



STAR COMBO PHARMA LIMITED

Investor presentation

**CEO Su Zhang
November 2021**

Corporate snapshot

STARCOMBO

Star Combo Pharma Limited (ASX:S66) is a leading manufacturer and distributor of premium health and natural beauty products, with its development and manufacturing facilities located in Smithfield, New South Wales.

Star Combo's core strategy is to become Australia's leading manufacturer of nutraceuticals.

Founded and directed by pharmacists and experts in health and supplement manufacturing, Star Combo's products are made from natural ingredients backed with scientific Research and Development and adheres to the highest manufacturing practices governed by the Therapeutic Goods Administration.

Some of Australia's leading supplement brands contract manufacturing to Star Combo while their own brand and product development team continues to produce products demanded by a growing market.



Issued capital

Ordinary Shares	96,526,959
Escrowed Shares	38,265,510
Total Voting Shares	134,792,469
Share Options	2,110,000

Capital Structure

ASX Ticker	S66
Market Capitalisation	\$36.37M
Share price (3 October 21)	\$0.27
Cash at Bank	\$17.3M

Shareholders

Goldenstar Pharmaceutical Investments Limited	36.35%
Jinxing (Star) Zhang	28.31%
Miss Su Zhang	8.49%
Lepu Medical	8.16%

Key Themes FY21



Resilience in contract manufacturing division despite COVID headwinds

- Positive operating cash flow of \$332K
- Negative COVID impact on earnings with \$6.3M non-cash asset writedown of Austoyou and Koala Mall
- Construction and upgrade of multimillion dollar manufacturing facilities to increase capacity
- Strong cash position of \$17.3M
- Benefiting from macro trends with strong demand for Australian Made health and wellness products

Our Strategy...

01

Organic growth through growing contract manufacturing division

Offers shorter lead time in a growing market

02

Capital investment in facilities upgrade to meet domestic and overseas demand

Upgrade underway to double production capacity with R&D and Test Lab to produce innovative products

03

Maximising opportunity from macro trends

Preventative health paramount during pandemic with growing demand for Australian Made health and beauty products

