



1H 2025 INVESTOR PRESENTATION

Dr Hartley Atkinson
Managing Director

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Chief Financial Officer

21 NOVEMBER 2024

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



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Agenda

- **Highlights**
- **Strategic progress**
- **Financial Performance**
- **Outlook**
- **Questions**



Dr Hartley Atkinson
Managing Director

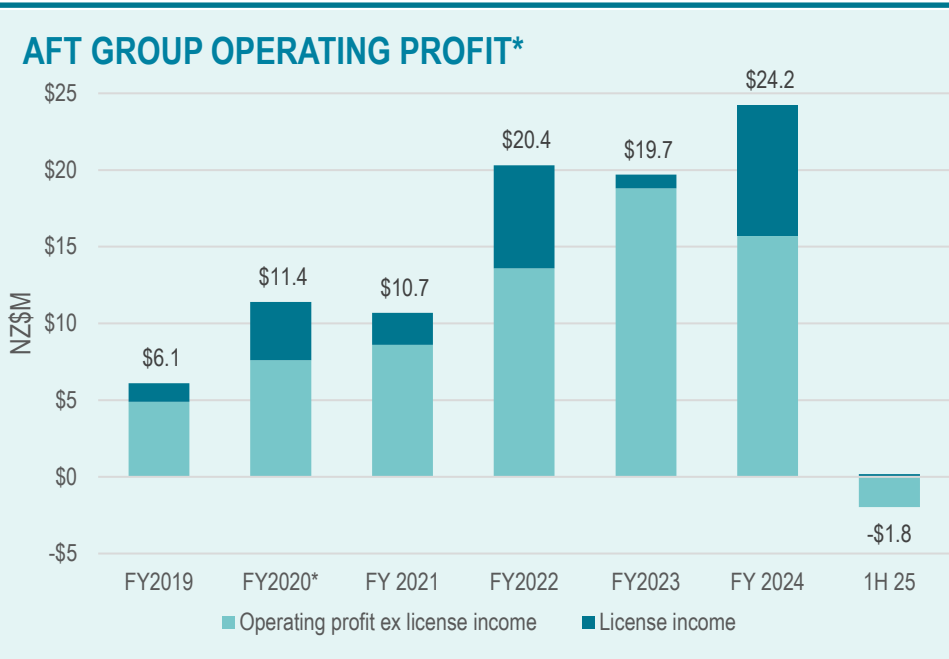
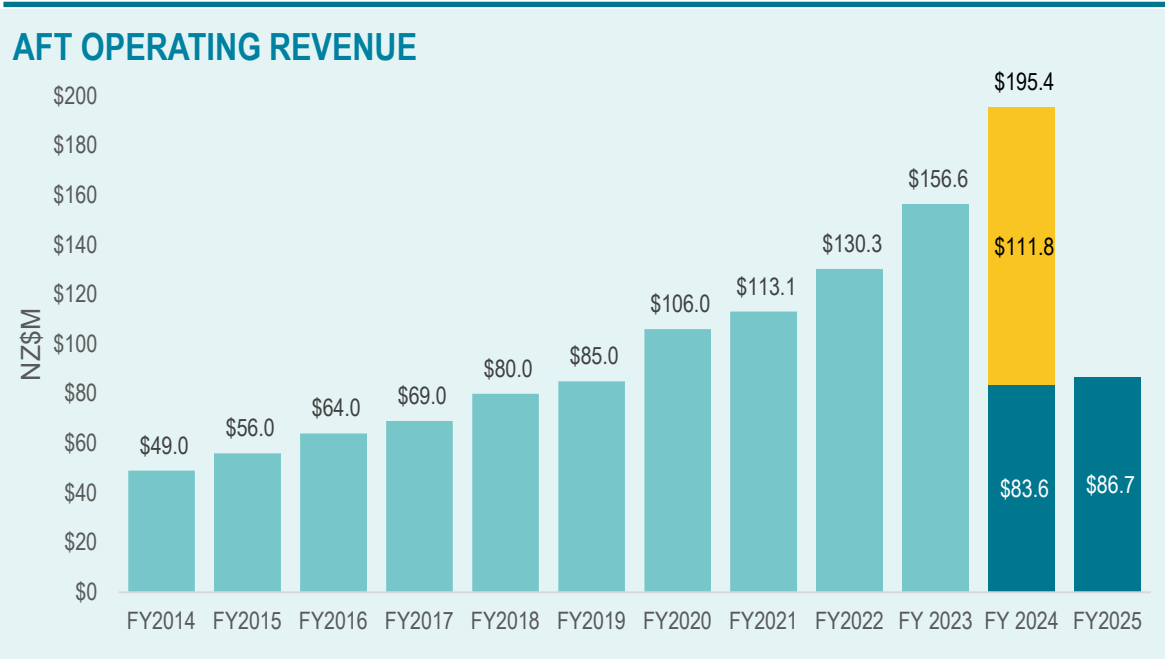


Malcolm Tubby
Chief Financial Officer

Record Revenue and Investment for Growth

HIGHLIGHTS

- Half-year operating revenue up 4% to \$86.7M led by growth in the core Australasian business. Sales from products and royalties up 6% to \$86.5M
- Operating loss of \$1.8M primarily due to several International customers reducing stock levels and Korean doctors' strike. EBITDA¹ fell to a loss of \$0.7M.
- Balance sheet strong with net debt² down to \$18.9M from \$30.6M (FY24H1), inventory days reduced as supply chain outlook improves and covid constraints unwind
- Momentum expected to accelerate in 2H assisted by product launches in all markets and resumption of normal trading post one-off 1H events



