



ANNUAL SHAREHOLDER MEETING

MILFORD CRUISING CLUB
AUCKLAND
4 AUGUST 2023

A|F|T *pharmaceuticals*
Working to improve your health

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This presentation should be read in conjunction with AFT’s interim financial statements, market releases and other periodic and continuous disclosure announcements, which are available at www.nzx.com and www.asx.com.au.

All amounts are disclosed in New Zealand dollars (NZ\$) unless otherwise indicated.

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David Flacks
Chairman and Independent Director

Directors



Dr Hartley Atkinson
CO-FOUNDER, EXECUTIVE
DIRECTOR AND CHIEF EXECUTIVE
OFFICER



Marree Atkinson
CO-FOUNDER, EXECUTIVE
DIRECTOR AND CHIEF OF STAFF



Anita Baldauf
INDEPENDENT DIRECTOR



Jon Lamb
INDEPENDENT DIRECTOR

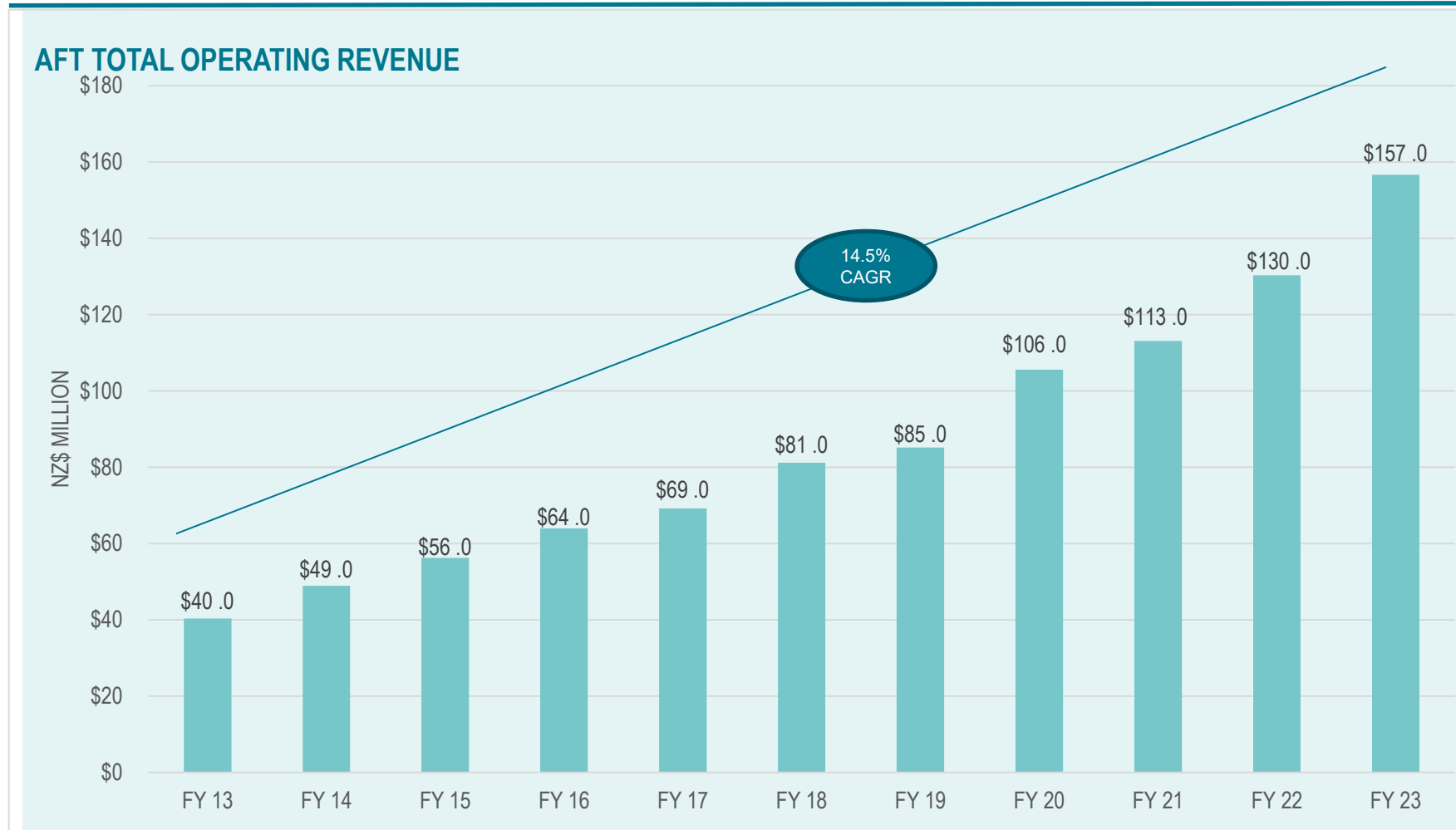


Dr Ted Witek
INDEPENDENT DIRECTOR

Agenda

- Chair's address
- Managing Director's address
- Shareholder questions
- Resolutions & general business
- Meeting close

AFT Extends Strong Record of Growth, Declares Maiden Dividend



A Global Company

Australasia:

- 150+ products across seven therapeutic areas distribution via 7,700 pharmacies.

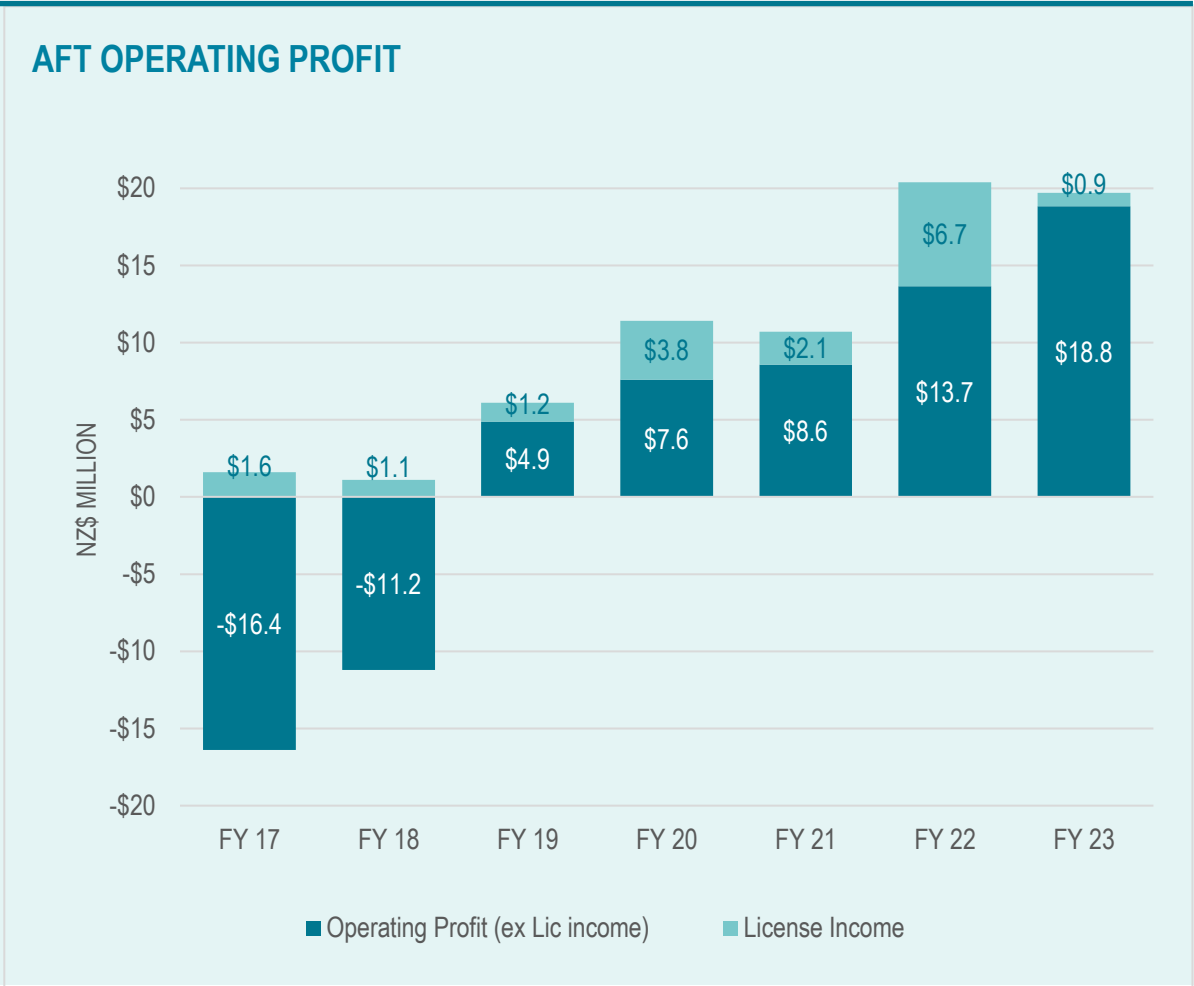
Asia:

