



**THE FOOD
REVOLUTION
GROUP**

ASX Announcement

6 September 2019

FOD receives \$5.4M Tranche 4 Careline investment

The Food Revolution Group Limited (ASX: FOD) is pleased to announce it has received \$5.4 million as Tranche 4 of its \$20.25 million strategic investment agreement with Careline Australia Pty Ltd (Careline) and its founder and CEO Dr Tao (Norman) Li.

As a result, it will issue 100 million FOD shares to Careline Australia Pty Ltd and its nominees as agreed under the Share Subscription Deed. Shareholders approved the issue of shares at an Extraordinary General Meeting on 14 June 2019.

FOD will use the investment for further upgrades to its Mill Park facility in Melbourne, where it is completing work on a state-of-the-art clean room facility to produce high-end, high-margin functional gels and powder sachets for sale into China. Sales from the plant are expected to commence by the end of H1 FY20. More than 100 potential customers have visited FOD's Mill Park facility for discussions regarding these new products.

FOD will also use funds to innovate products for the Original Juice Company Black Label brand it acquired from Golden Circle, as announced on 4 September 2019.

FOD expects to increase gross sales revenue by about 25% in FY20, with revenue guidance of at least \$40 million. In addition to the clean room coming online, it is preparing to launch new products during the second half of FY2020.

FOD announced the investment by Careline in September 2018, with the parties agreeing to enter a distribution agreement to expand FOD's sales in China. Tranche 5 of the agreement, the issuing of 110 million ordinary FOD shares and an investment of \$5.94 million is expected to be completed on or before 5 March 2020.

Dr Li assumed the role of FOD's Executive Chairman in November 2018. The Company has achieved several important milestones following his involvement:

- Receiving China Inspection and Quarantine Certificate (CIQ) for its orange and apple juices, allowing export to China;
- Signing a MOU with China Petroleum & Chemical Corporation ("Sinopec");
- Signing a juice supply contract to China with JJ Global Fine Foods, with first orders shipped in February 2019;
- Receiving first juice orders from Metcash distribution with Juice Lab products now sold in Metcash IGA and Foodworks supermarkets in Victoria.

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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.