

AFT PHARMACEUTICALS

Investor Presentation
May 2018



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CURRENT HIGHLIGHTS

125

countries that *Maxigesic* is licensed in – up from 110 at the end of FY2017

10

countries that *Maxigesic* is launched and sold in

7

number of clinical studies AFT will have running in FY2019

\$81.9m

total income for FY2018*

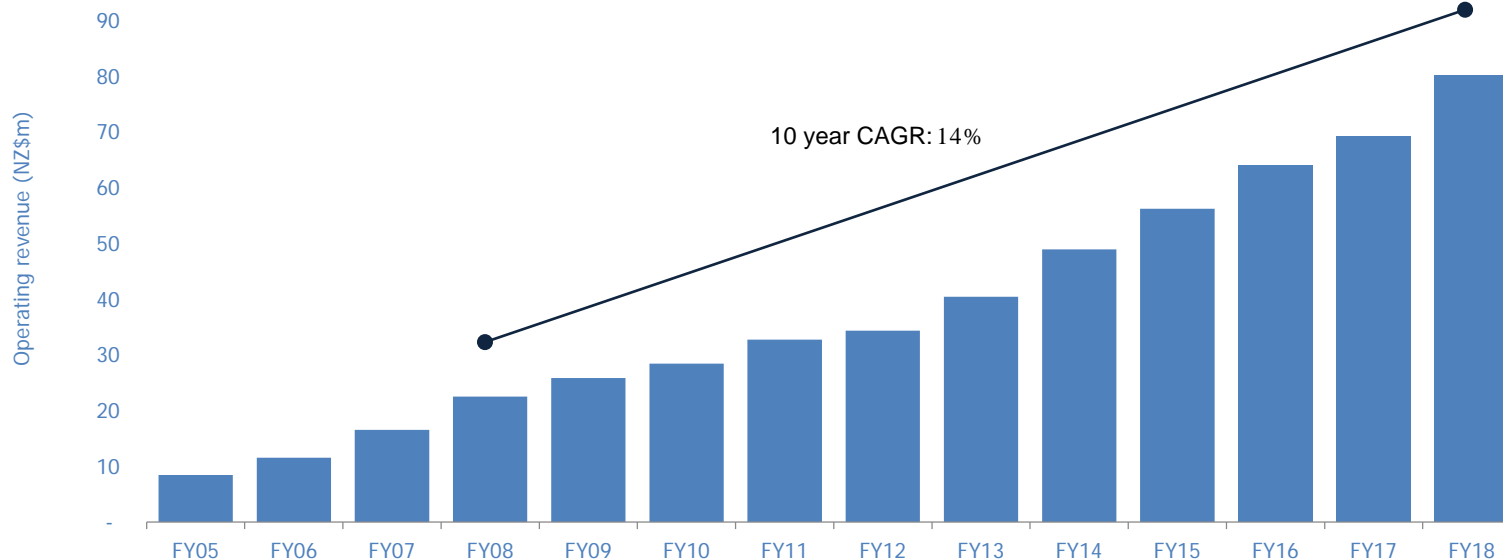
\$6.8m

available cash as at 31 **March 2018**

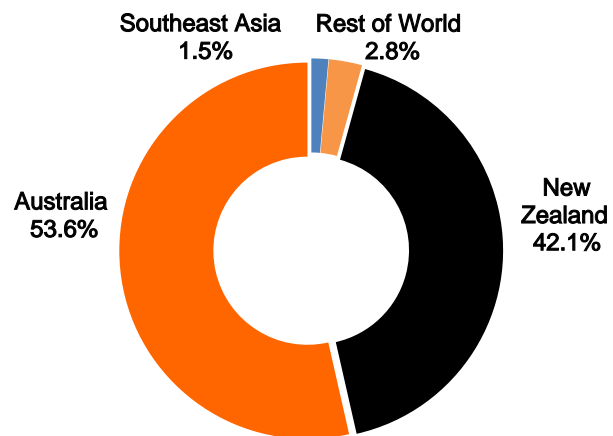
* Total income comprises Operating Revenue of \$80.1m and Licensing Income of \$1.8m