- A broad range of products sold through licensees and distribution partners

Rest of the World:

- AFT developed intellectual property commercialised in 61 countries (including ANZ) and agreements in more than 100 territories.

Solid Financial Performance



Consistent Earnings Growth from a Growing Portfolio

- Operating profit excluding licensing income up 38%
- Total operating profit slightly lower impacted by lower licence fees
- Net debt of \$29.3 million in line with the prior year with a focus on bringing net debt to target level
- Growth investments fully funded by operating cash flow
- Lower operating cash flow reflects higher working capital



Sustainability – Establishing a Baseline as the Next Step of Our Evolution

Environmental Social and Governance Highlights

We have moved to the measurement of the material ESG matters that impact our business as we refine our priorities and establish strategies for improvement.

Environment

- **99%** of our packaging waste is diverted from landfill.
- **Commenced** a climate risk assessment

Social

- Extended our product portfolio to **150 medicines** across seven therapeutic areas.
- **\$11.8 million** spent on research and development
- **Zero hours** lost time to injury
- **Zero instances of concern** in gender pay parity review

Governance

- **Instituted** a Supplier Code of Conduct
- **90% of suppliers** attested compliance to Modern Slavery Policy
- **Zero product recalls**

	ENVIRONMENT	SOCIAL	GOVERNANCE	ENVIRONMENT	SOCIAL	GOVERNANCE
PRIORITY	Waste minimisation 	Working to improve health and wellbeing  	Best practice corporate governance 	Understanding climate related risks and taking action  	Supporting and developing our people   	Ethical and sustainable value chains  
AREAS OF FOCUS	Improving our consumer packaging How we measure performance: • Continuous improvements in reducing packaging weight • Introducing recycled material into our packaging • Making more of our packaging recoverable Reducing waste in the supply chain How we measure performance: • Reducing packaging consumption • Reducing material towards landfill 	Better health and wellbeing for patients and communities How we measure performance: • Product reach and breadth of therapeutic applications • Philanthropic work Best quality and safety systems for manufacturing and distributing medicines How we measure performance: • Compliance with best practice standards in medicine manufacture • Our pharmacovigilance practices and relationships with our regulators • Product recalls Innovation in response to need How we measure performance: • Investment in research and development • Product development portfolio • Patent portfolio depth	Complying with all relevant and legal listing requirements How we measure performance: • Regulatory and governance code compliance • Training and education ESG reporting and transparency How we measure performance: • Policy adherence by the board and management 	Undertaking a climate risk assessment How we measure performance: • Preparing to report against the Aotearoa New Zealand Climate Standards Working with suppliers to take climate action How we measure performance: • Preparing to report against the Aotearoa New Zealand Climate Standards 	Developing our people How we measure performance: • Training • Staff turnover • Wellbeing support Diversity and inclusion How we measure performance: • Compliance with our code of culture and ethics • Compliance with our policy suite • Monitoring gender, culture identity, nationality to ensure diversity. • Living wage, parental leave, and pay parity commitments Health and safety How we measure performance: • Health and safety policy compliance • Supplier Code of Conduct compliance • Lost time to injury reporting	ESG performance in our value chain How we measure performance: • Compliance with our Supplier Code of Conduct and our Modern Slavery commitments Ethical marketing and sales practices How we measure performance: • Compliance with our code of culture and ethics, our anti-bribery and corruption policies

