

Investor Update

2 – 21st February, 2020

Following our update on the 17th December we thought that it would be appropriate to give GBA's shareholders a further update considering how busy we have been since the start of 2020.

The media focus on the coronavirus outbreak over the last 6 weeks has generally raised concerns about business trade exposure to China and the unfortunate plight of those persons affected, accordingly I wanted to reassure our investors that there has been no trade impact to GBA. In fact, GBA has seen increased sales through its cross-border & on-line channels during the last 6 weeks as sections of the Chinese population have experienced restrictions to their normal routines and are home bound.

In respect of GBA's Australian operations over the past 4 months, we have been very busy with integrating Celebrity Slim into GBA's operations and other business activities. We have strengthened our top line management and retail sales teams and continued our ongoing business development with both existing and new clients with some very pleasing results. GBA has also continued its activities in the merger and acquisition space where we look to expand our operations with complimentary business opportunities that arise.

1. To give you an overview of our activities since our last update we have prepared the following summary:
2. Successfully completed the acquisition of the brand Celebrity Slim (CS) from Probiotec Ltd and commenced trading with this brand on the 4th October, 2019
3. Appointed National Retail Sales Manager (ex-Blackmores & Probiotec)
4. Appointed National Logistics Manager
5. Appointed CFO (ex CBA)
6. Appointed 6 East Coast retail and pharmacy representatives. All of the successful candidates come with significant sector sales records and their work for GBA will lead to an increase of on-ground brand support and also drive sales growth
7. We have entered into a 12-month national advertising campaign with Body and Soul supplement (Sunday Newspapers) – equity funded

8. Sales YTD v last year comparable +12%
9. Business Development Celebrity Slim (CS)
 - a. Celebrity Slim Existing
 - i. API (existing) shelf space & stores increase 60% - effective April
 - ii. Coles sales +11%
 - iii. Woolworths +11%
 - iv. National Pharmacy Group +60 pharmacies – rollout begins April
 - b. Celebrity Slim Pipeline
 - i. Pitch underway to an additional National Pharmacy Chain – Chemist Warehouse
 - ii. Priceline - will stock our new Keto Dietary Line in their 480 stores
 - iii. Priceline - store ranging for existing lines is increasing from 115 stores to 300 stores
 - iv. Quality Pharmacy Group (new stockist) will see the launch of CS across 15 - 20 stores - April/May
 - v. UFS stores (Western Victoria based new stockist) are rationalising a large range of other dietary brands and will only stock Celebrity Slim and Optifast across their 25 stores moving forward
 - vi. Symbion (Pharmacy wholesaler 4,000 stores) key pitch delivered – we expect an answer in March
 - vii. Cross Border – QBID 3-year contract extension confirmed on more favourable terms – TMall, JD.com etc with substantial sales growth YTD
 - viii. Whalecome Mall – authority to market CS products in China completed. We expect substantial sales from this rapidly developing new marketing which is backed by JD.com
 - ix. CIQ registration process has commenced
10. Business Development - Skincare Brands
 - a. Sales YTD + 9% v 2019 comparable
 - b. International Airline – Business Class flight amenities & lounges – announcement March – launch April
 - c. Li'Tya New clients + 11



- d. Earth Spa (launch May) this is a price point brand and we expect major inroads into Coles, Woolworths, Priceline and BOOTS UK
 - e. Marli – exclusive male brand - launch July
 - f. CIQ registration has commenced
 - g. European distributor will be appointed in March
- 11.** Cost savings – following the acquisition of Celebrity Slim the GBA team has embarked on cost saving processes and we believe these efforts will result in substantial savings in respect of Cost of Goods Sold and other operational savings.
- 12.** GBA has purchased an additional dietary brand with settlement due in June 2020. The acquisition will alone allow GBA to achieve the following trading growth on a full year basis from our 2019 base:
- a. Revenue +244%
 - b. NPAT +246%
- 13.** IPO/Other discussions – we have decided to delay the planned IPO to July/August whilst potential merger discussions with an ASX listed company take place. Nevertheless, ongoing preparations for our planned ASX listing are still progressing well
- 14.** IPO target price range is now 35c – 40c
- 15.** Capital Raise Feb/March \$3m @ 25c

I trust that our existing investors will be pleased with the above progress and I would like to thank all involved for the growth and opportunities that Global Brands Australia has achieved so far.

Regards,

Bryan McGoldrick

Managing Director & CEO

MBA MOE MPET FAIM