



PharmaZen ASM

Ken Fergus

Chairman

Craig McIntosh

Managing Director

Rod Garrett

Chief Financial Officer

Chairman's Presentation

Welcome to PharmaZen's
Annual Shareholder Meeting 2023



Financial Statement & Reports

To receive, consider and discuss the Company's Financial Statements and reports, together with the Independent Auditor's report and Directors' Annual report for the year ended 31 December 2022.

Resolution 1.

Re-appointment of Auditors

“That Grant Thornton continue in office as auditors and the Directors be authorised to fix the fees of the auditor.”

Resolution 2.

"That Craig McIntosh be re-elected as a Director of PharmaZen Limited."

**Re-election of
Craig McIntosh as Director**

Resolution 3.

"That Damon Petrie be re-elected as a Director of PharmaZen Limited."

**Re-election of
Damon Petrie as Director**

Mike Callagher Retiring

The Board has greatly appreciated the contribution of Mike Callagher who retires from the Board at the end of this ASM:

Elected to the Board in 2021, Mike has provided valuable input with his experience in blackcurrant operations and in the quality sphere.

Retiring due to increasing other commitments. We are looking to increase his consulting services to operations.

General Business

Rod Garrett - CFO



Summary

2022 vs. 2021

(NZ\$ 000's)	2022	2021		
Sales	24,598	21,199	+16%	Fav
Gross Profit	8,251	6,711	+23%	Fav
Gross Profit %	34%	32%		
Trading Expenses*	4,501	4,121	9%	Unfav
Underlying EBITDA	3,751	2,592	45%	Fav

*Trading Expenses excludes Interest, Depreciation, Amortisation and Non Trading Costs where Non Trading Costs are any items recognised as a result of IFRS treatment of the CIBUS investment and any costs associated with the Employee Share Scheme.

EBITDA Variance vs. Prior Year

Sales favourable by \$3.4m (16%) vs. prior year

- Full year operation of freeze dryers
- Demand is still very strong
- Exchange benefits

Margin favourable by 2 percentage points to 34%

- Favourable stock w/off vs. prior year
- Partially offset by raw material cost increases

Trading Expenses are unfavourable by \$380k

- Insurance increase by \$230k

Cashflow

2022 vs. 2021

NZ\$ 000's	2022	2021
Net cash inflow/(outflow) from operating activities	3,930	(871)
Purchase of Property, Plant and Equipment	(14,143)	(19,912)
CIBUS Capital Raise	0	14,000
Other	(78)	(291)
Cash outflow/increase in facility	(10,291)	(7,074)

Revenue Recognition

Change in treatment vs. prior years

- Historically cutoff QC cleared and invoiced
- Revised to time of shipping/shipping terms

Current year impact

- Reduction in sales of \$694k
- Reduction in Underlying EBITDA of \$408k

General Business

Craig McIntosh - Managing Director



2022 Overview & Highlights

New Freeze Dryers

Two 2,000kg freeze dryers commissioned end of Q4

Nuttall Drive Operational

Freeze drying pet food and powder milling for human consumption

Financial Results

Significant improvement achieved without the benefit of new plant

Relaunch of AiOra brand

A new look and brand positioning for our premium consumer based products

Tawhiri 1 sold, freeing up \$9m for additional plant and equipment

Remaining land and buildings including CIP, but after T1 sale has BV in excess of \$20m.

A wide-angle photograph of an industrial facility, likely a food processing plant. In the foreground on the left is a large, horizontal, stainless steel cylindrical dryer with a circular access door. In the center, two large white bulk bags with orange lifting straps sit on blue pallets. In the background, another similar dryer is visible, and a person in a white protective suit and cap is working near a large metal rack system filled with numerous flat trays. The ceiling features a complex network of steel beams and green-painted pipes.

