



# AFT PHARMACEUTICALS

Annual Meeting  
4 August 2017



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# CEO Presentation



# SUMMARY OF AFT BUSINESS

## Established Business [1997] and growing AU & NZ



- Significant further potential growth in AU
  - Grow newly launched and existing OTCs
  - Grow Maxigesic from Codeine switch



## Development of Key Innovative Products with Global Potential

The most significant growth opportunity: Growing Key Innovative Products outside ANZ via Distributors & Licensees.

## Large Target Markets for Key Innovative Products



- Maxigesic Tablets – Target Market US\$10.4B
- Maxigesic IV – Target Market > US\$800M
- Maxigesic other oral dose forms – Target Market US\$3.7B
- Maxiclear PE – Target Market US\$1B



## Development NasoSURF Medical Device

- Patented Ultrasonic Powered Drug Delivery Device
- A Number of Drug Delivery Indications.
- Market research in USA has identified potential US\$1.2B for first targeted development
- Treatment Post-op Sinus Surgery & Chronic Sinusitis



## Development Pascomer

- Significant orphan drug indication. Confirmed now in both USA & EU
- Open IND [Investigational New Drug Application] during FY2018

# CURRENT HIGHLIGHTS

**124**

Countries that *Maxigesic* is now licensed in

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**9**

Countries that *Maxigesic* is launched and sold in  
Further launch orders being processed now

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**\$70.8m**

Total income for FY2017\*

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**\$16.0m**

Available cash as at 31 March 2017

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**Progress**

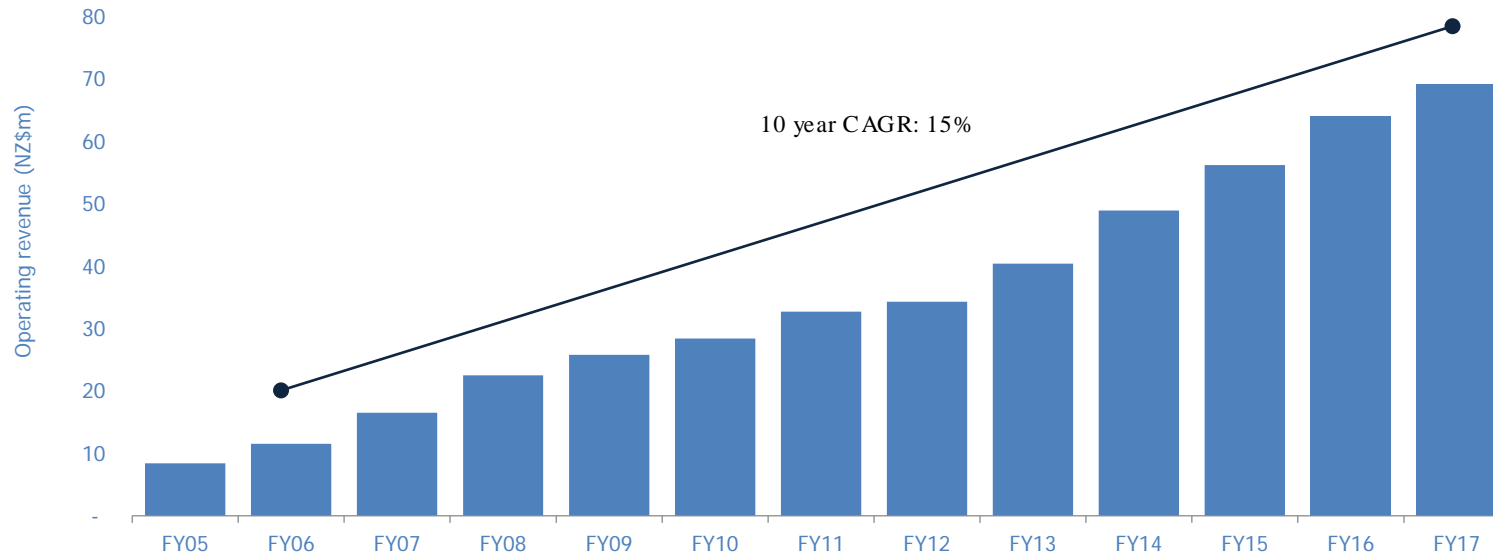
Development goals are being achieved  
Independent Directors have purchased 111,000 shares in 2017  
SPP 85% uptake  
Shareholder numbers increasing

