

PHARMCHEM

PharmChem, Inc. Announces Tender Offer

Fort Worth, TX (May 2, 2022) — PharmChem, Inc. (“PharmChem” or the “Company”) (OTC: PCHM) today announced that the PharmChem Board of Directors has approved the repurchase of up to \$5 million aggregate principal amount (the “Aggregate Maximum Tender Amount”) of its common stock at a price range between \$3.25 and \$3.75 per share through a modified Dutch auction tender offer (the “Tender Offer”).

Under the Tender Offer, holders of PharmChem common stock may tender all or a portion of their common shares within the \$3.25 - \$3.75 price range. Based on the number of shares of PharmChem common stock tendered and the prices specified by the tendering shareholders, PharmChem will determine the lowest price per common share within the range that will enable it to purchase \$5 million in shares of PharmChem common stock, or such lesser amount depending on the number of shares of common stock that are properly tendered and not properly withdrawn. All shares accepted in the tender offer will be purchased at the same price, regardless of whether a shareholder tendered such shares at a lower price within the range.

PharmChem reserves the right, subject to applicable law, to extend, withdraw or terminate the Tender Offer, increase or decrease the Aggregate Maximum Tender Amount or otherwise amend the terms of the Tender Offer. The tender offer will expire at 5:00 p.m., Eastern Time on May 31, 2022, unless the offer is extended. Tenders of shares must be made prior to the expiration of the tender offer and may be withdrawn at any time prior to that time.

The Tender Offer will not be conditioned upon any minimum number of shares being tendered, but will be subject to a financing condition, which is described in the Tender Offer materials, as well as certain other customary conditions. PharmChem’s board of directors believes that a modified Dutch auction tender offer is an efficient mechanism that will provide all shareholders with the opportunity to tender all or a portion of their shares. In the future, the board may consider additional tender offer(s) or other measures to enhance shareholder value based on a variety of factors, including the market price of PharmChem’s common stock.

PharmChem’s board of directors has approved the offer. However, neither PharmChem nor the board of directors makes any recommendation as to whether a shareholder should tender or refrain from tendering his or her shares, and neither PharmChem nor the board of directors has authorized any person to make any such recommendation. Shareholders are urged to evaluate carefully all information contained in the Tender Offer materials, consult their own investment and tax advisors, and make their own decision whether to tender shares and, if so, how many shares to tender.

This press release is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any shares of PharmChem common stock. The solicitation and offer to buy shares of PharmChem common stock will only be made pursuant to the offer to purchase and related materials that PharmChem will send to its shareholders. Shareholders should read those materials carefully because they will contain important information, including the various terms and conditions of the tender offer.

InvestorCom, Inc. will be the information agent for the Tender Offer, and Transfer Online, Inc. will be the depositary for the Tender Offer. All inquiries regarding the Tender Offer may be directed to InvestorCom, Inc. at (203) 972-9300 or Transfer Online, Inc. at (503) 227-2950.

About PharmChem, Inc.

PharmChem, Inc. (“PharmChem”) (OTC: PCHM), headquartered in Fort Worth, TX, is the manufacturer and sole source provider of the PharmChek® Drugs of Abuse Sweat Patch.