



INVESTOR PRESENTATION MAY 2022

A|F|T *pharmaceuticals*
Working to improve your health

Important Notice

This presentation has been prepared by AFT Pharmaceuticals Limited (“AFT”), to provide a general overview of the performance of AFT for the financial year ended 31 March 2022. It is not prepared for any other purpose and must not be provided to any person other than the intended recipient.

This presentation should be read in conjunction with AFT’s annual report, market releases and other periodic and continuous disclosure announcements, which are available at www.nzx.com and www.asx.com.au.

All amounts are disclosed in New Zealand dollars (NZ\$) unless otherwise indicated.

All references to FY2022 appearing in this presentation are to the financial year ending 31 March 2022, unless otherwise indicated. This presentation is not a recommendation, offer or invitation to acquire AFT’s securities or other form of financial advice or disclosure document.

While reasonable care has been taken in compiling this presentation, none of AFT nor its subsidiaries, directors, employees, agents or advisers (to the maximum extent permitted by law) gives any warranty or representation (express or implied) of the accuracy, completeness or reliability of the information contained in it nor takes any responsibility for it.

The information in this presentation has not been and will not be independently verified or audited. This presentation may contain certain forward-looking statements and comments about future events, including with respect to the financial condition, results, operations and business of AFT.

These statements are based on management’s current expectations, which may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct, and the actual events or results may differ materially and adversely from these statements. Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon (and is not) an indication of future performance

AFT is Expanding Globally From a Strong and Growing Australasian Core

Rest of the World

AFT developed IP commercialised with **46** global partners. Present in **100+** territories

Asia

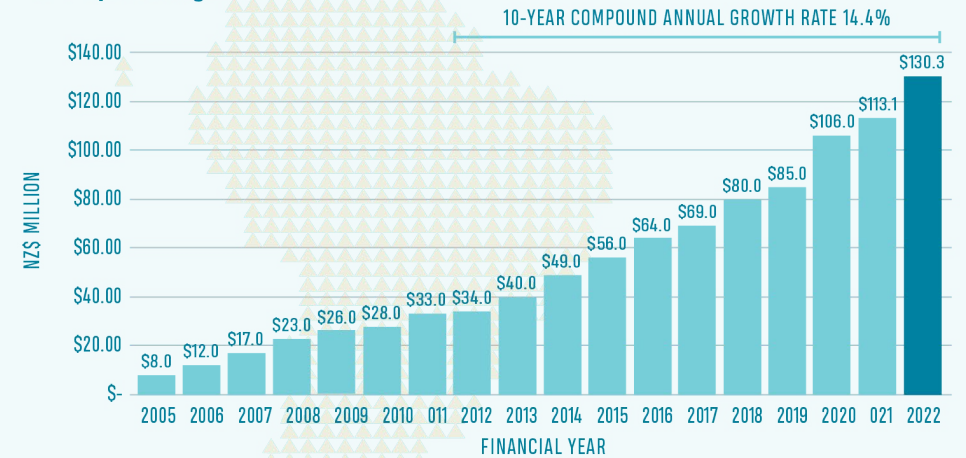
10+ products across four therapeutic areas
Sold through **2** licensees and distribution partners

Australasia

130 products across seven therapeutic areas
Distribution via wholesalers to **6,000** pharmacies



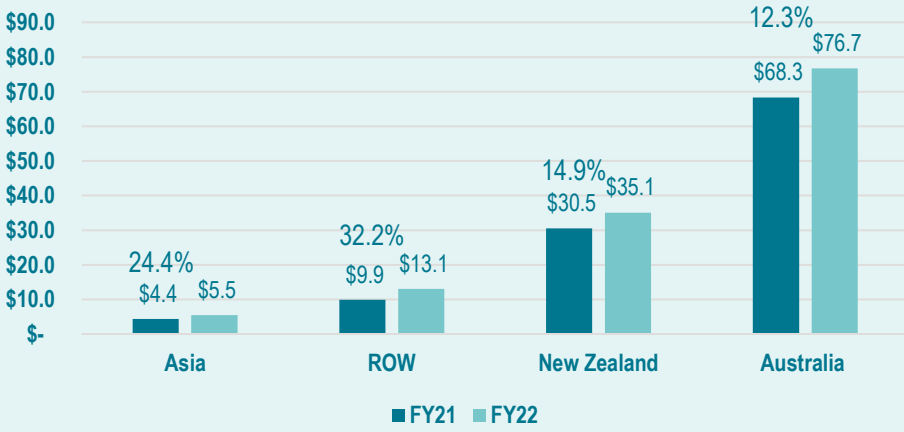
AFT Operating Revenue



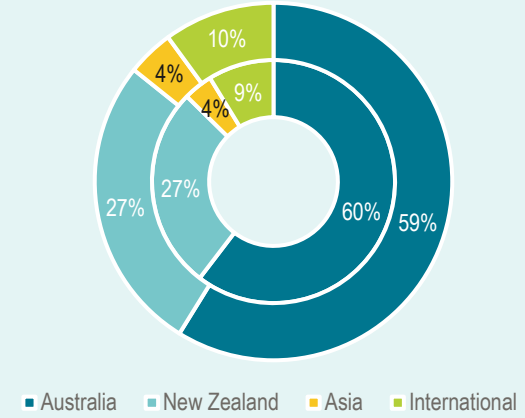
FY22 Highlights: Building on a Strong Record of Growth

- Annual operating revenue up 15.2% to \$130.3 million from \$113.1 million with all regions posting double digit growth, underpinned by AFT’s unique IP.
- Operating profit \$20.4 million up from \$10.7 million with stronger second half as anticipated
- Net profit after tax \$19.8 million up from \$7.8 million
- COVID represented a significant headwind in all markets

