

PharmaZen ASM 2024

Ken Fergus

Chairman

Craig McIntosh

Managing Director

Rod Garrett

Chief Financial Officer

Chairman's Presentation

Welcome to PharmaZen's
Annual Shareholder Meeting 2024

Ken Fergus
Chairman

Performance

- Sales up 10% and EBITDA up 11% on prior year
 - Challenging first half
 - H2 showed our potential
- Delays in T1 frustrating
 - MPI accreditation achieved
 - Commence operating in July
- Customer demand very strong
 - Significant new opportunities
 - Choosing and focusing on the right ones

Re-pricing Employee Options

- Current strike price for new employees would be 25c
 - Based on formula of 15% discount to 100-day USX price.
- Strike price for existing employees of 66c proposed to be reduced to 25c consistent with new employees.
- Benefits of:
 - Aligning employees with shareholders
 - Motivating employees
 - Employee retention
- Widely distributed among all levels of staff
 - > 70% of all options issued were to non-C suite employees.

Board Transition

- Ken Fergus
 - Handing Chair duties to Vincent Pooch in August
 - Transition assistance for an appropriate period
 - Will stand down once transition complete.

Board Transition

- Peter Dobbs
- Vincent Pooch
- Jessie Chan

Resolutions & Other Matters



Financial Statements & 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 2023.

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. Re-election of Ken Fergus as Director

“That Kenneth William Fergus be re-elected as a Director of PharmaZen.”

Resolution 3. Re-election of Wayne Burt as Director

"That Dr Wayne Leonard Burt be re-elected as a Director of PharmaZen."

Resolution 4. The re-appointment of Vincent Pooch as Director

"That the re-appointment of Vincent Hugh Pooch as a director of PharmaZen be confirmed."

Resolution 5. The re-appointment of Jessie Chan as Director

"That the re-appointment of Jessie Rose Chan as a director of PharmaZen be confirmed."

Resolution 6. Repricing of Employee share options

"That the directors be authorised to alter the exercise price for options already issued to employees to 25 cents."

