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## Successful Commercialisation of High-Quality Marine Collagen Powder

### Highlights

- New Zealand Coastal Seafoods Limited (NZCS) has successfully commercialised a new hydrolysed marine collagen powder for supply to the world's booming nutraceuticals market after development of a more efficient, less costly process for collagen extraction from Ling maw.
- NZCS believes its new product will be among the highest quality collagen powders available as a human dietary supplement world-wide. Commercial production is about to commence and the Company is in sales discussions with various consumer product companies.
- Ling maw, the swim bladder of the Ling fish species sustainably harvested from deep waters around southern New Zealand, is widely recognised as one of the world's richest protein foods and collagen makes up more than 90% of its content. NZCS is a specialist in processing and supply of Ling maw as a ready-to-eat food. The hydrolysed collagen powder now becomes one of the Company's flagship products for its high quality and high value in the nutraceuticals market.
- Commercialisation follows completion of extraction trials using the more efficient, less costly process, and trial results which significantly exceeded expectations. The hydrolysis process breaks Ling maw-sourced protein down into smaller particles so that it is more water soluble and more easily absorbed into the body, and it also removes non-collagen components from the raw material.
- With commercialisation now achieved, NZCS will be adding more value to its secure Ling maw supply from New Zealand fishing companies. Since 2020, the Company has been producing carefully prepared and frozen packaged Ling maw as a ready-to-eat food for Chinese consumers.
- When processed into hydrolysed collagen powder, this Ling maw product has the potential to substantially increased revenue and earnings for NZCS. The Company

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will also continue to produce ready-to-eat Ling maw and other secondary seafood products.

- The new collagen product has multiple unique selling points based on the inherent qualities of marine collagen, on New Zealand-harvested Ling and on the hydrolysing process to which NZCS owns proprietary rights:

- Marine collagens are naturally free from contamination risk than alternative bovine, ovine or porcine sources
  - Collagen concentrations are 90% or more of Ling maw in its raw form
  - Ling is 100% wild caught under New Zealand's sustainable quota system
  - NZCS is certified by the international Marine Stewardship Council (MSC)
  - The hydrolysis process involves less chemical input and less energy compared with traditional processes for land animal collagen extraction – it has high yields and is “cleaner and greener”
  - The process achieves high concentrations of collagen in a form more easily absorbed by the human body
- Once commercial orders are received, NZCS will produce marine collagen under contract processing agreements with partners who will handle the extraction and processing steps to NZCS specifications. Product will be distributed from the Company's specialist facility in Christchurch.
  - The global market for collagen in all consumable forms and from all sources was valued at US\$8.36 billion in 2020 and is expected to expand at a compound annual growth rate (CAGR) of 9% from 2020 to 2028 (Grand View Research, USA)<sup>1</sup>. Collagen is increasingly being recognised as potentially beneficial to musculoskeletal health, to cell repair in organs and bones, and to slowing ageing processes in the human body.

**New Zealand Coastal Seafoods CEO, Andrew Peti, commented:** “Commercialisation of the new flagship marine collagen powder is a major milestone for the Company. It follows successful completion of extraction trials using the new hydrolysis process developed for us exclusively by Medical Collagen New Zealand, who are a leading collagen researcher in this country. Our product has a multitude of unique selling points, giving us a significant competitive advantage in

<sup>1</sup> <https://www.grandviewresearch.com/press-release/global-collagen-market>

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the collagen market. NZCS has dispatched samples to various wholesalers and distributors globally, and we are advancing discussions with customers. We anticipate strong demand and sales over the next 12 months now we can supply the product on a commercial basis”

## **Authority**

This announcement has been authorised for release by the Board of New Zealand Coastal Seafoods Limited.

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## **About New Zealand Coastal Seafoods**

NZCS is a producer of secondary seafood products, and a marine biotechnology and nutraceuticals company based in Christchurch, New Zealand. NZCS processes and supplies dried, ready-to-eat, and frozen fish products, most notably Ling maw with the use of its own efficient drying methods that better maintain flavour and compositional integrity during cooking. It has also developed a refined process for extraction of marine collagen from Ling maw. The Company sources raw seafood products from various New Zealand fishing companies, and has diverse customers in export markets. NZCS is a public company listed on the ASX, and it is a living wage employer.

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