ARROW
GREENTECH LTD.

An ISO 9001:2008 Certified Company

9th August 2018

To
Manager (CRD)
Bombay Stock Exchange Ltd. (BSE)
P.J. Towers, Dalal Street,
Mumbai 400 001

Manager (CRD)
National Stock Exchange of India Ltd. (NSE)
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai - 400051

Ref: Script Code- 516064 **Script Code- ARROWGREEN**
Sub: Presentation on Business Performance of the Company

Dear Sir,

With reference to captioned subject matter, please find enclosed herewith presentation on business performance of the Company.

This is for your information and records.

Thanking you,

Yours faithfully,

For **Arrow Greentech Limited**

Poonam Bansal

Poonam Bansal
Company Secretary

ARROW GREENTECH LIMITED MUMBAI

ARROW GREENTECH LTD.
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CIN No. : L21010MH1992PLC069281

ARROW
GREENTECH LTD.
FORMERLY KNOWN AS ARROW COATED PRODUCTS LTD.

Investor Presentation – August 2018

www.arrowgreentech.com

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Consolidated Highlights

- In case of **Water Soluble Films**, during the initial phase of new machinery installed last year we have faced some teething problems. These issues have been resolved and production has increased during this quarter. However utilisation of capacities will take time which led to lower revenue contribution

- Our **Klenz Business** has done good progress compared to the last year. We have done investment in Building Team, Distribution Channel to expand our Product basket and Sales across India. Our expenditure in this business has been increased in the last one year which will support us for the next level of growth in this business segment.

- Our **IP business** is facing a lot of headwinds due to lack of consumer demand of the end products where our IP is used. We expect revenues to start flowing in again from the second half of the year.

- **LQ Arrow Security Products (India) Pvt. Ltd**. is a 100% owned subsidiary of the Company, out of this 49% share has been sold by the Company to Landquart AG, Switzerland a foreign company.

Key Focus Areas during FY19

- Higher Capacity Utilization of WSF Business – We are ramping up the utilizations of expanded capacity and we expect higher sales during this year

- Klenz Business - We are looking to increase our reach and distribution and also tap new clients for our Klenz Business

- Avery Pharmaceuticals - We plan to expedite our setting up the manufacturing base, near Ahmedabad, for manufacturing our patented products like Health, hygiene and pharma films. Regulatory approval processes are on schedule as per our expectations and we expect to start commercial production in FY20

- Our IP Business which had slowed down for the last year, we expect some positive signal from H2 of this year. Our focus is to stabilise this business moving ahead

