



Annual Report 2023/24



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Our vision to become the dominant kava company in the world.

A company with an unrivalled supply chain spanning the Fiji islands and offering great opportunity to thousands of Fijian kava farmers across multiple provinces. Then delivering fresh green noble kava to a modern and well equipped manufacturing facility in Navua which produces leading kava products to be exported to the world.

In FY24 we made significant steps toward this vision. Establishing a leading position with online sales to the US market via Amazon and recording exceptional sales growth in Australia.



**THE
CALMER
CO.**

DIRECTORS

James Dack (Non-Executive Chairman) – appointed 29 September 2022

Zane Yoshida (Non-Executive Director) – appointed 20 December 2018

Anthony Noble (Managing Director) – appointed on 20 December 2021

James Tonkin (Non-Executive Director) – appointed 30 January 2023

Griffon Emose (Non-Executive Director) – appointed 30 January 2023

COMPANY SECRETARY

Natalie Climo

REGISTERED OFFICE

96 Victoria Street
West End QLD 4101

CONTACT INFORMATION

Tel: +61 7 3844 1010

AUDITORS

Hall Chadwick QLD
Level 4, 240 Queen Street
Brisbane QLD 4000
GPO Box 389
Brisbane QLD 4001

SHARE REGISTRY

Automatic Share Registry

Level 2, 267 St Georges Terrace
Perth WA 6000
1300 288 664 (Local)
+61 2 9698 5414 (International)

BANKER

ANZ

94 Robinson Road East
Virginia QLD 4014

PRINCIPAL PLACE OF BUSINESS

96 Victoria Street
West End QLD 4101

POSTAL ADDRESS

96 Victoria Street
West End QLD 4101

Table of Contents

Directors' Report	17
Consolidated Statement of Profit or Loss and Other Comprehensive Income	40
Consolidated Statement of Financial Position	41
Consolidated Statement of Changes In Equity	42
Consolidated Statement of Cash Flows	43
Notes to the Consolidated Financial Statements	44
Directors' Declaration	80
Independent Auditor's Report	82
Corporate Governance Statement	84
Additional Information for Listed Public Companies	97

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Message from the Founder, Zane Yoshida



**“As we conclude FY2024
I’m filled with a deep
sense of gratitude
and excitement for
the journey we’ve
embarked on together.”**

Dear Calmer Co Shareholders,

This past year has been transformative for our company, and industry on several fronts. We continue to see strong interest and adoption of noble kava in markets in which we operate at a time when Pacific Island governments have just recently come together to launch the Regional Kava Development Strategy (RKDS) which will focus on a more resilient, inclusive and sustainable kava industry for the benefit of our communities and future generations. This supports our vision and mission and our commitment to bringing calm and balance to the lives of people around the world.

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OUR EVOLUTION AND VISION

Our roots in FijiKava gave us a strong foundation in the natural wellness space, grounded in the rich traditions of the Pacific Islands. Kava, with its calming properties, has always been at the heart of our mission to promote natural well-being. However, as we've grown, so too has our vision. Today, as The Calmer Co International, we're broadening our focus to encompass a wider range of kava formats that cater to the global demand for wellness products that are both effective and ethically sourced.

This evolution is more than just a name change. It represents our commitment to expanding our product portfolio, entering new markets, and innovating in ways that stay true to our core values. We remain deeply committed to the principles that guided us as FijiKava, sustainability, respect for nature, and a dedication to improving the quality of life for our customers.

A YEAR OF GROWTH AND INNOVATION

2024 has been a year of significant growth for The Calmer Co International. We've expanded our reach across international markets, bringing our unique blend of traditional knowledge and modern science to a broader audience. Our product lines have grown to include not only our premium kava products but also a range of other natural supplements designed to support mental and physical well-being.

Innovation continues to drive us forward. This year, we've invested in new research and development initiatives, exploring the potential of different extract formats and refining our existing products to meet the highest standards of quality and efficacy. Our team has worked tirelessly to ensure that every product that bears our name is something we can be proud of, safe, effective, and true to the natural principles we hold dear.

LOOKING AHEAD

As we look ahead, I'm excited about the future of The Calmer Co. The global wellness market is expanding rapidly, and with it, the demand for natural, ethically sourced products that deliver real benefits. We're committed to staying at the forefront of this movement, leading with integrity, and continuing to innovate in ways that serve our customers and our planet.

In the coming year, we'll be launching several new products that we believe will make a significant impact on the wellness industry. We're also focused on expanding our community engagement, building stronger relationships with our customers, and advocating for the benefits of natural health solutions on a global stage.

A HEARTFELT THANK YOU

To our community, our customers, partners, investors, and team members, thank you. Your support, trust, and belief in our mission have been the driving force behind our success. We couldn't have achieved what we have without you, and I'm incredibly excited to see where we can go together.

Here's to a future filled with calm, balance, and continued growth.

With sincere gratitude, Vinaka Vakalevu!



Zane Yoshida

Founder, The Calmer Co International

Message from the Chairman



We have been working hard, as a team to turn around the business and build sustainable sales growth this year, while staying true to the vision and the mission of our founder, to become the most dominant kava company in the world. The success we have demonstrated in the Australian market this year puts us on the path to achieving that vision.

Having personally now visited the kava farmers in Fiji and our processing facility in Navua several times throughout the year, I can see that we are keeping true to our values of always improving the quality of our products, treating our farming partners and stakeholders with trust and respect and honouring the traditions of the Pacific.

We are building a strong and cohesive team in Fiji and in Australia, both at the management and the board level. The strength of our brand and of our teamwork will set us up for continued success in the future.

I am excited and optimistic to see the plans for growing the USA market for our products in the coming years and would like to thank our shareholders for their continued support.

A handwritten signature in black ink, appearing to read 'James Dack'.

Mr James Dack OAM
Chairman

Message from the CEO



DR ANTHONY NOBLE

FY2023 saw the company make a strategic shift towards higher-margin distribution channels for our products and renovate a more cost-effective supply chain. Taking this forward over the course of FY2024, we have delivered some concrete results in those new sales channels. At the heart of this have been an incredible, diverse team spanning 3 countries.

The company has invested in our people and building an in-house skills-base to be able to deliver the marketing programs, operations and management acumen, which have allowed us to grow a thriving eCommerce business, in Australia and New Zealand through www.fijikava.com.au. As a small company, with an engaged Board of Directors, we have been able to respond to the challenges of pivoting away from a medicinal and pharmacy-based strategy into a functional beverages company, that is attracting new customers through social and online channels. Our team and culture are younger, more dynamic and more innovative than ever before. It has been my pleasure to watch this team grow and develop together over the year.

In the Fiji Islands, we have continued to professionalise and fortify our supply chain during the year, and I am excited to see Zane and the operations team now preparing to modernise our processing facility in Navua in Viti Levu to a level that can support the next horizon of growth. Managing a supply chain that spans the Pacific Ocean from the USA to Australia is not without its unique challenges. The team has gone over and above to keep up with demand and even to build inventory over the final quarter of the year – supporting the growing demand that the marketing and sales teams have driven. This has meant many long days and nights for our staff, a core of whom relocated their families from Ovalau to Viti Levu, remaining committed to The Calmer Co journey.

The FDA audited our facility in November 2023, and we learned a lot from that process. Importantly that we are one of the only companies in the kava industry operating at the dietary supplement level of quality assurance. This is a key to our

USA market penetration. Our quality team have undertaken a process of continuous improvements over the year and I am confident that our product is the best in the world, and that our quality standards embody our value of “always improving”.

Danodan® has been reshaped to a focussed sales and marketing organisation, with the support of manufacturing and distribution partners in the USA. It was an intense year for the Danodan management team to deliver those big changes; they went above and beyond to get it done.

We have had to make several hard decisions this year as we relentlessly simplify our business model, product offering and routes to market. Our Board of Directors have all leaned in across their various areas of expertise to ensure those decisions were executed. The result is that we have a business that is well on its way to scale in high margin sales channels.

Our mission for FY2025 is to deliver that scale and the key to this will be to grow our USA business alongside our Australian and Fijian businesses. I remain confident that we have the team, the culture and the commitment to purpose to deliver on that mission.

We would not be in such an optimistic position now, without the support of our long-term shareholders, who have supported our transformation vision through continued investment and belief in our products and the team.

Thank you one and all,

A handwritten signature in black ink that reads "Anthony Noble".

Dr Anthony Noble

Managing Director and Chief Executive Officer
The Calmer Co. International Limited

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Company Overview

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Corporate Snapshot

FY24 FINANCIAL RESULTS OVERVIEW

REVENUES

\$4.3m

+139%
vs FY23

EBITDA

(\$3.5)m

+35%
vs FY23

DAILY
ECOMMERCE
SALES JUNE24

>\$18,500

+518%
vs June23

GROSS PROFIT

\$2.1m

+279%
vs FY23

FY24 HIGHLIGHTS



EXCEPTIONAL ECOMMERCE SALES

The shape of eCommerce sales have shown exceptional growth month to month during FY24 & now exceeded \$18,500/day at the end of June 24. Driven primarily by eCommerce success in Australia, our eCommerce marketing process will now be rolled out in the US market.



COLES EXPANDS RANGING BY 40%

Coles have extended ranging of both Fiji Kava and Taki Mai Shots from 1,563 to 2,183 listings across 799 Coles locations Australia wide.

This greatly extends our national retail footprint and validates a broader trend of drinking kava for health purposes.



ANNUAL SALES >\$4M FY24

Total sales eclipsed \$4m with almost half of this revenue (\$1.85m) recognised in Q4, FY24.

ASX OVERVIEW

CCO.ASX

ASX TICKER CODE

1,515m

SHARES ON ISSUE 30 JUNE 2024

.08c

SHARE PRICE 30 JUNE 2024

\$12.1m

MARKET CAPITALISATION

CASHFLOW SUMMARY

Cash Receipts

\$4.0m

+128% vs FY23

FijiKava®

Tāki Mai

DANODAN
— HEMPWORKS™ —

Operational Highlights



US MARKET FOCUS

Led by a strong digital campaign and ongoing Amazon sales, our US market entry is underway.



MANUFACTURING EXPANSION

Our processing capacity in Fiji will increase by 3x following current machinery and technology upgrades.



INVENTORY FOCUS

\$1.5m in OpEx to improve our stock levels which now average 90 days.

NETWORK NUTRITION TO INCLUDE METAGENICS USA

Metagenics USA now use Kavaton® as an active ingredient in its products.



WALMART PARTNERSHIP

As part of our US plan we have partnered with Walmart.com in Q4 and sales have commenced.



OVERSUBSCRIBED RIGHTS ISSUE

The capital raise of \$2.65m was heavily oversubscribed. Funds will be used for manufacturing facility expansion and to increase inventory levels.

REMARKETING GROWTH

We have built our database to > 50,000 consumers with active remarketing to repeat customers.

FIJI KAVA

Coles will now sell both 50g and 150g Fiji Kava drinking kava.

150g pouch is our most profitable SKU.



TAKI MAI SHOTS

Following promising early sales traction, Coles have expanded Taki Mai shot ranging to more stores.



NATIONAL DISTRIBUTION

Our products will now be ranged in 799 Coles stores, giving us a national retail footprint with more SKUs.



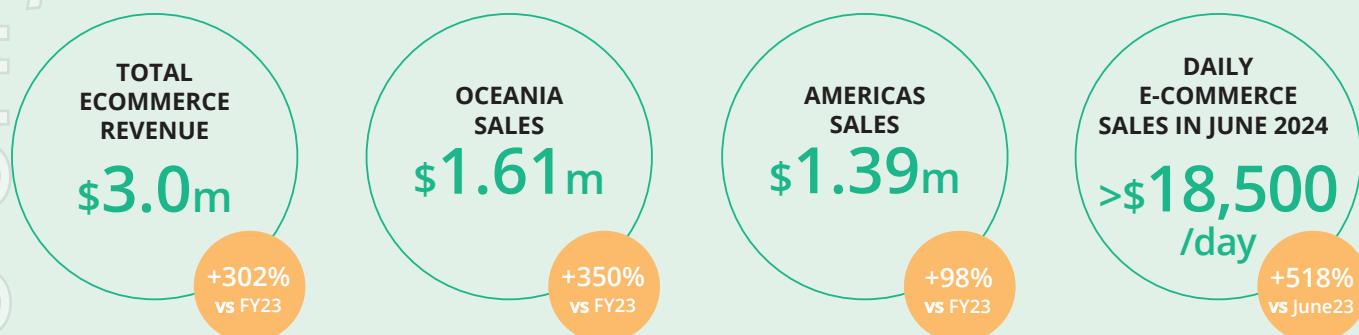
TOTAL LISTINGS

Our total product listings have extended from 1,563 to 2,183 representing a 40% expansion in total listings.



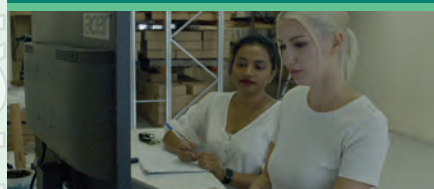
FY24 E-Commerce Highlights

RESULTS OVERVIEW



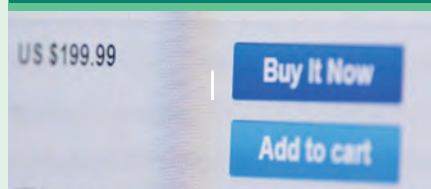
E-COMMERCE HIGHLIGHTS

Finding New Customers



With the use of digital marketing we have been able to find a huge new market of health conscious consumers looking to benefit from the therapeutic value of kava. We have converted many of these to customers!

Remarketing to our Database



Our consumer database has grown to >50,000 people. During FY24 we developed remarketing campaigns to generate repeat purchase from our loyal customer base.

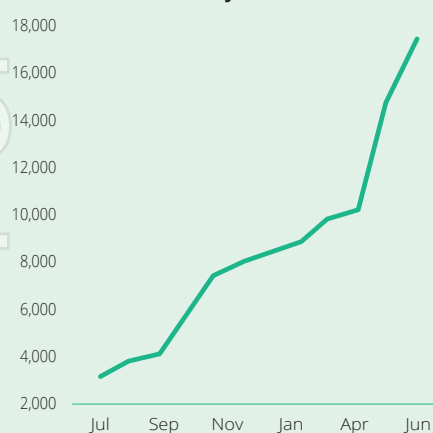
Q4 Accelerating Sales



Total sales eclipsed \$4m with almost half of this revenue (\$1.85m) recognised in Q4, 2024.

FY 24 E-COMMERCE SALES IN FOCUS

eCommerce Sales by Month FY2024



Exponential Shape of Sales

eCommerce sales experienced exceptional sales growth throughout FY24 that accelerated in Q4. Led by the Australian market online sales, that grew by >500% over the year.

Average Basket Value

Average basket value has also increased over the year to \$70

Meta Platforms

Driven by digital advertising primarily via Meta platforms and we have grown our database to over 50,000 customers.

Psychographic Segmentation

Psychographic segments driving this growth are health focussed consumers looking to replace alcohol with a healthier alternative, followed by consumers looking for a natural solution to reduce anxiety and aid sleep.

FY24 Geographic Analysis

RESULTS OVERVIEW

TOTAL SALES
OCEANIA

\$2.8m

+627%
vs FY23

TOTAL SALES
AMERICAS

\$1.5m

+82%
vs FY23



OCEANIA MARKET

Dominant kava player

The Oceania market generated 65% of total revenues in FY24. Led primarily by eCommerce and with our head office and distribution warehouse located in Brisbane.

Following one out-of-stock event, we have improved all of our processes across stock control, online ordering and digital and retail distribution.

We leveraged these systems and processes to scale up in FY24 and kept up with booming sales growth.

AMERICAS MARKET

Leveraging our Systems for Growth

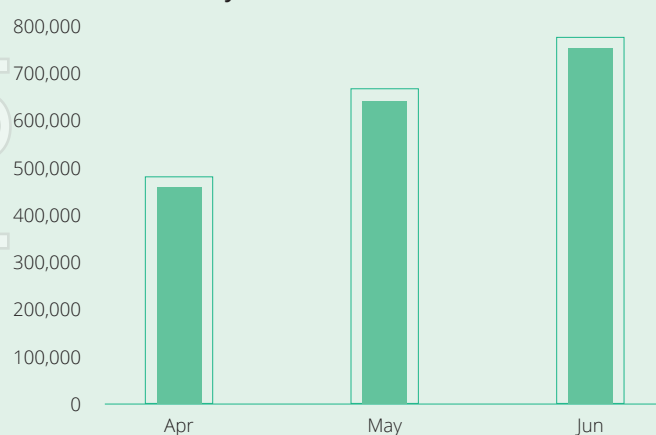
We have maintained a solid business in the Americas market with Amazon where Fiji Kava 150g is the best selling instant kava product.

