) in any individual year ending on or before 30 June 2023.

Sales Target A and Profit target B shall be set by the Board of Directors after review of three-year business plan put before the Board on or before 31 July 2020. In the event that the company receives a successful takeover bid or merger proposal which results in a 50% or more change of shareholding then the targets in Tranche 2 and Tranche 3 will be deemed achieved and the options therein will be immediately capable of exercise.

The exercise price for all three tranches means the weighted average closing price of the shares recorded on the ASX over the last five trading days on which sales of the shares were recorded immediately preceding the grant date.

The grant date of all three tranches is the date of signing of this employment contract. The options have an expiry date of 3.5 years from the date of issue.

This announcement was authorised by FOD Chairman Norman Li.

For more information, please contact:

Nathan Ryan

Investor/media relations

Nathan.ryan@nwrcommunications.com.au

+61 420 582 887

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.