



August 1, 2019

Half Year Report to June 30 2019

Overview

For the six months ending 30 June 2019, PharmaZen Limited is reporting an unaudited pre-tax surplus of \$1,838,876 on turnover of \$8,312,158. This compares with a pre-tax surplus of \$785,341 on turnover of \$5,560,728 for the prior year.

This represents an increase in turnover of 50% and pre-tax profit by 134% on the 2018, six month result.

EBITDA for the comparison period has doubled from \$1.247m to \$2.512m.

The growth in the first six months has been extremely pleasing and well ahead of where we had anticipated.

Demand continues to grow across the company's ranges and we are extremely pleased by the speed with which staff and management have been able to have new plant and equipment operating at such high levels of output and efficiency.

This has been in no small way supported by the lack of disruption from ongoing capital projects which are largely taking place outside the core manufacturing facilities.

It is worth noting that the half year pre-tax profit result of \$1.83m surpasses the 2018 full year result of \$1.79m

Outlook

The company forecast for year-end pre-tax profit was \$2.8m on turnover of \$14.5m but has now been revised to \$3.9m on turnover of \$16.3m.

The fourth quarter 2019 will see the commissioning of resin column facility for botanical extraction and the first of our finished product ranges – AiOra™ will be available at retail.

Design work has commenced for a 1,200 sqm building on the adjacent Nuttall Drive property. The site will allow for additional production expansion as well as a state of the art research and development centre.

The company is pleased to announce the appointment of Katherine Reardon to head up our consumer brand business. Katherine comes to us from Radiant Health, bringing extensive industry background and is the ideal person to assist us launch our ranges both domestically and internationally.

Share Price

The Board of Directors note the increased liquidity and growth in share price. While it is not a requirement of the Unlisted Market the Board have decided it is in the best interests of all shareholders that in the future, the company will comply with the requirements of Sections 298 and 299 of the Financial Markets Conduct Act 2013 relating to share trading by Directors and Senior Managers of the company.

In summary, Directors will disclose any relevant transaction in PharmaZen shares and/or other derivatives within five trading days.

Ken Fergus
Chairman

Craig McIntosh
Managing Director