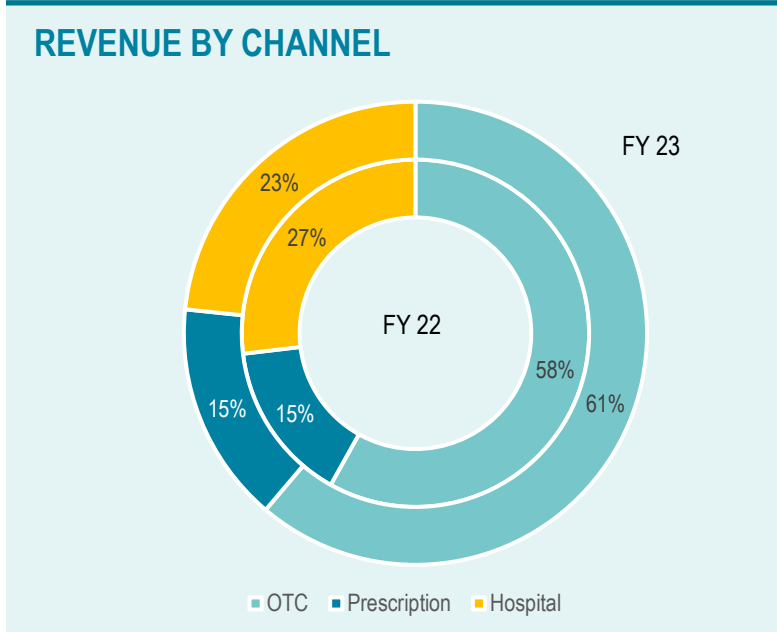
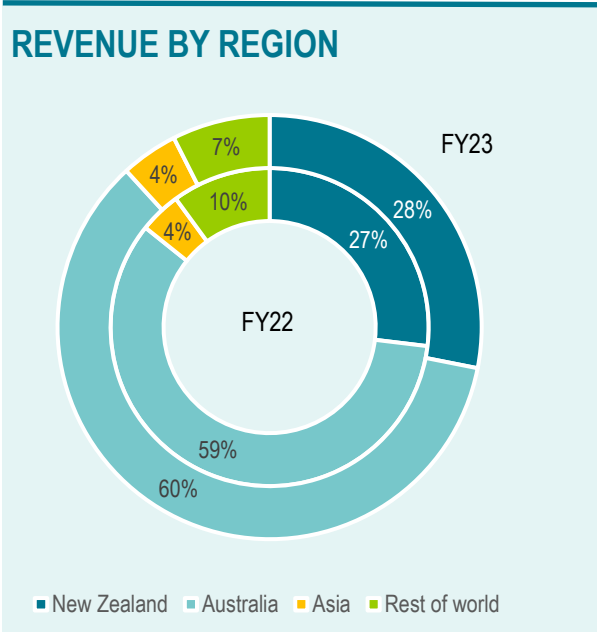
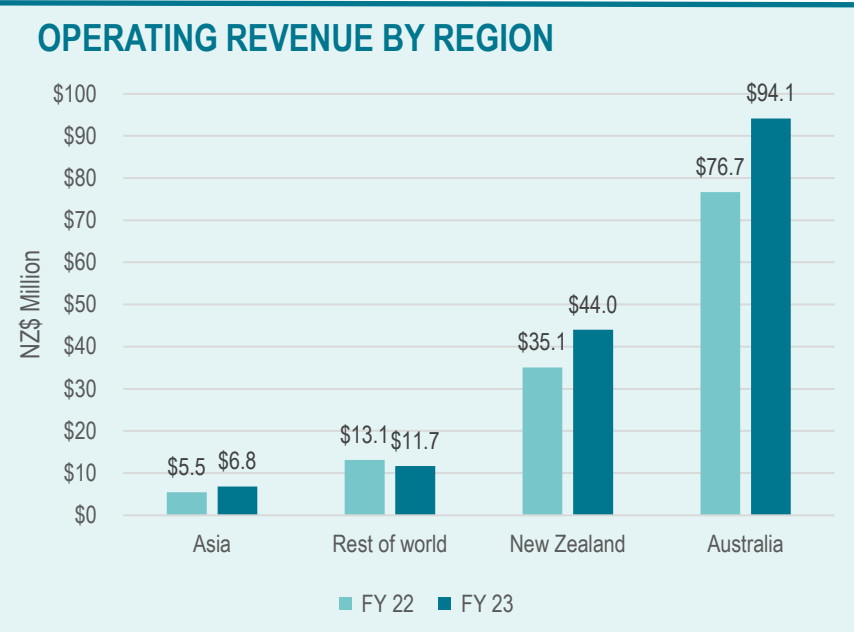
Our mission of working to improve the health of our customers and our communities has at its heart a commitment to sustainability and a determination to contribute positively to environmental and social outcomes



Dr Hartley Atkinson
Co-Founder and Managing Director

FY23 Highlights: Strong growth across all territories and channels

- Revenue grew in all regions with the core Australasian business making the largest contribution to growth (\$26.3 million)
- International revenue (ex-licensing income) up 71% to \$10.8 million; licensing income of \$0.9 million vs \$6.7 million in FY22
- Growth led by the OTC channel with the pain segment (Maxigesic dose forms) driving growth in all markets



Driving Growth With New Products

- During FY 23 AFT launched 22 new products
- Planning ~68 product launches in Australasia FY24 - FY26 across all three channels
- Some of these products also targeted for launch in Asia Hubs (Singapore and Hong Kong) and UK
- A number of innovative products in-licensed e.g. Zeneo® Midazolam Needle FreeAuto-Injector for epilepsy

Australasia product launch pipeline

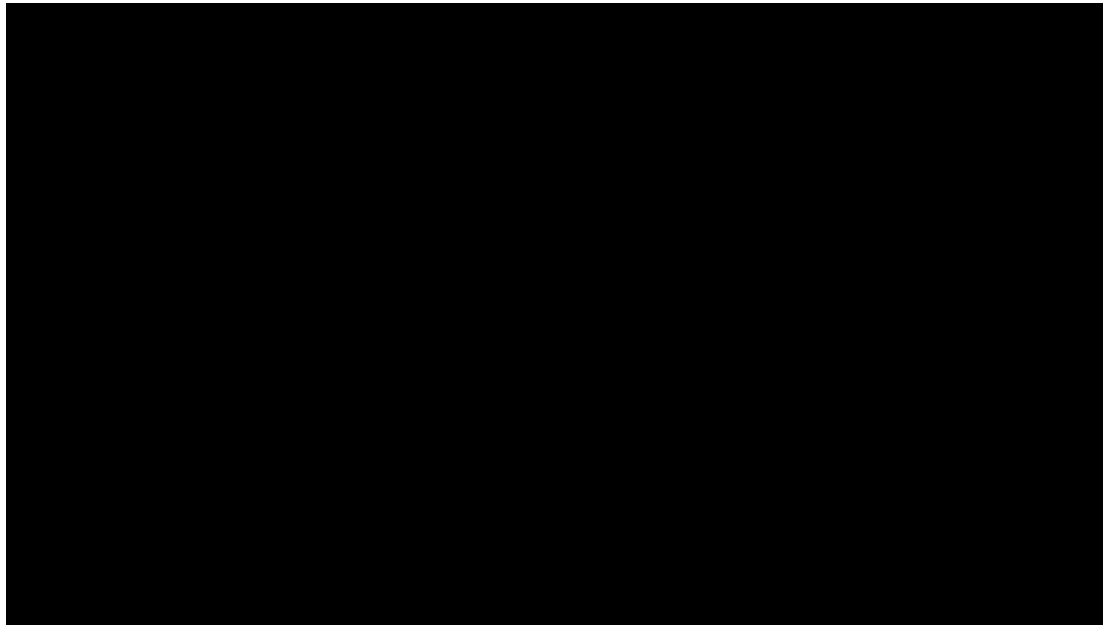
Year	FY 23	FY 24	FY 25 - FY 26
Planned launches	22	26	42



Driving Growth Through International Partnerships



- Maxigesic IV development partner and expect to expand our collaboration
- Hyloris follows a similar strategy to AFT of reformulating and repurposing approved pharmaceuticals
- Belgium-based listed on Euronext Brussels,
- Market capitalisation €326m



Driving Growth Through Expanded Distribution Networks: E-Commerce

A Global Presence Online and in Market

- Extended our online presence
 - Amazon (US AU);
 - China (Tmall Global);
 - Australia (Direct)



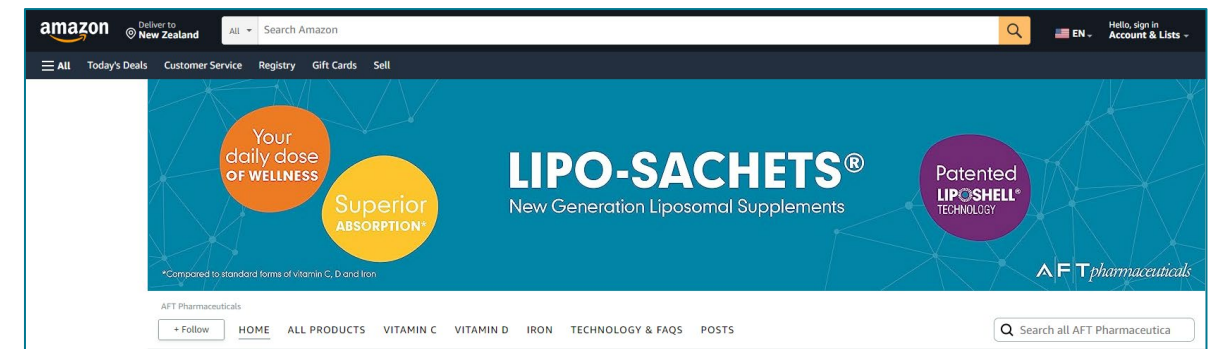
Vitamin C Lipo-Sachets (Original) Vitamin C Lipo-Sachets (Blackcurrant) Kids Vitamin C Lipo-Sachets (Blackcurrant)

