



INVESTOR PRESENTATION
JUNE 2020

Disclaimer and Important Notice

This presentation has been prepared by AFT Pharmaceuticals Limited (“AFT”).

This presentation has been prepared in relation to:

- the offer of new shares in AFT (“New Shares”) by way of:
 - a placement to selected investors (“Primary Placement”); and
 - share purchase plan to AFT’s existing shareholders with an address in either New Zealand or Australia (“Share Purchase Plan”); and
- the offer of existing shares in AFT (together with the New Shares, the “Shares”) by:
 - Capital Royalty Partners II – Parallel Fund B (Cayman) L.P., Capital Royalty Partners II – Parallel Fund A L.P., Capital Royalty Partners II L.P. and Capital Royalty Partners II (Cayman) L.P. (together “CRG”); and
 - Hartley Atkinson and Colin McKay as trustees of the Atkinson Family Trust (“AF Trust Sell Down”),

under clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 (“FMCA”) and section 708A(12G) of the Corporations Act 2001 (Cth) (as notionally inserted by ASIC Instrument 17-0484) and ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 as amended by ASIC Instrument 20-0572 (together, the “Offer”).

Information

This presentation contains summary information about AFT and its activities which is current as at the date of this presentation. The information in this presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in AFT or that would be required in a product disclosure statement under the FMCA or a prospectus under the Corporations Act 2001 (Cth). The historical information in this presentation is, or is based upon, information that has been released to NZX Limited (“NZX”) and/or ASX Limited (“ASX”). This presentation should be read in conjunction with AFT’s annual report, market releases and other periodic and continuous disclosure announcements, which are available at www.nzx.com and www.asx.com.au.

Any decision to acquire New Shares under the Share Purchase Plan should be made on the basis of the separate offer document to be lodged with NZX (the “Offer Document”). Any eligible shareholder who wishes to participate in the Share Purchase Plan should review the Offer Document and apply in accordance with the instructions set out in the Offer Document and application form accompanying the Offer Document or as otherwise communicated to the shareholder. This presentation and the Offer Document do not constitute an offer, advertisement or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer, advertisement or invitation.

Not financial product advice

This presentation is for information purposes only and is not financial or investment advice or a recommendation to acquire AFT’s securities, and has been prepared without taking into account the objectives, financial situation or needs of prospective investors. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and consult a financial adviser, solicitor, accountant or other professional adviser if necessary.

Past performance

Any past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. No representations or warranties are made as to the accuracy or completeness of such information.

Future performance

This presentation includes certain “forward-looking statements” about AFT and the environment in which AFT operates, such as indications of, and guidance on, future earnings and financial position and performance. Forward-looking information is inherently uncertain and subject to contingencies, known and unknown risks and uncertainties and other factors, many of which are outside of AFT’s control, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. No assurance can be given that actual outcomes or performance will not materially differ from the forward-looking statements. The forward-looking statements are based on information available to AFT as at the date of this presentation. Except as required by law or regulation (including the Listing Rules), AFT undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Disclaimer and Important Notice (cont.)

Non-GAAP/IFRS financial information

Certain financial information included in this presentation are non-GAAP / non-IFRS financial information. This non-GAAP / non-IFRS financial information is not audited, and caution should be exercised as other companies may calculate these measures differently. The non-GAAP / non-IFRS financial information includes pro forma financial information to which certain adjustments have been made.

AFT's financial information has been prepared in accordance with Generally Accepted Accounting Practice and is available at www.nzx.com/companies/AFT or investors.aftpharm.com/Investors. It complies with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for profit oriented entities. AFT's financial statements also comply with International Financial Reporting Standards (IFRS).

Distribution of presentation

This presentation must not be distributed in any jurisdiction to the extent that its distribution in that jurisdiction is restricted or prohibited by law or would constitute a breach by AFT of any law. The distribution of this presentation in other jurisdictions outside New Zealand or Australia may be restricted by law, and persons into whose possession this presentation comes should observe any such restrictions. Any failure to comply with such restrictions may violate applicable securities laws. See the "Foreign Selling Restrictions" section of this presentation. None of AFT, any person named in this presentation or any of their affiliates accept or shall have any liability to any person in relation to the distribution or possession of this presentation from or in any jurisdiction.

Not for distribution or release in the United States

This presentation is not for distribution or release in the United States. This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Shares may not be offered or sold, directly or indirectly, in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

Currency

All currency amounts in this presentation are in NZ dollars unless stated otherwise.

Disclaimer: To the maximum extent permitted by law, each of AFT, Forsyth Barr Group Limited and Bell Potter Limited (together, the "Underwriters"), Forsyth Barr Limited and Bell Potter Limited (together, the "Joint Lead Managers") and their respective affiliates, related bodies corporate, directors, officers, partners, employees, agents and advisers (together, the "Specified Persons") disclaim all liability and responsibility (whether in tort (including negligence) or otherwise) for any direct or indirect loss or damage which may be suffered by any person through use of or reliance on anything contained in, or omitted from, this presentation.

None of the Underwriters, the Joint Lead Managers or any of their respective affiliates, related bodies corporate, directors, officers, partners, employees, agents and advisers have authorised, permitted or caused the issue, submission, dispatch or provision of this presentation and none of them makes or purports to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them. The Specified Persons make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this presentation and, with regard to the Underwriters, the Joint Lead Managers and their respective affiliates, related bodies corporate, directors, officers, partners, employees, agents and advisers, take no responsibility for any part of this presentation or the Offer.

The Underwriters, the Joint Lead Managers and their respective affiliates, related bodies corporate, directors, officers, partners, employees, agents and advisers make no recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning the Offer, and you represent, warrant and agree that you have not relied on any statements made by the Underwriters, the Joint Lead Managers or their respective affiliates, related bodies corporate, directors, officers, partners, employees, agents and advisers in relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them. Statements made in this presentation are made only as at the date of this presentation. The information in this presentation remains subject to change without notice.

Determination of eligibility of investors for the purposes of the Share Purchase Plan is determined by reference to a number of matters, including legal regimes and the discretion of AFT. AFT, the Underwriters and the Joint Lead Managers disclaim all liability in respect of the exercise of that discretion to the maximum extent permitted by law.

Foreign selling restrictions

International Offer Restrictions

This document does not constitute an offer of ordinary shares ("Shares") of AFT in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside New Zealand except to the extent permitted below.

Australia

This document and the offer of Shares under the Primary Placement and AF Trust Sell Down (each as defined on page 2) is only made available in Australia to persons to whom a disclosure document is not required to be given under Chapter 6D of the Australian Corporations Act 2001 (Cth) ("Australian Corporations Act"). This document is not a prospectus, product disclosure statement or any other form of formal "disclosure document" for the purposes of the Australian Corporations Act, and is not required to, and does not, contain all the information which would be required in a disclosure document under the Australian Corporations Act. If you are in Australia, this document is made available to you provided you are a person to whom an offer of securities can be made without a disclosure document such as a professional investor or sophisticated investor for the purposes of Chapter 6D of the Australian Corporations Act (other than in relation to the sale of Shares that are being offered for sale by CRG (as defined on page 2)).

This document has not been lodged or registered with the Australian Securities and Investments Commission, ASX Limited and any other regulatory body or agency in Australia to the extent applicable to AFT as a foreign entity admitted as an ASX Foreign Exempt Listing. The persons referred to in this document may not hold Australian financial services licences and may not be licensed to provide financial product advice in relation to securities. No "cooling-off" regime will apply to an acquisition of any interest in AFT.

