



TPI ENTERPRISES LIMITED

WWW.TPIENTERPRISES.COM

ASX Announcement

Thursday 30th May, 2019

2019 AGM Presentations

The enclosed Chairperson's Address and CEO Presentation will be delivered to shareholders today at the 2019 Annual General Meeting of TPI Enterprises Limited (ASX:TPE).

For more information please contact:

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Managing Director/CEO
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Brendan Middleton
Chief Financial Officer
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About TPI Enterprises Limited

TPI Enterprises Limited (ASX:TPE) is one of three licensed poppy processors in Australia, and the only Australian-owned company. It is one of only three companies globally that is vertically integrated from poppy growing through to tableting production. TPI Enterprises has developed an innovative, efficient and environmentally-sustainable extraction and purification manufacturing process which allows the company to deliver a highly competitive pricing platform. The company's strategy is to secure access to regulated downstream narcotics markets to leverage its reliable, cost-competitive upstream raw material capability.

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TPI ENTERPRISES LIMITED 2019 ANNUAL GENERAL MEETING

30 MAY 2019 (ASX:TPE)



DISCLAIMER

Summary information

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Financial data

All dollar values are in Australian dollars (A\$) unless stated otherwise.

Past performance

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Future performance

The presentation includes forward-looking statements regarding future events and the future financial performance of TPE. Forward looking words such as "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" or other similar expressions are intended to identify forward-looking statements. Any forward looking statements included in this document involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, TPE and its officers, employees, agents or associates. In particular, factors such as variable climatic conditions and regulatory decisions and processes may affect the future operating and financial performance of TPE. This may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. The Information also assumes the success of TPE's business strategies. The success of the strategies is subject to uncertainties and contingencies beyond control, and no assurance can be given that the anticipated benefits from the strategies will be realised in the periods for which forecasts have been prepared or otherwise. Given these uncertainties, you are cautioned to not place undue reliance on any such forward looking statements. TPE is providing this information as of the date of this presentation and does not assume any obligation to update any forward-looking statements contained in this document as a result of new information, future events or developments or otherwise.



INTRODUCTIONS: TPE REPRESENTATIVES & AUDITOR

TPE Directors

- Simon Moore, Independent Non-Executive Chairman
- Jarrod Ritchie, CEO and Managing Director
- Stuart Black, Independent Non-Executive Director
- Todd Barlow, Non-Executive Director
- Sue MacLeman, Independent Non-Executive Director

Auditor

- Tony Batsakis, KPMG

Legal Counsel

- Jane Sheridan, ABL

TPE Management

- Artur Abreu, Production Director – Australia
- Brendan Middleton, Chief Financial Officer
- Craig Sweeney, Production Director – Norway (not present)
- Jaime Pinto, Company Secretary
- Lucy Waddell, Quality & Regulatory Manager
- Michael Long, Agriculture Director
- Nicole Mikschofsky, Financial & Operations Manager – Norway (not present)
- Richard Bos, R&D Director
- Richard Scullion, Commercial Director (not present)



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CHAIRMAN'S ADDRESS

Simon Moore





TPI ENTERPRISES LIMITED

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2019 Annual General Meeting – Chairman’s Address

Welcome everyone to the TPI Enterprises 2019 Annual General Meeting.

In particular, shareholders, our Auditor, Tony Batsakis, members of management and my colleagues on the Board of Directors (Sue MacLeman, Stuart Black, Todd Barlow, and our CEO & MD Jarrod Ritchie), and our legal advisors Arnold Bloch Leibler, who are kindly hosting us this afternoon – thank you Jane Sheridan & the ABL team.

The formalities of today’s meeting will follow the usual process with a brief address by myself and an update from your Chief Executive Officer, Jarrod Ritchie, then followed by the official business of the resolutions to be considered by shareholders. As the Shareholders voted in sufficient numbers against adoption of the Remuneration Report at last year’s AGM, we will need to briefly halt proceedings to count the votes in relation to the resolution to adopt the Remuneration Report to determine whether the final resolution in relation to a spill of the Board needs to be put to the meeting.

I will keep my comments brief and try to avoid stealing Jarrod’s thunder.

2018 was an important one for your Company.

The 2017 Year finished with the integration of the Vistin Opiates business under way and your Company moving from a manufacturer of narcotic raw material to a fully integrated producer of opiate based pain management medicines.

