



Dahlia d.o.o. Belgrade, Serbia

Producer of Cosmetic and Pharmaceutical Products

Presentation to Perspective Investors

January 2020



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Part I	Introduction	3
	Location	5
	Production Capacities	10
	Cosmetics Products Market	18
	About MD Solution	21



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Dahlia


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About Dahlia d.o.o.

Overview

- The Company is famous and almost one century old producer of the cosmetic and pharmaceutical products in Serbia
- Founded in 1924 in Belgrade and with many decades of experience in manufacturing cosmetics and chemical products, today represents one of the oldest factories in the Balkan region
 - The precursor of Dahlia d.o.o. (former English drogerie Union) owned license of British company "Elizabeth Arden"
- In 2017 the Switzerland based company Batagon International AG acquires 100% of the company Dahlia d.o.o.
 - After acquisition the company invested in modernization and increase of efficiency of workspace and production facilities
- Operates production facility, located in industrial surroundings of Zemun polje, in Belgrade
 - The production facility have total area of 4,433 sqm
 - Production is conducted on technologically advanced machines for mixing of semi-finished products, filling and packaging
- Production portfolio currently comprises beauty care, baby care and oral care products
 - In addition to it own brands, the company offers customer made products to suit customer needs, providing services form the initial phase of planning to the packaging of the final product
- No. of employees: 57, of which 29 are on indefinite term and 28 on definite term



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	Introduction	3
Part II	Location	5
	Production Capacities	10
	Cosmetics Products Market	18
	About MD Solution	21



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Location

Overview

- Located in Belgrade, the capital of Serbia
 - In municipality Zemun polje, in industrial surrounding
 - Preferable location for transport of products
- Good connection with region and EU
 - Distance from border with Croatia about 110 km
 - Distance from border with Hungary about 183 km
 - Distance from border with Romania about 122 km
 - Distance from border with Bulgaria about 347 km
- Close proximity to highway corridor: Pan-European Corridor X
- Close proximity to railway corridor: Pan-European Corridor X