About the Company

Arrow Greentech in a Snapshot …

01

Only Manufacturer of Water Soluble Films in India

05

State of the Art Manufacturing Facility located in Ankleshwar, Gujarat

02

Vastly Experienced Research & Development Team

04

Caters to the Niche Market

03

38 registered patents across the globe

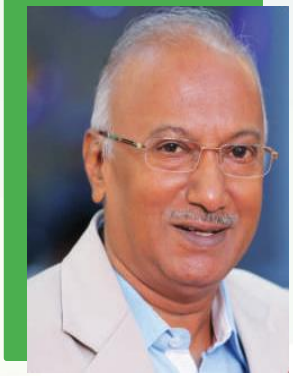
Experienced Board Of Directors

Mr. Shilpan P. Patel
Chairman & M.D

Mr. Neil Patel,
Whole Time Director

Mr. Haresh Mehta
Independent Director

Mr. Harish Mishra
Independent Director

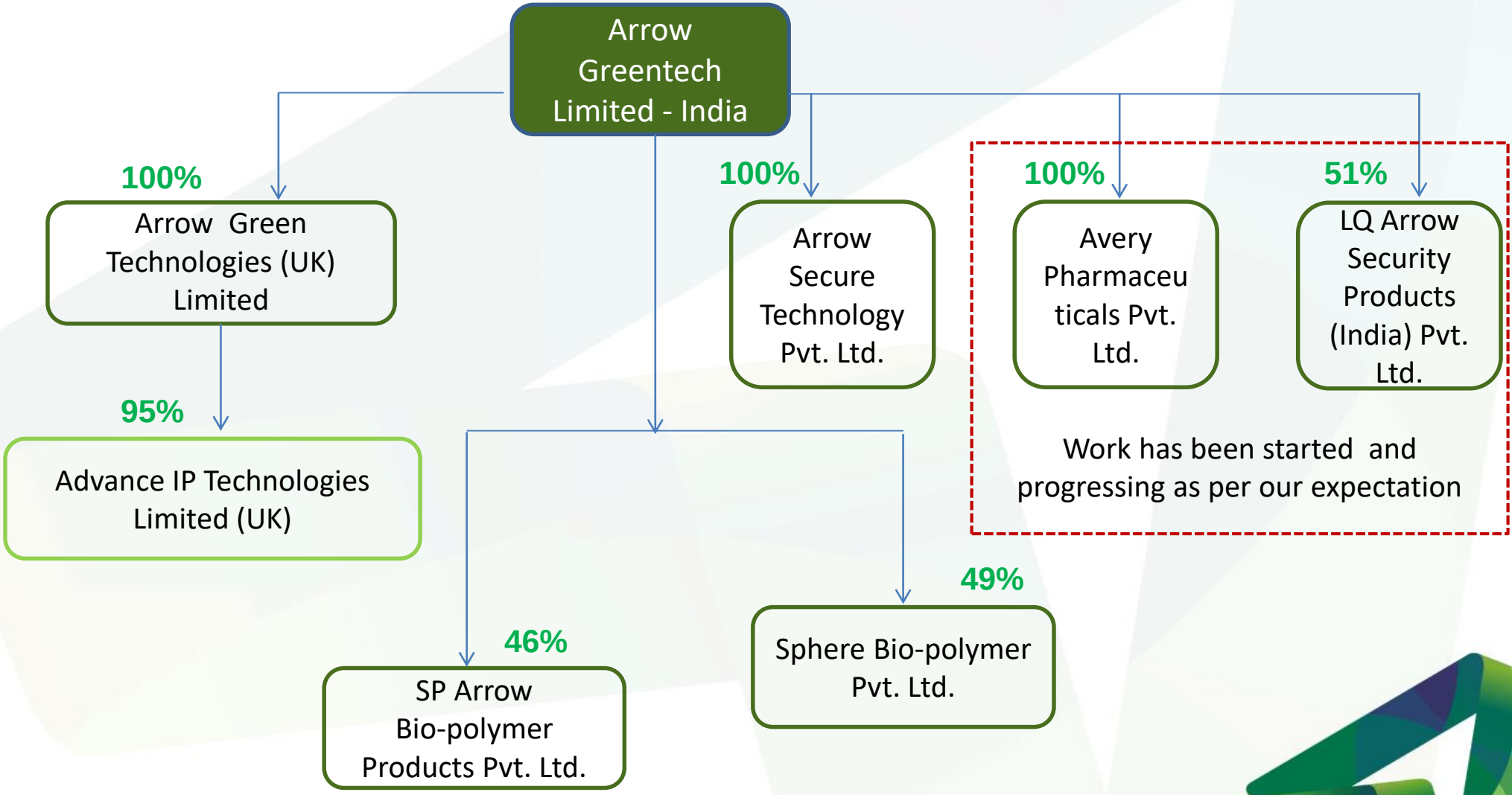


Mr. Dinesh Modi
Independent Director

Mr. Dinkar Trivedi
Independent Director

Ms. Aradhana Singh
Independent Director

Corporate Structure



Business Overview

1

Water Soluble Film (WSF)

Development, Production & Marketing of Wide Range of Water Soluble Film

2

Klenz Pro

Arrow's Klenz Pro is the most concentrated range of hygiene, in water-soluble capsules. Does not generate plastic waste and is firmly committed to the environment

3

Intellectual Property

Total of 38 granted patents across the World, based on Core Technology of Water Soluble Film

4

Bio Plast

An eco-friendly solutions to replace toxic plastic for our future generation. This is 100% Bio-compostable, made from renewable plant resources and has a diverse range of applications such as carry bag, garbage bag and food container etc.

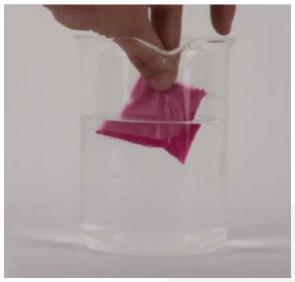
5

Edible Film

This is based on Water soluble film technology which allows a small quantity of Active Ingredient to be delivered in a user friendly format. This is a new drug delivery system. The Company has a patent for this product

Water Soluble Film (WSF)

What is Water Soluble Film (WSF) ?



Liquid Detergent Packed in WSF

Dissolves Completely

What it WSF ?

