

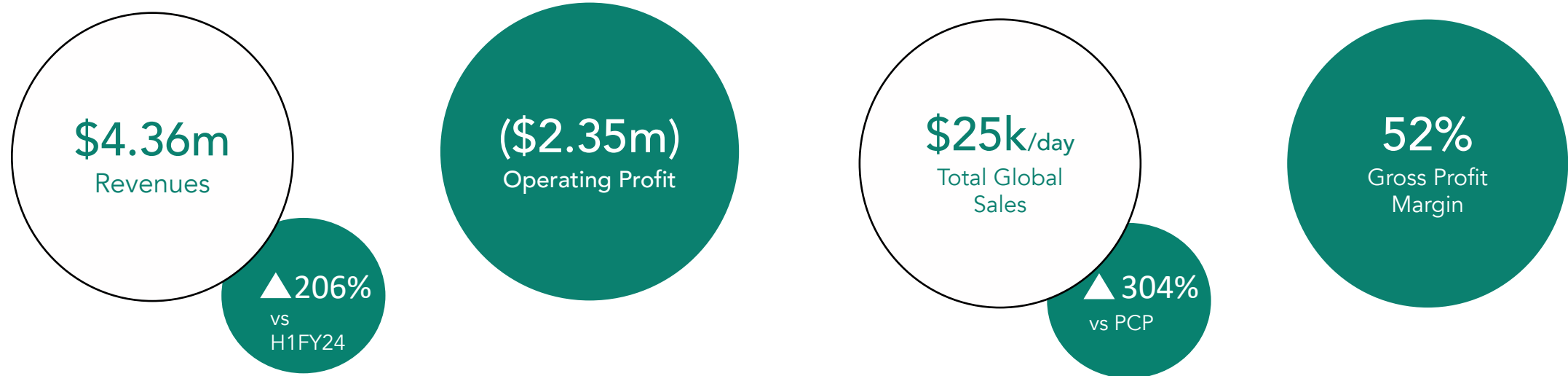


*To be the global leader in calming solutions
that improve the lives of millions*

Half Year to December 2024
Results Presentation



H1 FY25 FINANCIAL HIGHLIGHTS



Operating Highlights

Revenue has tripled vs H1FY24 (+204%)

\$4.36m sales in H1 represents have already surpassed the full year of sales in FY24.

