

Disclosure of ceasing to have substantial holding

Section 279, Financial Markets Conduct Act 2013

To NZX Limited
and

To AFT Pharmaceuticals Limited (*AFT*)

Date this disclosure made: 15 June 2020

Date last disclosure made: 10 June 2020

Date on which substantial holding ceased: 15 June 2020

Substantial product holder(s) giving disclosure

Full name(s):

- 1 Capital Royalty Partners II – Parallel Fund “B” (Cayman) LP;
- 2 Capital Royalty Partners II (Cayman) LP;
- 3 Capital Royalty Partners II – Parallel Fund “A” LP;
- 4 Capital Royalty Partners II LP,
(together, the *Tier 1 LPs*);
- 5 Capital Royalty Partners II Cayman GP LP;
- 6 Capital Royalty Partners II Parallel Fund “A” GP LP;
- 7 Capital Royalty Partners II GP LP,
(together, the *Tier 2 LPs*);
- 8 Capital Royalty Partners II (Cayman) GP LLC;
- 9 Capital Royalty Partners II Parallel Fund “A” GP LLC;
- 10 Capital Royalty Partners II GP LLC,
(together, the *LLC GPs*); and
- 11 Mr Nathan Hukill,

1 – 11 above together being the *CRG Persons*.

Each Tier 2 LP is general partner of one or more of the Tier 1 LPs. Each LLC GP is in turn general partner of one or more of the Tier 2 LPs. Mr Nathan Hukill is the sole member of each of the LLC GPs. These relationships are illustrated in the table below.

Tier 1 LP (AFT shareholder)	Tier 2 LP (general partner of Tier 1 LP)	LLC GP (general partner of Tier 2 LP)	Sole member of LLC GP
Capital Royalty Partners II – Parallel Fund “B” (Cayman) LP	Capital Royalty Partners II (Cayman) GP LP	Capital Royalty Partners II (Cayman) GP LLC	Mr Nathan Hukill
Capital Royalty Partners II (Cayman) LP			
Capital Royalty Partners II – Parallel Fund “A” LP	Capital Royalty Partners II Parallel Fund “A” GP LP	Capital Royalty Partners II Parallel Fund “A” GP LLC	
Capital Royalty Partners II LP	Capital Royalty Partners II GP LP	Capital Royalty Partners II GP LLC	

Each of the Tier 2 LPs, LLC GPs and Mr Nathan Hukill has the power to exercise, or to control the exercise of, the rights to vote attached to the AFT shares held by its corresponding Tier 1 LP.

Summary of previous substantial holding

Class of quoted voting products: Ordinary shares in AFT (ISIN: NZAFTE0001S4) (*Shares*)

Summary for the CRG Persons:

For **last** disclosure,—

- (a) total number held in class: 16,067,045
- (b) total in class: 100,501,049
- (c) total percentage held in class: 15.987%

For current holding **after** ceasing to have substantial holding,—

- (a) total number held in class: 0
- (b) total in class: 103,167,716
- (c) total percentage held in class: 0%

Details of transactions and events giving rise to ceasing of substantial holding

Details of the transactions or other events requiring disclosure: On 10 June 2020, the Tier 1 LPs, Hartley Campbell Atkinson and Colin McKay as trustees of the Atkinson Family Trust (*AF Trust*) and AFT entered into a placement and sell down agreement (attached to the disclosure dated 10 June 2020) with Bell Potter Securities Limited and Forsyth Barr Group Limited (together, the *Underwriters*) and Forsyth Barr Limited pursuant to which the Underwriters agreed to act as underwriters in connection with an offer comprising:

- a placement of approximately NZ\$10 million new Shares to be issued by AFT;
- a sale of approximately NZ\$3.5 million existing Shares held by the AF Trust; and
- a sale of 16,067,045 existing Shares held by the Tier 1 LPs (being all of the Shares held by the Tier 1 LPs).

The sale of the above existing Shares held by the Tier 1 LPs was effected on 10 June 2020, at a sale price of NZ\$3.75 per Share for aggregate gross consideration of NZ\$60,251,418.75, with settlement occurring on 15 June 2020.

Additional information

Address(es) of substantial product holder(s): 1000 Main Street, Suite 2500, Houston, TX 77002, United States of America

Contact details: Andrei Dorenbaum, Partner, CRG +1 (713) 209-7350, adorenbaum@crglp.com.

Nature of connection between substantial product holders: Each CRG Person has the same relevant interest as each other CRG Person by virtue of section 237 of the Financial Markets Conduct Act 2013.

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Financial Markets Conduct Act 2013 in relation to the financial products to which this disclosure relates: N/A

Disclosure has effect for purposes of directors' and senior managers' disclosure

Nathan Hukill is also a director of AFT. This disclosure also constitutes disclosure for the purposes of the directors' and senior managers' disclosure obligations.

Certification

I, Andrei Dorenbaum, certify that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.