This document does not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making any investment decision in relation to this document, you should assess whether the acquisition of any interest in AFT is appropriate in light of your own financial circumstances or seek professional advice.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any of the contents of this document, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) of Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

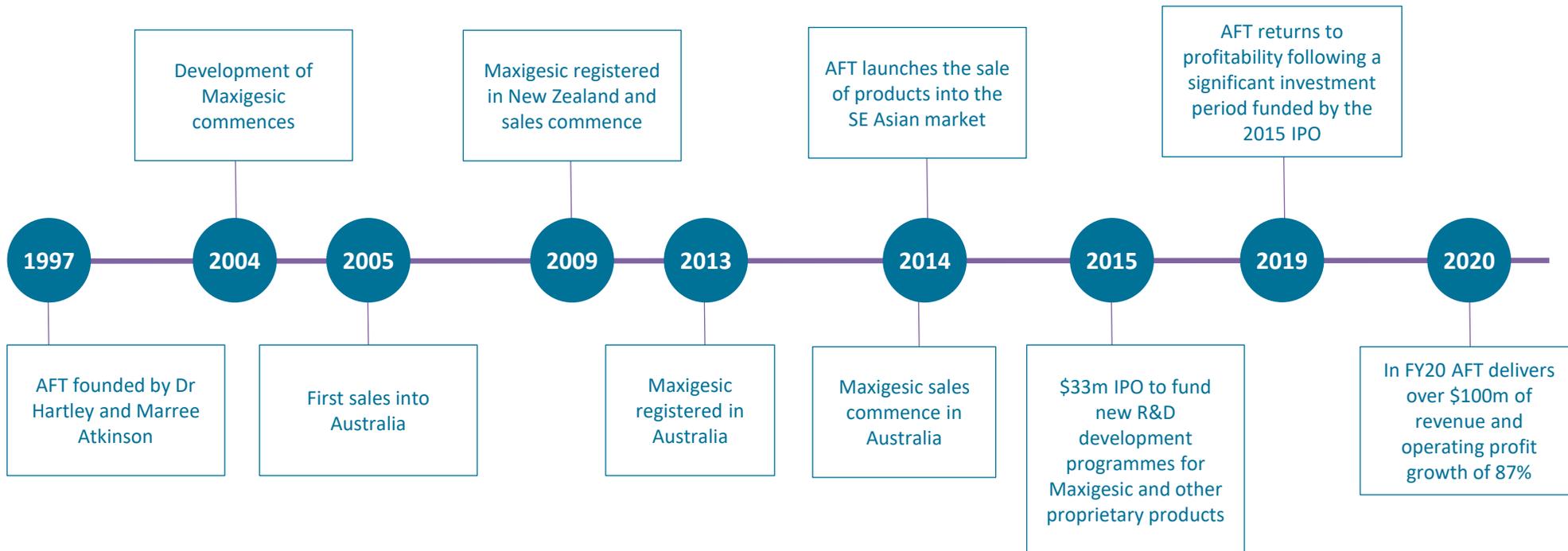
This document has been given to you on the basis that you are (i) an existing holder of AFT's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

History of AFT

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

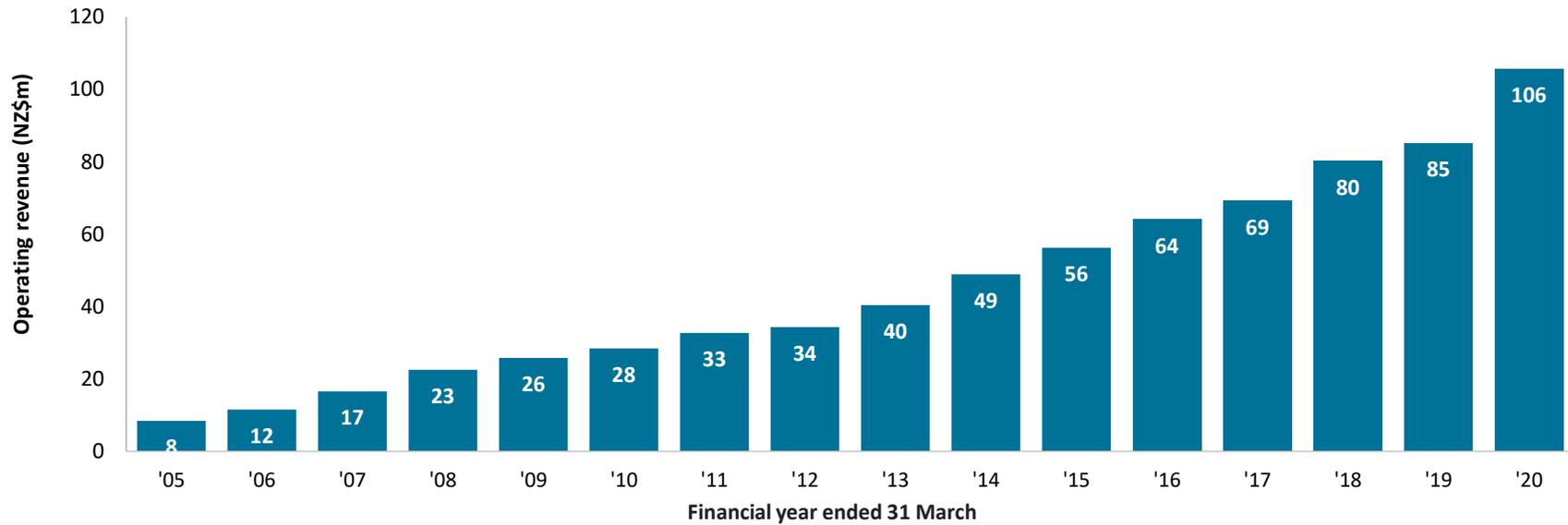


Executive summary

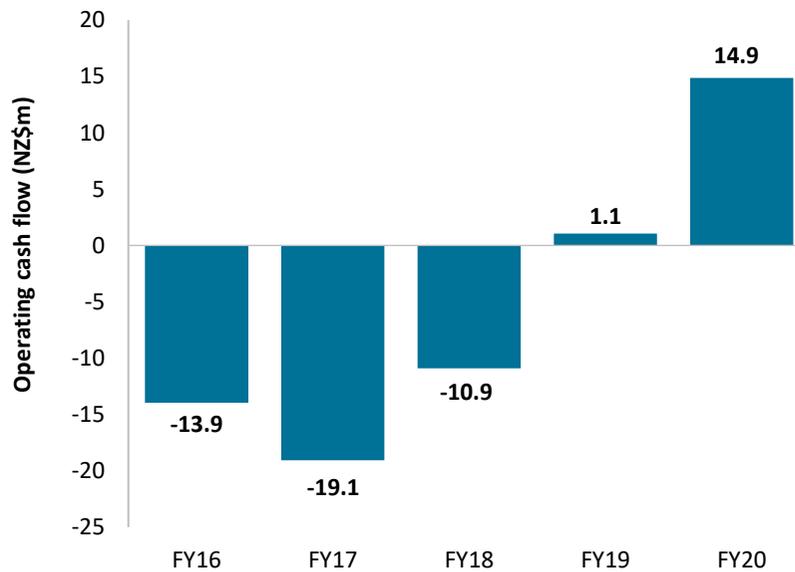
| | |
|---|---|
| <p>AFT Pharmaceuticals Limited (“AFT”) develops, licenses and sells pharmaceutical products globally</p> | <ul style="list-style-type: none"> ▪ Auckland headquartered company founded in 1997 ▪ Portfolio of patented pharmaceutical products with licensee/distributor network in over 125 countries ▪ In-house product development team repurposes existing molecules into IP protected products such as Maxigesic, Maxigesic IV and Pascomer ▪ Demonstrated ability to take products through clinical trial validation, registration and into sales - extensive clinical studies have been run by in-house team across the globe ▪ In-license products and develop branded products to further expand existing sales operations in Australasia ▪ Globally diversified contract manufacturing partners ensure low cost production |
| <p>Experiencing rapid global revenue growth and strong operating cash flow generation</p> | <ul style="list-style-type: none"> ▪ Revenue generated from a mixture of margin on direct sale of goods, licensing fees and royalties ▪ FY20 Revenue of NZ\$105.6m up 24% on FY19 ▪ Strong cash flow generation with FY20 Operating Cash flow of NZ\$14.9m ▪ Revenue growth is being driven by <ul style="list-style-type: none"> — Registration and commencing sales in new countries — Launching variants of existing products in Australasia and new countries — In-licensing new products developed by others for local Australasia market ▪ Expected Operating Profit Growth of 23-58% in FY21, before any up-front licensing fees ▪ Immediate focus on using surplus cash flow to target net debt of \$23–28m. Thereafter the Board of AFT will give consideration to its ongoing dividend policy |
| <p>Significant operating leverage and increasing margins</p> | <ul style="list-style-type: none"> ▪ Outlook for fixed cost base largely stagnant despite strong growth outlook <ul style="list-style-type: none"> — Major R&D expense largely completed — Ongoing R&D expense only modest and declining as a % of sales — Marketing expenses relatively flat and declining as a % of sales due to licensing model ex-Australasia — No material increase in fixed costs from growth ex-Australasia ▪ Licensee and royalty model for markets ex Australasia deliver healthy gross margins with low incremental fixed cost |
| <p>Capital raising and sell-down to repay debt and improve liquidity</p> | <ul style="list-style-type: none"> ▪ NZ\$10m Placement and NZ\$2m Share Purchase Plan to repay debt, resulting in interest savings of ~NZ\$0.85m per annum ▪ Approximately \$3.5m worth of shares to be sold by Hartley Atkinson and 16,067,045 shares to be sold by CRG ▪ Increases free float from approximately 11% to approximately 31%¹ and expected to significantly boost liquidity |