Preview of Macro Location – Map



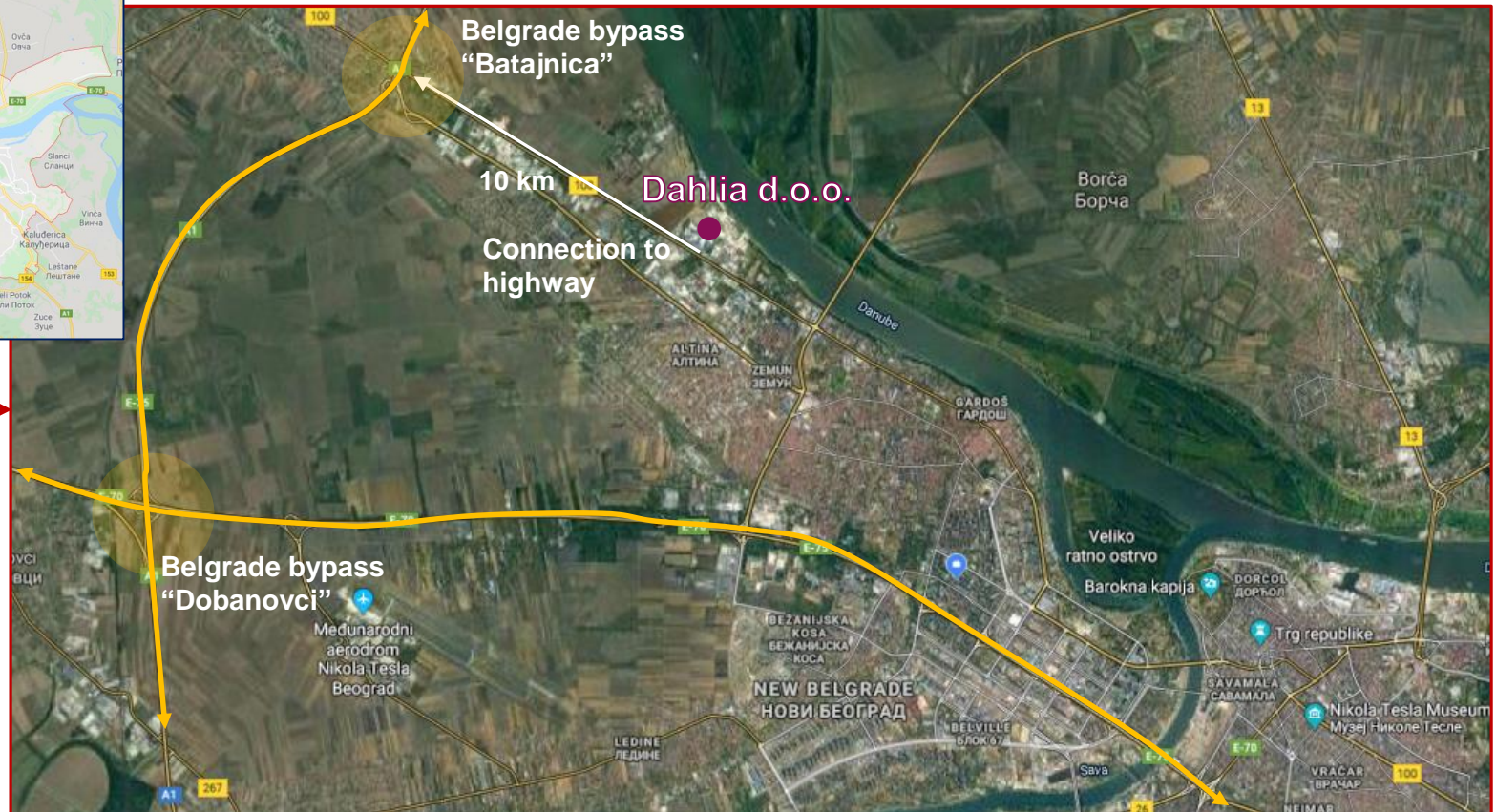
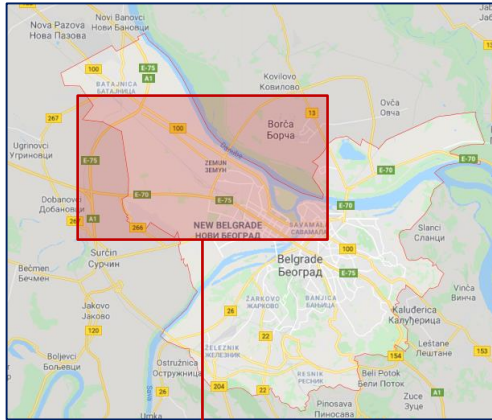


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Micro Location

Map



- Location favorable for transport, due to proximity to Corridor X highway

— Highway, section of Corridor X



Micro Location

Cadastral Parcels 157/8, 157/22 and 157/23

- The company operates in a manufacturing and administrative building located in Zemun polje, cadastral parcel no. 157/22
 - The facility is in the ownership of the company Dahlia d.o.o.
- Land surrounding the company is located in cadastral parcel 157/8
 - The land is in the ownership of the Republic of Serbia
 - The company Dahlia d.o.o. has a right to use
- Total land area of the whole complex is 21,213 sqm
- Total buildings area of the whole complex is 4,673 sqm





Micro Location

Cadastral Parcels 157/8, immovable property no. 642

	Cadastral Parcel	Description	Area (m ²)	Title holder	Title type
Land	157/8	Land under the building	22	Dahlia d.o.o.	right to use
		Land surrounding the building	16,540	Dahlia d.o.o.	right to use
		Total	16,562		

	Cadastral Parcel	Description	Area (m ²)	Title holder	Title type
Buildings	157/8	Electrical substation	22	Dahlia d.o.o.	ownership
		Total	22		



Cadastral Parcels 157/22 and 157/23, immovable property no. 2669

	Cadastral Parcel	Description	Area (m ²)	Title holder	Title type
Land	157/22	Land under the building	4,433	Dahlia d.o.o.	ownership
	157/23	Land under the building	218	Dahlia d.o.o.	ownership
		Total	4,651		

