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THE
CALMER
CO.

ASX:CCO

vision

Our vision is a happier world where people take better care of themselves

purpose

We exist to provide powerful natural solutions to reduce stress and anxiety and support sleep and recovery

mission

To lead the market for natural products that bridge the therapeutic and recreational space to become globally synonymous with calm



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stress growing

among young consumers

74%

of young people have felt so stressed they have been overwhelmed or unable to cope.

67%

of Americans have reported increase stress over the course of the pandemic.

3x's

more younger people feel that they cannot manage their stress compared to older people.



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anxiety is very common and largely untreated

61%

of people reported feeling both stressed and anxious.

18%

of the entire American adult population is affected by anxiety every year.

36%

of those suffering from anxiety receive treatment.





37%
of adults report
fatigue or feeling tired
because of stress.

anxiety
sleep **stress**



43%
report that stress has
caused them to lie
awake at night in the
past month.

21%
Report feeling more
stressed when they
don't sleep enough.



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**KAVALACTONES HAVE UNIQUE PHARMACOLOGY WHICH
ADDRESSES STRESS, SLEEPLESSNESS AND ANXIETY**



**THE
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CO.**

clinical evidence

A Cochrane review of 11 Clinical Trials (60mg–280mg of kavalactones) in anxiety revealed kava's anxiolytic activity

A meta-analysis of seven randomised controlled trials (RCTs) using the Hamilton Anxiety Rating Scale (HAMA) demonstrated reduced anxiety significantly over placebo, with a strong clinical effect.



Kava: The Anxiety-Reducing Plant Medicine

Prof Jerome Sarris

Overview:



use case in traditional chinese medicine



Flavour: Bitter and pungent

Nature: Cold

Functions:

- Clear heat and calm spirit
- Inhibit liver yang and extinguish liver wind
- Sooth liver qi
- Move blood

NEW ADDITIONS TO THE CHINESE MATERIA MEDICA

I. Kava: *Piper methysticum*

by Subhuti Dharmananda, Ph.D., Director, Institute for Traditional Medicine, Portland, Oregon

ADDING TO THE CHINESE MATERIA MEDICA

Since publication of the first Chinese herbal, the *Shen Nong Ben Cao Jing* (ca. 100 A.D.) with 365 herbs, there have been numerous revisions. By the end of the 16th Century, more than 1800 items were included in the intensively revised Materia Medica produced by Li Shizhen, the *Ben Cao Gang Mu*. Modern Chinese herbal compendia contain up to 6,000 items, though this proliferation is largely due to improved botanical differentiation of herbs used in different parts of China for the same applications and under the same Chinese name. For all practical purposes, it can be said that about 1,000 items are in common use today, including animal and mineral materials. Of these, about 10-20% are imported by China either because the original and best source is elsewhere (primarily India and the Middle East) or because of shortage of domestic supply.



Clinical use of kava in Chinese medicine

Dr Yoann Birling and Prof Jerome Sarris (July 2021)

1. Background

The rhizome of kava (*Piper Methysticum*) was traditionally used in the islands of South Pacific to induce relaxation and provoke an altered state of consciousness. Since the 1990s, the medicinal use of kava, especially for anxiety, has boomed



