28 October 2024 **ASX RELEASE**

Appendix 4C Cashflow Statement and Quarterly Activities Report

28 October 2024, Brisbane, Australia: The Calmer Co. International Limited (ASX:CCO) submits the following Activities Report and Appendix 4C Cash Flow Statement for the three-month period ended 30 September 2024.

Highlights

- **Record quarterly sales of $2.3m**, an increase of 28% vs Q4 and of 354% vs Prior Corresponding Period (PCP) representing 54% of the FY24 result for the quarter.
- **Cash receipts grew by 65%** vs Q4 to $2.4m (+300% vs PCP, Q1FY24).
- **Net cash used in operations rose by 22%** as the company increased marketing spend for US market entry, increased manufacturing volumes and built inventory in anticipation of our facility upgrade in Q2.
- **The company announced our intention to purchase our Navua Facility** and Free Hold land from KaiMing Agro Processing in Q3, subject to finance being secured.

CEO Anthony Noble, said, "The team has delivered another strong quarter of sales growth, and importantly we are now well underway with expanding our production capacity and product lines to ensure continued ability to meet the growing demand for our product that our marketing efforts are driving."

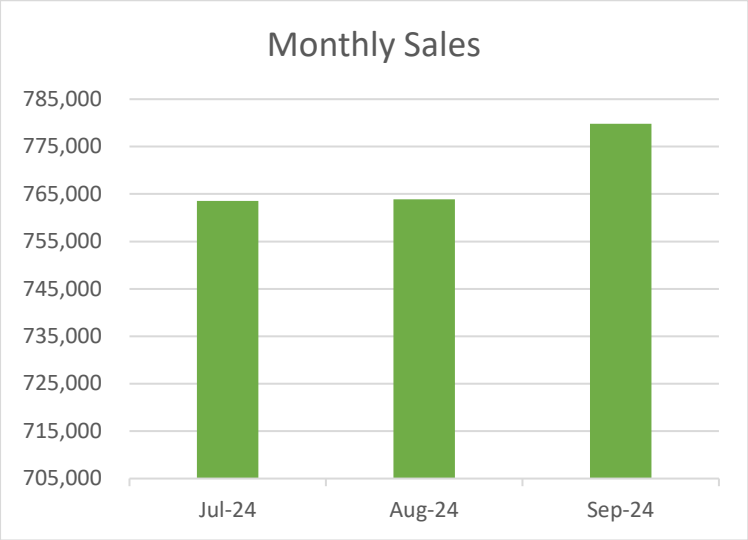
"Australian eCommerce was extremely strong, and sales into the expanded number of Coles supermarkets in Australia meant we also had the strongest quarter yet in that channel."

"The team in Fiji have been working increased shifts over the quarter to keep pace with growing sales volumes and have been able to also build up inventory over the quarter to ensure that we can remain in stock over the important Black Friday, Cyber Monday and holiday season in Q2. During this time our new production suite will be commissioned in Navua. Purchasing the Navua site from our partner KaiMing Agro will also allow us to make long term investments in the plant that will result in economies of scale that will help control our Cost of Goods Sold."

"The marketing team has also been working on refreshing and updating the Taki Mai brand, bringing to life a new range of Taki Mai Flavoured shots, stick packs and additional formats, including kava tinctures for the USA. These innovative new products will hit the market over Q3, beginning in our two Amazon stores and then rolling out more broadly in the USA."

Financial Overview

Record revenues were recognised in the quarter of $2.3m, with 76% being generated in the Australian market. This was an increase of 354% vs the prior corresponding period and an increase of 28% vs the prior quarter. This result was driven by continued growth in our eCommerce channels in Australia and continued strong sales to the Coles retail channel over the quarter. We did face stock issues for our Taki Mai shots in August and an error in the Coles ERP system also stalled sales in August for that channel. From the FY24 June sales peak of $705k, sales grew each month over the quarter, but more slowly in August due to those issues which we are glad were resolved in September (as per the graph presented below).

