



23 January 2025

ASX RELEASE

Appendix 4C Cashflow Statement and Quarterly Activities Report

23 January 2025, Brisbane, Australia: The Calmer Co. International Limited (ASX:CCO) submits the following Activities Report and Appendix 4C Cash Flow Statement for the three-month period ended 31 December 2024.

Highlights

- **\$4.4m in Sales for H1 surpassing full year FY24 in the first two quarters**, representing >300% of H1FY24 Sales (Prior Corresponding Period [PCP]; preliminary unaudited result).
- **Record quarterly Cash Receipts of \$2.6m**, +270% of PCP (Q2FY24) and up by 9% vs Q1.
- **\$675k of inventory built in the quarter** in addition to \$183k build in Q1; bringing the company's inventory position to \$2.2m (>\$4m at sales value); with factory upgrade underway.
- **Net Cash used in operations was cut by half**, after inventory built is taken into account, cash utilised for operations was \$142k per month in Q2 down from \$284k per month in Q1.

CEO and Managing Director, Dr Anthony Noble, said, "The company achieved a record sales result in October of \$862k, this was driven by re-investing most of our net profits into advertising online as we pushed hard for growth in our eCommerce channels to this point. We saw that the efficiency of our online advertising and marketing spend was reducing significantly at those higher investment levels and company therefore took the decision to reduce our social media advertising spend in November and December to a level where we were able to see higher bottom-line contribution from all our online sales. This meant sales slowed online in November and December. Counterbalancing this, the synergies between our retail and online activities continue to be demonstrated. Coles grew our distribution footprint with them slightly and we saw consistently strong sales through checkout over the quarter. In fact, sales by Coles to their consumers surpassed our online sales in December, for the first time."

"The change in focus in November aligns with an increased focus on cost control and profitable sales which are key drivers towards break even. Thus we were able to reduce the cash burn rate by half across the quarter, after taking into account a significant inventory build which was undertaken to ensure full stock during our factory upgrade. While we have reduced the marketing spend in eCommerce, we will now put more emphasis on optimising the balance of retail and online sales in Australia and on adding new retail sales distribution points over coming months. Our recent launch into Quick-Stop convenience stores in January being a first step in this new strategy for Australia."

"The marketing team continues to work on refreshing the Taki Mai® brand, and the launch of our new Taki Mai® flavoured shots and stick packs via Amazon.com will take place in March. This is an exciting first step in the USA ready-to-drink market and we believe this segment will largely underpin our future growth over the coming years, with Australia, Fiji and B2B sales all continuing to contribute."



Financial Overview

Revenue for the quarter was \$2.1m, with 74% being generated in the Australian market. This was an increase of 227% vs the prior corresponding period. The total sales for the first half of FY25 have surpassed the full year sales of FY24 (\$4.4m in H1FY25 vs \$4.35m FY24), demonstrating that the company remains on track to meet its goal of doubling revenue year-on-year, while controlling costs aggressively.

The facility upgrade in Navua is well underway. Supporting this, inventory was increased by \$183k in Q1 and by \$675k in Q2. Meaning that the company has >\$2.2m in inventory at COGs value equating to over \$4m of inventory at sales value, exceeding our 90 day holding target. This inventory build ensures that sales will not be interrupted during the facility upgrade which is expected to be completed early in Q4. Record Cash Receipts from Customers of \$2.6m contributed to a meaningful reduction of cash utilised in operations this quarter, net of inventory build. The cash utilised for operations, net of inventory built, in Q1 was \$284k per month while in Q2 this fell by half to \$142k per month. Operating and manufacturing costs are expected to fall in Q3 during the upgrade and inventory levels will be stabilised at 90 days.