Throughout 2018, management worked tirelessly to realise its vision and, after overcoming a number of issues frequently experienced by businesses in periods of extreme growth, in the fourth quarter the Company reported its maiden positive Earnings Before Interest, Taxes, Depreciation and Amortisation.

Importantly, the strategic decision to forward integrate in the opiate based pain management medicine market to broaden the Company’s addressable customer base and leverage the benefits of its market leading narcotic raw material manufacturing cost position has been rewarded with strong customer demand which has continued into the 2019 Year.

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The challenge for management is now to consistently execute to satisfy this demand. If management does so, it will cement a core group of customer relationships which it can use to distribute the new products it now has under development. These products utilise the Company's core alkaloid extraction technology but address the large and growing demand for products to address opioid addiction. The Chief Executive Officer will touch on the new product development initiatives in his address.

The decision to change the Company's name to Palla Pharma reflects the transition of the Company from a Tasmanian-centric NRM business to a truly global pharmaceutical operator. The name, a Nordic term which translates as "the energetic pursuit of something", captures the spirit of our organisation as it seeks to claim its position in the global market.

Finally, I would like to address the Share Price performance over the last twelve months. Like a number of other small cap companies listed on the ASX, a lack of market liquidity and consistent news flow has seen the TPI Enterprises share price languish despite the achievement of a number of significant business milestones. A clear business strategy and consistent execution by Management will be the catalyst for a change in this trend. The ball is in Management's court to deliver over the balance of the year.

I will now hand over to your Chief Executive Officer, Jarrod Ritchie

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CEO & MANAGING DIRECTOR'S PRESENTATION

Jarrold Ritchie



- **Investment Thematic**
- **Company Overview**
- **Who Are We Now**
- **2018 Financial Performance**
- **2018 Achievements & Areas of Continued Focus**
- **2019 & Beyond**

AGENDA



TPI ENTERPRISES: INVESTMENT THEMATIC

- Morphine and codeine remains the “gold standard” for acute and chronic pain management globally
- Significant unmet demand in developing countries with 92% of global supply consumed by only 15% of the global population
- One of six licensed producers of morphine and codeine globally, and one of only three fully integrated suppliers of opiates from raw material through to packaged Finished Dosage products
- Disruptive technology: lowest cost Narcotic Raw Material producer globally based on trade secret extraction process
- Globally diversified poppy straw supply chain with diversified dual hemisphere supply sourcing strategy
- Strong revenue growth: \$22 million in 2017, \$46 million in 2018 and expecting \$60+ million in 2019
- Achieved EBITDA positive 4QFY18 whilst continuing to position the company for growth
- Highly experienced management team with significant industry experience



COMPANY OVERVIEW

TPI ENTERPRISES AT A GLANCE

- Fully integrated opiate manufacturer from farm gate to tablet production.
- Lowest cost Narcotic Raw Material (“NRM”) and Active Pharmaceutical Ingredient (“API”) production capability based on novel water-based extraction technology.
- Rapidly growing global supplier of pain relief, cough and plans for anti-addiction active pharmaceutical ingredients.
- Significant contract manufacturer of Finished Dosage Formulation (“FDF”) tablets via Contract Manufacturing Organisation supply agreements (“CMO”).
- Founded in 2004 and headquartered in Victoria, Australia with production facilities in Victoria, Australia and Kragerø, Norway.

CAPITAL STRUCTURE

Share Price (29 May 2019)	\$	1.19
Fully Paid Ordinary Shares	m	81.1
Share Appreciation Rights	m	1.3
Market Capitalisation (29 May 2019)	\$m	96.5
Net debt (31 Dec 2018)	\$m	21.0