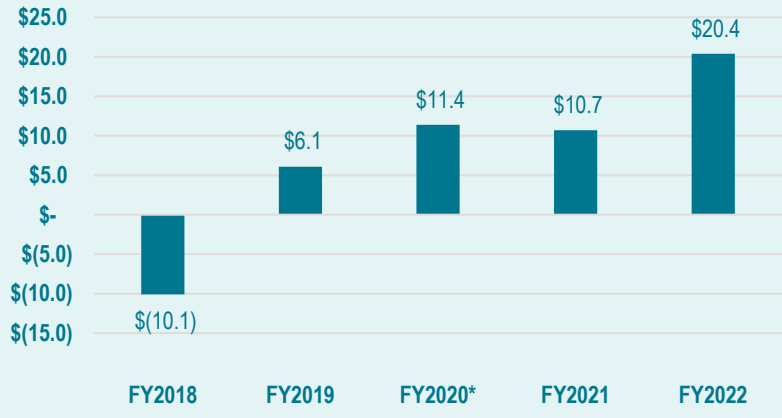
AFT revenue by region



Revenue by region



AFT operating profit

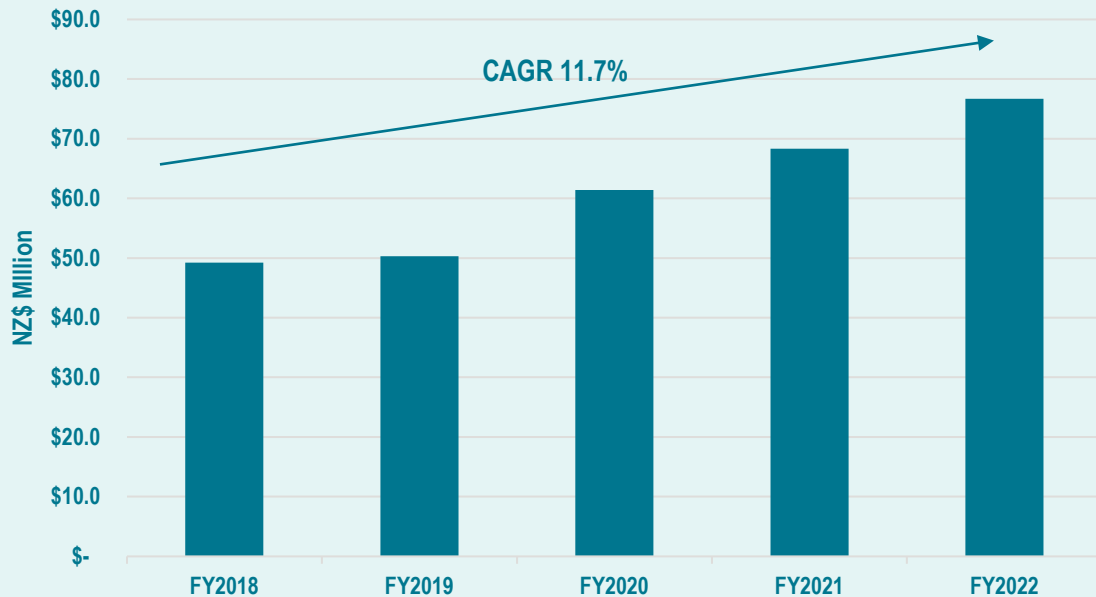


*FY20 normalised to exclude \$9.8m gain on de-recognition of equity accounted investment and recognition of net assets acquired at fair value in a step acquisition

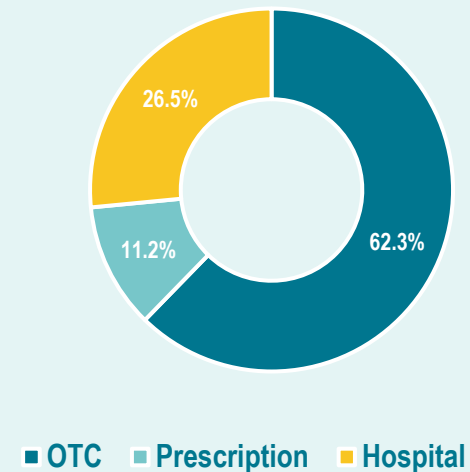
Australia: New Product Launches Drive Growth

- Australian sales up 12.3% to \$76.7 million from \$68.3 million – 59% of group operating revenue across 70 products.
- Double digit growth across all channels despite Covid-19 restrictions.
- Revenue growth assisted by new launches (including deferred). At least 20 products are planned to launch in FY23.
- Maxigesic sales grew, eyecare range continues to deliver good growth in the OTC channel.