FINANCIAL PERFORMANCE – REVENUE GROWTH

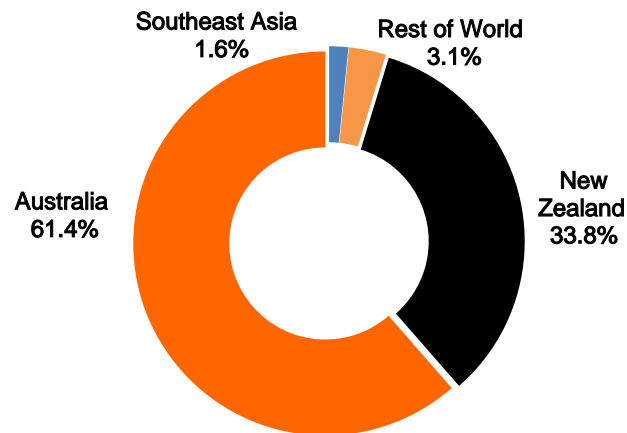
Operating revenue, FY2005 – FY2018



FY2017 Operating revenue by region



FY2018 Operating revenue by region

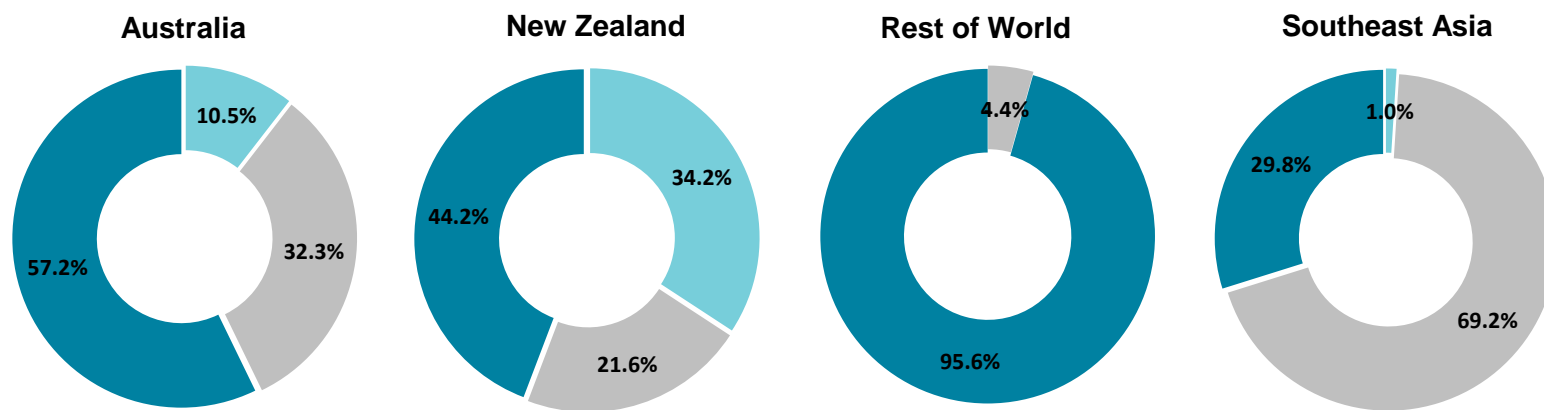


FINANCIAL PERFORMANCE – REVENUE BY REGION AND CHANNEL

Operating revenue by region, FY2016 – FY2018

NZ\$000's	FY2016	% of total	FY2017	% of total	FY2018	% of total
Australia	31,224	48.8%	37,063	53.6%	49,193	61.4%
YoY growth			18.7%		32.7%	
New Zealand	31,135	48.6%	29,167	42.1%	27,095	33.8%
YoY growth			-6.3%		-7.1%	
Rest of World	1,007	1.6%	1,968	2.8%	2,496	3.1%
YoY growth			95.5%		26.8%	
Southeast Asia	648	1.0%	1,005	1.5%	1,286	1.6%
YoY growth			55.1%		28.0%	
Total Operating Revenue	64,014	100%	69,205	100%	80,071	100.0%
YoY growth	13.8%		8.1%		15.7%	

