

ASX RELEASE

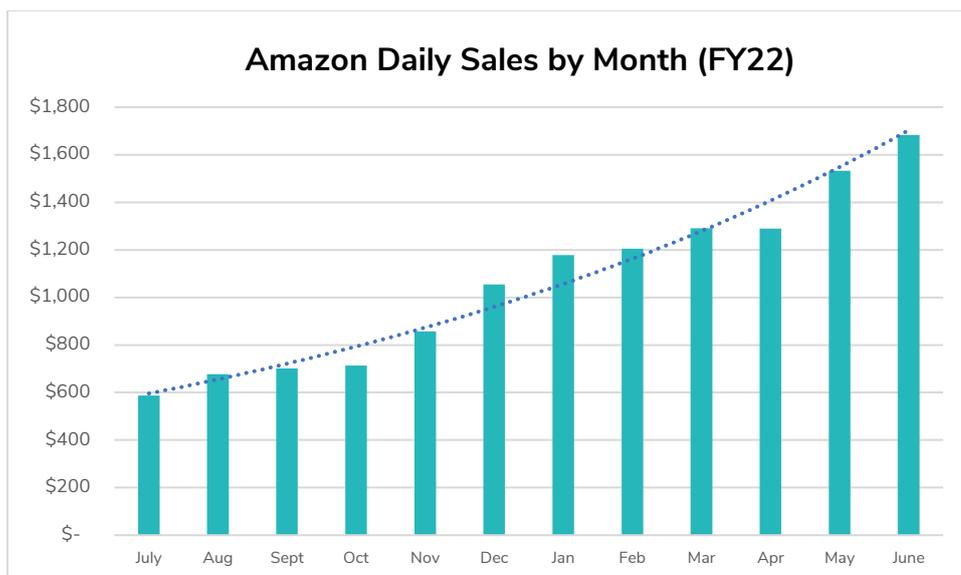
13 JULY 2022

THE CALMER CO. USA UPDATE, DEPARTURE OF DANIEL STOOPS

Fiji Kava Ltd (ASX: FIJ), (“Fiji Kava”, the “Company”) an Australian-Fijian medicinal Kava company which produces natural Noble Kava products for the natural medicine market, advises shareholders and investors that The Calmer Co. USA led by sales via Amazon direct to consumer and Danodan direct to consumer business units, now account for more than half of the Company’s global revenue.

KEY HIGHLIGHTS

- Continued growth in Amazon channel for Taki Mai and Fiji Kava instant Drinking Kava and Fiji Kava Tea products.
- Strong finish to FY22 from the Danodan business, outpacing Amazon sales in June, including launch of new CBDA+ product line.
- Renewed engagement with MOM’s Organic Market and New Seasons natural grocer accounts.
- Appointment of regional retail broker, Grass Roots Marketing, including onboarding of a national retail broker network with significant reach
- In line with the acquisition agreement for Danodan, Daniel Stoops will leave The Calmer Co. USA effective 31 July 2022.
- Significant progress on the development of new product formats in preparation to launch Dietary Shots, Gummy lines and Ready to Drink beverages.



Amazon daily sales have continued to grow month on month

Integration of Danodan into The Calmer Co. USA

Danodan sales revenue increased by 20% to \$110k in Q4 from \$90k in Q3, following the successful integration into The Calmer Co. Annualised revenues have now exceed the 1x acquisition multiple flagged to investors during the transaction, with both white label and direct to consumer segments continuing to contribute to this result. A second patent has been filed around the proprietary technology and is currently under examination.

As the effects of the Covid pandemic have begun to abate, engagement with key retailers has led to improved availability in MOM's Organic Market and New Seasons, with a new CBDA+ product being launched online. Fiji Kava has engaged with leading natural, organic and specialty retail broker, Grass Roots Marketing, to cover the Pacific Northwest and California regions to expand the Company's distribution of Danodan products within the growing number of retailers accepting ingestible CBD products.



Danodan's new CBDA+ product

Appointment of National Retail Broker Network

Over the past several months, 11 independent brokers with extensive expertise and experience in the Natural Channel were identified and assembled to ensure best in class brand representation, zero competitive product challenges and the strongest relationships with the country's leading national and regional retail chains, as well as the most significant independents. All of which will drive innovation with depth of assortment and the highest floor traffic from a consumer perspective. Additional brokers will be added to the network to fill geographic gaps once timing permits and key brokers identified. The initial broker network will cover key US markets including Florida, Georgia, New York City, New Jersey, Pennsylvania, Southern California, Arizona, New Mexico, Nevada, Colorado, North Carolina, Utah and Texas.

New product development for FY23

In addition to instating local co-packing, several new product formats have been developed for the USA market in FY23, with a focus on occasional use and convenient formats. Single Dose Gummies and Dietary Shots, in various potencies and flavours are soon to enter pilot scale production and potential manufacturing, brand and technology partners engaged for the development of a range of RTD drinks, targeting a launch within the USA market.

Fiji Kava CEO, Dr Anthony Noble, commented: “The strategy for maturing the business into a global, condition focused natural products company has the US market at its core. The development of new, exciting functional formats, such as beverage dietary shots, juices and eventually RTD beverages, also underpin our future revenue and margin growth. In our first quarter of operating the business in the USA (Q3FY23), in this market alone we surpassed the Company’s sales for the rest of the world, initial data on US sales for Q4 are tracking at around 55% of total revenue. This has been achieved largely as a direct-to-consumer proposition. Other than a regional footprint for Danodan, we have not yet scratched the surface of the retail distribution potential for our products, with the team having worked hard to identify a hand-selected broker network providing the Company with national reach that will be activated in FY23. We have completed the staff training and education for these brokers on our existing products, which will launch with an updated look and feel for the USA retail channel. Taken together with our modernised supply chain approach, announced previously, we have all the building blocks for growth in the USA in FY23 in place”

This release has been approved by the Board of Directors

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For Further Information

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About Fiji Kava

Fiji Kava Ltd (ASX: FIJ), 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. Fiji Kava has established a global leading sustainable and 100% traceable, certified organic supply chain of ‘noble kava’ through partnership throughout the Fiji Islands, including with the iTaukei Trust Fund Board.

Fiji Kava is focussed on developing a range of natural products based on effective natural medicine ingredients that 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.