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Exclusive three-year distribution agreement signed with leading Australian supplier

- FIJ signs an exclusive three-year distribution agreement with leading Australian and New Zealand ingredient supplier, Pathway International Pty Ltd to supply its high quality noble kava extract
- Pathway International to distribute minimum quantities of FIJ's kava extract to customers across Australia and New Zealand, which will increase in years two and three
 - Revenue in excess of \$3.5million over three years to be generated from the agreement
- Agreement underpins the Company's strategy of developing and launching its own branded Fiji Kava products by providing higher production volumes and cash flows through ingredient sales
- Demonstrates growing demand for kava as a natural alternative to prescription benzodiazepines in the treatment of anxiety, with FIJ perfectly positioned to capitalise on this emerging market

Fiji Kava Limited (ASX: FIJ) (Fiji Kava or the Company), an Australian medical kava company is delighted to announce it has achieved its first operational milestone by signing an exclusive three-year distribution agreement with leading Australian ingredient supplier, Pathway International Pty Ltd.

Established in 1995, Pathway International has an extensive and diverse customer base of over 100 customers, including Blackmores, Sanofi, Swisse and Vitaco, within the complementary medicine, personal care, food and beverage, pharmaceutical and veterinary industries within Australia and New Zealand.

Under the terms of the agreement, the Company will supply premium Noble kava extract to Pathway International for distribution to its network across Australia and New Zealand. The agreement stipulates minimum amounts which increase in year two and year three, which over the three years will generate revenue in excess of US\$2.5 million (AU\$3.5 million) for the Company.

The kava being supplied is grown and produced in accordance with HACCP and GMP standards. The agreement underpins the Company's growth strategy to become a leading retailer of premium kava end-products, providing a natural alternative to the large, global benzodiazepine market. This is by underpinning higher sales volumes and cash flow for FIJ while it is executing its commercialisation strategy and preparing to launch Fiji Kava branded products in Australia.

Furthermore, as announced on the 7th of February, the Company has secured additional kava supplies and expanded production to account for this distribution agreement and the expected increase in demand for its products in 2019.

The signing of this agreement represents a landmark for the Company as its first major revenue generating contract, demonstrating FIJ's ability to secure lucrative agreements with leading companies in Australia and generating exposure within the market for its products.

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Fiji Kava CEO Zane Yoshida states:

"The signing of this agreement is a major achievement for us and puts us in a great position to grow Fiji Kava into a strong and lucrative company, delivering on our core strategy. The large and increasing minimum order amounts under the agreement over the three-year term reflects the growing acceptance and demand for kava as a natural alternative to prescription medications in the treatment of anxiety and other disorders. We are pleased to be perfectly positioned to capitalise on this emerging market."

"This agreement underpins future revenue and ensures we are in the best possible position to grow the company and execute our strategy."

Wayne Coote, CEO of Pathway International states:

"We are pleased to be able to provide our clients with direct access to high quality kava extracts under our recently signed Distribution Agreement with Fiji Kava. Already, we have had strong indications of demand from many of our existing customers who are interested in this product and the therapeutic benefits it can offer to a broad consumer base. Kava is definitely becoming widely recognised within the pharmaceutical and complementary medicine industries as a natural alternative to a wide range of medications to treat stress, anxiety and sleep disorders and we're excited that this deal allows us to provide the highest quality kava extracts from Fiji Kava to our customers."

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About Fiji Kava

Fiji Kava is a medical kava company based in Australia and the first foreign company with approval from the Fijian Government to operate in the kava industry. The Company has complete control over its vertically integrated supply chain in a true farm-to-shelf operation and has established a 120-acre nucleus farm in Levuka, on the island of Ovalau, Fiji. Fiji Kava is focussed on expanding the distribution of kava throughout western markets to provide a natural alternative to anti-anxiety prescription medicines such as Valium and Xanax. The Company sells its range of TGA and FDA compliant Taki Mai branded medical kava products in Fiji and is preparing to launch under the Fiji Kava brand in Australia in early 2019. Fiji Kava's products are backed by years of independent research. The Company plans to conduct human clinical trials to test the efficacy of Fiji Kava's products and specific kava cultivars, targeting a range of medical conditions.

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