Operating revenue by channel by region, FY2018



FINANCIAL PERFORMANCE – SUMMARY P&L

NZ\$'000's year ended 31 March	2018	% of revenue	2017	% of revenue
Revenue	80,071		69,205	
Cost of Sales	(45,880)	57.3%	(43,207)	62.4%
Gross Profit	34,191	42.7%	25,998	37.6%
Other Income	2,235	2.8%	2,659	3.8%
Selling and distribution expenses	(28,533)	35.6%	(25,964)	37.5%
General and administrative expenses	(8,308)	10.4%	(5,851)	8.5%
Research and development expenses	(8,230)	10.3%	(11,227)	16.2%
Equity accounted loss of joint venture entity	(1,494)	1.9%	(414)	0.6%
Operating Loss	(10,139)		(14,799)	
Finance Income	125		347	
Finance Costs	(2,652)		(3,878)	
Loss before tax	(12,666)		(18,330)	
Tax benefit/(expense)	(58)		(58)	
Loss after tax	(12,724)		(18,388)	

FINANCIAL PERFORMANCE – SUMMARY Balance Sheet

NZ\$'000's year ended 31 March	2018	2017
ASSETS		
Current Assets		
Inventories	24,412	22,198
Trade and other receivables	16,954	16,051
Cash and cash equivalents	6,770	15,905
Derivative assets	176	-
Total current assets	48,312	54,154
Non-current Assets		
Property, plant and equipment	330	386
Intangible assets	5,118	2,548
Deferred income tax assets	708	610
Investment in joint venture entity	2,134	627
Total assets	56,603	58,325
LIABILITIES		
Current liabilities		
Trade and other payables	17,391	14,549
Provisions	1,098	564
Current income tax liability	118	112
Derivative liabilities	-	204
Total current liabilities	18,607	15,429
Non-current liabilities		
Interest bearing liabilities	30,654	23,426
Total liabilities	49,261	38,855
Equity		
Share Capital	63,743	62,944
Retained earnings	(57,644)	(44,025)
Share options reserve	430	295
Redeemable preference share reserve	483	-
Foreign currency translation reserve	330	256
Total equity	7,342	19,470
Total liabilities and equity	56,603	58,325

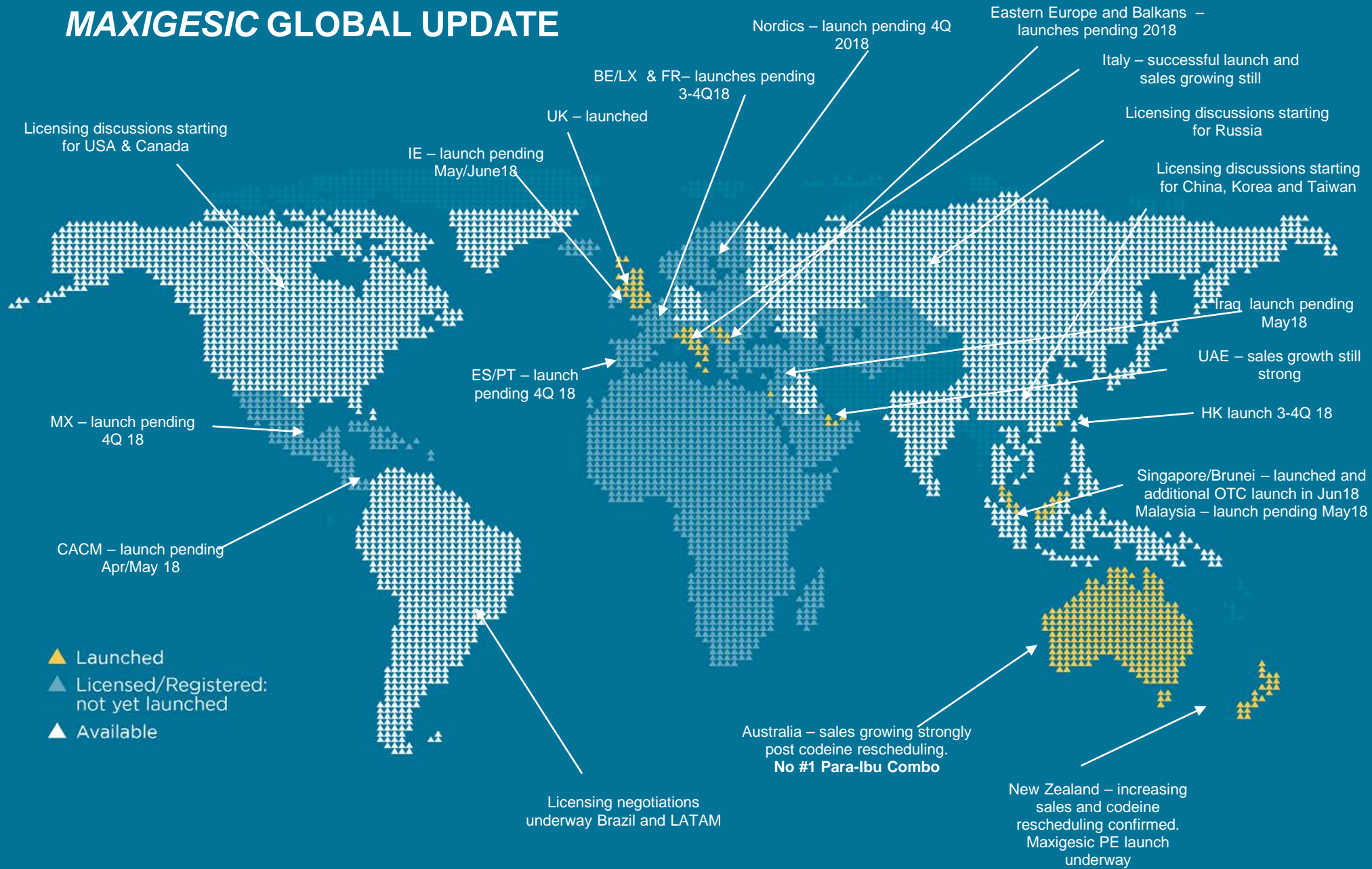
FINANCIAL PERFORMANCE – SUMMARY Cashflow