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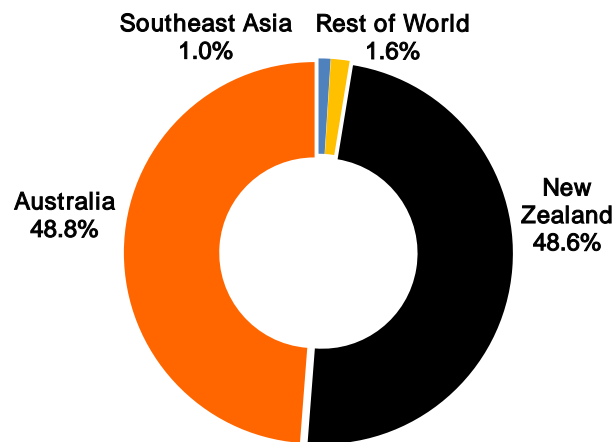
\* Total income comprises Operating Revenue of \$69.2m and Licensing Income of \$1.6m

# FINANCIAL PERFORMANCE – REVENUE GROWTH

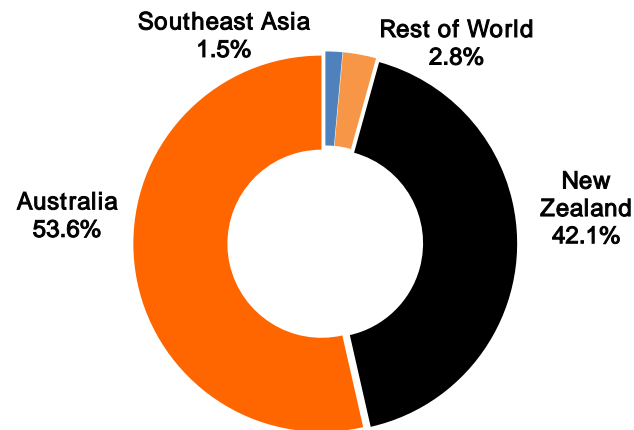
Operating revenue, FY2000 – FY2017



FY2016 Operating revenue by region



FY2017 Operating revenue by region

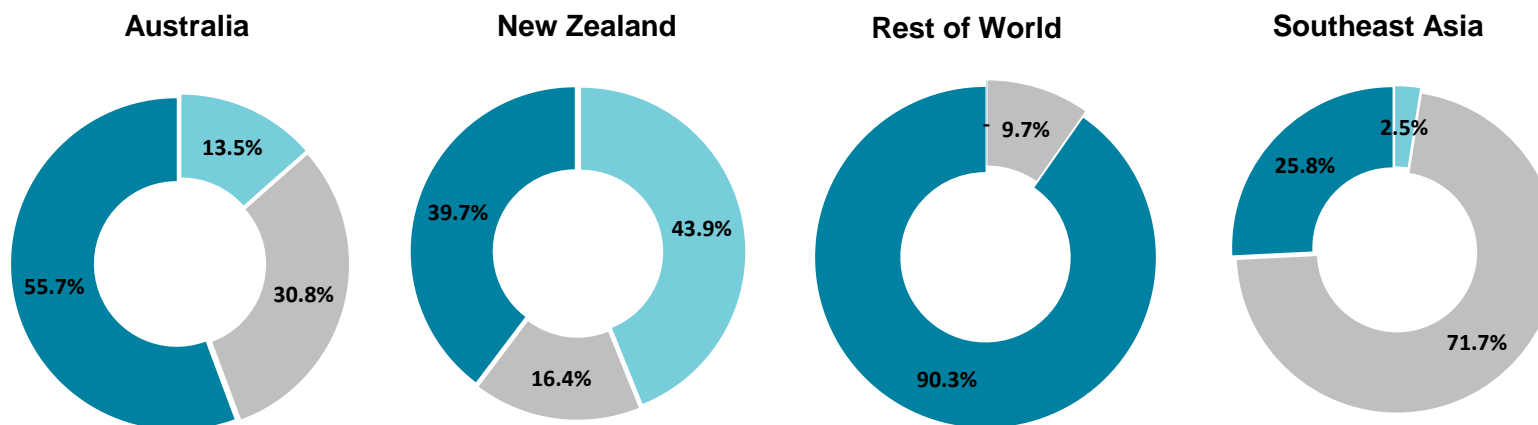


# FINANCIAL PERFORMANCE – REVENUE BY REGION AND CHANNEL

## Operating revenue by region, FY2015 – FY2017

NZ\$000's year ended March 2017	2015	% of total	2016	% of total	2017	% of total
Australia	26,324	46.8%	31,224	48.8%	37,063	53.6%
YoY growth			18.6%		18.7%	
New Zealand	29,398	52.3%	31,135	48.6%	29,167	42.1%
YoY growth			5.9%		-6.3%	
Rest of World	358	0.6%	1,007	1.6%	1,968	2.8%
YoY growth			181.3%		95.5%	
Southeast Asia	161	0.3%	648	1.0%	1,005	1.5%
YoY growth			302.5%		55.1%	
<b>Total Operating Revenue</b>	<b>56,241</b>	<b>100.0%</b>	<b>64,019</b>	<b>100.0%</b>	<b>69,205</b>	<b>100.0%</b>