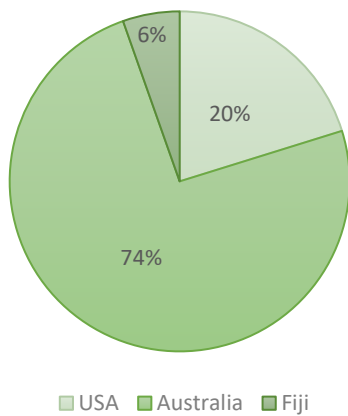
Record eCommerce sales in Australia of \$523k were achieved in October, which supported a record sales month globally of more than \$862k. To support this more than \$238k was spend on advertising through social media channels in Australia. However, the overall profitability of the channel fell in October due to the efficiency of advertising dropping off at these investment levels. As such the level of online advertising spending in November and December was cut by 57% compared to October. This saw profitability of the channel increase by more than 30% and Return on Advertising Spend (ROAS) improved by 45% over the final two months of the quarter. The net effect of this changes was to reduce the total eCommerce sales for Q2 by 5% vs Q1, while establishing a more profitable level of advertising spend heading into Q3. In contrast, the Australian sales in Coles remained steady for the period, with no supporting advertising spend. Sales at checkout to Coles' customers surpassed sales online in December, in fact. We believe that long term customers acquired online are now making kava part of their weekly shop, especially when on sale in Coles. The company also made investments in brand development to support the launch of the new Taki Mai range in the USA this quarter, however, total cash utilised in advertising and marketing was steady vs Q1 due to the reduction in online ad spend in Australia. Administration and corporate costs were steady over the quarter and staff costs increased slightly due to increasing production staff hours that were required supporting the large inventory build. The company ended the quarter with \$2.3m cash and equivalents at bank representing more than two quarters of the net cash used in operations in the quarter even with \$675k of inventory built.

The company announced key changes to the Board or Directors and senior management including the appointment of Mr John Homewood as Non-Executive Chairman. John is the largest individual shareholder in the company. Mr Zane Yoshida will transition to the role of CEO effective from the 1st February replacing Dr Anthony Noble, who will remain an Executive Director for the month of February supporting a smooth transition of the CEO role. USA and Australia Country Managers are being recruited to support the new CEO, in line with an increasing focus on Sales and Marketing execution in future.

According to ASX LR4.7C.3, the Company advises that \$4,696 was paid to James Tonkin as fees for his role as a Director of Fiji Kava Inc. USA.



Sales by Region



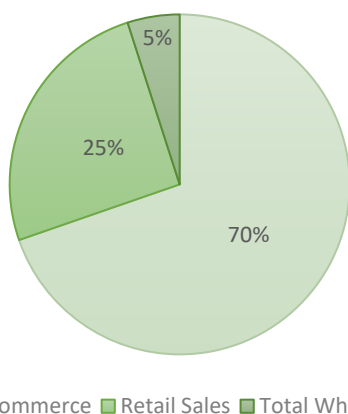
Sales Analysis

Australian and New Zealand sales were \$1.56m during the period driven by our Shopify eCommerce sales of over \$1m and Coles' sales of \$478k. Sales in the USA via Amazon were \$387k and Fiji sales were \$113k or 6% of total global sales, supported by strong wholesale orders in the period to IMCD and kava bars in the USA.

The launch of the Taki Mai kava shots and stick packs on Amazon.com and through our owned eCommerce channels in the second half of FY25 will see the regional split of sales begin to move strongly towards the USA in the coming months.

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Sales by Channel



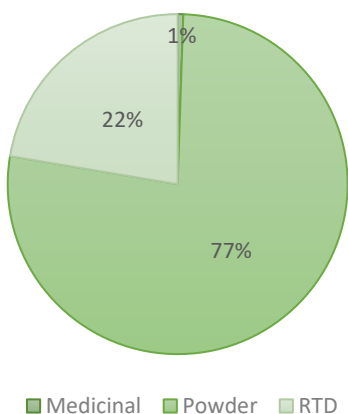
eCommerce sales continues to be the strongest channel for the company with 70% of total sales for the quarter, via the Shopify website (www.fijikava.com.au), www.danodan.com and Amazon.com taken together.

Coles Australia retail sales and sales to the tourist channel retailers in Fiji represented 25% of total sales, consistent with the previous quarter.

Wholesale orders to kava bar customers and to IMCD for Kavaton® extract grew slightly to over 5% of sales at \$104k for the period.

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Sales by Format



Drinking kava powder continues to be the driving force behind the wholesale, retail and eCommerce sales and accounts for more than 75% of revenue across all channels.