Packaging material that is environmentally safe & fully biodegradable when disposed in water or waste

Properties of WSF

- Optimum Tensile Strength
- Flexibility for using in multiple forms of packaging
- Excellent Moisture/Heat Sealing
- Eco-friendly

Applications of WSF

Packaging Film

Safe for the environment & fully biodegradable when disposed of in water or in waste

Soap Film

Watersol Soap Strips, 'Arrow Magic Strips' are a boon for travellers for maintaining hygiene while on the move

Embroidery Film

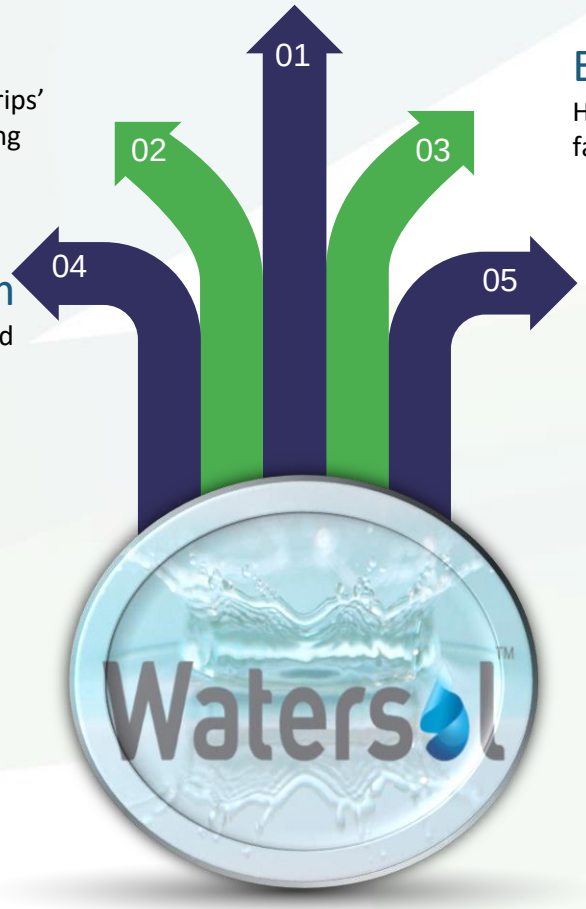
Help to avoid puckering and slipping of the fabric and make it more stable

Water Transfer Printing Film

Decoration technology that uses a specialized Watersol film that is printed with a range of natural and abstract patterns to decorate complex-shaped plastics, metals and other materials

Mould Release Film

Forms a barrier between parts and mold surfaces that are still curing. Film is resistant to solvents and yet is water-soluble



Watersol is the trademark product of Arrow Greentech Ltd.