Vitamin D Lipo-Sachets (Melon) Ferro Lipo-Sachets (Strawberry)

TMALL A GATEWAY TO CHINA



AMAZON USA

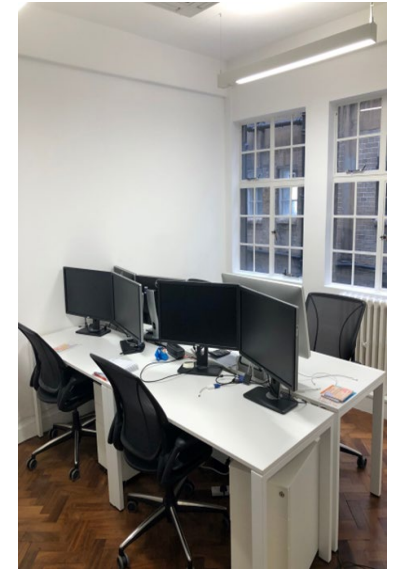


Driving Growth Through Expanded Distribution Networks

AFT Pharmaceuticals UK Ltd

Increasing Geographic Expansion

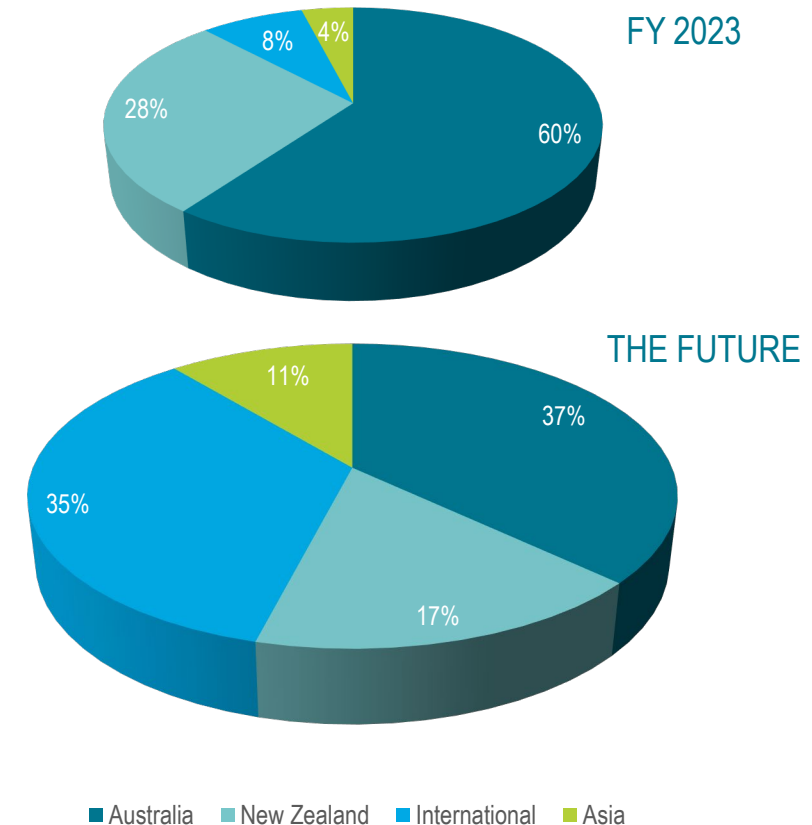
- 4 Launches planned for FY24
- Established entity - 70% AFT Owned and 30% Edge Pharma
- Significant number regulatory filings underway and planned
- CEO appointed, 2 Commercial Managers, Hospital Sales Representative



New Product Development and International Markets to Drive Growth

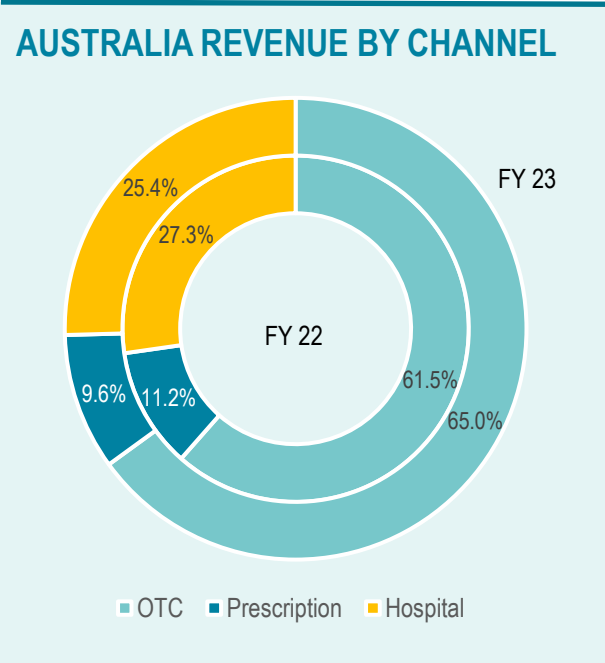
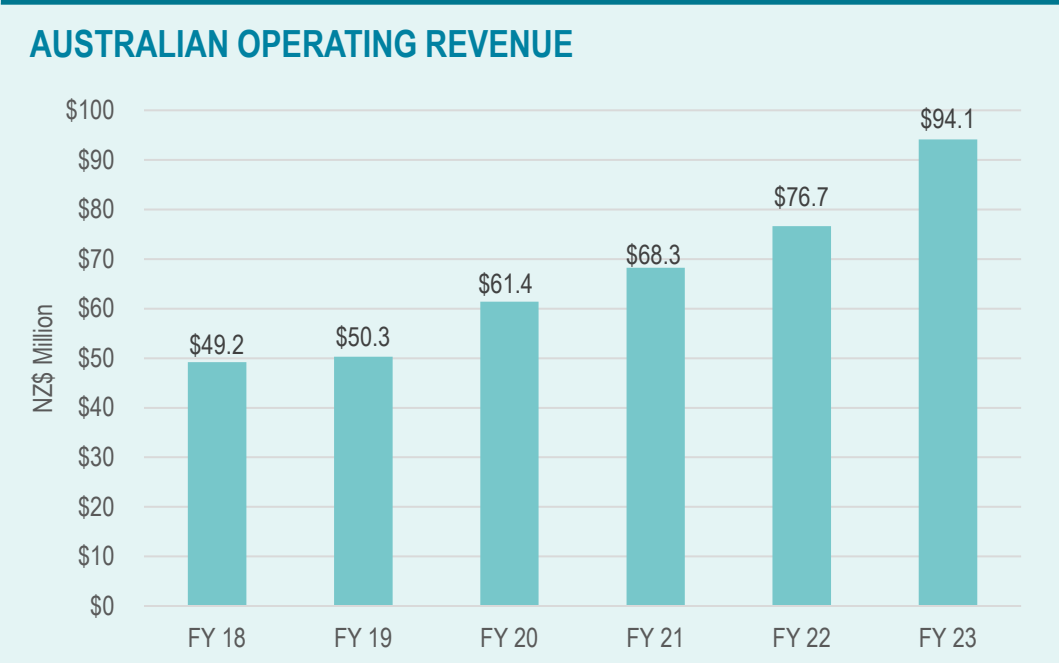
- Ongoing new product launches
- Growing R&D pipeline and launches in later years
- Leveraging Maxigesic launches and line extensions
- Growing presence in Asia (OTC and online)
- UK launches and pipeline
- AFT ANZ pipeline expanded to AFT Hubs (SG, HK, UK)
- Amazon USA Launch