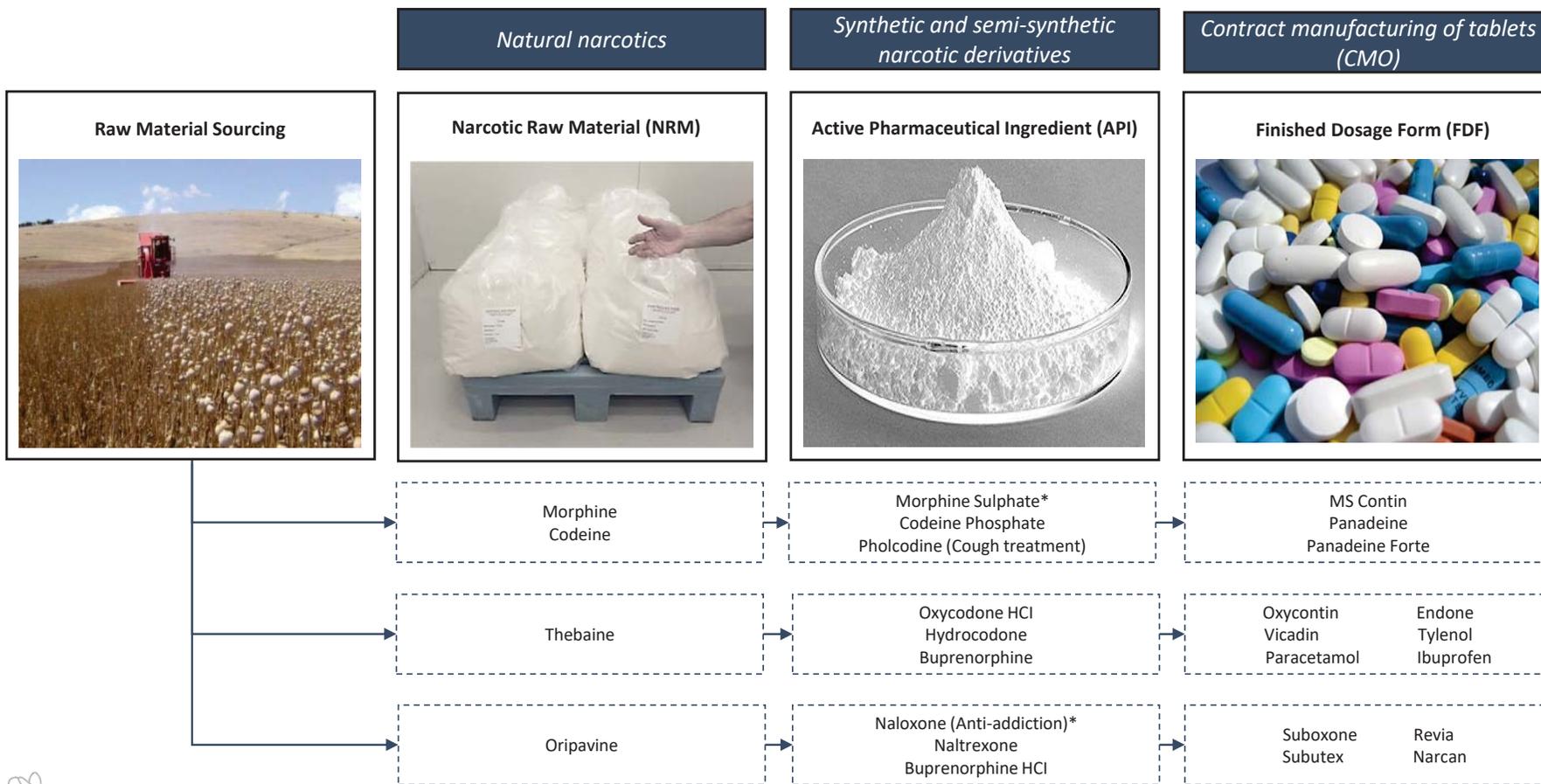
SUBSTANTIAL SHAREHOLDERS

Washington H. Soul Pattinson	19.9%
Thorney Opportunities	17.0%
Wentworth Williamson	7.2%

DIRECTORS

Simon Moore	Independent	Non-Executive Chairman
Jarrold Ritchie		Chief Executive Officer
Stuart Black	Independent	Non-Executive Director
Todd Barlow		Non-Executive Director
Sue MacLeman	Independent	Non-Executive Director