Australian manufacturers are global leaders in best practice

04

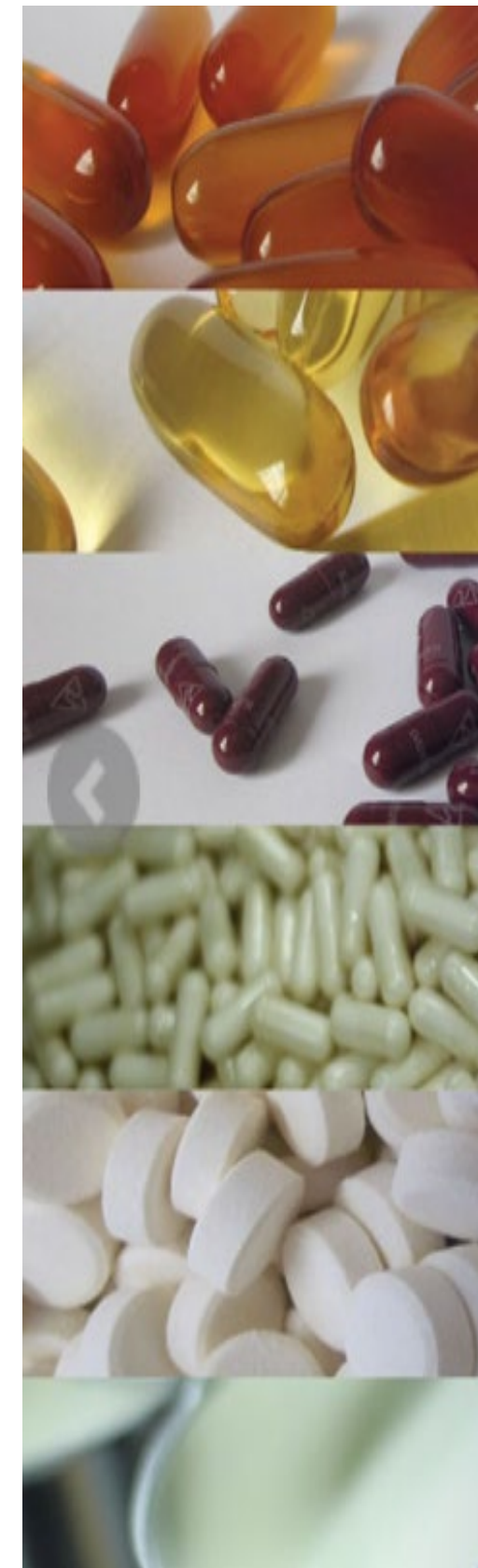
Expanding in new markets

With presence in New Zealand, Russia and Vietnam and expected to grow

...To become Australia's leading nutraceutical manufacturer

Organic growth drivers

- **Manufacturing a broad range of products with strong order book in place**
 - Complementary medicines, nutraceuticals, vitamins/supplements, soft gel capsules, hard gel capsules, tablets, powders, liquid, sachet
- **Strong foot hold in domestic market with export market showing signs of growth**
 - Vertically integrated business model with control over supply chain
 - First OEM contract with New Zealand in FY21 and second order received
- **Strengthening relationships with existing OEM customers**
 - Order volume over \$6M already received for FY22
- **Developing innovative “new” products**
 - Using patent and clinically trialed formulation to produce a two-piece different colored capsule
 - New R&D and Test Laboratory centre under construction to extend services and offering, growing the innovation aspect of the business



