



INVESTOR PRESENTATION 1H 24 FINANCIAL RESULTS

23 NOVEMBER 2023

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

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Dr Hartley Atkinson
Co-founder and Managing Director

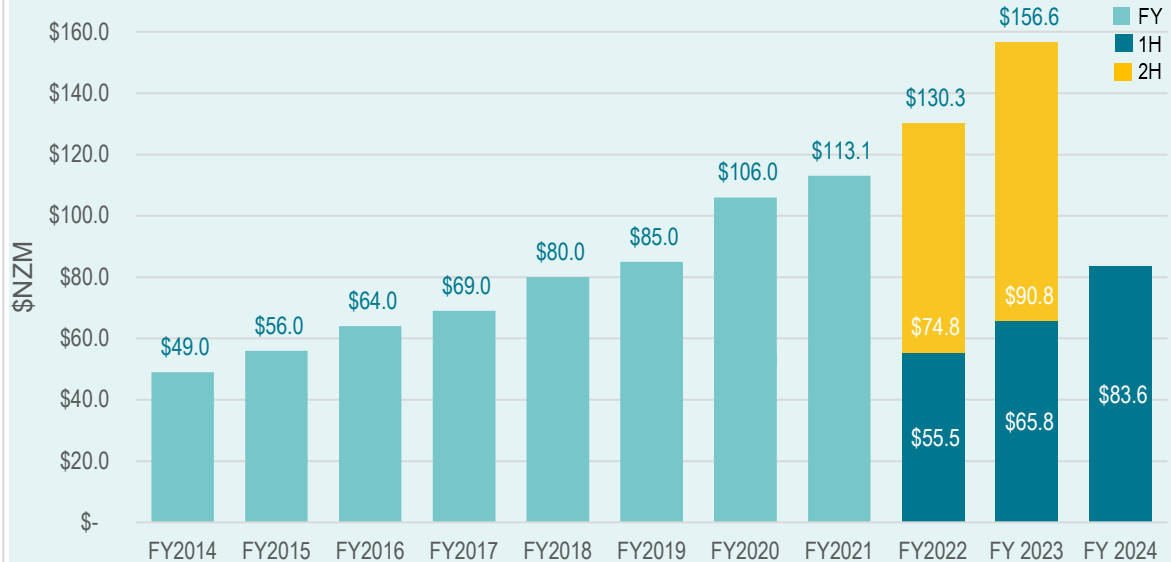


Malcolm Tubby
Chief Financial Officer

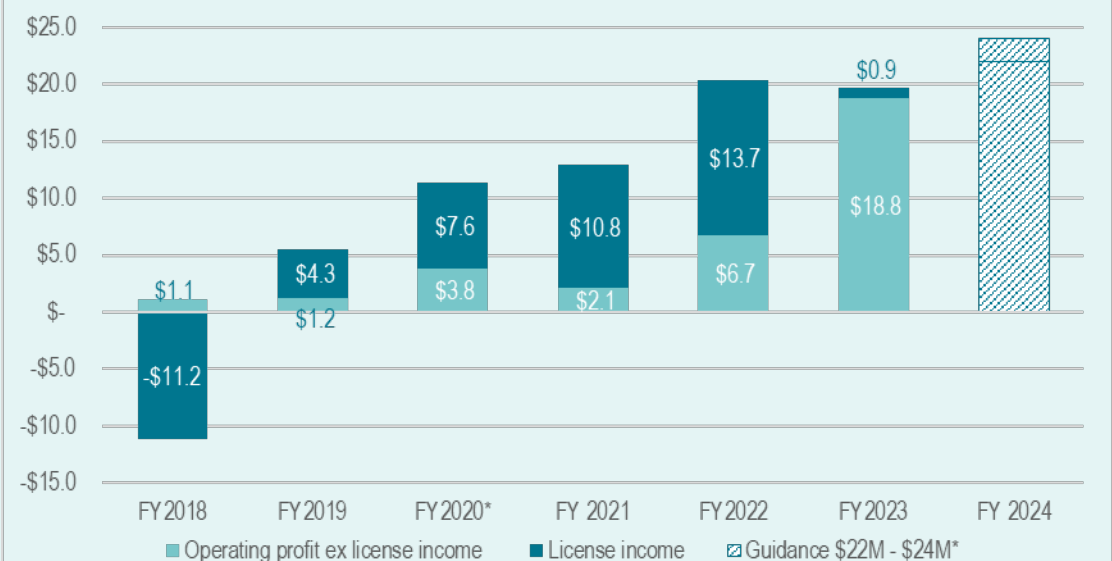
1H 24 Highlights: Growth accelerates in Asia and International markets.

