



27 December 2024

MEDIA RELEASE

CEO Report - December

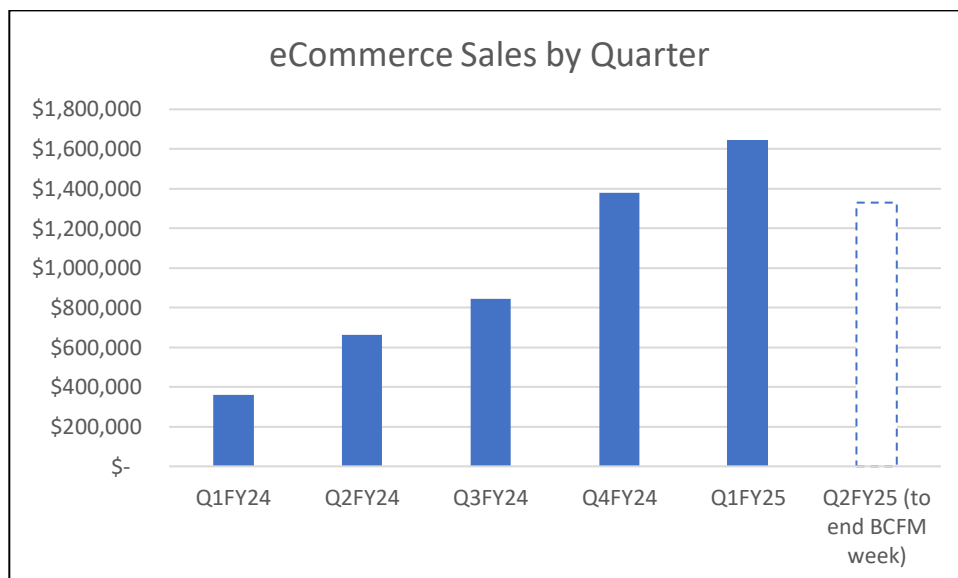
Dear Shareholders,

November was a strong month for the company, with continuing sales growth through our retail partners and solid sales online. The company is firmly on track to surpass our full FY24 result before the end of December meaning **our goal to more than double revenue is well within sight for FY25.**

As our strategy in the Australian market matures, we have shifted our focus from eCommerce growth to overall profitability. In future, we will focus on expanding our distribution in Australia to leverage the high level of brand awareness that has now been built in our home market. To support this, we are advancing our recruitment efforts for an Australian Country Manager, who will drive our online and retail businesses in 2025. We are also laying the groundwork for ramping up marketing in the USA, underpinned by the launch of a range of new products under the Taki Mai line in Q3 via Amazon and other online channels. Our Danodan range has been able to take advantage of recent changes in x.com policies to begin their first push into social media marketing over the Christmas period, which is a major step for the brand in the new year.

Strong eCommerce Sales Continue with Increased Focus on Profitability in Australia

The eCommerce team continues to drive exceptional results. **eCommerce sales** for Q1 were \$1.6m, up 20% on Q4 and sales are continuing that trend in Q2 with eCommerce sales **tracking at \$19k per day pre Christmas and New Year.**





The company has been more conservative in our social media advertising spend in November, including over the Black Friday and Cyber Monday period, as we focus more on ensuring bottom line contribution in the Australian market vs pure growth focus. In line with this strategy, we have decreased our advertising spend 25% and we saw only around a 25% decrease in online sales in line with this. The bottom-line contribution in the channel rose over the month with increasing advertising efficiency at this lower investment level.

Sales to retail in Australia grew by 10% in November, reflecting the further maturation to an omnichannel approach in the market. The company continued to ramp up investment in the Amazon USA channel with promotions over the period and we expect to finish the quarter on par or above Q1 but with a much stronger bottom-line contribution due to lower advertising spend during this high-cost advertising period.

Coles Australia

Coles Australia has made significant orders for all three of our products in November with orders surpassing \$200,000 in the month. This represented 10% growth vs October.

We were also happy to be informed that Coles will further expand our ranging in Australia in 2025 which underlines the strong retail performance of the brand in Australia. We have been working with the Coles team reduce the depth of discounting and revise scheduling of discounts in 2025, which will also increase the profitability of the Australian business next year. The company remains positive of expanding our retail footprint in convenience and grocery channels in 2025 with the support of our new Australian Country Manager, when in place early next year.

Acquisition of the Navua Facility & Land

The purchase of our facility in Navua is an important step forward for the company. **The new factory equipment for the upgrade has arrived in Fiji and the upgrades and installation of the equipment has begun and will progress over the Christmas and New Year period.**

Owning our production facility is also an important step to strengthen the company's asset holdings and balance sheet. Our engagement is progressing positively with the Fiji Development Bank to secure financing for around half of the cost of this acquisition. Other exciting projects such as green energy infrastructure installation and electrification of our vehicle fleet become possible with this acquisition of the property as non-dilutive funding for such projects is becoming more available in the Pacific.



Importantly, the upgrade and factory acquisition allow the company to continue to invest in the Fiji economy by increasing plant capacity, adding laboratory functionality in house and continuing to expand our kava buying and processing in Fiji and more broadly across the Pacific. We appreciate the support and constructive partnership we have built with KaiMing Agro Processing over the last years and look forward to continuing working closely with Calvin and the Kai Ming team in 2025.



The Calmer Co: Navua Processing Facility

Finally, on behalf of the Board and The Calmer Co team, we would like to sincerely thank all our shareholders for their continued support of the company in 2024 and wish you and your families a happy new year.

With Kind Regards,

Anthony Noble,
CEO and Managing Director



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 also distributes the Leilo kava RTD products 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 The Calmer Co. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.