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**29 November 2022**

**ASX Announcement**

## **Star Combo 2022 AGM – Chairman Update**

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Attached, please find the business update to be delivered by the Chairman at the Star Combo Pharma Limited 2022 Annual General Meeting held on 29 November 2022 at 11:00am.

Authorised for Release by the Directors

For more information please 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.



# **STAR COMBO PHARMA LIMITED**

**Chairman's address**

**Annual General Meeting  
29 November 2022**

# Key Themes FY22



- Strong cash position of \$10.39M with \$4.39M in trading bank account and \$6M in bank term deposit as at 30 June 2022.
- Impairment of intangible of \$1.45M for the Retail Division of Austoyou and Koala Mall
- OEM sales of \$16.28M in FY 2022 compare OEM sale of \$12.48M in FY 2021.  
Increased by 30% year on year.
- Benefiting from macro trends with strong demand for Australian Made health and wellness products

# Our people

## People

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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

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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 2022.

## COVID

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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)

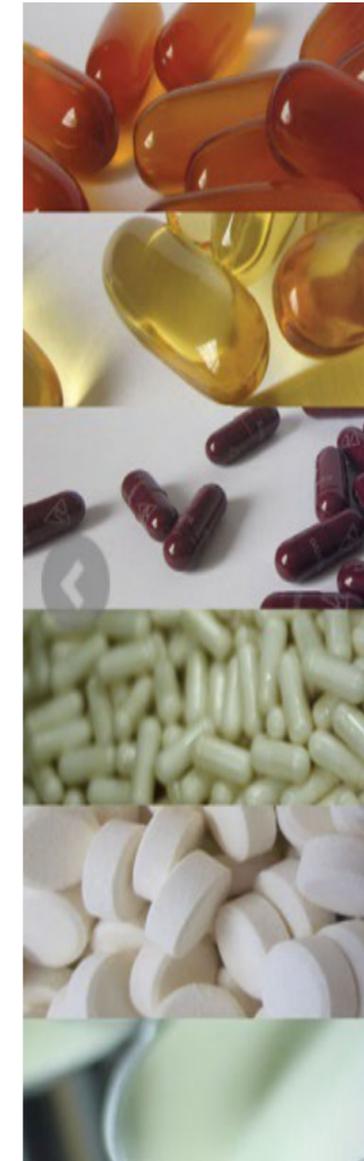
- OEM division performed ahead of expectations with increasing volume of bulk orders manufactured due to new customers
- 53 new customer accounts acquired with the strongest order book in place for 2022
- Through new products development and commercialisation.
- Continued expansion into new territories with \$1.0M distribution agreement signed with Vietnam based distributor, for supply of Costar products throughout the country

## ➤ Retail Division (online platform business Austoyou.com and Koala Mall retailstores)

- The retail division 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.
- Newly formed customer service team to improve customer retention

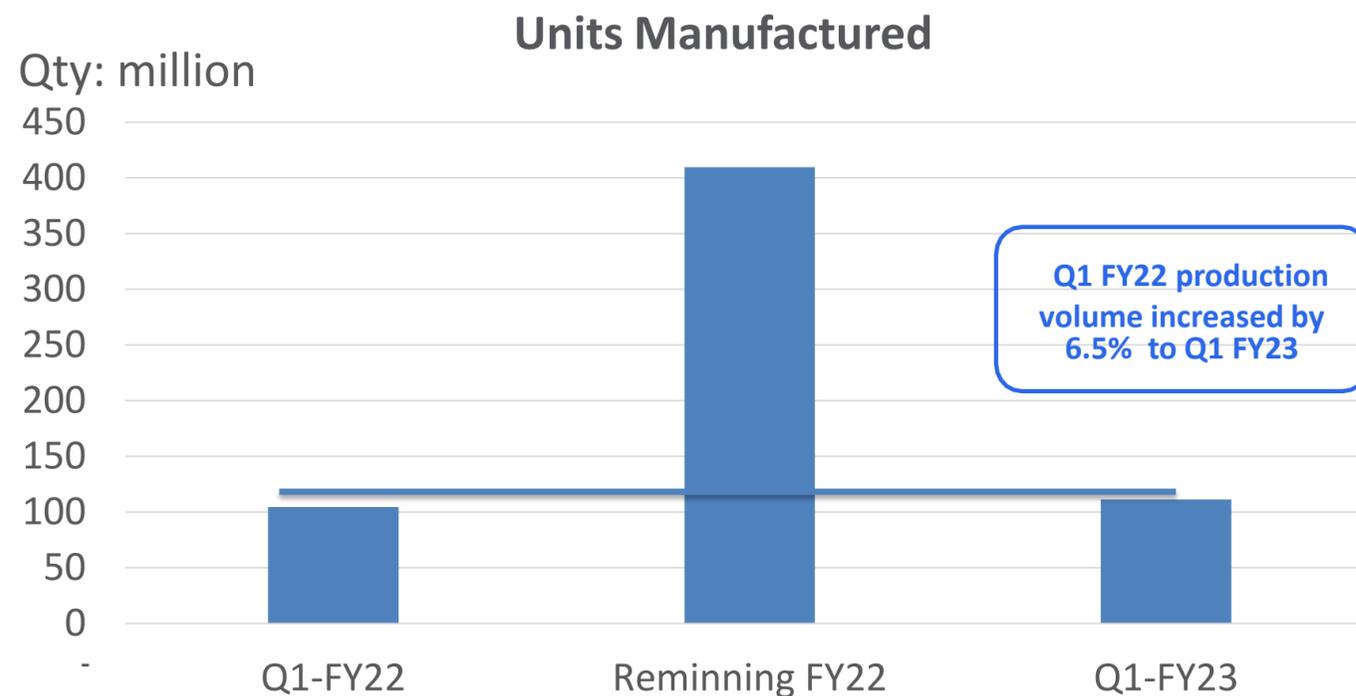
# Q1 FY23 Trading Update

- Q1 FY23 Revenue of \$6.55M (Q4 FY22 \$6.2M)
  - OEM division performed ahead of expectations with OEM sales of \$5.12M in Q1 FY2023 compare OEM sale of \$4.9M in Q4 FY2022.
  - Retail division continues to be impacted by COVID related restrictions. Physical retail store was closed in September 2022 with all sales transferred to online sale. It will significantly reduce the retail division operating loss.



# Increase in production volume Q1 FY23

- Manufacturing division continues to perform strongly
- A good start in 111.27M Q1 FY23, production volume increased by 6.5% when compared with 104.43M Q1 FY22



# Achievements & Outlook



<b>FY22 Achievements</b>	<b>Continued growth in contract manufacturing division</b>	<b>Operating cash flow positive with \$10.39M in cash in bank</b>	<b>Contract manufacturing business remains resilient in face of COVID pandemic</b>
<b>2023 Outlook</b>	<b>Contract manufacturing sector remains main area of strategic focus</b>	<b>Contract manufacturing outlook remains resilient benefiting from strong macro trends</b>	<b>New market development opportunities providing potential for growth</b>

**Investor relations**

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**THANK YOU**

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STAR COMBO

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