In FY25 and beyond we plan to take the lessons learnt in Australia and grow a significant US based business.

We have launched our own eCommerce store with Shopify, partnered with Walmart.com and stocked up our warehouse in preparation for a new marketing push .

Q4 GLOBAL SALES IN FOCUS

Total Global Sales by Month



Global Overview

Total global sales increased to \$1.8m in Q4 with 75% of total sales being generated in the Oceania market.

Q4, FY24 sales of \$1.8m represents a growth rate of 295% vs Q4, FY23.

Coles retail sales are now a growing line of business in several SKUs and we expect this to grow with Coles announcing they will expand our total listings by 40% in July 2024.

Brand Analysis

FijiKava®

Fiji Kava, continues to exhibit strong performance with drinking powder establishing itself as our flagship product. Our best selling and most profitable SKU is the 150g drinking kava. It is also the number 1 instant kava brand sold on Amazon.com in the USA.

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 fijikava.com.au



Taki Mai, is a heritage brand and the expression is synonymous with kava in Fiji.

Taki Mai kava shots were launched in over 750 Coles locations around Australia in June24 and show good signs of strong early adoption. We are the only company able to deliver cold pressed kava shots to a large consumer market.

Brand Snapshot

PRODUCTS: Kava shots and drinking kava

USP: Traditional Fijian heritage brand from high quality kava cultivars

Markets: Australia, NZ, Fiji, Pacific Islands

URL: takimai.com

TakiMai®

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DANODAN

HEMPWORKS™

Danodan is headquartered in Portland and is tapping into new retail channels in Oregon, California, Washington State and Hawaii. The introduction this year of a range of innovative topical products further underscores its strategic evolution

Brand Snapshot

PRODUCTS: Hemp & CBD oils

USP: Organic Full spectrum CBD tinctures and topicals

Markets: USA

URL: danodan.com



Supply Chain Excellence

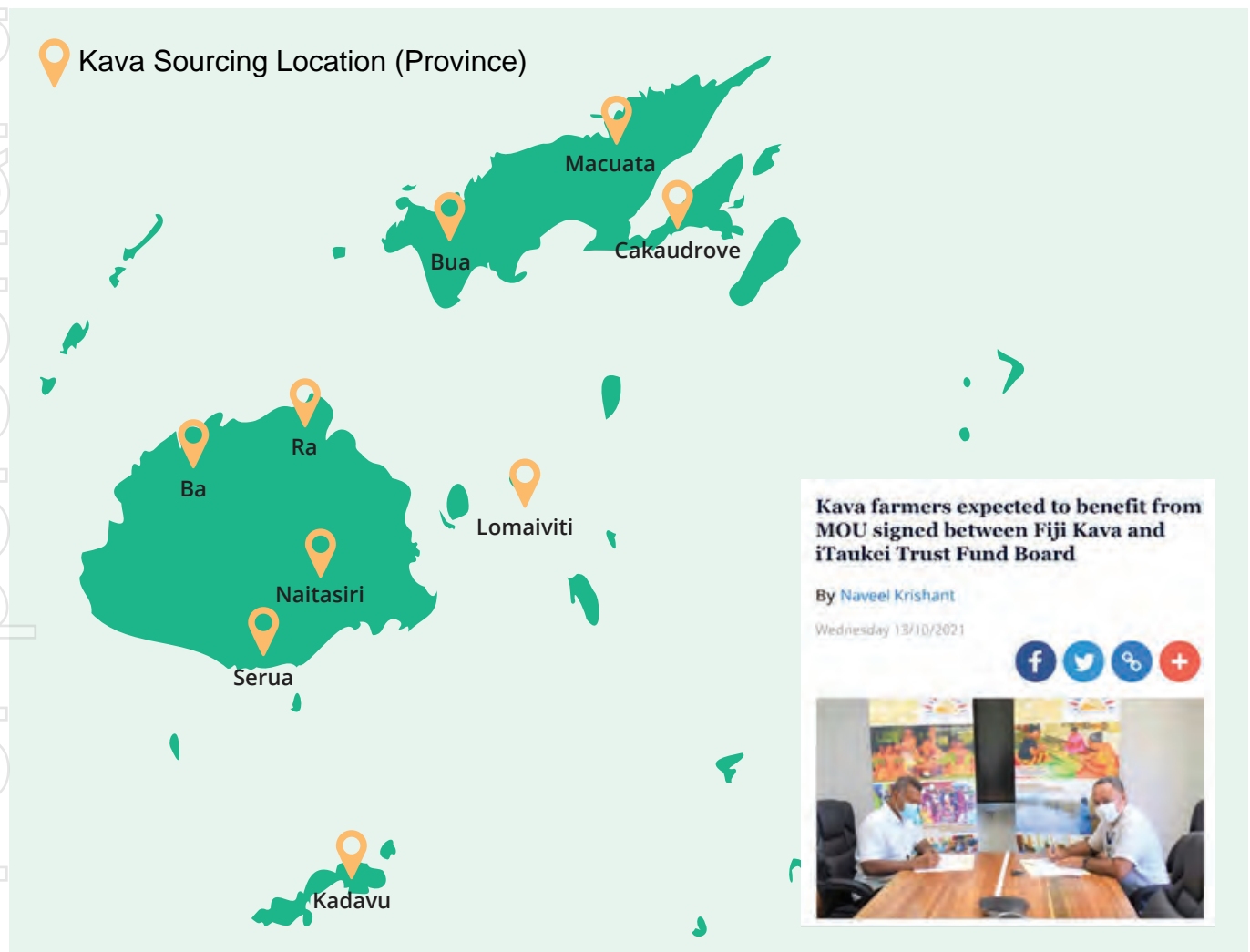
Over 10 years and \$10m has been invested to build a supply chain that would takes years to replicate.

Partnership with iTaukei Trust Fund Board & Tutu Agricultural College provides a conduit to 60-70% of kava farmers in Fiji along with commercial farm off-take agreements across the Fijian islands.

Digitisation of supply chain with traseable Solutions to be rolled out in 2024/5

Partnership with KaiMing Agricultural Processing in place for co-processing, new product development and envisages corporate acquisition.

Facility and supply-chain can support growth of up to 3x.



Directors' Report




Directors' Report



The Directors present their report together with the summary of the financial information of The Calmer Co. International Limited and its Controlled Entities (the Group or Calmer Co.) for the financial year ended 30 June 2024 and the auditor's report thereon.

1. DIRECTORS

Mr James Dack	Non-executive Chairman appointed 20 September 2022
Mr Zane Yoshida	Executive Director appointed 20 December 2018
Mr Anthony Noble	Managing Director appointed 20 December 2021
Mr James Tonkin	Non-executive Director appointed 30 January 2023
Mr Griffon Emose	Non-executive Director appointed 30 January 2023

 For additional information on Directors including details of the qualifications of Directors please refer to paragraph 10 of this Directors' Report.

2. INFORMATION ON OTHER OFFICERS

Company Secretary

Natalie Climo held the position of Company Secretary for the financial year ended 30 June 2024.



Please refer to paragraph 10.

3. MEETINGS OF DIRECTORS

During the financial year ending 30 June 2024, 7 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year are stated in the following table.

	DIRECTORS' MEETINGS		COMMITTEE MEETINGS					
			DUE DILIGENCE COMMITTEE		REMUNERATION COMMITTEE		AUDIT COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Zane Yoshida	7	7	At the date of this report, the Remuneration Committee, Audit Committee and Nomination Committee comprise the full Board of Directors. The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.					
Dr Anthony Noble	7	7						
James Dack	7	7						
James Tonkin	7	7						
Griffon Emose	7	7						

4. NATURE OF OPERATIONS AND PRINCIPAL ACTIVITY

The Calmer Co. International Limited is a health and wellness company with operations in Australia, Fiji, and the USA, which produces nutraceuticals and functional beverage products to reduce anxiety, promote relaxation, improve sleep, and support sports recovery and performance.

The company works with farmers to source high quality kava and USDA certified organic hemp that is processed into active pharmaceutical grade extracts for use in nutraceutical products and for B2B sales as well as beverage products including, powdered drinking kava, cold pressed kava shots, CBD and kava tinctures and ready to drink dietary shots.

Our Taki Mai® and FijiKava® brands are focussed on expanding the distribution of kava throughout global markets to provide a natural alternative to alcohol and to synthetic sleep and anti-anxiety prescription medicines. Noble kava extracts are backed by a significant body of peer reviewed clinical research into the safe and effective use of kava, and thousands of years of traditional use in the Pacific Islands. Our Danodan® brand offers a unique patented range of USDA certified organic tinctures and topical products which are sold throughout the USA in natural grocery chains, to B2B partners as white-label products and online for relaxation, sleep and recovery.

The Company's products are Therapeutic Goods Administration (TGA), Food Standards Australia and New Zealand (FSANZ) and Food and Drug Administration (FDA) compliant and are sold online and through retailers in Australia, Fiji, New Zealand and in the United States.

Directors' Report

5. REVIEW OF OPERATIONS

The company has focussed on investing in building a supply chain that can support expansion into new product formats and to meet growing demand for products in Australia and the USA.

The company has focused on building a scalable and profitable eCommerce sales channel in Australia through our own website, www.fijikava.com.au and our Brisbane based distribution and fulfilment operations. In the USA the company has focussed on growing our market on Amazon, com and has initiated our own website for sales of FijiKava® products.

Through our B2B partnership with Network Nutrition we supply Kavaton® branded kava extract to range of nutraceutical brands in Australia and the USA.

The company has been carefully building a complementary retail presence in the Australian market through Coles Australia for our entry level and best-selling SKUs. In the Fiji market the company has focussed on building the FijiKava® brand in the tourist market.

The company has been investing over FY24 into development of innovative new products that will focus on improving taste and customer experience to enable competitive launches into new markets, particularly the USA, that will fuel continued growth.

Over FY24 the company has continued to focus on controlling costs and rationalising those projects and distribution arrangements with high costs and/or low growth to enable more investment and focus on high growth sales channels aligned with achieving profitability.

1. Supply chain development in The Fiji Islands

The company's supply chain is at the core of our strategy. Our focus continues to be on building a robust, sustainable supply chain that is vertically integrated and fully traceable and transparent.

Building on our relationships with the iTaukei Trust Fund Board and Tutu Rural Training Centre, the company has now developed relationships with farmers across ten provinces which include, Lomaiviti, Namosi, Naitasiri, Serua, Cakaudrove, Bua, Macuata, Ra, Ba and Kadavu.

The Calmer Co. takes pride in building these relationships directly with our farmers who range in size from subsistence to semi-commercial and commercial. There are more farming cooperatives being established in rural areas with the support of the Fiji government.

According to the PHAMA Plus program (2016), 4,500 tonnes of dried kava is produced at farm gate annually. This equates to 22,500 tonnes of fresh green kava per annum. Based on our



current capacity we process 2.3% of this volume on an annual basis. We estimate that the current number of kava plants in the ground far exceed estimates provided to the industry in 2016, on which these number have been calculated.

The work on the digitisation of our supply chain with Traseable (sic) Solutions has been completed and gives the Calmer Co. a strong competitive advantage and allows us to continue to build trust with our consumers.

Finally, we are looking forward to supporting the Fiji Kava Bill which once enacted will establish the Fiji Kava Council for the cultivation, processing, transportation and marketing of kava.



2. Upgrading Navua Processing Facility

The Calmer Co. through our wholly owned subsidiary, South Pacific Elixirs Pte Ltd currently processes up to 10 tonnes of fresh green kava on a weekly basis. To support our continued growth and expansion into the USA, the company is upgrading its current facility to be able to process up to 25 tonnes of green kava per week. We are in the process of installing and commissioning new equipment which includes, a washing and high-pressure cleaning line, as well as a semi-automatic powder milling and blending line, integrated with a high-speed pouch filling and packing line to support our drinking kava SKUs which are sold in international markets under the Taki Mai® and FijiKava® brands. The upgrade also includes a continuous drying system to further improve drying which is a key element in the quality of our product formats.

As part of this process and increased electricity consumption, we are also upgrading our on-site transformer.

The company expects to complete the installation and commissioning of its plant and equipment before the end of Q4, FY25.



3. eCommerce led strategy in Australia and the USA

Australia

The company invested in revising and updating our Australian website to optimise SEO over FY23 and began the financial year with a program of test marketing. We utilised a variety of personas and product positionings that drew from existing medical and scientifically validated use cases for our kava products, including sleep support, anxiety reduction, stress relief and sports recovery. In addition, the marketing personas tested also considered the traditional and ceremonial use of kava as a drink in the Pacific, where kava plays a social role like alcohol in the Western world, in addition to its spiritual, ceremonial and cultural importance in those communities. Our Australia eCommerce business has profitably scaled from \$17,000 in July 2023 to \$384,000 in June 2024.

Directors' Report



United States of America

US eCommerce has focussed initially on optimisation and investment into the company's two Amazon brand stores, FijiKava® and Taki Mai®. Development of "A+" content for the Amazon brand stores has allowed the company to showcase our products and brand story, which is a prerequisite for scaling on the platform. Sales have grown on Amazon by 50% over FY24 with an important increase in "subscribe-and-save" customers to more than 500 over the year - a key metric.

The company has been actively testing marketing personas and niche marketing positions for the FijiKava® and Taki Mai® products in the USA. Initial results indicate that the US market is more sophisticated than the Australian market and that a more niche positioning along with improved flavour formulations will be key success factors for scaling USA eCommerce in FY25. Furthermore, the US consumer online behaviour strongly favours a co-operative approach between Amazon.com and our Shopify powered websites (www.fijikava.com and soon

www.takimai.com) and the investments made in the Amazon platform will synergise with our increasing direct-to-consumer advertising in the USA which will ramp up significantly in FY25 in both paid search and social media channels.

The company has also joined the www.walmart.com platform with our capsule and drinking kava products being listed on this site and referring directly to the Shopify website in the USA.

Danodan® eCommerce sales were 74,000 USD over the financial year, and the company will increase the focus on eCommerce execution for the Danodan brand in FY25. There are significant restrictions on the advertising of cannabis products via social media and paid search platforms used for our other products, however, x.com advertising for these products has recently become possible since the change of ownership of that platform.



shopify



WooCommerce

4. Complementary Retail Partnerships in Australia and Fiji

Coles Australia was the first major retailer to launch drinking kava products in Australia following the initiation of the Pilot Commercial Import Program for kava into Australia in December 2022, with our 50g FijiKava® Instant Kava product. Over FY24, the company has expanded our offering in Coles by adding our global best-selling SKU, 150g FijiKava® Instant Kava and launched the first Ready-to-Drink kava product into the Australia market, Taki Mai® Kava-shot. Following strong initial uptake of all three of the Coles' ranged SKUs in Q4 of FY24, the listings were expanded by 40% in Q1 FY25, to represent almost all Coles stores around Australia. The exception being those stores that were excluded due to Northern Territory regulations that prohibit the sale of kava in that territory and stores north of Rockhampton in Queensland and stores north of Perth in Western Australia, which were excluded considering sensitivity around access to kava in indigenous communities.

The Calmer Co.'s wholly owned Fijian subsidiary, South Pacific Elixirs Pte Ltd entered into an exclusive agreement with CJ Patel (Pacific) Pte Ltd (CJ Patel) as its authorised distributor of Taki Mai® in seventeen countries. The sales performance over the initial year has significantly underperformed the forecasts that were provided to the company by CJ Patel. In order to address this performance gap, the company committed significant marketing support and reformulated the products over FY24 to better fit the local market retail consumer preferences. Even so, price reductions and pack size reductions were determined to be required to meet the low-price points expected in the Fijian and other Pacific Island markets. In consultation with CJ Patel, we will wind up the distribution agreement over the course of Q1 FY25, as acceptable margins cannot be achieved for either party which would feasibly allow a positive return on the marketing investments being made. No stock will be written off and no marketing investments will be made in the Fijian domestic market in FY25, reducing operational expenditure. Moving ahead in the Fijian market, the company will focus on launching innovative new flavoured Taki Mai® shots and coconut kava powders with the Fiji Rugby co-branding, aligning to the higher price and more sustainable tourist channels through our direct supply partnerships with the three key retailers in airports and resorts in Fiji (Jacks of Fiji, Tappoos and Motibhai Group) where the company also markets the range of Leilo kava beverages under licence.



