



AFT PHARMACEUTICALS

Investor Presentation

May 2016



IMPORTANT NOTICE

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

All amounts are disclosed in New Zealand dollars (NZ\$) unless otherwise indicated. All references to FY20XX appearing in this presentation are to the financial year ending 31 March, unless otherwise indicated.

This presentation is not a recommendation or other form of financial advice. 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 and the actual events or results may differ materially and adversely from these expectations. Recipients are cautioned not to place undue reliance on forward-looking 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.

PRESENTING TODAY . . .



Dr Hartley Atkinson

Founder and Chief Executive Officer

Founded AFT in 1997 along with his wife, Marree

Previously Sales & Marketing Director, Medical Director, Product Manager and Medical Manager at Swiss multinational pharmaceutical company, Roche



Malcolm Tubby

Chief Financial Officer

Involved with AFT since its establishment in 1997, providing financial, operational and governance expertise

Experience in senior finance positions in public and private companies in the pharmaceuticals (Allergan), fast-moving consumer goods (Fruco Beverages), insurance and healthcare industries

FY2016 HIGHLIGHTS

98

countries that *Maxigesic* is licensed in

4

countries that *Maxigesic* is launched and sold in

12

number of clinical studies AFT will have running in FY2017

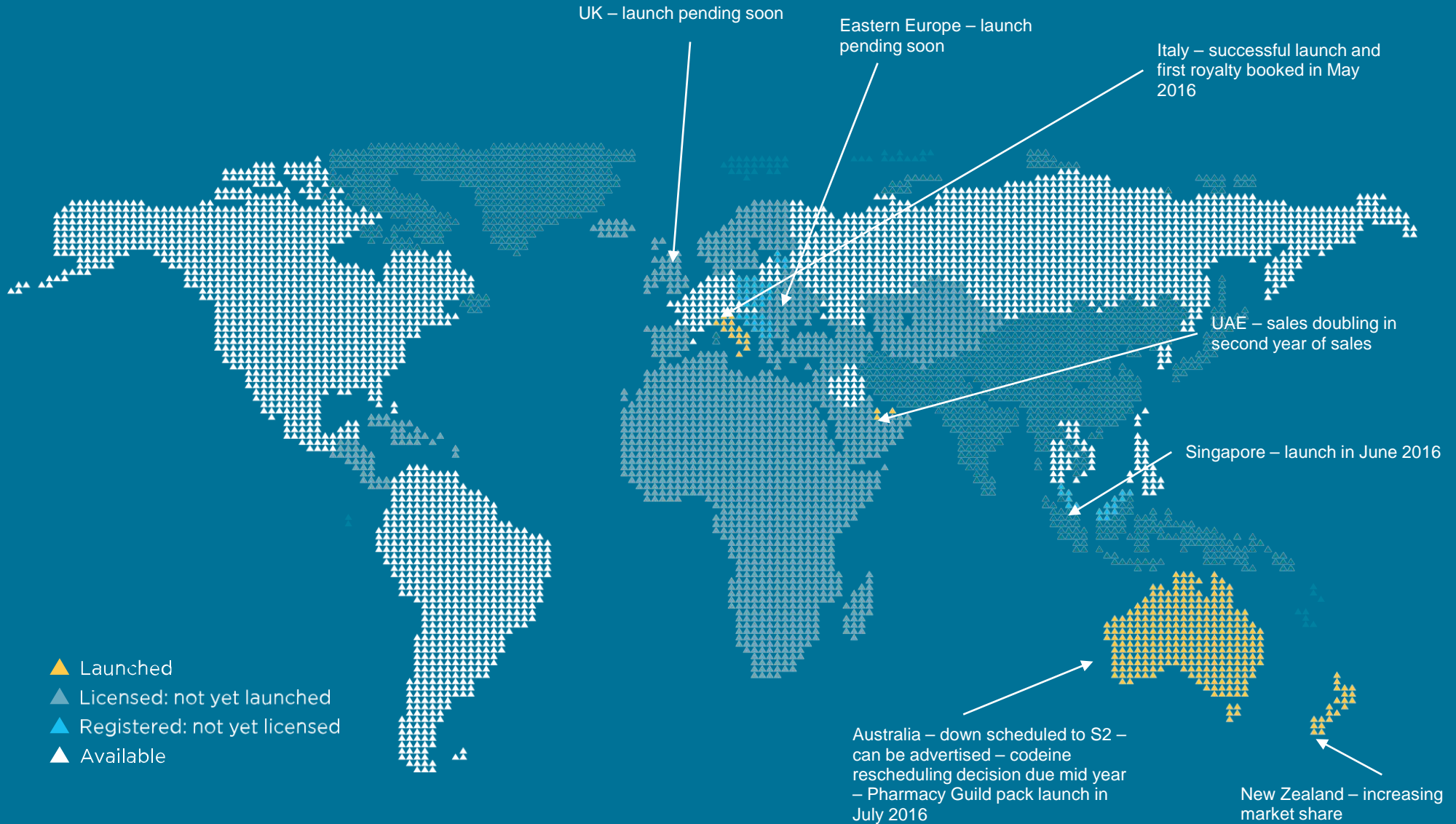
\$65.8m

total income for FY2016*

\$28.1m

available cash as at 31 March 2016

MAXIGESIC UPDATE



MAXIGESIC HIGHLIGHTS

Additional out-licensing and distribution agreements for **Maxigesic** oral dose forms have been secured to increase the number of countries to 98 as at 31 March 2016.

Clinical Trials for **Maxigesic** oral dose forms are well underway with studies running in Amman, Jordan; various centres in New Zealand; Cardiff, Wales; Melbourne, Australia; Guadalajara; Mexico.

An IND (Investigational New Drug) Application has been successfully opened with the FDA for **Maxigesic IV** and the first clinical study under the IND is underway in Christchurch, New Zealand. The next study is planned to start in 2016 in the United States (Texas and Maryland).

Regulatory applications for the first additional **Maxigesic** oral dose forms to be filed from this year.

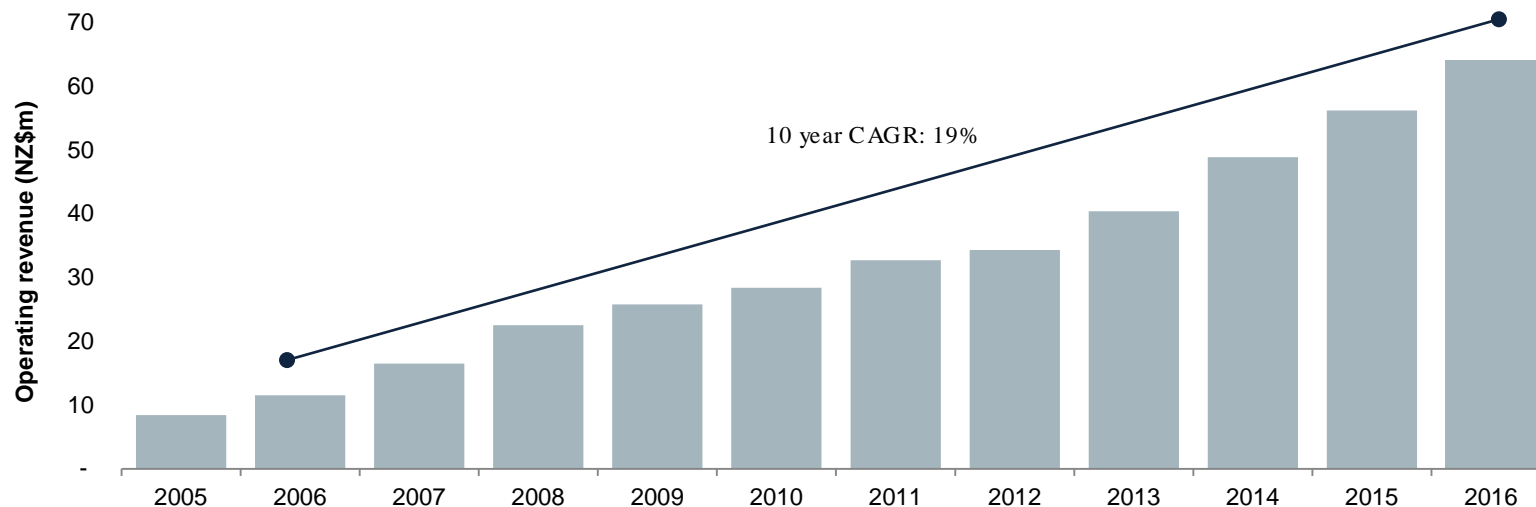
Additional out-licensing and distribution agreements for **Maxigesic IV** have also been secured to now reach 69 countries.