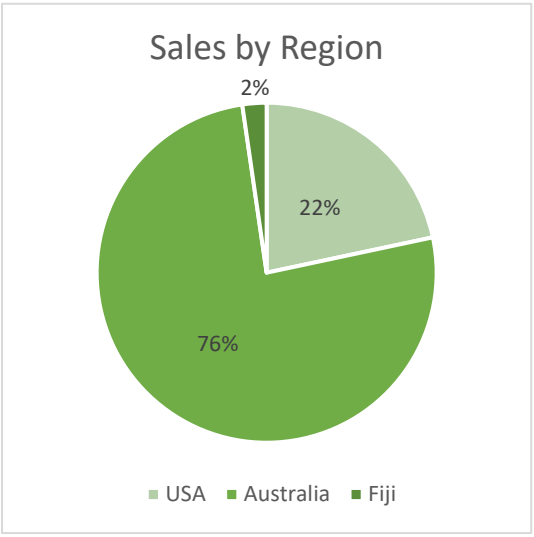


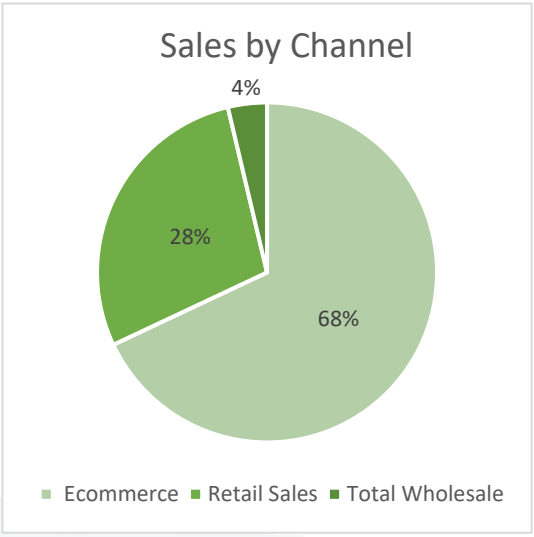
Cash receipts grew in line with sales to $2.4m reflecting the excellent sales to cash cycle the company has been able to achieve via our focus on eCommerce.

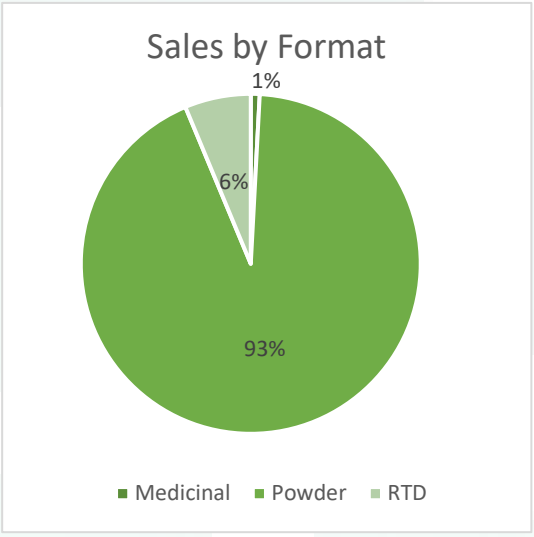
Expenses remain under control while cash expenditure rose by 22% vs prior quarter which is attributable to more than doubling our investments in Sales and Marketing activities in the period, including investing in the new Taki Mai brand and product development. Manufacturing costs rose in line with sales, and this allowed the company to keep pace with growing demand and build around $200k in inventory over the quarter which has continued to meet our 90 days holding level target. The Navua facility upgrades are underway and will run from October through to the new year. Continued production is possible during the upgrades, with old production lines to not be decommissioned while new lines are installed but we expect to sell down the overall inventory level in Q2 vs Q1 during the upgrade.

Advertising and marketing costs grew by 104% with considerable investments into development of the new Taki Mai brand for the USA falling in this quarter. Administration and corporate costs also rose in the quarter and were related to higher audit, legal and accounting costs. The company also committed $290k to plant equipment and prepayments related to the Navua facility upgrade in the quarter and to larger orders of packaging being prepaid.

According to ASX LR4.7C.3, the Company advises that $4,650 was paid to James Tonkin as fees for his role as a Director of Fiji Kava Inc. USA.