our brands: fijikava



our brands: taki mai



*Mellow
Out.*



our brands: danodan



Calm

Strength against occasional stress and tension



Energy

For stamina, vitality, and focus, to get it done



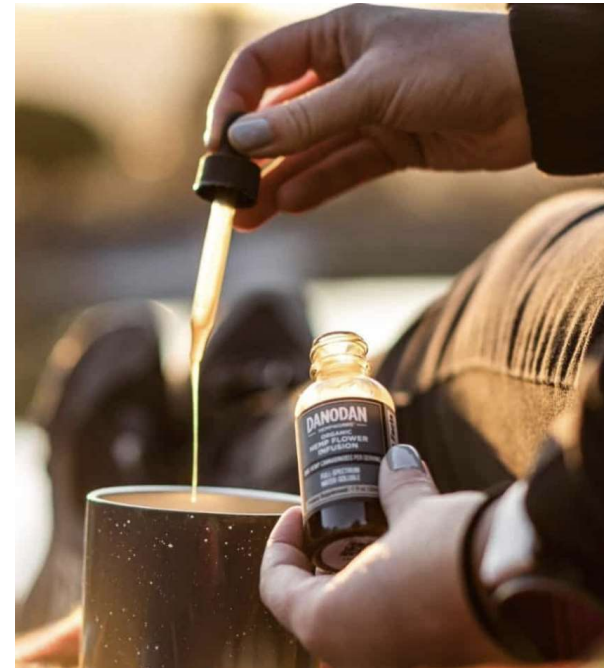
Active

Exercise recovery support, so you can get back to it



Sleep

Potent, effective formula for nightly sleep support





FOCUS ON HIGHER MARGINS AND GROWTH ALONGSIDE COST SAVINGS ARE NOW SHOWING REAL RESULTS IN Q4

- **SALES UP 80% in Q4**
- **GROSS MARGIN +19% vs FY22**
- **OPEX DOWN 1.5m vs FY22**
- **EBITA +25% vs FY22**

SOLID POSITION FOR GROWTH



SUPPLY CHAIN EXCELLENCE



BLUE CHIP DISTRIBUTION PARTNERSHIPS



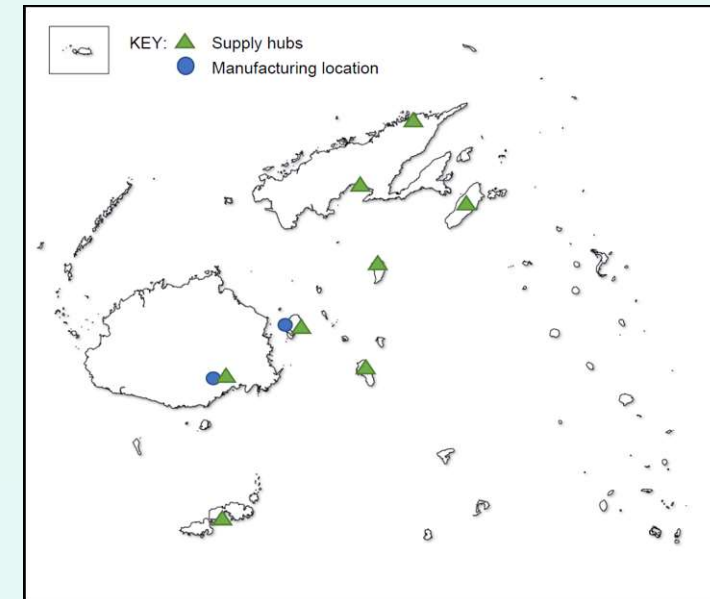
INNOVATION & PRODUCT DEVELOPMENT



LEAN CORPORATE AND FLAT STRUCTURE

Supply chain goes from strength to strength

- Over 10 years and \$10m has been invested to build a supply chain that would be especially difficult to replicate.
- Commercial farm off-take agreements in Dogotuki , Savusavu, Taveuni (2), Serua, Namosi, Kadavu (2), Koro (2), Ovalau and Vanua Levu (2)
- Partnership with iTaukei Trust Fund Board & Tutu Agricultural College provides a conduit to 60-70% of kava farmers in Fiji (via Cakaudrove Province)
- Digitisation of supply chain with Traceable Solutions to be rolled out in 2023
- Partnership with KaiMing Agricultural Processing (KAP) in place for co-processing, new product development and envisages corporate acquisition
- Facility and supply-chain can support **growth of up to 5x in the coming year with virtually no additional CapEx requirements**



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Group and segment updates



Group Highlights

Senior management revamped while reducing costs

- Pravinesh Lala joined as CFO in May 2022. Has led a complete overhaul of CCO's accounting systems and reporting
- Zane Yoshida resumed Executive Director and COO role in June 2022

New Board of Directors

- James Dack, Non-Executive Chairman
- James Tonkin Non-Executive Director (USA)
- Griffon Emose, Non-Executive Director (Fiji)

CJ Patel distribution of Taki Mai[®] products in 17 countries.