Fiji Rugby branded products have been developed and will be launched in Fiji in FY25

5. Bulk ingredients distribution

The company has an ongoing strategic partnership with Network Nutrition, which is part of Dutch multinational IMCD, who were appointed as the exclusive sales agent for B2B sales of our proprietary water extract of Noble Kava for the US ingredient market from October 2021, for an initial period of 3 years. Our proprietary water extract of Noble Fijian kava is marketed under the brand Kavaton® by Network Nutrition. Following a strong FY22 that saw the onboarding of major multinational nutraceutical clients, including Metagenics USA, the exclusive marketing territories for Kavaton® extract were expanded in FY23 to include USA, Canada, Australia, New Zealand and the ASEAN regions. Sales in FY24 were lower than expected reflecting the long sales cycle for these B2B ingredient customers and the high level of competition in international markets. The company continues to work in partnership with Network Nutrition to develop value added product offerings using the Kavaton® water extract, including developing bulk capsule offerings and fine particle grade extracts. Through these value adding product developments several new customers have been brought on board, which we expect to drive increased sales in FY25 vs FY24, through this partnership.

coles

jack's
of fiji

PROUDS
EXCLUSIVELY YOURS



leilo

Directors' Report

The company undertook significant research into the kava bar industry in the USA and engaged with more than 100 kava bar owners in Q2. The dynamics of the industry rely largely on the provision of both kava-based products and products that contain Kratom (*Mitragyna speciosa*), which has an ambiguous regulatory status in the USA and has opioid and stimulant effects on users.

Kava has a clear regulatory pathway to market as a dietary supplement that was grandfathered under the DSHEA Act in 1994, and more recently has been granted Generally Recognised as Safe (GRAS) status by the Hawaiian State Department of Health, further cementing its regulatory acceptability and safety profile in the USA.

The company assessed that there was a reputational risk to the FijiKava® and Taki Mai® brands in entering the kava bar market with our finished products in channels selling Kratom and Kava in combination, due to safety issues and regulatory uncertainty of Kratom. We have therefore been addressing the kava bar market via supply through distributors of white-labelled bulk kava products, with sales directly to distributors from our Fiji subsidiary, South Pacific Elixirs Pte Ltd.

Danodan has developed a few bulk ingredient customers in the CBD industry across the USA. These sales remained steady over the year and accounted for around 33% of the Danodan revenues in FY24.

The total bulk ingredient sales in FY24 were \$388,000, which was 8% of revenues for the company.



Kavator® has been commercialised in a number of formats via the IMCD-Network Nutrition partnership.

6. Continued focus on Cost Control and Margin Improvement

The company continued to work on a program of continuous and ongoing cost savings initiatives over the course of the full year, with operational savings made in terms of staff and administrative costs in FY24 (see Operating Results section below). As volumes grow, the company expects to recognise economy of scale improvements in margins over the course of FY25, through input purchase volumes and plant upgrade.

The rapid sales growth seen in the period of Q2 and Q3 necessitated a significant increase in production volumes, both to meet demand and to build inventory to our target of 90-days. This meant that the company needed to outsource several key production steps to our partners in Fiji, particularly with respect to drying, milling and sieving of product. Compared to conducting these activities on our own lines, which were also fully utilized during these peak production periods, the cost of outsourcing overflow activities saw an increase in Cost of Goods by around 10% for inventory built in Q2 and Q3. Similarly, delays in customs clearance and the need to utilise airfreight to expedite deliveries to Australia, saw an increase in Cost of Goods particularly in Q2 and Q3. Within Q4, the reliance on third party overflow production and air freight has been reduced, and customs and border force processing times in Australia have improved. Over the course of FY25 and specifically following the upgrade works in the Navua Facility (see section 2), the company expects to recognise meaningful margin improvements through improved logistics costs and production being fully in-house, and highly automated (particularly in the packaging lines).

Quality Assurance (QA) testing has also impacted margins in FY24, as the frequency of testing has increased in line with audit findings from the FDA and customers, and the price of kavalactone testing almost doubling over FY24 through third party laboratories in Fiji. The company has proposed to implement the establishment of a fully equipped QA laboratory at the Navua site within FY25, that will allow us to test our products for kavalactone levels and for the required microbiology and organoleptic testing with our own staff and equipment. The project will require \$300-500k in capital expenditure and technology transfer costs to implement but will pay back to the company within 2 years, based on current QA testing demand levels. The company is currently exploring sources of non-dilutionary funding for this project in Fiji and Australia. This project will also delivery meaningful margin improvements by further reducing Cost of Goods.

7. Transition of Danodan Hempworks to low-cost operational model

The primary drivers of this cost reduction have been to collocate the production plant and procurement operations with an existing supply-chain partner, Sun Gold Botanicals in Philomath, OR and the move to integrate product distribution and eCommerce fulfillment for the Danodan products with the Fiji Kava product distribution and fulfillment operations, which are in Texas and New Hampshire.

This change has allowed the company to fully focus the existing Danodan staff onto sales and marketing activities in FY25, which is expected to support increased sales volumes.

Challenges around the legal status and retail acceptability of CBD products in the USA have limited the capacity of the Danodan products to grow in the USA market, and these products cannot currently be exported if manufactured in the USA due to a lack of cannabis regulatory harmonisation between USA and Australia. The existing Oregon and California retailers are experiencing lower demand for CBD products compared to previous years. Sales to our B2B partners and white label customers remain steady, as do a modest level of online sales.

The passage of the Fiji Hemp Bill in 2023 is expected to be followed up by further enabling regulations in the Fiji Islands within 2024, and the company will explore the possibility of implementing the patented Danodan glycerine extraction technology in Fiji at that time. Utilisation of the glycerine-based extraction technology for kava has commenced and the company expects to have a kava-based tincture product available in the USA market within FY25. Furthermore, the combination of kava and CBD tinctures is being explored in the new production site, which may provide additional NPD for the Danodan brand through this combination.



Danodan launched a range of topical CBD products to complement the existing line of tincture products in FY24

8. Operating Results

The company has shown a continuous improvement in sales performance and a continuous reduction in operating expenses and net cash used in operations as a percentage of sales over the year. Gross Profit increased to \$2.1m in FY24 from \$558k in FY23 (increase of 279%) and importantly, operating losses were reduced by 30% vs FY24 to (\$3.72m) vs (\$5.35m) in FY23.

Total operating expenses were reduced by over \$463k vs FY23, representing a 9% reduction, while supporting revenue growth of more than 139%. The company has remained focused on rationalising non-sales driving expenses while investing significantly more in sales and marketing expenses; particularly in supporting the advertising spend through social media channels that has driven the strong results.

Investor relations and capital raising costs were higher throughout the year, reflecting market conditions and a commitment to continuous communication with shareholders during this critical turnaround period. These expenses will be significantly reduced in FY25 vs FY24 and the company will return to the normal quarterly, half yearly and annual reporting cycle, rather than producing and amplifying monthly sales results reflecting the more stable business model that has now been established.

Building on the strong commitment to profitable sales and cost control the company delivered record quarterly revenue for the final quarter of the year of \$1.8m, a 74% increase on the prior quarter. This result reflects annualised revenue of \$7.2m and has followed this with a record of monthly revenue result in July 2024 of \$764k (unaudited, preliminary); representing an annualised revenue run rate more than \$9m.

Cash receipts from customers also rose in the final quarter to \$1.4m, while the continued focus on cost reductions saw net cash flow used in operations fall by 10% to \$843k. The Q4 results reflect an operating business that has healthier margins and with lower operating costs than ever before and which is now growing sales strongly following a year of transformational change.

9. Financial Position

Revenues for the year were \$4.26m (FY23: \$1.78) a 139% increase on FY23. The Calmer Co. recorded a statutory net loss from continuing operations for the year ended 30th June 2024 of \$3.76m (FY23: \$5.35m), which is a 30% improvement vs FY23. EBITDA for the year ended 30th June 2024 was (\$3.3m) which was a 22% improvement from FY23 (\$4.2m).

Director's Report

During the year, receipts from customers were \$3.99m which was a 128% increase vs FY23 (\$1.75m), while net cash flow used in operating activities was \$2.08m an improvement of 45% vs FY23 (\$3.8m). In line with refocussing of the business on lower cost, revenue driving activities, staff costs were reduced by 6% across the year to \$1.418m (vs \$1.508m in FY23). Investments in advertising and marketing drove the higher sales result and increased by 41% to \$1.22m (up from \$867k in FY23). Product manufacturing and operating costs have increased, in line with sales and as the company has built inventory to support future growth and our facility upgrade in Q2 FY25; these costs rose by 75% to \$2.15m in FY24 (up from \$1.23m in FY23).

Payments to related parties were \$776,877. This includes \$40,000 each in Directors fees paid to Mr Emose and Mr Tonkin; fully in shares (subject to shareholder approval at the upcoming Annual General Meeting) and a \$116,716 reported as an equity-settlement share based payment (Options), which is the reportable option value of the Loan Funded Share Scheme through which Mr Dack is paid. Mr Dack has only been issued 30,000,000 shares held in ESCROW and no additional options.

As of 30 June 2024, the company had \$1,099,017 in cash and completed an oversubscribed Rights Issue on the 2nd of July 2024 as reported to the market in the announcement dated 28th June 2024.

10. Dividends

There were no dividends paid or recommended during the financial year ended 30 June 2024.

11. Events subsequent to reporting date

During the months of July 2024, the Group successfully raised \$2,644,848 in additional funding through a rights issue. With exception to the above, no matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future years.

12. Likely Developments

Other than matters referred to in sections 3 and 5 of this Directors' report, no other likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

13. Environmental Regulation

The Director's regularly monitor environmental exposures and compliance with environmental regulations. As part of this process, the Directors are responsible for:

- Setting and communicating environmental objectives and quantified targets;
- Monitoring progress against these objectives and targets;
- Implementing environmental management plans in operating areas which may have a significant environmental impact;
- Identifying where remedial actions are required and implementing action plans; and
- Regular monitoring of licence requirements, with performance against licence conditions reported to the various regulators on a regular basis.

The Directors believe that the Group has adequate systems in place for the management of its environmental requirements and are not aware of any significant breaches during the period covered by this report.



6. INFORMATION ON DIRECTORS INCLUDING DIRECTORS' INTERESTS



MR ZANE YOSHIDA

Executive Director

Appointed 20 December 2018

Experience and Qualifications

Mr Yoshida was born and raised in the Fiji Islands. He is extremely passionate about kava and understands its benefits first-hand, having his first kava ceremony 35 years ago.

Professionally, he has been involved in various of start-ups in Australia, Asia and the United States over the last 20 years. He is the Founder and Executive Director of The Calmer Co, producing a range of farm to shelf kava supplements and complementary medicines that are manufactured to HACCP/ GMP standards and launched in various international markets under the FijiKava and TakiMai brand. These countries include, Australia, New Zealand, USA and Fiji.

He holds a Bachelor of Mechanical Technology degree, Post Graduate Diploma in IT and an MBA from the Queensland University of Technology. He is a member of the Australian Institute of Company Directors and Vice President of the Australia Fiji Business Council.

Interest in Shares and Options

23,014,044 ordinary Shares and 318,750 CCOA options in The Calmer Co. International.

Directorships held in other listed entities

nil



DR ANTHONY NOBLE

Managing Director

Appointed 20 December 2021

Experience and Qualifications

Anthony joined Fiji Kava in June 2021. Prior to this he was CEO of Australian Biotherapeutics from 2019 - 2021, a manufacturer of live biotherapeutics based in Coolumb Beach, Queensland. Anthony worked at SFI Health from 2010-2019 and held roles as Managing Director of SFI Research Pty Ltd, as Global Head of Innovation, Group Head of North Asia and as General Manager of the SFI-Shineway Chinese Joint Venture. SFI acquired and integrated Ginsana SA (Switzerland), Prothera Inc (USA), Complementary Prescriptions (USA) and Potters Herbals (UK) over this time.

Anthony was Principal Scientist, for Cryosite Ltd (Australian Cord Blood Service) and a lead inspector for the Human Tissue Authority (UK). Anthony holds a PhD in Biological Sciences (QUT) and M.B.A. from Australian Graduate School of Management, with a year spent at the Wharton School in the USA, as well as post-graduate qualifications in Technology and Innovation Management and as a USFDA Preventive Controls Qualified Individual.

Interest in Shares and Options

2,666,749 Ordinary Shares and 582,885 CCOOA Options.

Directorships held in other listed entities

nil

Director's Report



MR JAMES DACK OAM

Non-Executive Chairman

Appointed 29 September 2022

Experience and Qualifications

James began his career at St Vincent's Hospital, as a porter and after five years of hard work he was promoted to the position of payroll manager responsible for 2500 staff. He was approached by the Industrial relations division of the Department of Health to run the whole New South Wales public hospital payroll system.

When James left the Department of Health, he became a founding partner of one of the most successful real estate companies in Australia.

In 2014 he started Sunshine Group Investments where he is currently the Managing Director.

He is on the Board of the Police and Citizens Youth Clubs New South Wales.

James was awarded the Order of Australia Medal in the Kings Birthday honours in 2023 for services to youth.

Interest in Shares and Options

30,000,000 Plan Shares held in ESCROW

Directorships held in other listed entities

nil



MR JAMES TONKIN

Non-Executive Director

Appointed as Director 30 January 2023

Experience and Qualifications

James is a retired Private Branding Agency owner. He has built and developed in market, many food and beverage brands mostly in the US marketplace. He was an entrepreneur as well building and selling numerous businesses in his early career. Bringing more than 40 years in consulting and brand building experience in a range of household names globally gives James the ability to understand the strategies and marketability of products and service.

James Tonkin has served on over 100 Boards in his long career.

Interest in Shares and Options

7,247,285 Ordinary Shares

Directorships held in other listed entities

nil



MR GRIFFON EMOSE

Non-Executive Director

Appointed as Director 30 January 2023

Experience and Qualifications

Born and raised in the Fiji Islands, Mr. Emose is the Managing Director of Kontiki Capital, a Fiji-based investment banking firm. He has extensive experience in corporate finance and investment advisory, working in Fiji and the Pacific Islands. Prior to joining the Board, he was involved with CCO in an advisory capacity, overseeing the investment of Fiji institutional capital into CCO. Mr. Emose graduated with a Bachelor of Commerce from the University of Auckland and a Graduate Diploma in Applied Finance & Investment from the Securities Institute of Australia. He also holds the Chartered Financial Analyst designation and is a member of the CFA Institute.

Interest in Shares and Options

5,777,778 Ordinary Shares

Directorships held in other listed entities

nil



JAY STEPHENSON

Company Secretary and Previous Non-Executive Director

Appointed as Director 1 February 2018 and resigned on 11 August 2021, resigned as Company Secretary 18 January 2024

Experience and Qualifications

Mr Stephenson has been involved in business development for over 30 years, including approximately 26 years as Director, Chief Executive Officer, and Company Secretary of various listed and unlisted entities in resources, manufacturing, wine, hotels and property. He has been involved in business acquisitions, mergers, initial public offerings, capital raisings, and business restructuring, as well as managing all areas of finance for companies.

Mr Stephenson has a Master of Business Administration from Heriot-Watt University, is a Fellow of Certified Practising Accountants of Australia, a Fellow of the Governance Institute of Australia, a Fellow of the Chartered Institute of Secretaries and Administrators, a Chartered Professional Accountant (Canada), a Certified Management Accountant (Canada), and is a Member of the Australian Institute of Company Directors.

Directors' Report



NATALIE CLIMO

Company Secretary

Appointed 18 January 2024

Experience and Qualifications

Natalie has 15 years-experience working in the corporate sector, previously as an in-house lawyer and more recently as a Company Secretary for a portfolio of ASX listed companies.

She holds a Bachelor of Laws and a Graduate Diploma in Legal Practice and has extensive experience in corporate governance and board advisory of ASX listed and unlisted companies.


She currently acts as company secretary to several ASX-listed companies.