Daily Sales Tracking at \$25k per day

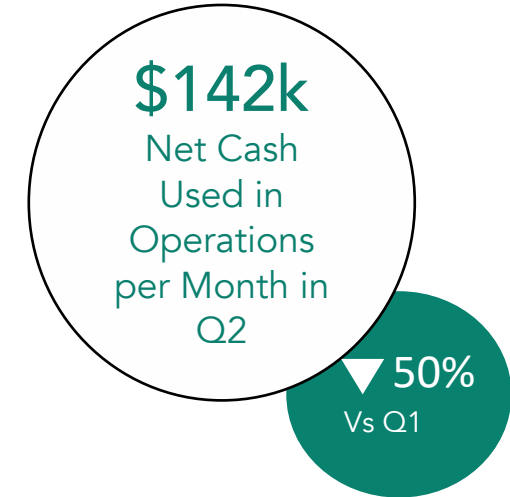
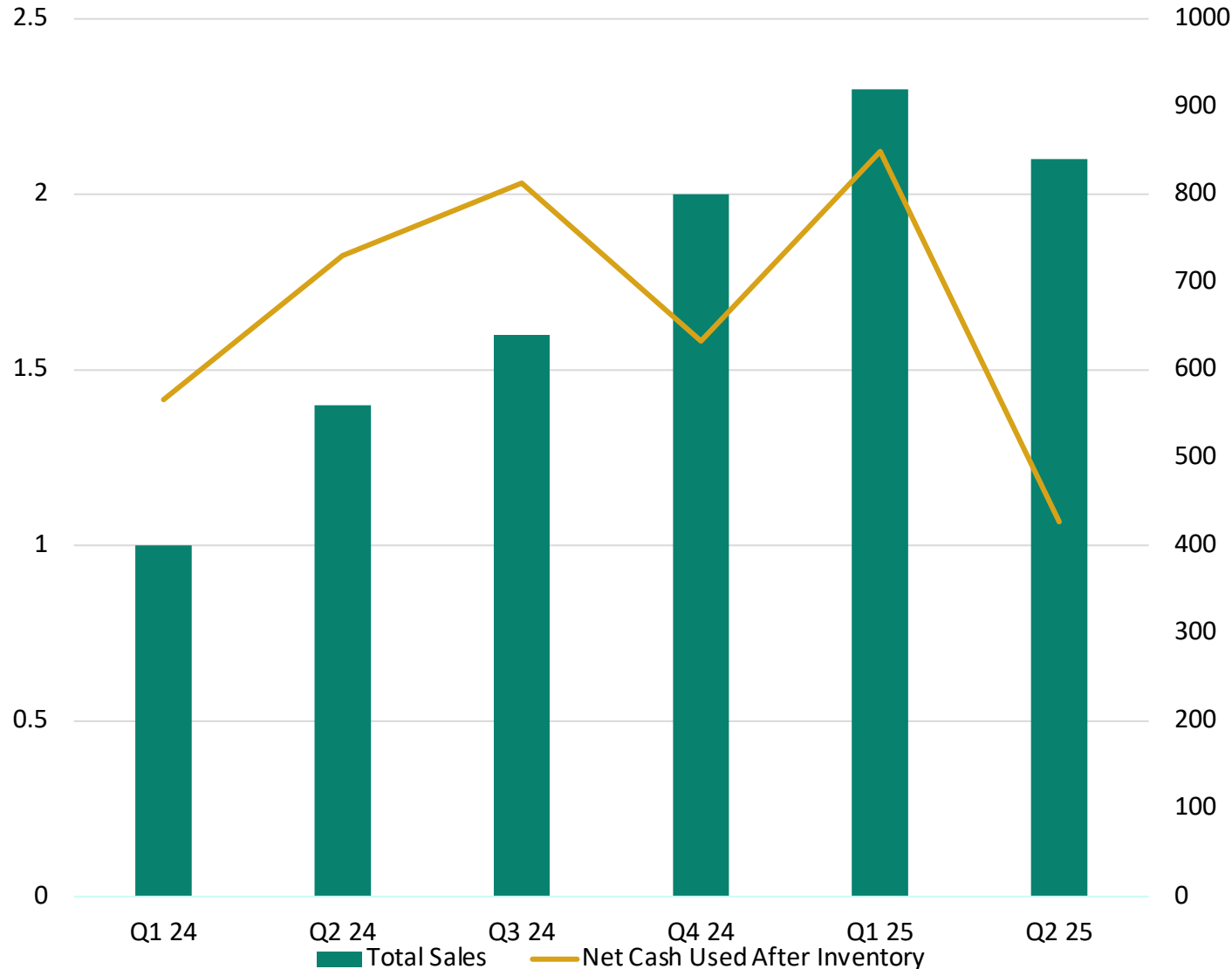
Inventory build up and prepayments for new products in the works **increased asset position by \$947k.**

Meaningful investments into brand awareness and new brand development to support entry into USA RTD market in H2 contributed to net loss of \$2.35m via \$1.9m in marketing spend.

Evolving Global Omnichannel Sales Model has a combined **gross margin of 52%** providing strong pricing power across Direct-to-Consumer and Retail Sales channels.

New higher margin sales in USA RTD formats, B2B/ wholesale channels and efficiencies of scale in new facility will continue to support **ongoing gross margin improvements and COGs reduction.**

NET CASH USED IN OPERATIONS IS FALLING AS THE COMPANY FOCUSSES ON DRIVE TO BREAK EVEN POINT



Net cash used in operations after adjusting for inventory build up has been reduced by 50% in Q2 to \$142k per month.

Inventory on hand at end H1 was \$1.66m up from \$1.25m at end of FY24 and more than \$600k in prepayments were made to prepare for rapid growth and new product launches in the USA.

AUSTRALIAN MARKET GROWTH

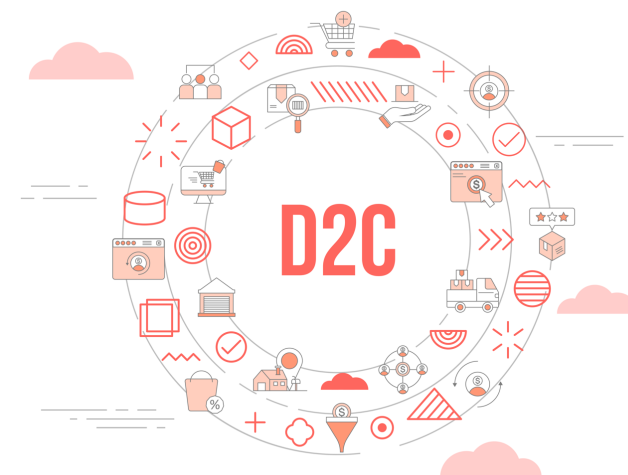
In Q1 Coles expanded its ranging by 40% to offer our products in 752 Coles locations and this has now expanded further in 2025, with Taki Mai shots in 846 stores and Fiji Kava Instant powders ranged in 885 stores.