- Target of AUD11m over 3 years

RooLife distribution of FijiKava[®] products in Australia & China

- Target of AUD15m over 4 years



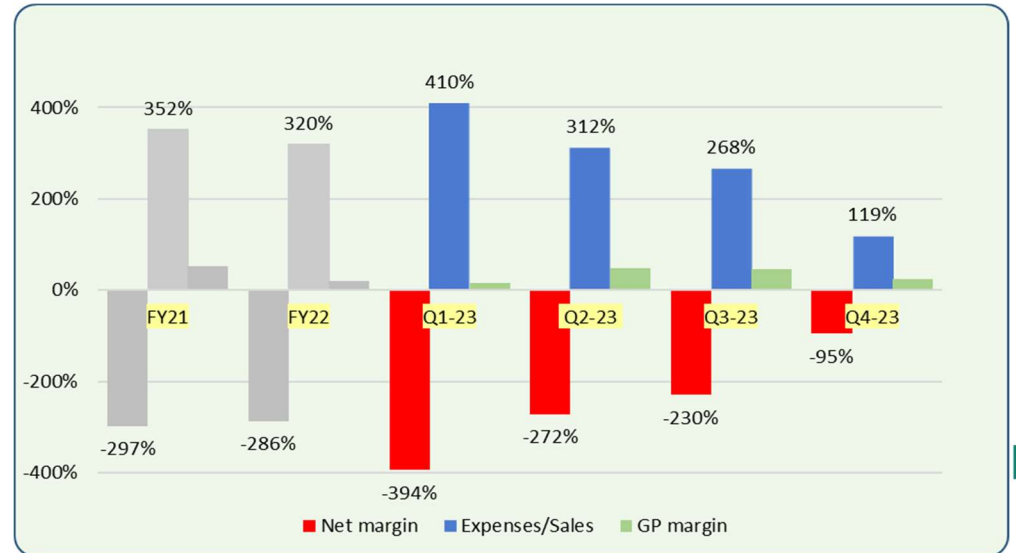
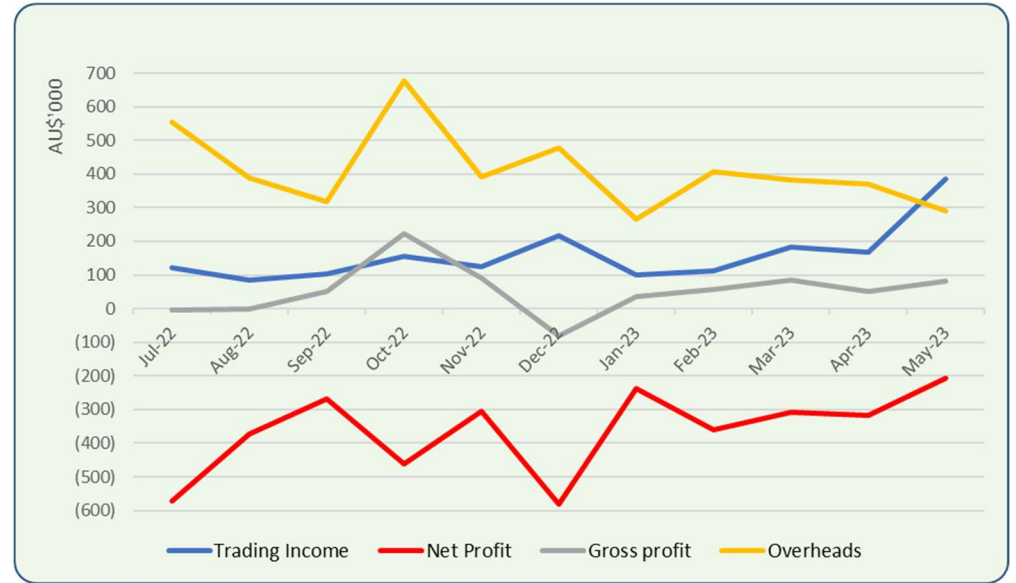
Group Performance

All numbers trending in right direction

- Revenue growth accelerating since January
- Expenses as % of sales on steady downward trend
- Net loss reducing
- Net margin improving

Segmental performance improving

- US business now profitable on monthly basis
- Fiji business largely self-sustaining
- Australia business now on a positive trend in Coles and www.fijikava.com via RooLife's Choose Digital team



USA Performance

Fiji Kava USA achieving profit for last 3 months

Significant cost reductions

- Overheads as % of Sales in Q4 tracking 1/6th of Q2
- Shipping and Logistics to USA beginning to normalise
- Full effect of cost reductions to be felt in Q1/24