Port Hills Road Twin 2mt (Ice Capacity) Dryers



Nuttall Drive Pet Food 2mt Dryer



Nuttall Drive Pet Treat Processing

Port Hills Road Energy Hub - External





Port Hills Road Energy Hub - Internal



Tawhiri 1

Two of Three New Dryers in Place



Tawhiri 1 Marine Collagen Plant

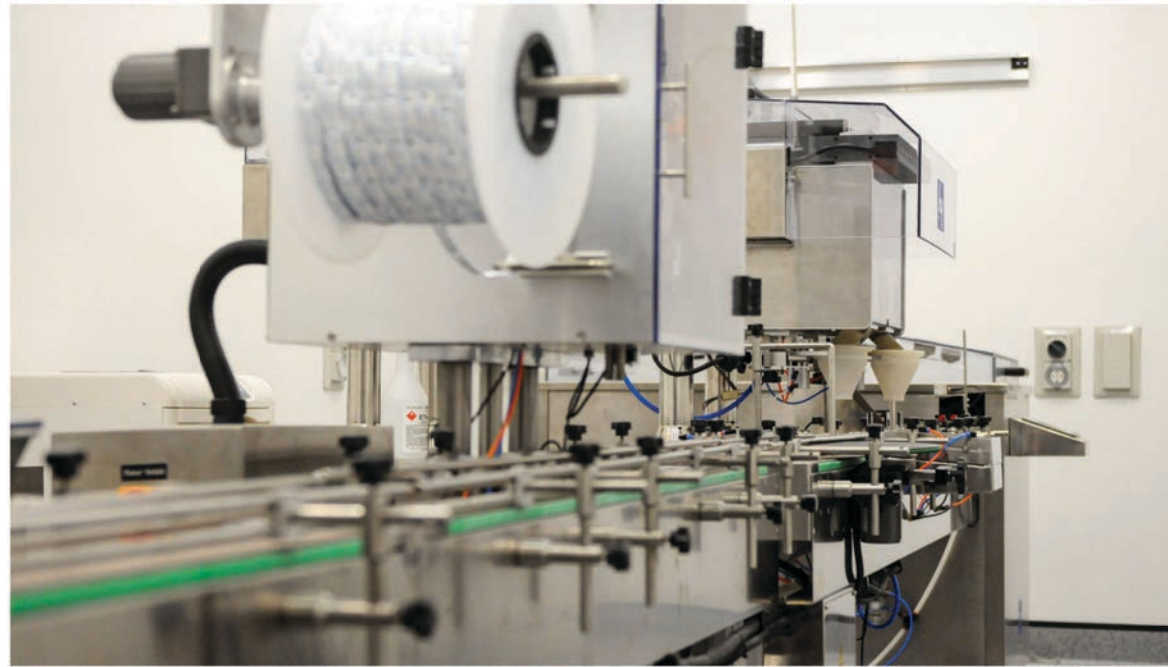
A large industrial facility featuring two Tawhiri 1 Cone Dryers. The dryers are stainless steel, conical vessels mounted on a metal frame. Each dryer has a green motor on top and a blue motor on the side. Two long, inclined discharge chutes extend from the bottom of the dryers. The facility has a high ceiling with large ducts and a concrete floor. A yellow vertical beam is visible on the right side of the frame.