NZ\$'000's year ended 31 March	2018	2017
Net cash used in operating activities	(10,904)	(19,062)
Net cash used in investing activities	(5,855)	(1,598)
Net cash generated from financing activities	7,600	9,042
Net increase in cash	(9,159)	(11,618)
Impact of foreign exchange on cash and cash equivalents	24	(457)
Opening cash and cash equivalents	15,905	27,980
Closing cash and cash equivalents	6,770	15,905

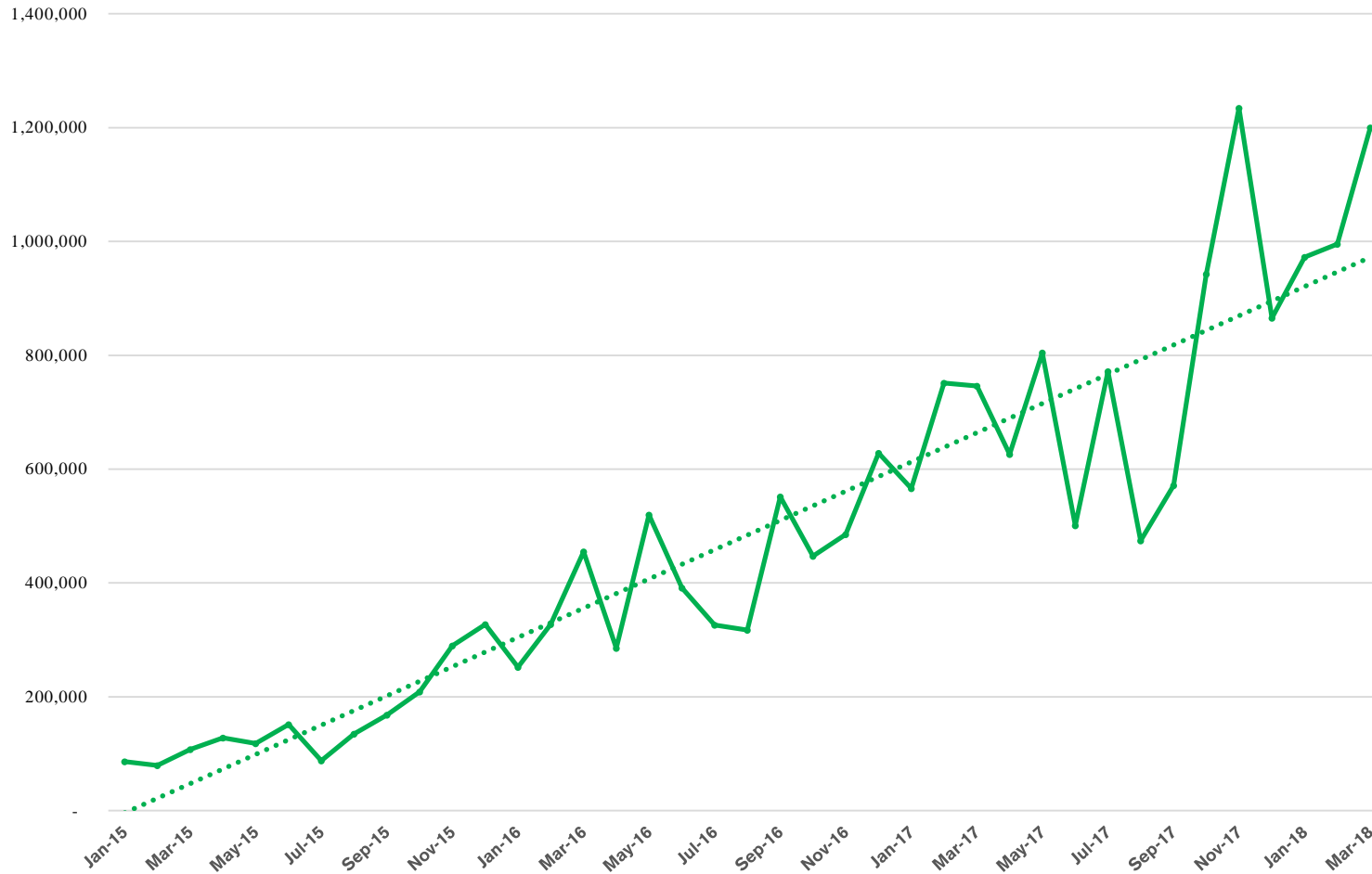
ADVANCED CLINICAL STUDY PROGRAM

- 7 studies across the AFT portfolio and 900+ patients
- 7 countries - Australia, Jordan, Mexico, New Zealand, Russia, United Kingdom, United States
- Significant Clinical Trials for **Maxigesic** oral and IV dose forms are mainly completed
 - Completed **Maxigesic IV** pivotal study in USA [275 patients]
 - Completed **Maxigesic Oral Liquid** study in AU, NZ & MX [200 patients]
- **NasoSURF** Device Clinical Studies well underway
 - Human Factor Study in USA completed
 - 3 Distribution studies underway in AU & NZ [over 50 patients]
 - PK-PD study in NZ [30 patients]
 - To start large clinical study for first indication in NZ & USA [300 patients]
- **Maxiclear PE** pivotal study completed in NZ during 2017 [275 patients]