AFT financials at a glance

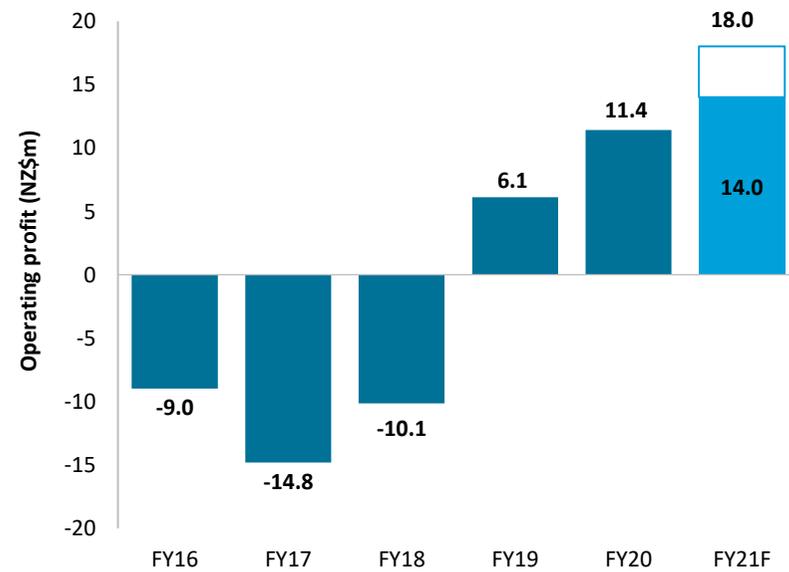
10 year operating revenue CAGR of 14%



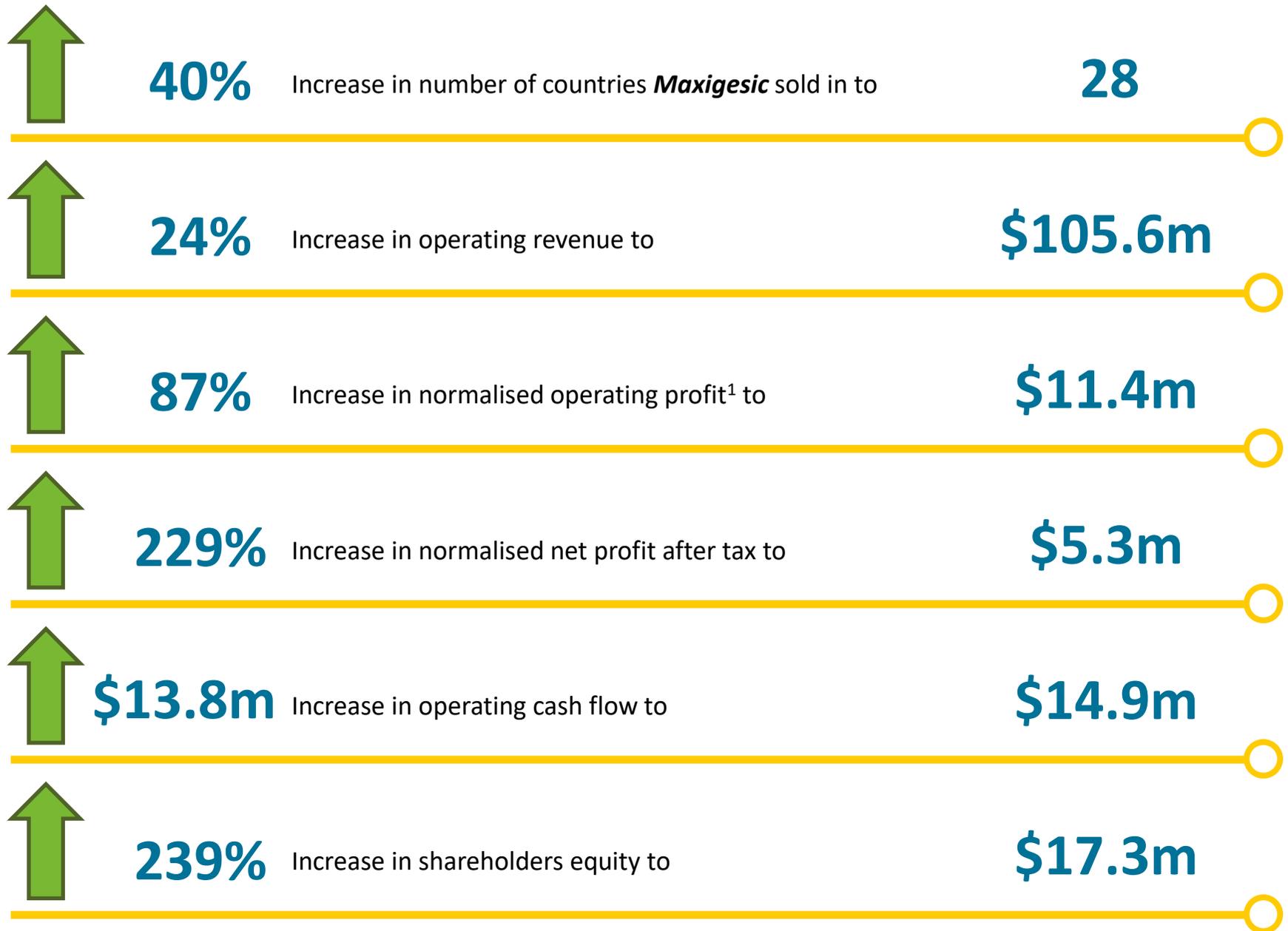
Operating cash flow



Operating profit¹



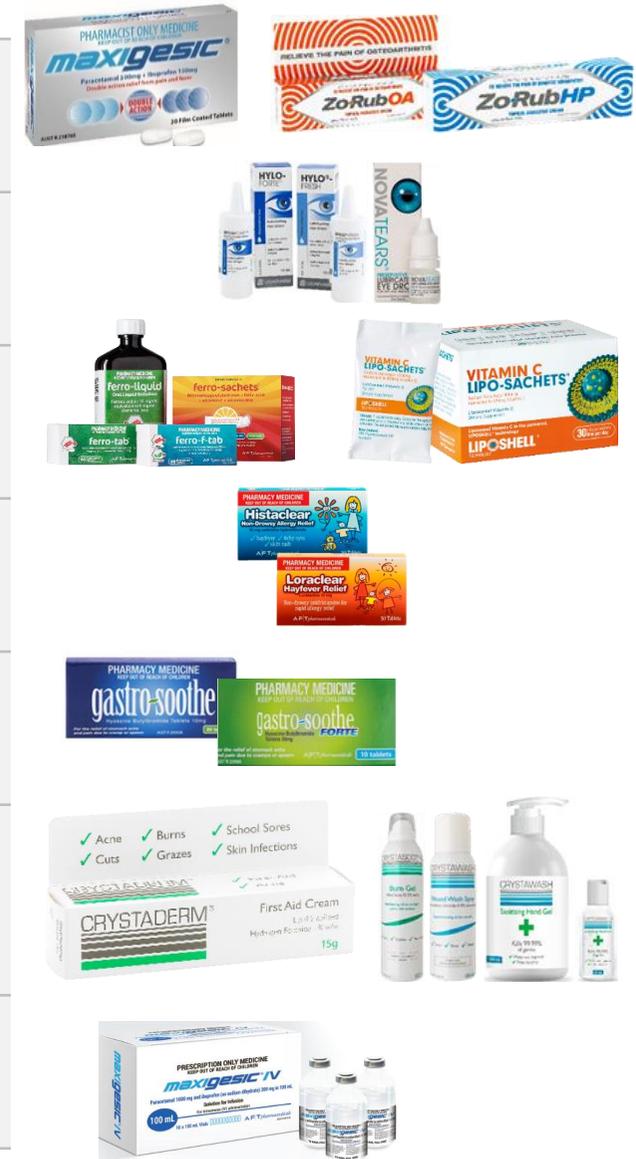
FY20 financial highlights



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 125 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, Lip VitC, 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, RestoraNail |
| Hospital | Maxigesic IV, Injectables |



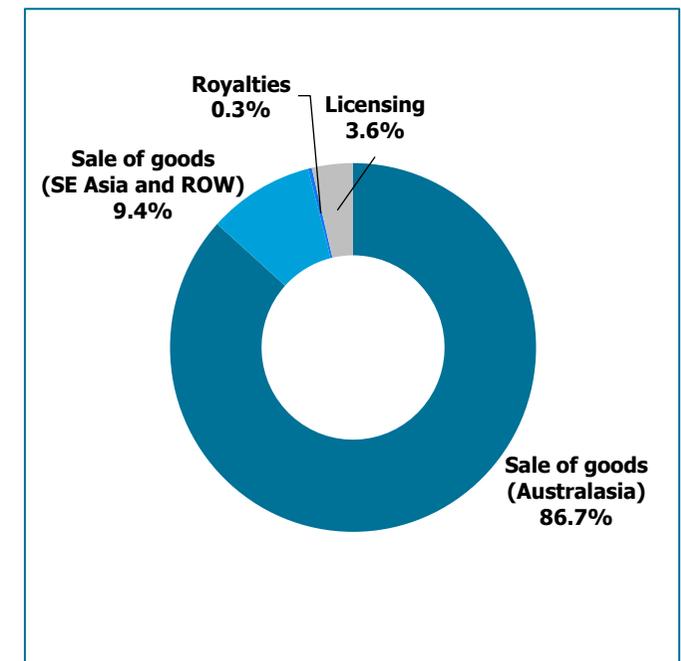
Revenue model

In our core Australasian market, we directly sell our proprietary products along with a range of in-licensed products