Tawhiri 1 Cone Dryers

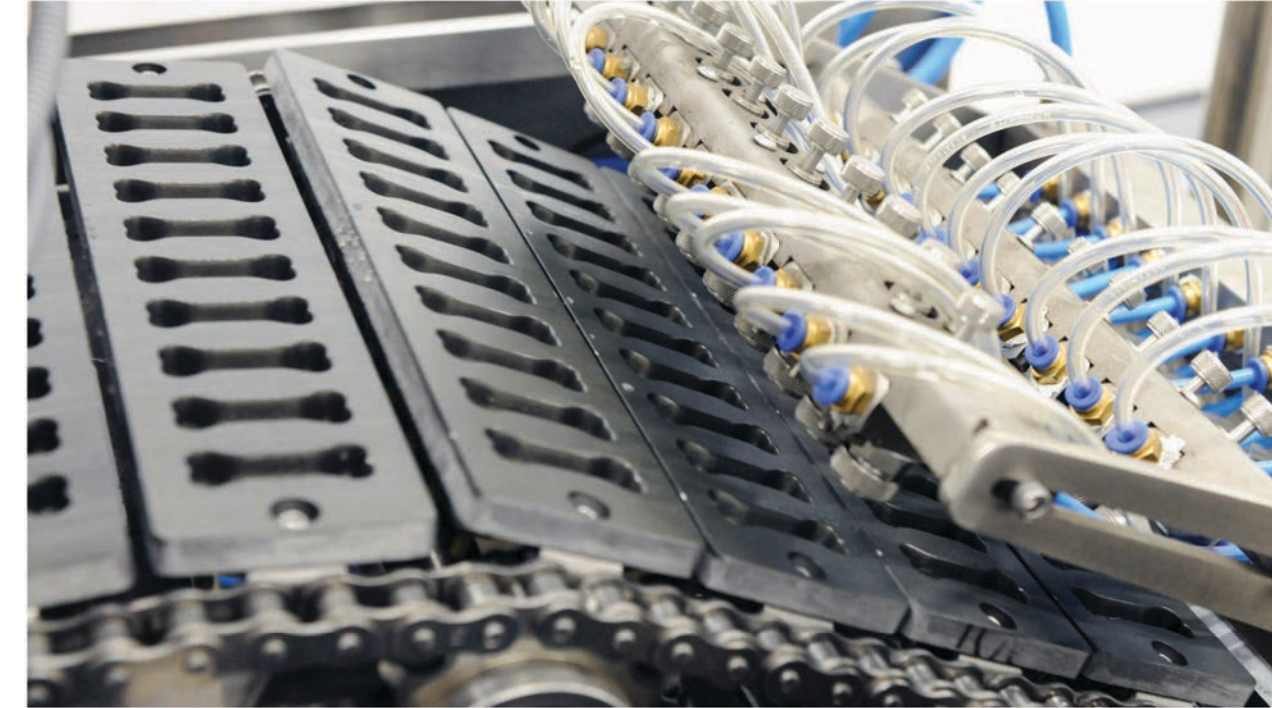


Tawhiri 1 Extraction Vessels

Bottling Line



Pet Gummy Line



2023 Outlook

First quarter very poor on back of post-Christmas labour challenges

Second quarter improving, but will still result in a poor H1

H2 will see the benefits of increased capacity

Major changes to operational structure, recruitment and dedicated retention plans put in place

Code of compliance on Tawhiri 1 is imminent

Reached full staffing April/May (15 vacancies successfully filled)

Two of the remaining three 2mt dryers now on site at Tawhiri

2023 Outlook Cont.

Benefits of change/initiatives seen in Q2 with bullish outlook for Q3/Q4 as overall operational utilisation starts to peak

