

# AFT PHARMACEUTICALS

Investor Presentation  
May 2017



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# SUMMARY OF AFT BUSINESS

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



Significant further potential growth in AU

- Newly launched and existing OTCs
- Maxigesic from Codeine switch

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

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## 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

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## Development NasoSURF Medical Device



Patented Ultrasonic Powered Drug Delivery Device

A Number of Drug Delivery Indications.

Treatment Post-op Sinus Surgery & Chronic Sinusitis

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## Development Pascomer



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

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# CURRENT HIGHLIGHTS

112

countries that *Maxigesic* is licensed in  
Further countries to license [around 20]

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8

countries that *Maxigesic* is launched and sold in

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12

number of clinical studies AFT will have running in FY2017  
*Maxigesic* =5; *Maxiclear* = 1, *Pascomer* = 1; *NasoSURF* = 5

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\$70.8m

total income for FY2017\*

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\$16.0m

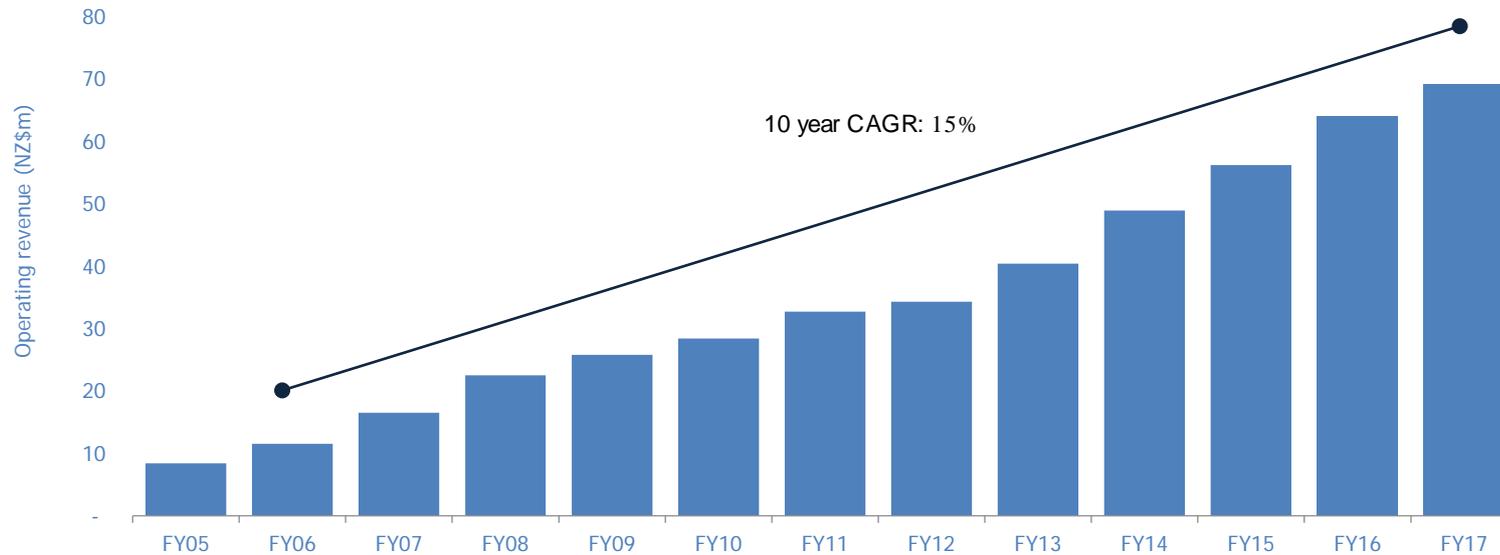
available cash as at 31 March 2017

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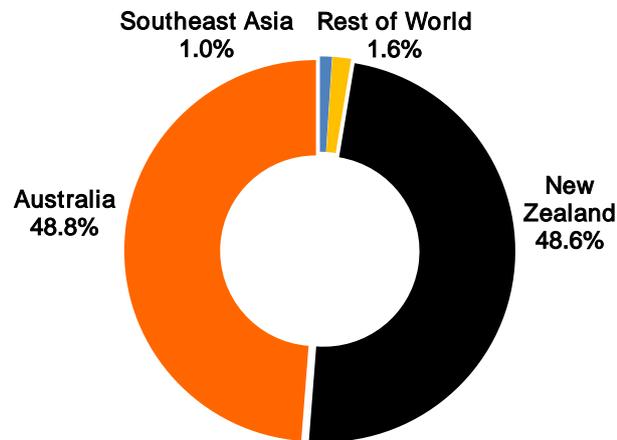
\* Total income comprises Operating Revenue of \$69.2m and Licensing Income of \$1.6m

