



31 July 2024

ASX RELEASE

Appendix 4C Cashflow Statement and Quarterly Activities Report

31 July 2024, 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 30 June 2024.

Highlights

- **Record quarterly sales of \$1.8m**, an increase of 68% vs Q3 and of 195% vs Prior Corresponding Period (PCP), demonstrating yearlong consistent sales growth, consolidating a FY24 unaudited **annual sales result exceeding \$4m for FY24**.
- **Cash receipts grew by 57%** vs Q3 to over \$1.44m (+130% vs PCP, Q4FY23).
- **Net cash used in operations fell by 9%** compared to Q3FY24 to \$843k.
- **Coles Australia has expanded the ranging of 3 SKUs nationally by 40%** following a strong initial quarter of sales across the 50g and 150g FijiKava® Instant Kava and TakiMai® Kava-shot, the first Ready-to-Drink kava product in Australia.
- **The company has completed an oversubscribed Rights Issue raising \$2.65m**, which will provide funding for the upgrade of the Navua facility and to support inventory expansion and marketing activities required to penetrate the US market in line with the eCommerce led strategy.

CEO Anthony Noble, said, "The company has finished the financial year strongly with another record quarter of sales, whilst continuing to focus on cost control and minimising cash burn. Inventory levels are more than keeping pace with growing sales, which is a testimony to the exceptional hard work of our Fiji operations and sourcing teams."

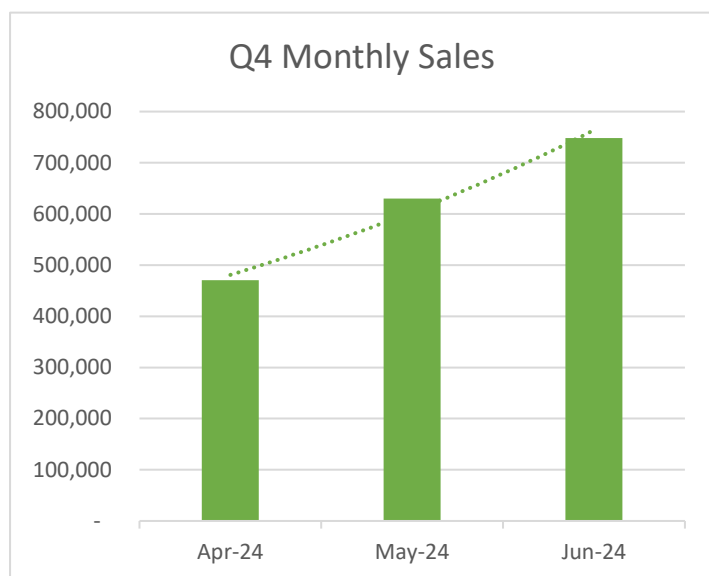
"Australian eCommerce continues to outperform expectations and our complementary retail presence in Coles Australia is expanding after the initial quarter with three SKUs on shelves, meaning distribution in Australia's largest supermarket chain now encompasses most locations around Australia."

"The team is now focussed on consolidating our position in Australia, while developing a range of new products to be launched in FY25 in the USA, that will allow us to replicate our success in the eCommerce channel in the world's biggest consumer goods market."



Financial Overview

Record revenues were recognised in the quarter of \$1.8m, with 70% being generated in the Australian market. This was an increase of 195% vs the prior corresponding period and an increase of 68% vs the prior quarter. This result was driven by continued growth in our eCommerce channels in Australia and continued strong sales to the Coles retail channel over the quarter. With full stock levels across the quarter, sales grew consistently from the \$450k baseline in March across April, May and June (as per the graph presented below).



Cash receipts grew in line with sales to more than \$1.4m, which taken together with a >\$300k receivable from Coles at 30th June 2024, demonstrates that cash receipts and receivables are well in line with sales. Expenses remain under control. Total operational cash expenditure rose by 25% vs prior quarter, while both sales and cash receipts rose by over 68% and 57% respectively.

The company has also continued building inventory over the quarter with \$1.3m being invested in product manufacturing and operating cost. The company held an inventory level of \$1.4m at the end of the period, which has met our >90 days holding level target. The company plans to increase inventory holding in Q1FY25 to accommodate plant and equipment installation and commissioning which is part of the Navua facility upgrades planned to begin from October.

Advertising and marketing costs grew but did so steadily and consistently, tracking to 17% of sales this quarter as in the last quarter. These activities are key to driving growth in our eCommerce and complementary retail channels, focussed on social media and paid search; where a high Return on Advertising Spend (ROAS) was maintained throughout the quarter in Australia, USA and on Amazon.com. Staff costs rose to \$397k with new team members joining the eCommerce team in Australia and the Quality Assurance team in Fiji.

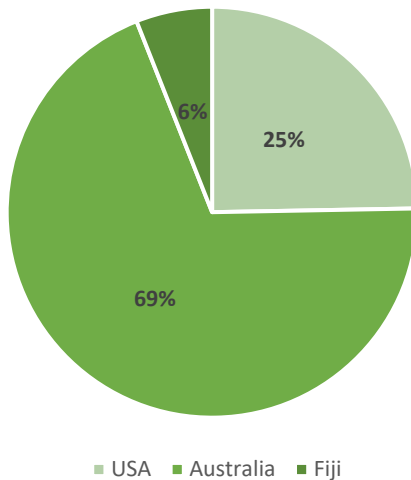
According to ASX LR4.7C.3, the Company advises that \$5,500 was paid to James Dack for tax advice on his remuneration as a Director of The Calmer Co International Limited and \$4,650 was paid to James Tonkin as fees for his role as a Director of Fiji Kava Inc. USA.

