



Working to improve your health

7 January 2022

2022 New Year letter to investors

AFT Pharmaceuticals (NZX: AFT, ASX: AFP) releases the attached new year letter to shareholders, which sets out the company's expectations for the 2022 calendar year, including:

- Key commercialisation milestones for its family of patented Maxigesic® pain relief medicines, including the expected approval of the intravenous and tablet forms in the US market.
- Planned growth in its Australasian portfolio of over the counter and prescription medicines.
- Planned milestones for its e-commerce and research and development programmes.

The company also notes that, assuming no deterioration in current trading conditions, it retains its guidance for an operating profit for the year to 31 March 2022 of \$18 million to \$23 million with the wide range reflecting a number of uncertainties including those related to the COVID-19 pandemic and the ongoing global supply chain disruptions.

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.



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Dear shareholder,

AFT Pharmaceuticals is looking to 2022 confident in its prospects, despite the ongoing uncertainties of COVID-19 and the related global supply chain disruptions.

Building on our strong presence in Australasian and Asian over the counter and prescription medicines and our growing portfolio of intellectual property, including the patented Maxigesic family of pain relief medicines, we expect once again to extend our decades' long record of growth.

Maxigesic and Pending US approvals

During 2022 we expect to further extend the number of countries in which Maxigesic tablets and the intravenous form of the medicine are sold.

Of note are our plans for the medicines in the US market, the world's largest for pain relief¹, where we expect approval of both formulations in the current year.

The US Food and Drug Administration (FDA) is due to respond to AFT's application for Maxigesic tablets by 27 January 2022. We have not yet signed a licensee in the US for the tablets and are evaluating US market entry plans to maximise the commercial potential of the medicine.

As previously announced, the FDA is due to respond to AFT's application for Maxigesic IV by 30 June 2022. We will work with our Maxigesic IV licensing partner Hikma Pharmaceuticals USA to execute a launch as soon as possible following regulatory approval. Our current expectation remains to launch late in this calendar year.

Work to extend our global Maxigesic footprint continues.

As part of this programme, we are now looking for a new licensee in Russia. Our former partner for the medicine was recently taken over by a company that is focussed on

¹ Mordorintelligence.com. 2021. Pain Management Market (2021 - 26) | Industry Analysis, Size, Share | Covid - 19 Impact.

other medicines in the region. We remain confident of achieving a replacement licensee for Russia during 2022.

We are meanwhile looking to launch new *Maxigesic* dose forms, including *Maxigesic Hot Drink Sachet* and *Maxigesic Oral Liquid*, a formulation developed principally for children.

Australia and New Zealand

AFT continues to make progress in both Australia and New Zealand.

Our growth plans are significant. As previously announced, we are working on launching some 30 new products across all of our seven key therapeutic areas² over the next 18 months.

We have expanded our internal in-licensing resources and continue to work on further increasing our portfolio by ongoing in-licensing and further development of AFT's intellectual property.

E-Commerce

AFT continues to work on expanding its e-commerce offerings. Our initial trial into China via T-Mall has given us confidence to expand the product range available online both in China and further afield. We will provide more guidance on our plans as they develop.

Research and Development

Our research and development programme continues to strengthen the foundations for AFT's future growth.

We have completed enrolment for our pivotal clinical trial of *Pascomer* (*Rascomer* in the EU), a treatment for facial angiofibromas, a symptom of Tuberous Sclerosis Complex. We expect results for this trial towards the end of the first half of 2022.

Additionally, during 2022, we expect to complete an initial proof of concept study in humans for the first indication for our patented drug delivery device *NasoSURF*. Again, this will be a key development milestone.

Finally, development of additional line extensions to the *Maxigesic* family of medicines continue, including a rapid absorption formulation of the tablet and *Maxigesic Cold & Flu Relief*.

Financial outlook

Overall, we continue to work hard to execute upon our plans and look forward to further and accelerating progress during 2022.

Assuming no deterioration in current trading conditions, we retain our guidance for an operating profit for the year to 31 March 2022 of \$18 million to \$23 million with the result underpinned by product launches and the wide range reflecting a number of


² Pain, Eyecare, Medicated Vitamins, Allergy Gastrointestinal, Dermatology, Hospital

uncertainties including those related to the COVID-19 pandemic and the ongoing global supply chain disruptions.

We thank shareholders for their ongoing support and look forward to reporting progress against these goals.

With our best wishes for the year ahead.

Kind regards

A handwritten signature in black ink, appearing to read 'D. Flacks'.

David Flacks
Chair

A handwritten signature in black ink, appearing to read 'H. Atkinson'.

Dr Hartley Atkinson
Managing Director