YoY growth			13.8%		8.1%	

## Operating revenue by channel by region, FY2017



## FINANCIAL PERFORMANCE – SUMMARY P&L

NZ\$'000's year ended 31 March	2017	% of revenue	2016	% of revenue
Revenue	69,205		64,014	
Cost of Sales	(43,207)	62.4%	(40,435)	63.2%
<b>Gross Profit</b>	<b>25,998</b>	<b>37.6%</b>	<b>23,579</b>	<b>36.8%</b>
Other Income	2,659	3.8%	2,295	3.6%
Selling and distribution expenses	(25,964)	37.5%	(19,634)	30.7%
General and administrative expenses	(5,851)	8.5%	(6,804)	10.6%
Research and development expenses	(11,227)	16.2%	(8,092)	12.6%
Equity accounted loss of joint venture entity	(414)	0.6%	(302)	0.5%
<b>Operating Loss</b>	<b>(14,799)</b>		<b>(8,958)</b>	
Finance Income	347		291	
Finance Costs	(3,878)		(2,019)	
IPO, listing and capital raising Costs	-		(2,623)	
<b>Loss before tax</b>	<b>(18,330)</b>		<b>(13,309)</b>	
Tax benefit/(expense)	(58)		42	
<b>Loss after tax</b>	<b>(18,388)</b>		<b>(13,267)</b>	



