



Thursday, 15th December 2016

Pharmachal Makes Significant Progress

Authorised Investment Fund Ltd. (ASX: AIY) is pleased to provide an update of significant progress made by investee company Pharmachal Pty Ltd., held 20% by AIY.

Pharmachal has formed a formal alliance with Israeli generic pharmaceutical manufacturing company *REKAH* to produce and distribute its range of products. The agreement will pave the way towards Pharmachal distributing an estimated \$500,000 of its products through 350 retail points in Israel and Europe in 2017.

Under the terms of the agreement Pharmachal will also secure the exclusive rights to distribute a range of OTC and RX script products from REKAH, which includes ophthalmic, ears nose and throat, dermatological and cortisteroid products as well as tablets for cardiology, analgesic and allergies, and antibiotics.

Pharmachal anticipates that the alliance will allow it to increase its range from 15 to 35 products, importantly including specialised antibiotics to treat hospital superbugs for which undersupply has hit crisis levels.

The companies are now putting legal documentation behind the alliance and finalising the specific products that Pharmachal will distribute.

Pharmachal is concurrently in advanced negotiations with another Israeli medical supplier to secure exclusive distribution rights for its obstetrics, genealogical, surgical, ophthalmic diagnostics and specialised footwear products in Australian and Asia-Pacific region.

The two alliances will position Pharmachal as a high-potential producer in Australia and Israel and will support the Company's existing distribution agreements in Korea and Japan.

Pharmachal also confirms that an Australian online vendor has selected a range of products for a \$450,000 sample order to be delivered in February / March 2017. The vendor has 100 retail outlets in China that could distribute as much as \$1 million of products by the end of 2017 if the trial order triggers the agreement signed between the parties.

Pharmachal has budgeted total Australian sales in 2017 at \$2 million, \$1 million of which will be invested in Therapeutics Goods Administration registration of products. The Company plans to continue to reinvest profits into structures that support further domestic and international expansion.



Cathy W Lin

Company Secretary

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About Pharmachal

Pharmachal Pty Ltd is focused on research and development of pharmaceutical products.

The company has developed products for human and veterinary markets, including various skin antiseptic sprays and cream, heel balms, physio creams, baby nappy cream, and lignocaine base mini emulsion for cut and wound treatment.

The company is preparing to launch its Family Gummy range of vitamins in Australia and Asia.