In offshore markets, we pursue an out-licencing or distributor strategy for selling our proprietary products, minimising the fixed cost of entering new markets

| | |
|--|---|
| <p>Sale of goods Australasia</p> | <ul style="list-style-type: none"> ▪ Direct sales channels in NZ and Australia ▪ Includes pharmacy, hospitals, grocery (NZ) ▪ In-house sales team of 40 plus six merchandisers ▪ 45% gross margin ▪ 87% of current revenues, with the balance being sales to AFT SE Asia & licensees/distributors ex ANZ |
| <p>Licensing fees Rest of World ("ROW")¹</p> | <ul style="list-style-type: none"> ▪ Upfront fee paid by a licensee for a new territory for a new product ▪ Structure of contracts – typically up-fronts, milestone payments, minimum volumes, royalties ▪ License fees have typically been \$2-3m p.a. ▪ Sales & marketing expenses borne by licensee ▪ High gross margin but lumpier |
| <p>Sale of goods and royalty ROW</p> | <ul style="list-style-type: none"> ▪ Product usually contract manufactured for AFT Pharma and sold to licensee ▪ Royalty revenue is a percentage of the net sales made by the offshore licensee |

Revenue by type (FY20)



Growth drivers

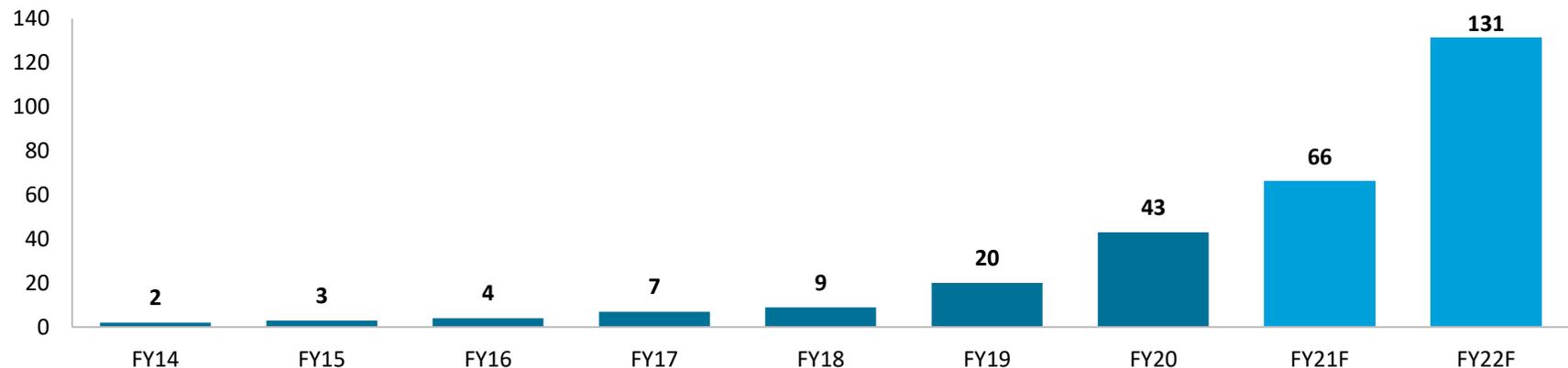
Australasia

- Volume growth of existing products
 - Capitalise on Maxigesic #1 market position (Leads nearest competitor by 11.2%¹)
 - Hylo-Forte - #1 market position¹
 - NovaTears - 89% growth in FY20
 - Vitamin C Liposachets – March 2020 delivered monthly sales 21x higher than the prior comparable period
- New Medicine Registrations
 - FY21 – target 11 new approvals in AU & NZ
 - FY22 – target 38 new approvals in AU & NZ

Rest of World

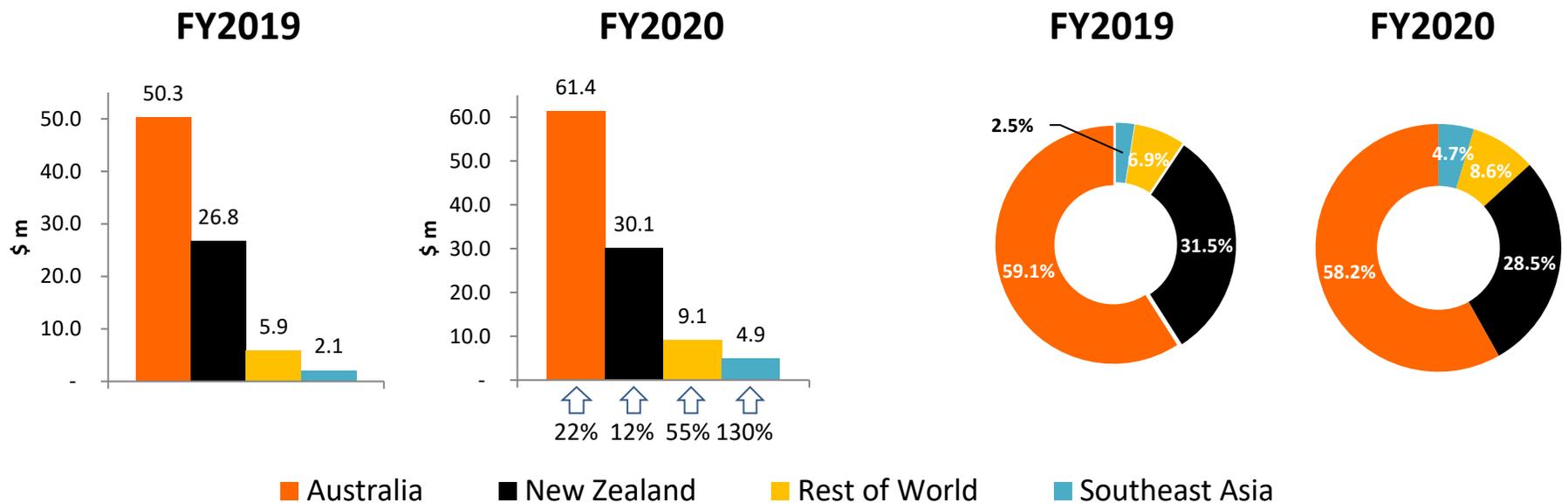
- Rest of World and South East Asia represented only 13.3% of FY20 revenue but delivered rapid growth of 55% and 130% respectively over FY19 revenue
- ROW activities contribute to bottom line profit due to licensing model avoiding in market costs
- Further growth is expected to be delivered from:
 - Being sold in new countries (tripling of countries sold in expected over the next 2 years)
 - Existing countries starting to ramp up after being in market for 1+ years and positive benefits of licensee marketing spend is realised
 - New variants of current products are made available to existing countries, such as Maxigesic Intravenous (IV) and Maxigesic oral solution