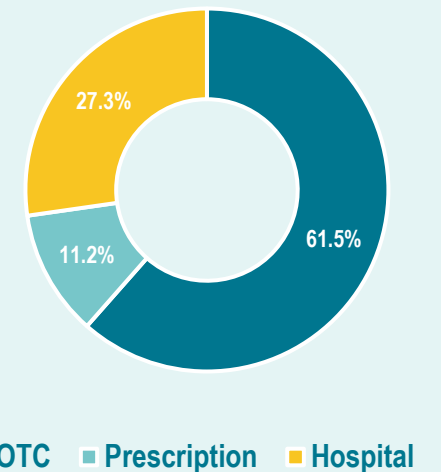
Australia revenue



AU FY21 channel



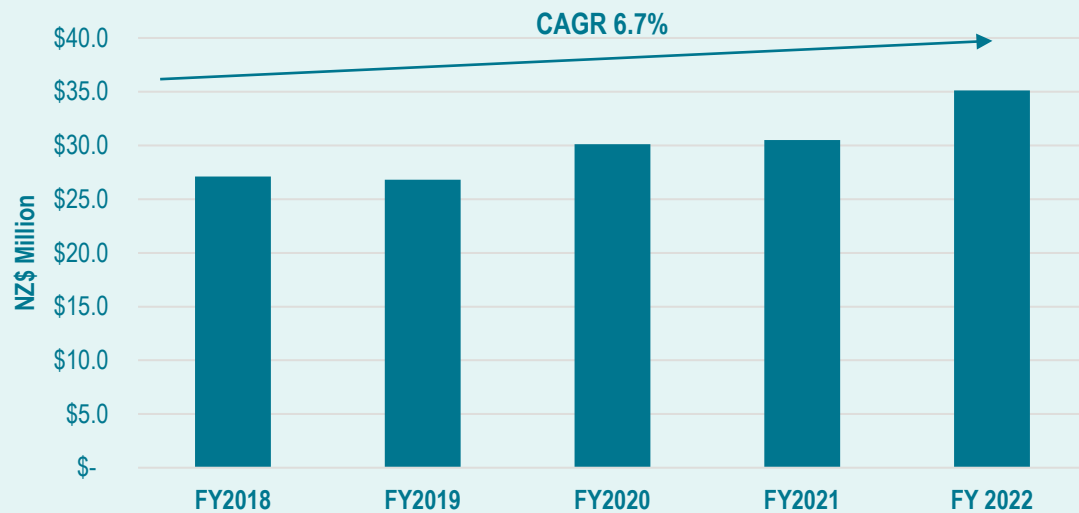
AU FY22 channel



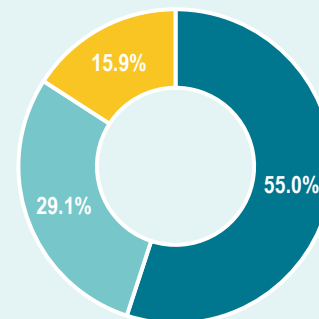
New Zealand: Strong Growth as Country Recovers From Covid

- New Zealand sales up 15.1% to \$35.1 million from \$30.5 million – 27% of group operating revenue across 130 products.
- Revenue growth assisted by an increase in over-the-counter (OTC) sales as Covid restrictions eased as well as launches of new products.

New Zealand revenue

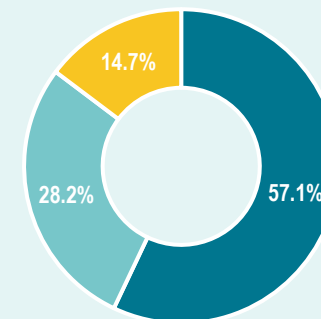


NZ FY21 channel



■ OTC ■ Prescription ■ Hospital

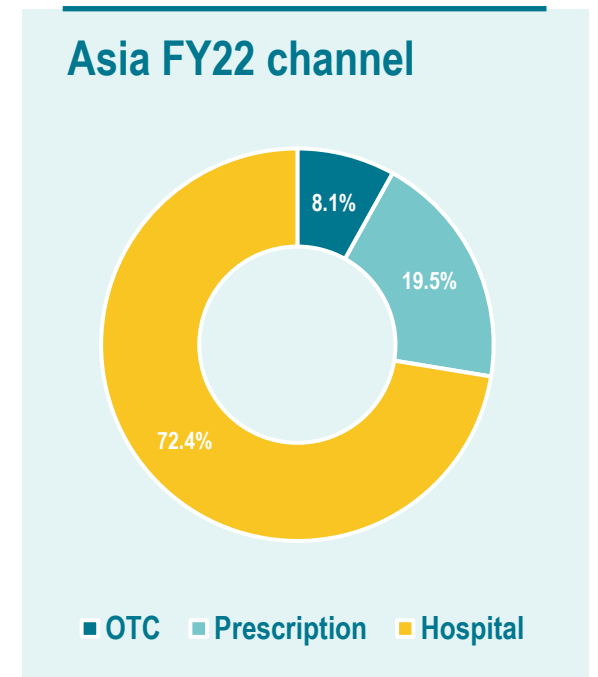
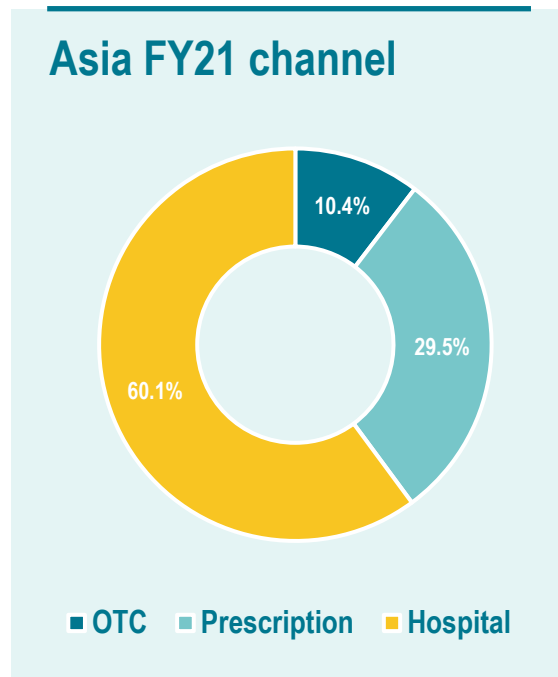
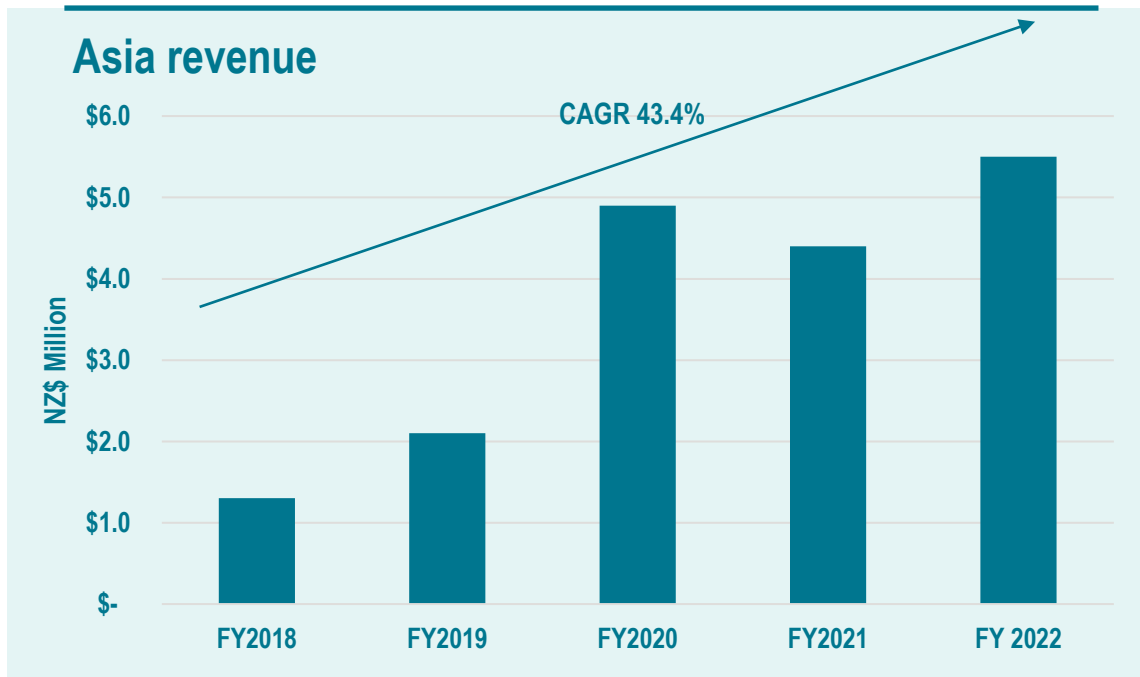
NZ FY22 channel



