



19<sup>th</sup> January 2022

## FIJI KAVA COMPLETES PURCHASE OF DANODAN CBD TINCTURE BUSINESS IN USA

- FijiKava Inc. USA has completed the acquisition of Danodan Hempworks LLC
- The acquisition includes Danodan's Portland Oregon based CBD Tincture Plant, Inventory and all associated intellectual property, CBD extract US Patent 10,716,819
- FijiKava's US subsidiary. FijiKava Inc (USA) began doing business as The Calmer Co. USA from January 1<sup>st</sup> 2022
- The existing Danodan team, including founder Daniel Stoops have joined The Calmer Co.
- Global CBD market valued at USD 2.8 billion in 2020 and is expected to grow at a compound annual growth rate (CAGR) of 21.2% through to 2028<sup>1</sup>

**19 January 2022 Portland Oregon USA** - FijiKava Ltd (ASX: FJI), an Australian-Fijian medicinal kava company which produces natural products to reduce anxiety, promote relaxation, improve sleep and support sports recovery and performance, has completed the acquisition of Danodan Hempworks LLC, including its CBD extraction US Patent 10,716,819, purchased from Danodan Founder, Mr Daniel Stoops (together, "Danodan").

Danodan produces a suite of organic certified CBD tincture products sold throughout wellness boutiques and regional natural foods grocery stores in the USA. FijiKava has begun work on scoping the use of Danodan's patented extraction process for Noble Kava products.

To reflect its expanded product lines and plans for further acquisitions of aligned brands and products, FijiKava Inc. (USA) is now doing business as The Calmer Co. (USA) as of 1<sup>st</sup> January 2022.

**Daniel Stoops, Founder of Danodan said** "We're really excited about this opportunity. We've been looking for a new relationship like this. We're aligned on values. We fit very nicely into The Calmer Co (USA)'s mission. Our products are all about reducing anxiety, relaxation, and better sleep. With the combination of investment and sales and marketing expertise of the new team, the Danodan brand has a bright future"

**Fiji Kava CEO, Anthony Noble said:** "FijiKava Inc (USA) has now commenced US operations on the ground as The Calmer Co. (USA). We are gathering a group of likeminded brands and companies, focussed on delivering customers the world's leading suite of products to reduce anxiety, promote relaxation, improve sleep and support sports recovery and performance and this acquisition is the first step in executing that vision.

1. Cannabidiol Market Size, Share & Trends Analysis Report By Source Type (Hemp, Marijuana), By Distribution Channel (B2B, B2C), By End-use (Medical, Personal Use), By Region, And Segment Forecasts, 2021 – 2028. Grand View Research.

Danodan's organic certified CBD tinctures are renowned in the USA for purity and quality and represent an integrative, broad-spectrum approach to herbal formulation, with a real point of difference from highly processed CBD products. The global CBD market exceeds US\$2.8bn<sup>1</sup> and leading the way is the US market, which is becoming increasingly mainstream. Recent progress such as California Assembly Bill 45 demonstrate this. Growing the availability of the Danodan products in retail and online will be a key initial driver of growth for of the Danodan products, as it has been for FijiKava products.

“The liquid dispersible beverage ready format of these tinctures is highly aligned with our growing innovation and product development pipeline; including the exploration of kava and CBD combination products in the OTC, dietary supplement and functional beverage markets.”

FijiKava Inc. (USA) has acquired Danodan Hempworks LLC, the associated production plant and equipment, inventory, raw materials trademarks and other IP and marketing collateral for USD235,000 and has assumed a 30-year loan valued at USD150,000 from the US Small Business Administration.

FijiKava Ltd has acquired US Patent 10,716,819 for USD225,000. In addition, Mr Stoops will receive 10% equity in Danodan Hempworks LLC. Taken together, these amounts will constitute full consideration for the transaction.

There have been no changes in the FijiKava Ltd Board of Directors or senior management team due to this acquisition.

This release has been approved by the Board of Directors

**ENDS**

### For Further Information

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### About Fiji Kava

**FijiKava Ltd** (ASX: FJL), an Australian-Fijian medicinal kava health & wellness company, producing natural 'noble kava' products for the natural medicine market, estimated to exceed USD \$210 billion by 2026 globally.

As the first foreign company with approval from the Fijian Government to operate in the kava industry. FijiKava has established a global leading sustainable and 100% traceable, certified organic supply chain of 'noble kava' including a nucleus farm in Levuka, on the island of Ovalau, Fiji.

1. Cannabidiol Market Size, Share & Trends Analysis Report By Source Type (Hemp, Marijuana), By Distribution Channel (B2B, B2C), By End-use (Medical, Personal Use), By Region, And Segment Forecasts, 2021 – 2028. Grand View Research.

FijiKava is focussed on expanding the availability of noble kava products throughout western markets to provide a natural alternative to prescription medicines to promote sleep, soothe and calm the nerves, support muscle relaxation and relax the mind

Backed by years of independent research, Fiji Kava medical kava products are produced by high-quality GMP and are TGA and FDA compliant.

### 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.