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29 November 2022

ASX Announcement

### Star Combo Pharma Quarterly Business Update

#### Highlights

- 4.5% increase in OEM/Own Brands revenue to \$5.12M
- Physical retail Store was closed in September 2022 with all sales transferred online. It will significantly reduce the retail division operating loss.
- Happy Co. Ltd distribution agreement has been extended to another two years. The distributor has performed ahead of expectation during the Q1 2023 with quarterly actual sales ahead by 50%

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**Star Combo Pharma Limited** (ASX: S66) (Star Combo) announced today a business update for the quarter ended 30 September 2022 (Q1FY23).

#### Business and operational update for Q1 FY23

Star Combo group revenue was \$6.55M for the quarter (Q4 FY22 \$6.2M) representing a small growth of 5.6%.

OEM and Own Brands revenue totaled a record of \$5.12M for the quarter (Q4 FY22 \$4.9M) representing growth of 4.5%.

Retail Revenue in the AustoYou and Koala Mall sector was \$1.35M for the quarter (Q4 FY22 \$1.2M) representing growth of 12.5%.

#### Continue Improving Relations with OEM clients

Throughout the quarter Star Combo has continued extending the number of clients on whose behalf its manufacturers. This has been the result of a focused effort to work with established brands who previously have secured their product alternative manufacturers.

#### New and Improved Distribution arrangements

Star Combo has distribution arrangements in place in Australia and overseas for its proprietary health supplement product lines including Living Healthy, Costar, Amax, and J&K. Domestic distribution has also continued to strengthen during the quarter with improved performances from TWC and other customers.

Star Combo's distribution agreement with leading Vietnamese distributor Happy Co Ltd has been extended to another two years with minimum purchase amount of \$1.25m in 2023 FY and \$1.50M in 2024 FY. The distributor has performed ahead of expectation during the Q1 2023 with quarterly actual sales ahead by 50%.

#### Retail Division

The retail division of Star Combo continued to be impacted by the COVID pandemic. Physical retail Store was closed in September 2022 with all sales transferred online. It will significantly reduce the retail division operating loss.

## **Cash**

The closing cash balance of \$8.7M is considered to be a strong cash position for the group.

## **-ENDS-**

This ASX announcement has been approved by the Board of Directors of Star Combo Pharma Limited.

## **Investor and Media relations contact**

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## **About Star Combo Pharma**

Star Combo Pharma Ltd (ASX: S66) is a Sydney based contract manufacturer of vitamins, health and beauty products with a portfolio of own brands and distribution capabilities. Our products are made from natural ingredients with scientific R&D and adheres to the highest manufacturing practices governed by the Therapeutic Goods Administration. Star Combo has offices in China and currently supplies the Australian pharmacy network through 450 Terry White Chemmart stores as well as wholesale customers in Australia and China. Directed by pharmacist and experts in health supplement manufacturing, Star Combo's vision is to be the leading manufacturer of premium vitamins and dietary supplements in Australia. Since its establishment in 2004, Star Combo has demonstrated strong product and business development and continues to expand our current operations to serve our loyal business partners, customers and employees.