



For Immediate Release

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BLUE DIAMOND PREVAILS IN AUSTRALIA AGAINST FREEDOM FOODS

SACRAMENTO, CA – On May 28, 2021, the Full Court of the Federal Court of Australia – in a unanimous 3-0 decision – upheld the trial court's March 5, 2021 rejection of claims asserted in Australia by affiliates of Freedom Foods Group Ltd ("Freedom") against Blue Diamond Growers ("Blue Diamond"). The Full Court's decision ended the parties' nearly eight month foray in the Australian courts, during which Freedom attempted to prevent Blue Diamond from moving forward with its arbitration against Freedom in the United States. Blue Diamond will now prosecute its claims against Freedom in that arbitration.

On September 25, 2020, Blue Diamond sued Freedom for fraud and breach of the parties' license and distribution agreement in an American Arbitration Association arbitration venued in Sacramento, California. Blue Diamond contends in that proceeding that, although Freedom contractually promised to faithfully make, sell, and promote Blue Diamond's products in Australia and New Zealand – and to not compete with Blue Diamond in those territories – Freedom subsequently breached the agreement by competing directly with Blue Diamond with multiple lines of Freedom's own nut-based beverage products, including MilkLAB. Blue Diamond seeks an award of damages against Freedom and an order enjoining Freedom from making and selling MilkLAB and other competing products.

On September 29, 2020, just four days after Blue Diamond commenced its California arbitration, Freedom responded by initiating an Australian lawsuit against Blue Diamond. In it, Freedom argued, among other things, that the parties' license and distribution agreement, formed in 2011, was a franchise agreement under the Australian Franchising Code and that agreement's arbitration clause should be invalidated. On March 5, 2021, following hearings – and the cross-examination under oath of Freedom's Chief Financial Officer – the Australian trial court rejected Freedom's claims and stayed the Australian action. Freedom appealed the court's judgment. On May 28, 2021, just nine days after the parties convened for appellate argument, the Full Court issued a three line decision in which it dismissed Freedom's appeal, upheld the trial court's judgment, and awarded Blue Diamond its costs of appeal.

"We viewed Freedom's Australian lawsuit as a strategic attempt to obstruct Blue Diamond from availing itself of its contractual right to arbitrate its claims against Freedom," said Michael F. Donner, Blue Diamond's counsel in the California arbitration. "We are grateful that the Federal Court of Australia rejected Freedom's arguments, validated the enforceability of Freedom's contractual promise to arbitrate, and rendered its decision in such a timely and efficient manner."

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For more information regarding the pending litigation, please contact:

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About Blue Diamond

Blue Diamond Growers, a grower-owned cooperative representing over 3,000 of California's almond growers, is the world's leading almond marketer and processor. Established in 1910, it created the California almond industry and opened world markets for almonds. Blue Diamond is dedicated to delivering the benefits of almonds around the world and does so by providing high-quality almonds, almond ingredients and branded products. Headquartered in Sacramento, the company employs more than 1,800 people throughout its processing plants, receiving stations and gift shops. To learn more about Blue Diamond Growers, visit www.bluediamond.com and follow the company on [Facebook](#), [Instagram](#), [LinkedIn](#) and [Twitter](#).