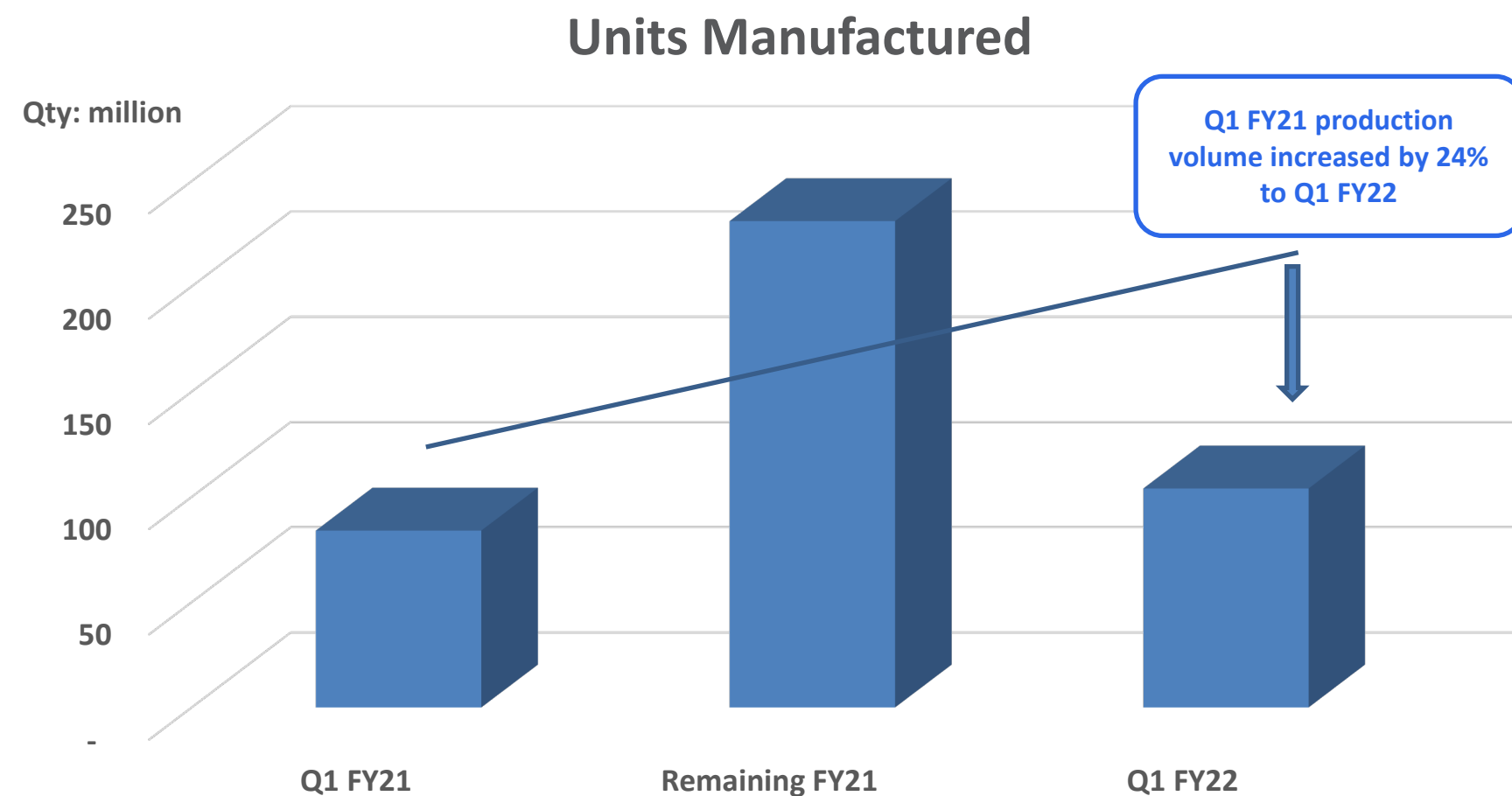
FY21 Results summary

A\$M	FY21	FY20
Operating revenue	26.72	38.84
Operating profit (loss) attributable to owners*	(7.88)	(0.35)
Operating profit (loss) attributable to shareholders of s66*	(7.89)	(0.35)
Operating cash flow	0.33	(1.02)
Net tangible asset backing per ordinary share (\$)	0.22	0.22
Basic earnings/(loss) per share (cents)	(0.058)	(0.004)
Diluted earnings/(loss) per share (cents)	(0.058)	(0.004)

* Non-operating impairment loss of \$6.3M as carrying value of Retail division impaired fully due to COVID impact on business

Increase in production volume

- Manufacturing division continues to perform strongly
- A good start in Q1 FY22, production volume increased by 24% when compared with Q1 FY21

