



ASX Announcement

20 March 2020

## **FOD re-affirms full-year revenue guidance of \$40m; Hand sanitiser orders reach \$3.8m for March**

### **Highlights**

- FOD experiencing strong demand across its product range including its core juice and beverage products as well as its new line of hand sanitisers
- FOD re-affirms full year revenue guidance of \$40 million FY 2020 (1H 2020 sales \$17.96m)
- Orders received for hand sanitiser products have reached \$3.8 million for March with orders growing rapidly, with production of ethanol based disinfectant to commence within 2 weeks
- With supermarket sales volumes up, FOD is also experiencing increased demand across its “better for you” product range
  - Three new Original Juice Company products set to launch in major Australian supermarket
  - Further juice orders received from its Chinese distributor
  - Large warehouse supermarket ordered a container of juice as a trial order

The Food Revolution Group Limited (ASX: FOD) is pleased to advise it is experiencing strong demand across its product range including its core juice and beverage products as well as its new line of hand sanitisers.

The Company re-affirms its full year revenue guidance of a minimum of \$40 million for FY20. Accordingly, 2H 2020 sales are expected to be a minimum of \$22.0 million, representing an increase of 23% on its 1H 2020 sales of \$17.96 million.

FOD sales orders for hand sanitiser now total \$3.8 million for March alone. Further substantial orders are expected in the June quarter. The Company commenced producing hand sanitiser last month due to increased global demand for the product caused by the outbreak of Coronavirus/COVID-19. FOD is producing the hand sanitiser under the brand “Care Touch” owned by its distribution partner Careline Pty Ltd.

FOD also plans to commence production of new range of ethanol-based all-purpose disinfectants under the Sanicare brand at its Mill Park Factory within two weeks. Demand for disinfectant products have increased significantly due to Coronavirus and FOD has capacity to produce this product in large volumes.

Supermarket volumes have been up across the industry since the onset of COVID-19 further benefiting FOD’s core “Better for you” range of Original Juice Company range. Additionally, FOD has

received interest from a major supermarket group to launch three new juice products in May. These will be under its Original Black Label and Original Juice Company brands in 1.5 litre sizes.

It has also received orders for two containers of its juice products from a large multinational retailer in a trial, while its distributor in China has also ordered a container.

FOD has already commenced deliveries of its hand sanitiser products to the general market, with deliveries to major supermarkets starting this month.

FOD Chairman Norman Li said the Company had adapted well to changing market conditions to increase revenue in 2H 2020.

“The current increased demand for the company’s products coupled with the start-up of the new factory have strengthened that commitment.

“We have big plans for these products through our distribution network in China. As China comes out of the Corona Virus pandemic the sale of our new clean factory products is assured.

“This is underpinned by the new orders now being received from China Distributors for our juice products as well,” he said.

“It is also pleasing that we are launching new juice lines at a time that Australian supermarket sales are strong.”

FOD also advises that on 28 February 2020, the Company lodged its Interim Report for the half year ended 31 December 2019. In that report, it was noted that due to the Coronavirus, and related shutdowns in China, Careline Australia Pty Limited (a company owned by Norman Li) was unable to transfer funds to Australia to meet the final funding tranche of \$5.94 million on 5 March 2020. Under this tranche, 110 million FOD ordinary shares were to be issued to Careline.

FOD agreed to an extension of time for payment of these funds by Careline, however the ASX requires shareholder approval for the extension. FOD will call a shareholder meeting in due course to approve the extension.

This announcement was authorised by FOD Chairman Norman Li.

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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.