Use of WSF in Packaging Film

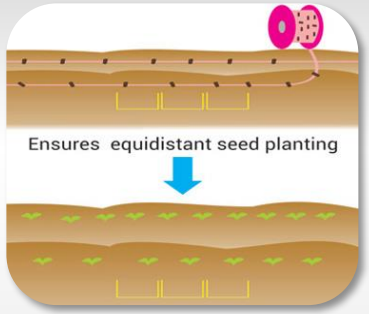
Agrochemical Film

Cement / Dye Enzyme Film

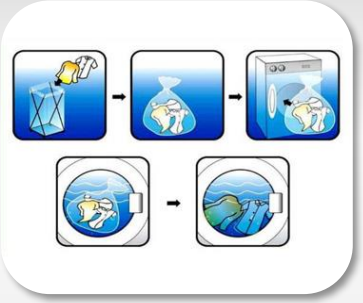
Liquid Detergents

Fish Bait Film

Seed Film



Laundry Bags



Powered Detergents

Toilet Blocks

State of the art Manufacturing Facilities

State of art Manufacturing Facilities

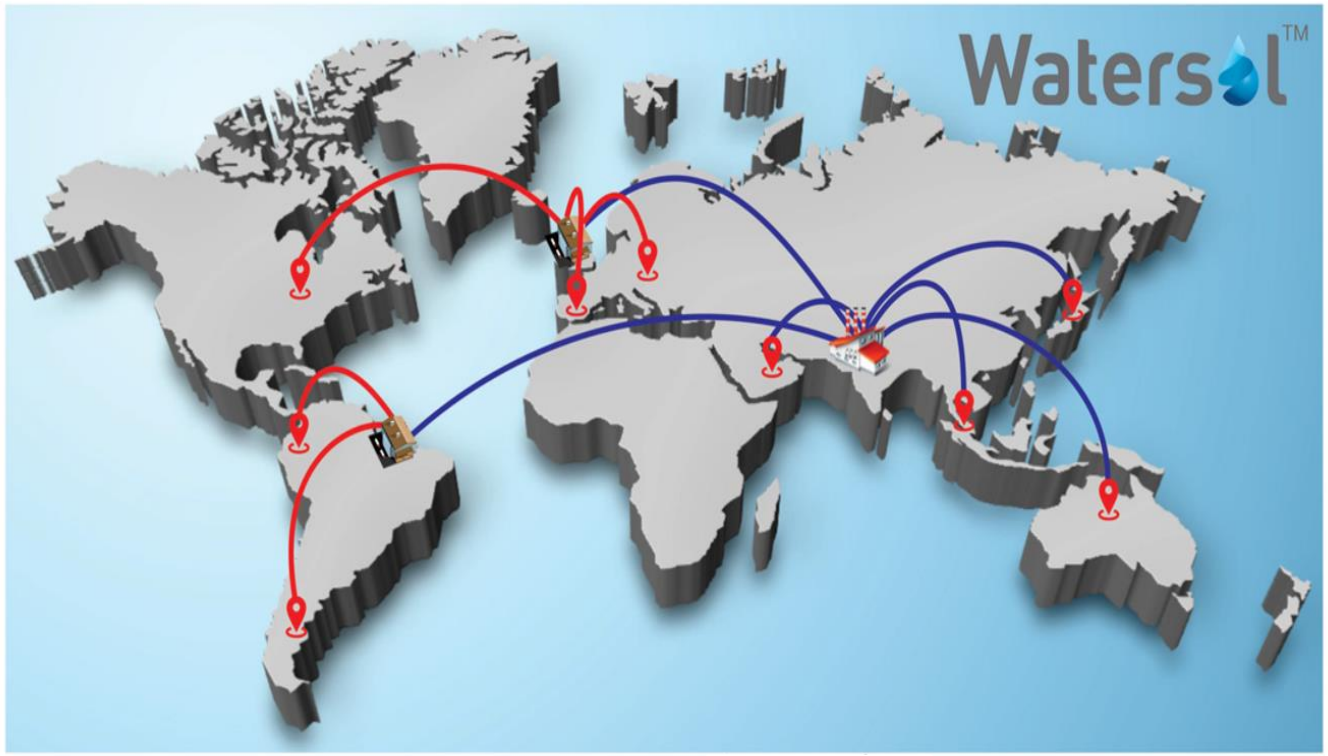
Ankleshwar, Gujarat : ~ 350 Km far from Bombay

Land on 99 years renewable lease from GIDC

R&D Centre with Modern Equipment's

Common Utilities and R&D available for future expansion

Global Presence



Presence in Europe, Asia, North & South America and Africa – mainly 3 supply points located in India, United Kingdom and South America

Wide Distribution channel to service our clients from around the world

– Factory

– Warehousing Facility

– Supply Zones

– Direct Supply

– Secondary Supply

Klenz Pro™

used by professionals

What is Arrow Klenz Pro?

Klenz Pro is the most concentrated range of hygiene chemicals available in India

<u>Product Range</u> : General Cleaning, Kitchen Cleaning, Industrial Cleaning and Laundry Cleaning

Klenz Presence is currently in all states in West and South region of India with over 25 distributors

80 products already introduced in the market and plans to expand the range to about 90 products by FY19

First company to successfully launch cleaning chemical in water-soluble film

Designed in collaboration with Proquimia (Spain)

Caters to Hotels, Pharmaceutical plants, Manufacturing Industry, Auto Mobile Industry, Corporate offices, Facility Management companies, Government bodies

PROQUIMIA
www.proquimia.com

Benefits of Klenz Pro

100% ECO-FRIENDLY

- High concentrated bio-degradable products
- Reduced use of raw materials and packaging
- Reduced use of energy on the production process
- 75% less CO_2 emissions during transport
- No plastic packaging (water soluble pouches) and carton casing

APPLICATION COST CONTROL

- Precise control over product consumption, same dosage every time
- No more waste management costs

