

16 August 2024

UNAUDITED RESULTS FOR THE SIX MONTHS TO 30 JUNE 2024

Strong Sales Growth Continues

Christchurch biotechnology company PharmaZen (USX.PAZ) today reports first-half sales of \$13.7m and Underlying EBITDA of \$620k.

As presented at the Annual Shareholder Meeting demand across all sections of the business continues to be strong with sales up over 25% on same period in 2023.

The first six months of the year are typically the most challenging and this year was made particularly difficult with supply issues for our krill extraction business as a result of our krill supply partner's delays with their new boat. The fact that sales are up with the extraction plant that produces the krill products operating at very low levels reflects the strength of our other ranges.

Underlying EBITDA while up on prior year first half was off a low base and reflects a combination of increased indirect costs and lower than optimal utilisation.

PharmaZen Chair Ken Fergus said: "Given supply issues with krill the sales growth is extremely pleasing. The EBITDA falls short of where we wanted it to be and it's a consequence of multiple factors, including cost pressures from insurance and significantly increased marketing investment with the branded products – particularly the August pet launch. However, the main impact has been from utilisation. Profitability is heavily dependent on utilisation and volume - while up on the prior period - is not at the levels that we know we can now achieve."

The Tawhiri factory at Rolleston now has the key country listings in place, and we have started to move products and production out to this new plant. Processing from this plant will accelerate over the coming months, further increasing our capacity.

¹ All financial results in this release are unaudited.

² 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, any non-cash costs associated with the employee share scheme and any loss on sale as a result of the sale and lease-back transaction.

Outlook

The increase in capacity the company has put in place and the continuing strong demand we are seeing from our customers puts the company in a great position to achieve increased sales and profitability in the second half and into the next financial year and beyond. Ken Fergus commented that “Our challenges are around maintaining our high standards of product quality and carefully managing capex as we get Tawhiri rolling. We are very excited by the potential of the new opportunities we see in our markets and are confident that we have the right people and processes in place to benefit from these new opportunities”.

Further information:

Craig McIntosh

Managing Director

PharmaZen +64 21 372 069

www.pharmazen.co.nz

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.



Waitaki Biosciences *a div. of PharmaZen Limited*

P.O. Box 19-727 | Woolston | Christchurch | 3 Desi Place | Hillsborough 8022 | Christchurch
P : +64-3-337-6096 | www.pharmazen.co.nz