- Strong growth outside Australasia. Asia (up 50% to \$5.4m) and International up (172.3% to \$12.8m) rising at the fastest rate
- \$2m of licensing income lifts already strong international result
- Operating profit of \$3.3m with investment for growth including ANZ marketing product launches and R&D.
- On track for a operating profit result with guidance affirmed at \$22m to \$24m; targeting dividend for FY2024

AFT OPERATING REVENUE



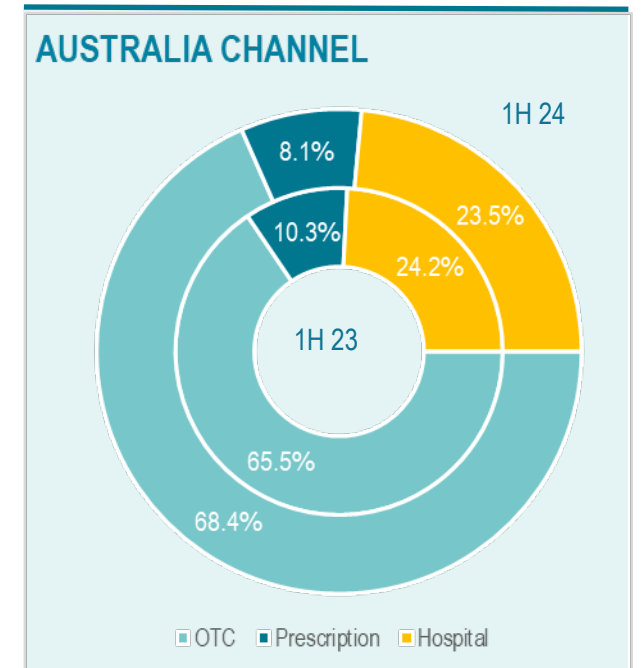
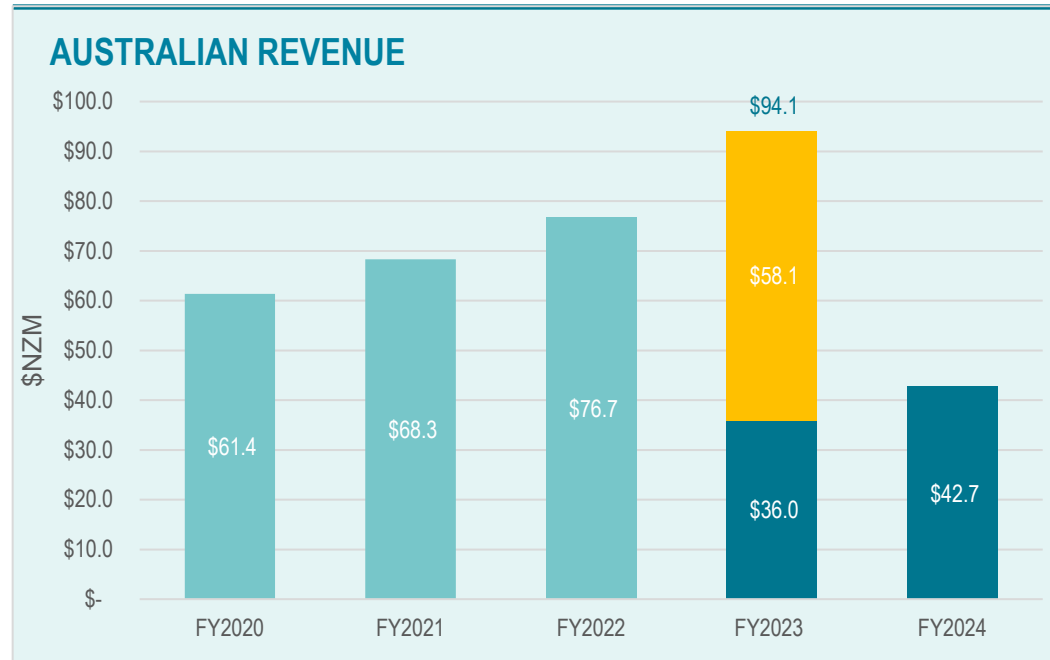
AFT GROUP OPERATING PROFIT AND GUIDANCE*