OCCUPATIONAL RISKS MANAGEMENT

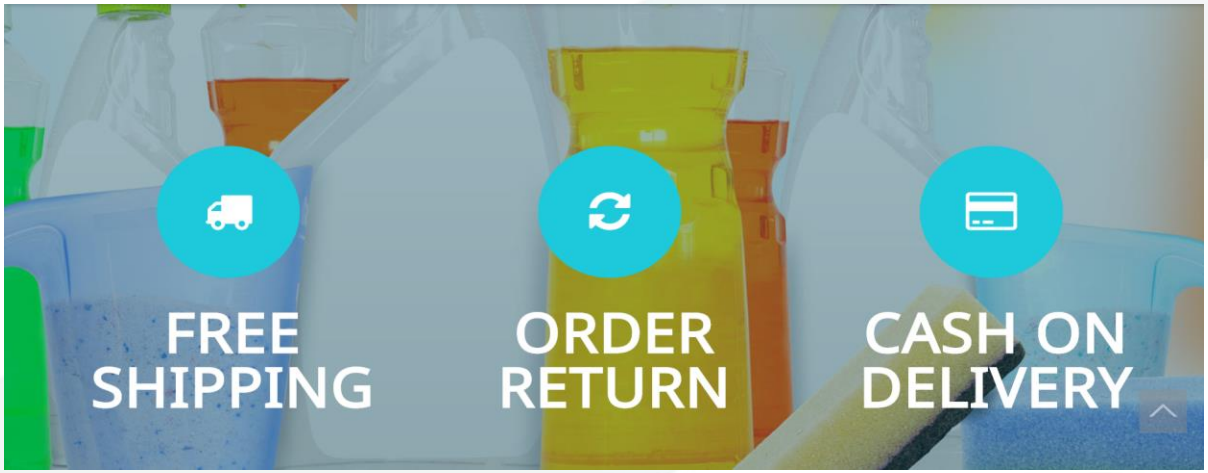
- Safe handling, no direct contact with chemical product
- 85% reduction on loading weight
- Easier and more convenient (pouch dissolves in water)
- Dosing system not required

REDUCES 85% STORAGE ROOM AND TRANSPORT

- Reduced volume thanks to its high Concentration formula

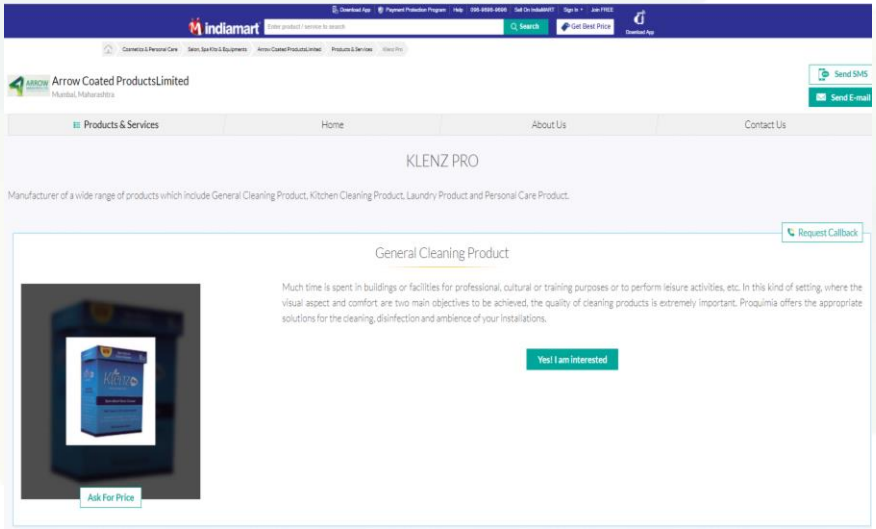
Klenz Pro Products are all compliant with European 2017 norms and have a wide range of ECO-LABELED products in the portfolio

Distribution Channel



Company's website –

http://klenzpro.com/general_cleaning.html



Our Marketing & Launch Strategy along with Quality built Products made us win the "Best Innovative Chemical Product" in to build a strong Distribution and Sales team which will help our long-term vision

Intellectual Property

Key Granted Patents across the Globe

Health

- Mouth Melting strips, Gel strips, Enzyme strips,
- Vitamins, Drugs, Medicine, Disinfectants and other Pharma ingredients
- For clinical setting like blood, serum, urine testing etc.

Hygiene

- Used to add Active ingredients of Detergents, Softeners, Cleaning Laundry, Dishes, Floorings, Walls, Furnitures and other Cleaning agents that are retained and remained intact for a longer time

Packaging

- Used in agronutrients such as fertilizers, urea, agrochemicals etc.
- Used for packaging for food products, liquid cement, shopping bags etc. or other biodegrable material

Security

- Used in making security labels or secure packaging of the products for identification
- Used in manufacturing of security documents such as cheques, bank notes, passport papers etc.