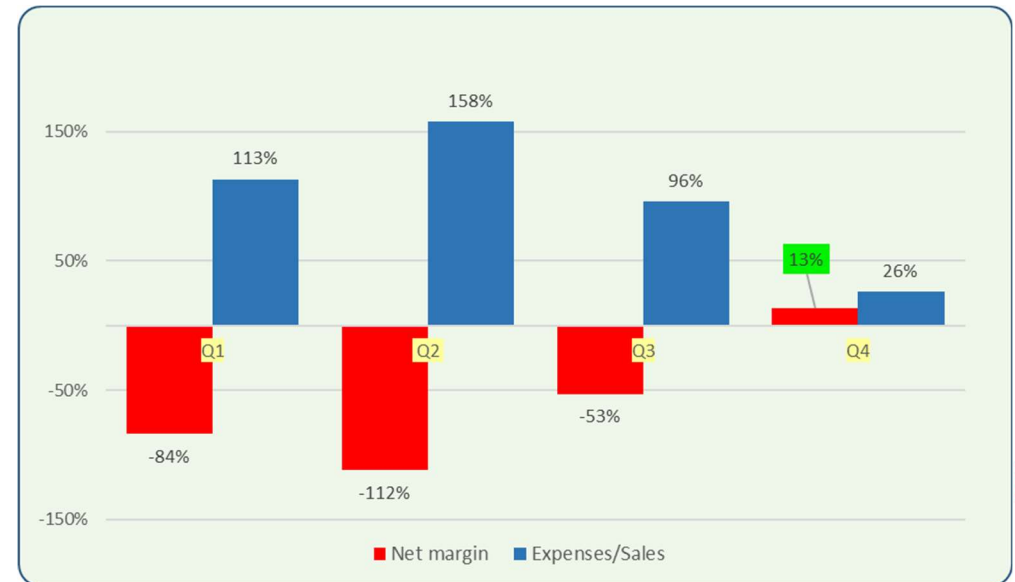
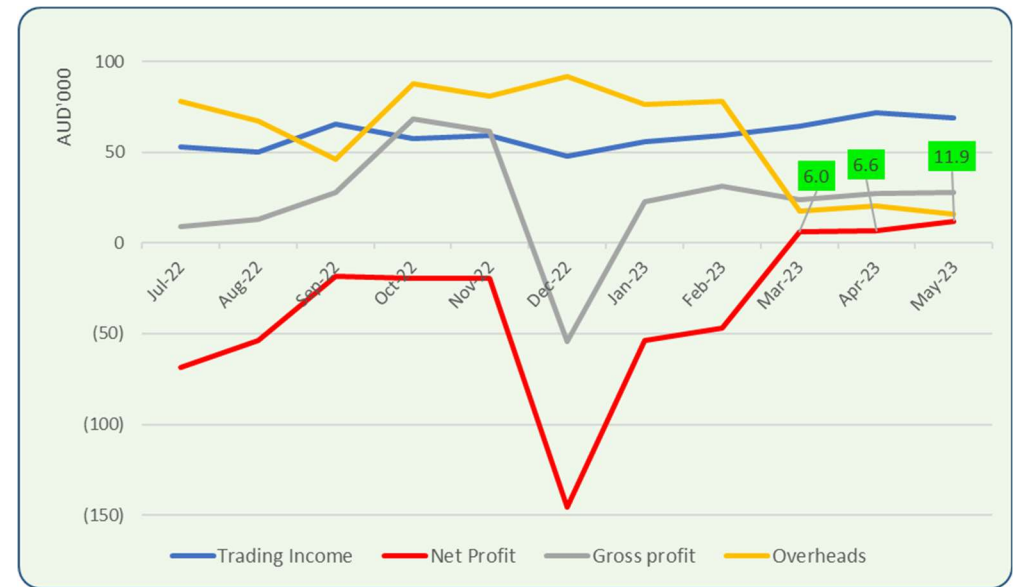
Strong Amazon sales performance

- #1 Instant Kava Brand!!!
- Daily sales now averaging AUD2.4k and growing
- Kava market on Amazon estimated at USD50-60m per annum and growing rapidly
- 60% margins achieved on product range in Amazon

Danodan and FijiKava eCommerce now integrated

- Shopify Launched in last week of June for FijiKava
- Danodan.com and Fijikava.com integrated at Portland site
- New Danodan Topical Range and Fiji Kava Shots range launching by end of year with focus online

Kava Bar B2B Opportunity awaits in FY24!!