7. SHARE OPTIONS

Unissued Shares Under Option

At the date of this report unissued shares of the Group under option are:

Option	Expiry Date	Exercise price	Number of shares
Ordinary Shares	30/06/2026	\$0.006	777,182,642
Ordinary Shares	20/02/2026	\$0.03	30,325,200

 Further details about share-based payments to Directors and KMP are included in the remuneration report.

These options do not entitle the holder to participate in any share issue of the Group or any other body corporate.

Shares Issued on Exercise of Options

During or since the end of the financial year, the Group issued 543,333 ordinary shares of the Company as a result of the exercise of options.

Indemnification and Insurance Officers or Auditor

Indemnification

The group has agreed to indemnify the following officers of the Group:

- Mr J Dack (current non-executive Director);
- Mr Z Yoshida (current Executive Director);
- Mr J Tonkin (current non-executive Director);
- Mr G Emose (current non-executive Director);
- Dr Anthony Noble (current Chief Executive Officer and Managing Director); and
- Mr J Stephenson (Corporate secretary and former non-executive Director)

against all liabilities to another person (other than the Group or a related body corporate) that may arise from their position as officers of the Group and its controlled entities, with the exception of conduct involving a wilful breach of duty or improper use of information to gain a personal advantage. This agreement stipulates that the Group will meet the full amount of any such liabilities, including costs and expenses.

The Group has not entered into any agreement with its current auditors indemnifying them against any claims by third parties arising from their report on the financial report.

Insurance premiums

Since the end of the previous financial year the Group has paid insurance premiums of \$39,750 in respect of Directors' and officers' liability insurance contracts for current and former Directors and officers of the Group. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome.
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

8. NON-AUDIT SERVICES

The Group's auditor has not performed services in addition to the audit and review of the financial statements.

9. PROCEEDINGS ON BEHALF OF GROUP

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

Director's Report

10. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead auditor's independence declaration is set out on page 19 and forms part of the Directors' report for the financial year ended 30 June 2024.

11. REMUNERATION REPORT (AUDITED)

11.1 Principles of Compensation – audited

Remuneration levels for KMP are competitively set to attract and retain appropriately qualified and experienced Directors and executives

To this end, the Group embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract qualified and experienced executives;
- Link executive rewards to length of service, experience and overall performance of the Group; and
- Equity participation is a cost effective and efficient incentive given the Group's pre-production status.

The Board of The Calmer Co. International Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and Directors to run and manage the Group, as well as create goal congruence between Directors, executives and shareholders.

Shares and options may only be issued to Directors subject to approval by shareholders in a general meeting.

The Board has no established retirement or redundancy schemes.

The remuneration structure for KMP is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Group. The contracts for service between the Group and KMP are on a continuing basis, the terms of which are not expected to change in the immediate future.

The Board determines the proportion of fixed and variable compensation for each KMP.

Director's fees are reviewed annually by the Board. No termination payments are payable to Non-Executive Directors.

In accordance with best practice corporate governance, the structure of Non-Executive Director and senior management remuneration is separate and distinct.

a. Fixed Remuneration

Fixed remuneration for the Group's executive officers consists of base cash remuneration and statutory superannuation entitlements. Longer term discretionary remuneration consists of share option grants. Remuneration levels are based on an overall assessment of both individual and Group performance.

The Group believes that encouraging its executives and employees to become shareholders is the best way of aligning their interest to those of its shareholders. In addition, equity participation is a cost effective and efficient incentive as compared to cash bonuses or increased remuneration, particularly given the Group's pre-production status. Accordingly, all executives and employees are entitled to participate in the Group's equity incentive scheme. Generally, the ability to exercise an option is conditional upon the holder remaining in the Group's employment. There are presently no other non-cash benefits available to Directors or employees. There is no separate profit-sharing or bonus plan.

b. Performance Based Remuneration – Short-Term and Long-Term Incentive Structure

The Board will review executive packages annually by reference to the Group's performance and executive performance and comparable information from industry sectors using independent external advice where appropriate.

- Short-term incentives

No short-term incentives in the form of cash bonuses were granted during the year.

- Long-term incentives

No long-term incentives in the form of cash bonuses were granted during the year.

c. Service Contracts

The contracts for service between the Group and Directors and executives are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement, Directors and executives are paid employee benefit entitlements accrued to date of retirement. The Group may terminate the contracts without cause by providing one month's written notice. Termination payments (if applicable) are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct, the Group can terminate employment at any time.

d. Non-executive Directors

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Non-Executive Director receives a fee for being a Director of the Group. No additional fees are paid for participation on subcommittees, such as the Audit Committee. Non-Executive Directors are encouraged by the Board to hold shares in the Group. Accordingly, they are entitled to participate in equity incentive schemes if offered by the Group.

Total fees for the non-executive Directors for the financial year were \$220,597 (FY23: \$183,489).

e. Engagement of Remuneration Consultants

During the financial year, the Group did not engage any remuneration consultants.

f. Relationship between Remuneration of Key Management Personnel and Shareholder Wealth

During the Group's initial phases of its business, the Board anticipates that the Group will retain earnings (if any) and other cash resources to expand its manufacturing facilities, further its project innovations and clinical research. Accordingly, the Group does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore, there was no relationship between the Board's policy for determining, or in relation to, the nature during the current and previous financial years.

The Board did not determine the nature and amount of remuneration of the KMP by reference to changes in the price at which shares in the Group traded between its quotation on ASX and end of the current financial years. However, where the Directors of the Group receive incentive options, such options generally would only be of value if the Group's share price increased sufficiently to warrant exercising the incentive options.

g. Relationship between Remuneration of Key Management Personnel and Earnings

The Group currently does not expect to be undertaking profitable operations (other than by way of material asset sales, none of which is currently planned) until sometime after the successful commercialisation, production and sales of its kava products. Accordingly, the Board does not consider earnings during the current financial year when determining the nature and amount of remuneration of KMP.

Director's Report

11.2 Directors' and Executive Officers' Remuneration – audited

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the KMP of the Group:

2022-23	Short-term benefits			Other	Post-employment benefits	Long-term benefits	Termination benefits	Equity-settled share-based payments		Total
Key Management Personnel	Salary, fees and leave (Accrued)	Profit share and bonuses	Non-monetary		Superannuation	Other		Equity	Options	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
A Noble	251,389	-	-	-	27,653	-	-	6,667	-	285,708
Z Yoshida	222,497	-	-	-	24,475	-	-	6,667	-	253,638
J Stephenson ¹	16,932	-	-	-	-	-	-	-	-	16,932
J Dack	5,500	-	-	-	-	-	-	-	116,716	122,216
J Tonkin	48,514	-	-	-	-	-	-	9,867	-	58,381
G Emose	30,133	-	-	-	-	-	-	9,867	-	40,000
	574,965	-	-	-	52,128	-	-	33,068	116,716	776,877

2022-23	Short-term benefits			Other	Post-employment benefits	Long-term benefits	Termination benefits	Equity-settled share-based payments		Total
Key Management Personnel	Salary, fees and leave (Accrued)	Profit share and bonuses	Non-monetary		Superannuation	Other		Equity	Options	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
A Noble	218,240	-	-	-	21,001	-	-	33,333	-	272,574
Z Yoshida	179,630	-	-	-	18,784	-	-	33,333	-	231,747
A Kelly ¹	14,583	-	-	-	-	-	-	29,174	-	43,757
J Stephenson	36,000	-	-	-	-	-	-	-	-	36,000
N Simms ²	3,333	-	-	-	-	-	-	14,667	-	18,000
J Dack	-	-	-	-	-	-	-	-	68,084	68,084
J Tonkin	17,920	-	-	-	-	-	-	11,578	-	29,498
G Emose	-	-	-	-	-	-	-	11,578	-	11,578
	469,706	-	-	-	39,785	-	-	133,663	68,084	711,238

¹ Dr Andrew Kelly resigned as a non-executive director on the 15th March 2023.

² Mr Nicholas Simms was interim Chief Executive Officer between 19 October and 30 May 2021 and remained as Non-Executive Director for the entire financial year.

11.3 Analysis of Bonuses Included in Remuneration – audited

Mr James Dack had performance-related bonus for which the set performance criteria were not met. No bonus was therefore payable.

11.4 Key Management Personnel Equity Holdings – audited

Options Over Equity Instruments Granted as Compensation

Details on rights and options over ordinary shares in the Group that were granted as compensation to each key management person during the reporting period and details on options that vested during the reporting period are as follows:

The Group has a Loan Funded Share Scheme (LFSS) which was developed to allow the Group to provide loans to Employees (which include members of the Board of Directors of the Group) to be applied solely for the purpose of acquiring ordinary shares in the Group to assist with:

- attracting, motivating and retaining employees;
- delivering rewards to employees for individual and / or Group performance (as the case may be);
- allowing employees the opportunity to become shareholders in the Group; and/or
- aligning the interests of employees with those of shareholders.

The LFSS involves the Group providing a limited recourse, interest free loan to approved participants to purchase ordinary shares in the capital of the Group.

On 30 November 2022, the shareholders of the Group approved the issuance of 30 million LFSS shares to James Dack (Chairman of the Board) on escrow with initial cost (\$600,000) funded by a LFSS loan granted to Mr Dack. The loan is interest free and is limited recourse to the LFSS shares issued – as such, the Group is entitled to cancel Mr Dack's 30 million LFSS shares against the \$600,000 loan balance. The Group has not recognised the loan as a receivable asset. The arrangement has been recognised in accordance with IFRS 2 share-based payments.

No options vested during the 2024 financial year.

Exercise of Options Granted as Compensation

During the reporting period, the no shares were issued on the exercise of options previously granted as compensation.

Details of Equity Incentives Affecting Current and Future Remuneration – audited

Details of vesting profiles of the rights and options held by each key management person of the Group are detailed below.

	Instrument	Number	Grant date	% vested in year	% forfeited in year ¹	Financial year in which grant vests
J Dack	Plan Shares	30,000,000	30 Nov 2022	0%	-	2024

¹The percentage forfeited in the year represents the reduction from the maximum number of instruments available to vest due to performance criteria not being achieved.

Director's Report

Analysis of Movements in Shares – audited

The movement during the reporting period in the number of ordinary shares in the Group held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Number held at 1 July 2023	Number received during the year as compensation	Number received during the year on the exercise of options	Number other changes during the year	Number held at 30 June 2024
Zane Yoshida	16,946,683	5,111,111	-	956,250	23,014,044
Anthony Noble	1,996,078	5,111,111	-	(5,107,189)	2,000,000
James Dack	30,000,000	-	-	-	30,000,000*
James Tonkin	1,469,507	5,777,778	-	-	7,247,285
Griffon Emose	-	5,777,778	-	-	5,777,778
	50,412,268	21,777,778	-	(4,150,939)	68,039,107

* Shareholder approval was obtained for the grant of 30,000,000 Plan Shares to Director James Dack under a loan funded share scheme (LFSS).

	Number held at 1 July 2022	Number received during the year as compensation	Number received during the year on the exercise of options	Number other changes during the year	Number held at 30 June 2023
Andrew Kelly	863,776	-	-	(863,776)	0 ¹
Zane Yoshida	13,267,273	-	-	3,679,410	16,946,683
Nicholas Simms	441,176	-	-	(441,176)	0 ²
Anthony Noble	450,000	-	-	1,546,078	1,996,078
James Dack	-	30,000,000	-	-	30,000,000*
James Tonkin	-	1,469,507	-	-	1,469,507
Griffon Emose	-	-	-	-	-
	15,022,225	31,469,507	-	3,920,536	50,412,268

* Shareholder approval was obtained for the grant of 30,000,000 Plan Shares to Director James Dack under a loan funded share scheme (LFSS).

¹ Dr Andrew Kelly resigned as a non-executive director on the 15th March 2023.

² Mr Nicholas Simms was interim Chief Executive Officer between 19 October and 30 May 2021 and resigned as a Director 28 November 2022.

Analysis of Movements in Listed Options – audited

The movement during the reporting period in the number of listed options in the Group held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Number held at 1 July 2023	Number received during the year as compensation	Number received during the year on the exercise of options	Number other changes during the year	Number held at 30 June 2024
Zane Yoshida	-	-	-	318,750	318,750
Anthony Noble	-	-	-	249,510	249,510
	-	-	-	568,260	568,260

	Number held at 1 July 2022	Number received during the year as compensation	Number received during the year on the exercise of options	Number other changes during the year	Number held at 30 June 2023
Zane Yoshida	-	-	-	-	-
Anthony Noble	-	-	-	-	-
	-	-	-	-	-

11.5 Loans to Key Management Personnel

Other than the LFSS loan disclosed above, there are no loans made to Directors of the Group as at 30 June 2024 (2023: nil).

11.6 Loans from Key Management Personnel

There are no loans from Directors of the Group as at 30 June 2024 (2023: nil).

11.7 Other Transactions with Key Management Personnel

There have been no other transactions involving equity instruments other than those described in the paragraphs above.

END OF REMUNERATION REPORT

This Report of the Directors, incorporating the remuneration report, is signed in accordance with a resolution of Directors made pursuant to s298(2) of the Corporations Act 2001 (Cth).

Mr James Dack
Chairman

Dated this Friday, 30 August 2024



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Financial Information



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - AS AT 30 JUNE 2024

	Note	2024 \$	2023 (Restated) \$
Sales Revenue	10	4,262,840	1,784,243
Cost of Sales		(2,147,414)	(1,225,999)
Gross Profit		2,115,426	558,244
Other Income	11.1	53,789	81,265
Consulting and Professional fees		(102,573)	(167,793)
Audit and Accounting fees		(194,499)	(212,708)
Director Fees		(208,245)	(182,236)
Depreciation		(201,423)	(231,443)
Marketing		(1,220,651)	(867,563)
Insurance		(129,081)	(97,381)
Research and Development		(10,283)	(1,824)
Legal expenses		(103,057)	(295,365)
Occupancy costs		(172,257)	(189,151)
Employment costs	15	(1,779,247)	(1,730,798)
ASX Fees		(180,930)	(98,855)
Other expenses	11.2	(1,340,788)	(1,044,114)
Finance expenses		(173,349)	(269,700)
Impairment of loss of plants		(7,418)	(7,079)
Impairment of provision of receivables		(13,805)	(26,203)
Impairment of goodwill		-	(342,251)
Impairment of inventory		(58,264)	(227,310)
Total Expenses		(5,892,407)	(5,991,772)
Loss before income tax expense		(3,726,655)	(5,352,263)
Income tax (benefit)/expense	17	-	-
Loss after tax from continuing operations		(3,726,655)	(5,352,263)
Other comprehensive income/(expense)			
Foreign exchange translation differences		25,370	(291,260)
Total comprehensive loss for the year		(3,701,285)	(5,643,523)
Basic and diluted loss per share (cents per share)	13	(0.33)	(1.62)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
Current assets			
Cash and cash equivalents	18	1,099,017	462,151
Trade and other receivables	19	636,164	296,237
Prepayments		89,481	166,516
Inventories	20	1,251,427	883,571
Total current assets		3,076,089	1,808,475
Non-current assets			
Property, plant and equipment	21	570,468	655,827
Intangible assets	22	466,830	467,738
Right-of-use assets	23	221,213	303,831
Total Non-current assets		1,258,511	1,427,396
Total assets		4,334,600	3,235,871
Current liabilities			
Trade and other payables	24	2,436,289	1,221,016
Provisions	25	116,616	99,711
Deferred revenue	26	27,029	8,279
Borrowings	27	447,877	1,193,125
Lease liability	23	226,608	271,528
Total current liabilities		3,254,419	2,793,659
Non-current liabilities			
Borrowings	27	1,538,028	888,091
Lease liability	23	-	-
Deferred tax liabilities		8,994	4,160
Total non-current liabilities		1,547,022	892,251
Total liabilities		4,801,441	3,685,910
Net liabilities		(466,841)	(450,039)
Equity			
Issued Capital	28	28,767,266	25,137,772
Reserves		158,573	78,214
Accumulated losses		(29,392,680)	(25,666,025)
Total equity		(466,841)	(450,039)