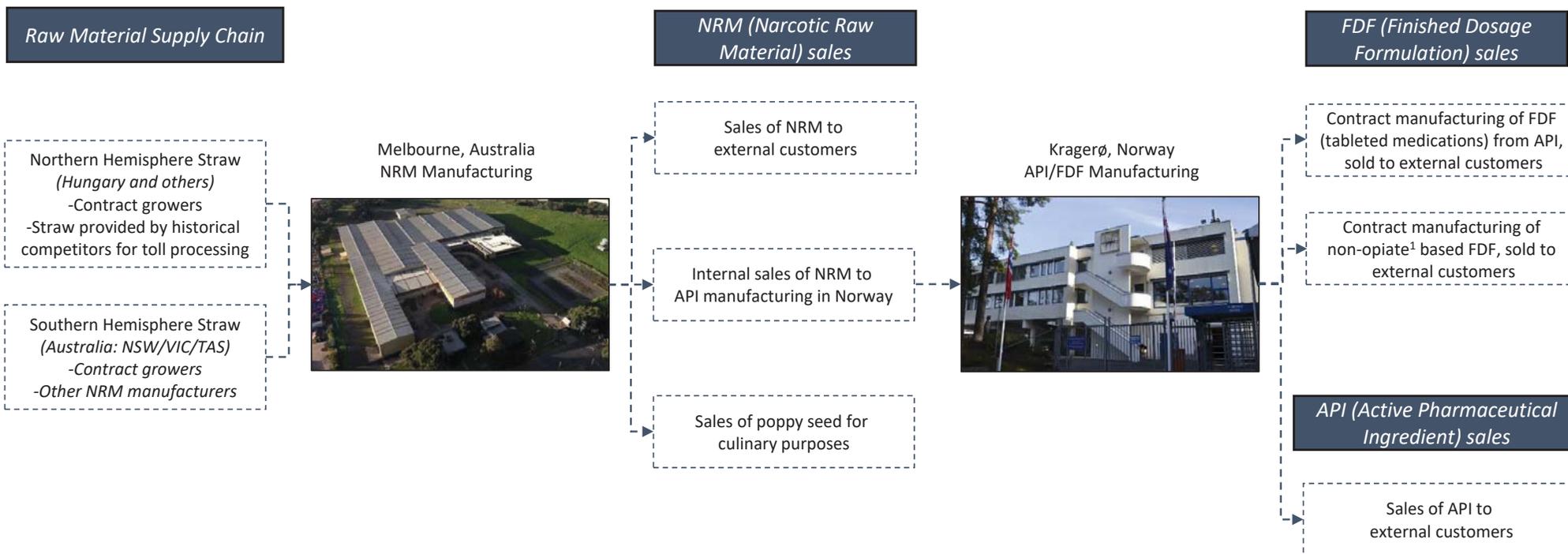
TPE IS A FULLY INTEGRATED LICENCED NARCOTIC SUPPLIER



* Products under development



SUPPLY CHAIN AND SALES PRESENCE



1. Medications not derived from NRM.



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2018 FINANCIAL PERFORMANCE

STRONG SALES GROWTH MAIDEN QUARTER PROFIT

Record production and sales volumes, revenue and profit results achieved in 2018 in conjunction with a significant integration and restructuring program.

Revenue of \$46.2 million grew 113.1% versus 2017, benefitting from the first full year of ownership of TPI Norway.

Gross profit improved to \$16.0 million (+257.0%) due to 70% growth in poppy straw throughput, growth in higher margin API sales and strong seed sales.

Operating EBITDA¹ loss reduced to \$2.4 million, a \$5.3 million turnaround.

Delivered maiden Operating EBITDA in 4QFY18 profit \$1.7 million and strong cost control (\$3.6 million reduction in 2018 overhead costs).

Underlying NPAT² loss reduced to \$6.5 million, a \$5.7 million turnaround, aided by increased operating profit growth and reduced net interest expense.

1. See 2018 Annual Report for a reconciliation of operating versus reported EBITDA measurement. Operating EBITDA is a non-GAAP measure.
2. Underlying NPAT is derived from operating EBITDA less depreciation and amortisation, net finance costs and tax.

2018 ACHIEVEMENTS

API PRODUCTION AND SALES GROWTH

TPE achieved 14% year on year API revenue growth in 2018; signed 3-year, c.\$9 million CPO contract

MAJOR CMO CONTRACT RENEGOTIATED

Exit and subsequent renegotiation of unprofitable contract, signed new 18mth, 17t CPO tableting contract; workforce realigned to match production requirements

GMP RECERTIFICATION AND SERIALISATION IMPLEMENTED

Norway facility recertified for Good Manufacturing Practice (GMP) post-acquisition; significant upgrade to CMO labelling implemented to satisfy new EU requirements

NORTHERN HEMISPHERE STRAW SUPPLY DEVELOPING

Northern Hemisphere Agriculture Manager appointed; over 2,000 ha planted in 2HFY18 of total 5,000-6,000 ha. Expecting 30-60 tonnes of alkaloid for processing in 2019

CORPORATE INITIATIVES

R&D Director appointed to accelerate API product portfolio expansion; Board strengthened with appointment of Ms. Sue MacLeman; significant development in group executive team during 2018

AREAS OF CONTINUED FOCUS

CONTINUE TO EXPAND AND DIVERSIFY API SALES

Expansion of customer base, product portfolio and production capacity, targeting a further 80% year on year revenue growth in 2019.