REVENUE MIX BY REGION



Australia: Sales Accelerating Underpinned By New Product Launches

- Sales in Australia rise 22.8% to \$94.1 million from \$76.7 million in FY22
- OTC channel the standout performer, up 29.7% to \$61.2 million
- Investment of \$8 million in new GP focused sales force and promotions delivering early results.
- Future growth driven by both organic growth and new launches

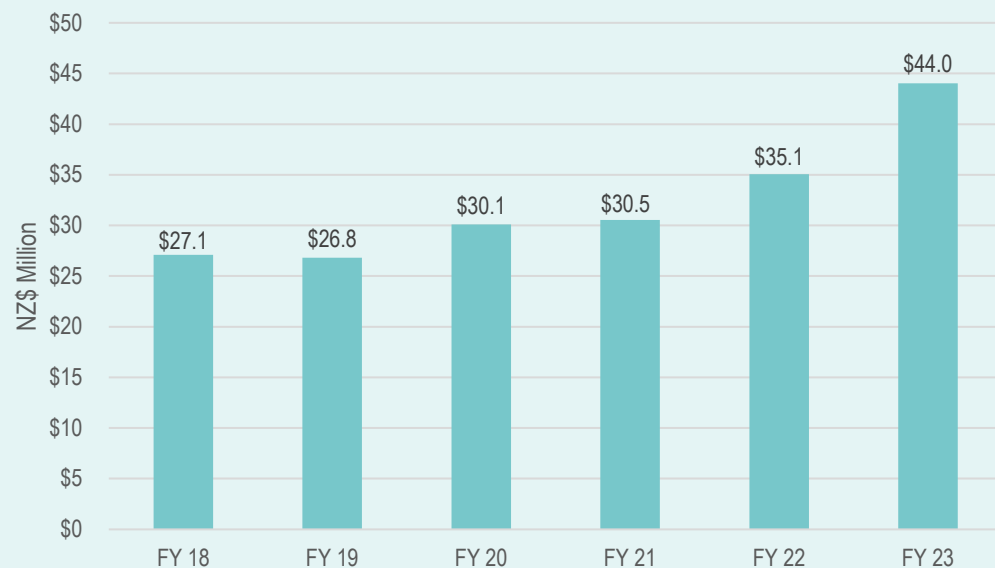


New Zealand: Strong Organic Growth Across All Channels

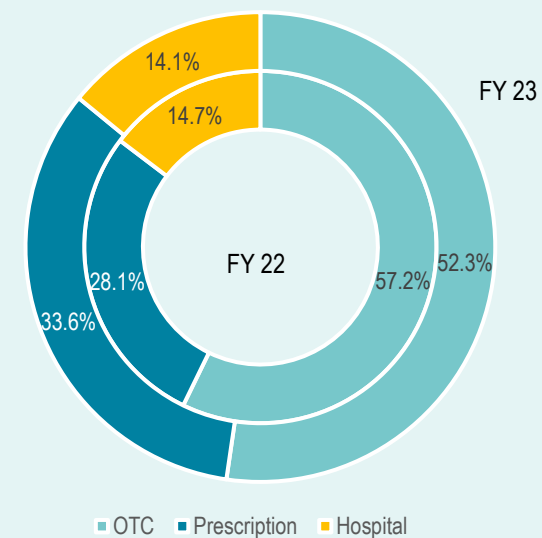
- New Zealand revenue grows 25% to \$44.0 million from \$35.1 million lifted by strong post Covid OTC growth and continued growth in revenue from the Maxigesic family of medicines.
- Future growth driven again by organic growth and new product launches



NEW ZEALAND OPERATING REVENUE

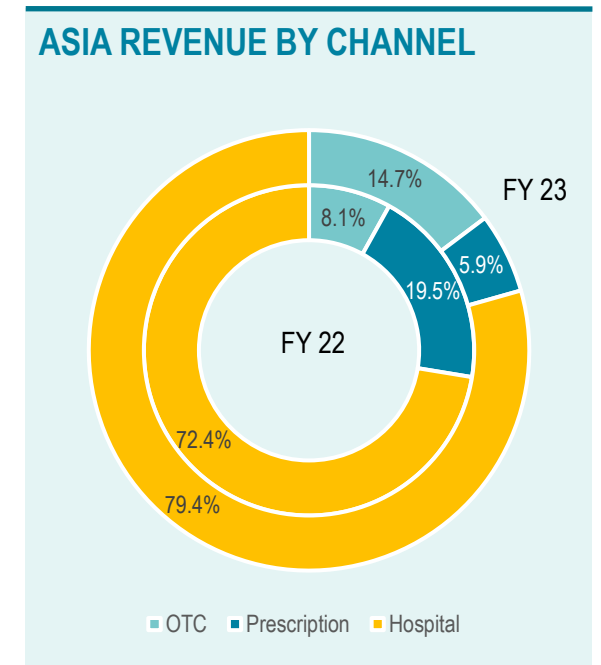
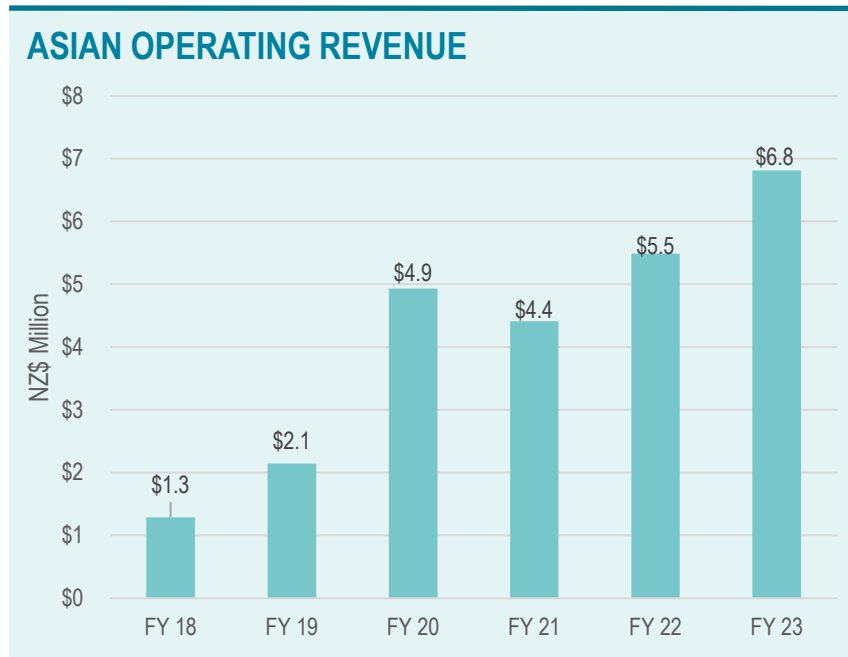


