



# News Release

**For Immediate Release**

**November 23, 1999**

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## **Fytokem's third-quarter product sales rise sharply**

*Completes development of Fytosorb™ sun care product line*

SASKATOON, Saskatchewan (November 23, 1999) – Fytokem Products Inc. reported that product sales rose sharply to \$39,824 in the three months ended September 30, 1999, from \$961 in the same quarter in 1998. The increase is due primarily to higher sales of the company's Fytosoothe™ line of products, a series of anti-irritants made from plant extracts.

Total third-quarter revenues (including funding received for R&D and interest) increased to \$73,589 from \$12,177 in the year-ago quarter. After expenses, the company recorded a net loss of \$238,694, or 3 cents a share, in the most recent quarter, compared with a net loss of \$211,892, or 2 cents a share, in the year-ago quarter.

“Several major personal care companies have purchased pilot-scale quantities of our Fytosoothe™ anti-irritant products, and we expect to see the launch of finished products next year,” said John Schaw, President and CEO of Fytokem.

During the period, Fytokem completed the development and market planning for its fourth and newest product line, Fytosorb™, aimed at sun care product manufacturers. The first product in the line is Fytosorb-20™, which when formulated into sun care products, may reduce the risk of skin cancer by absorbing harmful molecules called free radicals. “We continue to receive tremendous interest in the product since its launch in early October at a trade show for cosmetic chemists in California,” Schaw said. “Because of the high level of interest in free radical absorbers, this product has the potential to generate significant sales more quickly than the normal two- to three-year period for new products.”

Fytokem has also begun negotiations with a number of major companies in the nutraceutical area, a market that involves dietary supplements and fortified foods with specific health benefits.

For the nine months ended September 30, 1999, Fytokem's product sales increased to \$99,689 from \$5,783 for the same period in 1998. Total revenue rose by 152% to \$197,763 from \$78,513 a year ago. The company recorded a nine-month net loss of \$635,000, or 7 cents a share, compared with a net loss of \$559,296, or 7 cents a share, in the year-earlier period.

At September 30, 1999, Fytokem's cash position stood at \$146,717. As of November 1999, Fytokem has drawn down the additional \$350,000 in equity that was negotiated in February from the Agri-Food Equity Fund. Fytokem still has an additional \$500,000 in equity to draw down from the Saskatchewan Opportunities Corporation. The company plans to seek further financing early next year to support its expansion strategy in the personal care and nutraceutical markets.

### **About Fytokem**

Fytokem Products Inc. develops, produces and markets high-value extracts and refined natural chemicals from plants found in northern Canada for use as ingredients in personal care, nutraceutical/therapeutic and bio-industrial products. The company's shares are listed on the Alberta Stock Exchange under the symbol FYT.

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*The Alberta Stock Exchange has neither approved nor disapproved the information contained herein.*