* Graphs show FijiKava sales performance only

Australia Performance

Changes to the business model and cost base over the last 12 months, including:

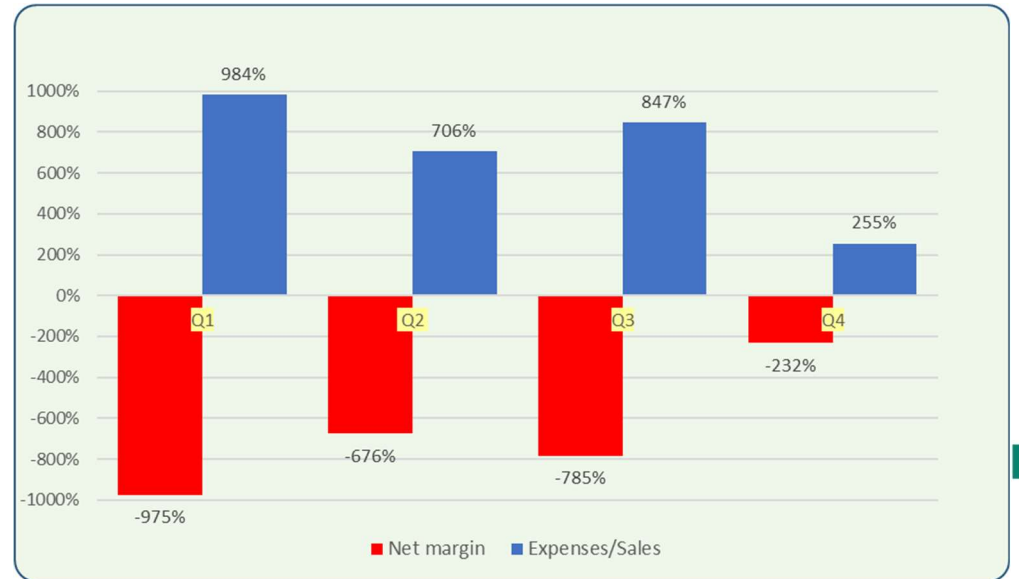
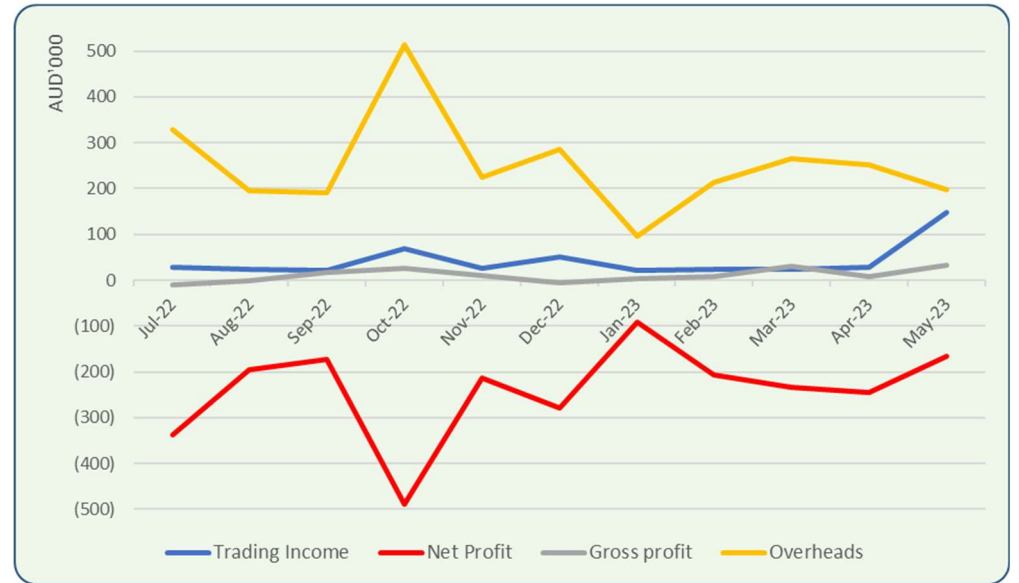
- Fulfilment of online orders from Brisbane site
- Coles 50g SKU showing stronger sales and overall profitability

Substantial head office cost cuts while retaining efficiency of operations

Full impact of cost reductions will be felt in the full year FY24

Overheads to Sales ratio in Q4 tracking positively vs previous quarters

Up-tick in sales in recent months with RooLife on board and drinking kava demand to broader market at normalised prices