NZ REVENUE BY CHANNEL

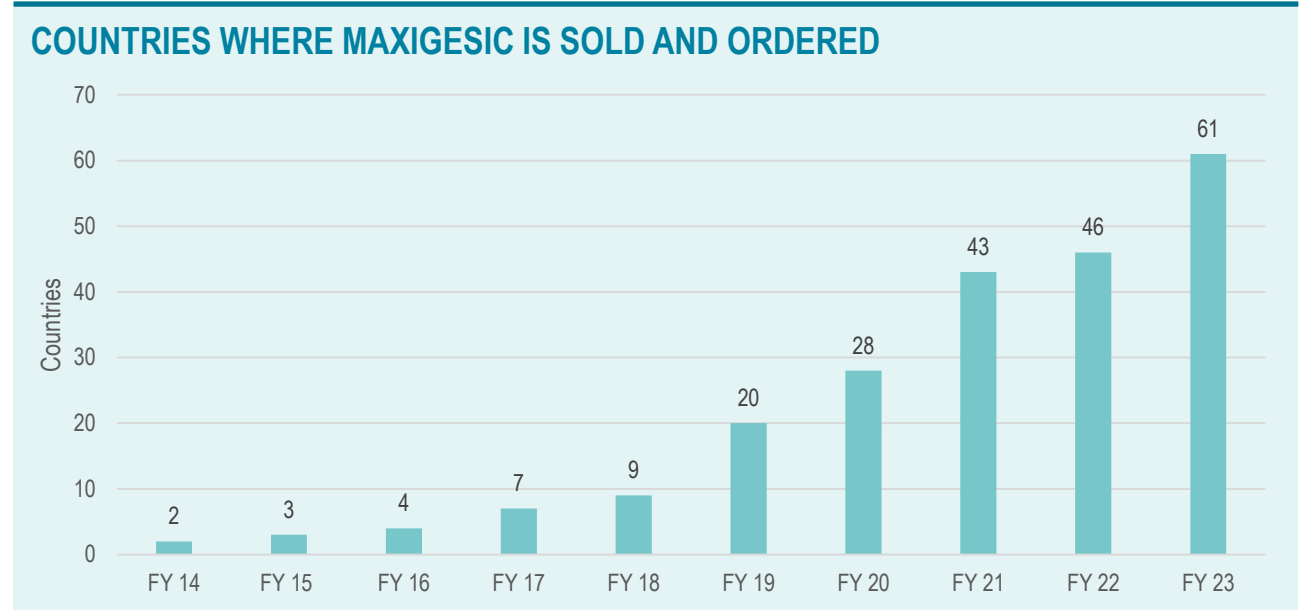
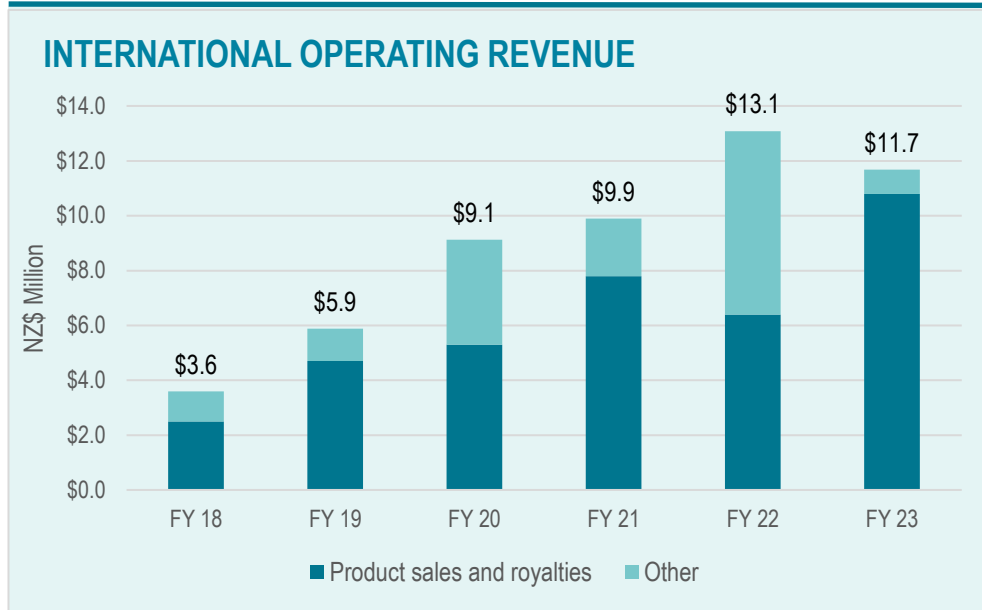


Asia: Expanded OTC Presence and Moving into China

- Sales in Asia rose 24% to \$6.8 million from \$5.5 million in prior year
- OTC channel leading growth; contribution from the new Tmall global site growing; AFT to run the site post 1 Aug 23
- Targeting accelerating growth in Asia driven by some organic growth but mainly by new launches and geographic expansion (China, Vietnam, Philippines, Thailand)



International: Strong Organic Growth of Product Sales and Royalties



- International income – excluding licensing income – rises **71%** to \$10.8 million; licensing income in FY 23 was \$873k vs FY22 \$6.7 million
- Maxigesic Rapid tablets registered in the US and progressing discussions over best approach to distribution;
- Maxigesic IV US registration to trigger \$6 million licence fee payment from Hikma in calendar 2024
- Targeting accelerating International income growth from multiple sources (organic, geographical, new dose forms and products)

MAXIGESIC GLOBAL UPDATE

[Oral Dose Forms & IV]

Canada - Tablets launched 2021
IV licensed

USA - IV licensed

Mexico - Tablets launched 2021
IV licensed

CACM - Tablets launched
IV launched

Columbia, Peru & Chile -
distributor appointed Orals
IV licensed

Argentina - IV licensed

Uruguay, Paraguay & Bolivia - IV licensed

Brazil - licensing
negotiations underway

- ▲ Launched
- ▲ Launch Pending
- ▲ Available

Ireland - Tablets launched
IV launched

United Kingdom - Tablets launched
IV licensed

Switzerland - Tablets launched
Netherlands - IV launched

Austria - IV licensed and launched 2021

Nordics - Tablets launched
IV launched

Poland - IV and Orals licensed

Eastern Europe & Balkans -
Tablets launched

Easten Europe - IV licensed

Cyprus - Tablets launched

Iraq & Kurdistan - Tablets launched

Spain & Portugal - Tablets launched 2019
IV licensed

France - Tablets launching 2022
IV launched 2023

Belgium & Luxembourg - Tablets re-launching 2022
IV launched 2023

Switzerland - Tablets launched 2021
IV licensed

Germany - Tablets launched 2020
IV launched

Italy - Tablet sales growing
IV launched

Oral suspension launched 2023

Greece - Tablets launched 2021
IV licensed

Kenya - IV launched

Oman - IV launched

United Arab Emirates -
Tablets launched
Maxigesic IV launched

Pakistan -
IV registered

Russia -
on hold

Ireland - Tablets launched
IV launched

United Kingdom - Tablets launched
IV licensed

Switzerland - Tablets launched
Netherlands - IV launched

Austria - IV licensed and launched 2021

Nordics - Tablets launched
IV launched

Poland - IV and Orals licensed

Eastern Europe & Balkans -
Tablets launched

Easten Europe - IV licensed

Cyprus - Tablets launched

Iraq & Kurdistan - Tablets launched

Spain & Portugal - Tablets launched 2019
IV licensed

France - Tablets launching 2022
IV launched 2023

Belgium & Luxembourg - Tablets re-launching 2022
IV launched 2023

Switzerland - Tablets launched 2021
IV licensed

Germany - Tablets launched 2020
IV launched

Italy - Tablet sales growing
IV launched

Oral suspension launched 2023

Greece - Tablets launched 2021
IV licensed

Kenya - IV launched

Oman - IV launched

United Arab Emirates -
Tablets launched
Maxigesic IV launched

Pakistan -
IV registered

Russia -
on hold

Cambodia and Myanmar - IV and Tablets licensed

Singapore - IV registered, launch event soon
Singapore & Brunei - Tablets launched