Financials

Rod Garrett
Chief Financial Officer

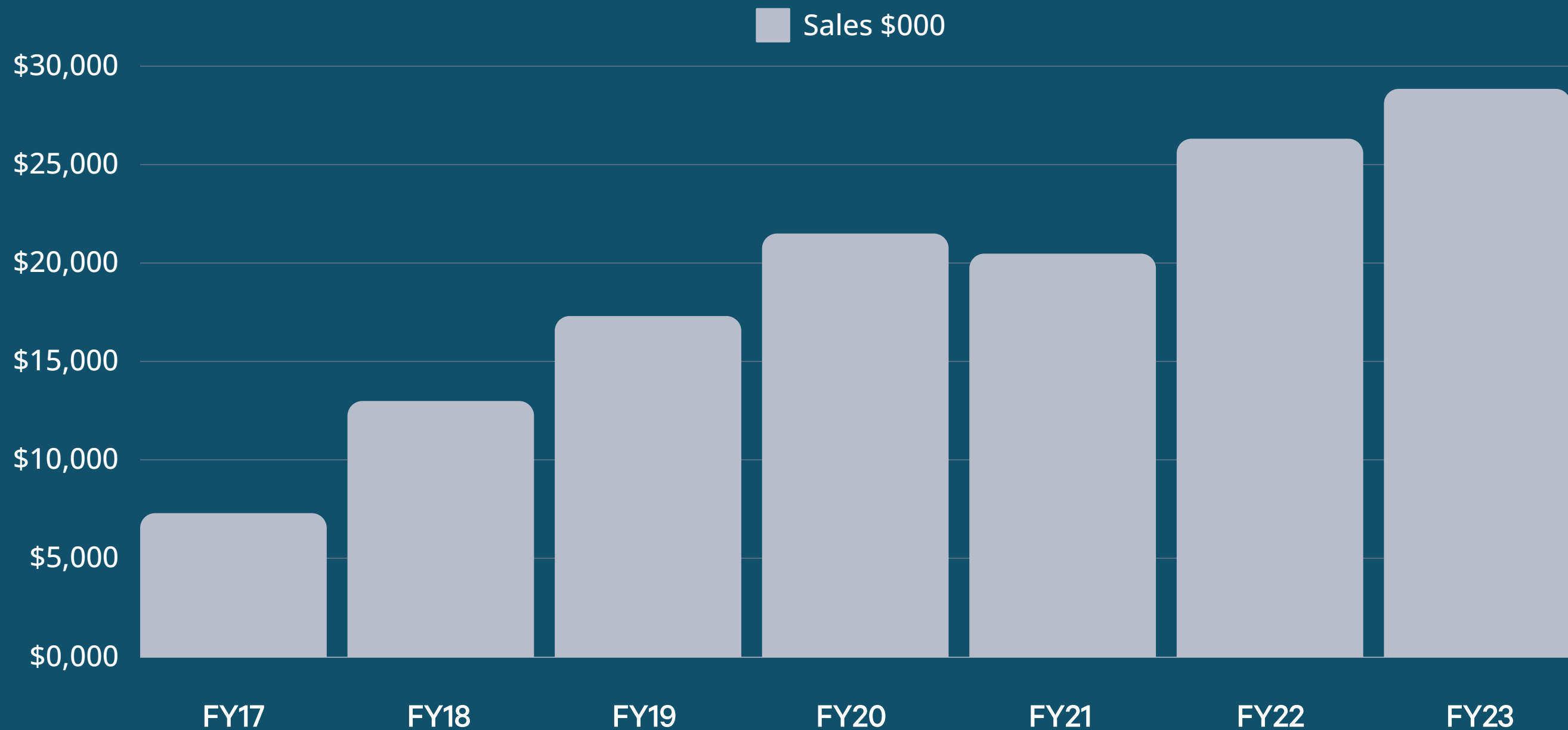


Summary 2023 vs. 2022

(NZ\$ 000's)	2023	2022		
Sales	28,855	26,323	10%	Fav
Gross Profit	9,630	8,251	17%	Fav
Gross Profit %	33%	31%		Fav
Trading Expenses*	5,470	4,501	22%	Unfav
Underlying EBITDA	4,160	3,750	11%	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, any costs associated with the Employee Share Scheme and loss on sale of capital assets.

Sales Growth Over Time



CAGR since 2017 over 25%

EBITDA Variance vs. Prior Year

- Sales favourable \$2.5m (10%) vs prior year
 - Toll freeze drying on increased capacity
 - Strong demand for core product.
- Margin favourable by 2 percentage points to 33%
 - Product mix benefits
 - Sales volume increases on similar prior year fixed costs
- Trading Expenses unfavourable by \$969k
 - Insurance increased by \$583k over prior year
 - Marketing increased by \$313k over prior year

Non-trading Items

- \$5.7m of net non-trading income distorts the P&L

◦ Gain on CIBUS investment	(\$6,300k)
◦ Employee options expense	\$384k
◦ Loss on sale capital asset	\$179k

- IFRS treats the CIBUS investment as a liability - not capital
 - Movement in the valuation of this liability flows through the P&L

Cashflow 2023 vs. 2022

NZ\$ 000's	2023	2022
Net cash (outflow)/inflow from operating activities	(1,336)	3,930
Purchase of Property, Plant and Equipment	(4,598)	(14,143)
Sale of Tawhiri 1	8,937	-
Shareholder Advance	990	-
Other	(1,096)	(285)
Cash inflow/(outflow); decrease/(increase) in facility	2,897	(10,498)

Cashflow Movement

- Cash inflow/decrease in facility \$2.9m
 - Sale of Tawhiri 1 \$8.9m
 - Purchase of property plant and equipment (\$4.6m)
 - Outflow from operations (\$1.3m)
- Outflow from Operations of \$1.3m
 - Movement in working capital a \$3.4m outflow
 - Driven by AR increase of \$3m - timing

General Business

Craig McIntosh
Managing Director

2023 Summary

- 2023 10% increase in sales and 11% increase in EBITDA.
- Good progress on 2022 with the second half being exceptionally pleasing.
- Extraction business below expectation given our partner's new boat issues.

