



16 August 2022

UNAUDITED RESULTS FOR THE SIX MONTHS TO 30 JUNE 2022

## **Continued recovery and strong demand underpin positive H1 2022 result**

Christchurch biotechnology company PharmaZen (USX.PAZ) today reports a solid first-half result for the six months to 30 June 2022<sup>1</sup> as it builds on the recovery reported in the second half of FY21 and continues with expansion plans.

The result is underpinned by continued strong demand in its nutraceutical products and successful navigation of ongoing global supply chain challenges.

Revenue for the six months to 30 June 2022 increased 36% over the previous corresponding period (FY 21 H1), from \$9.4 million to \$12.8 million. This increase is despite the ongoing Covid impacts on supply chain and the labour constraints being experienced.

Underlying EBITDA<sup>2</sup> also increased up 135% over the previous corresponding period from \$776,000 to \$1.8 million, illustrating the leverage that we can achieve on increased sales.

PharmaZen Chair Ken Fergus said: “We are pleased with the recovery we have continued to see this half. We are emerging from the pandemic a more robust business and benefitting from our focus on the long term. Our fundamentals remain strong, allowing us to continue to invest in our expansion plans.

“There continues to be uncertainty in the external environment with the availability of labour, price pressures on raw materials and shipping constraints being our major challenges. However, we see strong global demand for our nutritional ingredients and are scaling our capacity to maximise supply. An easing of border restrictions and newly developed engineering capabilities are helping us meet demand and achieve our 2022 goals.

“Our expansion plans are on track despite ongoing covid and supply chain difficulties. Installation of the Energy Hub at the Port Hills Road facility is now complete and we anticipate producing commercial product from the first new dryer in August and the second expected to be online in September. With both freeze dryers fully operational by the end of September this will double our freeze-drying capacity compared to the start of the year.

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<sup>1</sup> All financial results in this release are unaudited.

<sup>2</sup> Underlying EBITDA is Earnings before Interest, Tax, Depreciation, Amortisation, and non-trading costs. Non-trading costs includes any non-cash costs associated with the IFRS treatment of the CIBUS investment in the company and any non-cash costs associated with the employee share scheme.



“We will commence processing from the 3,000 sq. metre Tawhiri factory in Rolleston in the fourth quarter of this year“.

Mr Fergus went on to say “We have started work on our site at Tawhiri on a second 3,000 sq. metre factory which will be primarily a special purpose botanicals facility. We are not yet in a position to announce to the market details of the new product line we will be processing from this plant, however, hope to announce this within the next three months. The investment in the second Tawhiri site highlights our confidence in continued demand and future product development opportunities.

**Outlook:**

PharmaZen is well positioned to continue the recovery achieved to date and given our increased capacity and continuing strong demand for our products, we are forecasting notably higher sales and a higher underlying EBITDA than the first half.

**Further information:**

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**About PharmaZen:**

PharmaZen (USX.PAZ), which trades as Waitaki Biosciences, is an innovative developer, manufacturer and marketer of science-based, natural, nutritional ingredients and consumer goods. Originally founded in Dunedin, PharmaZen now has the largest solvent extraction facility in the country and operates the largest batch freeze dryer in Australasia. Shares in PharmaZen are traded through the Unlisted securities trading platform. [www.waitakibio.com](http://www.waitakibio.com).