Printing

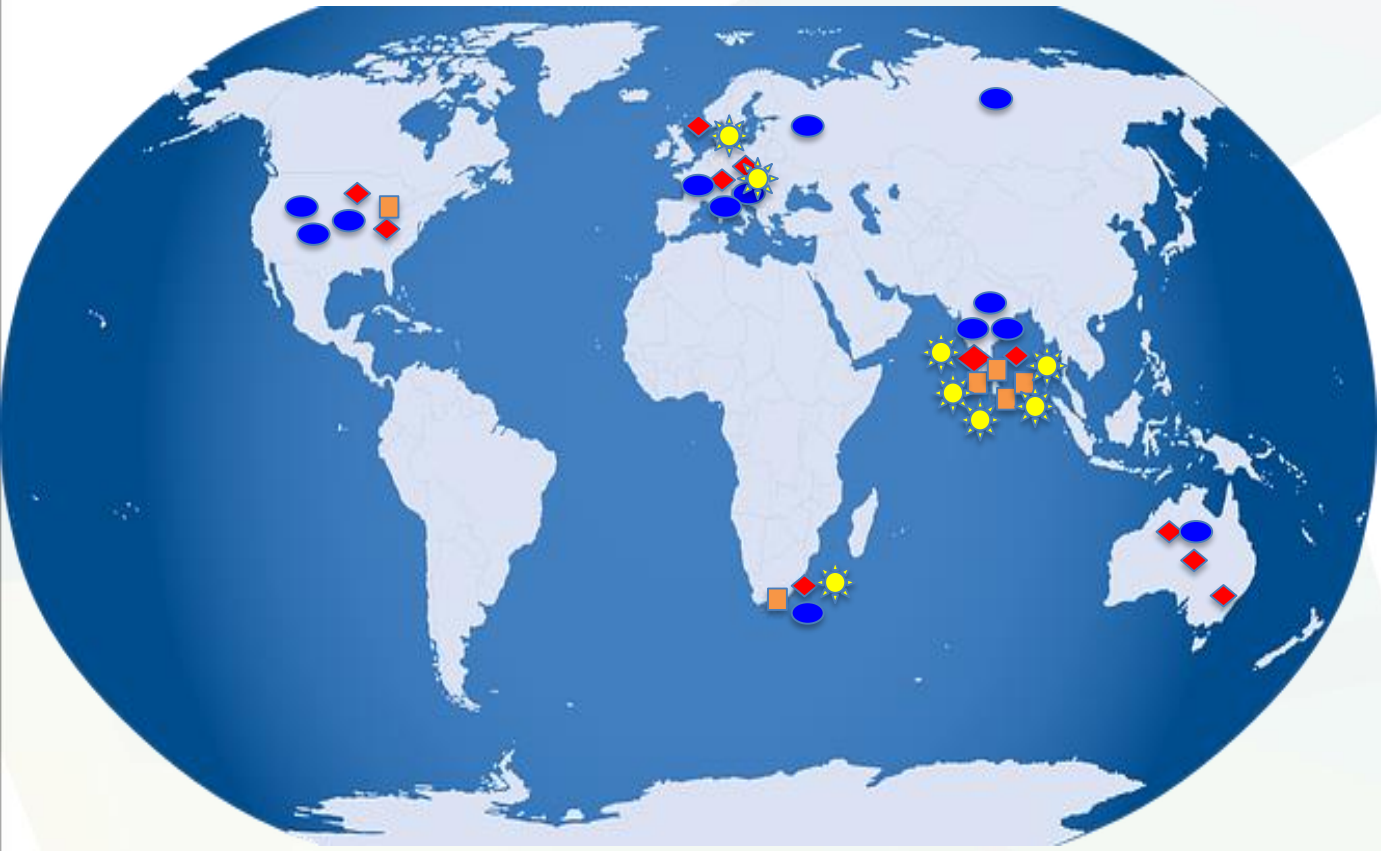
- Used for printing sarees, net or perforated cloth
- Used for printing paper, vinyl
- Used in printing of hoardings, one-way vision films

Self-Adhesive

- Used in making labels for product identification and/or advertising etc.

38 patents granted across the world

Key Granted Patents across the Globe



Region	No. of Patents Granted
India	14
Australia	4
South Africa	4
Europe	7
USA	6
UK	1
Eurasia	1
Russia	1

Printing - SAM

Security

Health & Hygiene

Packaging

Watersol™

Klenz Pro
used by professionals

BIOPLAST®

INTELLECTUAL PROPERTY

BioPlast

BioPlast

- An eco-friendly green solution to replace toxic plastic for our future generation

- Replacement of Plastics packaging, made from petrochemicals

- Have in-licensed the technology for manufacturing the bioplast film from Biotec, Germany that is compliant with the European standards (EN 13432)

- Biotec's expertise in bioplastics and Arrow's water soluble film technology together could revamp the packaging with sustainable solutions