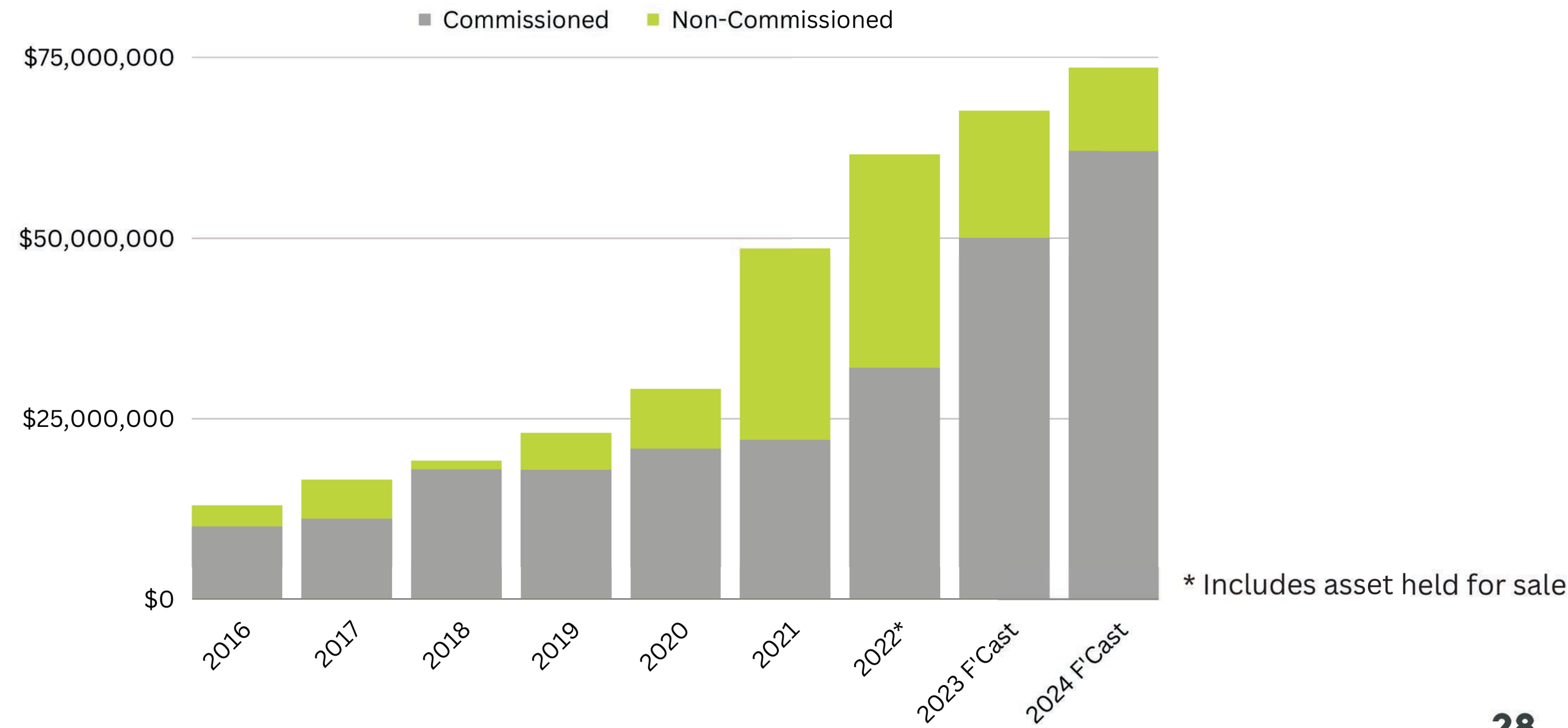
Applied for
China Pet Food license
February 2021

Obtained February 2023

Provides significant new opportunities for growth of branded product and OEM/Toll processing