FY 1H 2H

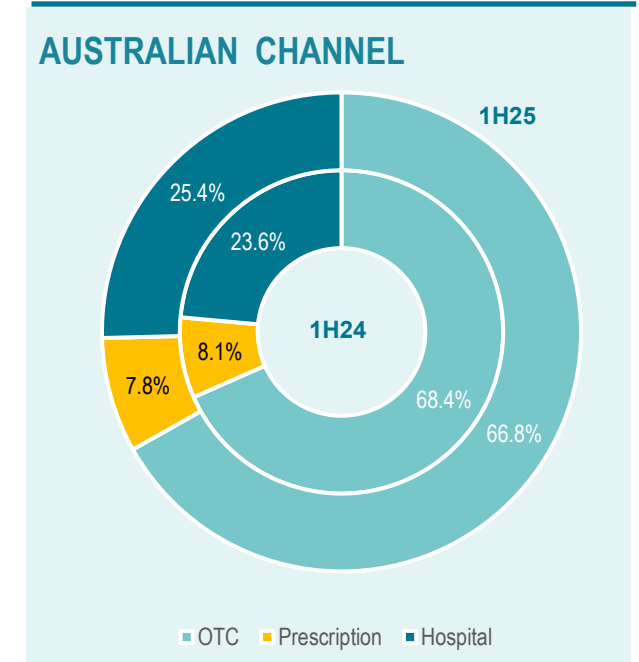
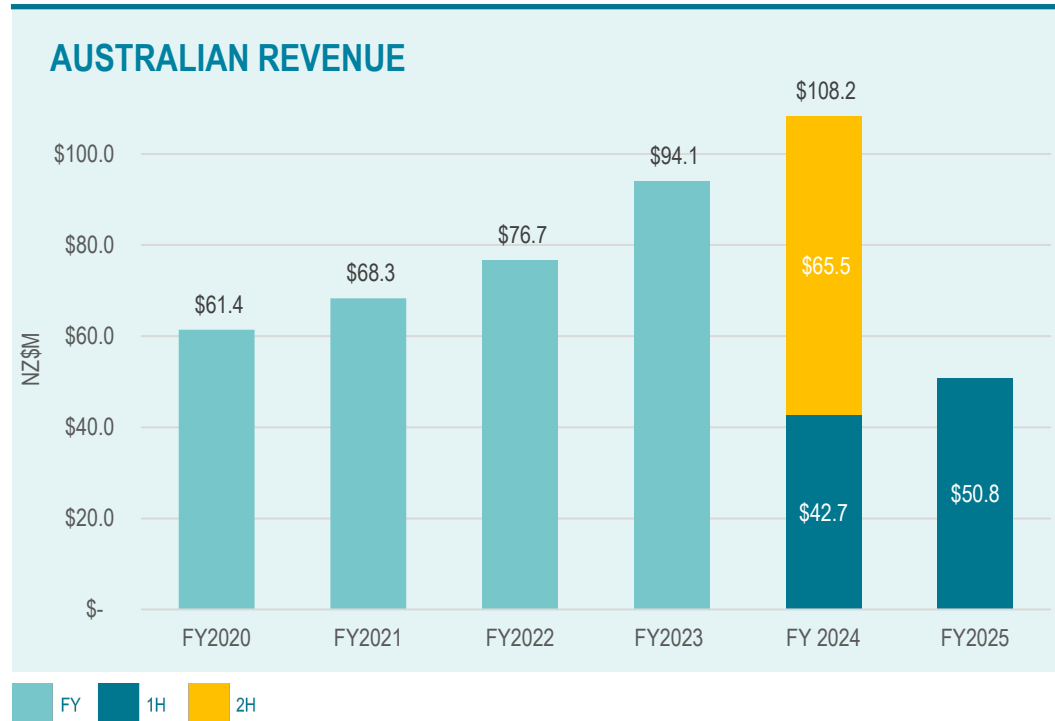
* FY20 normalised to exclude \$9.8m gain on de-recognition of equity accounted investment.

¹ EBITDA is a non-GAAP measure of financial performance and is defined and reconciled to NZ GAAP on page 25 of this presentation.