Additional out-licensing agreements are expected to be announced over the coming FY2017 financial year. There are currently 109 countries out-licensed for **Maxigesic** oral dose forms and 80 for **Maxigesic IV**.

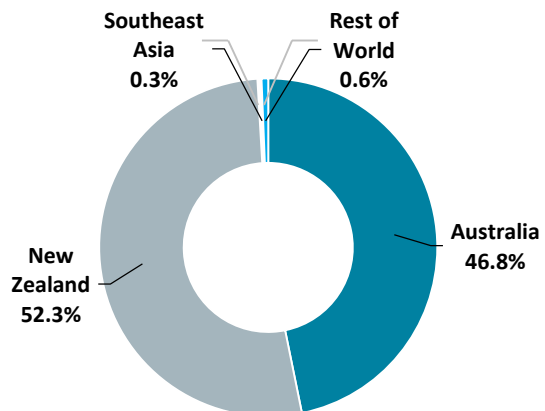


FINANCIAL PERFORMANCE – REVENUE GROWTH

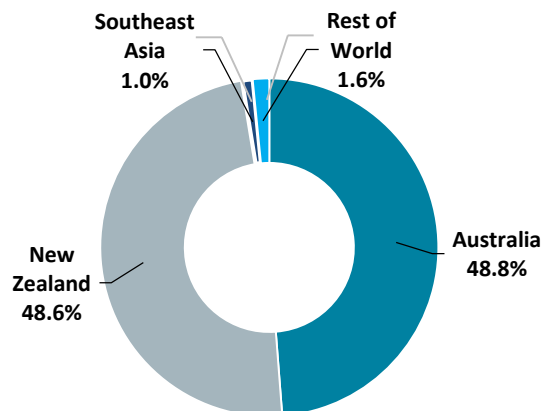
Operating revenue, FY2000 – FY2016



FY2015 Operating revenue by region



FY2016 Operating revenue by region



Southeast Asia

Singapore

10 approved products
12 more in registration
June launches of 4 products

Malaysia

4 approved products
13 more in registration

Rest of World

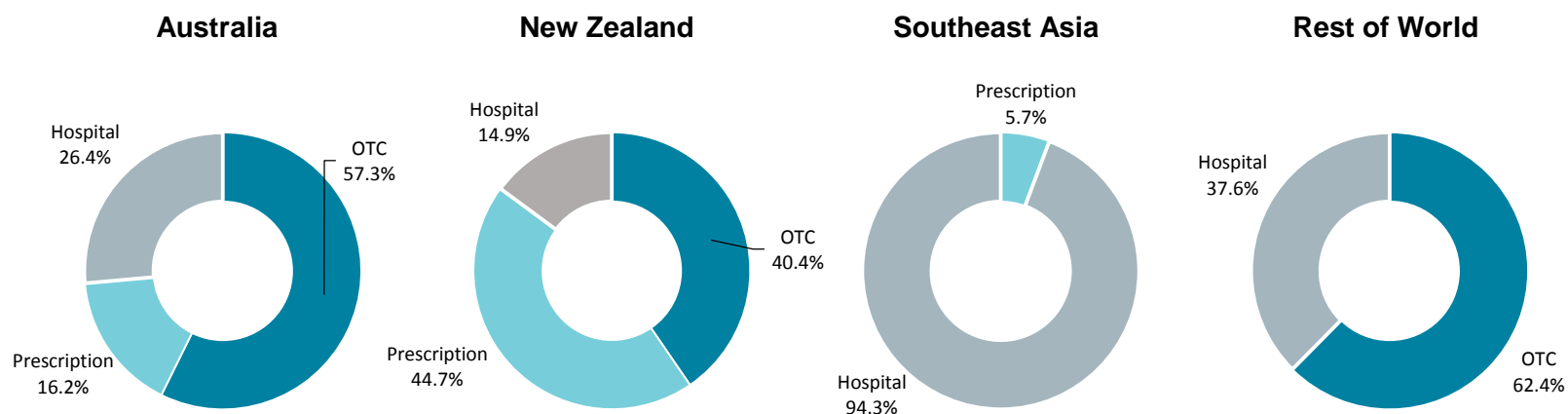
Increasing launches
7 countries in Q2-3 FY2017