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Sales Analysis

Sales by Region

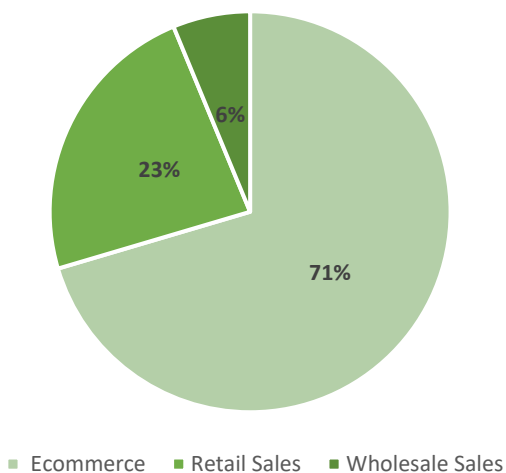


Australian and New Zealand sales were \$1.3m during the period. This was largely driven by our Shopify eCommerce site and by our retail channel partner, Coles Australia. Two additional SKUs were launched with Coles in Q3.

Sales in the USA grew by 20% to \$457k in the quarter. This was driven by the Shopify eCommerce site, including Walmart.com referrals, as well as consistent Amazon.com sales.

Sales in the Fiji market were 6% of the total sales globally in the quarter, where retail sales in the tourist channel and wholesale drinking kava sales both contributed equally.

Sales by Channel

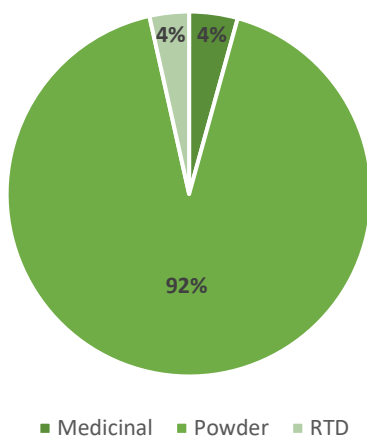


eCommerce sales contributed more than 70% of total sales for the quarter, with the Shopify website (www.fijikava.com.au), Amazon.com and www.fijikava.com all growing over Q4.

Retail sales represented 23% of total sales, driven largely by Coles orders in Australia continuing to grow.

Wholesale orders to kava bar customers and to IMCD for Kavaton® extract contributed just over 6% of sales at \$115k for the period.

Sales by Format



Drinking kava powder continues to be the driving force behind the retail and eCommerce sales results and now accounts for more than 90% of revenue across all channels.

The medicinal format (tablet and capsule) products have been discontinued in Australia and sales including clearance of these lines accounted for 4% of total sales in the quarter.

The RTD products including Taki Mai Kava shots were available exclusively through Coles Australia in Q4 and accounted for 4% of total sales. The RTD shots will launch online in Australia in Q1 and become a larger part of the mix in FY25.



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

30 June 2024

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|----------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 1,441 | 3,530 |
| 1.2 Payments for | | |
| (a) research and development | - | - |
| (b) product manufacturing and operating costs | (1,293) | (3,469) |
| (c) advertising and marketing | (297) | (1,068) |
| (d) leased assets | - | - |
| (e) staff costs | (397) | (1,137) |
| (f) administration and corporate costs | (298) | (865) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 1 | 2 |
| 1.5 Interest and other costs of finance paid | - | (38) |
| 1.6 Income taxes paid | - | 29 |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (B.A.S. Refunds) | (.3) | 7 |
| 1.9 Net cash from / (used in) operating activities | (843) | (3,009) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) entities | - | - |
| (b) businesses | - | - |
| (c) property, plant and equipment | - | - |



| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|----------------------------|--|
| (d) investments | - | - |
| (e) intellectual property | - | - |
| (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 | - | - |

| | | |
|---|------------|--------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities) | 658 | 2,744 |
| 3.2 Proceeds from issue of convertible debt securities | - | 656 |
| 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 | 380 | 706 |
| 3.6 Repayment of borrowings | (239) | (361) |
| 3.7 Transaction costs related to loans and borrowings | - | (8) |
| 3.8 Dividends paid | - | - |
| 3.9 Other (provide details if material) | - | - |
| 3.10 Net cash from / (used in) financing activities | 799 | 3,738 |



| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------|--|------------------------------------|--|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 925 | 168 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (843) | (3,009) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | | |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 799 | 3,738 |
| 4.5 | Effect of movement in exchange rates on cash held | (2) | (18) |
| 4.6 | Cash and cash equivalents at end of period | 879 | 879 |
| 5. | 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 | 878 | 878 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | 1 | 1 |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 879 | 879 |
| . | Payments to related parties of the entity and their associates | Current quarter \$A'000 | |
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 10 | |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - | |

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 \$10,150 constituted by \$5500 paid to James Dack for tax advice on his remuneration as a Director of The Calmer Co International Limited and \$4650 paid to James Tonkin as fees for his role as a Director of Fiji Kava Inc. USA.



7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.

| | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (Convertible Notes – Fijian Dollar) | 1286 | 1,286 |
| 7.4 Total financing facilities | 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. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9) | (843) |
| 8.2 Cash and cash equivalents at quarter end (Item 4.6) | 879 |
| 8.3 Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.4 Total available funding (Item 8.2 + Item 8.3) | 879 |
| 8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1) | 1.04 |

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

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?

Answer: The operating cashflows will maintain for the time being with continued sales growth in line with trend

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?

Answer: The company has completed a Rights Issue and Follow on placement that has raised \$2.6m on 2nd of July.

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

Answer: Yes



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: 30th July 2024

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

2.4 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 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.