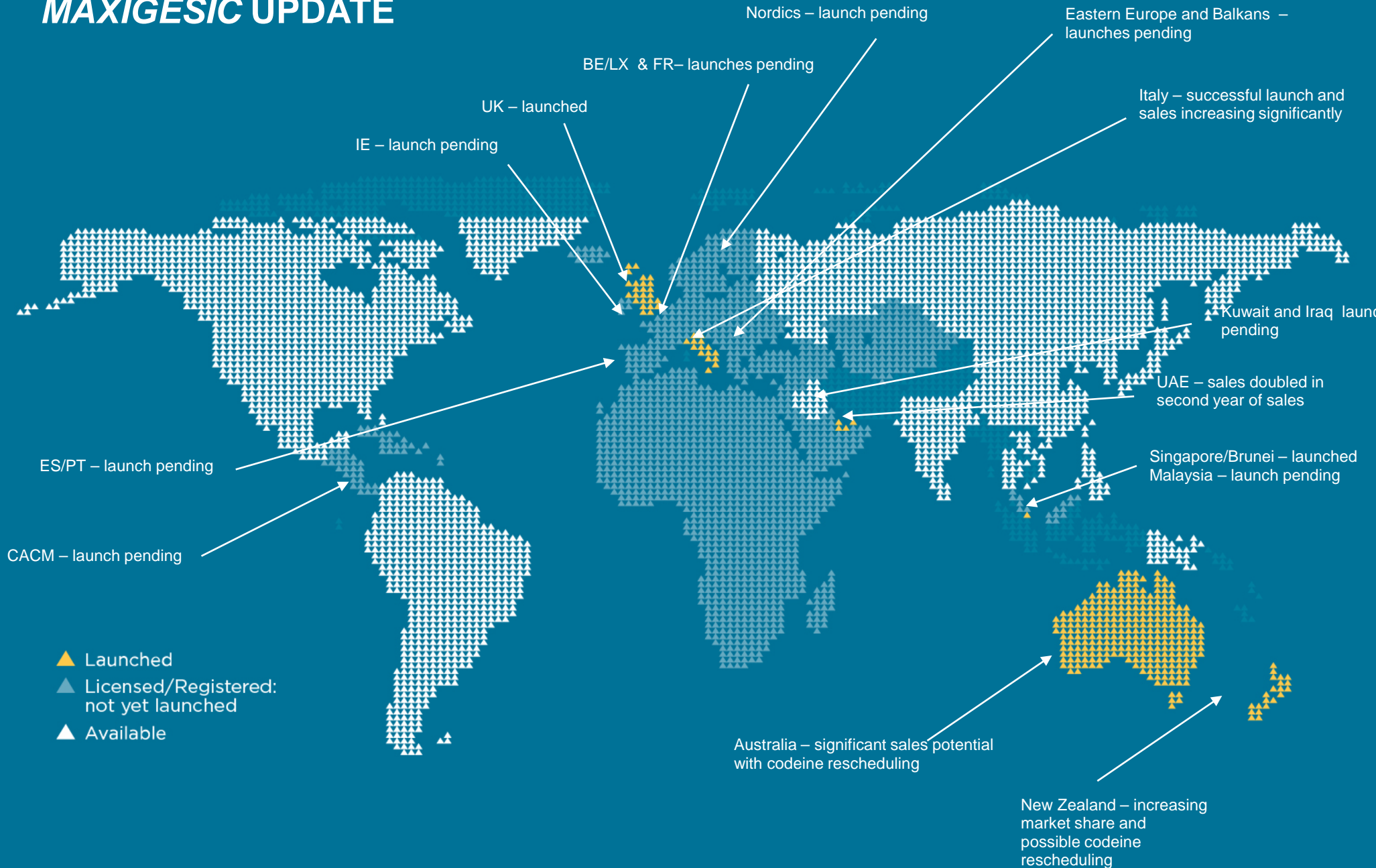
# FINANCIAL PERFORMANCE – SUMMARY Balance Sheet

NZ\$'000's year ended 31 March	2017	2016
<b>ASSETS</b>		
<b>Current Assets</b>		
Inventories	18,718	16,499
Trade and other receivables	19,362	17,475
Cash and cash equivalents	15,980	28,055
Current income tax asset	-	26
<b>Total current assets</b>	<b>54,060</b>	<b>62,055</b>
<b>Non-current Assets</b>		
Property, plant and equipment	386	407
Intangible assets	2,548	2,111
Deferred income tax assets	610	546
Investment in joint venture entity	627	185
<b>Total assets</b>	<b>58,231</b>	<b>65,304</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	11,069	10,428
Provisions	3,950	3,083
Current income tax liability	112	-
Derivative liabilities	204	402
<b>Total current liabilities</b>	<b>15,335</b>	<b>13,913</b>
<b>Non-current liabilities</b>		
Interest bearing liabilities	23,426	23,161
<b>Total liabilities</b>	<b>38,761</b>	<b>37,074</b>
<b>Equity</b>		
Share Capital	62,944	53,902
Retained earnings	(44,025)	(25,637)
Share options reserve	295	65
Foreign currency translation reserve	256	(100)
<b>Total equity</b>	<b>19,470</b>	<b>28,230</b>
<b>Total liabilities and equity</b>	<b>58,231</b>	<b>65,304</b>

