

# A Small Fish in a Big Ocean: Surviving and Growing

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# The Challenge and Our History



## AFT History

Started in Garage in 1997 with \$50K start-up capital  
Expanded out of NZ in to AU 2004  
Listed NZ & ASX December 2015



## Why Small Companies are Looking Beyond NZ for Growth

NZ market is tiny and Pharma is a global business  
Fixed development costs recovered over the globe  
Dossier for AU suits Latvia or Morocco



## Dealing with and Exploiting Rapid Technology Changes

Technology enables expansion geographically  
Decreased travel costs assist  
Technology has helped small companies in complex developments e.g. 3D Printing and Document Management



## Opportunities in Healthcare with Changing Demographics

Healthcare is one of the worlds largest industries  
US and EU markets have huge investments in pharmaceuticals  
Largely not effected by the economic cycles

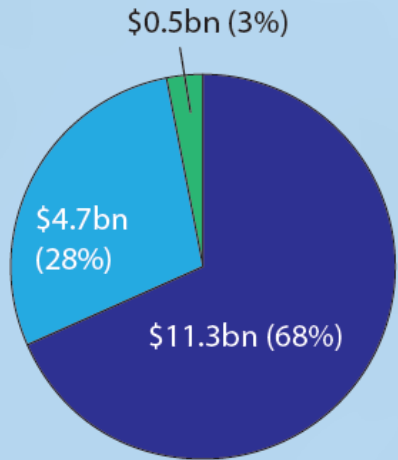


## Moving Forwards & Growing Wealth

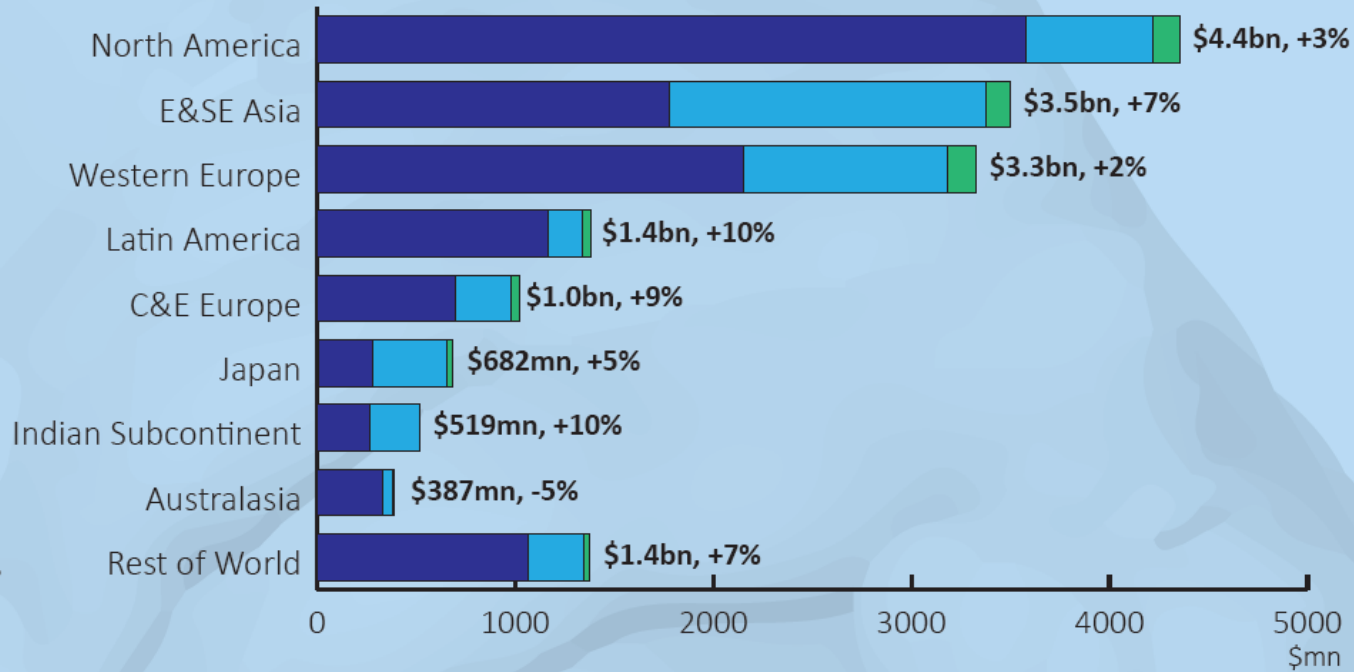
Development goals are being achieved  
Independent Directors have purchased 111,000 shares in 2017  
Committed senior management team with flesh in the game  
Shareholder numbers increasing