FINANCIAL PERFORMANCE – REVENUE BY REGION AND CHANNEL

Operating revenue by region, FY2014 – FY2016

NZ\$'000's, year ended 31 March	2014	% of total	2015	% of total	2016	% of total
Australia	20,035	40.9%	26,324	46.8%	31,224	48.8%
YoY Growth	-		31.4%		18.6%	
New Zealand	28,790	58.8%	29,398	52.3%	31,135	48.7%
YoY Growth	-		2.1%		6.0%	
Southeast Asia	-	-	161	0.3%	648	1.0%
YoY Growth	-		-		302.5%	
Rest of World	114	0.2%	358	0.6%	1,008	1.6%
YoY Growth	-		214.0%		181.6%	
Total Operating Revenue	48,939	100.0%	56,241	100.0%	64,014	100.0%
YoY Growth	-		14.9%		13.9%	

Operating revenue by channel by region, FY2016



FINANCIAL PERFORMANCE – SUMMARY P&L

NZ\$000's, year ended 31 March	2016	% of revenue	2015	% of revenue
Revenue	64,014		56,241	
Cost of sales	(40,435)	63.2%	(35,083)	62.4%
Gross profit	23,579	36.8%	21,158	37.6%
<i>Gross profit %</i>				
Other income	2,295	3.6%	1,270	2.3%
Selling and distribution expenses	(19,634)	30.7%	(17,157)	30.5%
General and administrative expenses	(6,804)	10.6%	(5,475)	9.7%
Research and development expenses	(8,092)	12.6%	(5,761)	10.2%
Equity accounted loss of joint venture entity	(302)	0.5%	-	-
Operating loss	(8,958)		(5,965)	
Finance income	291		35	
Finance costs	(2,019)		(7,225)	
IPO, listing and capital raising costs	(2,623)		-	
Loss before tax	(13,309)		(13,155)	
Tax benefit / (expense)	42		282	
Loss after tax	(13,267)		(12,873)	

FINANCIAL PERFORMANCE – SUMMARY BALANCE SHEET

NZ\$000's, as at 31 March	2016	2015
ASSETS		
Current assets		
Inventories	17,686	14,686
Trade and other receivables	16,288	11,251
Cash and other equivalents	28,055	4,700
Current income tax asset	26	88
Total current assets	62,055	30,725
Non-current assets		
Property, plant and equipment	407	411
Intangible assets	2,111	1,669
Deferred income tax assets	546	408
Investment in joint venture entity	185	-
Total assets	65,304	33,213
LIABILITIES		
Current liabilities		
Trade and other payables	10,428	8,258
Provisions	3,083	1,890
Derivative liabilities	402	305
Total current liabilities	13,913	10,453
Non-current liabilities		
Interest bearing liabilities	23,161	20,739
Total liabilities	37,074	31,192
Equity		
Share capital	53,902	12,892
Retained earnings	(25,637)	(10,732)
Cash flow hedge reserve	-	(305)
Share options reserve	65	-
Foreign currency translation reserve	(100)	166
Total equity	28,230	2,021
Total liabilities and equity	65,304	33,213

FINANCIAL PERFORMANCE – SUMMARY CASHFLOW STATEMENT

NZ\$000's, year ended 31 March	2016	2015
Net cash (used in)/generated from operating activities	(14,429)	(13,105)
Net cash (used in) investing activities	(694)	(483)
Net cash generated from financing activities	36,705	17,135
Net increase in cash	21,582	3,547
Impact of foreign exchange on cash and cash equivalents	1,773	(95)
Opening cash and cash equivalents	4,700	1,248
Closing cash and cash equivalents	28,055	4,700

CLINICAL STUDY PROGRAM

- 12 studies across the AFT portfolio
- 1500+ patients
- 7 countries - Australia, Jordan, Mexico, New Zealand, Russia, United Kingdom, United States
- Clinical Trials for **Maxigesic** oral dose forms are well underway with studies running in Amman, Jordan; various centres in New Zealand; Cardiff, Wales; Melbourne, Australia; Guadalajara; Mexico.
- An IND (Investigational New Drug) Application has been successfully opened with the FDA for **Maxigesic IV** and the first clinical study under the IND is underway in Christchurch, New Zealand. The next study is planned to start in 2016 in the United States (Texas and Maryland).
- **NasoSURF** Device Clinical Studies to start in 2016