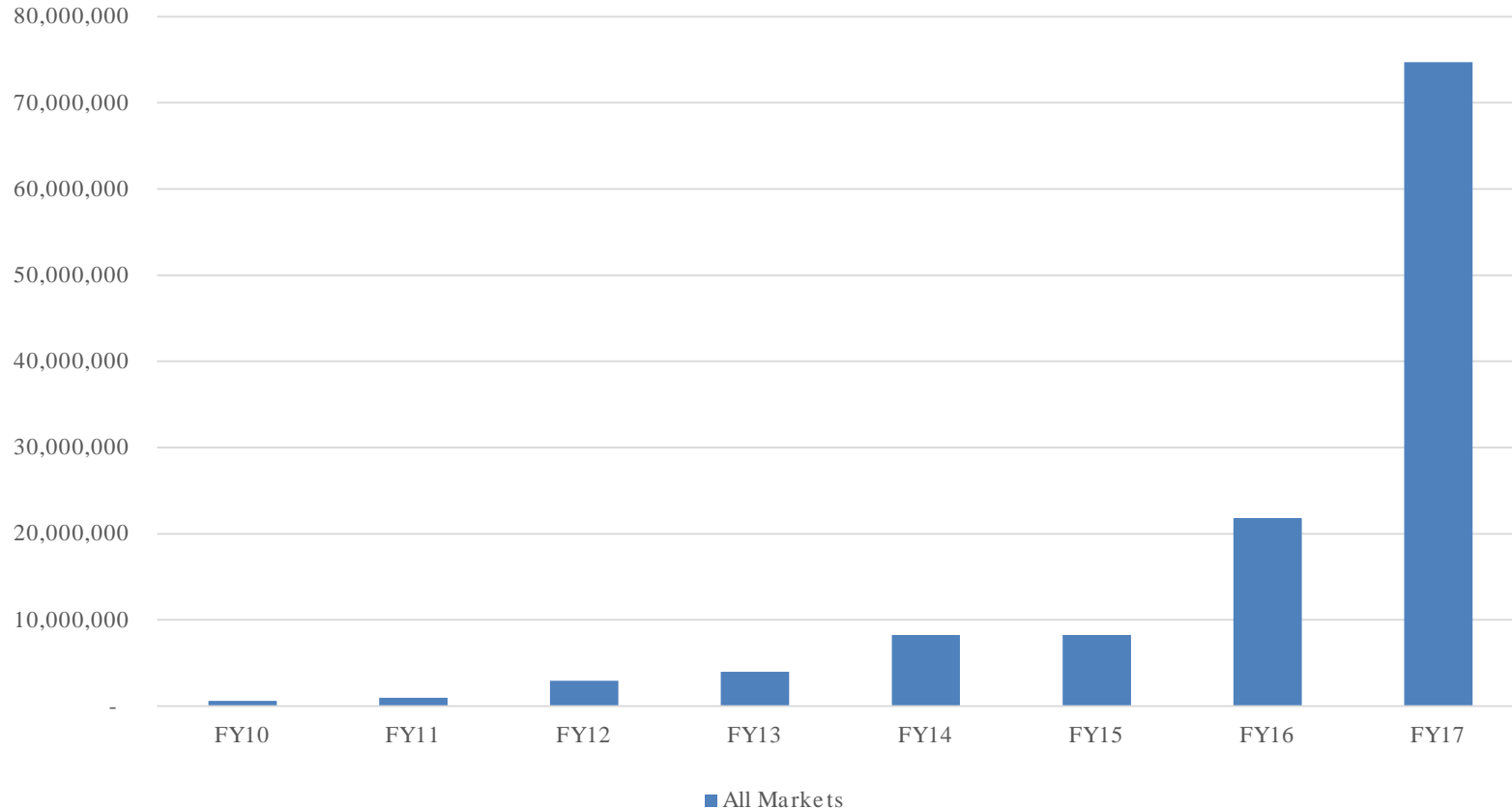
## FINANCIAL PERFORMANCE – SUMMARY Cashflow