² Excluding related party loan

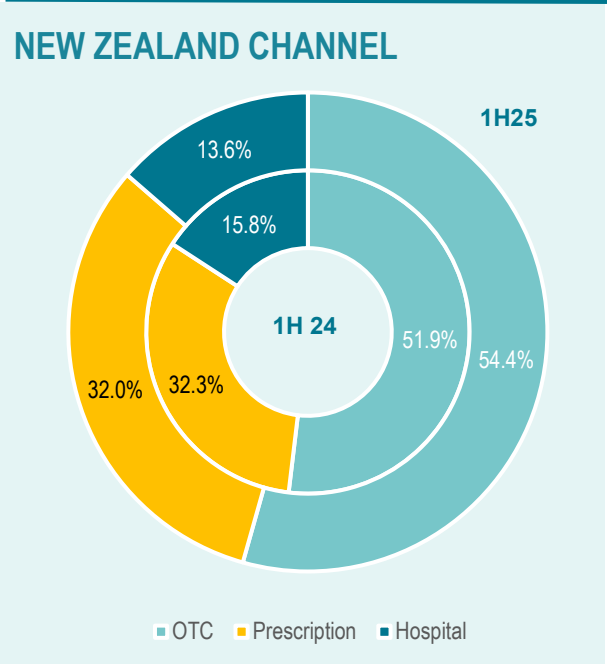
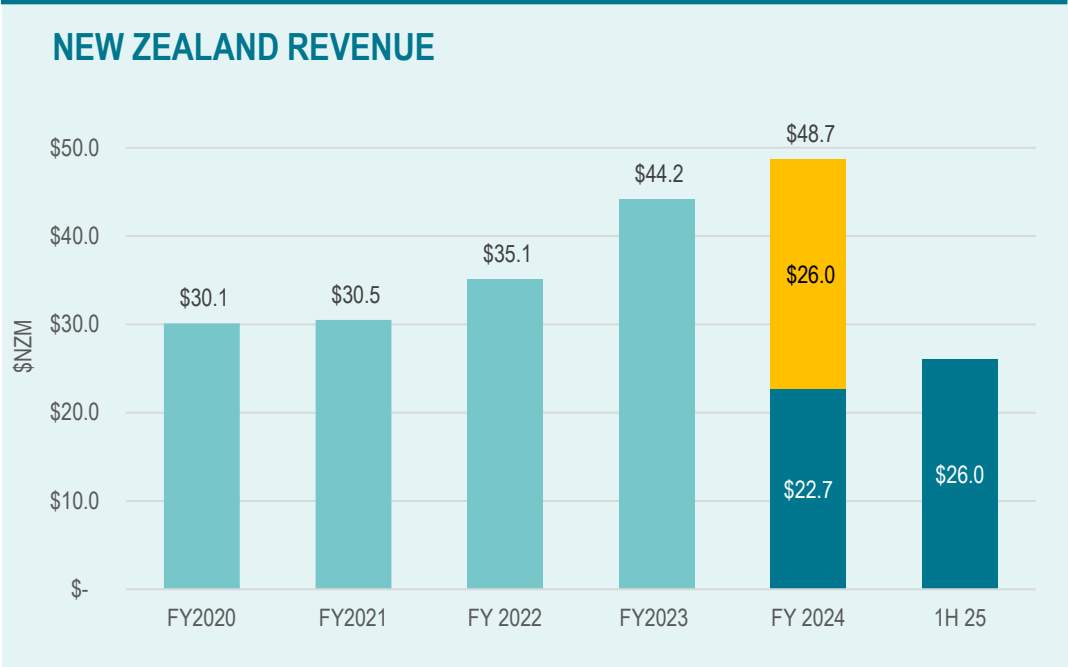
Australia: Strong Growth in All Channels

- Revenue in Australia grew 19% to \$50.8 million from \$42.7 million in the same period a year ago. Revenue was lifted by strong growth in all channels
- Our new product launch program continues to roll out as planned
- Operating profit rose to \$4.0 million from \$0.5 million in the same period of the prior year, as the investments in sales team deliver expected growth



New Zealand: Growth led by the OTC and the prescription channels

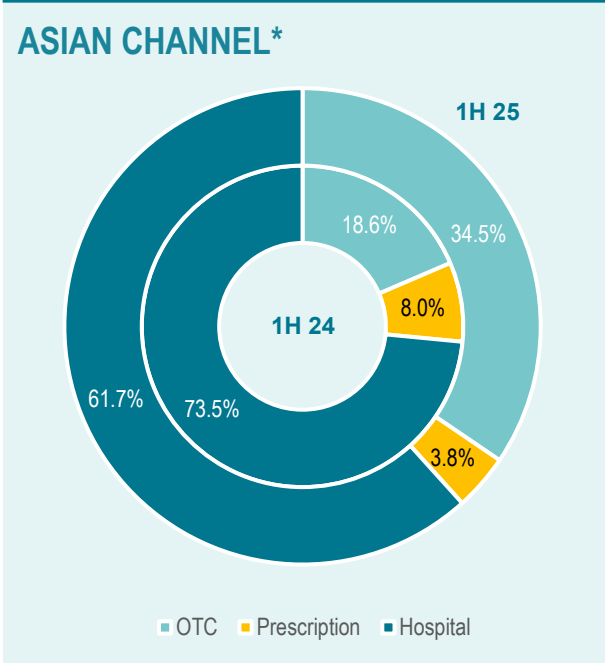
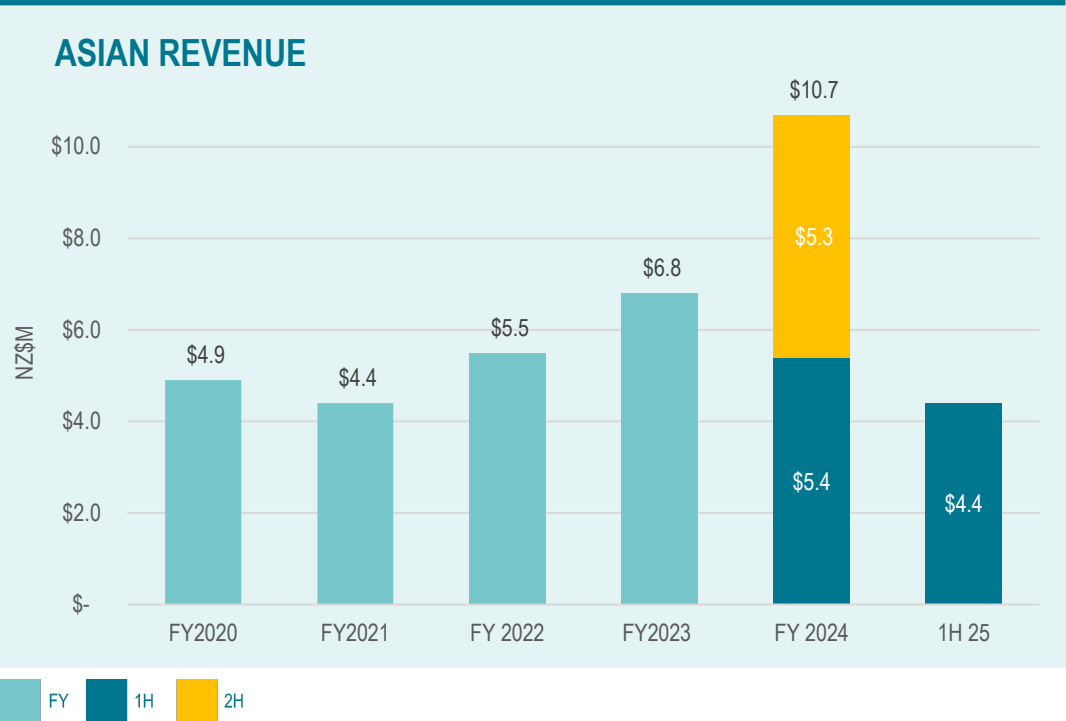
- Revenue in New Zealand grew 14% to \$26.0 million with growth led by the OTC and prescription channels and product launches in the prior financial year.
- Operating profit was up to \$3.7 million