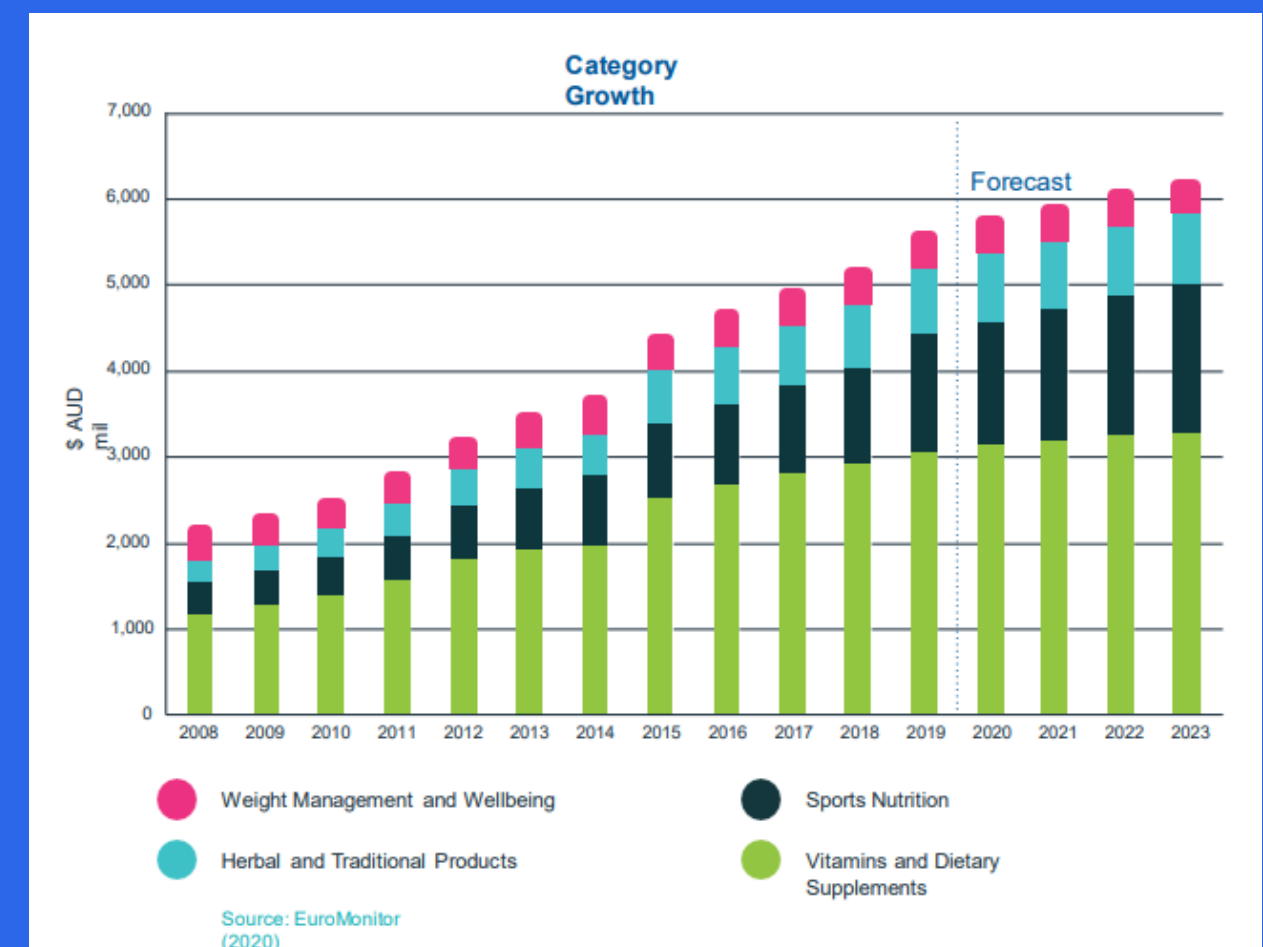


Market dynamics

- Australia's complimentary medicine sector valued at \$5.6BN*
- Australia's export of complementary medicine estimated to be \$1.1BN*
- 7 out of 10 people have used at least one form of complimentary medicine in the last year
- The complimentary medicine industry continues to outpace growth of the broader economy

* Medicines Australia, 2019

The Australian vitamin and dietary supplement category has doubled in size over 10 years



Forecast to grow 22% CAGR over next 10 yrs

Our people

People

Our team have demonstrated agility and tenacity in guiding the business through the uncertain COVID environment and have continued to execute on our strategy of becoming Australia's leading nutraceutical manufacturer.

Safety

As a manufacturing business, we are dedicated to ensuring we have a safe workplace.

The company has in place a comprehensive occupational health and safety program which all staff are required to follow.

No safety incident has been reported at Star Combo YTD 2021.

COVID

A comprehensive COVID safety plan has been implemented at Star Combo.

Significant precautions and additional protocols are in place to safeguard the health and wellbeing of our employees.

Stage 1 - Manufacturing facilities upgrade

171 Woodpark Road

TGA – licensed nutraceutical manufacturing site

Re-commenced expansion after works put on hold in July due to COVID restrictions

Expansion involves

- Upgrading existing facility
- Installation of 13 new production lines
- \$7.2M invested to date, on track to be completed in 2022

Rationale

- Double production capacity
- Cost effectively address, growing demand in both local and overseas markets and become Australia's leading nutraceutical manufacturer

Stage 2 - Manufacturing facilities upgrade

165 Woodpark Road

Development Application approval received in August from Cumberland City Council to begin works and build R&D and Test Laboratory Centre

Expansion involves

- Building of new facility (see diagram)

Rationale

- Develop new and innovative products
- Meet growing demand for vitamin and dietary supplements
- Cost saving with added synergy to existing business unit
- Shortened turn around time from new product development to market entry



Achievements & Outlook



FY21 Achievements

Continued growth in contract manufacturing division

Operating cash flow positive with \$17.3M in cash in bank

Construction of multimillion-dollar, manufacturing facilities to increase capacity

Contract manufacturing business remains resilient in face of COVID pandemic

FY22 Outlook

Contract manufacturing sector remains main area of strategic focus – expect immediate and significant growth in 2022

Contract manufacturing outlook remains resilient benefiting from strong macro trends

New market development opportunities providing potential for growth

Manufacturing upgrade expected to be finalised in 2022

Investor relations

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THANK YOU

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STAR COMBO

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