

# **ANTARIA LIMITED**

**ANNUAL GENERAL MEETING  
SHAREHOLDER PRESENTATION  
27 NOVEMBER 2014**

# Overview

- PEOPLE
- PRODUCT
- STRATEGY
- OUTLOOK
- FORMAL BUSINESS

# People

## ■ Directors

### ➤ Rade Dudurovic (Non-Executive Chairman)

- Private equity background
- Strong exposure to industrial and consumer branded manufacturing and industrial businesses
- Extensive experience in the Asian and European regions
- Director since late-2011

### ➤ Ron Higham (Chairman of Audit and Risk Committee)

- Distinguished career as a senior partner at PwC
- Spearheaded growth of PwC Corporate Finance in Australasia
- Extensive background in corporate development and business growth
- Director since mid-2013

### ➤ Paul Pisasale

- Background in chemical sciences
- As Mayor of the City of Ipswich he has been instrumental in the growth and development of the Ipswich region
- Director since early-2013

# People

## ■ Senior Management

### ➤ Geoff Fussell – General Manager Business Development and Chief Financial Officer

- Senior management roles in distribution, outsourcing, component manufacturing and sales in industries where long sales cycles are the norm
- Responsible for marketing and sales - works closely with our distribution partners and brand owners in conjunction with our in-house product formulations team
- Instrumental in driving company's distribution strategies in USA and Asia
- Joined company in 2013

### ➤ Warwick Carter – Operations Manager

- Background in high-value product manufacturing both in Australia and overseas
- Responsible for managing production facilities and supply chain management
- Extensive experience in lean manufacturing practices
- Instrumental in expanding production capacity while limiting CAPEX spend
- Will spearhead outsourcing of ZINCLEAR production
- Joined company in 2013

# People

## ■ Staffing

- Total employees – 12
- Sales + Administration – 3
- Product Development – 4
  - Historically an R&D function
  - Increasingly focusing on assisting distribution partners and brand-owners with end-product formulations using ZINCLEAR – sales support function
  - Strengthening in-house formulations expertise
- Production – 5
  - Alusion® Facility – 112 Radium Street, Perth
  - ZinClear® Facility – 108 Radium Street, Perth
- Now at efficient levels for size of business – will consider new appointment in sales/business development as business grows

# Product - Alusion®

## ■ Customer Value Proposition

- Merck has exclusive right to market and distribute Alusion® globally under Rona Flair™ brand for facial make-up and cosmetic applications
- Merck is aggressively promoting the product and rebuilding customer confidence in response to consistent delivery and product quality
- Two (2) year Licence and Development Agreement will expire 31 December 2014. Currently negotiating new take or pay arrangements

## ■ Production capacity upgrade finalised

- Alusion® sales to year to date FY15 lower than prior year reflecting fulfilment of the obligations under the existing take or pay contract
- Seeking increased volumes under new take or pay arrangements

## ■ New product initiatives with Merck

- Fluorinated Tin Oxide for laser etching
- Additional industrial applications for Alusion

# Product - ZinClear®

- Customer Value Proposition
  - Natural ingredient which acts as UVA and UVB filter
  - Superior transparency
  - Relative ease of end-product formulation
  - Attractive texture/feel when applied to the skin
- ZinClear® IM Dispersions
  - ECOCERT approved range of “all natural” dispersions
  - Popular with smaller brand owners who lack dispersion capabilities
  - Solid demand particularly in USA, Australia, EU and Canadian markets
- ZinClear® XP Powder
  - ECOCERT approved powder
  - Pricing competitive with alternative mineral UV filters
  - Strong uptake with sales so far exceeding FY14 forecasts

# Short to medium term strategy

- Continue to grow Alusion® and ZinClear® volumes and revenues to provide sustainable cash flow and profitability
- Finalise revised ZinClear® distributor arrangements for North America and Europe and expand ZinClear® global distribution network into Asia and South America
- Finalise new Alusion® take or pay arrangements with Merck
- Outsource manufacture of ZinClear® (IM and XP) to European GMP accredited facility. MOU executed with well-credentialed counter-party
- Retain Alusion® manufacturing facility in Perth – requirement of Merck Agreement – outsourcing of ZinClear® offers opportunity to consolidate to one site in Perth
- Use profits to fund “roll-out” of other products in company portfolio
- Implement dividend policy once sustainable profits have been secured



# Outlook FY 15

- H1 FY 15 likely to produce similar or slightly worse outcome to prior corresponding period (loss of \$120k) due to lower Alusion® revenues and impact on gross margins as Alusion® is a higher margin product
- ZinClear® sales are ahead of prior corresponding period, reflecting the new distribution arrangements for the USA and Canadian markets
- European distribution partners indicate that customers are formulating in anticipation of EU regulatory approval of Zinc Oxide as an UV filter
- Outlook for full year FY 15 is dependent on finalisation of negotiations on quantum and timing of delivery of Alusion® volumes for 2015 calendar year under take or pay arrangements with Merck
- FY15 profitability is highly sensitive to Alusion® volumes ZinClear® volumes
- Further guidance will be provided following finalisation of Merck negotiations

# Formal Business

- **Financial Report**
- **Remuneration Report**
- **Election of Directors**
  - Rade Dudurovic
- **Other Business**

# Formal Business

## Financial Report

***“To table and consider the Company’s annual financial report, the Directors report and the auditor’s report for the year ended 30 June 2014”***

# Formal Business

## Remuneration Report

### Resolution 1

To consider and, if thought fit, pass the following as a non-binding ordinary resolution.

***“That the Company adopt the remuneration report as set out in the Directors’ report for the financial year ended 30 June 2014, in accordance with Section 250R(2) of the Corporations Act”***

Proxies Received	Voted	%
For	236,667,284	99.72
Against	46,000	0.02
Open	615,000	0.26
Abstain	0	N/A
Excluded	2,500,000	N/A

# Formal Business

## Retirement of Director

### Resolution 2

To consider and, if thought fit, pass the following ordinary resolution.

***“That Mr Rade Dudurovic, in accordance with Clause 6.4(a) of the Company’s Constitution, retires from office as a director of the Company.”***

Proxies Received	Voted	%
For	239,087,284	99.69
Against	126,000	0.05
Open	615,000	0.26
Abstain	0	N/A
Excluded	0	N/A

# Formal Business

## Election of Director

### Resolution 3

To consider and, if thought fit, pass the following ordinary resolution.

***“That Mr Rade Dudurovic be appointed a director of the Company”***

Proxies Received	Voted	%
For	239,087,284	99.69
Against	126,000	0.05
Open	615,000	0.26
Abstain	0	N/A
Excluded	0	N/A

# Formal Business

## Other Business

### Q & A