	Cadastral Parcel	Description	Area (m ²)	Title holder	Title type
Buildings	157/22	Manufacturing facility and administrative building	4,433	Dahlia d.o.o.	ownership
	157/23	Workshop	218	Dahlia d.o.o.	ownership
		Total	4,651		





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	Introduction	3
	Location	5
Part III	Production Capacities	10
	Cosmetics Products Market	18
	About MD Solution	21





Production Process

Overview

- Production process includes all phases of product development, from the initial idea to the final product
- All products are made from highest quality raw materials and packed in high quality packaging that fully preserves the properties of the product
- The company owns a safe and adequately equipped storage space

Mixing of semi-finished products

1

- The company conduct mixing of semi finished products in 5 different mixers
- For production of all products, the company uses demineralized water of controlled parameters, produced in a reverse osmosis system



Filling and packaging

2

- After mixing the semi-finished product, the quality control checks the quality parameters of the semi-finished product
- Once the quality requirements are met, the semi-finished products are transported to the filling and packaging departments.
- All filling production lines as well as labels have the ability to adjust the format to suit the shape and volume of the packaging. Automatic chargers operate on the principle of a rotary star and are characterized by a high filling speed. Dahlia has product filling lines in tubes, jars and bottles.





Production Capacities

Technical Characteristics of Production Equipment

Mixing of semi-finished products

1

Equipment type	Description	Capacity
FrymaKoruma DinexH 2400	used for production of emulsions (cream, ointments, balms, milk)	1900kg
FrymaKoruma MaxxD 200	used for smaller batches as well as trial batches	160kg
Olsa	used for producing emulsions, toothpastes, hair gels	up to 700kg
Fryma VME 1300	used for mixing liquid products, shaving traps, face tonics	up to 1000kg
Stelit	used for mixing liquid products	up to 2000kg

Filling and packaging

2

Description	Equipment type	Capacity
Liquid products filling lines	IMACO automatic line (and ETIPACK labeling machine)	up to 2500 pcs/h
	Semi-automatic Dumek line	up to 800 pcs/h
Tube products filling lines	Oyster IWK TFS 10 (and BOSCH Cardboard)	up to 70 pcs/min
	Nordenmatic NM 600 HA	up to 60 pcs/min
	Nordenmatic NM 610	up to 60 pcs/min
Product line for filling in jars	IMACO automatic line (and ETIPACK labeling machine)	up to 2500 pcs/h
Line for filling alcohol lotions and nail polish remover	IMACO automatic line (and ETIPACK labeling machine)	up to 2500 pcs/h
Semi-automatic baby powder production line	Batch mixer for 20 kg powders and a semi-automatic label filler	up to 250 pcs/h
Wet wipes production line	TEKNOWEB (The line consists of a section for cutting Profit 6 wipes and part of a line for packing wet wipes in the foil Flow Pack S70)	-
Toilet soap production line	MAZZONI (The line consists of two parts, one for mixing additives and soap noodles and the other part for forming and packing soap in the cart)	up to 2500 pcs/h





Production Capacity per Product Type

Overview

Production line	Product	Number of units by the working shift (8 hours)
Tehnoweb	Wet wipes	7000-10000
PA Powders	Powder	1500
Imaco nail polish removers and aftershaves	Nail polish remover 120ml	8000
	Nail polish remover 65ml	10000
	Aftershave 50ml	10000
	Aftershave 78ml	10000
	Aftershave 110ml	10000
Imaco jars	Aluminium jars	10000-12000
	Plastic jar 200ml	6000-8000
	Plastic jar 100ml	5000
Imaco liquid	Baby products 200ml	12000-15000
	Body care 250ml	5500-6500
	Body Care 400ml	4500-5000
Norden	Tubes 50ml	8000-10000
	Tubes 75ml	10000-12000
	Tubes 100ml	10000-12000
	Tubes 125ml	10000-12000
IWK (aluminium and laminate tubes)	Tubes 75ml (PZZ, PZB)	13000-15000
	Tubes 125ml	13000-15000
PA liquid DUMEK	Liquid soaps 300ml	4500-5000
	Liquid soaps 750ml	4500-5000
	Baby Care 500ml	4500
	Sower Gels 750ml	4500
	Shampoos 1L	6000
	Shampoos 500ml	4500 - 5000





