

17 November 2016

Promisia launches Rights Issue to raise \$1.3m to fund growth

[Promisia](#) Integrative Limited (Promisia), the NZX-listed therapeutic health supplements company, today announced that it will provide eligible shareholders with the opportunity to participate in a renounceable rights issue.

The primary use of the capital to be raised in this issue of shares is to finance a significant increase in working capital at all levels of the supply chain to service the continued sales growth of Arthrem® in New Zealand, the launch of Arthrem® in Australia and the launch of the canine product. The working capital requirement includes:

- The growing of significantly larger crops of *Artemisia annua*;
- Increased extraction costs to produce more extract;
- Maintaining higher levels of stock, both of raw materials and finished stock; and
- Increased debtors in New Zealand and Australia as both sales and the number of retail outlets increase.

Under the offer, the company's shareholders can apply for one New Share for every 10 Existing Shares held at 5.00pm on Friday, 25 November 2016, at \$0.03 per new share. The company's shares last traded at \$0.050 per share.

The Rights Issue also includes an Oversubscription Facility that gives shareholders an opportunity to request additional shares above their pro-rata entitlement. If the number of New Shares applied for under the Oversubscription Facility exceeds the number available, then all applications within the Oversubscription Facility will be scaled on a pro-rata basis.

New Shares issued under the Rights Offer will rank equally with all ordinary shares of the Company. Unless extended, the offer will close at 5.00pm pm Wednesday, 21 December 2016.

Following publication of the successful clinical trial of Arthrem® late last year¹, sales have increased significantly. According to IRI-Aztec New Zealand pharmacy scan data, Arthrem® is now the fastest growing brand and the second largest selling supplement in New Zealand pharmacies.

Earlier this month the company announced that total sales for the first 10 months of the year exceeded \$2 million, and sales during October exceeded \$300,000 for the first time. Final sales for the month of October were \$325,587 from all sources but mainly from sales in New Zealand. Sales for the 10 months to 31 October 2016 were \$2,152,596, which is a 574% increase over the same period sales in 2015.

¹ The results were published in the [December 2015 issue of *Clinical Rheumatology*](#), a prestigious international peer reviewed medical journal.

Announcement



In less than 12 months, Arthrem® has become the established market leader in the joint support remedy market in New Zealand. Ageing populations across the Western world mean there will be an ever-increasing demand for joint support products with proven safety and efficacy like Arthrem®. As recent sales figures demonstrate, the company is confident that there will be continued and sustainable growth in this market.

At current monthly sales levels the company achieves breakeven or close to breakeven trading.

Next year will see Arthrem® launched in Australia as soon as it is registered as a Listed Complementary Medicine by the Australian Therapeutic Goods Administration, which is expected mid-2017. Upon successful completion of clinical trials for the company's canine product before the end of 2016, that product is expected to be launched in New Zealand during the second quarter of 2017.

The company's directors thank shareholders for their support to date and anticipate that this offer will attract strong interest from shareholders and the investment community.

The Rights Issue remains subject to NZX approval of the offer documentation.

ENDS

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