Number of countries AFT products sold in



Revenue growth and regional mix

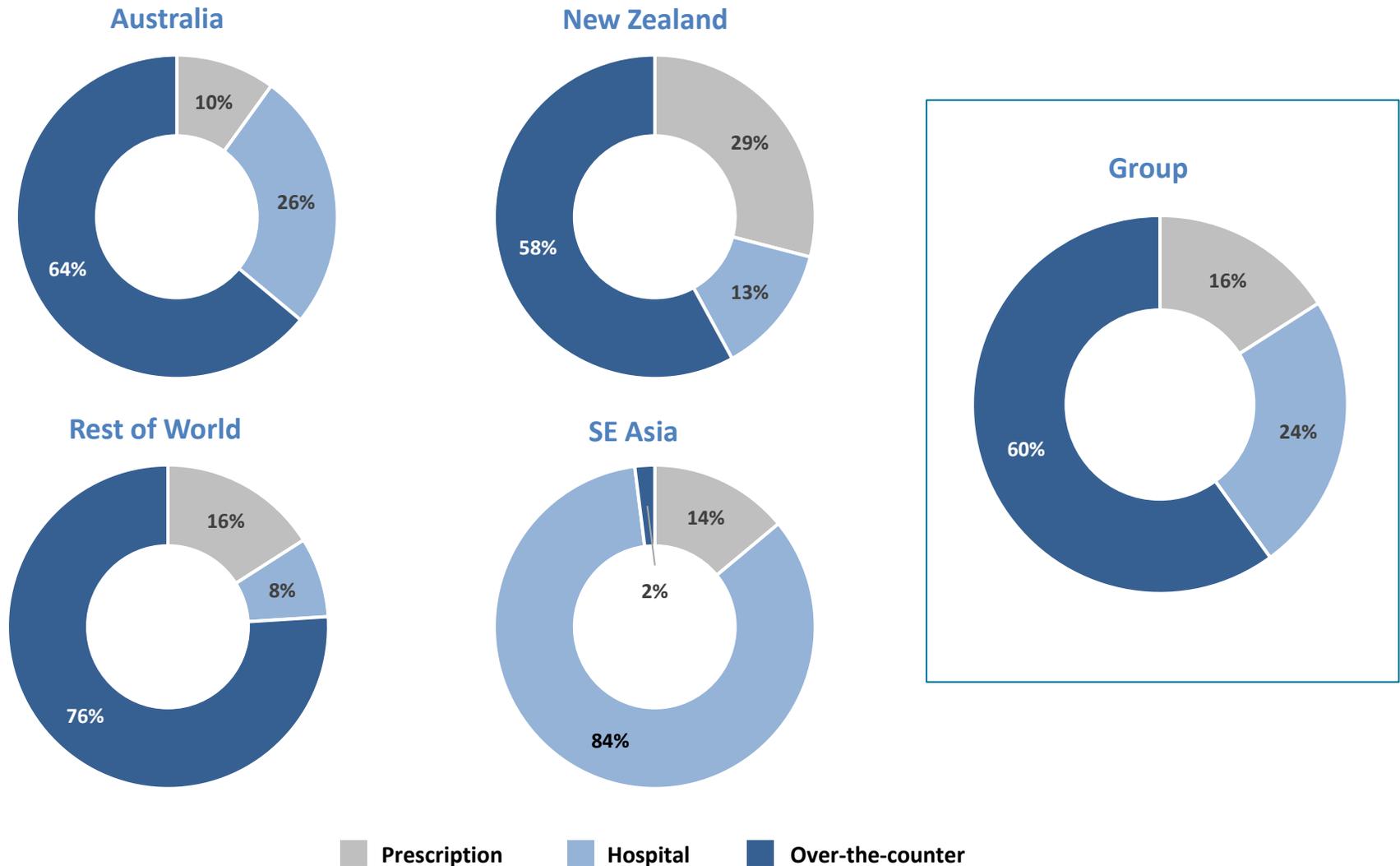
- Continued growth in established markets of Australia and NZ
- Significant growth in Southeast Asia and Rest of World starting to come through post registration and distribution agreements



Sales channels

AFT has broad channel exposure which varies by geography. AFT has an intentional skew towards the Over the Counter (“OTC”) sales channel where pricing is unaffected by government pricing policies

FY20 sales by channel



AFT's key skill set

1

Developing and registering new proprietary/patented products by repurposing existing molecules

2

Formulating line extensions of existing proprietary/patented products to leverage existing brand reputation

3

Identifying new territories and agreeing licensing agreements with international licensees/distributors

4

Identifying opportunities within key therapeutic categories in our 'home' Australasian markets and in-licensing relevant products

Outsourced manufacturing - focus on cost control

Combination of patents and trade secrets protecting product IP

Case study: Maxigesic



- The lifecycle of Maxigesic development, commercialisation and brand marketing is a clear example of AFT's capabilities:
 - AFT identified the market for a combined analgesic in 2004
 - AFT's in-house R&D department developed and patent-protected the unique formulation, supported by independent clinical studies demonstrating its efficacy
 - As a new formulation, AFT was successful in educating the market on the benefits of the product and developing strong consumer brand recognition
 - AFT has subsequently entered **38** global markets with licensing/distributor partners
- Maxigesic is patent protected out to 2025-2028, beyond which the brand name is expected to cement Maxigesic's OTC position in the market
- AFT has now commenced leveraging the brand goodwill into Maxigesic variants, including:
 - Maxigesic PE (2033 patent)
 - Maxigesic Hot Drink Sachet
 - Maxigesic Dry Stick Sachet (2037 patent)
 - Maxigesic IV (2031 & 2034 patents)
 - Maxigesic Cold & Flu
 - Maxigesic Rapid (2039 patent)
- Maxigesic line extensions prolong patent protection until potentially 2039

AFT intends to replicate its approach to Maxigesic with its R&D pipeline to create further value for AFT shareholders

R&D pipeline

Pascomer: Treatment of facial angiofibromas

- Stabilised formulation using proprietary AFT technology
- Licensed for North America to Timber Pharmaceuticals LLC
- Granted Orphan Drug designation
- US IND opened
- Global Phase II study expected to be completed during 2nd half of calendar year 2021, to be followed by Phase III study with expected completion during 2023



NasoSURF: Intranasal drug delivery instead of an injection

- Completing device development
- Drug-device regulatory path
 - Multiple potential indications
 - Market research US/EU identified first significant market opportunity
 - Patents out to 2036



Outlook



Further drive International Sales

- Keep accelerating number of new countries launched
- Launching new line extensions (e.g. Maxigesic IV)



Extend International Licensing

- Finalise licensing agreement discussions in China, Japan, LATAM and USA
- Progress commercialisation in additional new territories added during FY20: Canada, Chile, Columbia, Cyprus Germany, Indonesia, Pakistan, Peru and Switzerland



Drive Increased Upfront Payments

- Maxigesic IV licensing agreements
- Larger territories such as USA, Japan, China



Drive Local ANZ Sales

- Drive Maxigesic sales in AU & NZ
- New OTC launches in AU & NZ
- New Covid-19 related product launches



Strong profit growth expected for FY21

- Expected FY21 Operating Profit in range of NZ\$14–18m, representing expected growth of 23-58% over FY20, before any up-front licensing fees
- Additional cash flow used to target a net debt position of \$23–28m
- Assess potential for a dividend policy in FY22 once debt is retired to satisfactory level



CAPITAL RAISING and SELL DOWN DETAILS

Offer details

Capital Raising summary

- AFT, the Atkinson Family Trust and CRG are undertaking a combined NZ\$74.1m¹ Offer comprising a:
 - NZ\$10.0m Placement by AFT Pharmaceuticals Limited
 - NZ\$2.0m Share Purchase Plan (“SPP”)
 - Approximately NZ\$3.5m sell down by the Atkinson Family Trust (representing approximately 1.3%¹ of its current holding)
 - 16,067,045 share sell down by CRG (representing 100% of current holdings)
- Bell Potter Securities Limited and Forsyth Barr Limited are Joint Lead Managers to the Offer
- The Placement and sell downs are underwritten by Bell Potter Securities Limited and Forsyth Barr Group Limited at a floor price of NZ\$3.65
- The floor price represents a 22.3% discount to the last closing price of NZ\$4.70 on 9 June 2020

Share Purchase Plan details

- Offer eligible to New Zealand and Australian shareholders on the register at the record date (7pm NZT, Tuesday 9 June 2020)
- Issue price of the Placement Price
- SPP capped at NZ\$2m with a maximum application size of NZ\$50,000 per shareholder

Use of funds and rationale

Use of funds

- Funds raised from the Placement and SPP will be used to retire one of AFT's working capital facilities
- The retirement of this debt will:
 - Reduced annual interest costs by ~NZ\$0.85m p.a.
 - Reduced Pro-Forma Net Debt from NZ\$37.1m to NZ\$25.1m²
 - Reduce Net Debt to expected FY21 EBITDA¹ from 2.3x to 1.5x²
 - Improve Free Cash Flow and provides more flexibility to fund future anticipated growth

Sell down rationale

- Due to significant investor interest both the Atkinson Family Trust and CRG have taken the opportunity to sell down
- This sell down is expected to substantially increase free float from approximately 11% to approximately 31%³ and is expected to provide a material increase to trading liquidity

Atkinson Family Trust sell down

- Founded AFT and has not sold a share since IPO in 2015
- The sale approximately NZ\$3.5m worth of shares, which represents approximately 1.3%⁴ of current holdings. The Atkinson Family Trust will remain the largest shareholder post transaction with approximately 69%³
- Proceeds used to retire debt. The Atkinson Family Trust has no current intention to sell further shares.