We grew our retail sales by 50% in Q1 and we have maintained this in Q2 without any advertising spend.

We have recently completed a distribution deal with Quikstop to deliver Taki Mai kava shots and now expanded our 50g Fiji Kava to their national network of 22 convenience stores. Quikstop stores are planning to expand to over 40 stores before year end.

We are also launching new products on Amazon Australia which include our Fiji Kava powders and Taki Mai kava shots.

Fiji's kava exports to Australia have seen substantial growth, with over 128 tonnes exported between December 2021 and July 31, 2024.



quikstop'



USA MARKET GROWTH

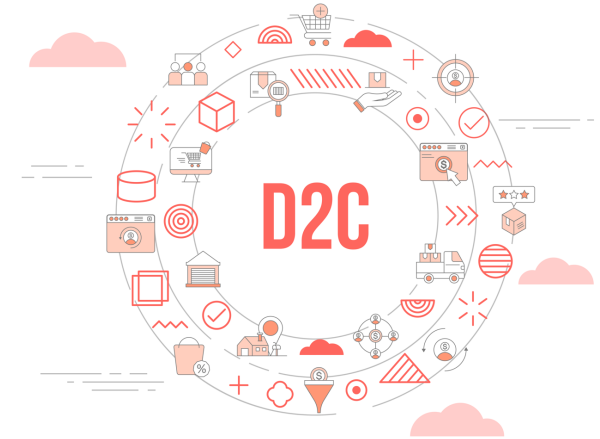
The demand for kava in the United States has been experiencing significant growth, driven by increasing consumer interest in natural remedies for stress and anxiety.

This surge is attributed to the rising popularity of kava-infused products, including beverages and dietary supplements. Innovative offerings such as ready-to-drink kava shots have entered the market, catering to consumers seeking natural alternatives for relaxation.

The expansion of kava bars across the U.S. further exemplifies the growing demand. These establishments provide social spaces where patrons can consume kava-based beverages, reflecting a cultural shift towards alternative social drinks.

*Organic demand for kava on Amazon USA is projected to grow by 44% FY25 and is accelerating with 100% growth in January vs December 2024 based on search volume. *(OeP company annual review)

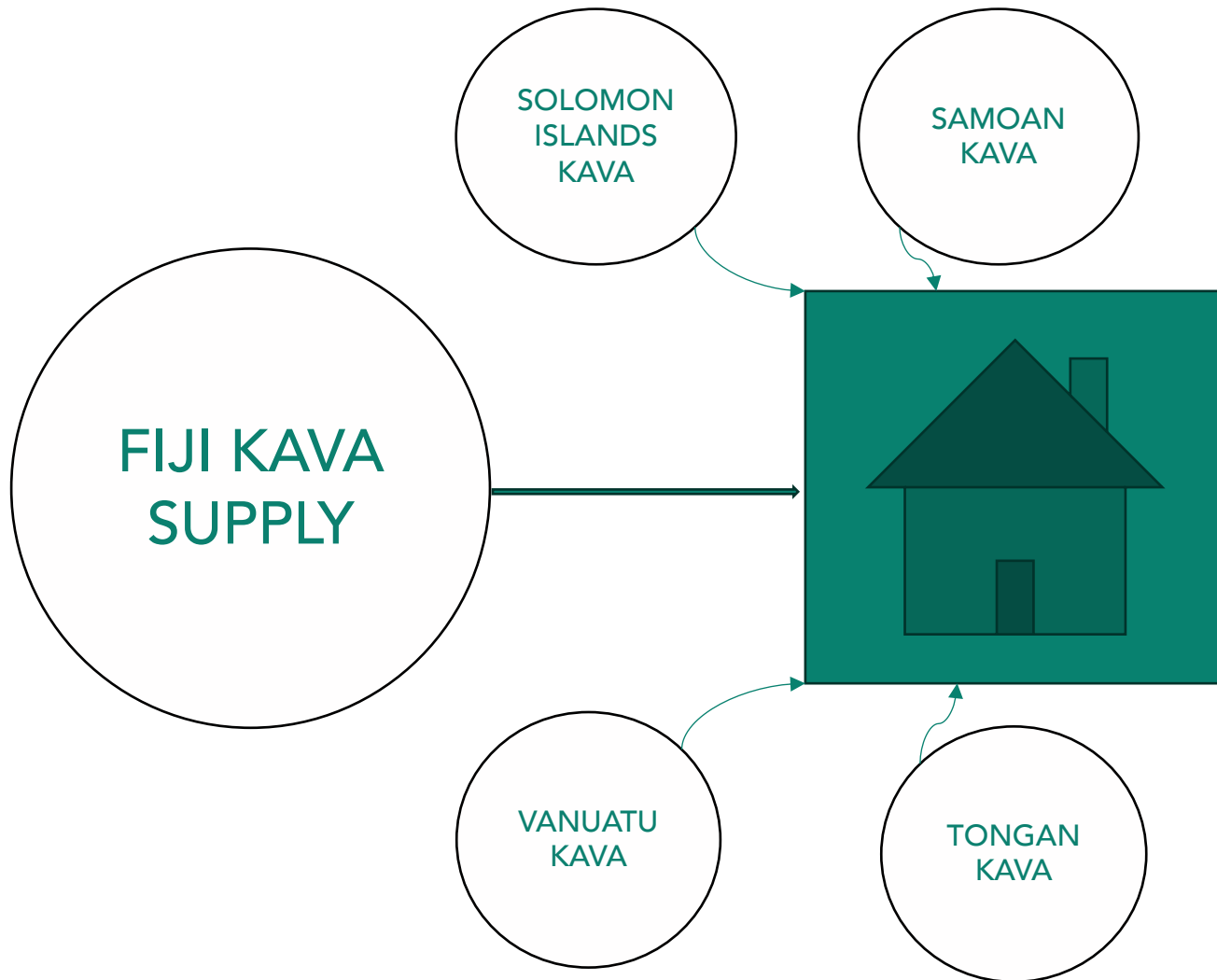
Flavoured Taki Mai Kava Shots are planned to be launched in April, 2025. This will be followed by a comprehensive pipeline of new product formats.