Fiji performance

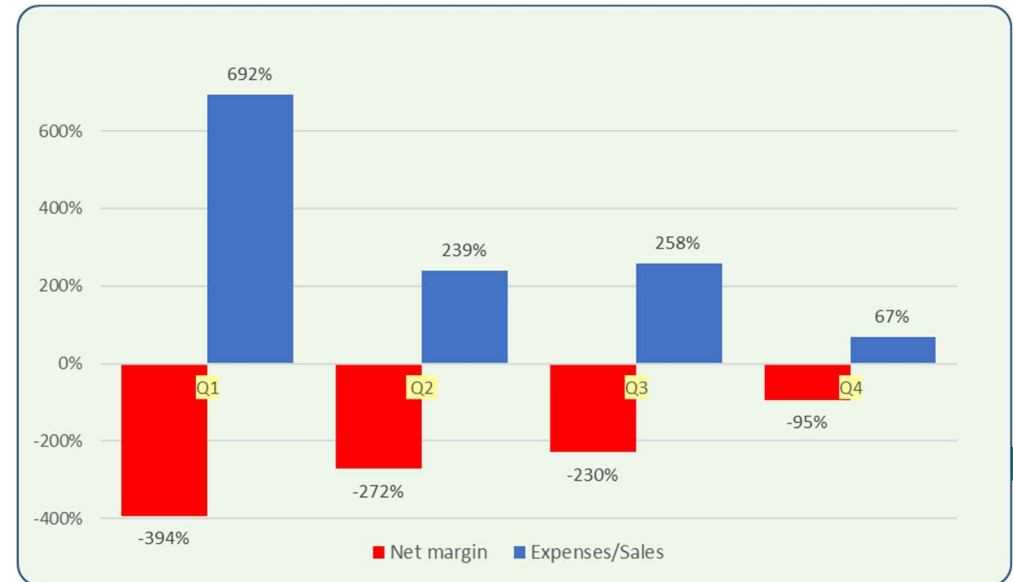
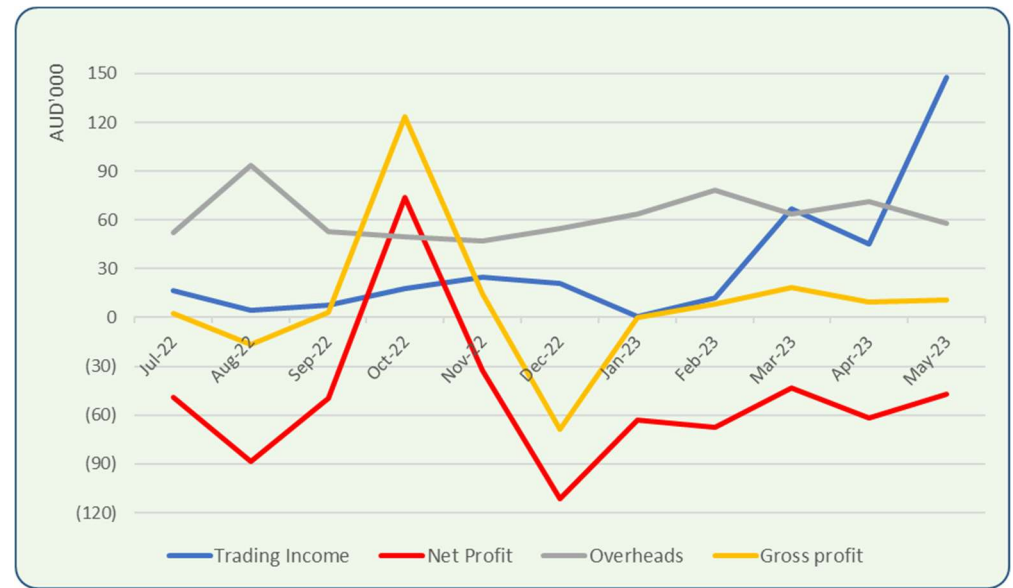
All performance measures on a positive trend in the last 6 months in operations, costs and sales

Sales growth driven by good uptick in tourist channel and the new CJ Patel partnership kicking off with strong sales including to NZ

Significant inventory currently held across multiple grades of extract and maintaining 100 days cover on drinking kava formulas despite increases in demand to USA

South Pacific Elixirs expected to maintain adequate working capital over the coming year while significantly ramping up output

