



**April 3, 2019**

**Press Release**

**PharmaZen delivers record profit on 72% jump in sales**

On the back of a 72% increase in sales, Biotechnology Company PharmaZen Limited has topped the \$1 million post-tax profit for the first time after a profit turnaround of \$1.5 million compared with last year.

For the 12 months ending 31 December 2018, PharmaZen Limited reported a post-tax surplus of \$1,280,463 on a turnover of \$12,572,559. This compares with a post-tax deficit of \$285,704 on a turnover of \$7,304,115 for the previous year.

This growth in turnover has created additional opportunities as well as a number of positive challenges. The second half of 2018 saw sales of just over \$7 million dollars; marginally lower than the full year 2017 result of \$7.3m.

PharmaZen is an innovative developer, manufacturer and marketer of science based, natural nutritional ingredients. Shares in PharmaZen are traded through the Unlisted Securities Exchange (USX) trading platform.

Chief Executive Officer Craig McIntosh said the capital raise undertaken in late 2017 provided the funds required to accelerate the completion of all major expansion projects within the first six months of 2018.

“In total \$7.55 million of capital projects were completed in 2018 and are now fully operational,” he said. These include:

- Installation of the largest batch-freeze dryer in Australasia which has increased our freeze drying capacity by 75%
- A specialised solvent extraction facility capable of extracting oils and other biological fractions from animal, marine and botanical raw materials.
- Approved GMP licence to manufacture “Active Pharmaceutical Ingredient” under a Licence to Manufacture Medicines issued by Medsafe.
- Licence to produce consumer ready products including softgel and hard-shell capsules.
- Issuing of US patent for ‘High Osteocalcin Microcrystalline Hydroxyapatite for Calcium Supplement’.
- Completed commissioning of an additional 1,000 square metres of production facilities.



“The level of demand for both new and existing products has been exceptionally pleasing and well exceeded expectations. Ahead of this anticipated growth we strengthened our management team which means we are well placed to cope with continuing high levels of demand,” he said.

McIntosh said that this future growth will continue to be supported by capital and marketing investment as appropriate opportunities present.

“One example is the blackcurrant plant project, originally scheduled for installation in 2020 being brought forward. This facility will be capable of processing more than 1,000 tonne of blackcurrants per annum while offering additional processing opportunities.”

Another significant new initiative is the move to finished products – consumer ready, retail packaged nutritional supplements.

“It has become more and more apparent that product traceability and provenance for ingredient suppliers is a challenge in some markets. This includes knowing not only who you purchased your product from, but who manufactured it, where it was manufactured and grown, along with traceability.

“In fast developing markets such as China, it is of great focus, we therefore foresee a significant opportunity for a 100% New Zealand made and New Zealand sourced product range in these markets.”

This has resulted in the Company creating two unique product ranges, the first of which will be launched in June 2019, branded AiOra™.

AiOra™ encompasses an extensive range of animal, marine and botanical ingredients targeting health issues ranging from digestive and cognitive function through to bone and joint health. The second range 5<sup>th</sup> Quarter, will be launched mid to late 2019.

“We are extremely pleased with the response to early sales presentations”.

“The current growth momentum makes for exciting times as there is no shortage of opportunities to pursue. The vastly improved resources; both capital and human, combined with the jump in performance allows us to accelerate and pursue these opportunities,” he said.

**Further information:** Craig McIntosh, P: 337-4852 | 021-372-069