■ OTC ■ Prescription ■ Hospital

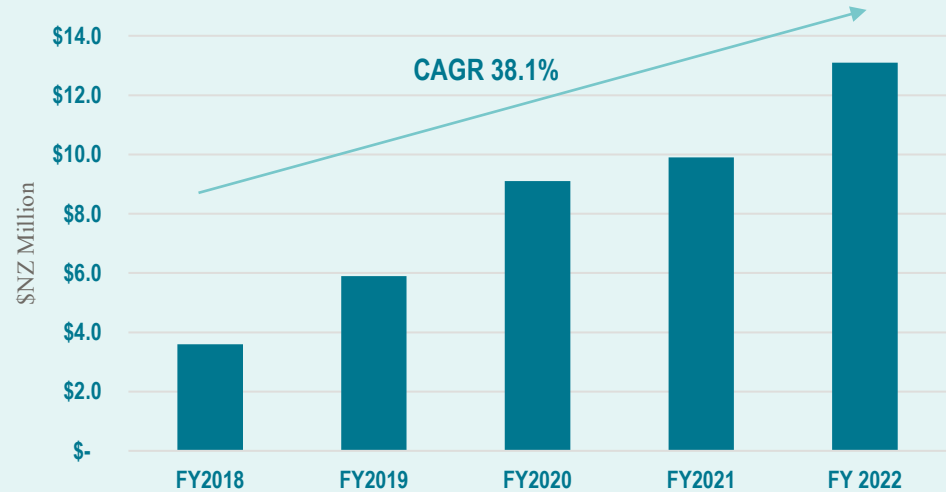
Asia: Sales Lifted by Hospital Channel Growth

- Sales in Asia up 24.7% to \$5.5 million from \$4.4 million – representing 4% of group operating revenue.
- Hospital and prescription channels grew 32% due primarily to strong anti-bacterial sales.
- OTC channel flat with growth in sales in Malaysia offset by lower sales in Singapore, which had benefited from the prior year from pandemic stockpiling of Maxigesic.

