AFT pharmaceuticals

Working to improve your health

AFT PHARMACEUTICALS

Woodward Partners NZ Mid Cap Spotlight Presentation

12 April 2017

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PROGRESS UPDATE

111 Countries that ***Maxigesic*** is licensed in – up from 98 at the end of FY2016. Negotiations underway for North America (MX & US/CA to follow) & EU

6 Countries that ***Maxigesic*** has launched and is sold in with at least 20 further launches expected during this FY2018 year

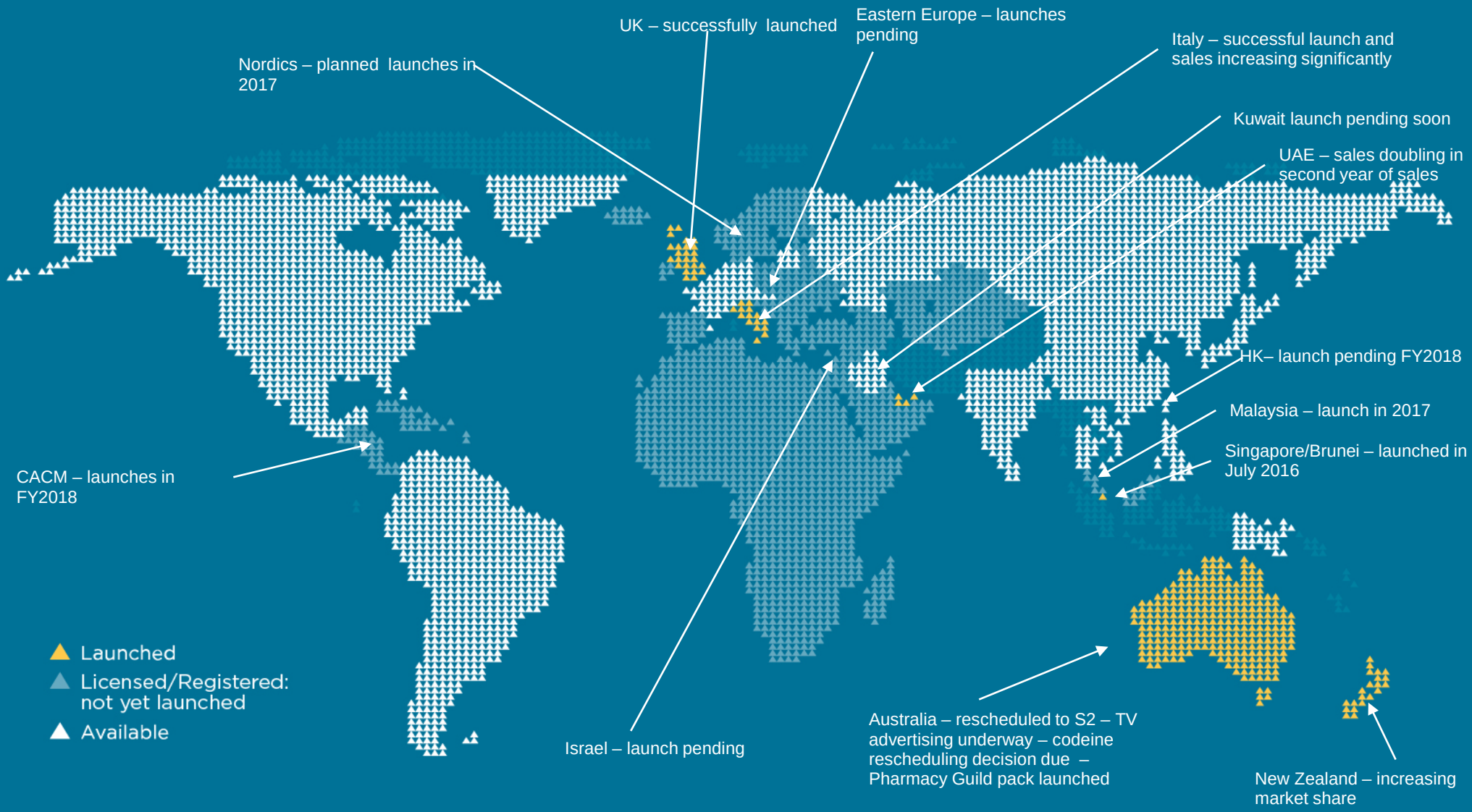
10 Number of studies AFT expects to complete during this calendar year – 8 Clinical and 2 Pharmacokinetic
Maxigesic OL study and IV Studies close to closing.