RTD products including Taki Mai Kava shots were available throughout the full quarter in Coles Australia and online in Australia, and this format grew strongly from 6% of sales in Q1 to 22% of sales in Q2. This was a 235% growth rate in absolute terms, and we expect this format to continue to accelerate in Q3 and Q4 with the launch of the flavoured Taki Mai shots in the USA in March expected to be a key growth driver.

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This release has been approved by the Board of Directors



for further information

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about The Calmer Co.

The Calmer Co. International Limited (ASX:CCO), provides natural solutions to calm nerves, support mind and muscle relaxation and induce sleep. The product range includes drinking powders, teas, shots, concentrates and capsules. Sold under our house of brands: Fiji Kava, Taki Mai and Danodan Hempworks in markets including USA, Australia, China New Zealand and Fiji. The company is also the distributor of Leilo kava drinks in the Fiji Islands.

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.



Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

THE CALMER CO. INTERNATIONAL LIMITED (ASX:CCO)

ABN

Quarter ended (“current
quarter”)

40 169 441 874

31 December 2024

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 2,580 | 4,955 |
| 1.2 Payments for | | |
| (a) research and development | - | - |
| (b) product manufacturing and operating costs | (1,882) | (3,520) |
| (c) advertising and marketing | (603) | (1,208) |
| (d) leased assets | - | - |
| (e) staff costs | (483) | (917) |
| (f) administration and corporate costs | (645) | (1,269) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 3 | 7 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | (72) | (172) |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (B.A.S. Refunds) | 1 | (12) |
| 1.9 Net cash from / (used in) operating activities | (1,102) | (2,135) |



| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire: | | |
| | (a) entities | - | - |
| | (b) businesses | - | |
| | (c) property, plant and equipment | - | (175) |
| | (d) investments | - | - |
| | (e) intellectual property | (22) | (136) |
| | (f) other non-current assets | - | - |
| 2.2 | Proceeds from disposal of: | - | - |
| | (g) entities | - | - |
| | (h) businesses | - | - |
| | (i) property, plant and equipment | - | - |
| | (j) investments | - | - |
| | (k) intellectual property | - | - |
| | (l) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (22) | (311) |

| | | | |
|-----------|---|-------|-------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 1,746 | 3,624 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | 151 | 711 |
| 3.6 | Repayment of borrowings | (213) | (396) |
| 3.7 | Transaction costs related to loans and borrowings | (31) | (78) |
| 3.8 | Dividends paid | - | - |



Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 1,653 | 3,861 |

| | | | |
|-----|--|------------------------------------|---------------------------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 1,767 | 879 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,102) | (2,135) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (22) | (311) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 1,653 | 3,861 |
| 4.5 | Effect of movement in exchange rates on cash held | 19 | 21 |
| 4.6 | Cash and cash equivalents at end of period | 2,315 | 2,315 |
| 5. | 2.4 Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Year to Date \$A'000 |
| 5.1 | Bank balances | 2,271 | 2,271 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | 43 | 43 |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 2,315 | 2,315 |



6. 2.5 Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

xx

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments to related parties are \$106k.

7. 2.6 Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

2.7 Add notes as necessary for an understanding of the sources of finance available to the entity.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (Convertible Notes – Fijian Dollar)
- 7.4 **Total financing facilities**

**Total facility
amount at quarter
end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

-

-

-

-

1,286

1,286

1,286

1,286

7.5 Unused financing facilities available at quarter end

-

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

7.3 refers to the convertible note instrument form BSP-Life (Fiji) for 2million FJD with a term of 5 years and a 5% interest rate, converting to equity at 15c.

8. 2.8 Estimated cash available for future operating activities

\$A'000

- 8.1 Net cash from / (used in) operating activities (Item 1.9)
- 8.2 Cash and cash equivalents at quarter end (Item 4.6)
- 8.3 Unused finance facilities available at quarter end (Item 7.5)
- 8.4 Total available funding (Item 8.2 + Item 8.3)
- 8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

(1,102)

2,315

-

2,315

2.10



If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Compliance Statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 23rd January 2025

Authorised by: By the board
(Name of body or officer authorising release – see note 4)

2.9 Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert it here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.