# FINANCIAL PERFORMANCE – REVENUE GROWTH

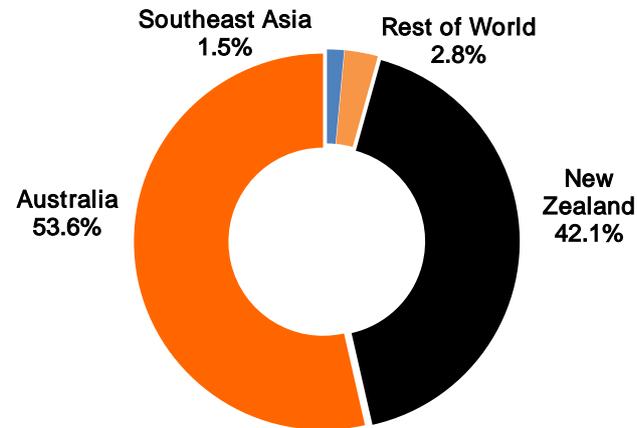
Operating revenue, FY2000 – FY2017



FY2016 Operating revenue by region



FY2017 Operating revenue by region

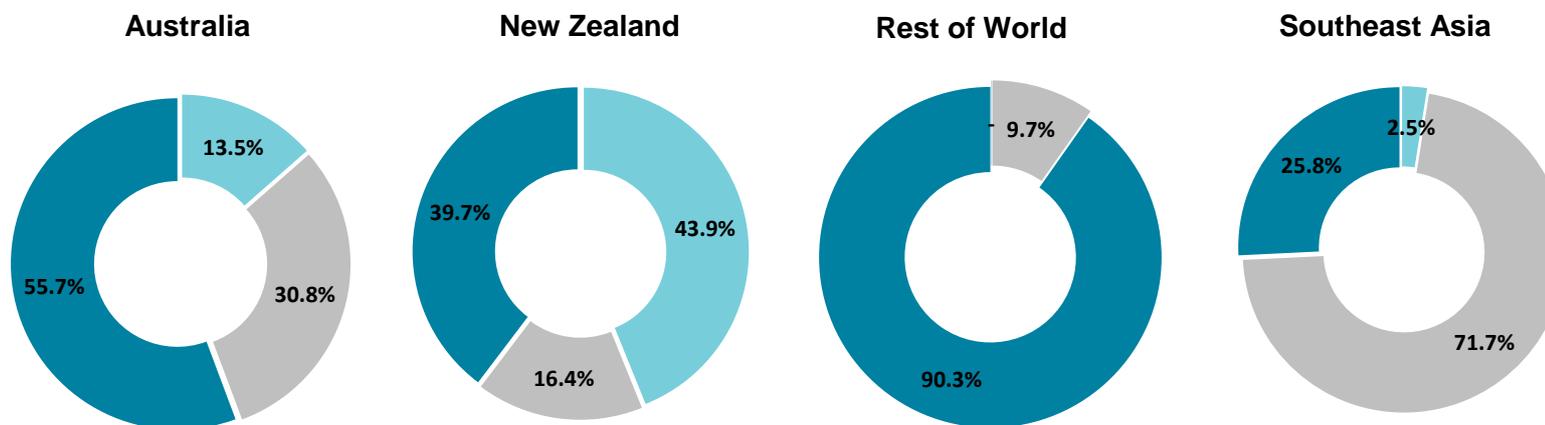