CRG sell down

- CRG is selling 16,067,045 shares, which represents 100% of its holding
- CRG has been a supportive shareholder since 2014 and the fund in which the AFT investment is held has now transitioned out of its investment phase and CRG is returning capital to its investors

¹ Expected FY21 EBITDA of \$16.19m is pre IFRS-16 based on the midpoint of FY21 operating profit guidance and includes \$1.04m of D&A and operating lease costs of \$0.8m. Net debt calculated as FY20 drawn bank debt less cash and cash equivalents. Excludes transaction costs

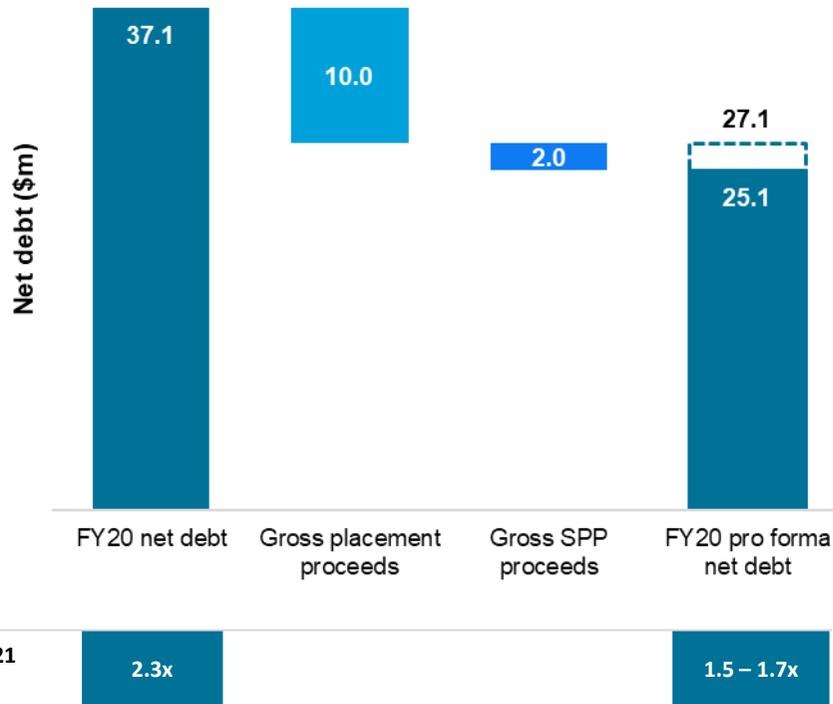
² Assumes \$2m SPP is fully subscribed

³ Based on the underwritten floor price of NZ\$3.65 and assumes the SPP is fully subscribed

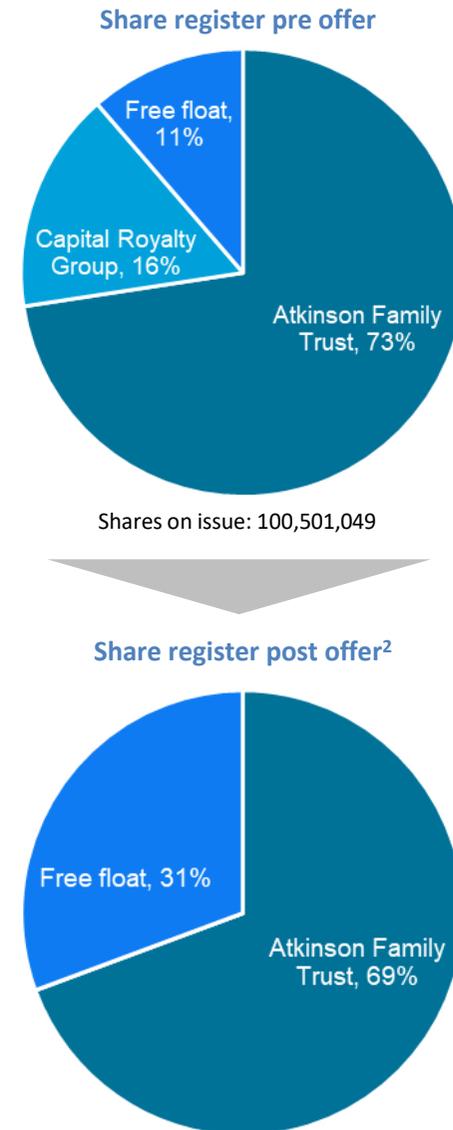
⁴ Based on the underwritten floor price of NZ\$3.65

Capital structure and share register impact

Pro forma net debt and gearing impact



Share register impact



¹ Expected FY21 EBITDA of \$16.19m is pre IFRS-16 based on the midpoint of FY21 operating profit guidance and includes \$1.04m of D&A and operating lease costs of \$0.8m. Net debt calculated as FY20 drawn bank debt less cash and cash equivalents. Excludes transaction costs

² Based on underwritten floor price of NZ\$3.65 and assumes \$2m SPP is fully subscribed

Timetable

| Placement | Date |
|--|-------------------------------|
| Announcement, trading halt and bookbuild | Wednesday, 10 June 2020 |
| Trading halt lifted | Thursday, 11 June 2020 |
| Settlement | Monday, 15 June 2020 |
| Allotment and trading of new shares on ASX and NZX | Monday, 15 June 2020 |
| Share Purchase Plan | |
| Record date | 7pm NZT, Tuesday, 9 June 2020 |
| Dispatch of offer documents and application forms | Monday, 15 June 2020 |
| Share Purchase Plan opens | Monday, 15 June 2020 |
| Share Purchase Plan closes | Friday, 26 June 2020 |
| Allotment of shares on NZX and ASX | Thursday, 2 July 2020 |
| Commencement of trading of shares on NZX | Thursday, 2 July 2020 |
| Commencement of trading of shares on ASX | Friday, 3 July 2020 |



KEY RISKS

Key risks

This section outlines some of the key risks associated with an investment in AFT. These risks could have an effect on the performance of the AFT share price as well as the financial performance and earnings of AFT. This section does not (and does not purport to) outline all risks associated with an investment in AFT shares, the future operating or financial performance of AFT, the equity raising or general market or industry risks. Some risks may be unknown and other risks, currently believed to be immaterial, could turn out to be material.

In light of the Covid-19 pandemic, extra caution should be taken when assessing the risks associated with the investment. The rapidly changing Covid-19 situation is bringing unprecedented challenges to global financial markets, and economies. Capital markets have seen equity securities suffer from spikes in volatility and significant price declines and recoveries.

Before deciding whether to invest in AFT shares, you should make your own assessment of the risks associated with an investment in AFT and consider whether such an investment is suitable for you having regard to all publicly available information (including this presentation and other information available on the NZX and ASX websites), your personal circumstances and following consultation with a financial or other professional adviser.

Key risks (cont.)

| | |
|--|--|
| <p>Impact of Covid-19 on supply chain</p> | <ul style="list-style-type: none"> AFT's product supply chain is international and AFT uses third party manufacturers to produce its products. The outbreak of Covid-19 initially caused some disruption to global supply chains (for example, the Indian government initially placed a restriction on the export of any products containing paracetamol, which was subsequently lifted). Whilst AFT was able to manage the resulting issues and does not anticipate any further disruption, there is a risk that a second wave of a Covid-19 outbreak or other negative factors may cause further disruptions which could adversely impact on AFT's ability to supply products to customers. If AFT's supply chain is disrupted, this may have a material adverse effect on AFT's operating performance and earnings. AFT mitigates risks of this nature by using multiple manufacturers where possible for its key products and operating a policy of holding at least three months' inventory to minimise interruption of supply. |
| <p>New product development</p> | <ul style="list-style-type: none"> AFT is continuing to develop new products and extensions to existing products, which it anticipates will be key drivers of the global expansion of its sales. There is a risk that those development efforts may not be successful, or may take longer and be more expensive than anticipated, and as a result AFT's investment will be delayed or lost. This risk could arise due to a number of factors, including delays in commencement or completion of clinical trials as a result of Covid-19. Any failure or significant delay in the development of one or more of AFT's new products and product extensions may have a material negative impact on AFT's financial performance and growth. AFT mitigates risks of this nature by focussing on novel combinations and dose forms of approved drug ingredients and novel delivery systems for approved drug ingredients, which have inherently less development risk than developing new drug ingredients. |
| <p>Regulatory requirements</p> | <ul style="list-style-type: none"> AFT's pharmaceutical and medical device products are regulated by government agencies in each territory in which they are sold (for example, TGA in Australia and the FDA in the US) and must be approved by those agencies prior to sale. If AFT is unable to obtain the approvals required for new products or in new territories (such as FDA approval of Maxigesic tablets or Maxigesic IV), or current approval requirements for existing products change, this could have a material adverse impact on AFT's financial performance and its ability to achieve its business plans. |
| <p>Competition</p> | <ul style="list-style-type: none"> The pharmaceutical industry in which AFT operates is intensely competitive and includes companies with significantly greater financial, human, research and development and marketing resources than AFT. There is a risk that AFT's competitors may discover, develop or commercialise products before or more successfully than AFT, which could render AFT's products obsolete or otherwise uncompetitive, resulting in adverse effects on AFT's revenue, margins and profitability. |

Key risks (cont.)