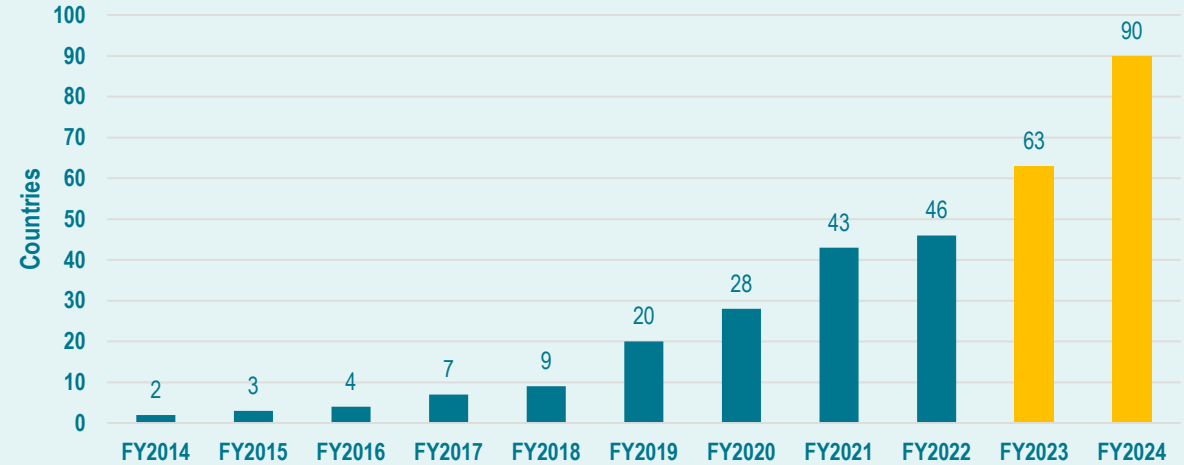


International Maxigesic Roll Out Continues to Drive Revenue

ROW Revenue



Countries where Maxigesic is sold and ordered

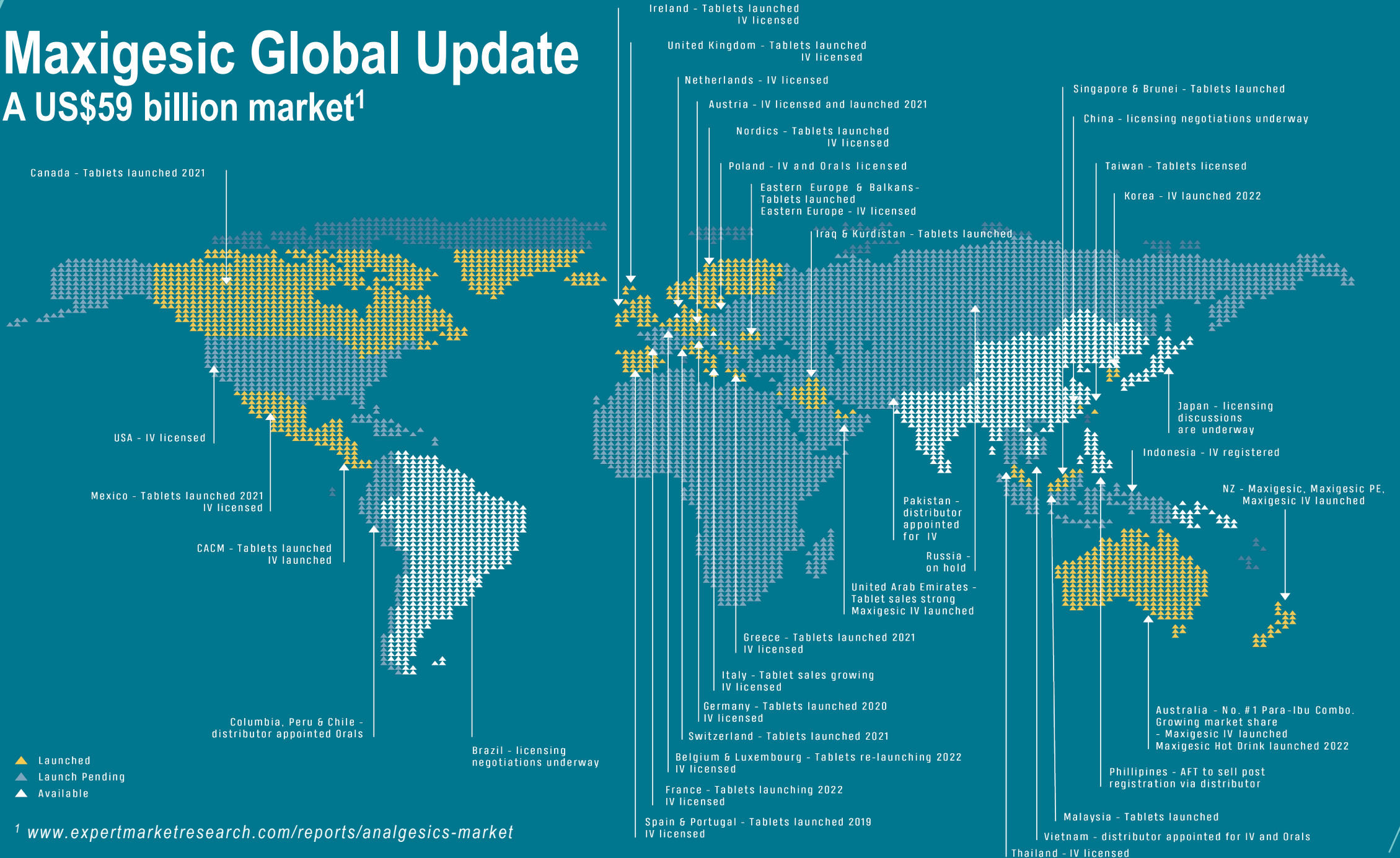


- Strong revenue growth lifted by licensing of Maxigesic IV in the US to Hikma Pharmaceuticals
- US FDA approval pending for Maxigesic IV and Maxigesic tablets
- US sales of Maxigesic IV due to begin this financial year
- Maxigesic hot drink sachet launched in Australia, a unique and premium product
- Maxigesic tablets launched in Switzerland and Greece
- Maxigesic IV launched in Germany and Austria

Product	Maxigesic tablets		Maxigesic IV		Maxigesic oral		Maxigesic hot drink	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Territories	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Licensed	100+	100+	100+	100+	100+	100+	100+	100+
Registered	52	49	37	21	2	0	1	0
Sold	46	43	7	3	0	0	0	0

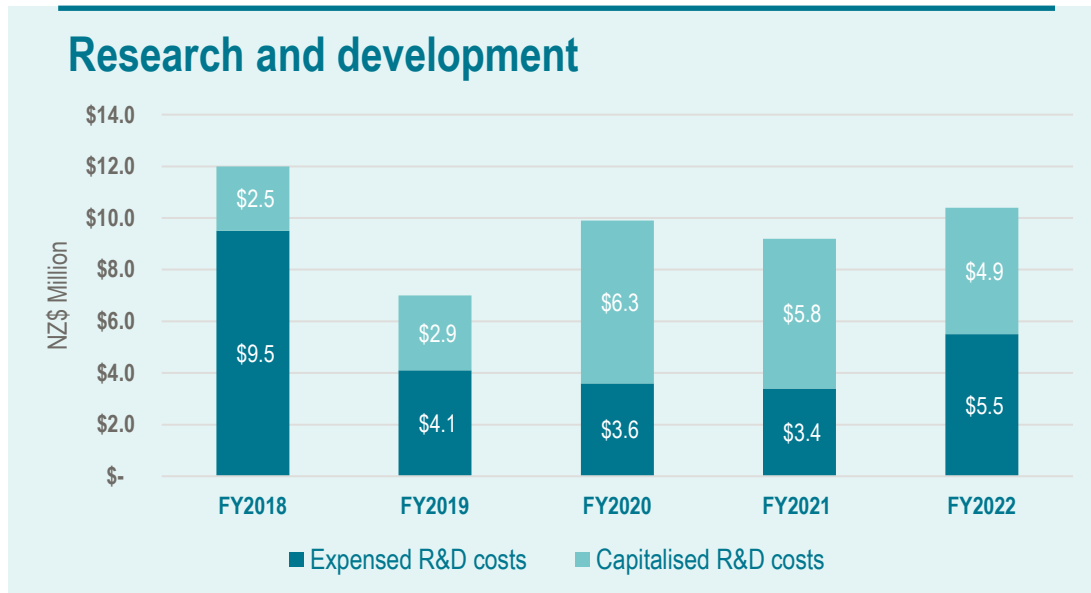
Maxigesic Global Update

A US\$59 billion market¹



¹ www.expertmarketresearch.com/reports/analgesics-market

Investing in a Strong Research and Development Pipeline



R&D Expenditure to Rise to \$12m as FY23 Pipeline Grows

PASCOMER

Dermatology medicine

- Treatment of facial angiofibroma associated with tuberous sclerosis complex and other non-orphan indications
- Clinical studies under way and due to deliver first results in mid-22
- Development partner Timber Pharmaceuticals (US)

NasoSURF

Ultrasonic nasal mesh nebuliser used for the intranasal delivery of medication and treatment of sinus conditions

- Pharmacokinetic proof of concept underway, results due during FY23
- Addressable market, initial application ~ US\$1 billion¹