*Guidance excludes \$6M licence income due on launch of Maxigesic IV in the US

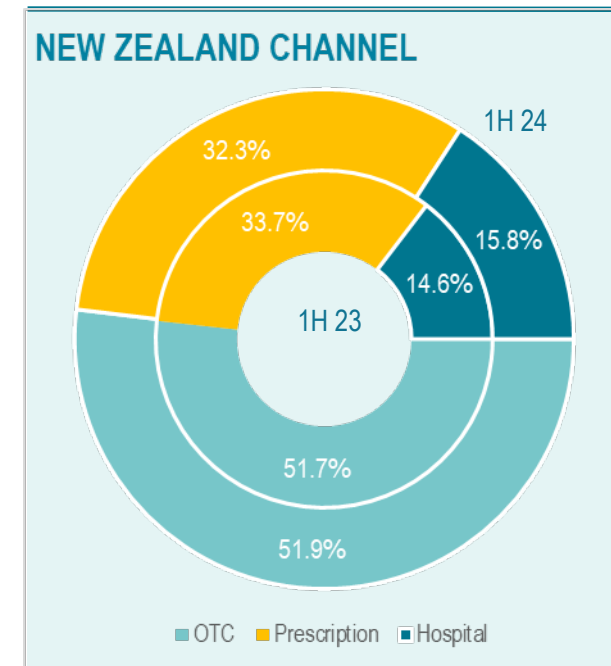
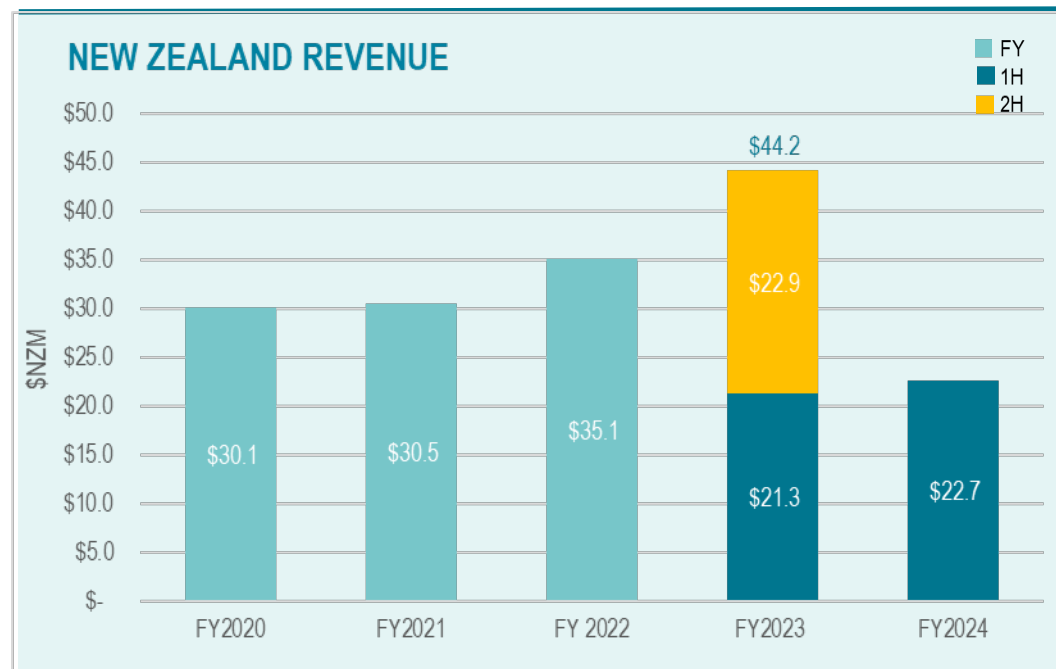
Australia: Sales Accelerating Underpinned By New Product Launches

- Sales in Australia rise 18% to \$42.7m from \$36m supported by organic and new product growth, although moderated by an easing of pandemic related demand.
- Operating profit lower with investment for growth and product marketing, but planned reduction in spend in 2H 24
- Products launches and organic growth to support traditionally stronger second half