2 Additional dose forms of ***Maxigesic*** under development
– Dry powder sachets and Rapid Formulation
Dry powder successful and moving to manufacture registration batches

$69 - 71m expected total income for FY2017 [in the **upper end** of the range], up from $65.8m in FY2016

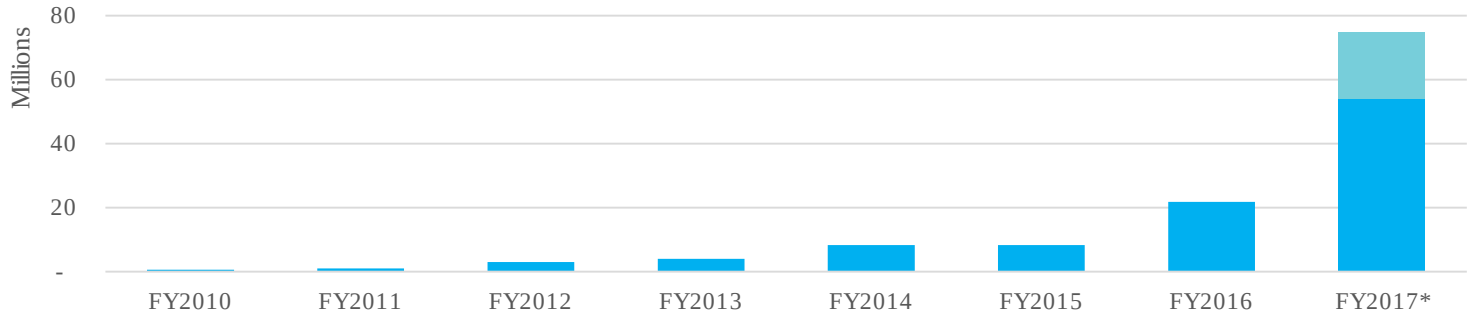
$7.6m available cash as at 28 February 2017 – down from $16.1m at the end of H1 FY2017 and **prior to the recent $9.1m raise**

MAXIGESIC UPDATE



MAXIGESIC SALES PROGRESS TO DATE

***Maxigesic* Tablets Sold Per Year**



- ***Maxigesic*** tablet sales for the FY2017 financial year are expected to increase to 74 million tablets per annum, representing a 339% increase on FY2016

- Additional out-licensing and distribution agreements for ***Maxigesic*** oral dose forms have been secured to increase the number of countries to 111 as at 30 September 2016, with additional out-licensing agreements expected to be negotiated during 2017, including in markets of significant size (e.g. the US, MX, CA, FR, DE)

- In Australia, ***Maxigesic*** can now be advertised directly to consumers and is more readily available in pharmacy stores. Also, the Australian regulatory authority confirmed the rescheduling of codeine OTC analgesics to become prescription medicines (from February 2018) which presents a significant opportunity for consumer conversion

- Sales in existing markets such as Italy, the UK and UAE have to date exceeded initial expectations. Sales in over 20 new countries (EU, CACM, Middle East, Asia) planned to commence in FY2018

* Note FY2017 sales estimate is based upon actual first 10 months (shown in darker blue), current orders and licensee / AFT estimated orders for the remainder of FY2017

MAXIGESIC AND AU CODEINE SWITCH

CODEINE Market Research in AU ex MedPanel * and Market Data

- ***13M Maxigesic*** tablet sales for the FY2017 financial year in AU.
- ***1Feb 2018*** Codeine based OTC analgesics will be rescheduled to Rx
- ***750M tablets*** of Codeine OTC Analgesics used in AU
- ***70%*** will buy an alternative from their pharmacist
- ***55%*** will seek advice from their pharmacist & 49% from their doctor
- ***80%*** want a strong analgesic – *Maxigesic* is the only paracetamol-ibuprofen combo stronger than both paracetamol or ibuprofen OTC dose
- ***300 – 352M*** tablets most likely to switch
- ***37%*** will switch some time before the 1 Feb18 date BUT 63% intend to wait