PROJECT HS

Analgesic medicine

- Dossier due to be filed with ex-ANZ regulators in 2022
- Addressable market US\$30 million¹

PROJECT BT

Gastrointestinal medicine

- Dossier due to be filed in ex-ANZ in 2022
- Addressable market US\$200 million¹

PROJECT KW

Gastrointestinal medicine

- Developing two formulations and AFT IP position
- Early-stage development
- Addressable market in excess of US\$700 million¹

PROJECT SD

Dermatology medicine

- Looking to develop and license in new territories
- Low development risk
- Dossier due to be filed in ex-ANZ in 2022
- Addressable market US\$200 million¹

MEDICINAL CBD

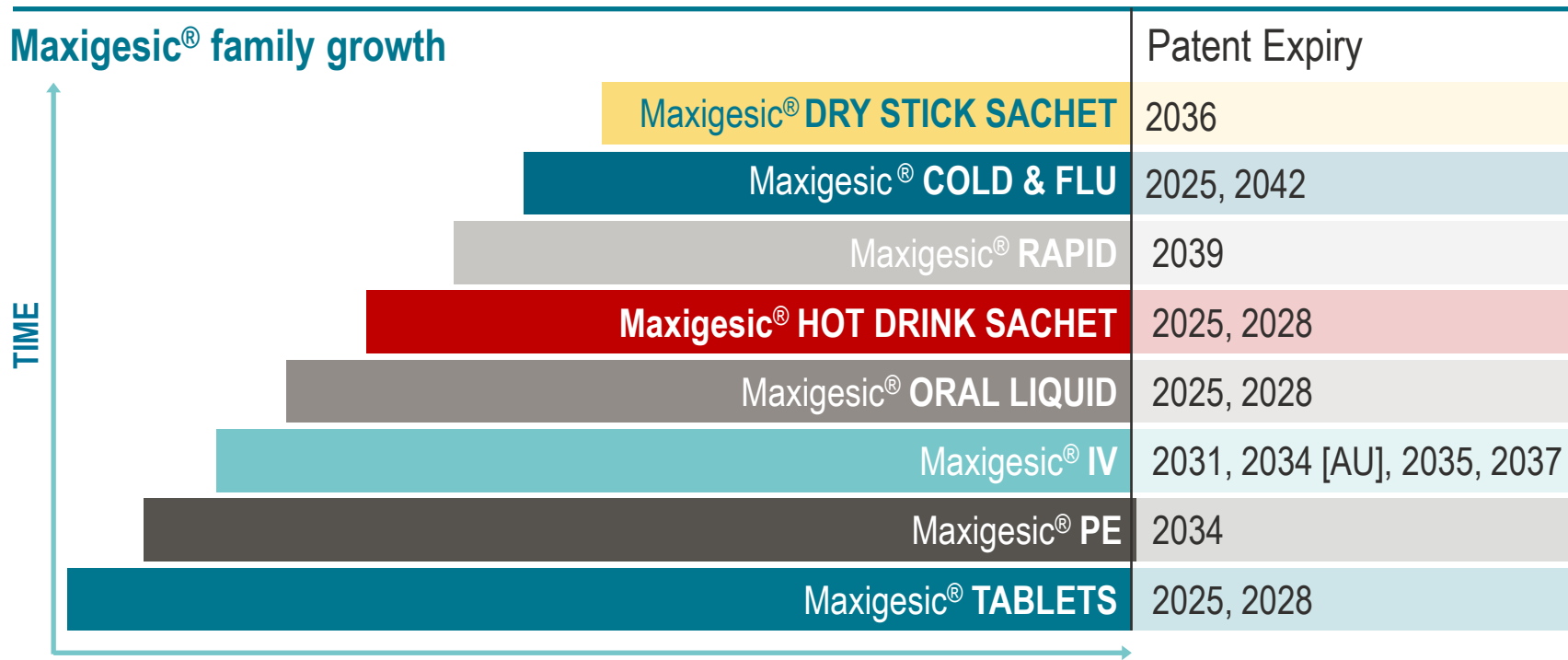
Application confidential

- Partner Setek
- Ongoing product development work
- Addressable market US\$3 billion¹

¹ Company estimate

Building the Maxigesic Addressable Market With New Dose Forms

- Estimated total analgesic market size US\$5.9 billion¹
- Maxigesic tablets are patent protected out to 2025-2028, beyond which the brand name is expected to cement Maxigesic's OTC position in the market
- AFT is now leveraging the brand goodwill into Maxigesic variants



¹ www.expertmarketresearch.com/reports/analgesics-market

*Maxigesic IV is a prescription product for hospital use **Management estimates

Solid Operating Profit in a Challenging Year

NZ\$'000's year ended 31 March	2022	Revenue %	2021	Revenue %
Revenue	130,314		113,105	
Gross profit	61,775	47.4%	48,741	43.1%
Operating expenses and other income	(41,386)	31.8%	(38,033)	33.6%
Operating profit	20,389		10,708	
Finance expenses and other income	(1,704)		(2,821)	
Tax	1,163		(105)	
Profit after tax	19,848		7,782	
Revenue from product sales and royalties	123,570		110,980	
Gross profit from product sales and royalties	55,031	44.5%	46,615	42.0%

- Delivered 15% Revenue growth with margins benefiting from US licensing income
- Profit after tax benefits from utilization of prior tax losses

Cash Flow: AFT Remains Well Funded as Debt Reduction Continues

NZ\$'000's Year ended 31 March	2022	2021
Net cash from operating activities	14,152	750
Net cash used in investing activities	(5,585)	(6,231)
Net cash used/(generated) from financing activities	(3,914)	2,522
Net increase/(decrease) in cash	(4,653)	(2,959)
Impact of foreign exchange on cash and cash equivalents	78	49
Opening cash and cash equivalents	3,209	6,119
Closing cash and cash equivalents	7,940	3,209

- Operating cash flow increases as costs grow at a slower rate than revenue.
- Cash balances increase, and drive down net debt, despite adverse trading environment

Balance Sheet: Inventory Levels Elevated to Provide Buffer

NZ\$'000's Year ended 31 March	2022	2021
Current assets	69,602	64,693
Cash	7,940	3,209
Non current assets	44,218	37,230
Total assets	121,760	105,132
Current liabilities	25,050	26,941
Current interest bearing liabilities	4,000	5,161
Non-current liabilities	2,766	3,242
Non-current interest bearing liabilities	33,200	33,200
Total liabilities	65,016	68,544
Total equity	56,744	36,588
Total liabilities and equity	121,760	105,132

- Anticipated elevated inventory during FY23 to protect against supply disruptions. This approach has proved valuable.
- Net debt of \$29.3m reduced from \$35.2m a year ago – within targeted net debt range of \$25m-\$30m.
- Moving to new debt target (with the declaration of the dividend policy) of 1x operating profit.

