



The Calmer Co. (ASX: CCO)

Secured Convertible Notes – Term Sheet

CONFIDENTIAL: FOR S.708 SOPHISTICATED INVESTORS ONLY



Issuer	The Calmer Co. (" Company ", or " CCO ")		
ASX Code	ASX: CCO		
Investor Eligibility	Professional & Sophisticated (s.708) Investors Only		
Lead Manager	Novus Capital Limited (AFSL: 238 168) (" Novus ")		
Key Terms			
Offer Details	Raise of \$700K in Tranche 1 and \$700k in Tranche 2 before 30 November 2025.		
Offer Price	\$1.00 per Note		
Interest Rate	(a) in the period up to 31 July 2026, 10% per annum; and (b) if the Notes are not Converted on that date by satisfaction of a Conversion Trigger, 18% per annum from that date onwards.		
Conversion Price	\$0.003		
Conversion Trigger	The occurs on a Maturity Date, the VWAP of the Company's Shares traded on ASX in the previous 15 trading days is \$0.004 or higher.		
Conversion Dates	Subject to satisfaction of the Conversion Trigger on either 31 July 2026 or 31 December 2026.		
Maturity Dates	31 July 2026, unless the Conversion Tigger is not satisfied that date, in which case it is 31 December 2026.		
Security	<p>The Notes are secured and will be evidenced by the issue of an issuer sponsored holding statement. A security trustee (Trustee) will be appointed to hold and manage security given to investors.</p> <ul style="list-style-type: none">The security will consist of a General Security Deed (GSD) (similar to what used to be called a "fixed and floating charge") over all the assets of CCO, including its cash, inventory and shares in its subsidiaries.The GSD is executed with the Trustee, who holds the security under the GSD on behalf of all note holders, and registered on the PPSR.In case of a breach, such as non-payment of interest, the majority of noteholders constituting no less than 80% of all notes on issue (Instructing Group), may instruct the Trustee to enforce the security. The Trustee ensures that no single note holder is preferred in repayment over another note holder. The Instructing Group may also elect not to take, or to delay, enforcement action, as it sees fit.The costs of the Trustee are shared by Noteholders pro-rata.The Trustee ensures that no single note holder is preferred in repayment over another note holder. <p>Note:</p> <ul style="list-style-type: none">Should ASX form the view that owing to participation of Listing Rule 10.11 entities, Listing Rule 10.1 is enlivened for the security, the Company will seek the customary waiver as soon as practicable.		
Reorganisation Event	<p>If the Company reorganises its share capital in any way (including consolidation or subdivision) (Reorganisation Event), the number of Conversion Shares after the Reorganisation Event will be:</p> <p>(a) adjusted so that the entitlement of the shares issued on conversion to participate in profits and assets of the Company will be the same as if there had been no Reorganisation Event; and</p> <p>(b) otherwise reorganised so that the Noteholder will not receive a benefit that the holders of shares do not receive and vice versa.</p>		
Shares on Issue 3.01B	Current Share Price \$0.003	Market Cap \$9.03M	Current Cash \$1.439M at the end of Q4 2025
Company Overview			
The Calmer Co. provides natural kava-based solutions to calm nerves, support mind and muscle relaxation and induce sleep.			
CCO is a fast-growing CPG company leveraging a global opportunity in kava and other natural products that replace alcohol and support relaxation and sleep.			

CCO products are delivered to consumers globally through e-commerce channels and blue-chip retail distribution partners, supported by a traceable and transparent farm to shelf supply chain.

The product range includes drinking powders, natural and flavoured kava shots, concentrates and capsules, sold under the brands Fiji Kava, Taki Mai and Danodan Hempworks in markets including USA, Australia, New Zealand, China and the Pacific Islands.

CCO is well positioned to support a regional supply chain given increased global demand for kava which will further de-risk against adverse weather events and any anticipated pricing volatility.

Leveraging a global opportunity in natural products that aid relaxation, anxiety, and sleep:

- Diversified across brands, products, and ingredients.
- Delivering strong sales growth.
- A true vertical supply chain from farm to shelf.
- Partnered with blue chip retailers and distributors.
- A medicinal product that works and is validated by science.

Key Investment Highlights

Sustainable real growth in revenues and margins through better channel management, lower COGS with volume discounts on purchases, more efficient logistics among other improvements. The business has been transformed and focussed on upcoming breakeven and positive earnings per share in the foreseeable future.