Capacity to more than 5x production to meet expected growth in FY24



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Growth Pillars FY24



e-COMMERCE FOCUS

Scalable Low-Cost Access to USA

Fiji Kava Instant Kava is the **#1 on Amazon USA**

Sales are exceeding **\$2500 per day** and growing fast

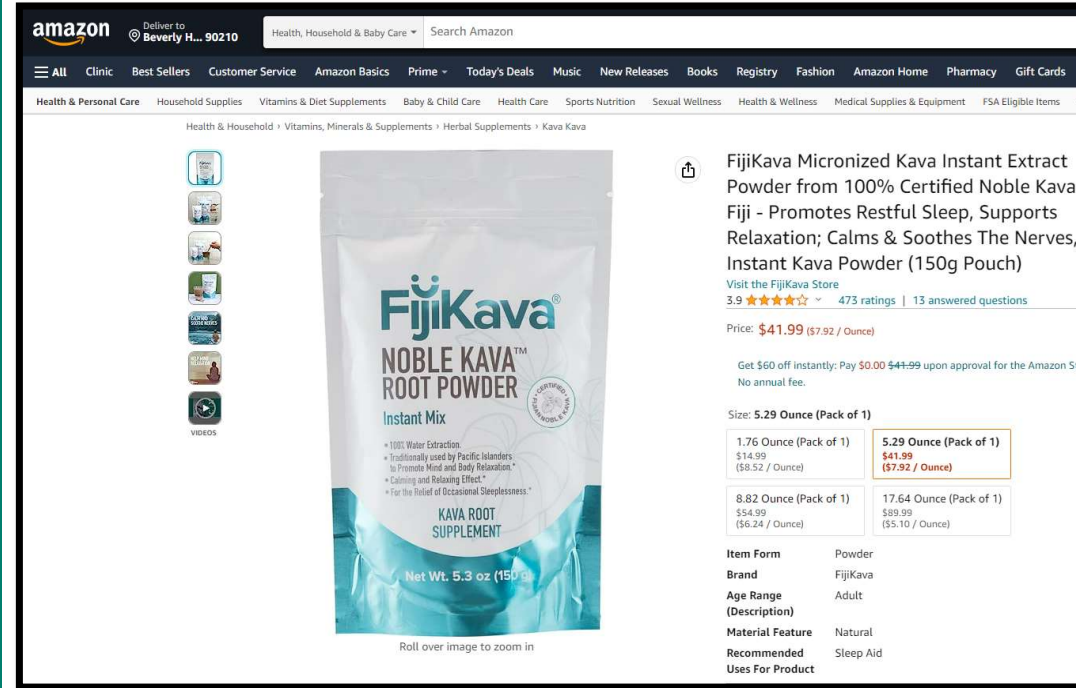
Highest Margin sales channel for the company

Shopify USA established in June for higher margins

Danodan.com, FijiKava.com and (soon) TakiMai.com in the USA will be centrally fulfilled via Portland site

RooLife Group's Australian arm, Choose Digital have been managing FijiKava.com in Australia and growth has been ~30% month on month since April

New products including Taki Mai juice shots and effervescent kava "fizzers" can easily be launched on both Amazon.com and Shopify, without listing fees or marketing costs



USA KAVA BAR MARKET

Rapidly Growing Direct & B2B Sales

An untapped opportunity

- More than 500 kava bars now operating in the USA
- The supply of kava to these retailers is unreliable
- Demand is estimated to be more than 70MT per year

Ready to start in Q2FY23

- **1.5MT** of Fiji Kava bulk kava has arrived in the USA
- Sales and Marketing activation to begin in October
- Faire.com B2B Sales platform enabling repeat purchase

Additional Value adds to Kava Bar Clients

- Bulk sales for Danodan CBD tinctures products
- Taki Mai Juice Shots are an ideal long life take-away
- Merchandise and Shopfitting products



ASIA MARKET PENETRATION

China and Beyond

China - Cross Border – RooLife Group (ASX:RLG)

RooLife success stories in China; include;

- AFT Pharmaceuticals (OTC Medicines)
- Meluka Honey (Health Foods)
- Remedy Kombucha (Functional Beverages)

FijiKava® Sales and Distribution on their own platform and Flagship Store in the #1 eCommerce portal Alibaba's Tmall