FY 1H 2H

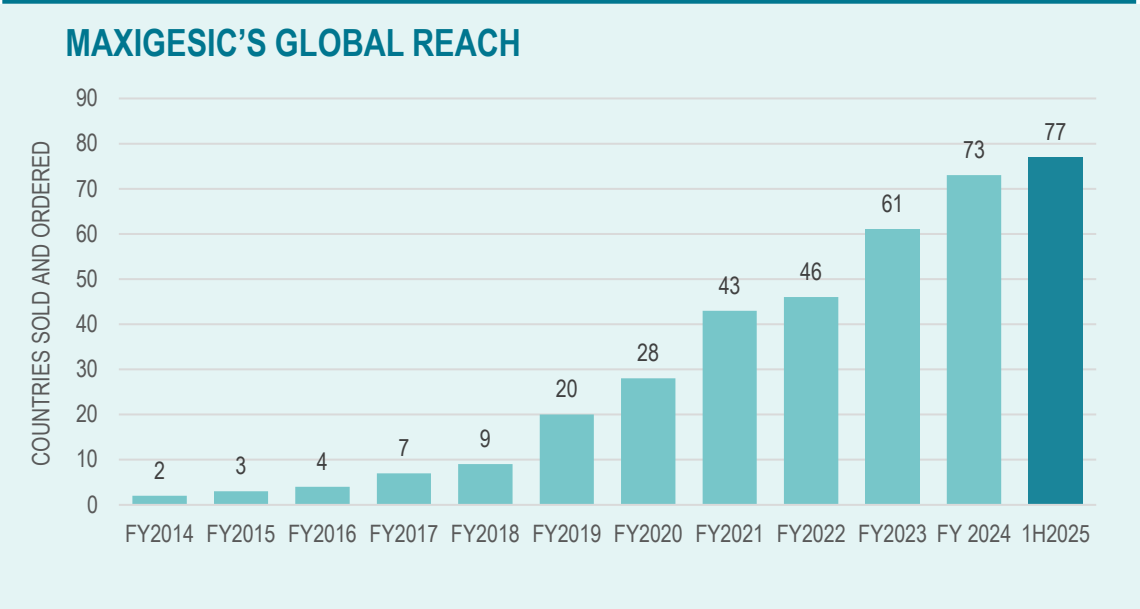
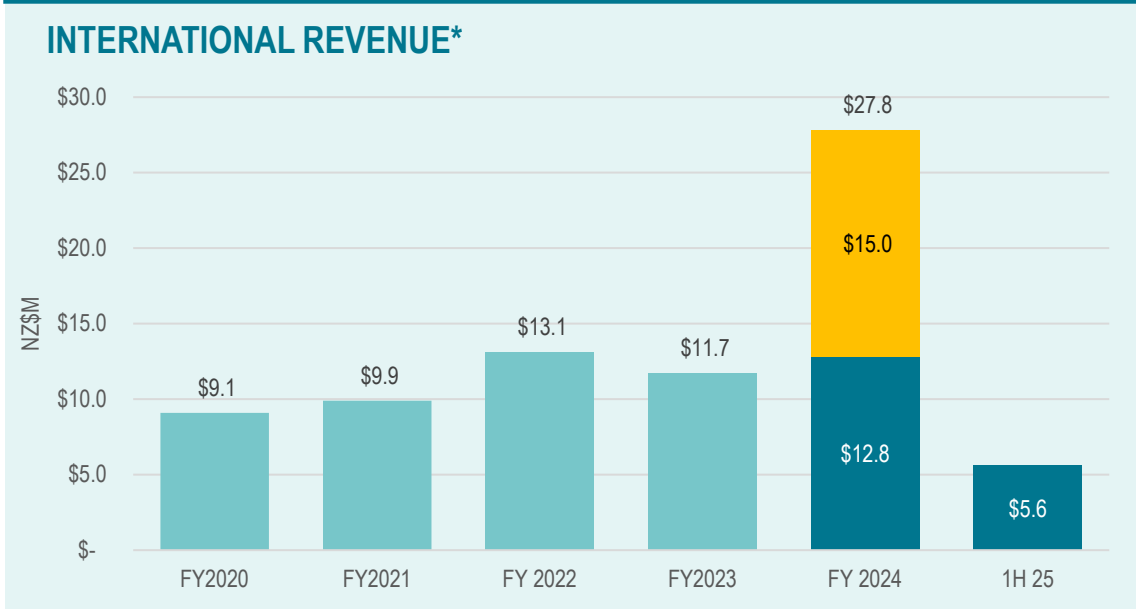
Asia: Growth in OTC and Online