# Global OTC Analgesic Market and Pharma Market

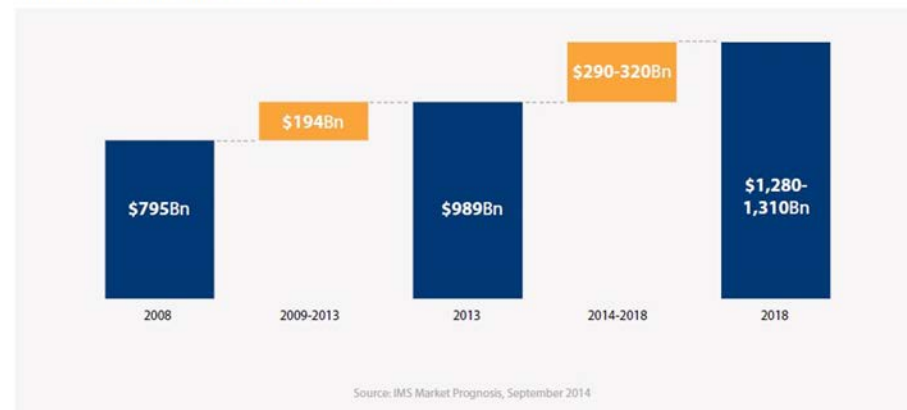
## Global Analgesics sales by region 2016



- Systemic analgesics
- Topical analgesics
- Mouth & dental analgesics



## Global spending and growth, 2008-2018



# 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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12

Clinical studies AFT will have running in FY2018  
around the globe: *Maxigesic* =5; *Maxiclear* = 1, *Pascomer*  
= 1; *NasoSURF* = 5