Tawhiri 1 Factory

- FY22 second half sales growth impacted on working capital.
- Damaged freeze dryer in transit led to juggling priorities for installation.
- Shareholder loans totalling just over \$3m enabled us to get the facility to a position where we have obtained our RMP (Risk Management Program) registration from MPI.
- This has allowed us to commence obtaining country listings for various products and markets, the bulk of which will be obtained by August 2024.
- Facility will be operational in July but not at 100% capacity. We will be bringing on processes on the basis of demand, market access and cashflow.



Tawhiri 1
June 2024

Outlook 2024

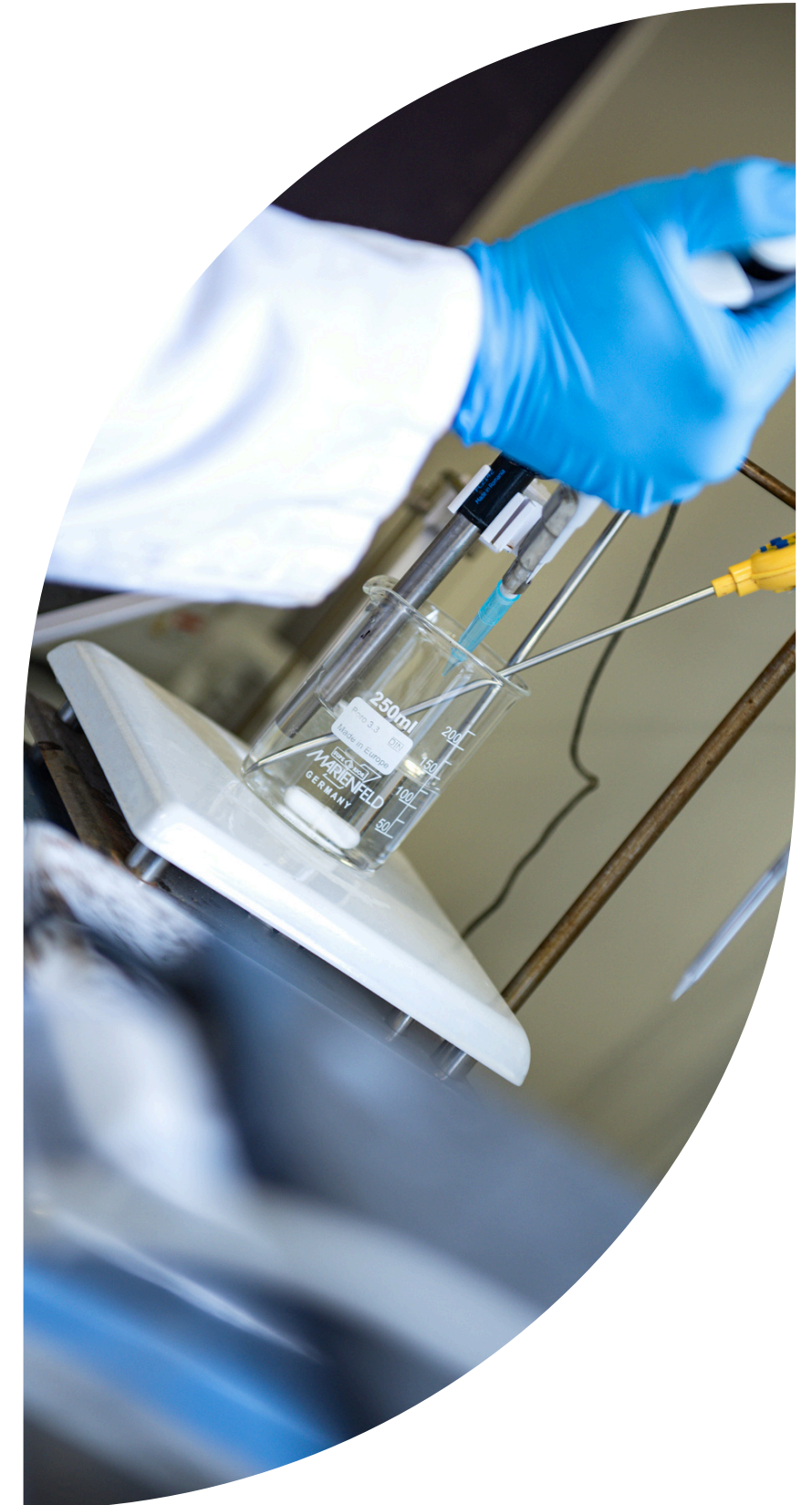
- Sales continue to be strong. First half will be more than 25% increase over first half 2023.
- We continue to operate in high demand growth sectors, but there are challenges:
 - Raw material supply.
 - Interest rates.
 - Insurance.
- Focus is on improving the utilisation of our extraction facility, our current partner is hoping to be fishing in 2025 but there are no guarantees.
- Combination of location and capabilities put us in an exceptionally strong position.