- Asian revenue was down to \$4.4 million. Growth in OTC and online via cross border e-commerce channel into China
- Gains diluted by the doctors' strike in South Korea
- Operating profit is down to \$0.5 million reflecting the lower revenue and increased spending on marketing and higher business development initiatives.



* Includes license income

International – Investing for Long Term Growth in New Markets



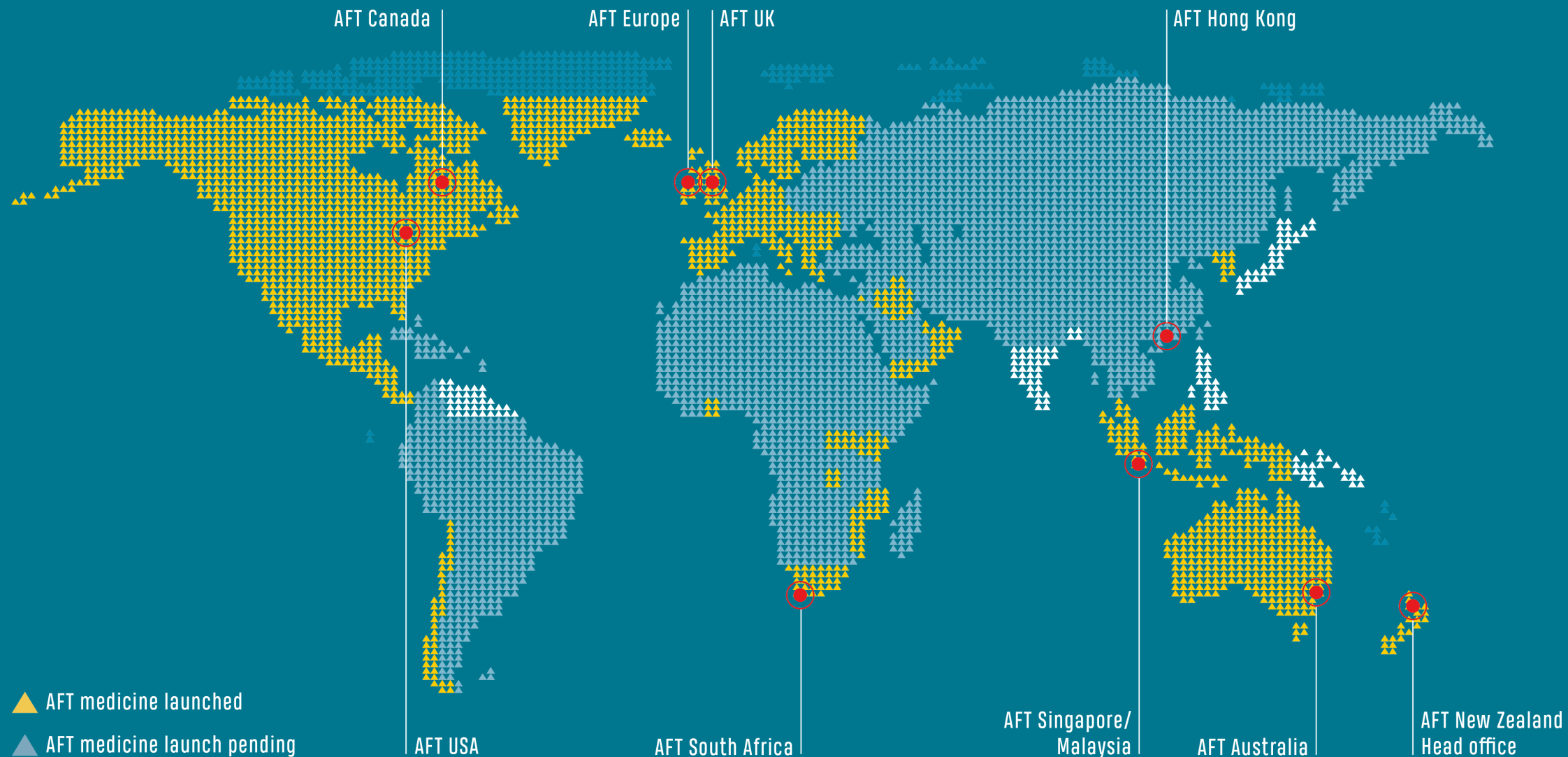
FY 1H 2H * Includes license income

- Revenue from product sales and royalties fell to \$5.4 million as several of our large customers cut inventory in response to an improving supply chain outlook.
- In-market product sales continue unabated despite customer destocking.
- Operating loss of \$4.6 million. We expect the losses to reduce as trading normalises and the investments in new business begin to deliver.