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\$70.8m

Total income for FY2017\*

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\$16.0m

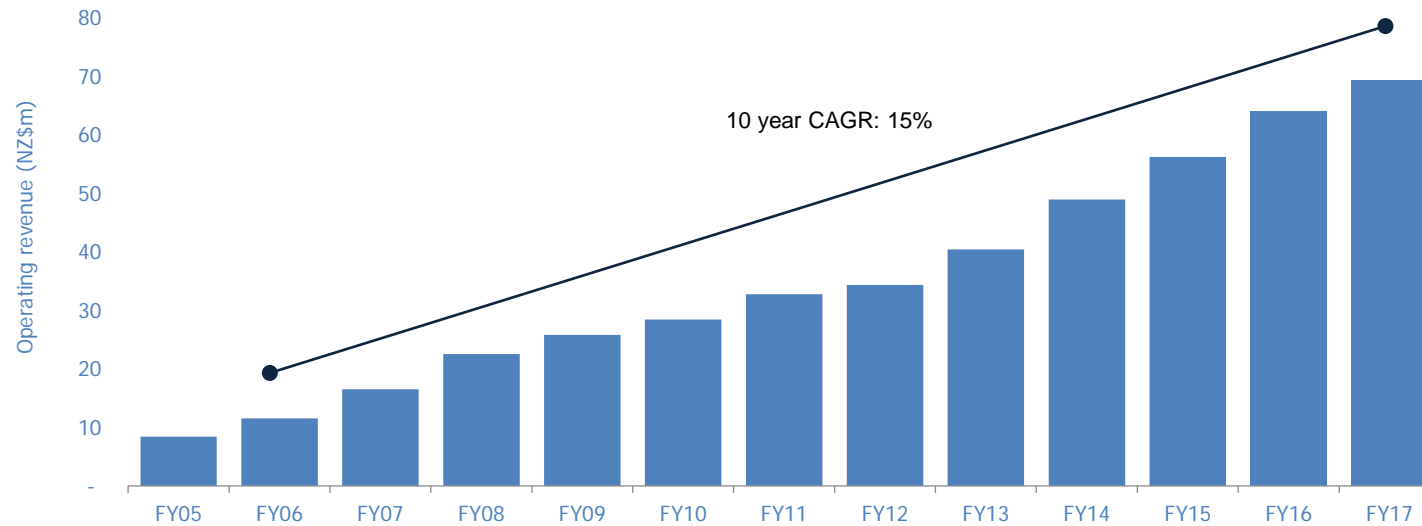
Available cash as at 31 March 2017

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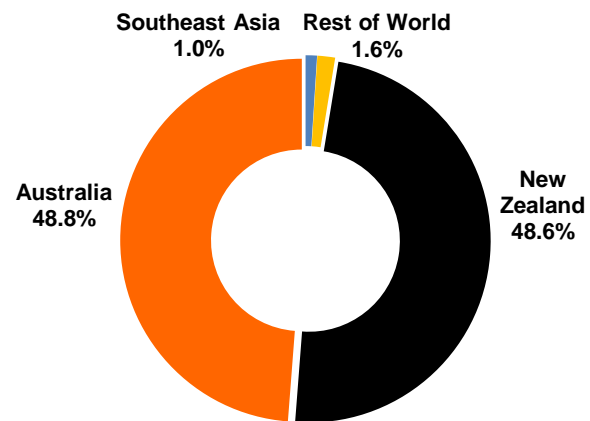
\* Total income comprises Operating Revenue of \$69.2m and Licensing Income of \$1.6m