WORKING CAPITAL

Rapid growth and global vertical integration creates opportunities and challenges; ongoing efforts to optimise global supply chain execution.

CMO PRODUCTION

Material restructuring continuing due to complexity of non-opiate FDF products. Focus on opiate based finished dosage due to higher margins compared to non-opiate CMO.

SYSTEMS AND PROCESSES

Continued focus in 2019 on improving the Norway facility's standards and quality management systems post-acquisition. Additional focus on regional location hiring strategies to improve community engagement and retention of staff.

PATENT VALIDITY CHALLENGE

High Codeine poppy patent dispute. Temporary increase in working capital with some restriction of alkaloid processing.

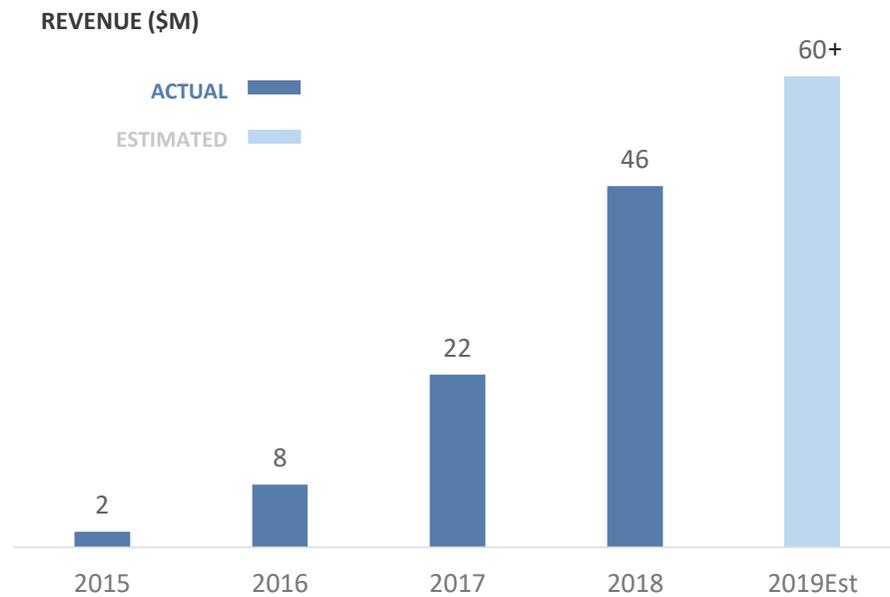


- **1HFY19 Update**
- **2019 Focus by Division**
- **New Product Development**
- **2019 Initiatives Checklist**

OUTLOOK



STRONG SALES GROWTH TARGETING \$60+ million



FY19 REVENUE GROWTH BASED ON:

- Increased sales of API CPO products by approx. 80%
- Increased sales of FDF CPO products by approx. 20%
- Increased sales of poppy seed



OUTLOOK: 1HFY19 UPDATE

1HFY19 revenue expected in the \$24 to \$26 million range due to strong API and seed sales.

Expecting modest 1HFY19 Operating EBITDA profit, underpinned by strong API demand impacted by operational challenges in CMO, investment in product development and one-off corporate costs.

Market demand for our API continues to exceed our capacity to supply. Production run rate has doubled from 550kg per week to over 1,100kg per week.