AFT's Global Reach

Our medicines are now available in nearly 80 countries around the world



Expanding AFT's Global Footprint

Opening new markets for our proprietary IP and in-licensed new products

AFT PHARM UK (70% AFT)

- Launched Combogesic IV & Tablets², seeing good progress
- A growing pipeline of products
- Now an accredited NHS supplier; won 100% of hospital bids; these commence in early 2025

AFT PHARM EUROPE

- Purchased product licenses for niche IV drugs from bankrupt German pharmaceutical company
- Acquired EU rights (minus Poland) for niche IV drug being discontinued by a large pharmaceutical company
- Agreements for above made/in progress for selected EU nations
- First sales expected in H2

AFT PHARM USA

- Combogesic IV¹ sales² underway; secured a Medicare reimbursement code
- Appointed distributors Alexso & Hikma for Combogesic Rapid¹ for selected channels and considering others
- AFT to increase selected OTC offerings.



¹ The Maxigesic family of medicines is sold as Combogesic in the US, UK and several other markets.

² AFT NZ

Expanding AFT's Global Footprint

Opening new markets for our proprietary IP and in-licensed new products

AFT PHARM CANADA (70% AFT)

- Launched Combogesic tablets¹ through a partner, to launch Crystaderm FY25 through a partner
- To launch Combogesic IV ex AFT Pharm Canada alongside selected OTC offerings
- Building pipeline

AFT PHARM SOUTH AFRICA (70% AFT)

- Purchasing company with existing SAHPRA license (saves 2 years)
- Launch in private hospital market starting FY26
- Secured significant pipeline

AFT PHARM SINGAPORE

- Launching further selected AFT products
- A significantly expanding pipeline of new products

AFT PHARM HONG KONG

- Launching further selected AFT products
- A significantly expanding pipeline of new products



¹AFT NZ

Research and Development Investments Moving to Commercialisation

Several projects have exited and are moving to revenue generation

COMMERCIALISATION PROGRESSING

18 agreements under discussion awaiting final signature on a four-drug distribution agreement

Maxigesic – nine dose forms and protected by patents.

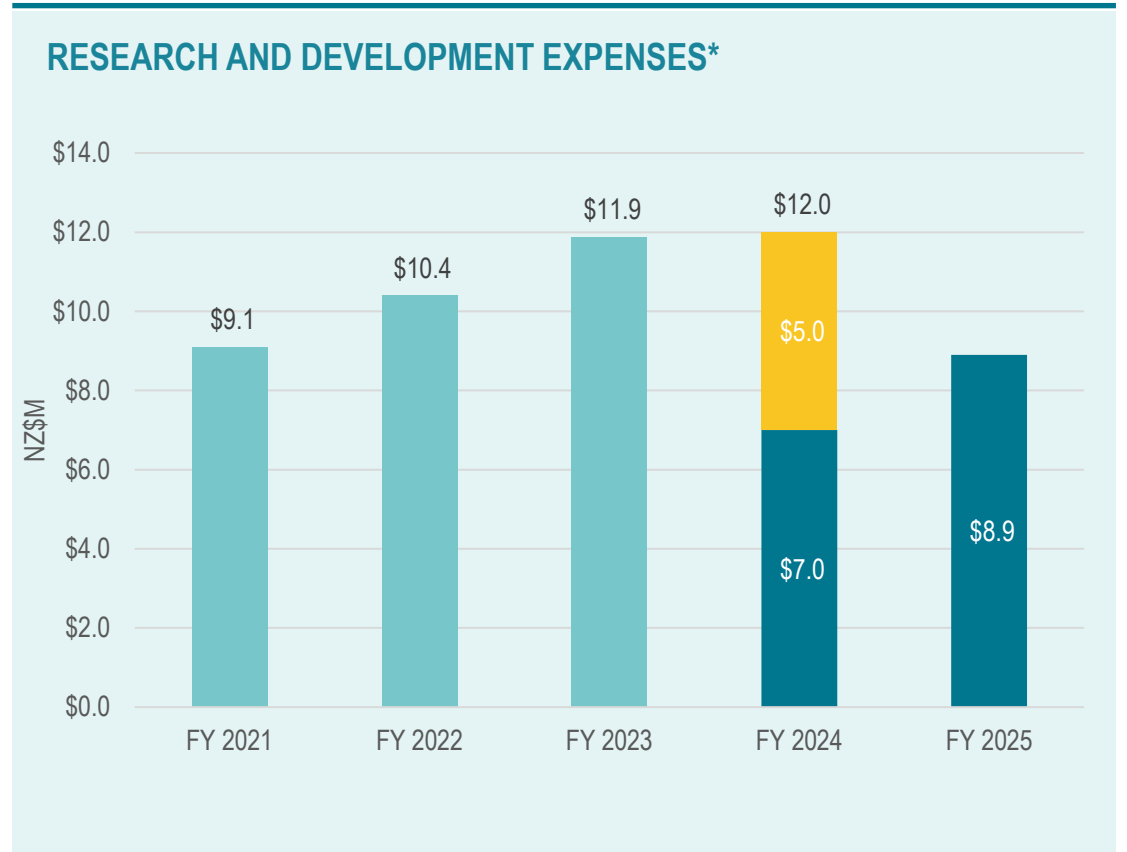
- Tablets, Oral Liquid, Hot drink & Dry Stick
- Rapid Dissolving Tablet (Patent 2039).
- Intravenous (Patent 2031, 2035)