Litigation

- In the ordinary course of conducting its business, AFT is exposed to potential litigation and other proceedings, including through claims of intellectual property infringement or breach of agreements. If such proceedings are brought against AFT, AFT could incur considerable defence costs (even if successful), with the potential for damages and costs awards against AFT if it were unsuccessful, which could have a significant adverse financial impact on AFT.
- Circumstances may also arise in which AFT considers that it is reasonable or necessary to initiate litigation or other proceedings, including for example to protect its intellectual property rights. There has been substantial litigation and other proceedings in the pharmaceutical industry, including class actions from purchasers and end users of pharmaceutical products.

Pascomer proceedings

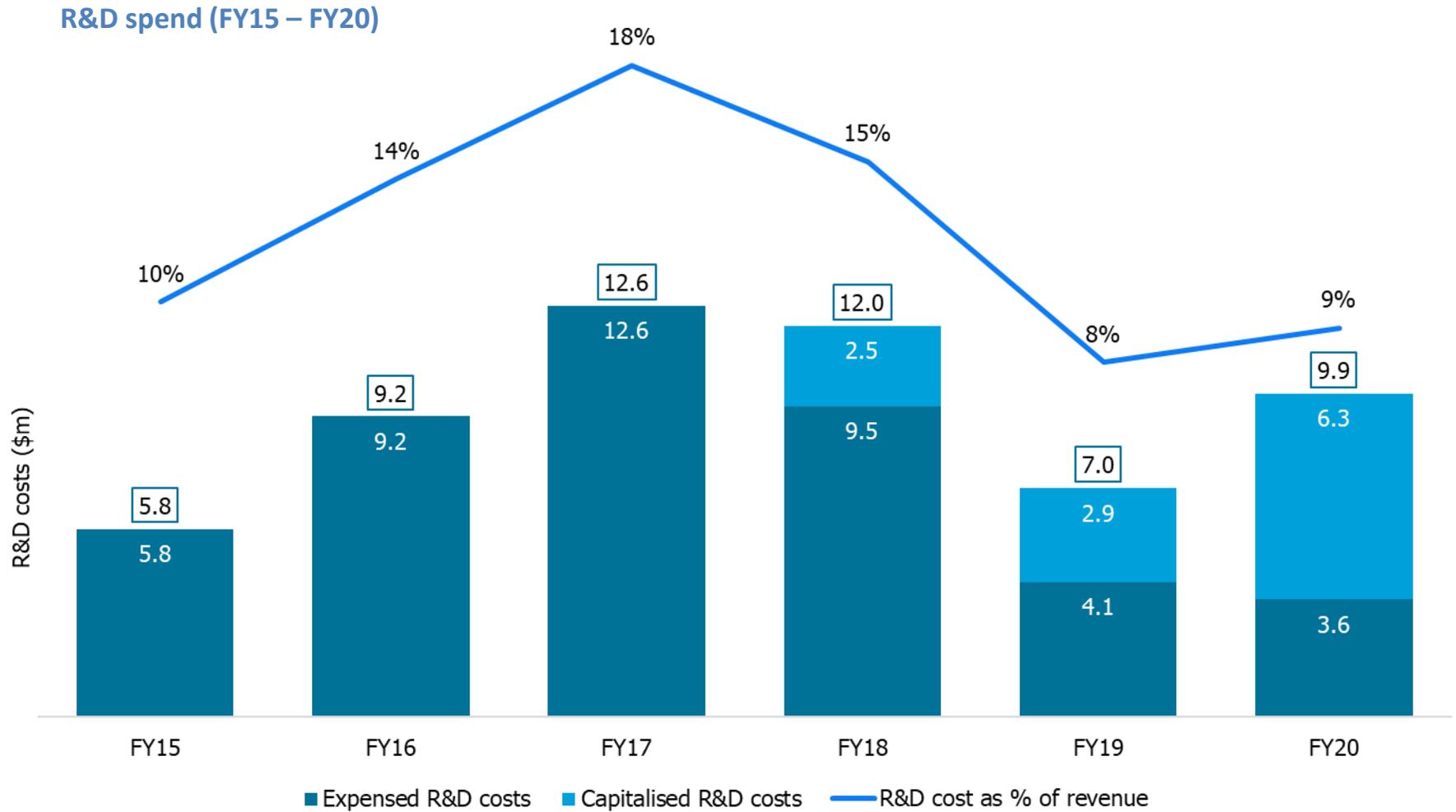
- As announced to the NZX and ASX on 5th June 2020, proceedings have been filed in the New Zealand High Court against AFT and its managing director, Dr Hartley Atkinson, by British Virgin Islands incorporated PBL Solutions Limited (PBL), the 35% shareholder in AFT's 65% owned subsidiary AFT Orphan Pharmaceuticals Limited (AFTO). PBL is owned by interests associated with Mr Giles Moss, a former contractor to AFT. The substance of PBL's claim is that AFTO rather than AFT should have had the opportunity to pursue the Pascomer drug development opportunity and that Dr Atkinson breached various obligations in pursuing that opportunity through AFT.
- AFTO was established in 2011 as a vehicle for its shareholders to share profits from the marketing and distribution of orphan drugs only, and only in the SE Asia region. AFT has consistently maintained that AFTO was never intended to act as a drug development company, was not resourced or capitalised to do so, and that the opportunity to invest in the development of Pascomer was not one to which AFTO was entitled. Pascomer was introduced to AFT by Medicas Group LLC of the United States as no more than a drug development idea based upon publicly available information.
- The proceedings seek an account of any profits made by AFT in relation to Pascomer including an account of future profits, or alternatively damages in an amount to be quantified. To date AFT has invested in excess of NZ\$5.6m in the Pascomer drug development project. AFT expects it to be about four years before Pascomer's commercialisation potential is able to be determined, FDA and any other required regulatory approvals obtained, and any sales achieved.
- AFT and Dr Atkinson will vigorously defend the proceedings and are considering their options in terms of a counterclaim against both PBL and Mr Moss.