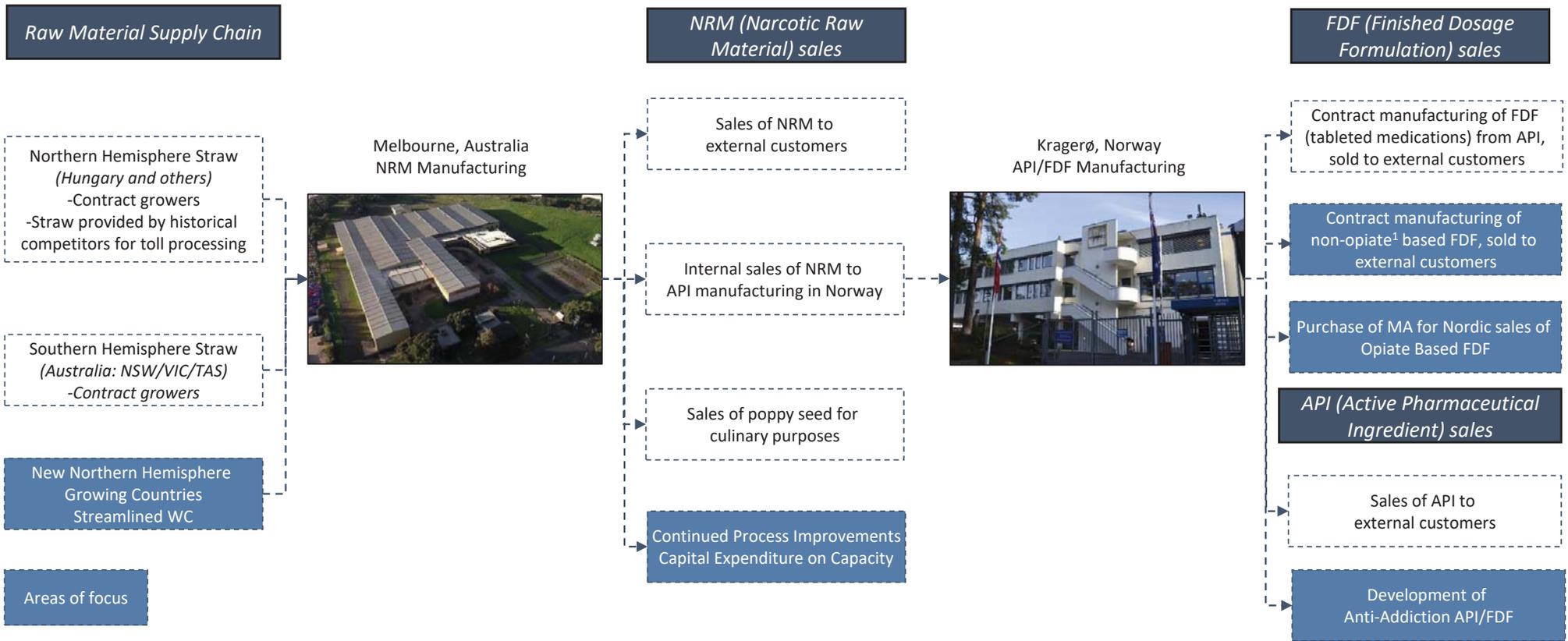
Phase 1 capital expenditure investment <\$1 million in FY19 to expand API drying capacity by c.50% and additional investment in new product development for further growth will also impact FY19.

Further work required to optimise CMO production; reviewing options to improve return on capital invested.

Continuing to address working capital levels.



OUTLOOK: 2019 BUSINESS FOCUS BY DIVISION

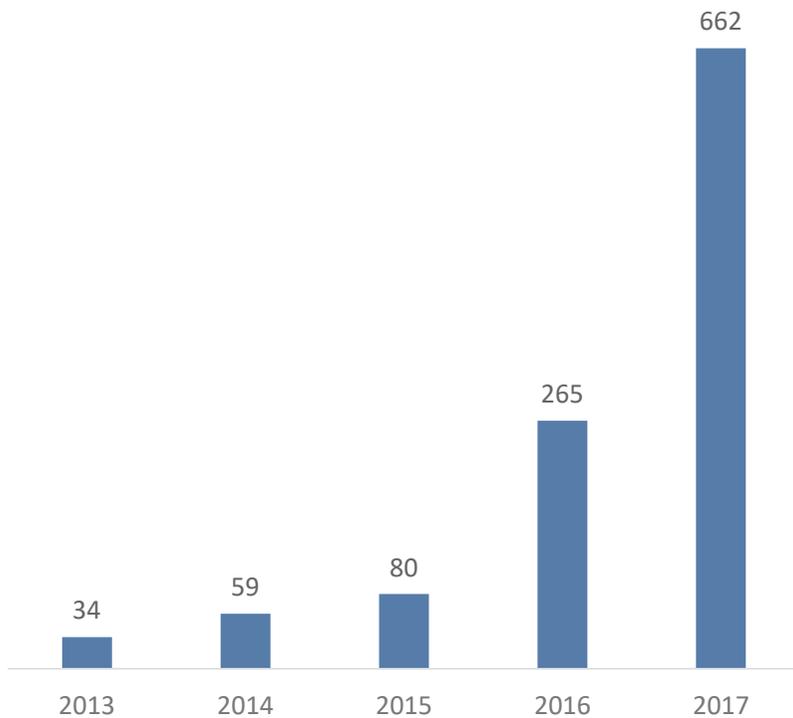


1. Medications not derived from NRM.



OUTLOOK: NEW PRODUCT DEVELOPMENT

HISTORICAL US NALOXONE SALES (USD MILLION)



ADVANCING THE API OPPORTUNITY

Appointed R&D Director (15 years opiate experience) to accelerate API product development including anti-addiction drugs.