# FINANCIAL PERFORMANCE – REVENUE GROWTH

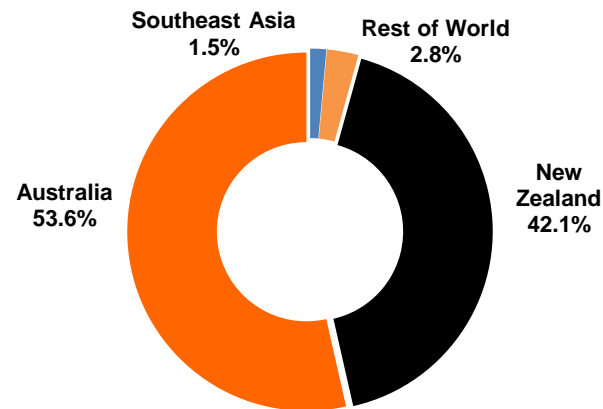
Operating revenue, FY2000 – FY2017



FY2016 Operating revenue by region



FY2017 Operating revenue by region



## FINANCIAL PERFORMANCE – SUMMARY Cashflow

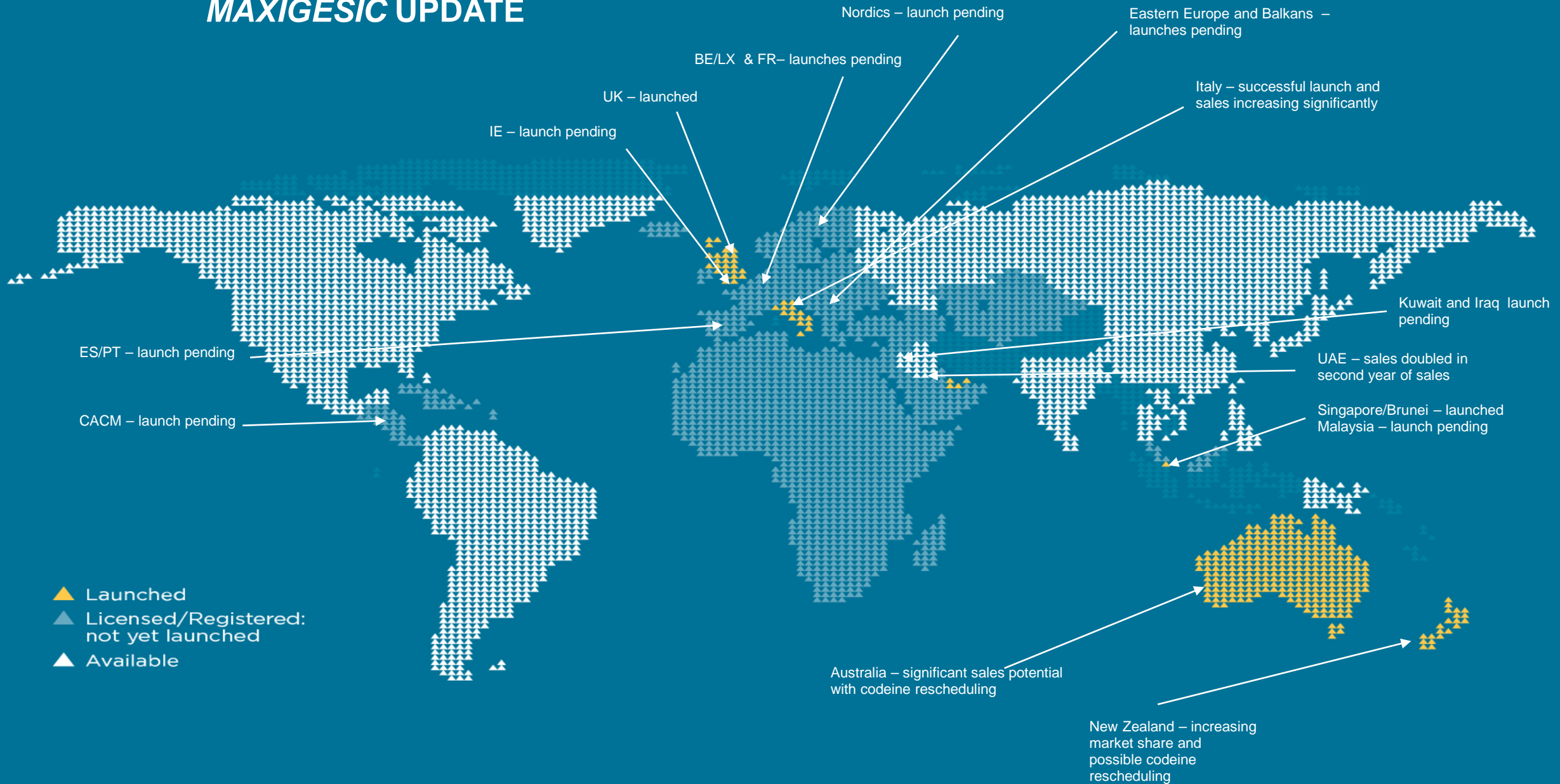
NZ\$'000's year ended 31 March	2017	2016
Net cash used in operating activities	(19,062)	(13,942)
Net cash used in investing activities	(1,598)	(1,181)
Net cash generated from financing activities	9,042	36,705
<b>Net increase in cash</b>	<b>(11,618)</b>	<b>21,582</b>
Impact of foreign exchange on cash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