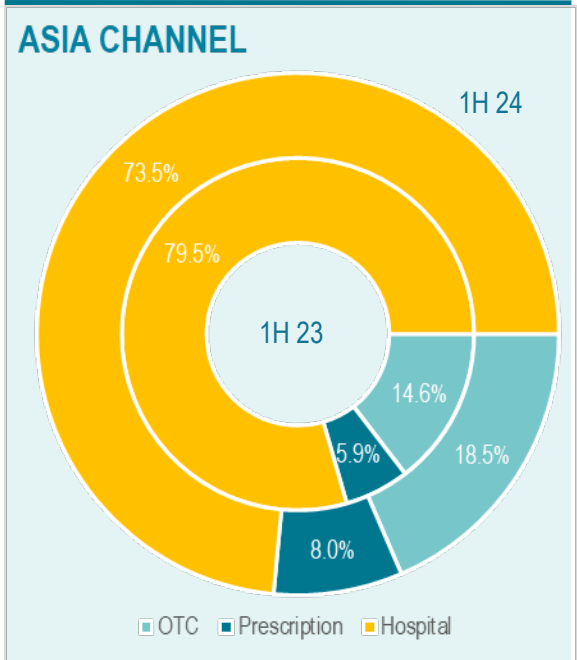
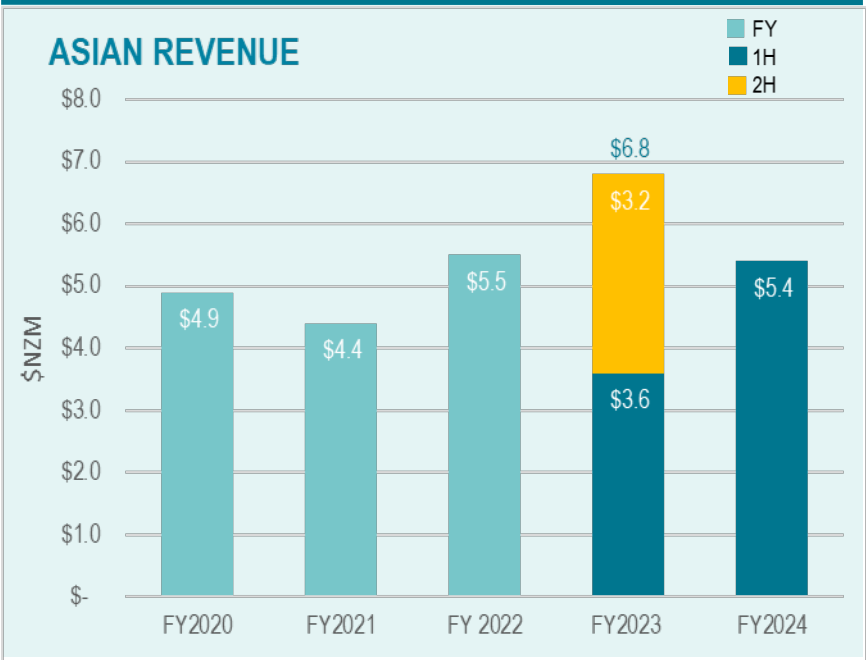
New Zealand: Organic Growth

- New Zealand revenue grows 7% to \$22.7m from \$21.3m. Hospital channel (up 15.4%) and OTC (up 6.8%) lifted by new and organic growth. Prescription channel up 2.1%
- Operating profits lower in line with Australian marketing spend together with stronger sales of lower margin hospital products
- Future growth driven again by organic growth and new product launches