* Note MedPanel Research Commissioned by AFT Pharma

NasoSURF NEBULISER
DRUG DELIVERY AND TREATMENT OF 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	• To expand our existing allergy and hospital product ranges locally • Significant global potential for drug delivery • Sinusitis and Post Sinus Surgery to be established with clinical data (in vitro shows vastly improved sinus penetration cf. standard therapies)
Current status	• Engineering batches under production now • Registered with the FDA in the US as a Class I Medical Device • Clinical studies now commenced, with completion expected during the next 12 – 15 months
Our near term plans	• A p-IND Application will be made with the FDA in the first half of 2017 • Distribution studies — healthy volunteers in calendar year 2016-2017 — Patients in calendar years 2017-2018 • Conscious sedation PK studies calendar year 2017 • Conscious sedation clinical studies start calendar year 2017 • Licensing negotiations planned for FY2018, including in the US once some clinical data has been generated and the FDA development pathway finalised

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**

OTHER KEY INNOVATIVE PRODUCTS

Products	Status
Pascomer (originally called Pascaderm)	*Pascomer* currently being developed, with an IND Application to be opened in US during FY2018 to enable clinical studies to be undertaken Successfully obtained ODD from FDA. EMA under application after successful meeting FDA meeting scheduled completed March 2017 and development plan agreed Market studies by US development partner indicate potential for key indication of US$600-800M, mid to high teens royalties and significant milestones. Note AFT share is 50% Licensing negotiations for the US and EU markets have been initiated during 2017
Maxiclear PE	*Maxiclear PE* now licensed in 21 countries with the pivotal Phase 3 study currently underway in Cardiff, Wales, and was expected to be completed by the end of Q1 2017 but will need to be completed in NZ winter (Q3 2017)
Fibroleve	Registration underway in Malaysia as first country
Crystaderm	Successfully launched in AU Under Registration in Middle East Study completed in Russia and filing preparations underway

SUMMARY BALANCE SHEET

NZ$000's	Restated Unaudited as at 30 Sep 2016	Restated Unaudited as at 30 Sep 2015
ASSETS		
Current assets		
Inventories	21,451	15,072
Trade and other receivables	12,748	12,224
Cash and other equivalents	16,054	10,016
Current income tax asset	19	113
Total current assets	**50,272**	**37,425**
Non-current assets		
Property, plant and equipment	421	449
Intangible assets	2,450	1,853
Deferred income tax assets	490	45
Derivative assets	-	917
Investment in joint venture entity	177	-
Total assets	**53,810**	**40,689**
LIABILITIES		
Current liabilities		
Trade and other payables	11,131	9,684
Provisions	1,841	2,326
Derivative liabilities	745	-
Total current liabilities	**13,717**	**12,010**
Non-current liabilities		
Interest bearing liabilities	22,039	24,721
Total liabilities	**35,756**	**36,731**
Equity		
Share capital	53,902	21,736
Retained earnings	(36,637)	(17,748)
Share options reserve	182	-
Foreign currency translation reserve	607	(30)
Total equity	**18,054**	**3,958**
Total liabilities and equity	**53,810**	**40,689**

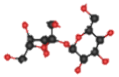
- AFT has maintained very tight control of fixed overheads
- AFT had $7.6m cash as at 28 February 2017, down from $16.1m as at 30 September 2016 and prior to the recent $9.1m raise.
- AFT's cash balance increased to approximately $16.8m once NZ$9.2m of redeemable shares are issued

SUMMARY OF NEAR TERM PLANS

Launch *Maxigesic* in new countries and increase sales

Advance *Maxigesic* registrations in licensed countries and in North America

Complete remaining clinical studies of *Maxigesic* products over FY2018



Naso*SURF* – complete first clinical trials and first Class IIA regulatory filings
Undertake first licensing negotiations

Build further revenues of new OTC products launched in Australia
Increase *Maxigesic* sales especially from Codeine rescheduling

Break even targeted in the FY2018/FY2019 time frame from increased higher margin product sales in home markets; increased licensing income from existing and new agreements, especially in larger markets; increased *Maxigesic* sales

The company believes it has secured sufficient funds to deliver on its plans.