The Lab

Our on-site laboratory allows for all manners of product development and testing.

Gummy moulds

One of multiple soft gummy moulds for applications ranging from human supplements to pet treats.



Beyond 2024

- NZ remains a sought-after supplier of high-quality food and food derived products internationally.
- Our comparative size creates challenges in being able to take products to market and compete.
- Our investment into building an internationally competitive facility recognised those challenges.
- The opportunities created through recognising and addressing these challenges are increasing rapidly as a result of global trade tensions.



Beyond 2024

- NZ is enjoying preferential status with China under the FTA (Free Trade Agreement) at a time when other countries are struggling with access due to both tariff and non-tariff barriers.
- There is considerable nervousness in the US around the upcoming elections with either result likely to see further escalation in trade wars between US and China.
- This is resulting in significant interest in production capabilities/capacity in New Zealand from both West and East.
- For perspective Krill Oil from US incurs a duty of 32% - 35% going into China, from NZ it is duty free.

Waitaki is uniquely set up across a wide range of technologies, processing capabilities, market and favourable trade agreements.



Complex Engineering - Tawhiri 1
Energy Hub

Each and every installation of equipment continues to enhance our teams knowledge and skill base across multiple disciplines.

Capabilities on completion

- 500mt Extraction (Output)
- 8 million units of consumer ready product
- 100mt Spray Dry (Output)
- 200mt Vacuum Drying (Output)
- 4,600mt Freeze Drying (Input)

More than Freezer Panel and Steel

- Business has tended to focus heavily on the investment in Capital – with good reason as it has been a substantial investment.
- We have been committed to providing updates on progress and potential.
- We have been less effective in updating the growth in our intellectual asset base.
- GSM oil – KFDA registration providing 6-year exclusivity on a specification specific to us. This is the only ethanol extracted GSM oil registered.
- Pet Food registration China – opened up both toll and own brand opportunities.
- Krill Oil – China, makes us extremely valuable strategic option.

New Zealand Greenshell mussels (*perna canaliculus*).

Our PernaTec® oil is a pure, clean and natural oil extract manufactured from 100% sustainably farmed New Zealand Greenshell mussels (*perna canaliculus*).



Product

- Gummies – high melt point launch Q3 24
- Type II Collagen – KFDA specification – launch Q3 24
- Keratin Protein – Hydrolysed, ready for scale up
- Ovine Collagen – Hydrolysed, ready for scale up
- Blackcurrant high anthocyanin, post T1 completion



- Launch China August 24.
- Including Diced, Gummy, Meal Booster.
- Followed by Powder Sachet, Softgel.



- Launch China Q4.
- Slow range extensions and focus is a capability window.
- Gummies and softgel added Q4.

Thank you.