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

2024	Contributed Equity	Accumulated Loss	Foreign Exchange Reserve	Option Reserve	Business Combination Reserve	Total Equity
Balance at 1 July 2023	25,137,772	(25,666,025)	(234,195)	248,230	64,179	(450,039)
Shares issued during the year (net of costs)	3,629,494	-	-	-	-	3,629,494
Options Issued	-	-	-	54,989	-	54,989
Foreign exchange translation differences	-	-	25,370	-	-	25,370
Total profit items recognised directly in other Comprehensive income for the year						
Loss for the year	-	(3,726,655)	-	-	-	(3,726,655)
Total comprehensive income for the year	-	-	-	-	-	-
Balance as at 30 June 2024	28,767,266	(29,392,680)	(208,825)	303,219	64,179	(466,841)

2023	Contributed Equity	Accumulated Loss	Foreign Exchange Reserve	Option Reserve	Business Combination Reserve	Total Equity
Balance at 1 July 2022	22,302,523	(20,313,762)	57,065	172,029	64,179	2,282,034
Shares issued during the year (net of costs)	3,087,382	-	-	-	-	3,087,382
Options Issued	-	-	-	76,201	-	76,201
Foreign exchange translation differences	-	-	(291,260)	-	-	(291,260)
Total profit items recognised directly in other Comprehensive income for the year						
Loss for the year	-	(5,241,884)	-	-	-	(5,241,884)
Total comprehensive income for the year	-	-	-	-	-	-
Balance as at 30 June 2023	25,389,905	(25,555,646)	(234,195)	248,230	64,179	(87,527)
PY Error Adjustment (Note 37)	(252,133)	(110,379)	-	-	-	(362,512)
Balance as at 30 June 2023 (Restated)	25,137,772	(25,666,025)	(234,195)	248,230	64,179	(450,039)

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Cash receipts from customers		3,995,452	1,749,531
Interest received/paid (net)		(181,267)	(260,516)
Payments to suppliers and employees		(5,890,470)	(5,291,240)
Net cash used by operating activities	18	(2,076,285)	(3,802,225)
Cash flows from investing activities			
Intangible asset purchases		(47,692)	(5,901)
Plant and equipment purchases		(69,279)	(15,175)
Net cash used by investing activities		(116,971)	(21,076)
Cash flows from financing activities			
Share Issue (net costs)		2,270,353	3,087,382
Receipt of Loan or Convertible notes issued		700,000	439,692
Payment of Loan		(95,311)	-
Repayment of leases		(44,920)	(52,759)
Proceed from lease liability		-	-
Net cash generated by financing activities		2,830,122	3,474,315
Net decrease in cash and cash equivalents		638,656	(348,986)
Movement in foreign exchange		(1,790)	(2,919)
Cash and cash equivalents at the beginning of the period		462,151	814,056
Cash and cash equivalents at the end of the year	18	1,099,017	462,151

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

GENERAL INFORMATION

The Calmer Co. International Limited (Calmer Co. or the "Company") is a for-profit company limited by shares, domiciled and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The financial statements are presented in the Australian currency.

The nature of operations and principal activities of the Company are described in the Directors' Report.

1. Basis of Preparation

The consolidated financial statements of The Calmer Co. International Limited (the "Company") and its controlled entities ("Calmer Co." or the "Group") for the year ended 30 June 2024, represent a general purpose financial report prepared in accordance the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on the historical cost basis. The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

2. Functional and Presentation Currency

These consolidated financial statements are presented in Australian dollars which is the Company's functional currency. The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the consolidated financial statements and Directors' report have been rounded off to the nearest dollar, unless otherwise stated.

3. Use of Judgements and Estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 30 June 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is outlined below:

Calculation of loss allowance

When measuring expected credit losses ("ECL") the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Inventory Costing

Inventories mainly consist of Kava products (capsules and powder) and are measured at standard cost. A standard cost system determines inventory unit cost based on certain reasonable historical or expected cost, which are based on management's industry experience and expertise. Costs are assigned to individual items of stock on the basis of the direct materials, direct labour and direct overhead. Adequate provision has been made for slow moving and obsolete inventories.

Measurement at Fair Values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's audit committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 14 – share-based payment arrangements;
- Note 31 – financial instruments; and
- Note 33 – acquisition of subsidiary.

4. Changes in Significant Accounting Policies

The Group has not adopted any significant new accounting policies.

5. Significant Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

5.1. Consolidation

5.1.1. Business combination under common control (BCUCC)

BCUCCs are outside the scope of AASB 3 – Business Combinations when the same group of individuals has, as a result of contractual arrangements, ultimate collective power to govern the financial and operating policies of each of the

combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory.

The Group accounts for BCUCC transactions as follows:

- The assets and liabilities of the acquire are recognised at their previous carrying amounts;
- No adjustments are made to reflect the fair values and no new assets and liabilities of the acquire are recognised at the date of the business combination;
- No new goodwill is recognised; and
- Any difference between the acquired net assets and the consideration is recognised directly in equity in the business combination reserve.

5.1.2. Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

5.1.3. Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

5.1.4. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

5.2. Foreign Currency

5.2.1. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the end of the month of the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss and presented within finance costs.

5.2.2. Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Australian dollars at the exchange rates at the dates of the transactions. Foreign exchange differences on translation are recognised as a separate component of equity.

Exchange differences arising from the translation of the net investment in foreign operations are taken to translation reserve. They are recognised in the Statement of Profit or Loss and Other Comprehensive Income upon disposal.

5.3. Employee Benefits

5.3.1. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

5.3.2. Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised

as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

5.3.3. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

5.3.4. Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

5.4. Government Grants

The Group recognises an unconditional government grant related to a biological asset in profit or loss as other income when the grant becomes receivable. Other government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received, and the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

5.5. Finance Income and Finance Costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the net gain or loss on financial assets at FVTPL; and
- the foreign currency gain or loss on financial assets and financial liabilities;

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

5.6. Revenue

5.6.1. Sale of goods

Revenue is measured based on the consideration specified in a contract with a customer and excluded any amounts collected on behalf of third parties. The Group recognises revenue when it satisfies a performance obligation by transferring control over a product to a customer. Revenue from the sale of investments property is recognised at a point in time when control of the asset is transferred which is on delivery of the goods.

5.6.2. Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

5.7. Borrowing Costs

Borrowing costs comprise interest payable on borrowings calculated using the effective interest method, interest receivable on funds invested, dividend income and foreign exchange gains and losses. Borrowing costs are expenses as incurred and included in financing costs.

5.8. Income Tax

Income tax on the Statement of Profit or Loss and Other Comprehensive Income for the period comprises current and deferred tax. Income tax is recognised in the Statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences arising from the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future, are not provided for.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

5.9. Goods and Services Tax and Value added Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the local legislative taxation office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. The same treatment is applied to equivalent taxes in other jurisdictions including VAT. Receivables and payables are stated with the amount of GST/VAT included. The net amount of GST/VAT recoverable from, or payable to the local legislative taxation office is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the statement of cash flows on a gross basis. The GST/VAT components of cash flows arising from investing and financing activities which are recoverable from, or payable to the local legislative taxation office are classified as operating cash flows.

5.10. Inventories

Inventories consist mainly of kava products (capsules and powder) and are measured at the lower of cost and net realisable value. Costs are assigned to individual items of stock

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

on the basis of the landed Director cost, insurance, freight, and an allocation of overhead expenditure, the latter being allocated on the basis of labour incurred. Adequate provision has been made for slow moving and obsolete inventories.

5.11. Property, Plant and Equipment

5.11.1. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

5.11.2. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Land is not depreciated.

The depreciation rates used for each class of asset are as follows:

- Buildings - 1.25%
- Greenhouse - 1.25%
- Plant and equipment - 10.0%
- Motor vehicles - 12.0%
- Furniture and fittings - 15.0%

Assets are depreciated or amortised from the date of acquisition or, in respect of internally generated assets, from the time an asset is completed and held ready for use. Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

5.12. Intangible Assets

5.12.1. Recognition and measurement

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and any accumulated

impairment losses. Expenditure on internally generated intangibles and brands is recognised in the Statement of Profit or Loss and Other Comprehensive income as an expense as incurred. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred. Intangible assets are deemed to have an indefinite useful life are systematically tested for impairment at each reporting date.

Website costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised or amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

The Group has capitalised a portion of directly attributable development costs of new products. The costs are capitalised only when technical feasibility of new product is demonstrated, and the Group has an intention and ability to complete and use the products and the costs can be measured reliably. Such costs include purchase of materials and services and payroll related costs of employees directly involved in the product development. Research costs are recognised as an expense when incurred.

5.12.2. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method and is generally recognised in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

- Trademark costs - 10 years (2023: 10 years)

5.13. Financial Instruments

Financial Instruments – Assets

a. Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b. Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c. Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

i. Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent

solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

ii. Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

d. Impairment

The Group assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial Instruments – Liabilities

a. Classification

The Group classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at FVTPL, and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial liabilities and the contractual terms of the cash flows.

For financial liabilities measured at FVTPL, gains and losses, including any interest expenses will be recorded in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

For financial liabilities measured at amortised cost, the effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

b. Recognition and derecognition

Regular way purchases of financial liabilities are recognised on trade-date, the date on which the Group commits to purchase the financial liability. Financial liabilities are derecognised when the Group's obligations are discharged, cancelled or have

expired. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable is recognised in profit or loss.

c. Measurement

At initial recognition, the Group measures financial liabilities at its fair value plus, in the case of financial liabilities not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial liabilities. Transaction costs of financial liabilities carried at FVTPL are expensed in profit or loss.

5.14. Share Capital

Ordinary shares

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Reacquisition of ordinary shares

If the entity reacquires its own equity instruments, there is no gain or loss recognised in the Statement of Profit or Loss and Other Comprehensive Income, the instruments are cancelled and deducted from equity, and the consideration paid (net of income tax) is recognised directly in equity.

5.15. Compound Financial Instruments

Compound financial instruments issued by the Group comprise convertible notes denominated in Australian dollars that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

5.16. Impairment

Non-derivative financial assets

Financial instruments and contract assets

The Group recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU's) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

5.17. Provisions

A provision is recognised in the Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

5.18. Leases

As a lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses the incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments less lease incentives;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

5.19. Fair Value Measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities (see Note 2).

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

6. New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

7 Segment Reporting

Basis for operating segments

The Group has adopted AASB 8 Operating Segments whereby

segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the Board of Directors. At regular intervals, the board is provided with management information at a group level for the Group's cash position and a Group cash forecast for the next twelve months of operation.

The Group has the following four reportable segments namely South Pacific Elixirs Pty Limited ("SPE Fiji"), Fiji Kava Inc (USA), Danodan Hempworks LLC (USA) and Fiji Kava Australia Trading Pty Ltd ("Fiji Kava Australia Trading"). These reportable segments operate in three different geographical areas.

The following summary describes the operations of each reportable segment.

Reporting segments	Operations	Geographical areas
Fiji Kava Australia Trading	Marketing and Selling of products	Australia
SPE Fiji	Sourcing and manufacturing of kava powder	Fiji
Fiji Kava Inc (USA)	Marketing and Selling of products	USA
Danodan Hempworks LLC (USA)	Manufacture, Marketing and Selling of products	USA

The Group's chief executive officer reviews the internal management reports of each division on at least a monthly basis.

These reporting segments have not changed from the 2024 financial year.

There are varying levels of integration between the reporting segments. This integration includes transfers of raw materials and shared distribution services, respectively. Inter-segment pricing is determined on an arm's length basis.

Information about reportable segments

Information related to each reportable segment and all other segments is set out below. Segment profit (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

2024	Reportable Segments				Business Combination Reserve	Total Equity
	Fiji Kava Trading	SPE Fiji	Fiji Kava USA	Danodan		
External revenues	2,481,954	1,782,929	1,235,929	276,483	4,647	5,781,942
Inter-segment revenue		(1,465,313)	-	-	-	(1,465,313)
Segment Revenue	2,481,954	317,615	1,235,929	276,483	4,647	4,316,629
Segment profit (loss) before tax	(406,095)	(233,956)	123,462	(275,457)	(2,934,609)	(3,726,655)
Interest income	38	-	-	-	3,932	3,970
Interest expense	(35,361)	(16,382)	(17,442)	(9,414)	(94,750)	(173,349)
Depreciation and amortisation	11,848	130,814	33,640	1,222	23,899	201,423
Other material non-cash items:						
Impairment losses on non-financial assets	-	-	-	-	-	-
Segment assets	1,224,056	1,332,780	767,114	103,000	907,650	4,334,600
Segment liabilities	(662,156)	(668,127)	(461,769)	(139,725)	(2,869,664)	(4,801,441)

2023 (Restated)	Reportable Segments				Business Combination Reserve	Total Equity
	Fiji Kava Trading	SPE Fiji	Fiji Kava USA	Danodan		
External revenues	492,403	730,131	691,349	290,084	1,011	2,204,978
Inter-segment revenue	(56,109)	(283,361)	-	-	-	(339,470)
Segment Revenue	436,294	446,770	691,349	290,084	1,011	1,865,508
Segment profit (loss) before tax	(1,085,554)	(620,418)	(849,292)	(307,163)	(2,489,836)	(5,352,263)
Interest income	240	-	-	-	784	1,024
Interest expense	(2,156)	(80,264)	(83)	(16,664)	(31,017)	(130,184)
Depreciation and amortisation	(10,788)	(114,155)	(49,283)	(200)	(57,017)	(231,443)
Other material non-cash items:						
Impairment losses on non-financial assets	-	-	(342,251)	-	-	(342,251)
Segment assets	534,311	1,370,235	766,894	101,408	463,022	3,235,870
Segment liabilities	(625,533)	(547,524)	(294,667)	(13,456)	(2,204,730)	(3,685,910)

8. Disposal Group Held for Sale

The Group does not currently have any disposal group held for sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

9. Going Concern

The Financial Report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. During the financial year, the Group made a loss before tax of \$3,726,655 (2023: loss of \$5,352,263) and has accumulated losses of \$29,392,680. As at 30 June 2024, the Group held a net current liability position of (\$178,330) including a cash position of \$1,099,017. Based on the Group's cash flow forecast, management expects the net current asset position will provide approximately 4 months of funding, without including the benefit of continued revenue improvement which is expected to increase during FY 2025.

The Group's cash flow forecast shows that despite the projected growth in sales, it is likely that the Group will need to access additional working capital in the next few months to support and implement the Group's goals and objectives. The directors are confident that the Group will be successful in raising additional funds through the issue of new equity and/or debt as they have been successful in raising equity in previous periods.

Based on these facts, the directors consider the going concern basis of preparation to be appropriate for this financial report. Should the Group be unsuccessful in raising additional funds through the issue of new equity, there is a material uncertainty which may cast significant doubt whether the Group will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial statements do not include any adjustments relative to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a Going Concern.

10. Revenue

10.1. Revenue streams

The Group generates revenue primarily from the sale of Kava products to its customers. Other sources of revenue include rental income from an owned investment property (for a further split see note 11 below).

	2024 \$	2023 \$
Revenue from contracts with customers	4,262,840	1,784,243
Other income:		
Rental of office space	-	1,545
Other Revenue	53,789	79,720
Total Revenue	4,316,629	1,865,508

10.2. Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers (including revenue related to a discontinued operation) is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 7).

2024	Reportable Segments				Other	Total
	Fiji Kava Trading	SPE Fiji	Fiji Kava USA	Danodan		
Geographical Markets						
Australia	2,428,166	-	-	-	-	2,428,166
Fiji	-	317,615	-	-	-	317,615
Other	-	-	1,235,929	276,483	4,647	1,517,059
	2,428,166	317,615	1,235,929	276,483	4,647	4,262,840
Major product lines						
Drinking	2,035,446	246,737	299,462	28,198	-	2,609,843
Capsules	255,074	27,953	24,525	2481	-	310,032
Other	110,859	23,342	911,943	244,086	-	1,290,229
Other Revenue	26,788	19,583	-	1718	4,647	52,736
External Revenue as reported in Note 7	2,428,166	317,615	1,235,929	276,483	4,647	4,262,840

2023	Reportable Segments				Other	Total
	Fiji Kava Trading	SPE Fiji	Fiji Kava USA	Danodan		
Geographical Markets						
Australia	436,294	-	-	-	-	436,294
Fiji	-	446,770	-	-	-	446,770
Other	-	-	691,349	290,084	1,011	982,444
	436,294	446,770	691,349	290,084	1,011	1,865,508
Major product lines						
Drinking	233,895	374,075	83,684	-	-	691,654
Capsules	188,817	5,757	593,521	-	-	788,095
Other	2,050	-	14,144	290,084	784	307,062
Other Revenue	11,532	66,938	-	-	227	78,697
External Revenue as reported in Note 7	436,294	446,770	691,349	290,084	1,011	1,865,508

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

10.3. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	Note	2024 \$	2023 (Restated) \$
Receivables, which are included in 'trade and other receivables'	19	579,290	210,731
Contract assets		-	-
Contract liabilities		27,029	8,279

The contract assets primarily relate to the Group's rights to consideration for orders completed but not billed at the reporting date on made-to-order products. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

The contract liabilities primarily relate to the advance consideration received from customers.