China - licensing negotiations underway

Taiwan - Tablets licensed

Korea - IV launched 2022
Oral licensed

Japan - licensing
discussions
are underway

Indonesia - IV launched

NZ - Maxigesic, Maxigesic PE,
Maxigesic IV launched
Maxigesic Hot Drink
launched 2023

Australia - No. #1 Para-Ibu Combo.
Growing market share
- Maxigesic IV launched
Maxigesic Hot Drink launched 2022

Phillipines - AFT to sell post
registration via distributor

Malaysia - Tablets launched

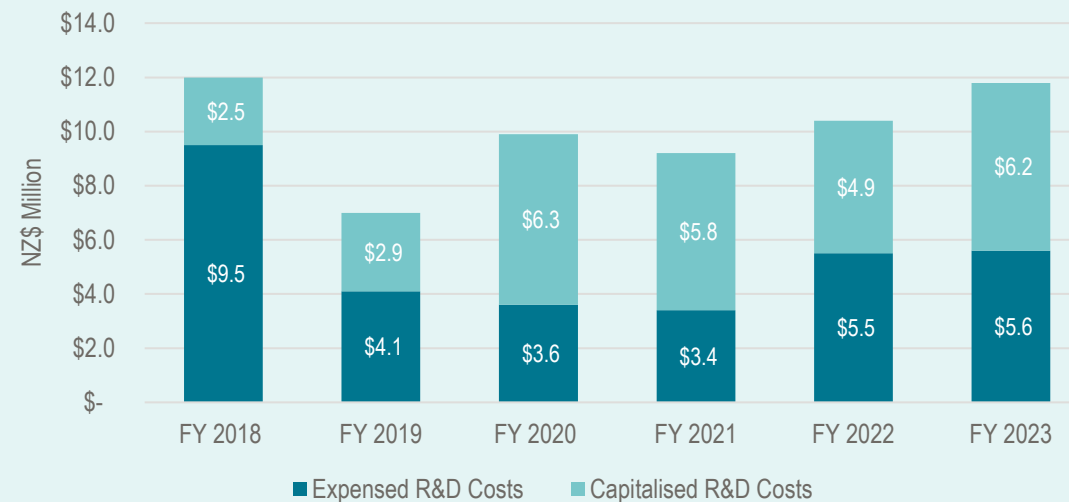
Vietnam - distributor appointed for IV and Orals

Thailand - IV licensed

Operating Cashflow Supports Continued R&D Investment

PRODUCT	ROUTE ADMIN / DUE FORM	STAGE FORMULATION MANUFACTURING	CLINICAL DEVELOPMENT	REGULATING FILING	COMMERCIALIZATION
Pain					
Maxigesic	IV USA	Target approval late 2023			
Maxigesic	Dry Stick	Target completion in 2023			
Maxigesic	Day/Night	Target filing 2023			
Maxigesic	Cold, Flu & Sinus Kit	Already launched in Australia			
Nasosurf Intranasal					
Eye care					
Antibiotic Eyedrop					
Dermatology					
Project SD	Topical	Filed			
Strawberry birthmarks	Topical				
Gastroenterology					
Project KW	Tablets	Target filing 2023			
Project KW	Sachet	Target filing 2023			
Project KW	Combo	Targeted in 1H 2024			
Project BT	Enema	Target filing 2023			
CBD					
		Timeline confidential			

Research and development expenses



BIOTECH

Tessa Therapeutics dissolves after raising more than \$200M

By Max Bayer · Jul 6, 2023 11:55am

Tessa Therapeutics Cell & Gene Therapy Singapore Polaris Partners

Operating Profit Lower on Reduced Licence Income

NZ\$'000s Year ended 31 March	2023	Revenue %	2022	Revenue %
Revenue	156,641		130,314	
Gross profit	72,983	46.6%	61,775	47.4%
Operating expenses and other income	(53,314)	34.0%	(41,386)	31.8%
Operating profit	19,669		20,389	
Finance expenses and other income	(3,870)		(1,704)	
Tax	(5,145)		1,163	
Profit after tax	10,654		19,848	
EBITDA	21,393		21,476	
Revenue from product sales and royalties	155,768		123,570	
Gross profit from product sales and royalties	72,110	46.3%	55,031	44.5%
Dividend (cents per share)	1.1		-	

- Strong growth in operating revenue and steady gross margins
- Excluding licensing income, revenue grew 26%;
- Licensing income \$0.9 million vs. \$6.7 million in FY22
- \$8 million in investment in Australian sales force and international distribution
- Maiden dividend of 1.1 cents per share

Balance Sheet: Well Funded, Net Debt Steady

NZ\$'000 Year ended 31 March	2023	2022 (restated*)
Current assets	89,851	69,602
Cash	4,749	7,940
Non-current assets	53,463	49,782
Total assets	148,063	127,324
Current liabilities	37,317	19,160
Current interest-bearing liabilities	2,458	4,000
Non-current liabilities	2,820	2,766
Non-current interest-bearing liabilities	32,200	33,200
Total liabilities	74,795	65,016
Total equity	73,269	62,308
Total liabilities and equity	148,063	127,324

*FY 2022 figures restated to reflect recognition of deferred tax asset in FY 2021

- Net debt in line with last year, but higher than 1X EBITDA target due to:
 - investment in for growth Australian sales force and international distribution
 - higher inventory amid (albeit easing) pandemic and supply chain pressures
- Focus on bringing ratio back to 1X target level in FY24.

Cash Flow: AFT Remains Well Funded as Debt Reduction Continues

NZ\$'000's Year ended 31 March	2023	2022 (restated*)
Net cash from operating activities	11,629	14,152
Net cash used in investing activities	(9,177)	(5,585)
Net cash used/(generated) from financing activities	(6,978)	(2,276)
Net increase/(decrease) in cash	(4,526)	(6,291)
Impact of foreign exchange on cash and cash equivalents	(123)	101
Opening cash and cash equivalents	7,940	1,548
Closing cash and cash equivalents	3,291	7,940

*FY 2022 figures restated to reflect reclassification of bank overdraft as cash and cash equivalents

- Lower operating cashflow reflecting higher working capital applied in line with revenue growth and the need to manage supply chain pressures.
- AFT fully funded growth investments from internally generated cash

Summary and Outlook: Growth momentum expected to continue in FY24

- Ongoing rollout of Maxigesic and its line extensions in international markets and after this, products from our expanded R&D pipeline.
- Targeting increased growth in International and Asia markets
- Expansion in the UK and E-commerce
- Organic growth and new product launches in ANZ markets
- Targeting increased R&D pipeline acquisitions with 3 projects under diligence
- Target of \$200 million of rolling twelve-month stretch sales now in sight
- Operating profit guidance range of \$22 million to \$24 million. Expect licensing income (not included in guidance) of at least \$6 million on the launch of Maxigesic IV in the US, following expected FDA approval
- Guidance subject to decision on US Maxigesic Rapid commercialisation strategy determination



SHAREHOLDER QUESTIONS



RESOLUTIONS



Resolutions

Resolution 1: That the directors are authorised to fix the fees and expenses of Deloitte as auditor for the 2024 financial year.



