



Forte Group Announces Master Distribution Agreement for TRACE BLACKwater & Nutraceuticals in Asia and U.S.

News Release Highlights:

- **Forte Group strengthens its global footprint by partnering with Animal Spirits to distribute TRACE BLACKwater and nutraceutical products in Asia, including India and the Middle East, as well as the United States.**
- **Forte Group is positioned for growth and enhanced access to established distribution networks in high-demand regions through its partnership with seasoned market leader, Animal Spirits, leveraging their 30 years of expertise in Asia to drive expansion.**
- **Forte Group is primed to expand retail and e-commerce channels through an exclusive distribution agreement and the recent acquisition of the U.S.-based e-commerce nutraceutical products company, catering to the growing consumer demand for health-focused, functional products in Asia and the U.S.**

VANCOUVER, British Columbia – October 31, 2024 – Forte Group Holdings Inc. (CSE: FGH) (OTC: FGHFF) (FSE: 7BC0, WKN: A40L1Z) (“Forte Group” or the “Company”), a diversified lifestyle and wellness consumer packaged goods company, announces that effective October 30, 2024 (the **“Effective Date”**), its wholly-owned subsidiary, Naturo Group Enterprises Inc. (**“Naturo Group”**) has entered into a Master Distribution Agreement (the **“Distribution Agreement”**) with Hong Kong-based premium beverage distributor Animal Spirits Limited (**“Animal Spirits”**). The agreement covers distribution across Asia, including India and the Middle East, as well as the United States (U.S.).

Strategic Expansion in Key Markets: Asia and the U.S.

The Distribution Agreement signals Forte Group’s ongoing commitment to expanding its footprint in growing health and wellness markets, particularly in Asia and the U.S. The Asia Pacific nutritional supplements market is projected to grow significantly, valued at USD 149.4 billion in 2022 and expected to reach a compound annual growth rate (CAGR) of 6.1% through 2030¹. This partnership aligns with the Company’s strategy to capture demand in these high-growth regions by offering its TRACE BLACKwater, ALKALINEwater, and nutraceutical products.

“We’re thrilled to join forces with Animal Spirits to drive our expansion into the key markets of Asia and the U.S.,” said Marcello Leone, CEO of Forte Group. “This partnership strengthens our distribution network and enables us to deliver our TRACE BLACKwater and nutraceutical products to a broader consumer base, addressing the growing demand for wellness-focused solutions in these regions.”

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Forte Group aims to leverage its wholly-owned subsidiaries' strategic alliances and expertise in high-growth regions like Asia and the U.S. Naturo Group's partnerships include Animal Spirits and a previously disclosed alliance with Shanghai-based Rocky Mountain Water Ltd. ("**Rocky Mountain**"), a premium beverage distributor in China established in 2015. Through this alliance with Rocky Mountain, Rocky Mountain has submitted CAD\$3.5 million in purchase orders for TRACE BLACKwater within the first twelve months of the initial shipment which is anticipated in Q4 2024. Additionally, the Company's recent acquisition of U.S.-based Greenflame Distribution Ltd. ("**Greenflame**") enhances its portfolio with innovative nutraceutical products. Greenflame's experienced team of digital marketers and e-commerce specialists has a proven track record of scaling digital brands and achieving significant revenue growth through online platforms.

Animal Spirits' leadership brings invaluable local expertise in Asia to this strategic partnership. The principal of Animal Spirits has been involved in business development and investment for the past 30 years across Southeast Asia.

"This partnership presents an opportunity to combine Animal Spirits' access to distribution networks with Forte Group's innovative health and wellness products," said Conrad Swanson, Founder of Animal Spirits. "We are confident that our collaboration will unlock new growth opportunities in both China and the United States' rapidly growing health and wellness markets."

Pioneering Innovation in the Wellness Market

As the founding pioneers of the fulvic and humic mineral consumer packaged goods (CPG) category, Forte Group's TRACE brand, featuring BLACKwater in ready-to-drink, liquid concentrate, and powdered forms, is strategically positioned to leverage the growing consumer demand for functional beverages and natural health products.

With full ownership of a natural alkaline spring aquifer in British Columbia, a 40,000-square-foot Health Canada-certified manufacturing facility, and an experienced team of CPG and e-commerce veterans, Forte Group is uniquely positioned to meet rising global demand for clean, functional, and sustainable health and wellness products.