10.4. Revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer and excludes any amounts collected on behalf of third parties. The Group recognises revenue when it satisfies a performance obligation by transferring control over a product to a customer.

11. Income and Expenses

11.1. Other Income

	2024 \$	2023 \$
Interest income	3,970	1,024
Rental income	-	1,545
Other income	49,819	78,696
	53,789	81,265

11.2. Other Expenses

	2024 \$	2023 \$
Information Technology expenses	146,792	129,928
Entertainment	8,122	4,410
Investor relations and Fundraising Costs	326,393	301,338
Motor vehicle	38,281	22,232
Printing, stationery & postage	4,594	1,886
Staff amenities	7,166	5,775
Storage & third party logistics	52,388	44,429
Subscriptions & publications	37,970	7,218
Travel expenses	221,748	147,537
Other miscellaneous expenses	497,333	379,361
	1,340,788	1,044,114

12. Net finance costs

See Accounting Policies in Note 5.5

	2024 \$	2023 \$
Finance income		
Interest income	3,970	1,024
Foreign exchange (gains)	-	-
Finance costs		
Foreign exchange losses	(7,918)	10,207
Bank fees	10,463	12,285
Loan fees	8,593	118,047
Interest expense	166,181	130,185
Net finance costs recognised in profit or loss	173,349	269,700

13. Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends);
- The after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

	2024 \$	2023 \$
Reconciliation of earnings to profit or loss		
Loss for the year	(3,726,655)	(5,352,263)
Loss used in the calculation of basic and diluted EPS	(3,726,655)	(5,352,263)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	1,139,492,309	322,749,927
Loss per share		
Basic and diluted loss per share (cents per share)	(0.33)	(1.65)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

14. Share Based Payment Arrangements

Share options (Equity-settled)

The key terms and conditions related to the grants under these programmes are as follows; all options are to be settled by the physical delivery of shares.

Name and grant date	Number of options	Contractual life of options
James Dack 30 November 2022	10,000,000	12 Months
James Dack 30 November 2022	10,000,000	18 Months
James Dack 30 November 2022	10,000,000	24 Months

Measurement of fair values

The fair value of the share options has been measured using the Black-Scholes formula.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows.

	2023
Fair value per option at grant date	\$0.00778
Market value per share at grant date	
Exercise price per option	\$0.02
Expected volatility ¹	82.74%
Expected life	2 years
Expected dividend yield	0.00%

Risk-free interest rate (based on government bonds)

¹Expected volatility has been based on an average of the standard deviation of the Group for approximately 2 years prior to the issuance of the options.

15. Employee Benefits

See accounting policies in Note 5.3

	2024 \$	2023 \$
Current liability for annual leave	116,616	99,711
Total employee benefit liabilities	116,616	99,711

Employee benefits expense

	2024 \$	2023 \$
Wages and salaries (including allowances)	1,418,048	1,508,074
Superannuation expense	128,523	105,697
Annual leave expense	17,022	(2,359)
Equity-settled share-based payments	116,716	68,084
Other employee benefits expense	98,938	51,302
	1,779,247	1,730,798

16. Auditor's Remuneration

Remuneration of the auditor for the Group for:

	2024 \$	2023 \$
Auditing or reviewing the financial reports	90,850	85,700
	90,850	85,700

17. Income Tax

See accounting policy in Note 5.8.

There are no current or deferred tax expenses during the year.

Reconciliation of income tax

The prima facie tax expense/(credit) on profit/(loss) from ordinary activities before income tax is reconciled to income tax is:

	2024 \$	2023 \$
Prima facie tax payable/(benefit) on profit/(loss) before income tax at 25% (2023: 25%)	(931,664)	(1,338,066)
Tax effect of other deductible expenses	12,161	(1,469)
International tax rate differences	18,623	77,255
Tax effect of unrecognised tax losses utilised	900,880	1,262,280
	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Tax losses carried forward

The Group has estimated tax losses of approximately \$4M (2023: \$5M). Utilization of the carried forward tax losses by the Group is subject to satisfaction of the Continuity of Ownership Test, the Same Business Test or the Similar Business Test.

Deferred tax asset

The Group has recognized a deferred tax asset of \$9K (2023: \$4) on the basis that it is not 'probable' that the carried forward revenue loss will be against future assessable taxable profits, as set out in the accounting policy of Note 5.8.

From 1 July 2021, the corporate tax rate in Australia for base rate entities has been 25%.

18. Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2024 \$	2023 \$
Cash at bank	1,067,351	430,984
Term deposits	31,666	31,167
Cash on hand	-	-
Cash and cash equivalent	1,099,017	462,151

Reconciliation of loss for the year to net cash flows from operating activities

	2024 \$	2023 (Restated) \$
Loss for the year	(3,726,655)	(5,352,263)
Non-cash items in profit from ordinary activities		
Depreciation	201,423	231,443
Shared based option expense	116,716	68,084
Interest expense and borrowing costs	173,349	239,902
Unrealised foreign exchange movement	(31,890)	(291,260)
Interest income	(3,970)	(1,024)
(Profit)/loss on sale of fixed assets	28,200	7,079
Movements in working capital		
(Increase)/decrease in receivables and prepayments	(262,892)	349,583
(Increase)/decrease in inventories	(367,856)	602,261
(Increase)/decrease in interest received	-	(827)
Increase/(decrease) in trade and other payables	1,874,414	286,523
Increase/(decrease) in deferred revenue	(18,750)	(12,605)
Increase/ (decrease) in interest paid	(75,279)	92,757
Increase/(decrease) in provisions	16,905	(21,878)
Net cash used in operating activities	(2,076,285)	(3,802,225)

Changes in liabilities arising from Financing Activities

	1 July 2023	Cash Flows	Conversion to Equity	Accrued interest	Other movements	30 June 2024
Short term borrowings	1,193,125	217,774	(973,600)	10,578	-	447,877
Long term borrowings	888,091	695,337	(46,400)	-	-	1,537,028
Lease Liabilities	271,528	(43,207)	-	(713)	-	227,608
Total	2,352,744	(870,904)	(1,020,000)	9,865	-	2,212,513

19. Trade and Other Receivables

	2024 \$	2023 \$
Current		
Trade receivables	562,468	207,905
Other Receivables	16,822	2,826
GST receivables	56,874	85,506
	636,164	296,237

Ageing of trade receivables	2024 \$	2023 \$
0 - 60 days	531,612	175,636
60 - 120 days	12,503	3,619
Over 120 days	18,353	28,650
	562,468	207,905

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The loss allowance provision as at 30 June 2024 is determined based on the expected credit losses, incorporating forward-looking information.

Fair value and credit risk

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair values.

The maximum exposure to credit risk is the fair value of receivables.

Foreign exchange and interest rate risk

Foreign exchange and interest rate risk exposure are disclosed in note 31.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

20. Inventories

See accounting policy in Note 5.10.

	2024 \$	2023 \$
Raw material	140,509	85,454
Finished goods	1,110,917	798,117
	1,251,427	883,571

21. Property, Plant and Equipment

See accounting policies in Note 5.11.

	Buildings	Green House	Plant & Equipment	Motor Vehicle	Lab & Nursery	Furniture & Fittings	Total
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Cost

Balance at 1 July 2023	-	169,654	536,479	85,339	-	181,909	973,381
Effect of movements in exchange rates	-	(1,794)	(512)	(539)	-	(590)	(3,435)
Acquisitions	-	-	19,942	58,916	-	-	78,858
Disposals	-	-	(28,200)	-	-	-	(28,200)
Other movement	-	(2,956)	(6,488)	(2,910)	-	(3,895)	(16,249)
Balance at 30 June 2024	-	164,904	521,221	140,806	-	177,424	1,004,355

	Buildings	Green House	Plant & Equipment	Motor Vehicle	Lab & Nursery	Furniture & Fittings	Total
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Accumulated Depreciation

Balance at 1 July 2023	-	33,185	193,699	38,355	-	52,314	317,553
Effect of movements in exchange rates	-	293	581	-	-	1,040	1,914
Depreciation	-	4,119	27,223	63,501	-	10,178	105,021
Disposals	-	-	-	-	-	-	-
Other movement	-	-	6,488	2,910	-	-	9,398
Balance at 30 June 2024	-	37,597	227,991	104,766	-	63,532	433,886

	Buildings	Green House	Plant & Equipment	Motor Vehicle	Lab & Nursery	Furniture & Fittings	Total
Cost							
Balance at 1 July 2022	113,251	166,501	512,285	205,530	63,262	13,199	1,074,028
Effect of movements in exchange rates	-	3,153	7,684	3,892	-	249	14,978
Acquisitions	-	-	5,827	-	-	168,462	174,289
Disposals	(113,251)	-	(17,650)	(124,083)	(63,262)	-	(318,246)
Other movement	-	-	28,330	-	-	-	28,330
Balance at 30 June 2023	-	169,654	536,479	85,339	-	181,909	973,379

	Buildings	Green House	Plant & Equipment	Motor Vehicle	Lab & Nursery	Furniture & Fittings	Total
Accumulated Depreciation							
Balance at 1 July 2022	18,090	15,475	110,194	111,658	17,300	6,333	279,050
Effect of movements in exchange rates	-	293	1,983	2,114	-	119	4,509
Depreciation	7,592	9,176	76,664	21,128	8,320	4	122,884
Disposals	(25,682)	-	-	(96,545)	(25,620)	-	(147,847)
Other movement	-	8,241	4,858	-	-	45,859	58,958
Balance at 30 June 2023	-	33,185	193,699	38,355	-	52,314	317,554

Property, plant and equipment does not include right-of-use assets. Please see note 23 for information on leased assets.

22. Intangible Assets

	2024 \$	2023 \$
Capitalised website costs, at cost	-	-
Trademarks	623,771	576,079
Accumulated amortisation	(156,941)	(108,341)
Goodwill	-	-
	466,830	467,738

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Amortisation

The amortisation of trademarks and website costs is included in 'total expenses' under depreciation.

Impairment tests for goodwill

Goodwill is allocated to the Danodan operations as a single cash-generating unit (CGU) which is included in the US business segment, and to Danodan following the acquisition as a single cash-generating unit included in the USA business segment. The recoverable amount of the CGU is determined based on a valuation performed on the business (fair value less costs to sell). Goodwill on the Danodan acquisition has been fully written off.

23. Leases

Leases as a lessee

The group's lease portfolio includes building and Kava plantation estate in Fiji. The option to extend or terminate are contained in property leases of the group. These clauses provide the group opportunities to manage leases to align with its strategies. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see Note 5.18).

2024	Total \$
Right of use assets	
Opening balance	303,831
Right of use assets acquired	-
Current year disposals	-
Other current year increase / (decrease)	(1,867)
Depreciation charge for the year	(80,750)
Closing Balance	221,213
2024	Total \$
Lease Liabilities	
Opening balance	271,528
Current year additions	-
Current year disposals	-
Other current year increase / (decrease)	-
Accretion of interest	1,713
Payments made	(46,633)
Closing Balance	226,608

2024	Total \$
Current	226,608
Non-current	-
Closing Balance	226,608

Amounts recognised in profit or loss	Total \$
Interest on lease liabilities	15,955
Expenses relating to short-term leases	-

Amounts recognised in statement of cash flows	Total \$
Income from sublease	-
Total cash inflow for leases	37,698

24. Trade and Other Payables

See Note 5.13 for measurement policies.

	2024 \$	2023 (Restated) \$
Current		
Trade payables	1,124,241	673,568
Share subscription funds received in advance	663,960	310,150
Other payables	217,485	114,278
Accrued expenses	430,603	123,020
	2,436,289	1,221,016

Information about the Group's exposure to currency and liquidity risks is included in the notes to these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

25. Provisions

See accounting policy in note 5.17

	2024 \$	2023 \$
Balance at start of year	99,711	124,203
Employee Annual Leave Provision		
Provisions made during the year	30,573	22,702
Provisions used during the year	(13,668)	(47,194)
Provisions reversed during the year	-	-
Closing balance	116,616	99,711

26. Deferred Revenue

See accounting policy in note 5.6

	2024 \$	2023 \$
Other Grants	-	8,279
Unearned Income	27,029	
	27,029	8,279

27. Borrowings

	2024 \$	2023 \$
Current		
Convertible Notes	-	973,600
Other Borrowings	447,877	219,525
	447,877	1,193,125
Non-Current		
Convertible Notes	1,320,259	665,902
SBA Loan	217,769	222,189
	1,538,028	888,091

Convertible notes	2024 \$
Balance at 1 July 2023	1,639,503
Proceeds from issue of convertible notes during the year	700,000
Transaction costs during the year	756
Net proceeds	2,340,259
Notes converted during the year	(1,020,000)
Carrying amount of liability at 30 June 2024	1,320,259

Terms and conditions

The terms and conditions of the convertible note (issued in FY 2022):

- Maturity date: 60 months anniversary of issue date
- Interest rate: 5% per annum
- Conversion rate: 5% discount per annum with a maximum conversion price of \$0.15.

US Small Business Administration (SBA) Loan	Current \$	Non-current \$
Balance at 1 July 2023	-	222,189
Transaction costs during the year	-	-
Net proceeds	-	222,189
Interest accrued during the year	9,086	-
Interest paid during the year	(9,086)	-
Principal Repayment	-	(4,058)
Foreign exchange movement (USD/AUD)	-	(362)
Carrying amount of liability at 30 June 2024	-	217,769

Terms and conditions

The terms and conditions of the SBA Loan is:

- Details: Currently paying principal and interest on the loan taken out 4 June 2020 with a maturity of 30 years from the date of the loan.
- Interest rate: 3.75% per annum

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

28. Issued Capital

Fully paid ordinary shares	2024		2023	
	No.	\$	No.	\$
Balance at beginning of the reporting period	444,777,593	25,137,772	190,940,264	22,302,523
Shares issued during the year Placement (net costs)	758,353,665	2,581,409	170,977,202	2,258,040
Conversion of Convertible Note	282,349,484	1,048,085	82,860,127	577,209
Balance at end of the reporting period	1,485,480,742	28,767,266	444,777,593	25,137,772

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Issue of ordinary shares

The Company completed a capital raising of 2,581,409 during the year with the issue of 758,353,665 shares.

29. Capital risk management

When managing capital, the Board's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

In the short to medium term the Group is focussed on maintaining an appropriate level of working capital. Until achievement of profitable operations and positive cash flow, the Directors do not anticipate paying dividends.

The level of dividends paid by the Company in the future will depend upon the availability of distributable earnings, the Company's franking credit position, operating results, available cash flow, financial condition, taxation position, future capital requirements, as well as general business and financial conditions and any other factors the Directors may consider relevant.

The Group is not subject to any externally imposed capital requirements.

30. Reserves

Option reserve

The option reserve records items recognised as expenses on valuation of employee share options.

Business combination reserve

The business combination reserve recognises any difference between the acquired net assets and the consideration exchanged in a business combination under common control transaction, as described in Note 5.1.1.

Foreign exchange reserve

The foreign exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity, as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

31. Financial Instruments - Risk Management

Financial Risk Management Policies

This note presents information about the Group's exposure to risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital.

The Group's financial instruments consist mainly of deposits with banks, accounts payable and receivable and convertible notes.

The Group does not speculate in the trading of derivative instruments.