# FINANCIAL PERFORMANCE – REVENUE BY REGION AND CHANNEL

## 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>

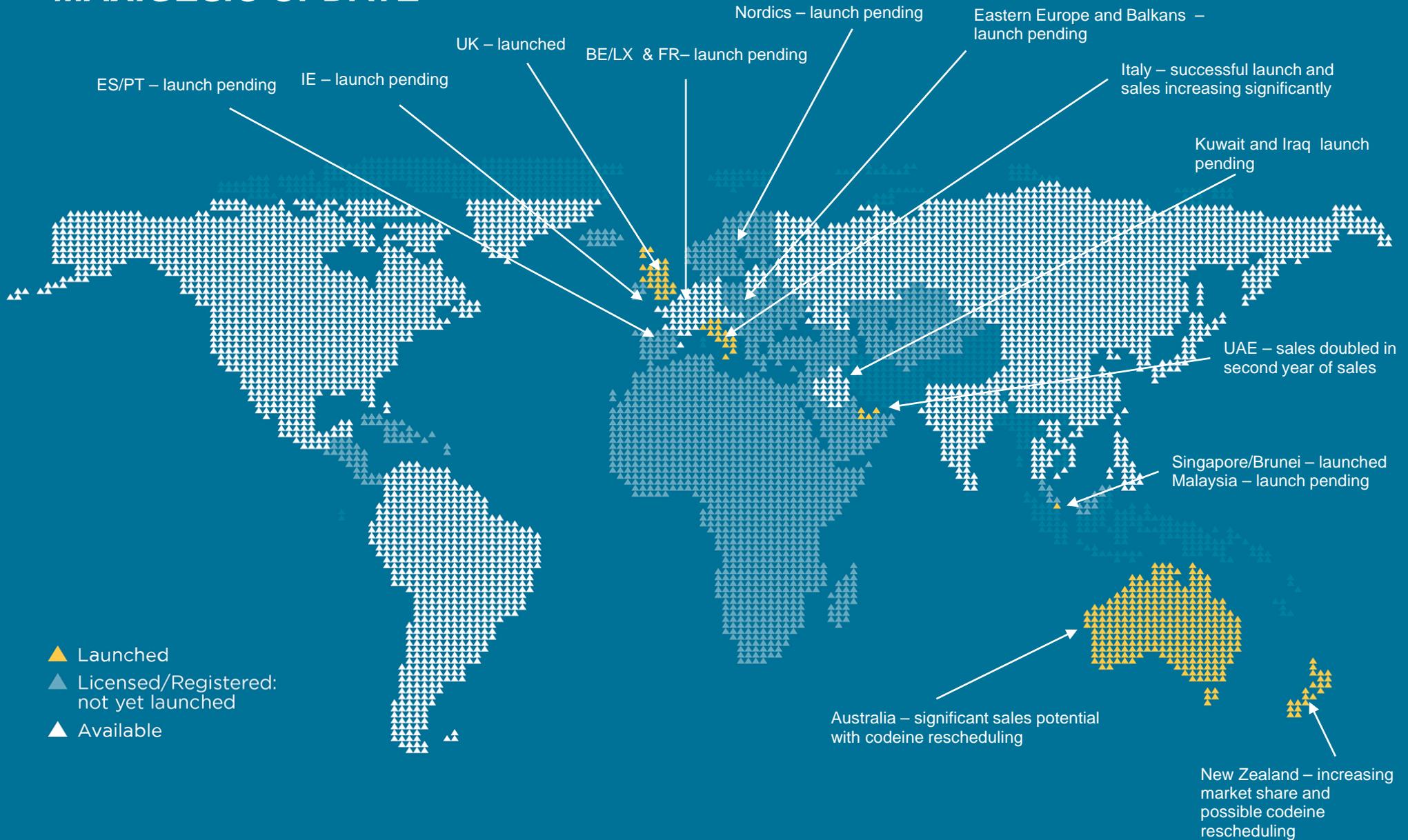
## FINANCIAL PERFORMANCE – SUMMARY Cashflow