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Pictures

Equipment For Mixing Semi-products





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Pictures

Equipment For Filling and Packaging / IMACO line





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Pictures

Equipment For Filling And Packaging / Tube Products Filling Lines



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Pictures

Equipment For Filling And Packaging / Other Lines



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	Introduction	3
	Location	5
	Production Capacities	10
Part IV	Cosmetics Products Market	18
	About MD Solution	21



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Dahlia Current Products Portfolio

Brand Overview

Beauty Care



*Includes Hand creams
and nail polish removers,
body milks and lotions,
universal creams*



*Consumer products for
everyday family hygiene;
Economy brand - lower
price segment*



Includes shaving collection

Baby Care



*Complete baby care
and hygiene line;
Products are without
sulphates, parabens
and allergens (0+)*

Oral Care

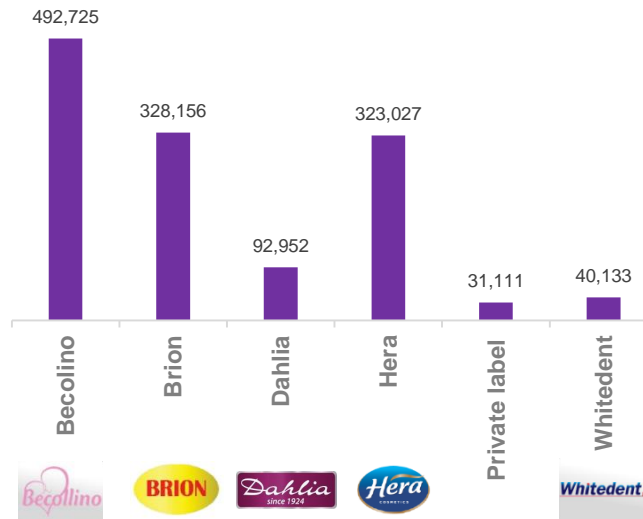




Sales

Achieved Sales per Product Brand

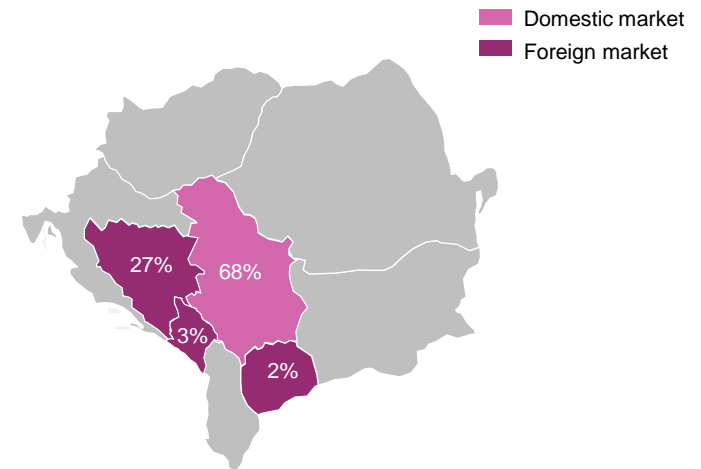
Income w/o VAT in the period January-November 2019, in EUR



- Total income in the period January-November 2019 amounted 1.3 m EUR net
- Total gross sale income in 2018 amounted to 1.28 m EUR

Achieved Sale per Countries in Balkans Region

Country share in sale income in the period January-November 2019



- Total income achieved on domestic market in the period January-November 2019 amounted 0.89 m EUR net
- Total income achieved on foreign markets in the period January-November 2019 amounted 0.42 m EUR net





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	Introduction	3
	Location	5
	Production Capacities	10
	Cosmetics Products Market	18
Part V	About MD Solution	21