A summary of the Group's Financial Assets and Liabilities is shown below:

2024	Note	Floating Interest Rate \$	Fixed Interest Rate \$	Non-interest Bearing \$	Total \$
Financial Assets					
Cash and cash equivalents	18	1,099,017	-	-	1,099,017
Trade and other receivables	19	-	-	636,164	636,164
Total Financial Assets		1,099,017	-	636,164	1,735,181
Financial Liabilities					
Borrowings	27	-	1,985,905	-	1,985,905
Trade and other payables	24	-	-	2,436,289	2,436,289
Total Financial Liabilities		-	1,985,905	2,436,289	4,422,194
Net Financial Assets/(Liabilities)		1,099,017	(1,985,905)	(1,800,125)	(2,687,013)
2023	Note	Floating Interest Rate \$	Fixed Interest Rate \$	Non-interest Bearing \$	Total \$
Financial Assets					
Cash and cash equivalents	18	462,151	-	-	462,151
Trade and other receivables	19	-	-	296,237	296,237
Total Financial Assets		462,151	-	296,237	758,388
Financial Liabilities					
Borrowings	27	-	2,081,216	-	2,081,216
Trade and other payables	24	-	-	1,221,366	1,221,366
Total Financial Liabilities		-	2,081,216	1,221,366	3,302,582
Net Financial Assets/(Liabilities)		462,151	(2,081,216)	(925,129)	(2,544,194)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Specific Financial Risk Exposures and Management

The main risk the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Group's risk profile. This includes assessing, monitoring and managing risks for the Group and setting appropriate risk limits and controls. The Group is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Instead, the Board approves all expenditure, is intimately acquainted with all operations and discuss all relevant issues at the Board meetings. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in debt securities.

Credit risk exposures

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

The maximum exposure to credit risk is that to its alliance partners and that is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with financial institutions residing in Australia, where-ever possible.

Impairment losses

The Group has recognised \$13,805 (2023: \$26,203) impairment expense in relation to trade receivables in the current year.

Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

The financial liabilities of the Group are confined to trade and other payables and borrowings as disclosed in the Note 24 and 27 of the financial statements.

The following are the remaining contractual maturities of financial liabilities at the reporting date.

Financial Asset and Liability Maturity Analysis

	Within 1 Year	Over a year	Total
Financial liabilities due for payment at 30 June 2024			
Trade payables	1,120,547	-	1,120,547
Other payables	1,315,742	-	1,315,742
Convertible note and borrowings	447,877	1,538,028	1,985,905
Total contractual outflows	2,884,166	1,538,028	4,422,194

	Within 1 Year	Over a year	Total
Financial liabilities due for payment at 30 June 2023			
Trade payables	673,568	-	673,568
Other payables	547,447	-	547,447
Convertible note and borrowings	1,193,125	888,091	2,081,216
Total contractual outflows	2,414,140	888,091	3,302,231

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board meets on a regular basis and considers the Group's exposure currency and interest rate risk.

1. Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	2024 \$	2023 \$
Fixed rate		
Borrowings	(1,985,905)	(2,081,216)
Floating rate		
Cash and cash equivalents	1,099,017	462,151

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Sensitivity Analysis

Fixed rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at FVTPL, therefore, a change in interest rates at the reporting date would not affect profit or loss.

Floating rate instruments

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance sheet date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

A change of 100 basis points in the interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. The analysis was performed on the same basis for 2023.

	Profit \$	Equity \$
Year ended 30 June 2024		
±100 basis points change in interest rates	± 10,990	± 10,990
Year ended 30 June 2023		
±100 basis points change in interest rates	± 4,622	± 4,622

1. Foreign Exchange Risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group. The Group transacts in Fijian Dollar, US Dollar and New Zealand Dollar as well as AUD but these are not considered to be significant in comparison to the AUD denominated transactions/balances.

	2024			2023		
	FJD	USD	NZD	FJD	USD	NZD
Trade receivables	2,166,783	26,845	-	61,900	29,212	-
Trade payables	(562,650)	(193,094)	(995)	(68,852)	(14,647)	(995)
Net exposure	1,604,133	(166,249)	(995)	(6,952)	14,565	(995)

The following exchange rates have been applied.

AUD to	Average Rate		Year-end rate	
	2024	2023	2024	2023
FJD	1.476	1.482	1.494	1.484
USD	0.656	0.673	0.667	0.663
NZD	1.090	1.093	1.094	1.088

Sensitivity Analysis

A reasonably possible strengthening or weakening of the Australian dollar, Fijian dollar, US dollar or New Zealand dollar against all other currencies at 30 June would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit \$	Equity \$
Year ended 30 June 2024		
FJD (3% movement)	6,822	13,644
USD (8% movement)	33,871	67,742
NZD (3% movement)	-	-
Year ended 30 June 2023		
FJD (3% movement)	2,096	4,192
USD (8% movement)	18,403	36,806
NZD (3% movement)	-	-

32. Parent Entity Information

	2024 \$	2023 \$
Financial Position of The Calmer Co. International Limited		
Current Assets	16,426,366	15,202,194
Non-current assets	214,052	172,657
	16,640,418	15,374,851
Current liabilities	1,666,379	1,538,206
Non-current liabilities	1,320,259	665,903
	2,986,638	2,204,109
Net Assets	13,653,780	13,170,742
Contributed equity	24,454,452	21,077,079
Reserves	146,235	29,517
Accumulated losses	(10,946,907)	(7,935,854)
Total Equity	13,653,780	13,170,742
Financial Performance of The Calmer Co. International Limited		
Loss for the year	(2,900,673)	(2,391,424)
Total Comprehensive Loss	(2,900,673)	(2,391,424)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Guarantees entered into by The Calmer Co. International Limited

There are no guarantees entered into by The Calmer Co. International Limited for the debts of its subsidiaries as at 30 June 2024 (2023: none).

Contingent Liabilities of The Calmer Co. International Limited

There are no contingent liabilities as at 30 June 2024 (2023: none).

Commitments of The Calmer Co. International Limited

There are no commitments as at 30 June 2024 (2023: none).

33. Subsidiaries

See accounting policy in Note 5.1.2.

The consolidated financial statements include the financial statements of The Calmer Co. International Limited (legal parent) and the subsidiaries listed in the following table.

Subsidiary Name	Country of Incorporation	% Equity Interest 2024	% Equity Interest 2023
Fiji Kava (Australia) Trading Pty Ltd	Australia	100%	100%
Fiji Kava Inc	USA	100%	100%
Fiji Kava NZ Limited	New Zealand	100%	100%
South Pacific Elixirs Ltd	Fiji	100%	100%
Danodan Hempworks LLC	USA	100%	90%

34. Contingent Assets and Liabilities

No contingent assets or liabilities exist as at the date of this report.

35. Related Party Transactions

The ultimate parent

The ultimate parent and ultimate controlling parent of the Group is The Calmer Co. International Limited.

Key management personnel compensation

The totals of remuneration paid or payable to KMP during the year are as follows:

	2024 \$	2023 \$
Short term employee benefits	574,965	469,706
Post-employment benefits	52,128	39,785
Other long-term benefits	-	-
Share-based payments	149,784	201,747
	776,877	711,238

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid to each member of the Group's KMP for the year ended 30 June 2024.

Key management personnel transactions

A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies.

A number of these companies transacted with the Group during the year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel-related companies on an arm's length basis.

The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control or significant influence were as follows.

	Transaction value 2024 \$	Transaction value 2023 \$
Consulting Service fees paid to Forest House Pty Ltd ¹	16,932	36,930
Consulting Service fees paid to NCES Enterprises Pty Ltd ²	-	3,333
Consulting Service fees paid to Yoshida Enterprises Pty Ltd ³	-	-
Consulting Service fees paid to Bio Pacific Partners Ltd ⁴	11,509	14,583

¹Forest House Pty Ltd, a company related to Jay Stephenson, provided consulting services to the Group in relation to the creation of the Company's Prospectus.

²NCES Enterprises Pty Ltd, a company related to Nicholas Simms, provided consulting services to the Group in relation to sales and marketing.

³Yoshida Enterprises Pte Ltd, a company related to Zane Yoshida, provided consulting services to the Group.

⁴Bio Pacific Partners Ltd, a company related to Dr Andrew Kelly, Provided consulting services to the Group.

From time to time Directors of the Group, or their related entities, may buy goods from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers.

36. Subsequent Events

During the months of July 2024, the Group successfully raised \$2,644,848 in additional funding through a rights issue.

With exception to the above, no matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

37. Prior year error adjustments

At the General Meetings dated 12th April 2023, 22nd June 2023 and Annual General Meeting dated 20th November 2023, the shareholders voted in favour of issuing shares to Directors in lieu of Directors fees valued at \$130,792 relating to services performed in the 2023 FY. The issuance of these shares was not captured in the financial statements for the year ended 30 June 2023.

During the 30 June 2023 financial year, the Group recognised capital raising costs of \$20,413 as investor relations expenses. These costs were associated with direct share issuances and should have been recognised in Share Capital.

On the 19th April 2023, the Group announced a \$500,000 placement with a proposed issue date of 6th June 2023. A number of these shares were not formally issued until 5th July 2023. An amount of \$310,510 relating to these unissued shares should have been classified as subscription funds received in advance as at 30 June 2023.

The impact of these adjustments are set out below:

Accounts Impacted	30 June 2023 Audited	Adjustment	30 June 2023 Restated
Consolidated Statement of Financial Position			
Share Capital			
(Share based payment – directors fees)		78,430	
(Reclassification of capital raising costs)		(20,413)	
(Shares subscription funds received in advance)		(310,150)	
Total Share Capital	25,389,905	(252,133)	25,137,772
Accumulated Losses			
(Directors fees)		(130,792)	
(Reclassification of capital raising costs)		20,413	
Total Accumulated Losses	(25,555,646)	(110,379)	(25,666,025)
Trade and other payables			
(Accrued directors Fees)		52,362	
(Share subscription funds received in advance)		310,150	
Total Trade and other payables	858,504	362,512	1,221,016
Total Liabilities	3,323,398	362,512	3,685,910
Net Liabilities	87,527	362,512	450,039
Consolidated Statement of Profit or Loss and Other Comprehensive Income			
Director fees expense		130,792	
Other expenses (reclassification to capital raising costs)		(20,413)	
Loss after tax from continuing operations	5,241,884	110,379	5,352,263

Consolidated Entity Disclosure Statement
As at 30 June 2024

Name of entity	Type of entity	Trustee, partner or participant n JV	% of share capital	Country of incorporation	Australian or foreign resident for tax	Foreign jurisdiction(s) of foreign residents for tax
The Calmer Co International Limited	Body Corporate	-	-	Australia	Australia	n/a
Fiji Kava (Australia) Trading Pty Ltd	Body Corporate	-	100	Australia	Australia	n/a
Fiji Kava Inc	Body Corporate	-	100	USA	USA	n/a
Fiji Kava NZ Limited	Body Corporate	-	100	New Zealand	New Zealand	n/a
South Pacific Elixirs Ltd	Body Corporate	-	100	Fiji	Fiji	n/a
Danodan Hempworks LLC	Body Corporate	-	100	USA	USA	n/a

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages [38 to 77], are in accordance with the Corporations Act 2001 (Cth) and:
 - (a) comply with Accounting Standards;
 - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1.1 to the financial statements; and
 - (c) give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Consolidated Group.
 - (d) the information disclosed in the attached Consolidated Entity Disclosure Statement is true and correct.
2. The Chief Executive Officer and Chief Finance Officer have each declared that:
 - (a) the financial records of the Consolidated Group for the financial year have been properly maintained in accordance with s 286 of the Corporations Act 2001 (Cth);
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Mr James Dack
Chairman

Dated this 30th day of August 2024

Independent Auditor's Report

For personal use only



INDEPENDENT AUDITOR'S REPORT – TO THE MEMBERS OF THE CALMER CO. INTERNATIONAL LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of The Calmer Co. International Limited and controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, **the consolidated entity disclosure statement and the directors' declaration.**

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 9 of the financial statements which indicates that the Group incurred a loss before tax of \$3,726,655, has accumulated losses of \$29,392,680 and held a net current liability position of \$178,330. As stated in Note 9, these events or conditions, along with other matters set forth in Note 9, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2024. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<p>Going Concern</p> <p>Refer to Note 9 – Going Concern</p> <p>For the financial year ended 30 June 2024, The Calmer Co. International Limited incurred a net loss of \$3.7m, net cash outflows from operating activities of \$2.07m and net cash outflows from investing activities of \$117k.</p> <p>The directors have prepared the financial report on the going concern basis. The directors' assessment of the Group's ability to continue as a going concern is based on a cash flow budget and potential future capital raising.</p> <p>We determined this assessment of going concern to be a key audit matter due to the significant judgements involved in preparing the cashflow budget and the potential material impact of the results of management's assessment.</p>	<p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Critically assessing the directors' reasons as to why they believe it appropriate to prepare the financial report on a going concern basis; • Reviewing the current financial position of the Group; • Assessing the appropriateness and mathematical accuracy of the cash flow forecasts and budgets prepared by management; • Challenging the reasonableness of key assumptions used; and • Assessing the adequacy of the going concern disclosures in the financial report.
<p>Inventory Existence and Valuation</p> <p>Refer to Note 20 – Inventory</p> <p>The Calmer Co. International Limited has inventories at a carrying value of \$1.25m at 30 June 2024 as disclosed in Note 20. Inventory valuation and existence was an audit focus area because of the number of locations that inventory was held at, and the judgement applied to the valuation of inventory to incorporate potential impairment on slow moving product lines.</p>	<p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Observed the stocktake process at selected locations near period end and undertook our own test counts. • For inventory held at third party distribution centres, we obtained independent verification of inventories held at balance date and reconciled back to the inventory reports. • Assessed the inventory impairment provision by reviewing the level of inventory write downs during the period. • Held discussions with management to understand and corroborate the assumptions applied in estimating the impairment provisions. • Performed lower of cost or net realisable

	<p>value testing on a sample of inventory items to confirm that there was no further impairment on other inventory items.</p> <ul style="list-style-type: none"> Assessing the appropriateness of the disclosures included in the relevant notes to the financial report.
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Information Other Than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Director's Responsibility for the Financial Report

The directors of the company are responsible for the preparation of

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key **audit matters**. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

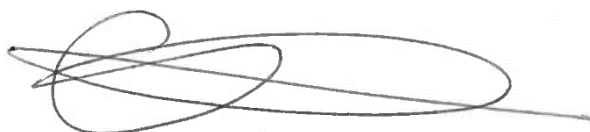
Opinion on the Remuneration Report

We have audited the remuneration report included in pages 32 to 37 of the directors' report for the year ended 30 June 2024.

In our opinion the remuneration report of The Calmer Co. International Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



HALL CHADWICK QLD

Clive Massingham
Director
Hall Chadwick Qld, Chartered Accountants

Dated at Brisbane this 30th August 2024

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of The Calmer Co. International Limited

As lead auditor for the audit of the financial report of The Calmer Co. International Limited for the financial year ended 30 June 2024, I declare, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The Calmer Co. International Limited and the entities it controlled during the financial period.



HALL CHADWICK QLD

Clive Massingham
Director
HALL CHADWICK QLD, Chartered Accountants

Dated this 30th August 2024

Corporate Governance Statement



CORPORATE GOVERNANCE STATEMENT

The Board of The Calmer Co International Limited (CCO or Company) is committed to conducting the business of the Company in an ethical manner and in accordance with principles of best practice in corporate governance, and is responsible for ensuring the existence of an effective corporate governance environment to safeguard the interests of the Company, its shareholders and other stakeholders.

This Corporate Governance summary discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication 'Corporate Governance Principles and Recommendations (4th Edition)' (Principles or Recommendations) as at the date indicated. The Principles are not prescriptive regarding the conduct of ASX-listed companies but require a company to disclose the reasons why it is not complying fully with the Principles. To the extent that they are relevant and appropriate to CCO's present circumstances, the Company has adopted the Principles. This statement details where the Recommendations have not been followed, and the reasons therefore.

All references to the Website are to the investor section of the company's website, which can be accessed at The Calmer Co

Principles and Recommendations	Comply	Explanation
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should have and disclose a charter which: <ul style="list-style-type: none"> (a) sets out the respective roles and responsibilities of the board, the chair and management; and (b) includes a description of those matters expressly reserved to the board and those delegated to management. 	Complying	The Company has adopted a Board Charter. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Boards composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors access to company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. A copy of the Company's Board Charter is stated in Schedule 1 of the Corporate Governance Plan which is available on the Company's website.
Recommendation 1.2 A listed entity should: <ul style="list-style-type: none"> (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and (b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director. 	Complying	(a) The Company has detailed guidelines for the appointment and selection of the Board. The Company's Corporate Governance Plan requires the Board to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director. (b) Material information relevant to any decision on whether or not to elect or re-elect a Director will be provided to security holders in the notice of meeting holding the resolution to elect or re-elect the Director.
Recommendation 1.3 A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	Complying	The Company's Corporate Governance Plan requires the Board to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.