Crystaderm – antibacterial and anti-acne cream, a unique and proprietary formulation

Micolette – micro-enema for bowel obstruction

Kiwisoothe – tablets and sachets for gut discomfort and constipation

Capsaicin – cream in two strengths for Osteoarthritis (low) and Neuropathic pain (high)



*Expensed and capitalised

FY 1H 2H

A Strong Research and Development Pipeline

AFT's positive cashflows have positioned the company well to undertake and secure research and development projects either alone or in partnership with others.

PROJECT	PATENT	PARTNERSHIP / APPLICATION
DERMATOLOGY		
Pascomer	2040/2044 ¹	Facial angiofibromas / Port Wine Stains
Strawberry Birthmarks	2041 & 2044 ¹	Gillies McIndoe and Massey Ventures
Keloid Scars topical treatment	2044 ¹	Gillies McIndoe and Massey Ventures
Vulvar Lichen Sclerosus	TBC	Hyloris Pharmaceuticals
EYECARE		
Antibiotic Eye Drop	2037 & 2044 ¹	For drug resistant infections: - Conjunctivitis, Keratitis, Post Kpro prophylaxis
PAIN		
Burning Mouth Syndrome	TBC	Hyloris Pharmaceuticals
DRUG DELIVERY		
NasoSURF for conscious sedation	2036	
Hospital injectables Targeted range of 5 injectables	N/A	Injectables offer strong opportunities. (AFT affiliates - AU, NZ, SG, MY, HK, ZA, CA, UK- offer a target market of US\$119M and AFT Pharm EU offers of a target market of US\$448M)
OTHER		
Novel new medicine (confidential)	2032 & TBC	Late-stage development



Multi Billion
addressable market of AFT's
research and development
pipeline

Gross Margin and Operating Profit Diluted by Mix Changes and Investment

Six months to 30 September	2024 \$000	Revenue %	2023 \$000	Revenue %	Δ%
Revenue	86,713		83,614		4%
Gross profit	36,199	41.7%	35,936	43.0%	
Operating expenses and other income	(38,002)	43.8%	(32,686)	39.1%	
Operating (loss) / profit	(1,803)		3,250		(155)%
Finance expenses and other income	(1,036)		(1,282)		
Tax	383		(152)		
(Loss) / Profit after tax	(2,456)		1,816		(235)%
Revenue from product sales and royalties	86,545		81,656		6%
Gross profit from product sales and royalties	36,031	41.6%	33,937	41.6%	

- Revenue from product and royalties up 6% lifted led by double digit Australasian sales growth, but diluted by one-off demand disruptions
- Total revenue which includes licensing income of \$0.2 million, rose 4% to \$86.7 million
- Gross profit margins from product sales and royalties were steady.
- Asian and International markets Operating Profit reflect one-off demand disruptions

AFT is Well Funded – Well Positioned to Fund Growth Investment

Six months to 30 September	2024 \$000	2023 \$000	Δ%
Current assets (excluding cash)	76,090	88,952	
Cash	10,686	6,172	73%
Non current assets	61,117	63,748	
Total assets	147,893	158,872	(7)%
Current liabilities (excluding interest-bearing liabilities)	31,916	44,760	
Current interest-bearing liabilities	-	3,585	
Non current liabilities (excluding interest-bearing liabilities)	2,848	3,421	
Non-current interest-bearing liabilities (current and non-current)	29,600	33,200	
Total liabilities	64,364	84,966	(24)%
Total equity	83,529	73,906	
Total liabilities and equity	147,893	158,872	(7)%

- Net debt¹ at the end of September 2024 was \$18.9 million down from \$30.6 million at the same time a year ago.
- Reduced inventory days and inventory now \$47.9 million down from \$49.1 million at the end of March 2024 in concert with our customers, as the supply chain outlook improves

¹ Excluding related party loan

Growth Investment Underpinned by Ongoing Strong Cashflow

Six months to 30 September	2024 \$000	2023 \$000	Δ%
Net cash generated from operating activities	4,353	7,468	(42)%
Net cash used in investing activities	(3,939)	(4,845)	(19)%
Net cash (used)/generated from financing activities	(1,582)	(3,269)	(52)%
Net increase/(decrease) in cash	(1,168)	(646)	
Impact of foreign exchange on cash and cash equivalents	(186)	(58)	
Opening cash and cash equivalents	12,040	3,291	
Closing cash and cash equivalents	10,686	2,587	313%

- Net cash from operating activities reduces due to one-off demand disruptions
- Continued investment into research and development projects to fuel long term growth
- End period cash holdings of \$10.7 million

