



Natural solutions to calm nerves, support mind & muscle relaxation and induce sleep

Annual Report 2023
Results Presentation



Table of Contents



- 1 Corporate Snapshot
- 2 Operating Highlights
- 3 Brand Analysis
- 4 2023 Financial Results



Letter from CEO



Anthony
Noble



FY2023 has been a year of pivotal transformation for our company.

After a management review we embarked on a program to identify and build higher yielding distribution channels and exit poor yielding channels.

This was evidenced in our agreements with CJ Patel, Roolife and the focus on building direct ecommerce sales.

2023 was a challenging year, but I am pleased to report that our strategy is showing positive results. Our Q4 sales were \$690k representing a 79% improvement on the prior quarter. Q4 cash used in operations was also significantly reduced to \$561k representing a 20% improvement on the prior quarter and net cash used in operation for the full year fell by 38% vs FY22. Our Q4 results demonstrate significant improvements in fiscal discipline and management. Our sales mix has shifted meaningfully towards higher margin sales in the second half of FY2023, and we are showing an operating profit margin of 46% in that period net of audit adjustments.

Our turnaround strategy remains a work in progress, but we have in place the foundation of a solid business that can operate profitably in the future. Our endeavours continue. All our distribution agreements are based on solid principles of good yield management combined with our longer-term vision to expand internationally.

Regards,
Anthony Noble

ersonal use only

Corporate Snapshot



FY2023 RESULTS HIGHLIGHTS

\$1.78m

Revenue FY23

(\$4.2m)

Operating EBITDA (before provisions and adjustments)
Represents a 23% improvement from FY22

ASX OVERVIEW

CCO.ASX

ASX Ticker Code

.005

Share Price 31Aug23

871,119,281

Shares on Issue Aug23

\$4.4m

Market Capitalisation

TRADING HIGHLIGHTS

>\$3,000/day

Daily e-commerce sales in USA

\$2.76m

Annualised sales based on Q4 sales revenue \$690k

45%

Operating Gross Profit Margin HY Jun 23.
Represents a 17% improvement on HY Dec22.

38%

Reduction in Net Cash Used by Operating Activities YoY in FY23 vs FY22

FijiKava®

Tāki Mai

DANODAN
HEMPWORKS™

Operating Highlights



\$2.76m annualised sales based on Q4

Sales continue to improve driven by ecommerce sales in the USA.

US ecommerce growth

Fiji Kava is now the number 1 instant kava brand selling on Amazon.com and August 2023 sales exceed \$3,000/day.

CJ Patel distribution deal

Targeting AUD11m over initial 3-year term with one of the Pacific region's most recognised distribution partners across 17 countries. First sales orders valued at FJD \$300k (AUD \$210k) received and shipped in Q4.

Roolife ecommerce

Targeting \$15m over a 5-year term. Roolife has a track record of success in China. First sales orders of \$150k received and shipped in Q4.

Leilo global partnership

The Calmer Co. signed a deal to distribute Leilo ready to drink beverages in a number of global markets. Distribution will start with tourist and resorts channels in Fiji in Q2.

Coles Australia

Sales of 50g pouches of powdered drinking kava grew strongly in 2023.



Q4 Sales Growth

Quarterly Revenues & Net Cash Outflows Used in Operations



79% increase in sales revenue in Q4 (vs Q3, 2023) largely due to strong sales growth in ecommerce sales in the USA and new distribution partners.

FijiKava® is now the **number 1 instant kava brand sold on Amazon.com USA**. Daily sale \$2,500 by year end 2023.

Daily sales exceeded \$3,000/day on ecommerce channels in USA (inc. Amazon.com) at 31 August.

Initial orders from CJ Patel (\$210k) and Roolife (\$150k) have been received and shipped in Q4.

Cost optimisation program saw **net cash outflows used in operations fall to a low of \$561k** in Q4, which was a 20% reduction on the previous quarter.

The new processing facility in Navua can continue to **scale manufacturing volumes up to 5X** with little further capital expenditure.

ersonal use only



Brand Analysis

The Calmer Co is a house of brands, growing and refining natural products in the low-cost region of Fiji and exporting these products to a global market.

FijiKava

Fiji Kava[®], continues to exhibit strong performance, particularly within the dynamic landscape of US ecommerce channels, where sales have surged by 79% in Q4 compared to the previous quarter.

Fiji Kava is now the number 1 instant kava brand sold on Amazon.com and turns over \$3,000 daily at the end of August.

Brand Snapshot

PRODUCTS: Drinking kava, teas, capsules

USP: High quality kava brand with blue chip retail partners

Markets: USA, Australia, NZ, Fiji

URL: fijikava.com



ersonal use only

DANODAN

HEMPWORKS™

Danodan® has begun to rebuild from a slow 2022 and is tapping into new retail channels in Washington state, Hawaii, and their home market of Oregon.

