



Market and media release

4th November 2020

AFT and Setek sign supply agreement

Agreement covers pharmaceutical-grade medicinal cannabis ingredients for products initially targeted for Australia and New Zealand

AFT Pharmaceuticals (NZX: AFT, ASX: AFP) and medicinal cannabis company SETEK today announce an agreement which will see SETEK provide Good Manufacturing Practice (GMP) quality pharmaceutical-grade medicinal cannabis ingredients to AFT.

It follows the two companies signing a memorandum of understanding (MOU) in October 2019 to work together in the research, development, and commercialisation of medicinal cannabis products.

The agreement envisages AFT selling medicinal cannabis products into selected, markets starting with Australia and New Zealand. The timing of the launches of these products is confidential and will be advised at a later date.

AFT Managing Director Hartley Atkinson said: "We are delighted to further advance our working relationship with SETEK to bring medicinal cannabis products to market.

"SETEK's international relationships and its understanding of medicinal cannabis markets both in New Zealand and offshore make it an ideal partner for AFT.

"We have carefully studied the Australasian market and the required strategies to commercialise a new set of medicinal cannabis products.

"This research has strengthened our view that these are a natural extension to the AFT product portfolio. They have the potential to benefit from our extensive distribution networks and to further strengthen AFT's proposition with healthcare providers.

SETEK Chief Executive David Pearce said AFT is uniquely placed to bring medicinal cannabis products to markets in New Zealand, Australia and further afield in markets where AFT already has distribution and licensing partners.

"AFT's understanding of pharmaceutical markets, the regulatory and commercial hurdles and its record of commercial success make it a leader in Australasia and an emerging player in the pharmaceutical market globally.

"The next step of our business collaboration following on from the MOU has now been actioned with the signing of this agreement," Mr Pearce said.

For and on behalf of AFT Pharmaceuticals Limited by Malcolm Tubby, Chief Financial Officer.

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About AFT Pharmaceuticals

AFT is a growing multinational pharmaceutical company that develops, markets and distributes a broad portfolio of pharmaceutical products across a wide range of therapeutic categories which are distributed across all major pharmaceutical distribution channels: over-the-counter (OTC), prescription and hospital. Our product portfolio comprises both proprietary and in-licensed products, and includes patented, branded and generic drugs. Our business model is to develop and in-license products for sale by our own dedicated sales teams in our home markets of Australia and New Zealand and in certain Southeast Asian markets, and to out-license our products to local licensees and distributors to over 125 countries around the world. For more information about the company, visit our website www.aftpharm.com.

About SETEK

SETEK is a 100% New Zealand-owned and operated company based in Taupo in the central North Island of New Zealand. Our purpose is to help improve the quality of people's lives through the cultivation, processing and manufacture of GMP grade, pure cannabis-based medicines and skincare products, produced in beautiful Aotearoa New Zealand.