amazon



REGIONAL SOURCING STRATEGY



The Regional Kava Development Strategy (RKDS) is a comprehensive plan developed collaboratively by the Pacific Islands Forum (PIF) and the Pacific Community (SPC), with guidance from the Forum Kava Working Group. Launched in August 2024 during the Pacific Islands Forum Leaders Meeting in Tonga, the strategy aims to harness kava's economic potential while preserving its deep cultural significance across the Pacific region.

More broadly, it serves as a roadmap to establish a **globally competitive and sustainable kava industry**. It emphasizes **quality standards, innovation, regulatory improvements, and market expansion**.

The Calmer Co is well positioned to support a regional supply chain given increased global demand for kava which will further de-risk against adverse weather events and any anticipated pricing volatility.

FOCUS ON COST CONTROL AND GROWTH INITIATIVES

Marketing Spend

\$1.89m invested in customer acquisition and brand awareness.

Database has increased 600% to 50,000 customers

Inventory Build

Inventory levels have increased 58% to AU >\$2m, representing more than \$4m in sales value to support increased demand through new and existing channels.

Inventory will be reduced over H2 to the 90-day target.

Cash Flow

\$2.69m cash used in operating activities, up from AU\$1.67m is on par with PCP, adjusting for inventory build and prepayment, while supporting a 3x marketing investment to over 3x growth in sales vs H1FY24 and to support new product launches into the USA.

Strengthening Balance Sheet

Net Asset position improved by \$2.5m vs PCP.

\$2.6m FJD development bank loan has secured funding position for acquisition of Navua land and facility and freehold land in H2.



ACTION PLAN FOR PROFITABILITY & GROWTH

Marketing Optimisation

Evolving online marketing to focus on high-ROI advertising, Life-Time Value (LTV) drivers and organic customer acquisition

Diversifying Revenue Streams

Increase B2B partnerships, drive online subscription and launch new premium priced product offerings.

Cost Control Focus

Reduce cash burn through strategic expense reduction and a focus on operational efficiency.

Inventory Efficiency

As factory upgrade concludes, we will reduce our inventory levels to 90 days and free up working capital.

Securing Funding

The company has secured non-dilutive financing at 5% to minimise equity dilution associated with Navua freehold land and facility purchase



FUTURE OUTLOOK



Sustained
revenue
growth
through US
and Australia
expansion



Clear roadmap
towards
profitability with
improved
efficiency & cost
control

Commitment
to innovation
& consumer
wellness
market
leadership



Long-term
investor value
through
strategic
execution &
market
dominance



CEO's COMMENT

"The first half of FY25 has been a transformative period, reinforcing our momentum and commitment to long-term, sustainable growth.

As we move into the next phase of our growth strategy, we set our sights on the huge opportunity in the US market, where demand for kava is again beginning to boom.

With a strong leadership team and strategic execution, The Calmer Co. is well-positioned for continued expansion and the Board and management are highly focussed on our break-even goal and future profitability."



Zane Yoshida
Founder & CEO
The Calmer Co



**THE
CALMER
CO.**

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