The introduction of a range of innovative topical products further underscores its strategic evolution.

The liberalisation of CBD in Fiji is a big opportunity for this division.

Brand Snapshot

PRODUCTS: Hemp & CBD oils

USP: Best organic full spectrum organic CBD and water-soluble organic hemp flower infusions

Markets: USA

URL: danodan.com



Personal use only

Tāki Mai[®]

Taki Mai[®], is a heritage brand and the expression is synonymous with kava in Fiji. The brand in the capable hands of the **CJ Patel Group**, has found a natural and prosperous niche in the Fiji Islands, the broader Pacific region, and most recently, in New Zealand.

Our latest product release Taki Mai Low Key[®], a drinking kava is now on shelves. With the expansive distribution of CJ Patel, Taki Mai will be our flagship brand in the Pacific region and will be our first to market brand for ready to drink kava shots globally.

Brand Snapshot

PRODUCTS: Drinking kava & flavoured shots

USP: Traditional Fijian heritage brand from high quality kava cultivars with leading Fijian chains

Markets: Fiji, Pacific Islands

URL: takimai.com



leilo

calm in a can™

We have signed a terms sheet to become a global distribution partner with Leilo.

Sales into resorts and higher margin tourism channels in Fiji have already commenced. It is our intention to replicate this distribution model in multiple new markets.

Brand Snapshot

PRODUCTS: Ready to drink kava beverages

USP: Great flavours, brand recognition, and strong youth market and luxury tourist market adoption

Markets: Fiji, Pacific Islands

URL: leilo.com





Group Financial Results FY2023

2023 has been a year of pivotal change.

ersonal use only



Group Profit & Loss FY23



Summary Consolidated P&L FY2023	FY23
	\$'000
<u>Revenue</u>	
Revenue from all divisions	1,786
Total revenue	1,786
Total cost of sales	(1,226)
Gross profit	561
<i>Gross margin (%)*</i>	31%
<u>Expenses</u>	
Total Operating Expenses	(5,872)
Loss after tax from continuing operations	(5,232)

Commentary

A challenging year as we embarked on our turnaround strategy

This strategy took time to implement and improved results started to show in H2 and particularly in Q4

H2 Operating Profit Margins rose to 46%

Q4 revenue grew strongly to \$690k

Q4 gross operating profit margin improved to 46%

Q4 net cash outflows from operating activities were reduced to (\$561k)

Group Balance Sheet

End June 2023



Commentary

Net Asset position was significantly impacted by a full write-off of Goodwill intangible in Danodan, Inventory Impairment for slow moving stock and Inventory Adjustment for Fijian kava inventory (now held at a lower COGs reflecting our improved cost base).

Long term liabilities include \$1.3m in Convertible Notes through BSP-Life Fiji [5% coupon rate, converting in 5-years (FY27&FY28) at 15c] and \$225,000 in Convertible Notes converting at 10% discount to VWAP on or before 3-Nov-23.

The company raised \$834,125 through an oversubscribed Rights Issue and a Placement in Q1 FY24.

Group Balance Sheet	30-Jun-23
	\$'000
Cash and cash equivalents	462
Trade and other receivables	296
Prepayments	167
Inventories	884
Non Current Assets	1,427
Total assets	3,236
Trade and other payables	858
Provisions	100
Deferred revenue	8
Borrowings	220
Lease Liability	272
Total liabilities	3,323
Net assets	-87



DISCLAIMER



This presentation and any Materials provided (materials) have been prepared by The Calmer Co Limited (Calmer Co) and contain general information about The Calmer Co activities and activities of its subsidiaries. By accepting the Materials and attending the Calmer Co presentation, you agree to be bound by the below terms and conditions.

Terms and Conditions

This presentation is provided for information purposes only. The information contained in this presentation is not intended to be relied upon as advice to investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should assess their own individual financial circumstances and consider talking to a financial adviser or consultant before making any investment decision.

Certain statements in this presentation may constitute forward looking statements. Such statements involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements.

While all reasonable care has been taken in relation to the preparation of this presentation, none of the Company, its subsidiaries, or their respective directors, officers, employees, contractors or agents accepts responsibility for any loss or damage resulting from the use of or reliance on the presentation by any person.

Past performance is not indicative of future performance and no guarantee of future returns is implied or given. Some of the information in this presentation is based on unaudited financial data which may be subject to change. All values are expressed in Australian currency unless otherwise stated. All intellectual property, proprietary and other rights and interests in this presentation are owned by the Company.

ersonal use only



Vinaka
(thank you)

Anthony Noble
Chief Executive
The Calmer Co
a.noble@thecalmerco.com

Zane Yoshida
Chief Operating Officer
The Calmer Co
zane@thecalmerco.com