APPENDIX

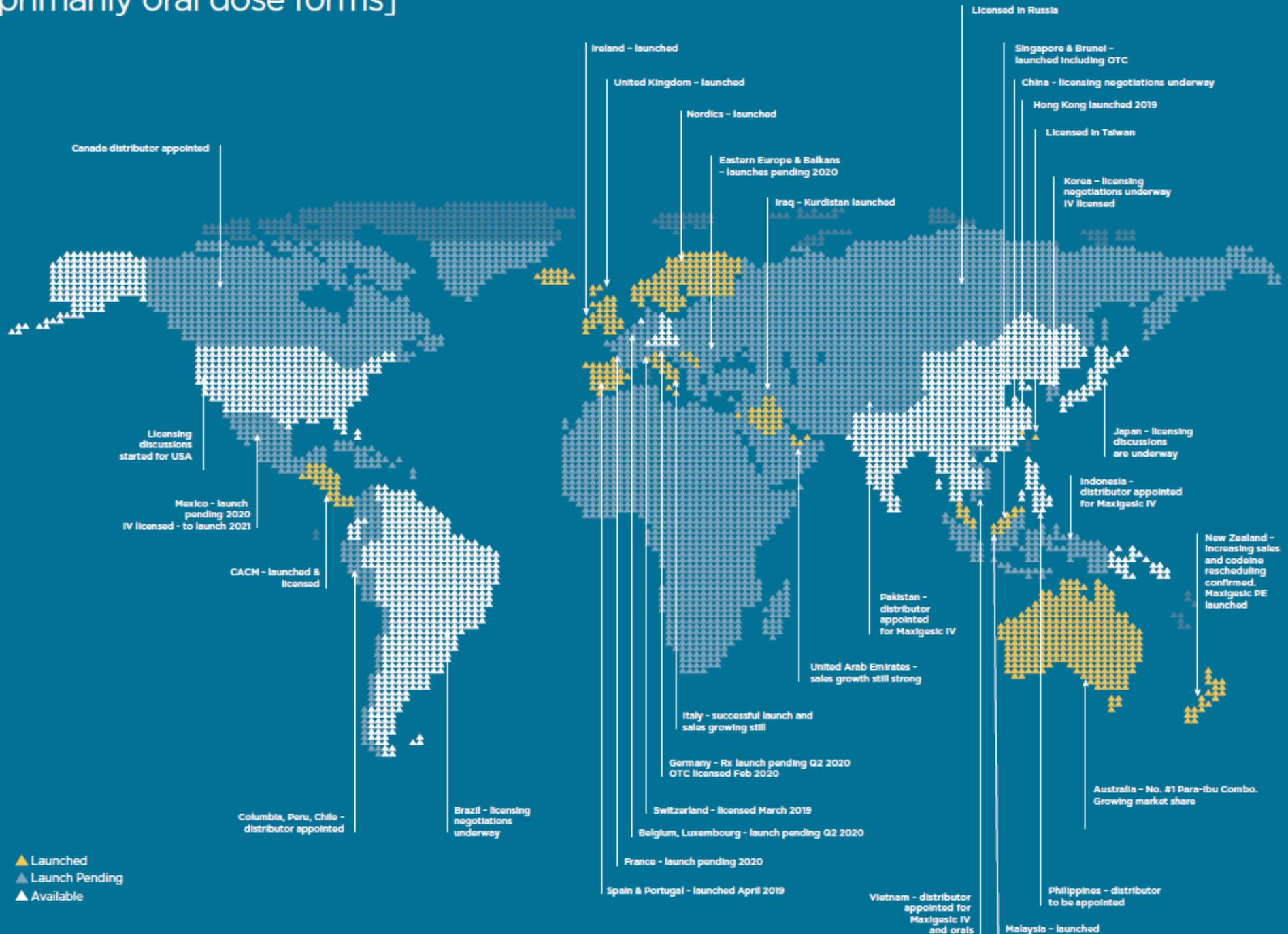
Historic R&D spend

AFT has spent over NZ\$55m on R&D since IPO



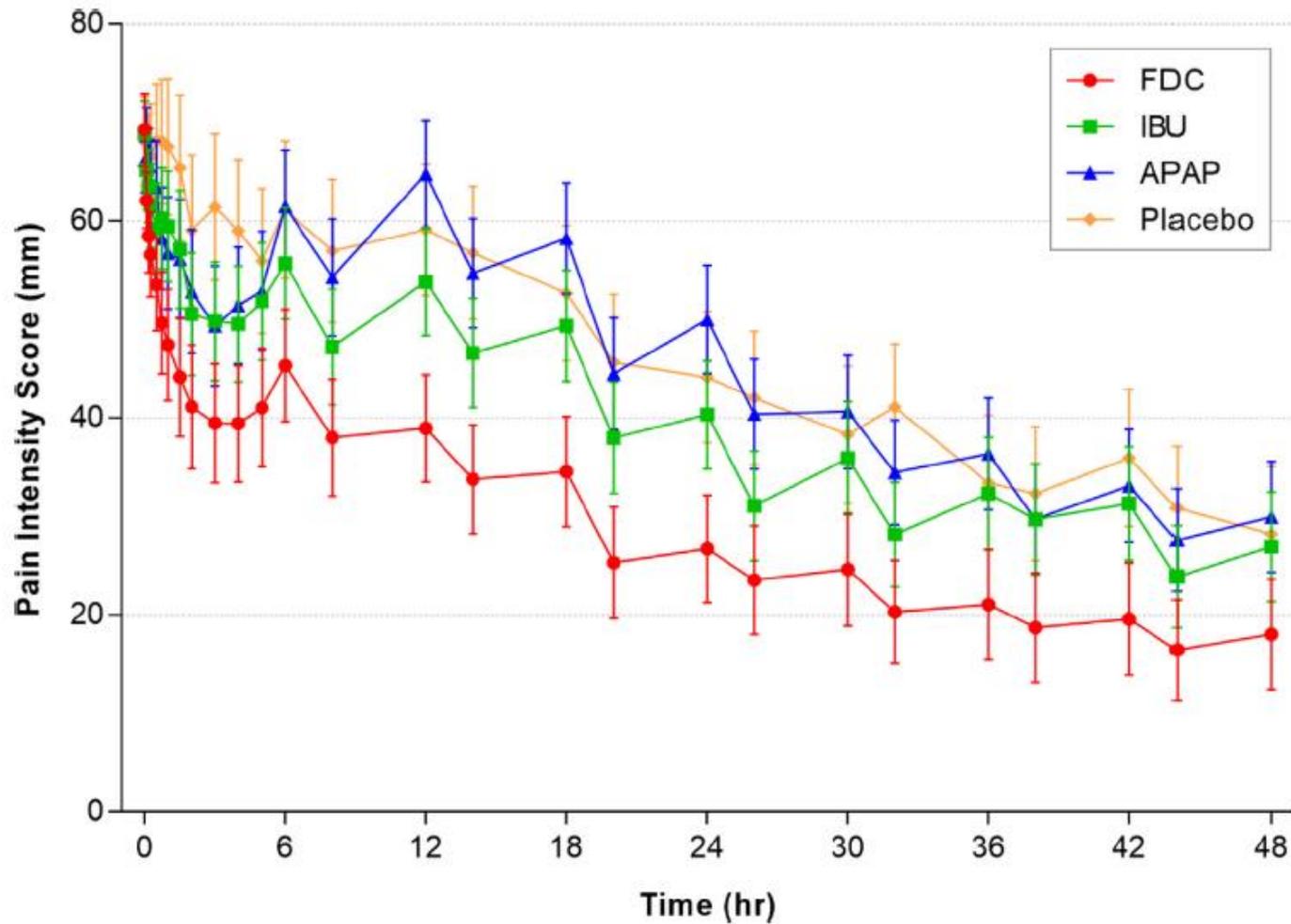
MAXIGESIC GLOBAL UPDATE

[primarily oral dose forms]



Maxigesic clinical results

2019 trial results for Maxigesic IV (Labelled as FDC)



eFigure 1. Mean (\pm 95% CI) pain intensity scores over 48 hours.

Financial performance - revenue by region and channel

| NZ\$000's | FY2019 | | FY2020 | | FY2020 |
|------------------------------|-------------------------------|-------------|--------------------------------|--------------|--------|
| Australia YoY growth | 50,304 12.6% | 59.1% | 61,428 22.1% | 58.2% | |
| New Zealand YoY growth | 26,796 5.4% | 31.5% | 30,108 12.4% | 28.5% | |
| Rest of World YoY growth | 5,885 63.4% | 6.9% | 9,131 55.2% | 8.6% | |
| Southeast Asia YoY growth | 2,142 66.5% | 2.5% | 4,930 130.2% | 4.7% | |
| Group YoY growth | 85,127 13.5% | 100% | 105,597 24.0% | 100% | |

Abbreviated consolidated income statement

- Operating leverage starting to show as revenue continues to grow. Expenses largely falling as a % of revenue.

| NZ\$'000's year ended 31 March | 2020 | % of revenue | 2019 | % of revenue |
|--|----------------|--------------|----------------|--------------|
| Revenue | 105,597 | | 85,127 | |
| Gross Profit | 48,265 | 45.7% | 40,730 | 47.8% |
| Underlying Operating Expenses and Other Income | (36,843) | 34.9% | (34,614) | 40.7% |
| <i>Underlying Operating Profit</i> | 11,422 | 10.8% | 6,116 | 7.2% |
| Non-recurring Gain | 9,784 | | - | |
| Operating Profit | 21,206 | | 6,116 | |
| Financing expenses and income | (8,329) | | (8,375) | |
| Tax Expense | (185) | | (168) | |
| Net Profit /(Loss) after tax | 12,692 | | (2,427) | |

Abbreviated balance sheet

- Replaced short term debt with longer term debt at more commercial rates
- Significant increase in shareholders equity

| NZ\$'000's year ended 31 March | 2020 | 2019 |
|--|---------------|---------------|
| Current assets | 49,217 | 44,345 |
| Cash | 6,119 | 6,916 |
| Non-current assets | 31,716 | 12,334 |
| Total assets | 87,052 | 63,595 |
| Current liabilities | 23,102 | 16,754 |
| Current interest bearing liabilities | 2,000 | 41,750 |
| Non-current liabilities | 3,495 | - |
| Non-current interest bearing liabilities | 41,200 | - |
| Total liabilities | 69,797 | 58,504 |
| Total equity | 17,255 | 5,091 |
| Total liabilities and equity | 87,052 | 63,595 |

Abbreviated cash flow

- Significant increase in operating cash flow

| NZ\$'000's year ended 31 March | 2020 | 2019 |
|---|--------------|--------------|
| Net cash from operating activities | 14,878 | 1,067 |
| Net cash used in investing activities | (6,562) | (4,884) |
| Net cash (used) / generated from financing activities | (9,118) | 3,723 |
| Net increase / (decrease) in cash | (802) | (94) |
| Impact of foreign exchange on cash and cash equivalents | 5 | 240 |
| Opening cash and cash equivalents | 6,916 | 6,770 |
| Closing cash and cash equivalents | 6,119 | 6,916 |



AFT *pharmaceuticals*
Working to improve your health