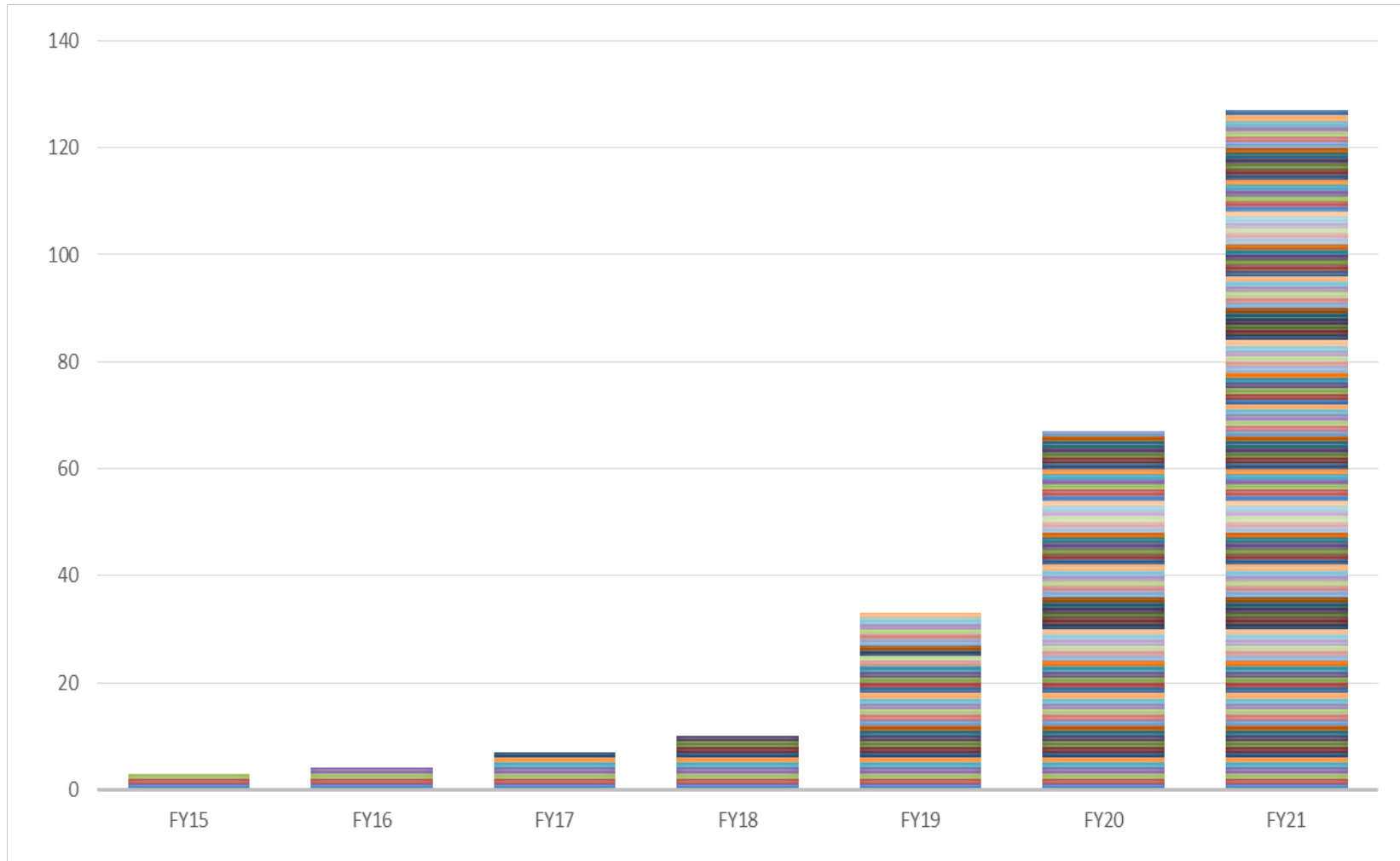
MAXIGESIC GLOBAL UPDATE



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



Maxigesic countries launched and launch plan



MAXIGESIC: GOING FORWARDS

Additional out-licensing and distribution agreements for *Maxigesic* oral dose forms have been secured to increase the number of countries to **125** from **110**.

Some additional countries still to be added – Up to about **12**

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

Launches have been delayed due to regulatory procedures in EU

Maxigesic IV filings underway around the globe

Maxigesic OL filings to commence around the globe

Maxigesic PE first launch made in NZ and further filings to be made in selected territories

Maxigesic Dry Stick and Hot Drink Sachets targeting completion of registration files by end FY19

Maxigesic Rapid Formulation work almost completed

SUMMARY: Drive sales by

- [1] Increasing sales in existing territories
- [2] Launch in new territories
- [3] Launch additional dose forms



NasoSURF NEBULISER: Going Forwards

Product description	<p>A handheld ultrasonic nasal mesh nebuliser for the intranasal delivery of medication and treatment of chronic sinusitis</p>
Rationale for investment in product	<ul style="list-style-type: none"> • To primarily expand our existing hospital product ranges locally • Significant global potential
Current status	<ul style="list-style-type: none"> • Registered as Class I Device with FDA as planned • Refined design parameters post Human Factor Study • Target Class II Device FDA Filing end 2018 Calendar Year
Our medium term plans	<ul style="list-style-type: none"> • Engineering Pilot batches with enhanced design underway • Distribution studies underway in ANZ • Specific formulation and dose delivery system work underway • First Drug PK studies to start in FY2019 • First Drug Clinical Studies to start in FY2019 • Open IND in FY2019 • First drug delivery indication a significant potential market – US\$1.2B in USA alone [Based upon market research studies in USA and UK] • Licensing negotiations during FY2019

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

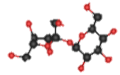


Key aim is to trade profitably during FY19



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

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



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



NasoSURF and Pascomer

Advancing developments
Licensing in major target markets of North America and EU



Further build upon market leading **Maxigesic** market shares post codeine changes and register and launch line extensions

Further build revenues of OTC product sales in Australia
