**25 July 2023** **ASX RELEASE**

# Leilo Global Distribution Partnership

**25 July 2023 Brisbane, Australia: The Calmer Co. International Limited (ASX:CCO)** a health and wellness company focussing on natural products that promote calmness, support mind & muscle relaxation and improve sleep, advises that it has signed a terms sheet with Leilo Inc for the rights to manufacture, market and distribute Leilo branded beverages in a number of international markets.

## Highlights

### China & India

- The Calmer Co will **manufacture, distribute and market Leilo beverages in China and India,** and pay royalties or licensing fees summarised below.

### Asia Pacific

- The Calmer Co will **distribute and market Leilo beverages in the Fiji Islands**. Products will be supplied directly by Leilo on a cost-plus basis as summarised below.
- The Calmer Co will have the **rights to distribute Leilo beverages in Australia and New Zealand** when regulatory approval for Kava based ready to drink (RTD) products is granted in these markets.[1]

### The Gulf States

- The Calmer Co will **distribute and market Leilo beverages in the Gulf States**. Leilo's range of Halal certified RTD beverages will be supplied directly by Leilo on a cost-plus basis summarised below.

**The Calmer Co. CEO Anthony Noble**, said "Our long-standing relationship with the team at Leilo has allowed us to appreciate their exceptional products. Both companies share a unified vision, which is to make the benefits of Noble Kava readily available to consumers in the most convenient and accessible formats possible.

"We firmly believe that, with the right strategic partners and business model, the potential for growth of the ready to drink range of beverages in China and India is nothing short of massive. Similarly, the range is perfectly suited for the tourist channel in Fiji, and in the Gulf States, where there exists a genuine demand for a functional and halal certified alcohol alternative.

THE CALMER CO.

1. (Note: Kava based RTDs with any ingredients except kava mixed with cold water only are not currently allowed under Food Standards Australia and New Zealand Standard 2.6.3)

Our collaboration with Leilo is poised to meet this recognized and unmet need among consumers in these markets. This global distribution partnership is a true win-win for both The Calmer Co. and Leilo, and we are excited about the boundless possibilities it holds."

**Leilo CEO Sol Broady**, said of the deal "We have enjoyed a fantastic response to the Leilo brand amongst American consumers and are frequently contacted by international fans who wish our products were available in their local markets. By teaming up with the Calmer Co and leveraging their multinational presence, we will expand our reach and make Leilo available to a much wider audience. This partnership is a pivotal step towards increasing awareness around kava on a global level and we are confident the Calmer Co's team will execute at a high level".

More information about Leilo is available from their website http://leilo.com

## Key Commercial Terms

| Region | Countries | Key Terms |
|---|---|---|
| China | China, Taiwan, Hong Kong, Macau | A royalty of 5% of ex-Factory Sales;<br>OR, in any joint venture or special purpose vehicle established for Leilo distribution in a territory a license Fee equal to 25% of Gross Profit, attributable to The Calmer Co. or 5% of ex-Factory Sales whichever is higher. Payable quarterly.<br><br>Manufacturing and marketing will commence in not less than 18 months to retain rights in China.<br><br>$50k USD payable as an advance on royalties, upon the launch of the first Leilo branded product into the Chinese market, not later than 18 months from signing of the agreement. |
| India | India | A royalty of 5% of ex-Factory Sales;<br>OR, in any joint venture or special purpose vehicle established for Leilo distribution in a territory a license Fee equal to 25% of Gross Profit, attributable to The Calmer Co. or 5% of ex-Factory Sales whichever is higher. Payable quarterly. |
| Fiji | Fiji | Direct supply of product by Leilo to South Pacific Elixirs, at cost + 30%, exclusively for sale into the Fijian Market. Ex-works USA. Net 30 terms. |
| The Gulf States | United Arab Emirates, Kuwait, Qatar, Bahrain, Saudi Arabia, Oman, Iran, Iraq. | Direct supply of product by Leilo to The Calmer Co. International Limited at cost + 30%, exclusively for sale into the Gulf States markets listed in 1.e above. Ex-works. USA. Net 30 terms.<br><br>Sales must be recognised not later than 18 months from signing of the agreement to retain rights in the Gulf States |

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| Oceania | Australia and New Zealand | Similar market arrangements to be put in place pending regulatory approval for Kava RTDs. |
| **General Terms** | | |
| Term sheet is subject to signing of a final Global Distribution Agreement and IP and Confidentiality Agreement within 21 days of signing the term sheet. | | |
| The agreement is for the Leilo canned RTD beverage range and may be extended to include other Leilo products on terms to be mutually agreed. | | |
| The agreement will specify that The Calmer Co agrees that it will not launch a canned carbonated kava beverage for 1 year following termination of the license agreement in a Country where they launched Leilo's RTDs. | | |
| Term of the agreement will be 24 months, with an automatic extension by 12 months if revenue to Leilo in aggregate (through licences fees or via direct purchases) exceeds 100k USD in the first 24 months. Terms to be renegotiated at 36 months. | | |

This release has been approved by the Board of Directors

**ends**

## For further information

**Investor & Media Relations**
Matthew Reede
Dominion Communications
matt@dominion.partners
+61 414 483 054

## About The Calmer Co.

The Calmer Co. International Limited (ASX:CCO), provides natural solutions to calm nerves, support mind and muscle relaxation and induce sleep. The product range includes drinking powders, teas, shots, concentrates and capsules. Sold under our house of brands: Fiji Kava, Taki Mai and Danodan Hempworks in markets including USA, Australia, China New Zealand and Fiji.

## Forward Looking Statements

This ASX release includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Fiji Kava. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.