- Future proposed products such as Tea-Coffee portion packs, aluminum foil, jute hessian bags when laminated inside with bio compostable film will provide dual advantages of heat blockage inside the packaged material and sustainability

Watersol™

Klenz Pro
used by professionals

BIOPLAST®

INTELLECTUAL PROPERTY

Edible Film

Edible Films

01

Technology is a relatively new development, but broadly based on water soluble film technology, which also allows small quantities of active ingredients to be delivered in a user-friendly format

02

Edible film division will work closely with clients to create the most effective thin film product and process solutions. this patent has now been granted in several countries, including Australia, South Africa, Europe and India. This patent is still being prosecuted in the USA

03

Recently invested into our new Wholly Owned Subsidiary (WOS) Company, Avery Pharmaceuticals Private Ltd. to manufacture, produce or to otherwise deal in pharmaceuticals and other related products. Arrow's water soluble edible film foray will be limited to the use of its patented drug (Active) delivery system, using edible Water Soluble Film for many major pharmaceutical and nutraceutical companies

Strategic Benefits & Growth Opportunities

Arrow Greentech Limited and Versarien PLC have entered into a Collaboration Agreement

- Versarien and Arrow Greentech have entered into an exclusive commercial arrangement for the supply of the Versarien's propriety Graphinks (graphene inks) to Arrow Greentech, for onward supply to the water-soluble film market world-wide

- Versarien and Arrow Greentech have agreed to collaborate on exploring the potential benefits of using graphene within security threads for banknotes and passports on a named-exclusive basis

- Arrow Greentech will act as the Company's exclusive agent for the supply of graphene to the tyre and associated rubber sectors in India. This will be subject to the terms of a separate sales agency agreement

- Versarien will grant Arrow Greentech the right of first refusal to enter into discussions regarding any future plans for the Company to create a manufacturing facility in India. Those discussions may include the creation of a joint venture company or the right to operate under a license granted from the Company.

Key Entry Barriers

Product Formulation

- Special Chemistry per end use
- Customized Formulations designed for various types of parameters of WSF
- Example : Various Water Temperature, time of dissolution and types of Water – Hard, soft, Salty etc.