Outlook: Positioned to Drive Future Growth in Both Revenue and Earnings

- AFT expects a strong recovery in the second half of the year, in line with prior years, assisted by:
 - a strong program of new product launches especially in International markets
 - building momentum in the new markets
 - the resumption of normal trading following the two significant unexpected events in H1
- Given one-off trading challenges of the last six months, the company expects its operating profit for the year to the end March 2025 to range between \$15 million to \$20 million . We also expect to declare a dividend for the full year.
- We are well positioned to further extend the company's long-standing record of growth.
- We have set our sights on a rolling annual rolling revenue target of \$300 million which we aim to achieve by the end of FY2027



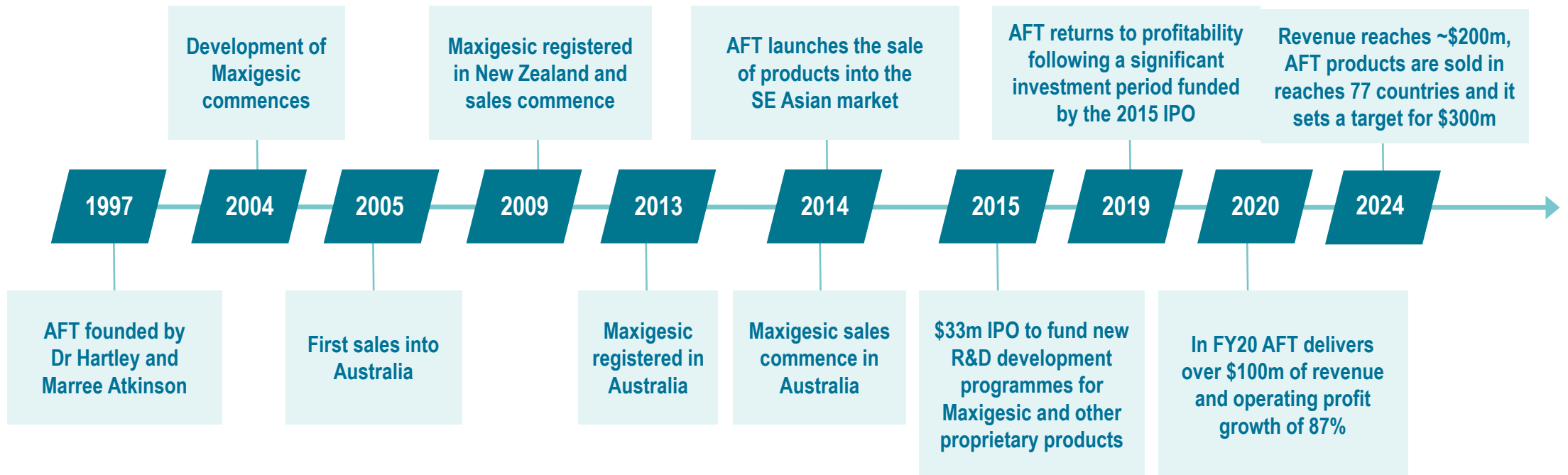
APPENDIX



Appendix 1: History of AFT Pharmaceuticals

AFT was founded over 25 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 long term profitability as intended, as the company was prior to IPO and its growth and global reach is now accelerating



Appendix 2: 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 over 150 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, Crystasoothe, Topiderm range, Decazol, MycoNail
Hospital	Maxigesic IV, Injectables



¹ Paracetamol and Ibuprofen

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: Maxigesic¹, Pascomer, NasoSURF, and Crystaderm

Pain	<p>Maxigesic oral dose forms</p> <ul style="list-style-type: none"> - Tablets - Solution - Hot drink sachet - Rapid tablets - Cold and Flu - Day& Night <p>ZoRub Osteo and HP</p>
Hospital	<p>Maxigesic IV (intravenous)</p> <p>NasoSurf – nasal nebuliser drug delivery</p>
Dermatology	<p>Crystaderm – selected territories</p>
Gastroenterology	<p>Kiwisoothe</p> <p>Micolette</p>



¹ Paracetamol and Ibuprofen

Appendix 4: Extending the Reach of the Maxigesic Portfolio

AFT has the #1 selling product (Maxigesic) in the Australian para-ibu¹ combo pain relief and is building the presence of the business internationally, through the adoption of existing products and the launch of new dose forms

Product	Maxigesic Tablet		Maxigesic IV		Maxigesic Oral		Maxigesic sachet	
	30 Sept 2024	31 March 2024	30 Sept 2024	31 March 2024	30 Sept 2024	31 March 2024	30 Sept 2024	31 March 2024
Territories	100+	100+	100+	100+	100+	100+	100+	100+
Licensed	71	69	55	50	16	14	3	2
Registered	61	60	44	36	1	1	2	2
Sold in								



¹ Paracetamol and Ibuprofen

Appendix 5: GAAP to Non-GAAP Reconciliation

AFT's standard profit measure prepared under New Zealand GAAP is net profit after tax.

AFT has used the non-GAAP profit measure of EBITDA when discussing financial performance in this document. AFT directors and management believe that this measure provides useful information as it is 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.

Six months to 30 September	2024 \$000	2023 \$000
Net profit after tax attributable to owners of the parent	(2,456)	1,816
Less: Finance Income	(22)	(30)
Add back: Interest costs	1,357	1,814
Add back: Other finance loss/(gain)	(299)	(502)
Add back: Depreciation	490	457
Add back: Amortisation	653	391
Add back: Income tax expense/(benefit)	(383)	152
EBITDA	(660)	4,098



FOR MORE INFORMATION

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