NasoSURF NEBULISER

DRUG DELIVERY AND TREATMENT SINUS CONDITIONS

Product description	A handheld ultrasonic nasal mesh nebuliser for the intranasal delivery of medication and treatment of chronic sinusitis
Rationale for investment in product	<ul style="list-style-type: none"> To expand our existing allergy and hospital product ranges locally Significant global potential
Current status	<ul style="list-style-type: none"> Under development Pilot scale production underway (May 20 units; July 100 units; August 300 units)
Our near term plans	<ul style="list-style-type: none"> FDA pre-IND meeting in preparation (Aug-Sep 2016) Distribution studies – healthy volunteers (Q3 2016) – patients (Q3-4 2016) Conscious sedation PK studies (Q3-4 2016) Conscious sedation Clinical Studies (Q4 2016 – Q1 2017) Register a Class I medical device (Q1 2017) Post Sinus Surgery studies (Q4 2016 – Q2 2017) Drug delivery use sales (Class IIa) late 2017 early 2018

The NasoSURF Nebuliser has desirable features over currently marketed nebulisers, which are not approved for delivery of specific drugs intranasally and do not possess a number of the advantages of the NasoSURF Nebuliser



Sales will be generated from

- 1) device sales,
- 2) a per use charge administered through RFID (radio frequency identifier) cards, and
- 3) consumables

NasoSURF vs Pari Sinus

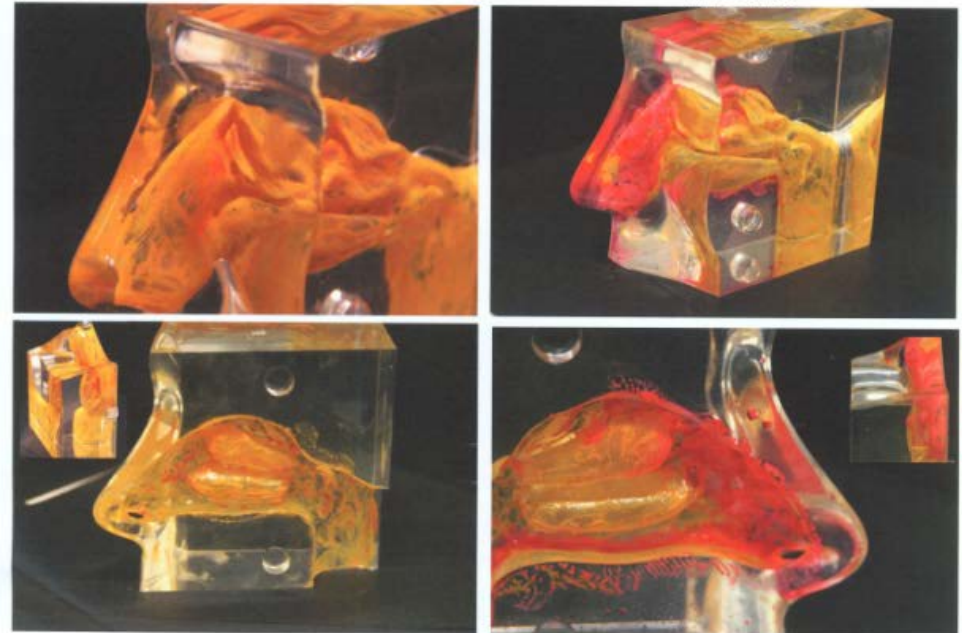


IntraNasal Distribution

Comparative evaluation for 250 μ L

Pari Sinus

AFT Device



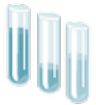
SUMMARY OF NEAR TERM PLANS



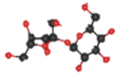
Launch *Maxigesic* in new countries



Advance *Maxigesic* registrations in North America
Further licensing agreements



Clinical studies of key innovative products



NasoSURF clinical trials with pilot devices
Achieve first registrations for *NasoSURF* as a Medical Device



Build revenues of new OTC products launched in Australia
Build *Maxigesic* market share post scheduling changes



Launch OTC products in Southeast Asia
Complete further registrations and launches