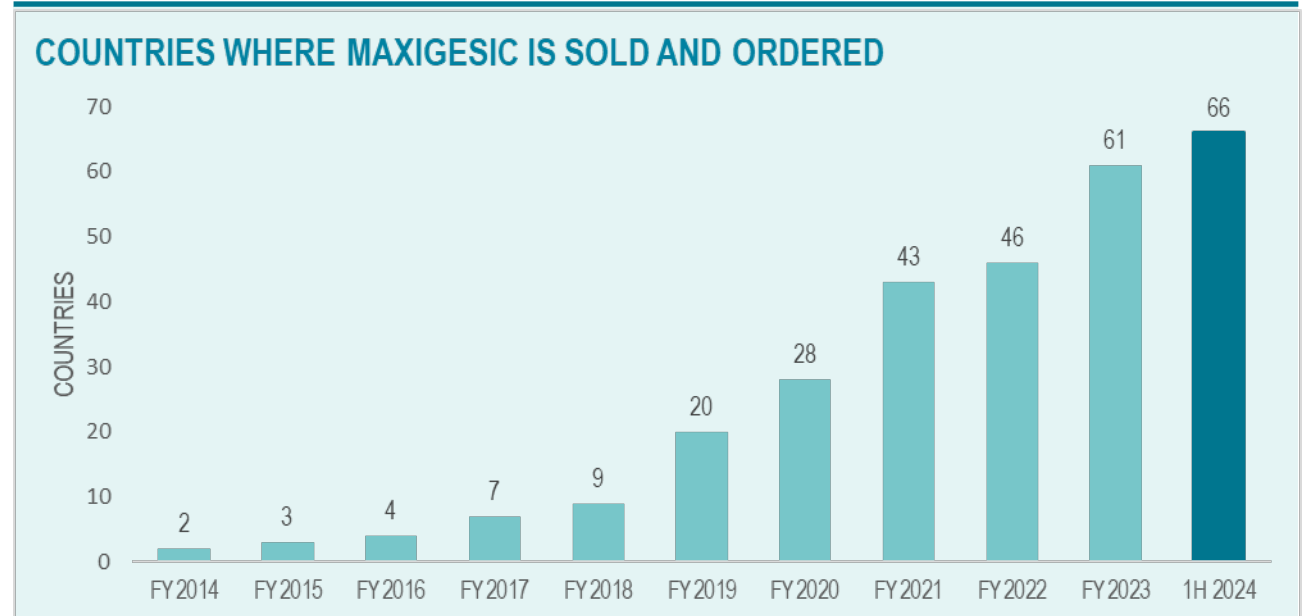
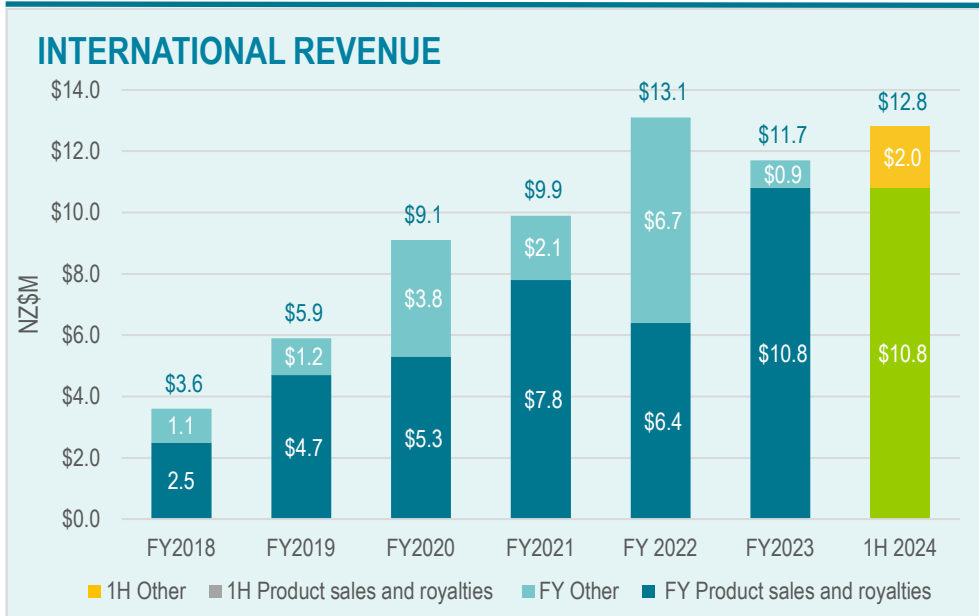


Asia: Expanded OTC Presence and Moving into China

- Sales in Asia rose 50% to \$5.4m with strong growth across all channels. OTC channel up 88.2% lifted by e-commerce growth off a low base
- Prescription and hospital channels (up 98.2% and 36% respectively) benefit from Maxigesic IV launch in Korea
- Targeting accelerating growth in Asia with geographic expansion and organic growth; Crystaderm now registered in China



1H 24 International Revenue Ahead of FY 2023 Result



- International income rises 172% on 1H 23 to \$12.9m; lifted by organic growth and \$2.0m of licensing income
- Maxigesic Rapid and Maxigesic IV now registered in the US; US launch of Maxigesic IV to trigger \$6m license fee payment from Hikma Pharmaceuticals
- Progressing discussions over best approach to US distribution of Maxigesic Rapid.
- Targeting accelerating International income growth from multiple sources (organic, geographical, new dose forms and products)

A Global Footprint

Maxigesic is now available in 66 countries and will soon launch in the United States



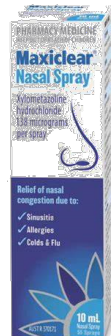
Driving Growth With New Products

- During FY 23 AFT launched 22 new products
- Product launches planned in Australasia FY24 - FY26 rises by 5 to 73 across all three channels
- Some of these products also targeted for launch in Asian hubs (Singapore and Hong Kong) and UK
- Several innovative products in-licensed e.g. Zeneo® Midazolam Needle FreeAuto-Injector for epilepsy