CORPORATE GOVERNANCE STATEMENT

Principles and Recommendations	Comply	Explanation
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Complying	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.
Recommendation 1.5 A listed entity should: <ul style="list-style-type: none"> (a) have a diversity policy which includes requirements for the board: <ul style="list-style-type: none"> (i) to set measurable objectives for achieving gender diversity; and (ii) to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period: <ul style="list-style-type: none"> (i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and (ii) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (B) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012. 	Complying	(a) The Company has adopted a Diversity Policy. <ul style="list-style-type: none"> (i) The Diversity Policy provides a framework for the Company to achieve a list of 6 measurable objectives that encompass gender equality. (ii) The Diversity Policy provides for the monitoring and evaluation of the scope and currency of the Diversity Policy. The Company is responsible for implementing, monitoring and reporting on the measurable objectives. (b) The Diversity Policy is stated in Schedule 10 of the Corporate Governance Plan which is available on the company website. <ul style="list-style-type: none"> (c) <ul style="list-style-type: none"> (i) The measurable objectives set by the Board will be included in the annual key performance indicators for the CEO, MD and senior executives. In addition the Board will review progress against the objectives in its annual performance assessment. (ii) As at 30 June 2022, there were no female directors or executives. The Board will review this position on an annual basis and will implement measurable objectives as and when they deem the Company to require them.

Principles and Recommendations	Comply	Explanation
Recommendation 1.6 A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual Directors; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	Complying	<p>(a) The Board is responsible for evaluating the performance of the Board and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this can be found in Schedule 6 of the Company's Corporate Governance Plan.</p> <p>(b) The Company's Corporate Governance Plan requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period.</p> <p>Due to the size of the Board and the nature of the business, it has not been deemed necessary to institute a formal documented performance review program of individuals. However, the Chairman intends to conduct formal reviews each financial year whereby the performance of the Board as a whole and the individual contributions of each Director are disclosed. The Board considers that at this stage of the Company's development an informal process is appropriate.</p> <p>The review will assist to indicate if the Board's performance is appropriate and efficient with respect to the Board Charter.</p> <p>The Board regularly reviews its skill base and whether it remains appropriate for the Company's operational, legal and financial requirements. New Directors are obliged to participate in the Company's induction process, which provides a comprehensive understanding of the Company, its objectives and the market in which the Company operates.</p> <p>Directors are encouraged to avail themselves of resources required to fulfil the performance of their duties.</p>
Recommendation 1.7 A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	Complying	<p>(a) The Board is responsible for evaluating the performance of senior executives. The Board is to arrange an annual performance evaluation of the senior executives.</p> <p>(b) The Company's Corporate Governance Plan requires the Board to conduct annual performance of the senior executives. Schedule 6 'Performance Evaluation' requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period.</p> <p>During the financial year an evaluation of performance of the individuals was not formally carried out. However, a general review of the individuals occurs on an on-going basis to ensure that structures suitable to the Company's status as a listed entity are in place.</p>

CORPORATE GOVERNANCE STATEMENT

Principles and Recommendations	Comply	Explanation
Principle 2: Structure the board to add value		
Recommendation 2.1 The board of a listed entity should: <ul style="list-style-type: none"> (a) have a nomination committee which: <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively. 	Complying	<p>(b) Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Nomination Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Nomination Committee under the written terms of reference for that committee.</p> <p>The duties of the Nomination Committee are outlined in Schedule 5 of the Company's Corporate Governance Plan available online on the Company's website.</p> <p>The Board devotes time at board meetings to discuss board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.</p> <p>The Board regularly updates the Company's board skills matrix (in accordance with recommendation 2.2) to assess the appropriate balance of skills, experience, independence and knowledge of the entity.</p>

Principles and Recommendations	Comply	Explanation																																		
Recommendation 2.2 A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Complying	<table><thead><tr><th>Board Skills Matrix</th><th>Number of Directors that Meet the Skill</th></tr></thead><tbody><tr><td>Executive & Non- Executive experience</td><td>5</td></tr><tr><td>Industry experience & knowledge</td><td>5</td></tr><tr><td>Leadership</td><td>5</td></tr><tr><td>Corporate governance & risk management</td><td>5</td></tr><tr><td>Strategic thinking</td><td>5</td></tr><tr><td>Desired behavioural competencies</td><td>5</td></tr><tr><td>Geographic experience</td><td>5</td></tr><tr><td>Capital Markets experience</td><td>5</td></tr><tr><td>Subject matter expertise:</td><td></td></tr><tr><td>- accounting</td><td>1</td></tr><tr><td>- capital management</td><td>5</td></tr><tr><td>- corporate financing</td><td>5</td></tr><tr><td>- industry taxation</td><td>1</td></tr><tr><td>- risk management</td><td>5</td></tr><tr><td>- legal¹</td><td>0</td></tr><tr><td>- IT expertise²</td><td>1</td></tr></tbody></table> <p>¹ Skill gap noticed however an external legal firm is employed to maintain legal requirements.</p> <p>² Skill gap noticed however an external IT firm is employed on an adhoc basis to maintain IT requirements.</p>	Board Skills Matrix	Number of Directors that Meet the Skill	Executive & Non- Executive experience	5	Industry experience & knowledge	5	Leadership	5	Corporate governance & risk management	5	Strategic thinking	5	Desired behavioural competencies	5	Geographic experience	5	Capital Markets experience	5	Subject matter expertise:		- accounting	1	- capital management	5	- corporate financing	5	- industry taxation	1	- risk management	5	- legal ¹	0	- IT expertise ²	1
Board Skills Matrix	Number of Directors that Meet the Skill																																			
Executive & Non- Executive experience	5																																			
Industry experience & knowledge	5																																			
Leadership	5																																			
Corporate governance & risk management	5																																			
Strategic thinking	5																																			
Desired behavioural competencies	5																																			
Geographic experience	5																																			
Capital Markets experience	5																																			
Subject matter expertise:																																				
- accounting	1																																			
- capital management	5																																			
- corporate financing	5																																			
- industry taxation	1																																			
- risk management	5																																			
- legal ¹	0																																			
- IT expertise ²	1																																			
Recommendation 2.3 A listed entity should disclose:	Complying	(a) The Board Charter provides for the disclosure of the names of Directors considered by the Board to be independent. These details are provided in the Annual Reports and Company website.																																		
(a) the names of the Directors considered by the board to be independent Directors;																																				
(b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and		(b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Directors interests, positions associations and relationships are provided in the Annual Reports and Company website.																																		
(c) the length of service of each Director		(c) The Board Charter provides for the determination of the Directors' terms and requires the length of service of each Director to be disclosed. The length of service of each Director is provided in the Annual Reports and Company website.																																		

CORPORATE GOVERNANCE STATEMENT

Principles and Recommendations	Comply	Explanation
Recommendation 2.4 A majority of the board of a listed entity should be independent Directors.	Complying	The Board Charter requires that where practical the majority of the Board will be independent. Dr Andrew Kelly and Nicholas Simms are Independent Directors. Details of each Director's independence are provided in the Annual Reports and Company website.
Recommendation 2.5 The chair of the board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.	Complying	The Board Charter provides that where practical, the Chairman of the Board will be an independent Chairman. If the Chairman ceases to be independent then the Board will consider appointing a lead independent Director.
Recommendation 2.6 A listed entity should have a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.	Complying	The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for Directors. The Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.
Principle 3: Act ethically and responsibly		
Recommendation 3.1 A listed entity should articulate and disclose its values	Complying	The Company values are articulated and disclosed on the Company's website.
Recommendation 3.2 A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a code of conduct for its Directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code by a Director or senior executive; and (c) any other material breaches of that code that call into question the culture of the organisation. 	Complying	(a) The Corporate Code of Conduct applies to the Company's Directors, senior executives and employees. (b) The Company's Corporate Code of Conduct is in the Corporate Governance Plan, which is summarised on the Company's website.
Recommendation 3.3 A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. 	Complying	The Company has a whistleblowing policy which is outlined in the Company Corporate Governance Plan. The board is informed of any material incidents reported under the policy.

Principles and Recommendations	Comply	Explanation
A listed entity should: (a) have and disclose an anti-bribery policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Complying	The Company has an anti-corruption policy which is outlined in the Company Corporate Governance Plan. The board is informed of any material incidents reported under the policy.
Principle 4: Safeguard integrity in financial reporting		
Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and (ii) is chaired by an independent Director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Complying	(b) Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Audit and Risk Committee. Pursuant to Clause 4(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee. The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website. The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.

CORPORATE GOVERNANCE STATEMENT

Principles and Recommendations	Comply	Explanation
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Complying	The Company's Corporate Governance Plan states that a duty and responsibility of the Board is to ensure that before approving the entity's financial statements for a financial period, the CEO and CFO have declared that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Complying	The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1 .	Complying	The Board Charter provides details of the Company's disclosure policy. In addition, Schedule 7 of the Corporate Governance Plan is entitled 'Disclosure – Continuous Disclosure' and details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation. The Summary of the Corporate Governance Plan are available on the Company website.
Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Complying	Each member of the board receives copies of all material market announcements promptly after they have been made.
Recommendation 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Complying	All substantive investor or analyst presentations are released on the ASX Market Announcement Platform ahead of the presentation.

Principles and Recommendations	Comply	Explanation
Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	Complying	<p>Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.</p> <p>Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company website.</p>
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Complying	<p>The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Shareholder Communications Strategy outlines a range of ways in which information is communicated to shareholders.</p> <p>The Shareholder Communications Strategy can be found in Schedule 10 of the Board Charter which is available on the Company website.</p>
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Complying	<p>The Shareholder Communications Strategy states that as a part of the Company's developing investor relations program, Shareholders can register with the Company Secretary to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.</p> <p>Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.</p>
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Complying	<p>Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX.</p> <p>Shareholders queries should be referred to the Company Secretary at first instance.</p>
Recommendation 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Complying	<p>Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX.</p> <p>Shareholders queries should be referred to the Company Secretary at first instance.</p>

CORPORATE GOVERNANCE STATEMENT

Principles and Recommendations	Comply	Explanation
Principle 7: Recognise and manage risk		
Recommendation 7.1 The board of a listed entity should: <ul style="list-style-type: none"> (a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework. 	Complying	<p>Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Audit and Risk Committee. Pursuant to Clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee.</p> <p>The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website.</p> <p>The Board devote time at annual board meeting to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.</p>
Recommendation 7.2 The board or a committee of the board should: <ul style="list-style-type: none"> (a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and (b) disclose in relation to each reporting period, whether such a review has taken place. 	Complying	<ul style="list-style-type: none"> (a) The Company process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. Schedule 8 of the Corporate Governance Plan is entitled 'Disclosure – Risk Management' and details the Company's disclosure requirements with respect to the risk management review procedure and internal compliance and controls. (b) The Board Charter requires the Board to disclose the number of times the Board met throughout the relevant reporting period, and the individual attendances of the members at those meetings. Details of the meetings will be provided in the Company's Annual Report.

Principles and Recommendations	Comply	Explanation
Recommendation 7.3 A listed entity should disclose: <ul style="list-style-type: none"> (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. 	Complying	<p>(b) Schedule 3 of the Company's Corporate Plan provides for the internal audit function of the Company. In the absence of a risk committee, the Board is responsible for identifying risks and ensuring that there are controls for these risks which are to be designed and ensure that any identified risk is mitigated to an acceptable level. The Board will review and discuss strategic risks and opportunities as they arise and arising from changes in the Company's business evaluate regularly on an 'as need' basis.</p> <p>The Charter outlines the monitoring, review and assessment of a range of internal audit functions and procedures.</p>
Recommendation 7.4 A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Complying	<p>Schedule 3 of the Company's Corporate Plan details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate). Review of the Company's risk management framework is conducted at least annually and reports are continually created by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.</p>
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1 The board of a listed entity should: <ul style="list-style-type: none"> (a) have a remuneration committee which: <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive. 	Complying	<p>(b) Due to the size and nature of the existing board and the magnitude of the Company's operations the Company currently has no Remuneration Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Remuneration Committee under the written terms of reference for that committee.</p> <p>The role and responsibilities of the Remuneration Committee are outlined in Schedule 4 of the Company's Corporate Governance Plan available online on the Company's website.</p> <p>The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>

CORPORATE GOVERNANCE STATEMENT

Principles and Recommendations	Comply	Explanation
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives and ensure that the different roles and responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration.	Complying	The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of non-executive, executive and other senior Directors.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: <ul style="list-style-type: none"> (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it. 	Complying	<ul style="list-style-type: none"> (a) Company's Corporate Governance Plan states that the Board is required to review, manage and disclose the policy (if any) on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Board must review and approve any equity based plans. (b) A copy of the Company's Corporate Governance Plan is available on the Company's website.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Securities Exchange in respect of listed public companies.

1 Shareholding as at 29 August 2024

a. Distribution of Shareholders

Category (size of holding)	Total Holders	Number Ordinary	% Held of Issued Ordinary Capital
1 – 1,000	43	11,349	0.00
1,001 – 5,000	245	819,077	0.04
5,001 – 10,000	313	2,646,237	0.12
10,001 – 100,000	645	29,223,590	1.36
100,001 – and over	857	2,120,619,474	98.48
	2,103	2,153,319,727	100.00

b. Unmarketable Parcels

Category (size of holding)	Minimum Parcel Size	Holders	Units
Minimum \$500.00 parcel at [\$0.008 per unit]	\$500	1,069	17,417,669

c. Voting Rights

The voting rights attached to each class of equity security are as follows:

- Ordinary shares: Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

220 Largest Shareholders

Rank	Name	Holding	% IC
1	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	116,542,009	5.34%
2	LANGLEY TARABAY SUPERANNUATION PTY LTD	101,094,771	4.63%
3	ACE PROPERTY HOLDINGS PTY LTD	94,000,000	4.31%
4	CSCDE PTY LTD	65,000,000	2.98%
5	MR WAYNE MARK ELSOM	59,000,000	2.70%
6	MR ANTHONY JOHN GREGORY & MR COOPER JACK GREGORY <ANTHONY GREGORY SUPER A/C>	41,300,001	1.89%
7	EDENGREEN PTY LTD <THE EDE SUPER FUND A/C>	33,000,000	1.51%
8	BENCHMARK FINE FOODS PTY LIMITED <BENCHMARK SUPER FUND A/C>	30,000,000	1.37%
8	MR JAMES DACK	30,000,000	1.37%
9	PJ & TK WATHERSTON PTY LTD	29,400,000	1.35%
10	SARANTZOUKLIS INVESTMENTS PTY LTD <SARANTZOUKLIS SF A/C>	29,000,000	1.33%
11	GORMCO PTY LTD <THE GORMAN FAMILY A/C>	28,336,915	1.30%
12	MR MATTHEW CRAWFORD REEDE	28,283,258	1.30%
13	CITICORP NOMINEES PTY LIMITED	26,322,350	1.21%
14	MR ALEX TAN	23,410,000	1.07%
15	MR SPIRO SARANTZOUKLIS	20,999,999	0.96%
16	JB CAMERON NOMINEES PTY LTD <THE CAMERON FAMILY A/C>	20,000,000	0.92%
16	ELSOM REEVES PTY LTD	20,000,000	0.92%
16	K1VALILISUPERFUND	20,000,000	0.92%
17	GORMAN UNLIMITED PTY LTD	19,729,768	0.90%
18	YOSHIDA HOLDINGS PTE LTD	19,505,835	0.89%
19	PHARMACEUTICAL SUNDRIES PTY LTD <THE BENNETT FAMILY S/F A/C>	19,179,999	0.88%
20	ENSTER PTY LTD <RP DRUMMOND PL S/F A/C>	18,199,999	0.83%
Totals		892,304,904	40.87%
Total Issued Capital		2,183,319,727	100.00%

2. Name of Company Secretary

The name of the Company Secretary is Natalie Climo.

3. Principal Registered Office

The Registered Office and Principal Place of Business is 96 Victoria Street, West End QLD 4101.

4. Registers of Securities

The Share Registry is Automic Share Registry.

5. Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited.

6. Unquoted Securities

a. Options over Unissued Shares

The Company has 777,182,642 quoted options and 30,325,200 unquoted options on issue.

7. Use of Funds

The Company has used its funds in accordance with its initial business objectives.

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