New products to address material and rapidly growing markets, in particular Naloxone.

US market for anti-addiction drug Naloxone estimated to exceed US\$2 billion by 2020¹

Anticipating initial API sales of Naloxone beginning 2021.

Additional areas for future Opiate API development work include Dihydrocodeine, Morphine Sulphate (severe pain), Codeine Base (pain / cough suppressant) and Diamorphine (palliative care / childbirth).

1. IMS, FDA data



OUTLOOK: 2019 INITIATIVES CHECKLIST

- Increase sales of existing API products by over 80%
- Optimise raw material supply from both hemispheres
- Reduce and optimise working capital
- Continue expansion and utilisation of Norway and Australian operations to cater for rapid growth
- Continue optimisation and improved efficiency across both sites
- Invest in additional growth capex (NRM & API) and opex to support new product development
- Develop new Opiate based API's



NEW BUSINESS, NEW NAME: PALLA PHARMA LIMITED

The existing company name “TPI Enterprises Limited” reflects the company’s origins as a Tasmanian based poppy straw processor.

The Company has undertaken an extensive review of its naming and branding strategy to develop a brand identity that reflects the company’s shift of its operations, product range and culture to a global pharmaceutical business.

ASX code “PAL” reserved and further updates will be provided once change enacted.

Palla
(Or: Palla Pharma)
Nordic verb meaning
“to have the energy
to do something”



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FORMAL BUSINESS OF MEETING

Simon Moore



FORMAL BUSINESS OF MEETING

Meeting Agenda

Item 1: To receive and consider the Financial Report of the year ended 31 December 2018 together with the Directors' Report and Auditor's Report as set out in the Annual Report.

Item 2 – Resolution 1: Adoption of Remuneration Report

Item 3 – Resolution 2: Confirmation of appointment and re-election of Ms. Sue MacLeman as a Director

Item 4 – Resolution 3: Re-election of Mr. Simon Moore as a Director

Item 5 – Resolution 4: Grant of security to Washington H. Soul Pattinson and Company Limited

Item 6 – Resolution 5: Change of Company Name

Item 7 – Resolution 6: Conditional Spill Resolution (if required)



CONDUCT OF MEETING

Attendance Cards

YELLOW: Voting Shareholders.

BLUE: Non-Voting Shareholders

RED: For Visitors

Voting

A significant number of TPI shareholders vote by proxy, and the Board considers it appropriate to recognise the votes both of those shareholders present today and those who have voted by proxy and are not present.

Accordingly, I will not call for a show of hands on each item. Instead, **all Resolutions set out in the Notice of Meeting will be put to a poll.**



ORDINARY BUSINESS: ITEM 1 – FINANCIAL STATEMENTS AND REPORTS

1. Receipt and Consideration of Financial Statements and Reports

“To receive and consider the Financial Report of the year ended 31 December 2018 together with the Directors’ Report and Auditor’s Report as set out in the Annual Report.”



ORDINARY BUSINESS : RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as contained in the Directors’ Report for the year ended 31 December 2018 be adopted.”

The vote on this resolution is advisory only and will not bind the Directors or the Company. The vote will, however, be taken into consideration in determining future remuneration policy for Directors and executives.

Voting exclusion:

To the extent required by section 250R of the Corporations Act, a vote must not be cast (in any capacity) on Resolution 1 by or on behalf of a Shareholder of the Company’s or the Group’s key management personnel, details of whose remuneration are included in the Remuneration Report, or a closely related party of such a Shareholder. However, a person (the “**Voter**”) may cast a vote as a proxy where the vote is not cast on behalf of such a Shareholder or a closely related party of such a Shareholder and the Voter is either:

- a) appointed as a proxy by writing that specifies how the proxy is to vote on Resolution 1; or
- b) the Chair and the appointment of the Chair as proxy does not specify how the proxy is to vote on Resolution 1 and expressly authorises the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a shareholder of the key management personnel.