NZ\$'000's year ended 31 March	2017	2016
Net cash used in operating activities	(19,062)	(13,942)
Net cash used in investing activities	(1,598)	(1,181)
Net cash generated from financing activities	9,042	36,705
<b>Net increase in cash</b>	<b>(11,618)</b>	<b>21,582</b>
Impact of foreign exchange on cash and cash equivalents	(457)	1,773
Opening cash and cash equivalents	28,055	4,700
<b>Closing cash and cash equivalents</b>	<b>15,980</b>	<b>28,055</b>

# MAXIGESIC UPDATE



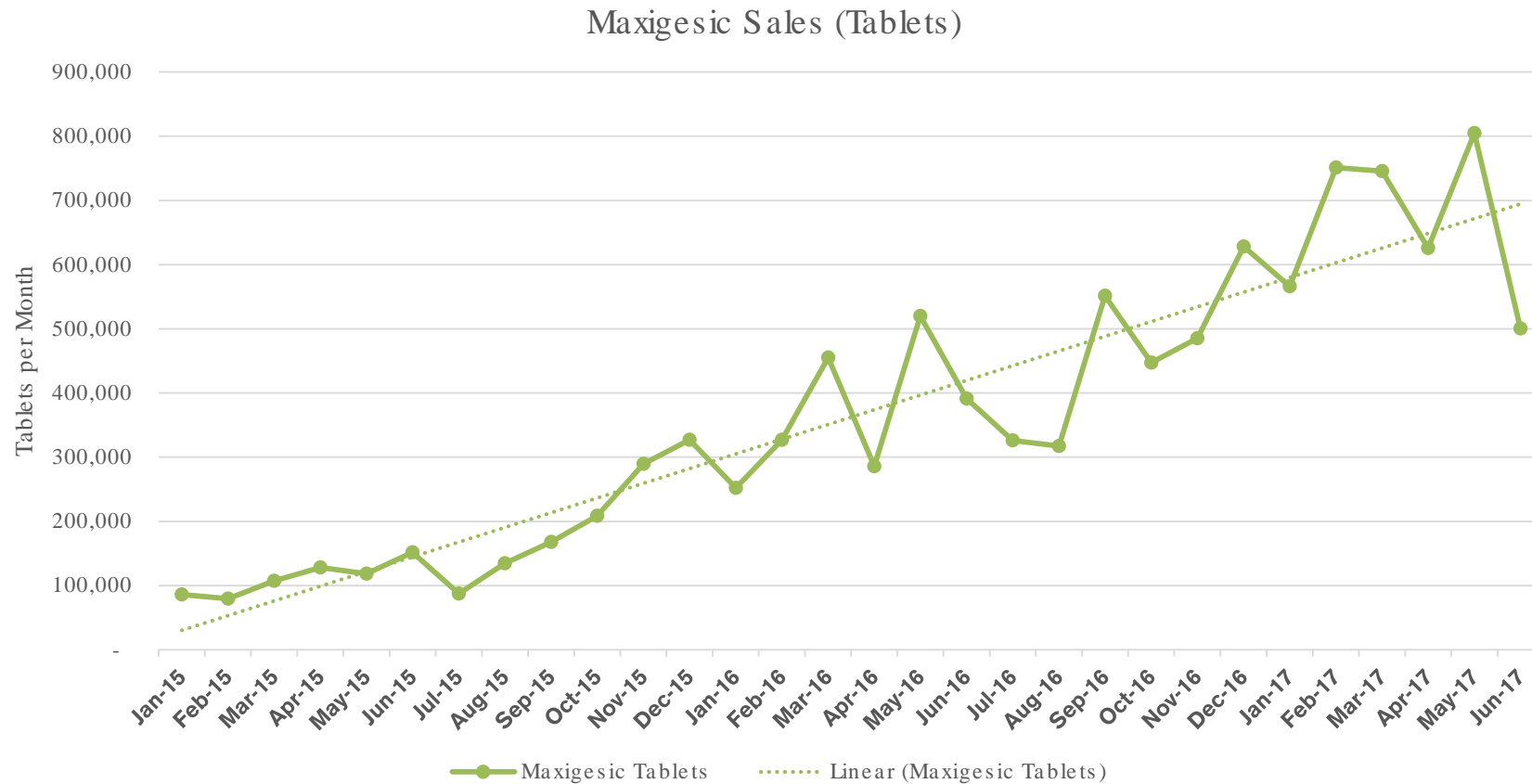
# MAXIGESIC TABLET SALES PROGRESS TO DATE



## Maxigesic Tablets Sold [Mill] Per Year

**Note: Only this FY18 year Maxigesic will become AFT's biggest product and drive overall growth. Most significant impact is seen from FY20 onwards when we anticipate over 80% of countries will have been launched**