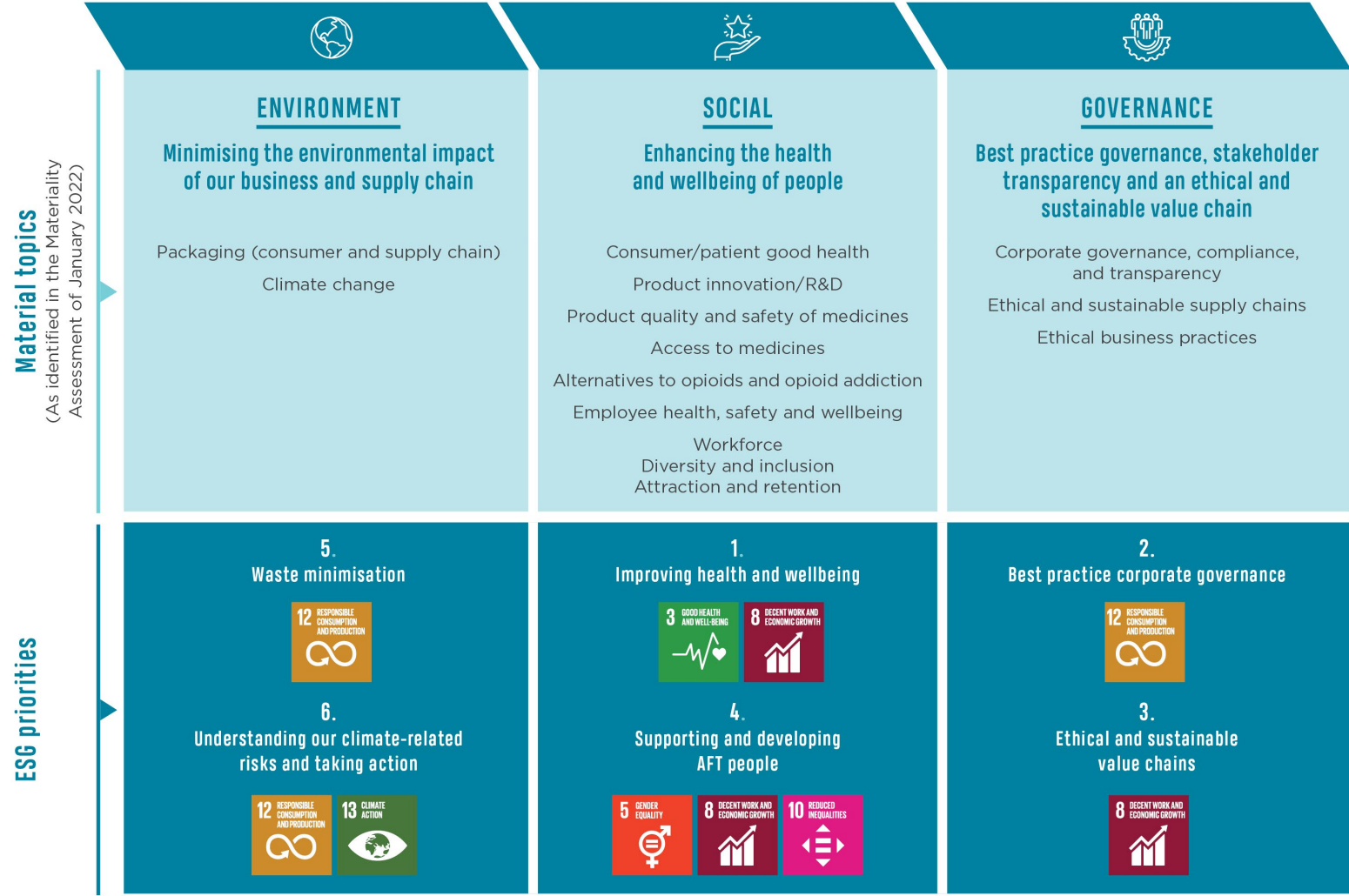
Dividend Policy: A Statement of Confidence in Our Future

- The Board expects the company to continue to grow underpinned by a strong defensible and growing core business in Australasia and a growing international business built on our unique IP.
- On the basis of these strengths, the Board intends to pay on an ongoing basis a dividend equal in the 20 – 30% of normalised Net Profit After Tax (Net Profit After Tax adjusted for extraordinary one-off gains and losses), while maintaining debt at around 1 x operating profit.
- The policy gives AFT sufficient headroom to fund the ongoing significant growth opportunities, signals to shareholders our expectations of the returns they can expect from their investment in the company and demonstrates the discipline they expect in the company's allocation of capital.
- The declaration of any dividend is at the Board's discretion and is subject to AFT's earnings; overall financial condition; the outlook for the industry; future capital requirements or research and development investment expectations.
- We expect to declare a maiden dividend to shareholders in relation to the FY2023 year.

ESG Focusing on What Matters

Our Mission:
Working to
Improve Your Health

AFT is committed to enhancing the health and wellbeing of people and communities in the markets we serve and operating a sustainable business.



Outlook

- Continue to see considerable opportunities for growth and we have significantly increased both our in-licensing and product and R&D pipeline activities
- Expect to see a return to a more normal trading environment as COVID-19 becomes endemic.
- Focus areas for the new financial year on opportunities to accelerate growth:
 - Investments into sales and marketing and e-commerce initiatives both at home and offshore
 - The ongoing roll out of Maxigesic and its line extensions in international markets.
 - Products from our expanded R&D pipeline
- On this basis we now expect operating profit for the year to 31 March 2023 to range between \$27 million and \$32 million.
- The wide range reflects uncertainties from the ongoing international supply chain difficulties, the timing and success of planned product launches, the pace of the roll out of the Maxigesic family of medicines and general economic conditions.