### Capital Raise

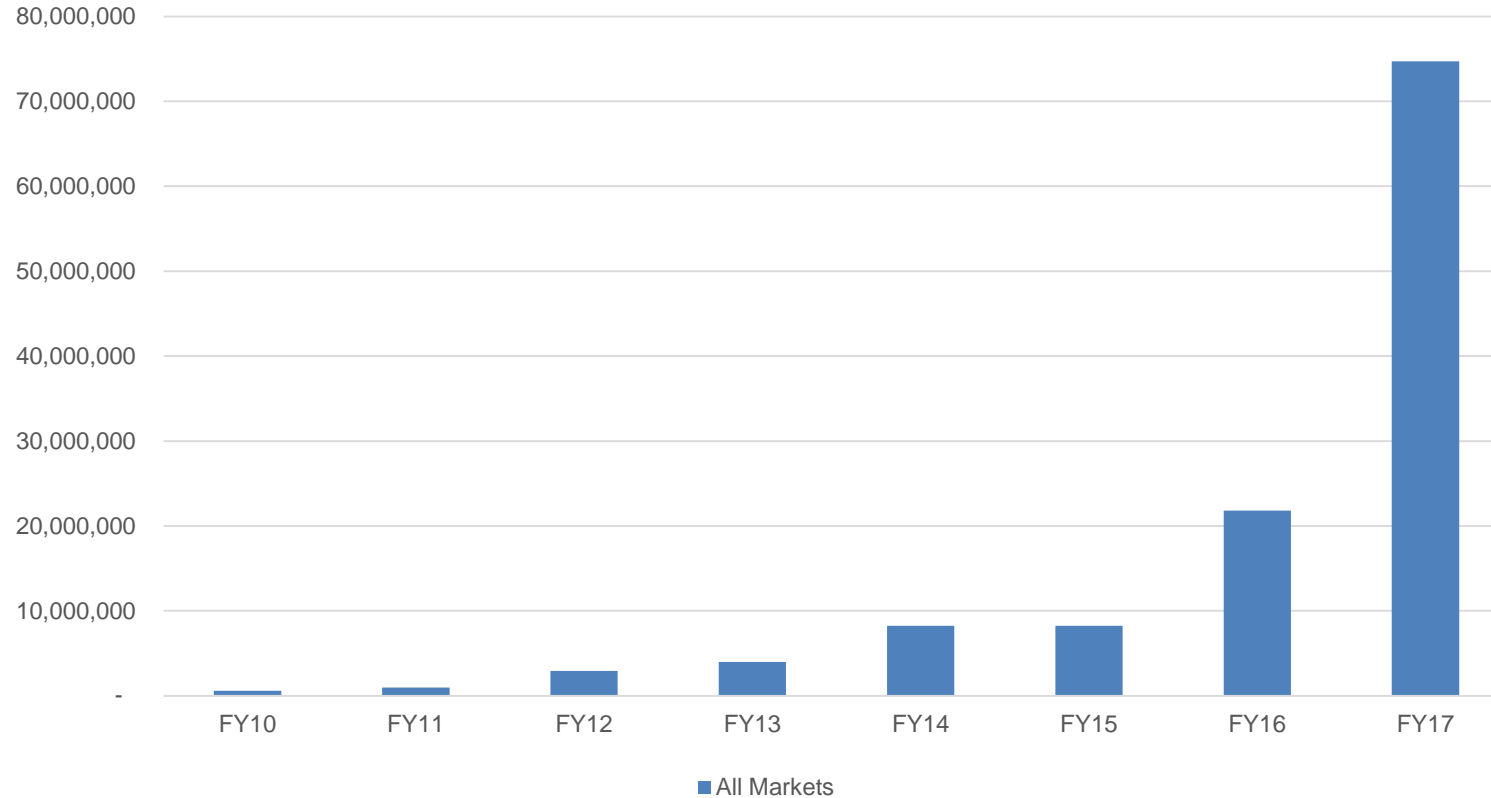
Raised \$10.1m during 2017  
 Most expensive clinical studies completed and decreased R&D FY19  
 Growing sales and targeting licensing income



# 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] Registration and launching 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>	<p>A handheld ultrasonic nasal mesh nebuliser for the intranasal delivery of medication and treatment of chronic sinusitis</p>
<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

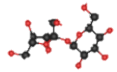
Add additional *Maxigesic* dose forms to the initial launches to extend sales

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Further licensing agreements and more significant upfront licensing fees for *Maxigesic* and *Maxigesic IV* in larger markets including North America

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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

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