Australasia product launch pipeline

Year	FY 23	FY 24	FY 25 - FY 26
Planned launches	22	20	53



Driving Growth Through Expanded Distribution Networks

A Global Presence Online and in Market

- Extended our online presence
 - Amazon (US AU);
 - China (CBEC) and with the registration of Crystaderm locally.
 - Australia (Direct)
- New hubs
 - AFT Pharmaceuticals UK has a pipeline of 40 product slated for launch, 4 planned in FY24
 - Sales hubs in Singapore and Hong Kong expanding pipeline

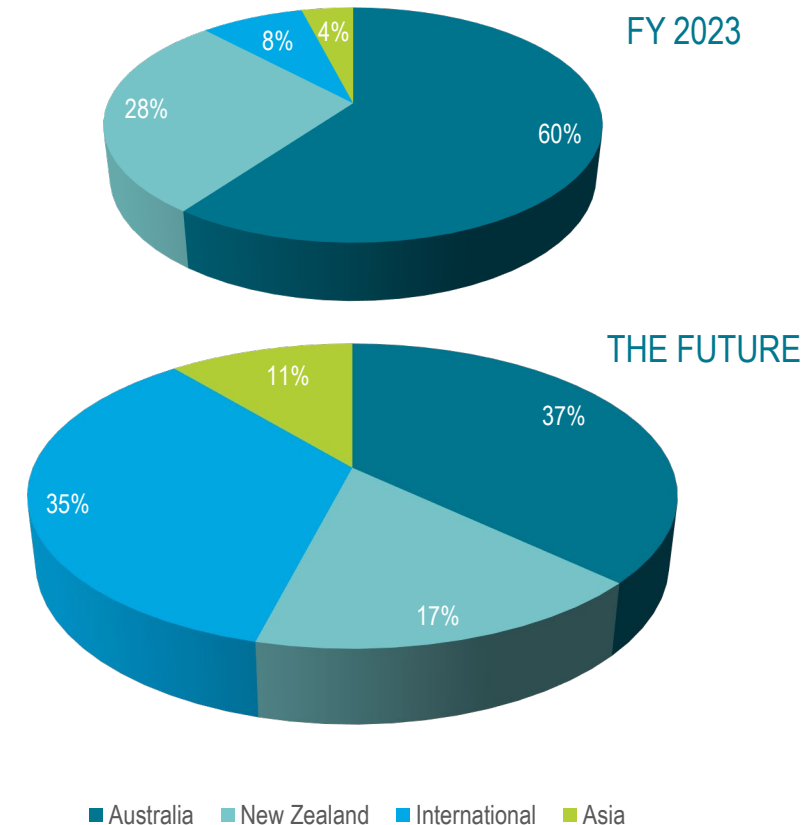
Tmall - a Gateway to China



New Product Development and International Markets to Drive Growth

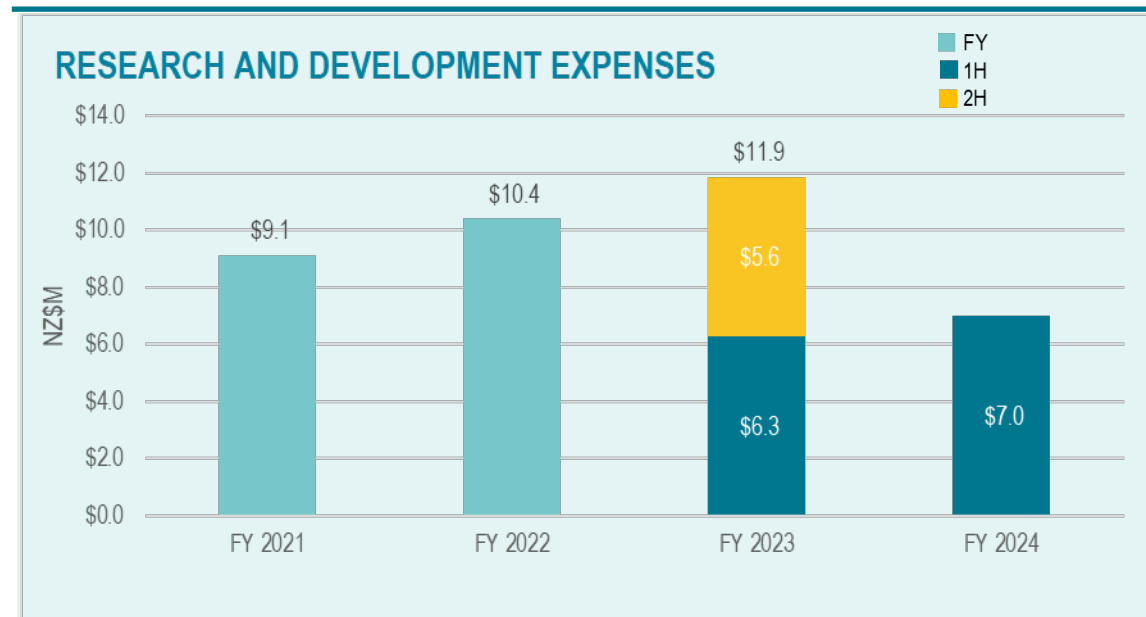
- Ongoing new product launches in Australia and New Zealand
- The launch of Maxigesic IV and Rapid in the US
- Growing presence in Asia
- UK launches and pipeline
- AFT ANZ pipeline expanded to AFT Hubs (SG, HK, UK)
- Amazon USA
- Growing R&D pipeline and launches in later years