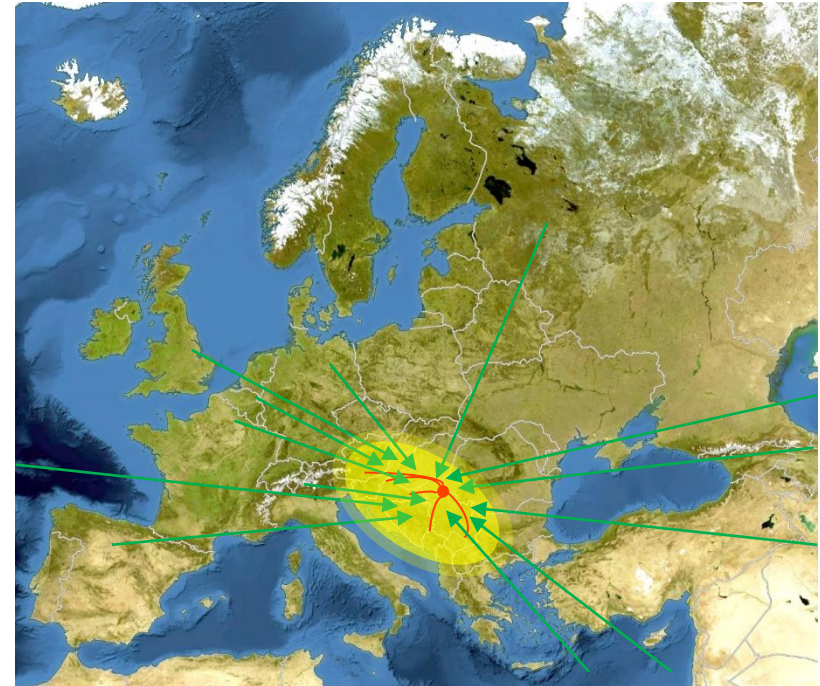


MD Solution

Overview

- **MD Solution** is a consulting company that offers a wide range of advisory services regarding mergers and acquisitions and other strategic projects, restructurings, capital structure, capital raising and corporate finance
- With partners that have strong local and regional expertise, MD Solution can provide creative solution to its clients with their unique needs
- MD Solution and its partners organized, structured and successfully executed some of the most significant transactions in region, with important contribution to the development of financial and capital markets
- During many years of experience, they provided the best solutions to clients from many industries, including consumer goods, energy, financial services, real estate, and telecommunications.
- They have a large global network of business partners and can provide all the necessary support that the client needs in different areas
 - It has unique access to the largest institutional and private investors, banks and other international financial institutions

Focal Markets



- Headquartered in Belgrade – Serbia, MD Solution is focused on the Western Balkans markets
 - MD Solution has unparalleled regional market knowledge and network enabling first access to prospective investment opportunities





MD Solution – The Lead Team

Partners

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- **Mladen Dinkić, MBA**
Senior Partner and CEO
29 years of experience
Key expertise:
 - Financing and banking
 - Transaction structuring
 - Mergers & Acquisitions
 - NPL restructuring & settlement
 - Investment advisory
 - Corporate bonds advisory
 - Restructuring
 - Strategy development and implementation
 - Policy making

During his career Mr. Dinkić served as the governor of the National Bank of Serbia (2000-2003), Minister of Finance (2004-2006), Deputy Prime Minister and Minister of Economy and Regional Development (2007-2011) and Minister of Finance and Economy (2012-2013) and Special Advisor to the Government and Deputy Chairman of Committee for Cooperation with UAE (2013-2014); Mr. Dinkić was the co-chairman of the Joint Intergovernmental Committee for Trade and Economic Cooperation between PR China and Serbia for almost 6 years, among other positions.



- **Dragijana Radonjic Petrovic, BAE**
Founder and Senior Partner
24 years of experience
Key expertise:
 - Asset management
 - M A and strategic advisory
 - Capital markets advisory
 - Private fund advisory

Mrs. Radonjic Petrovic previously founded and led M V Investments, the largest and most successful brokerage company in Serbia (General Manager 1998-2006, Chairperson of the Board 2006-2010, 2013-); She held the office of the State Secretary in the Ministry of Economy and Regional Development in charge for Regional Development and Entrepreneurship Promotion (2010-2012); Also, she was Special Advisor to the Minister of Finance and Economy (2012-2013)



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