



ASX Release

TPI Enterprises signs second substantial UK Codeine Phosphate supply agreement

Melbourne, Australia, 11 July 2017

TPI Enterprises Ltd (ASX: TPE) is pleased to announce that it has signed a second contract to manufacture and sell Codeine Phosphate to another leading established distributor of opioid pharmaceuticals in the United Kingdom.

Under this two-year agreement, TPI Enterprises will supply the equivalent of just under 10% of the UK market annual demand for Codeine Phosphate. The contract is fixed in price and volume and is subject to receipt of a Certificate of Suitability (CEP) from the European Directorate for the Quality of Medicines and Health Care (EDQM), as required by European Union legislation. The application process for the CEP will commence immediately and certification is expected to be received by Q4 Calendar 2018. Receipt of the CEP will facilitate entering into further contracts in Europe as well as other geographic markets that accept European certification.

The UK is the largest closed market for Codeine Phosphate in the world with 60 tonnes of Codeine Phosphate (wholesale value of circa AUD 40 million) consumed annually. UK government regulations governing the supply of Codeine Phosphate limit the market to material produced in the UK.

Importantly, as a result of this new contract and the contract announced on June 30, TPE will be supplying nearly 20% of the UK Codeine Phosphate market from Q4 Calendar 2018.

TPI Enterprises CEO, Jarrod Ritchie, said: "This second long term supply agreement further validates our UK expansion plans and clearly demonstrates the market's demand for an alternative high quality supplier of Codeine Phosphate. The contract represents another significant step in the development of the company as a leader in the global opioid pharmaceuticals sector.

"By supplying Active Pharmaceutical Ingredients, such as Codeine Phosphate, in addition to its core Narcotic Raw Material, TPI Enterprises is able to leverage its manufacturing cost advantage to open up new markets for its NRM production as the potential target customer base for Opioid API is nearly five times as large as that for NRM alone.

TPI Enterprises has the stated goal of growing its output to 100 tonnes per year of Narcotic Raw Material by 2019 and the move up the supply chain into the production of APIs, such as Codeine Phosphate, will allow us to increase production volumes while increasing profitability."

Further information:

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About TPI Enterprises Limited

TPI Enterprises Limited (ASX:TPE) is one of three licensed poppy processors in Australia, and the only Australian-owned company. It is one of eight processors worldwide producing Narcotic Raw Material for the international pharmaceutical industry. TPI Enterprises has developed an innovative, efficient and environmentally-sustainable extraction and purification manufacturing process which allows the company to deliver a highly competitive pricing platform. The company's strategy is to secure access to regulated downstream narcotics markets to leverage its reliable, cost-competitive upstream raw material capability.