



*Working to improve your health*

Market and media release

23 March 2020

## **AFT finalises refinancing and gives trading update**

AFT Pharmaceuticals (NZX; AFT, ASX; AFP) today announces it has concluded an agreement with the Bank of New Zealand (BNZ) to refinance its current six-year CRG loan facility maturing on 31 March 2020. This follows the term sheet concluded with the BNZ which was noted by AFT's market announcement on 26 February 2020.

AFT Pharmaceuticals Managing Director Dr Hartley Atkinson said he was delighted to complete the refinancing, which gives the company funding certainty and is expected to result in finance cost savings of \$2 million per year over the facility's three-year term.

AFT meanwhile notes it expects revenue for the year to 31 March 2020 (including product sales, royalty income and licensing fees) to rise to more than \$100 million from \$85.1 million in the same period a year ago.

As noted on 10 March 2020, the company continues to see strong demand for a number of its products following the Covid-19 outbreak. Products in high demand include cold and influenza medicines, hospital antibiotics and Vitamin C Liposachets®.

It is still too early to be precise on the expected earnings outcome for the 2020 financial year. However, the company reiterates its guidance that it expects operating earnings to be the "mid to upper end" of the guidance range of \$18.8 million to \$21.8million.

Dr Atkinson said: "Demand for our cold and flu medicines remains strong. Our Australasian Pharmacy business has seen strong sales of our Maxigesic® pain relief medicine, Maxiclear®, which provides relief from cold and flu symptoms, and supplements such as our Liposachet® Vitamin C product. Indeed, Liposachet® sales in New Zealand in March (to date) are now more than 21 times the sales in all of March 2019, and three times the sales achieved by the product in the prior financial year.

"Our Australasian hospital business continues to see strong demand for our injectable antibiotics such as Piptaz-AFT, Ceftriaxone-AFT and Cefazolin-AFT which are used to treat secondary antibacterial infections, a potential complication of Covid-19 infections.

"AFT continues to monitor developments related to the Covid-19 pandemic closely. We took a number of steps early in the year to prepare for the outbreak such as ordering additional quantities of stock above our standard 3-month safety stock levels.

"Most of our supplies are normally delivered by sea freight which has been less effected by the significant reduction in airfreight capacity, we have seen as the outbreak has progressed. While we cannot rule out supply disruptions, at present we are confident we can continue to deliver the products our customers need.

"Covid-19 represents a very real and distressing health threat to millions of people around the world. AFT's mission in Australasia is to deliver our products to pharmacies and hospitals to help people's health, especially in these difficult times. We are working very hard to ensure we continue to deliver on this goal."

For and on behalf of AFT Pharmaceuticals Limited, Dr Hartley Atkinson, Managing Director.

**For more information:**

**Investors**

Dr Hartley Atkinson  
Managing Director  
AFT Pharmaceuticals  
Tel: +64 9488 0232

**Media**

Richard Inder  
The Project  
Tel: +64 21 645 643

**About AFT Pharmaceuticals**

AFT is a growing multinational pharmaceutical company that develops, markets and distributes a broad portfolio of pharmaceutical products across a wide range of therapeutic categories which are distributed across all major pharmaceutical distribution channels: over-the-counter (OTC), prescription and hospital. Our product portfolio comprises both proprietary and in-licensed products, and includes patented, branded and generic drugs. Our business model is to develop and in-license products for sale by our own dedicated sales teams in our home markets of Australia and New Zealand and in certain Southeast Asian markets, and to out-license our products to local licensees and distributors to over 125 countries around the world. For more information about the company, visit our website [www.aftpharm.com](http://www.aftpharm.com).