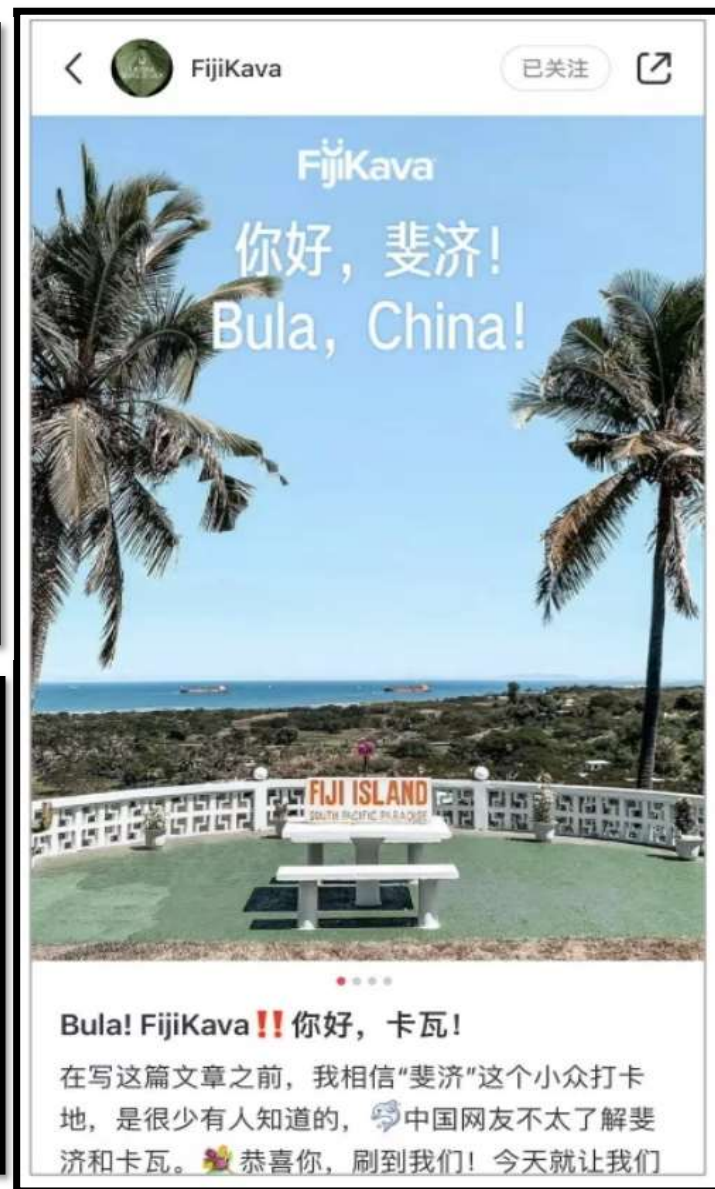
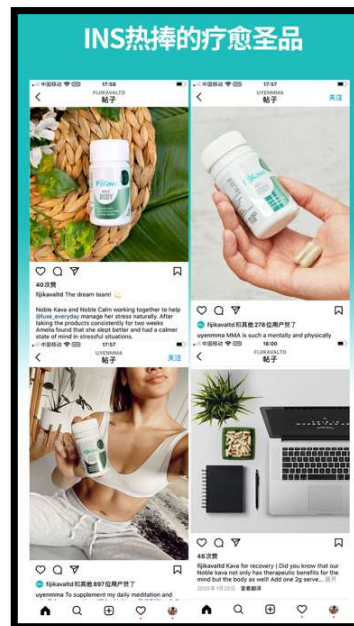
China - beverage co-packing partnerships / JV

Building on the strong Chinese social media presence being developed with RooLife, the company is actively seeking partnerships with local Chinese beverage manufacturers, marketing partners and brand ambassadors for new and in-licensed kava beverages

Vietnam and India

Promising initial discussions for similar co-packing and JV beverage partnerships in India are underway

Initial interest for distribution into the Vietnam market and initial regulatory assessments are positive



PROFITABLE RETAIL

Coles Australia and CJ PATEL

CJ Patel – Taki Mai® 17 Countries

Sales targets over three years are set at **A\$11m (FJD17m)** to retain exclusivity over an initial three-year term;

- FJD 3m in year 1,
- FJD 6m in year 2, and
- FJD 8m in year 3.

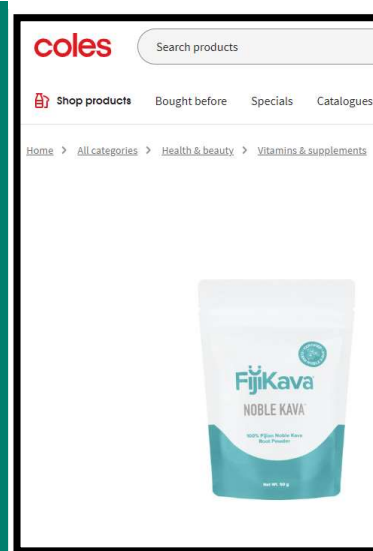
- Fiji and 12 Pacific Islands Launched in May 2023
- New Zealand Launched June 2023,
- Australia, Canada, USA to launch in Q1 and Q2 FY24

Coles Australia

First major Australia retailer to launch drinking kava following the announcement of the commercial importation pilot

Sales through Coles are profitable and growing

Additional SKUs in development to launch in Coles in Q3FY24



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vinaka (thank you)