- **Q4 FY2025 Performance**

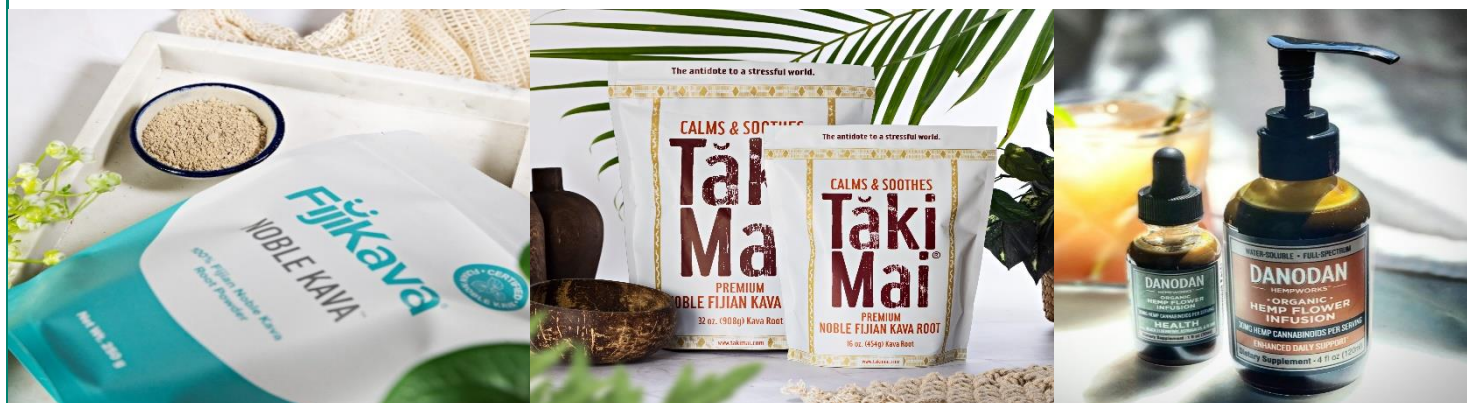
- Platform for future profitable growth with improved GP and OP
- US now 41% of Sales Mix > #1 by Q1 FY26
 - Amazon forecasting 45% growth in kava/broader market expanding at over 16% CAGR
 - +500 kava bars across the USA, reflecting the broad rise in demand and acceptance
 - Strong inventory position in US
- Spreading product and channel mix
 - Q4: Online 52% Retail 35% Wholesale 13%
 - Q4: Powder 79% Extract 13% Other 8%

- **Commercial Performance**

- Revenues up 6% in Q4 (\$1.9M) vs Q3
 - All channels in growth (wholesale, retail & Amazon/D2C)
 - FY25 audited revenue breaks \$8M, and 86% growth of FY24
- US Market Growth
 - Amazon driving significant growth in USA, now supported by expanding wholesale opportunity
 - Broader market opportunity, including NPD 'Flavoured Kava Shots' and 'Kava Tinctures' Amazon Markets, launched and stick packs planned, yet to impact revenue
- Wholesale Continue to Grow
 - Wholesale sales climb 56% vs Q3, leading to a broader balance across the revenue mix, now accounting for 13% of the sales mix.
 - Powders remain #1 with 79% of sales value.

- **July and August Sales Momentum Builds on H2FY25 Operational Turnaround**

- Total expenses reduced by 27% in H2 (\$3.22M vs \$4.43M in H1), driven by \$800k lower advertising spend and significantly reduced people costs following the transition to the Acuity eCommerce platform.
- Operating Loss was improved by 33% to \$(1.56m) in H2 vs \$(2.36m) in H1, as a result of tighter expense controls and early benefits from retail price increases in Coles and Woolworths that were introduced late in Q4.
- July sales reached \$715k, up from \$690k in June, marking a fourth consecutive month of growth under the rebased model.
- August delivered sales of \$838k, a 17% increase on July, returning the Company to an annualised sales run-rate of over \$10m.
- Amazon USA sales grew from AU\$192k in July to AU\$214k in August, a 12% month-on-month increase, fuelled by the first full month of sales for the new Taki Mai flavoured kava shots. This saw the Company's market share on Amazon increase to 7% of the US kava category on the platform, an increase from 3% in the prior year. Subscriptions now represent 28% of sales and organic search visibility up 674% YoY, reflecting strong brand loyalty.



Use of Funds		Board & Management	
Wholesale Inventory Build*	\$500k	John Homewood	Non-Executive Chairman
Working Capital	\$200k	Zane Yoshida	CEO & Founder
		Anthony Noble	Non-Executive Director
TOTAL	\$700k	James S Tonkin	Non-Executive Director
*Raw materials required to grow wholesale channel		Griffon Emose	Non-Executive Director
		Pravinesh Lala	CFO

Indicative Timetable

Book Closes:	18 September 2025
Settlement Date:	22 September 2025
Allotment Date:	TBC

Note: The timetable is indicative only and subject to change.

Further Information

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