

Vita Life Sciences Limited – 2021 Annual General Meeting

Address by the Managing Director – 28th of May 2021

Thank you, Henry.

Slide 4 Managing Director review

Good afternoon ladies and gentlemen, my name is Andrew O’Keefe, Managing Director of Vita Life Sciences.

Thank you for joining us today at the Company’s Annual General Meeting. My address will provide shareholders with an update into the Groups FY 2020 performance, along with insights into our strategic plans and priorities moving forward.

Slide 5: Leadership Team

I would like to take this opportunity to introduce the VLS leadership team. This talented team steered the business extremely well, during a year that was unprecedented on many levels.

The strength and broad competency skills across the leadership team provided confidence and stability at a time that our business needed it most. The Covid-19 pandemic tested many organisations, however VLS remained strong and delivered record dividend payout for shareholders in FY2020.

Slide 6: Company History

The Vita Life Sciences Group has a long and extensive history of formulating and distributing high quality vitamins and supplements across the Asia Pacific region.

The company’s core values drive the corporate behaviours across the organisation. These same values have underpinned the rich history and growth of the organisation since 1947.

Slides 7/ 8: Product Portfolio and Branding

The Group maintains distribution coverage across 7 countries. The core includes Australia, Malaysia, and Singapore. The remaining countries being China, Vietnam, Thailand, and Indonesia, round out our market presence.

- 2 major consumer brands- Herbs of Gold and VitaHealth
- 750 registered products across all markets
- Over 400 employees

The Herbs of Gold and VitaHealth brands continue to provide consumers with an extensive range of products across all major health categories in complementary medicine.

In terms of marketing, it is imperative to the brand strategy that the creative execution is premium to support the brand positioning. Moving forward, we plan to significantly increase our brand building investment initiatives to broaden consumer reach across their respective countries.

Slide 9/10:

Over the past three years, the business implemented a strategic plan to stimulate top line growth after consistent periods of stagnant performance.

This deliberate strategy included increasing the Group's advertising and promotional investment, whilst expanding our selling channels across key markets. As expected, the increased investment strategy impacted short term profitability, however, it delivered over 1,000 new retail customers and an average sales growth rate of 5.7% over the past 4 years.

Slide 11:

Let us now turn our attention to the results for FY2020.

Group sales of \$46.5m is up 9.5% on the prior corresponding period (PCP). A pre-tax profit of \$8.1m, compared to the PCP of \$4.4m.

This performance reflects the strategy set for the business to build on our base, whilst generating revenues from new retail channels across our core markets

A new strategic partnership in China also generated solid organic revenue growth through cross-border E-Commerce Channel (CBEC) and is reflected in the Australian performance.

In conjunction with Initial COVID-19 uncertainties, management deployed a strategy to reduce normalised advertising and marketing investment of approximately \$2m. This combined with government subsidies increased pre-tax profit to \$8.1m.

Pleasingly, the group returned \$2.6m to shareholders through dividends and a share buyback scheme in FY 2020.

Based on sustained margins and profit performance of the Group, a total dividend payment 4.25 cents per share was declared for the FY2020 results: an increase of 0.5 cents from FY2019.

Slide 12: 2020 Geographical contributions

In terms of geographical market contributions, the FY 2020 revenue mix has changed slightly from FY 2019; Australia continues to be the single largest market with an increase from 39% to 45%. The increase was contributed to channel expansion and export contributions.

The Asia Pacific region, which represents 55% of the group's revenue, remains a significant strategic pillar for the company. Our core markets are Australia, Malaysia and Singapore, with Vietnam continuing to emerge as a market with high growth prospects and will require investments moving forward.

Slide 13: Future Investment Pillars

The Company has demonstrated a history of prudent financial disciplines. Our business has emerged from 2020 in great shape, maintaining its strong balance sheet and even stronger cash position. The Company is now well positioned to invest an additional \$5-6m back into the business across four key strategic pillars over the next 3 years.

These key pillars are:

- Brand Building
- Education and Innovation
- Talent wellbeing
- Operational leverage

The Company also intends to fully repay the fixed loan of around A\$1.4m relating to the building in Malaysia by mid-2021.

Our vision and investment plans are clear and provide the fundamentals to continue growing the organisation into the future.

Slide 14: Outlook and Guidance:

The COVID-19 pandemic remains a fluid situation, which may have the potential to disrupt traditional selling channels.

That said, management remains confident to deliver first half growth.

- First half FY 2021 sales guidance of around \$23.5m-\$24.5m, which is higher than PCP.
- First half FY 2021 EBIT of around, \$4.0m-\$4.5m

Managing Director closing comments

In closing, I would like to thank all the hard-working staff of Vita Life Sciences. The Group continues to be well positioned to leverage market opportunities across the region.

I would also like to thank all shareholders and look forward to your ongoing support.

Thank you for your attention.

I now handover the meeting to Henry, who shall chair the remainder of this meeting.

Andrew O'Keefe

Managing Director

28 May 2021