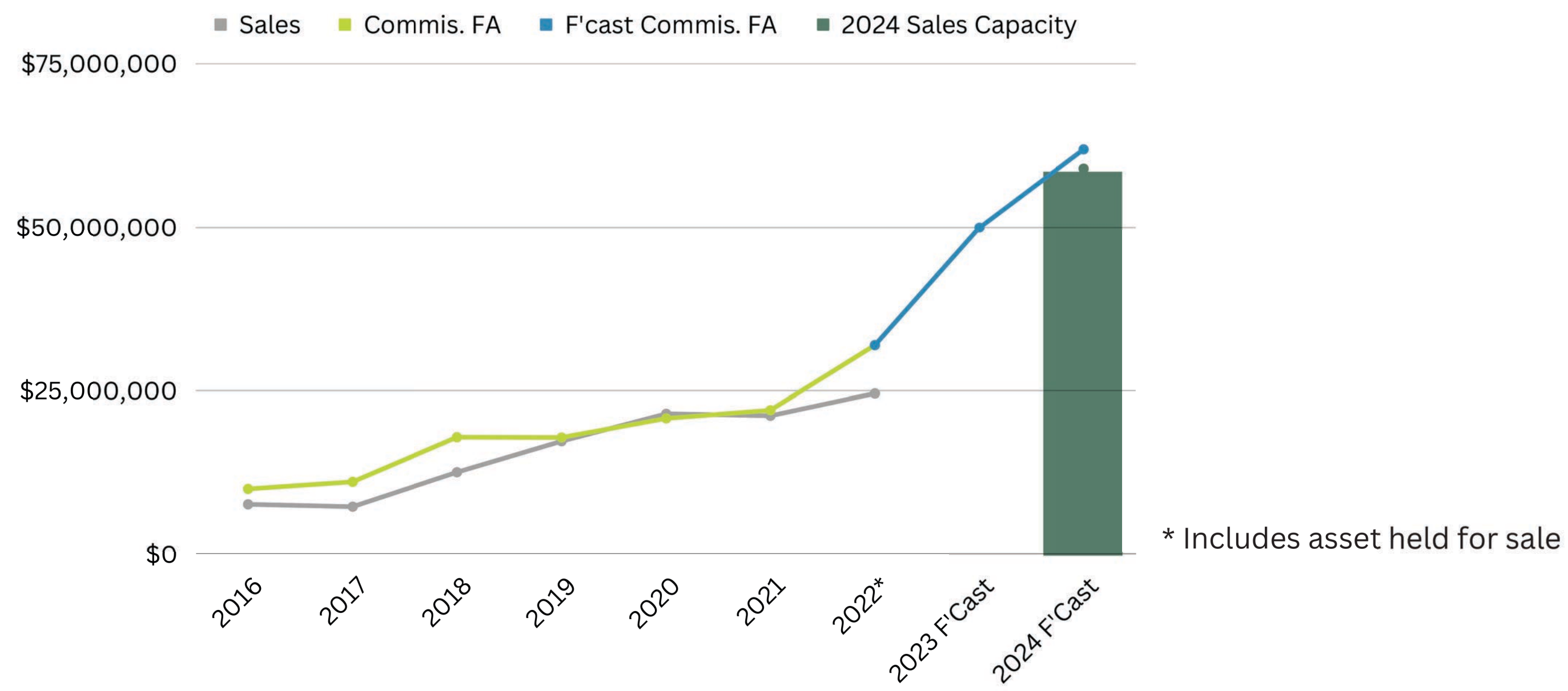
Use of Funds

Commissioned vs. Non Commissioned Fixed Assets

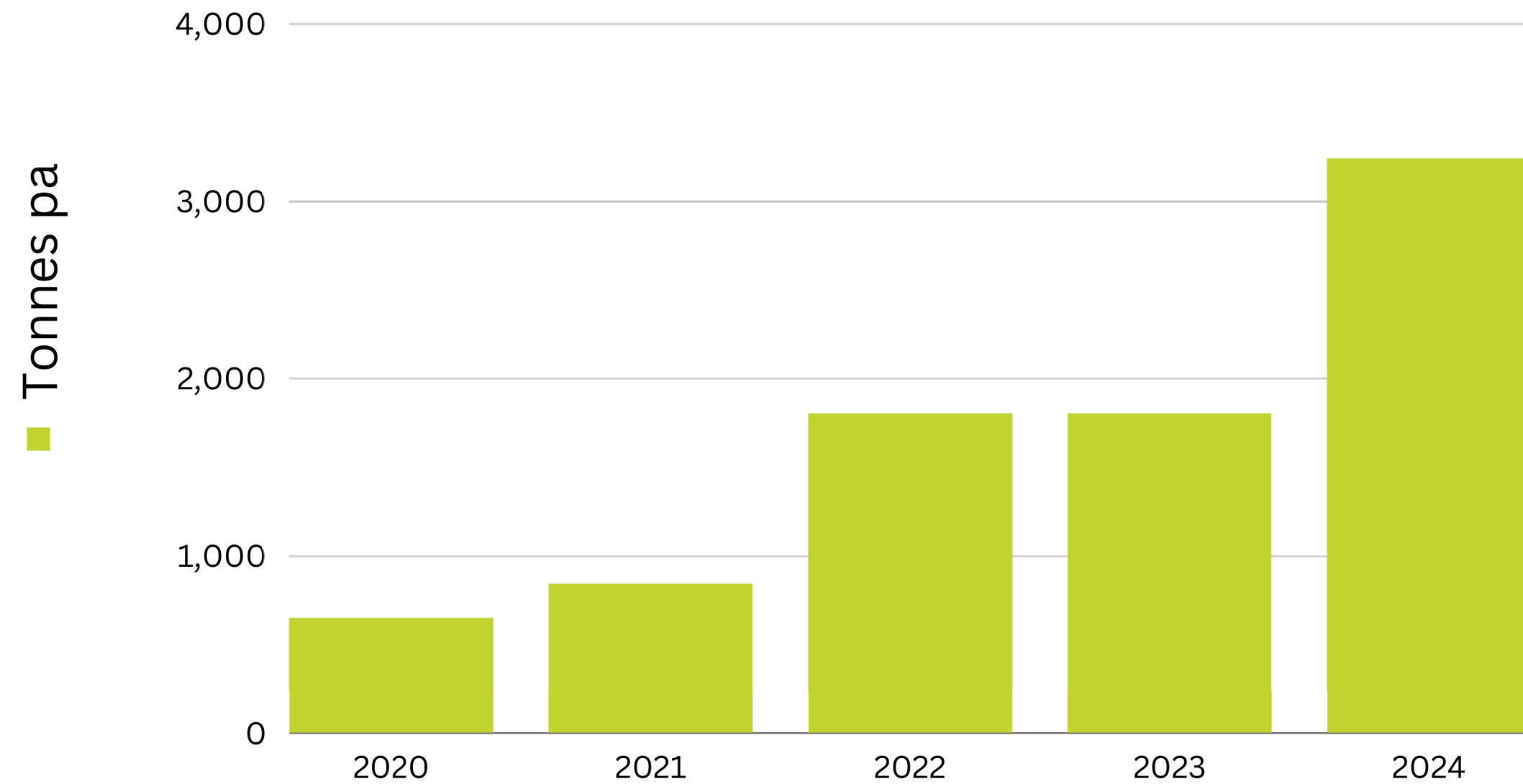


Use of Funds Cont.

Sales vs. Commissioned Fixed Assets



FD Capacity at Year End - Tonnes pa



Beyond 2023

- Total capacity (based on current product mix) upon completion of current projects \$60m
- Product mix impact toll to own ingredients is a 1 to 7 multiplier in terms of revenue from same capacity
- Priorities move from utilisation to optimisation
- Ingredient to consumer is a 1 to 4 multiplier in terms of value add
- 10% conversion of ingredient capacity to the consumer - \$6m to \$24m.

AIORA

AiOra is a 100% natural New Zealand supplement brand, produced by PharmaZen Limited - Aotearoa's most established natural nutraceutical manufacturer.

Since 1987, PharmaZen has supplied natural ingredients to leading global brands. Today, we are paring down the miles and delivering those ingredients directly to you.

We are a local, passionate team including scientists and nutrition experts based in the beautiful Ōtautahi / Christchurch.



01 Kiwifruit Extract

★★★★★ (6)

\$22.50 NZD



02 Blackcurrant Complete

★★★★★ (2)

\$36.50 NZD



03 Beef Liver

★★★★★ (1)

\$39.50 NZD

aioranz.com



THE 5TH QUARTER®



Nutrient rich and a concentrated source of hormones, enzymes and other active components essential for normal biological functions.



fifthquarter.co.nz

DEPARTMENT OF TREATS



When it comes to pets, at Department of Treats we believe you get out what you put in. That's why our freeze dried, functional dog treats are made with 100% natural New Zealand ingredients right here in the Land of the Long White Cloud.

Formulated with your dog's health at the forefront, our range of functional, gluten free treats will help your pet lead a happy lifestyle, just the way nature intended.



do-treats.com

2023 Onward - Consumer



Soft Gel Capsules



Hardshell Capsules



Diced Pet Treats



Gummy Pet Treats



Diced Pet Treat



Sausage Pet Treats



**Thank you &
Questions**