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>

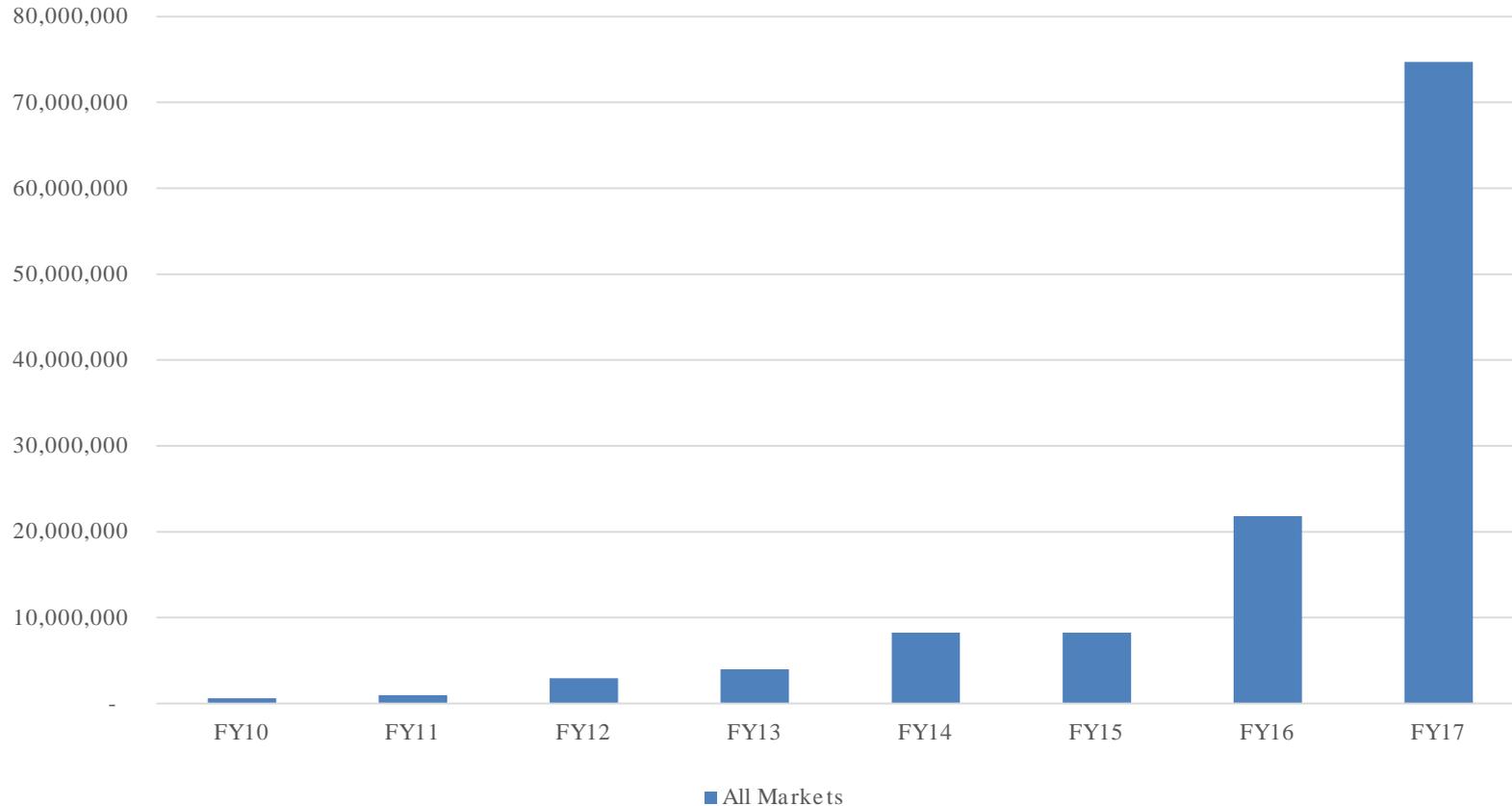
# ADVANCED CLINICAL STUDY PROGRAM

- 12 studies across the AFT portfolio
- 1300+ patients
- 5 countries - Australia, New Zealand, Russia, United Kingdom, United States
- Significant Clinical Trials for **Maxigesic** oral and IV dose forms are mainly completed with studies
  - Completing **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
  - 3 Distribution studies 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 completing in NZ during 2017 [275 patients]