Distribution Agreement Terms

The Distribution Agreement grants Animal Spirits exclusive distribution rights across all of Asia, except in China, where distribution rights are shared with Rocky Mountain. In the U.S., Animal Spirits holds non-exclusive distribution rights solely for brick-and-mortar channels and does not have rights for e-commerce distribution. Furthermore, Animal Spirits has appointed Naturo Group as its exclusive supplier, meaning that Animal Spirits can only distribute Naturo Group products in Asia and the U.S.

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The initial term of the Distribution Agreement is five (5) years (the “**Initial Term**”), starting from the Effective Date and ending on the fifth anniversary of that date. An additional five-year renewal period will commence upon the conclusion of the Initial Term, subject to certain performance conditions being met.

During the first 12 months of the Initial Term, Animal Spirits is required to purchase a minimum of USD \$2,000,000 worth of products (the “**Quota**”) from Naturo Group. If the Quota is not fulfilled within the specified period, Naturo Group reserves the right to terminate the agreement.

U.S. Trading Symbol Change

The Company also announces that its common shares, previously trading on the OTC Market under the ticker symbol “BVNNF”, commenced trading on the OTC Market under the ticker symbol “**FGHFF**” effective, October 30, 2024. The Company’s CUSIP and ISIN remains unchanged on the OTC Market. No action is required by shareholders with respect to the stock symbol change.

Conversion of Promissory Note to Equity

The Company also announces that it intends to convert an aggregate principal amount of \$47,064.70 in secured promissory notes issued by Naturo Group into common shares at a price of \$0.52 per common share, for a total of 90,508 common shares (the “**Shares for Debt Arrangement**”). All common shares issued in connection with the shares for debt arrangement will be subject to a restricted period of four months and one day.

Closing of the Shares for Debt Arrangement is anticipated to be on or about November 7, 2024 in accordance with the policies of the Canadian Securities Exchange.

None of the securities issued pursuant to the Shares for Debt Arrangement have been or will be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This news release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

¹ [Grandview Research](#)

About Forte Group Holdings Inc.

Forte Group Holdings Inc. (CSE: FGH) (OTC: FGHFF) (FSE: 7BC0, WKN: A40L1Z) is a diversified lifestyle and wellness consumer packaged goods company. Forte Group develops and manufactures a range of alkaline and mineral-enriched beverages and nutraceutical supplements for both its TRACE brand and private-label clients. Based in British Columbia, Canada, Forte Group

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owns a pristine natural alkaline spring water aquifer and operates a 40,000-square-foot, Health Canada- and HACCP-certified manufacturing facility near Osoyoos, British Columbia. The Company's distribution network includes traditional retail and e-commerce channels, delivering wellness-focused products directly to consumers through its innovative offerings.

About Animal Spirits Limited

Animal Spirits Limited is a premium beverage and wellness products distributor based in Hong Kong, with a focus on providing high-quality products across Asia and the United States. Led by a team with over 30 years of experience in marketing and investment in China and Asia, Animal Spirits has access to a strong distribution network and expertise in e-commerce. Animal Spirits is dedicated to promoting health and wellness through innovative product offerings and strategic partnerships.

On behalf of the Board of Directors:

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Disclaimer for Forward-Looking Information

This news release contains forward-looking statements within the meaning of applicable securities laws. These statements include but are not limited to expectations regarding the Distribution Agreement, including anticipated product distribution in Asia and the U.S., projected growth in retail and e-commerce channels, expected expansion through partnerships, anticipated purchase orders from Rocky Mountain, projected consumer demand for health-focused products, the Company's ability to execute its growth strategy, anticipated shipment timelines, expected performance under the Distribution Agreement, and the anticipated financial impacts of the Shares for Debt Arrangement. Forward-looking statements reflect management's current beliefs and assumptions based on available information as of the date of this release. However, these statements are subject to risks and uncertainties that could cause actual outcomes to differ materially from those anticipated, including, but not limited to, the Company's ability to meet its obligations under the Distribution Agreement, challenges in achieving sales targets, market and regulatory conditions in Asia and the U.S., shifts in consumer demand, competition, supply chain disruptions, successful integration of recent acquisitions, financing availability, and other factors detailed in the Company's filings on SEDAR+. The Company believes that the assumptions underlying these forward-looking statements are reasonable; however, they may prove to be incorrect. There can be no assurance that the anticipated results will occur as projected or at all.

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The Company disclaims any obligation to update or revise any forward-looking statements, except as required by applicable law.