Valid Proxies Received

For:	40,860,299 (99.6%)
Against:	99,035 (0.2%)
Open – usable:	85,950 (0.2%)
Abstain:	32,532



ORDINARY BUSINESS : RESOLUTION 2 – CONFIRMATION OF APPOINTMENT AND RE-ELECTION OF MS SUE MACLEMAN AS A DIRECTOR

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That:

- (a) for the purposes of Section 201H(3) of the Corporations Act and for all other purposes, the Company approve and confirm the appointment of Ms Sue MacLeman as a Director of the Company on 27 November 2018, and
- (b) Ms Sue MacLeman, being a Director of the Company who holds office until this Meeting in accordance with clause 23.6 of the Company’s Constitution, be re-elected as a Director of the Company.”

Valid Proxies Received	
For:	44,131,485 (99.8%)
Against:	15,690
Open – usable:	85,950 (0.2%)
Abstain:	8,001



ORDINARY BUSINESS : RESOLUTION 3 – RE-ELECTION OF MR SIMON MOORE AS A DIRECTOR

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That Simon Moore who retires in accordance with clause 23.10(d) of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

Valid Proxies Received	
For:	44,132,885 (99.8%)
Against:	10,790
Open – usable:	89,450 (0.2%)
Abstain:	8,001



ORDINARY BUSINESS : RESOLUTION 4 – GRANT OF SECURITY TO WASHINGTON H. SOUL PATTINSON

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.1, and for all other purposes, approval is given to the Company and its subsidiary to grant security over the Coolaroo Property and the Tasmanian Property to Washington H. Soul Pattinson on the terms set out in the Explanatory Memorandum.”

Independent Expert’s Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval under ASX Listing Rule 10.1. The Independent Expert’s Report comments on the fairness and reasonableness of the grant of the mortgages which are the subject of Resolution 4. The Independent Expert has determined that the grant of the mortgages is fair and reasonable to the Shareholders in the Company.

Voting exclusion:

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- a) Washington H. Soul Pattinson; or
- b) An associate of Washington H. Soul Pattinson.

However, the Company need not disregard a vote if:

- a) It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or
- b) It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Valid Proxies Received

For:	27,867,534 (99.3%)
Against:	103,544 (0.4%)
Open – usable:	85,950 (0.3%)
Abstain:	8,001



ORDINARY BUSINESS : RESOLUTION 5 – CHANGE OF COMPANY NAME

To consider, and if thought fit, to pass the following resolution as a special resolution:

“That, for the purposes of sections 157(1) and 136(2) of the Corporations Act and for all other purposes:

- (a) The Company’s name be changed from “TPI Enterprises Limited” to “Palla Pharma Limited”; and
- (b) All references to “TPI Enterprises Limited” in the Company’s Constitution be replaced with references to “Palla Pharma Limited”,

with effect from when the Australian Securities and Investment Commission alters the details of the Company’s registration in accordance with the Corporations Act.”

Note: Under the Corporations Act, in order for Resolution 5 to be effective, it must be passed as a Special Resolution which requires 75% of votes cast on the Resolution (whether by Shareholders in person, or by proxy or by attorney entitled to vote on the Resolution) to be in favour.

Valid Proxies Received	
For:	44,078,521 (99.7%)
Against:	66,654 (0.2%)
Open – usable:	85,950 (0.2%)
Abstain:	10,001



ORDINARY BUSINESS : RESOLUTION 6 – CONDITIONAL SPILL RESOLUTION (IF REQUIRED)

To consider in accordance with section 250V of the Corporations Act and, if thought fit, to pass the following resolution as an ordinary resolution:

“That subject to and conditional on at least 25% of the votes cast on Resolution 1 being cast against the adoption of the Company’s Remuneration Report:

- (a) Another meeting of the Company’s shareholders (the “**Spill Meeting**”) be held within 90 days of the date of this meeting;
- (b) All of the Company’s Directors (excluding the Managing Director) in office when the Resolution to make the Directors’ Report to be considered at this Meeting was passed and who continue in office, cease to hold office immediately before the end of the Spill Meeting; and
- (c) Resolutions to appoint persons to office that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.”

Note: the resolution will only be put if the Company receives a “second strike” on its Remuneration Report – meaning that at least 25% of votes are cast against Resolution 1.

Valid Proxies Received

For:	8,816,670 (21.5%)
Against:	31,923,159 (77.8%)
Open – usable:	286,205 (0.7%)
Abstain:	51,782



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