QUESTIONS



Appendix 1: Australasian Product Portfolio

AFT has the #1 selling product (Maxigesic) in the Australian para-ibu¹ combo pain relief. AFT's portfolio includes a combination of 125 proprietary, branded and generic products which address the following therapeutic areas:

Pain	Maxigesic, ParaOsteo, ZoRub OA/HP, Fenpaed, Combolieve Day/Night
Eyecare	Hylo, Novatears, CromoFresh, Opti-soothe Wipes/Mask, VitAPOS
Vitamins	Ferro-liquid, FerroTab, Ferro-F, Ferro-sachets, Lipo VitC, Lipo VitD, CalciTab
Allergy	Loraclear, Histaclear, Fexaclear, Levoclear, Allersoothe, Lorapaed, Becloclear, Steroclear
Gastrointestinal	Gastrosoothe/Forte, LaxTab, Micolette, Nausicalm, DiaRelieve
Dermatology	Crystaderm, Crystawash Hand Sanitizer, Crystasoothe, ZoRub anti-chafing, Decazol, MycoNail
Hospital	Maxigesic IV, Injectables



¹ Paracetamol and Ibuprofen

Appendix 2: AFT Asian Product Portfolio

AFT's Asia portfolio includes a range of proprietary, branded and generic products which address the following therapeutic areas:

<p>Pain</p>	<p>Maxigesic</p>
<p>Medicated Vitamins</p>	<p>Ferro-sachets, Lipo VitC, Lipo VitD and expanding pipeline – T Mall</p>
<p>Dermatology</p>	<p>Crystawash Extend Hand Sanitizer, Hemptuary</p>
<p>Hospital</p>	<p>Maxigesic IV, Injectables</p>



Appendix 3: AFT Global Product Portfolio

AFT is building the global presence of its proprietary and patented products through its network of licensees and distributors.

It continues the development of its portfolio of repurposed medicines: Maxigesic, Pascomer, NasoSURF, Crystawash Extend and Crystaderm

<p>Pain</p>	<p>Maxigesic oral dose forms</p> <ul style="list-style-type: none"> - Tablets - Solution - Hot drink sachet - Rapid - Cold and Flu
<p>Hospital</p>	<p>Maxigesic IV (intravenous)</p> <p>NasoSurf – nasal nebuliser drug delivery</p>
<p>Dermatology</p>	<p>Pascomer – primarily Europe & ANZ</p> <p>Crystawash extend – selected territories such as Canada and Middle East</p> <p>Crystaderm – selected territories such as Canada</p>

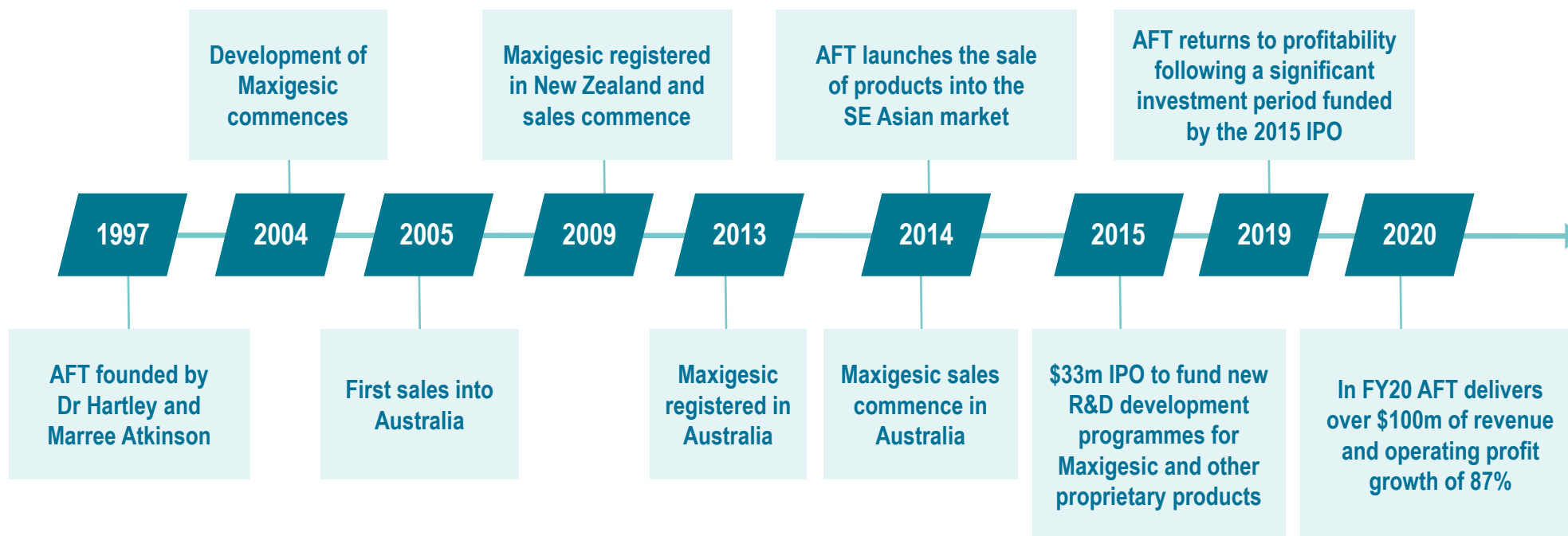


¹ Paracetamol and Ibuprofen

Appendix 4: History of AFT Pharmaceuticals

AFT was founded 23 years ago by Dr Hartley and Marree Atkinson. Since then AFT has remained an Atkinson-family controlled business and has grown organically into Australia and internationally

The 2015 IPO raised funds to pursue a more aggressive (and loss-making) R&D-led growth strategy. AFT has now returned to profitability as intended, as the company was prior to IPO





www.aftpharm.com

A|F|T *pharmaceuticals*
Working to improve your health