REVENUE MIX BY REGION



Operating Cashflow Supports Continued R&D Investment

PRODUCT	ROUTE ADMIN / DUE FORM	STAGE FORMULATION MANUFACTURING	CLINICAL DEVELOPMENT	REGULATING FILING	COMMERCIALIZATION
Pain					
Maxigesic	IV USA			Target launch 2024	
Maxigesic	Dry Stick			Target filing 2024	
Maxigesic	Day/Night			Target filing 2023	
Maxigesic	Cold, Flu & Sinus Kit			Already launched in Australia	
Nasosurf Intranasal					
Eyecare					
Antibiotic Eyedrop					
Dermatology					
Pascomer	Topical			Filed	
Project SD	Topical			Filed	
Strawberry birthmarks	Topical				
Gastroenterology					
Project KW	Tablets			Target filing 2024	
Project KW	Sachet			Target filing 2024	
Project KW	Combo		Targeted 2024		
Project BT	Enema			Target filing 2023	
CBD					
				Timeline confidential	



Earnings Reflect Investment for Growth

NZ\$'000s Six months to 30 September	2023	Revenue %	2022	Revenue %
Revenue	83,614		65,750	
Gross profit	35,936	43.0%	28,679	43.6%
Operating expenses and other income	(32,686)	39.1%	(25,222)	38.4%
Operating profit	3,250		3,457	
Finance expenses and other income	(1,282)		(1,335)	
Tax	(152)		(576)	
Profit after tax	1,816		1,546	
EBITDA	4,098		4,476	
Revenue from product sales and royalties	81,655		65,692	
Gross profit from product sales and royalties	33,937	41.6%	28,621	43.6%

- Revenue growth of 27%
- Gross Profit growth of 25%
- Margin of 43%
- Investment in marketing (H1 skewed), R&D and product development pipeline

Balance Sheet: Well Funded, Net Debt Steady

NZ\$'000 Six months to 30 September	2023	2022
Current assets	88,952	68,358
Cash	6,172	8,795
Non-current assets	63,748	53,740*
Total assets	158,872	130,893
Current liabilities	44,760	26,067*
Current interest-bearing liabilities	3,585	33,200
Non-current liabilities	3,421	2,592
Non-current interest-bearing liabilities	33,200	5,000
Total liabilities	84,966	66,859
Total equity	73,906	64,034*
Total liabilities and equity	158,872	130,893

*FY 2022 figures restated to reflect recognition of deferred tax asset in FY 2021

- Net debt at \$30.6m in line with March 2023 and last half year with:
 - investment in R&D and marketing
 - Gradual reduction in inventory days amid easing pandemic and supply chain pressures
- Equity grows \$10m

Cash Flow: AFT Remains Well Funded as Debt Reduction Continues

NZ\$'000's		
Six months to 30 September	2023	2022
Net cash from operating activities	7,468	5,982
Net cash used in investing activities	(4,845)	(4,853)
Net cash used in financing activities	(3,269)	(3,048)
Net increase/(decrease) in cash	(646)	(1,919)
Impact of foreign exchange on cash and cash equivalents	(58)	(226)
Opening cash and cash equivalents	3,291	7,940
Closing cash and cash equivalents	2,587	5,795

- Operating cashflow growth
- AFT fully funded growth investments from internally generated cash

