



STAR COMBO PHARMA LIMITED

Annual General Meeting

23 November 2021

CEO Presentation

Key Themes FY21



Resilience in contract manufacturing division despite COVID headwinds

- Positive operating cash flow of \$332K, up from an operating outflow of \$1.02M (FY20)
- Negative COVID impact on earnings with \$6.3M non-cash asset write-down of Austoyou and Koala Mall
- Construction and upgrade of multimillion dollar manufacturing facilities to increase capacity, \$7.3m investment in Smithfield manufacturing facilities on track
- Strong cash position of \$17.3M
- Benefiting from macro trends with strong demand for Australian Made health and wellness products

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.

Business Division Update

➤ Manufacturing Division (OEM and Branded)

- OEM division performed ahead of expectations with increasing volume of bulk orders manufactured due to new customers
- 76 new customer accounts acquired with the strongest order book in place for 2022
- Through new product development process commercialised 86 new products
- Continued expansion into new territories with \$1.0M distribution agreement signed with Vietnam based distributor, for supply of Costar products throughout the country
- New product launched under Living Healthy Hemp Seed Oil through the Terry White Chemmart network

➤ Retail Division (online platform business Austoyou.com and Koala Mall retail stores)

- Physical retail store was closed in August with all sales transferred online. Only one physical retail store left open
- Newly formed customer service team to improve customer retention

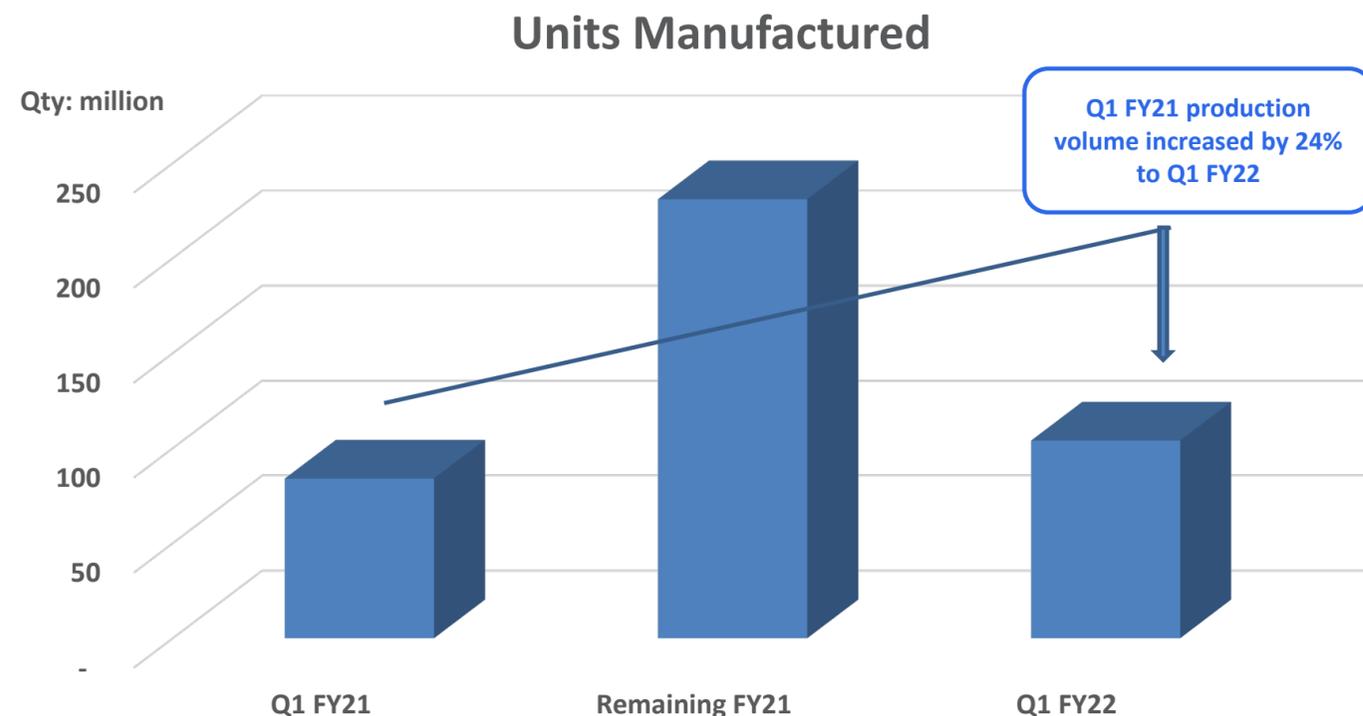
Q1 FY22 Trading Update

- Q1 FY22 Revenue of \$5.8M (Q4 FY21 \$6.0M)
 - OEM division performed ahead of expectations
 - Supply chain limitations, expected to ease as travel restrictions lift
 - Retail division continues to be impacted by COVID related restrictions
- Q1 FY22 Customer cash receipts of \$5.3M
- One off receipt of \$0.3M government grant and COVID related financial support
- Development Approval received for the R&D facilities at 165 Woodpark Road, Smithfield
- Expansion and development of manufacturing facilities at 171-177 Woodpark Road, Smithfield on track



Increase in production volume Q1 FY22

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



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

2022 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

A woman with a backpack is sitting on a rock, looking out over a mountain range at sunset. The scene is bathed in warm, golden light, with the sun low on the horizon, creating a silhouette effect on the woman and the mountains. The sky is filled with soft, white clouds. The woman is wearing a white tank top, grey shorts, and brown hiking boots. Her backpack is orange and black. The overall mood is peaceful and contemplative.

Investor relations

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THANK YOU

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STAR COMBO

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