

23rd December 2022

LEILO TRANSACTION UPDATE AND INVENTORY BUILD

Fiji Kava Ltd (ASX: FIJ), a health and wellness company with operations in Australia, Fiji, and the USA. The company which produces natural products to reduce anxiety, promote relaxation, improve sleep, and support sports recovery and performance, provides shareholders the following update on the acquisition of Leilo Inc. USA

HIGHLIGHTS

- Due Diligence Information and Definitive Legal Agreements for the transaction are in final forms.
- Shareholder approval and regulatory approvals have been granted. The company received an executed ASIC Instrument providing the relief for Fiji Kava Ltd to enter into voluntary escrow deeds with the shareholders of Leilo, Inc. on 14th December 2023.
- Completion of the relevant disclosures and execution of final agreements is expected in mid-January 2023.
- The company will provide an interim loan facility to Leilo Inc. of up to 150,000 USD to facilitate production of RTD inventory in January and February to enable continued sales momentum for Leilo. Goods financed are not expected to be delivered until after closing of the transaction.
- The Company has completed a fully subscribed capital raising of \$500,000 AUD to fund the interim loan facility to Leilo and for the production of Dietary Shots inventory for launch in the Vitamin Shoppe in April 2023.

Fiji Kava CEO, Anthony Noble said: “We have been working closely with the Leilo team to complete due diligence and post-merger integration planning process. With regulatory and shareholder approvals in place, both parties are proceeding to finalise the required schedules and disclosures to the Definitive Legal Agreements in the coming weeks. To continue with positive sales momentum and sufficient inventory levels, we have made an interim loan to Leilo for inventory production. We have also approved production of Dietary Shots for the Vitamin Shoppe to ensure we meet shipping dates in March. We look forward to working together in January as a new combined Calmer Co team.”

Details of Loan Facility to Leilo Inc.	
Facility amount	Up to 150,000 USD
Interest	0%
Term	Up to 2 months

Repayment / Security	Fully secured by the inventory funded through loan facility and repaid by transfer of inventory at closing of acquisition
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Details of Capital Raising	
Share placement	33,333,333 shares issued 1.5c
Options attaching	1 option per 4 shares priced at 3c with expiry of 3 years (options subject to shareholder approval)
Fees paid through Novus Capital	\$30,000 (being 6% of Capital raised) plus 5 million Options priced at 3c with expiry of 3years (options subject to shareholder approval)

This release has been approved by the Board of Directors

ENDS

For further information:

Investor & Media Relations:

Jane Morgan

Investor Relations Advisor

jm@janemorganmanagement.com.au

+61 405 555 618

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. The Danodan range of CBD products contain USFDA certified hemp and non-palm derived USFDA certified glycerine. 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', ginger and turmeric, supported 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.