Summary and Outlook: Growth momentum expected to continue in 2H 24

- Ongoing rollout of Maxigesic and its line extensions in international markets and after this, products from our expanded R&D pipeline.
- Targeting increased growth in International and Asia markets; expansion in the UK and e-commerce; organic growth and new product launches in ANZ markets
- Targeting increased R&D pipeline acquisitions with two projects under diligence
- Target of \$200m of rolling twelve-month stretch sales now in sight
- Operating profit guidance range of \$22m to \$24m.
- Guidance subject to decision on US Maxigesic Rapid commercialisation strategy determination
- Directors expect to declare a dividend for the 2024 financial year



QUESTIONS



APPENDIX

Maxigesic Distribution

Product	Maxigesic tablets		Maxigesic IV		Maxigesic oral solution		Maxigesic hot drink	
	30 Sept 2023	31 March 2023	30 Sept 2023	31 March 2023	30 Sept 2023	31 March 2023	30 Sept 2023	31 March 2023
Licensed	100+	100+	100+	100+	100+	100+	100+	100+
Registered	69	66	46	43	14	14	2	2
Sold	57	55	25	21	1	1	2	2

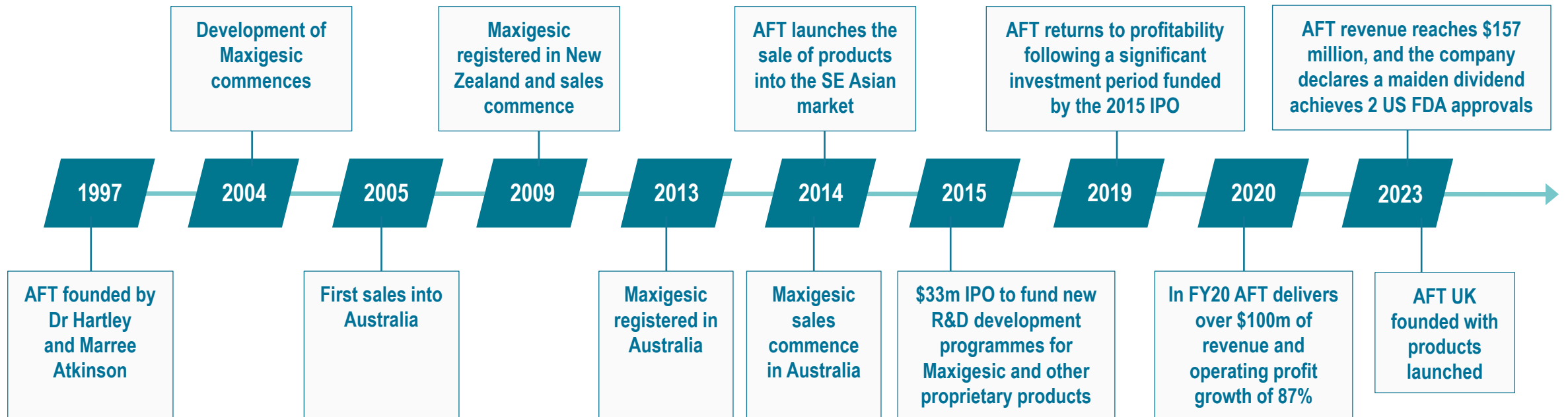


¹ Paracetamol and Ibuprofen

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.



Reconciliation of EBITDA to GAAP

AFT's standard profit measure prepared under New Zealand GAAP is net profit after tax attributable to the owners of the parent

AFT has used the non-GAAP profit measures of EBITDA when discussing financial performance in this document. AFT directors and management believe that this measure provides useful information as they are used internally to evaluate performance of business units, to establish operational goals and to allocate resources.

Non-GAAP profit measures are not prepared in accordance with NZ IFRS (New Zealand International Financial Reporting Standards) and are not uniformly defined, therefore the non-GAAP profit measures reported in this document may not be comparable with those that other companies report and should not be viewed in isolation or considered as a substitute for measures reported by AFT in accordance with NZ IFRS.

GAAP to Non-GAAP reconciliation		
NZ\$'000	2024	2023
Six months ended 30 September	\$(000)	\$(000)
Net profit after tax attributable to owners of the parent	1,816	1,546
Less: Finance income	(30)	(1)
Add back: Interest costs	1,814	1,395
Add back: Other finance loss/(gain)	(509)	(59)
Add back: Depreciation	457	424
Add back: Amortisation	391	595
Add back: Income tax expense/(benefit)	152	576
EBITDA	4,098	4,476



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AFT *pharmaceuticals*

Working to improve your health

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