Resolutions

Resolution 2: That Marree Atkinson be re-elected as a director of AFT Pharmaceuticals Limited.

Proxies for the resolutions

Resolution	For	Against	Discretionary	Abstain
1. Auditor fees and expenses	86,170,160	15,003	473,171	11,501
2. Re-election Marree Atkinson	86,182,671	16,490	466,267	4,407



VOTING



GENERAL BUSINESS



MEETING CLOSE





www.aftpharm.com

AFT *pharmaceuticals*
Working to improve your health

Australasian Product Portfolio

AFT has the #1 selling product (Maxigesic) in the Australian para-ibu¹ combo pain relief. AFT's portfolio includes a combination of 150 proprietary, branded and generic products which address the following therapeutic areas:

Pain	Maxigesic, ParaOsteo, ZoRub OA/HP, Fenpaed, Combolieve Day/Night
Eyecare	Hylo, Novatears, CromoFresh, Opti-soothe Wipes/Mask, VitAPOS
Vitamins	Ferro-liquid, FerroTab, Ferro-F, Ferro-sachets, Lipo VitC, Lipo VitD, CalciTab
Allergy	Loraclear, Histaclear, Fexaclear, Levoclear, Allersoothe, Lorapaed, Becloclear, Steroclear
Gastrointestinal	Gastrosoothe/Forte, LaxTab, Micolette, Nausicalm, DiaRelieve
Dermatology	Crystaderm, Crystawash Hand Sanitizer, Crystasoothe, ZoRub anti-chafing, Decazol, MycoNail
Hospital	Maxigesic IV, Injectables



¹ Paracetamol and Ibuprofen

AFT Asian Product Portfolio

AFT's Asia portfolio includes a range of proprietary, branded and generic products which address the following therapeutic areas:

Pain	Maxigesic
Medicated Vitamins	Ferro-sachets, Lipo VitC, Lipo VitD and expanding pipeline – T Mall
Dermatology	Crystawash Extend Hand Sanitizer, Hemptuary
Hospital	Maxigesic IV, Injectables



AFT Global Product Portfolio

AFT is building the global presence of its proprietary and patented products through its network of licensees and distributors.

It continues the development of its portfolio of repurposed medicines: Maxigesic, Pascomer, NasoSURF, Crystawash Extend and Crystaderm

<p>Pain</p>	<p>Maxigesic oral dose forms</p> <ul style="list-style-type: none"> - Tablets - Solution - Hot drink sachet - Rapid - Cold and Flu
<p>Hospital</p>	<p>Maxigesic IV (intravenous)</p> <p>NasoSurf – nasal nebuliser drug delivery</p>
<p>Dermatology</p>	<p>Pascomer – selected territories</p> <p>Crystawash extend – selected territories</p> <p>Crystaderm – selected territories</p>

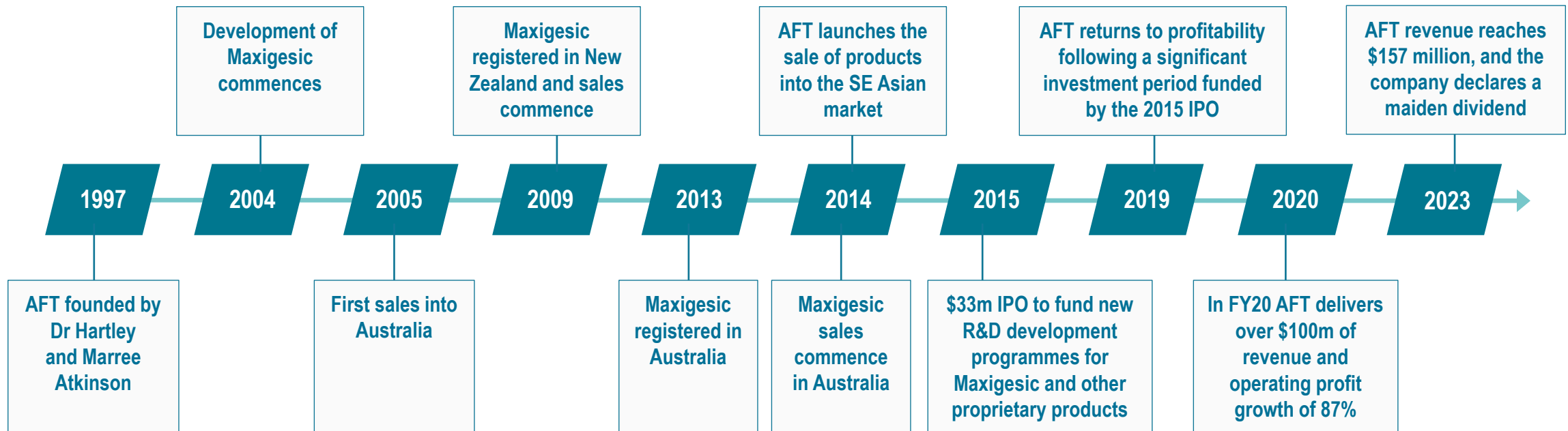


¹ Paracetamol and Ibuprofen

History of AFT Pharmaceuticals

AFT was founded 23 years ago by Dr Hartley and Marree Atkinson. Since then AFT has remained an Atkinson-family controlled business and has grown organically into Australia and internationally.

The 2015 IPO raised funds to pursue a more aggressive (and loss-making) R&D-led growth strategy. AFT has now returned to profitability as intended, as the company was prior to IPO.



Reconciliation of EBITDA to GAAP

AFT's standard profit measure prepared under New Zealand GAAP is net profit after tax attributable to the owners of the parent

AFT has used the non-GAAP profit measures of EBITDA when discussing financial performance in this document. AFT directors and management believe that this measure provides useful information as they are used internally to evaluate performance of business units, to establish operational goals and to allocate resources.

Non-GAAP profit measures are not prepared in accordance with NZ IFRS (New Zealand International Financial Reporting Standards) and are not uniformly defined, therefore the non-GAAP profit measures reported in this document may not be comparable with those that other companies report and should not be viewed in isolation or considered as a substitute for measures reported by AFT in accordance with NZ IFRS.

GAAP to Non-GAAP reconciliation		
NZ\$'000		
Year ended 31 March	2023	2022
Net profit after tax attributable to owners of the parent	10,654	19,848
Less: Finance income	(13)	(4)
Add back: Interest costs	2,873	2,435
Add back: Other finance loss/(gain)	1,010	(727)
Add back: Depreciation	808	828
Add back: Amortisation	916	260
Add back: Income tax expense/(benefit)	5,145	(1,163)
EBITDA	21,393	21,477



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