# EXAMPLE OF MAXIGESIC LICENCEE PROGRESS TO DATE – tablet sales per month



# MAXIGESIC: Future growth strategy

Additional out-licensing and distribution agreements for **Maxigesic** oral dose forms have been secured to increase the number of countries to **124**.

Some additional larger countries to be added – North America

larger EU market France [2<sup>nd</sup> largest market in the world] recently added

Further countries recently added in 3 regions: Baltics; Central Eastern Europe and most of the Balkans

Numerous **Maxigesic** registrations underway which are required before many launches can occur

Targeting 30% launches in FY2018; 33% in FY2019, 25% in FY2020 and balance FY2021

Additional dose forms will also be launched

**Maxigesic** file accepted by FDA and pending successful clinical trial result **Maxigesic IV** to be filed during 2017

Significant new registrations confirmed in EU [FR, BE, LX, DE, AT, HL, ES, PT, IE, HR] and now registered across almost all EU

**Additional** IP technology has been licensed and two further **Maxigesic** dose forms have been developed. Planned to complete developments and file in FY2019

**SUMMARY:** Drive sales by

- [1] Increasing sales in Australia through codeine switch
- [2] Increasing sales in existing territories
- [3] Launch in new territories
- [4] Launch additional dose forms



## MAXIGESIC: Australian growth strategy

Prior to the re-scheduling of codeine-based analgesics, our growth estimates were for sales increasing in Australia from 13 to 26 million tablets in FY2018.

Codeine switch confirmed for 1st February 2018.

Codeine tablet market is 750 million tablets per annum.

Consumer market research indicates 40-47% codeine patients will switch to an OTC alternative analgesic.

Potential switch market is 300-352 million tablets.



# NasoSURF NEBULISER: Future growth strategy

<b>Product description</b>	A handheld ultrasonic nasal mesh nebuliser for the intranasal delivery of medication and treatment of chronic sinusitis
<b>Rationale for investment in product</b>	<ul style="list-style-type: none"><li>• To expand our existing allergy and hospital product ranges locally</li><li>• Significant global potential</li></ul>
<b>Current status</b>	<ul style="list-style-type: none"><li>• Registered as Class I Device with FDA as planned</li><li>• Engineering scale production underway</li></ul>
<b>Our medium term plans</b>	<ul style="list-style-type: none"><li>• Distribution studies underway</li><li>• Human Factor Studies in USA underway [new regulatory requirement]</li><li>• First Drug PK studies in FY2018</li><li>• First Drug Clinical Studies in FY2018</li><li>• Open IND in FY2018</li><li>• First drug delivery indication a significant potential market – US\$1.2B in USA alone [Based upon market research studies in USA and UK]</li><li>• Licensing negotiations during FY2018</li></ul>

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



# SUMMARY OF MEDIUM TERM PLANS



Phased launches of *Maxigesic* in over 110 countries including North America

Add additional *Maxigesic* dose forms to the initial launches to extend sales

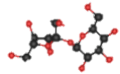
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Further licensing agreements for *Maxigesic* and *Maxigesic IV* in larger markets including North America

Update FR now licensed to Laboratoires Expanscience and countries increased to 124

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## *NasoSURF and Pascomer*

Licensing in major target markets of North America and EU

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Build further revenues of OTC product sales in Australia

Build *Maxigesic* significant market share pre and post codeine changes and register and launch line extensions

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Build Southeast Asia and Middle Eastern Business – own sales and distributors

Complete further registrations and launches

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