Sales Analysis

Australian and New Zealand sales were $1.75m during the period up from $1.3m in Q4. This was largely driven by our Shopify eCommerce site and by our retail channel partner, Coles Australia both of which grew strongly.

The company prioritized holding our stock levels in the Australia market and this meant that sales in the USA fell by 1% to $449k AUD in the quarter and sales in the Fiji market were also weaker and constituted 2% of total sales at $52k for the quarter, both of which we expect to uptick in Q2.

eCommerce sales contributed 68% of total sales for the quarter, with the Shopify website (www.fijikava.com.au), Amazon.com growing but not as fast as the Coles Australia retail sales represented 28% of total sales up from 23% in prior quarter.

Wholesale orders to kava bar customers and to IMCD for Kavaton® extract contributed just over 4% of sales at $85k for the period.

Drinking kava powder continues to be the driving force behind the retail and eCommerce sales results and now accounts for more than 93% of revenue across all channels.

The medicinal format (tablet and capsule) products have been discontinued in Australia and Amazon.com sales of capsule were only 1% of total sales in the quarter.

The RTD products including Taki Mai Kava shots were launched online and sold out quickly. We had stock issues in Coles Australia in the quarter and so this format grew from 4% of total sales in Q4 to 6% of sales in Q1. However, this was a 73% growth rate for the shots in absolute terms and we expect this format to accelerate in Q2 when we have full stock online and in Coles and especially in Q3 when we expect to launch the flavoured Taki Mai shots in the USA.

This release has been approved by the Board of Directors

for further information

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about The Calmer Co.

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

forward looking statements

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

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

THE CALMER CO. INTERNATIONAL LIMITED (ASX:CCO)

ABN	Quarter ended ("current quarter")
40 169 441 874	**30 September 2024**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	2,374	2,374
1.2	Payments for		
	a. research and development	-	-
	b. product manufacturing and operating costs	(1,638)	(1,638)
	c. advertising and marketing	(604)	(604)
	d. leased assets	-	-
	e. staff costs	(434)	(434)
	f. administration and corporate costs	(624)	(624)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	5
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(99)	(99)
1.7	Government grants and tax incentives	-	-
1.8	Other	(12)	(12)
1.9	**Net cash from / (used in) operating activities**	**(1,032)**	**(1,032)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	a. entities	-	-
	b. businesses	-	
	c. property, plant and equipment	(175)	(175)
	d. investments	-	-
	e. intellectual property	(115)	(115)
	f. other non-current assets	-	-
2.2	Proceeds from disposal of:	-	-
	g. entities	-	-
	h. businesses	-	-
	i. property, plant and equipment	-	-
	j. investments	-	-
	k. intellectual property	-	-

	l. other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(290)**	**(290)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,878	1,878
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	560	560
3.6	Repayment of borrowings	(182)	(182)
3.7	Transaction costs related to loans and borrowings	(47)	(47)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	2,208	2,208

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	879	879
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,032)	(1,032)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(290)	(290)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,208	2,208
4.5	Effect of movement in exchange rates on cash held	2	2
4.6	**Cash and cash equivalents at end of period**	1,767	1,767

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Year to Date $A'000**
5.1	Bank balances	1,759	1,759
5.2	Call deposits	-	-
5.3	Bank overdrafts	8	8
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,767**	**1,767**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	5
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments to related parties are $4650k to James Tonkin as Directors Fees for Fiji Kava Inc. (USA).

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (Convertible Notes – Fijian Dollar)	1286	1,286
7.4	**Total financing facilities**	1,286	1,286

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

7.3 refers to the convertible note instrument form BSP-Life (Fiji) for 2million FJD with a term of 5 years and a 5% interest rate, converting to equity at 15c.

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,033)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,767
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	1.767
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	1.71

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

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: The operating cashflows are expected to improve over coming quarters as sales increase and inventory is sold down during the upgrade of the facility.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The company is working with option holders to encourage conversion of options to fund the proposed acquisition of the Navua site and working capital requirements. The company is in advanced discussions with the Fiji Development Bank around debt funding.

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

Answer: Yes

Compliance Statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 28th October 2024

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert it here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.