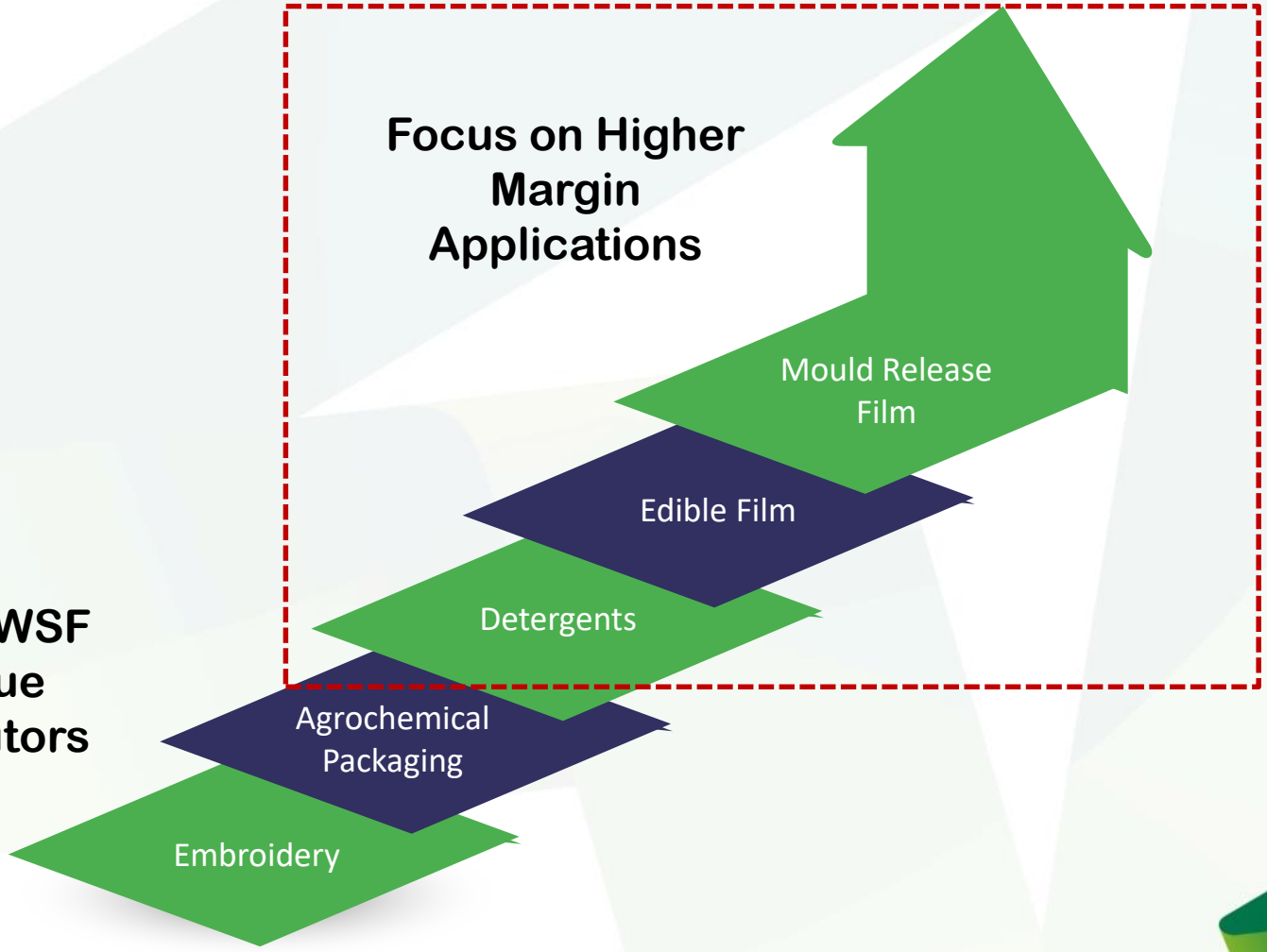
Proprietary Information

- RND outcome is privy to Arrow
- Example : Given a particular material to be packed: Under What Conditions will the WSF dissolve and the Chemical Properties of WSF once it is dissolved

Accelerated Ageing Test

- WSF goes through Accelerated Ageing test under accelerated ageing conditions. This matrix of information is vital to development of right WSF
- To help determine the long-term effects for the purpose of expected shelf life of packed product

Future Potential for Water Soluble Film



Current WSF Revenue Contributors

Ban of Plastics will help grow BioPlast Business

- Our products are plasticizer-free, thermoplastic material that contains natural potato starch and other biologically sourced polymers
- The absence of plasticizer allows the material to be easily processed to manufacture products of consistent quality
- Due to its composition the material is edible, digestible, water soluble and will biodegrade readily in an industrial or domestic composting environment

Growth Drivers

Intellectual Property

- Monetize the existing Patents by selling or licensing the Patents
- R&D to develop more of Products & Processes and file New Patents

Water Soluble Film

- Focussing on high margin applications thereby moving up the value chain

Partnerships / JV's

- Partner / JV with the players in the FMCG and Pharmaceuticals to develop products for the end consumers using our Patents
- Water Soluble Film / Packaging to be provided by Arrow Greentech Film Division

KLENZ

- Increase the product basket under KLENZ
- Once KLENZ reaches a sizeable turnover, we shall manufacture the chemicals ourselves

Watersol™

Klenz Pro
used by professionals

BIOPLAST

INTELLECTUAL PROPERTY

Financials

Consolidated Profit & Loss Statement

Particulars (Rs. In lakhs)	Q1 FY19	Q1 FY18	Q4 FY18
Net Revenue from Operations	**363.43**	**1,254.92**	**-63.61**
Cost of Material Consumed	138.66	52.16	126.79
Purchase of Stock-in-Trade	186.60	169.58	287.54
Change in Inventories	-142.44	-29.19	-102.05
Total Raw Material	**182.82**	**192.55**	**312.28**
Employee Expenses	208.50	166.91	199.11
Other Expenses	330.78	313.37	435.86
EBITDA	**-358.67**	**567.56**	**-1,010.86**
EBITDA Margin (%)	***-98.69%***	***45.76%***	
Other Income	36.24	97.44	-39.23
Depreciation	98.92	101.80	116.44
EBIT	**-421.35**	**563.20**	**-1,166.53**
EBIT Margin (%)	***-115.94%***	***45.41%***	
Finance Cost	-	-	-
Profit before Tax	**-421.35**	**563.20**	**-1,166.53**
Tax	-10.57	83.33	-91.76
Profit After Tax	**-410.78**	**479.87**	**-1,074.77**
PAT Margin (%)	***-113.03%***	***38.69%***	
Other Comprehensive Income (Net of Tax)	-126.00	0.22	***660.68***
TOTAL COMPREHENSIVE INCOME	**-536.78**	**480.09**	**-414.09**
EPS (Rs.)	**-3.45**	**4.03**	**-8.87**

THANK YOU