# MAXIGESIC UPDATE

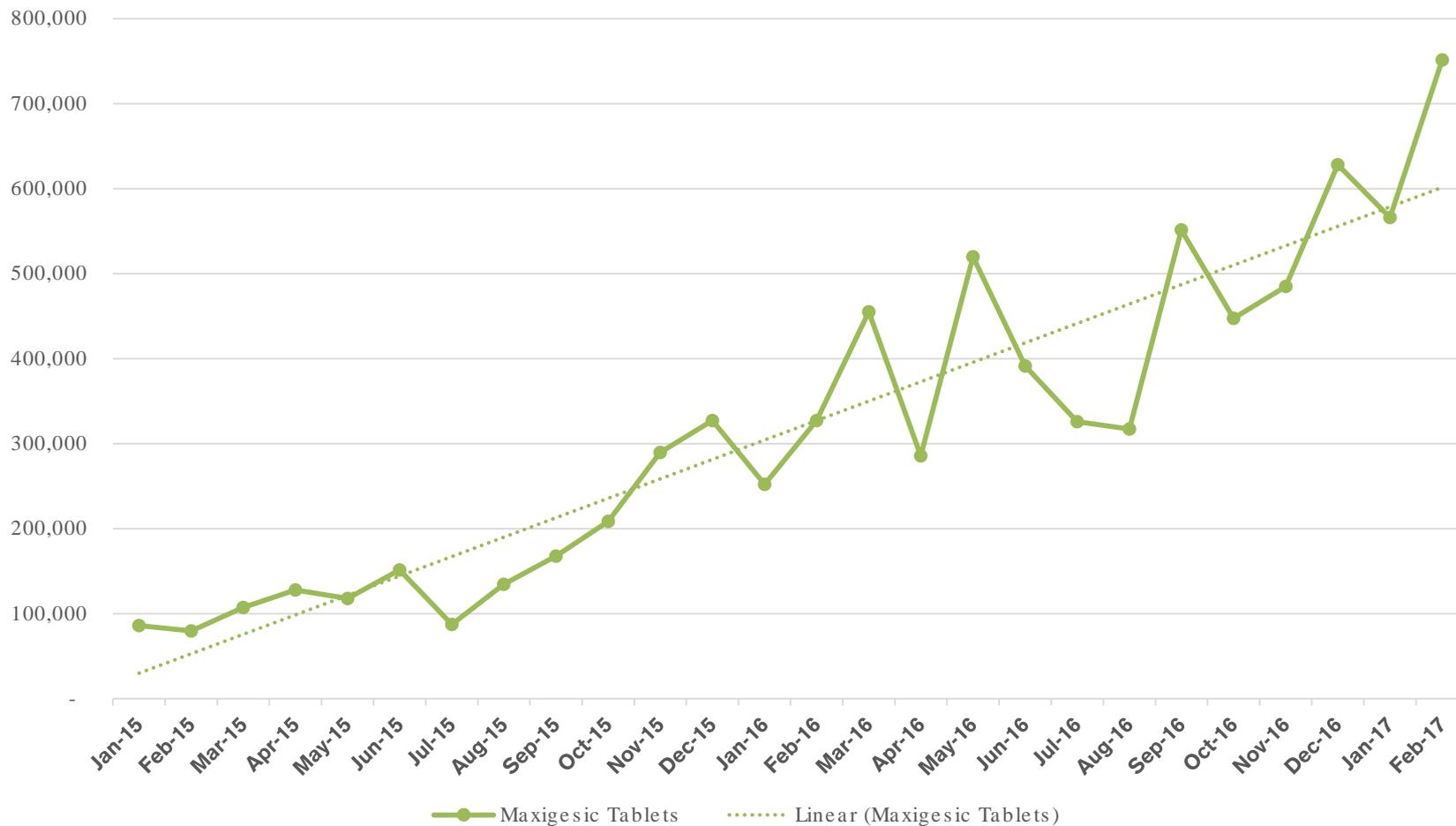


# MAXIGESIC TABLET SALES PROGRESS TO DATE



**Maxigesic Tablets Sold [Mill] Per Year [FY17 sales estimates based upon actual first 5 months, current orders and licensee/AFT forecast orders for remainder FY17]**

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



# MAXIGESIC: GOING FORWARDS

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

Some additional larger countries to be added – North America and larger EU

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

Targeting 1/3<sup>rd</sup> launches in FY2018; ¼ in FY2019, ¼ 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]

**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 existing territories
- [2] Launch in new territories
- [3] Launch additional dose forms



# NasoSURF NEBULISER: Going Forwards

<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 100 countries including North America

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

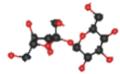
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Further licensing agreements for *Maxigesic* and *Maxigesic IV* in larger markets including North America and larger EU countries  
Update FR now licensed

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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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