



Annual Shareholders Meeting
Milford Cruising Club
6 August 2021

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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.

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

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David Flacks

CHAIRMAN AND INDEPENDENT DIRECTOR



Directors



David Flacks
CHAIRMAN AND INDEPENDENT
DIRECTOR



Hartley Atkinson
FOUNDER, EXECUTIVE DIRECTOR AND
CHIEF EXECUTIVE OFFICER



Marree Atkinson
EXECUTIVE DIRECTOR AND CHIEF OF
STAFF



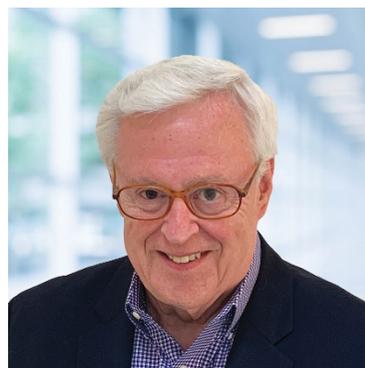
Anita Baldauf
INDEPENDENT DIRECTOR



Dr Douglas (Doug) Wilson
INDEPENDENT DIRECTOR



Jon Lamb
INDEPENDENT DIRECTOR



Dr James (Jim) Burns
INDEPENDENT DIRECTOR

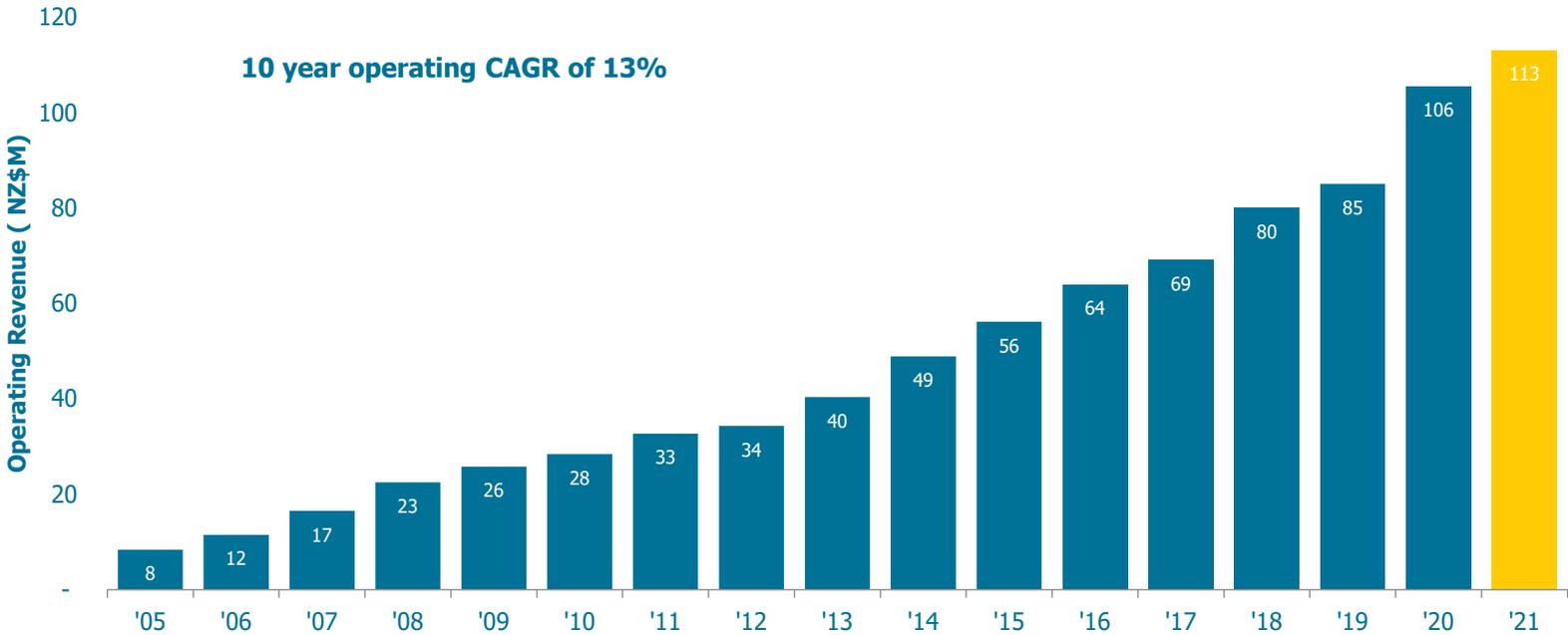


Dr Ted Witek
INDEPENDENT DIRECTOR

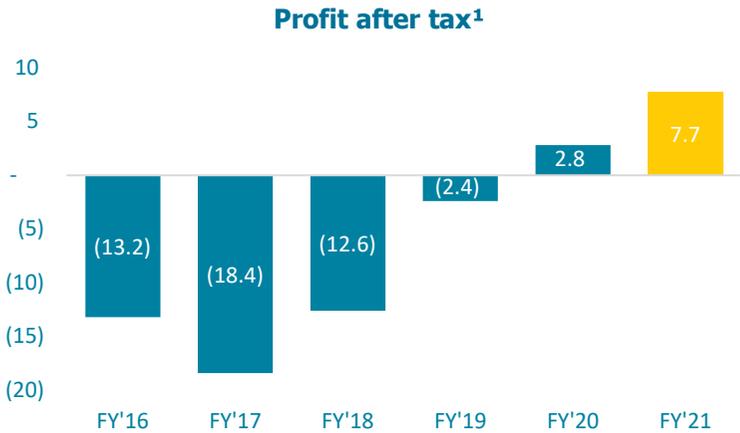
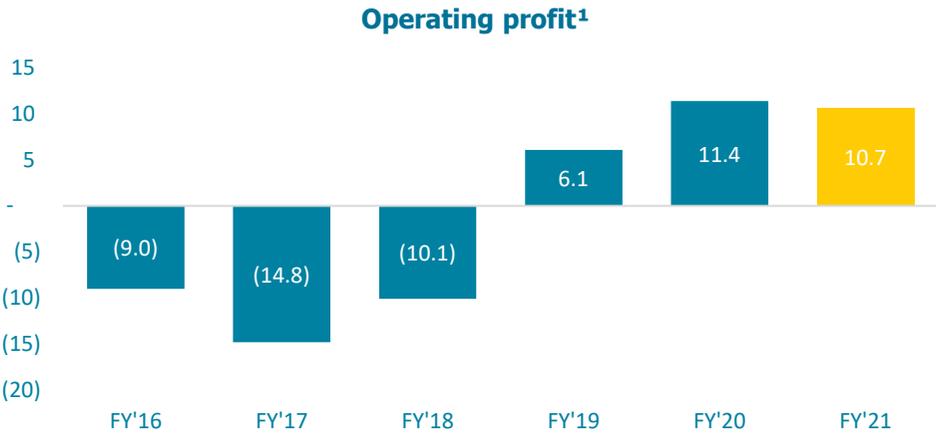
Agenda

- Chair address
- Managing Director's address
- Shareholder questions
- General business
- Meeting close

AFT extended its growth record despite Covid-19



Financial year ended 31 March



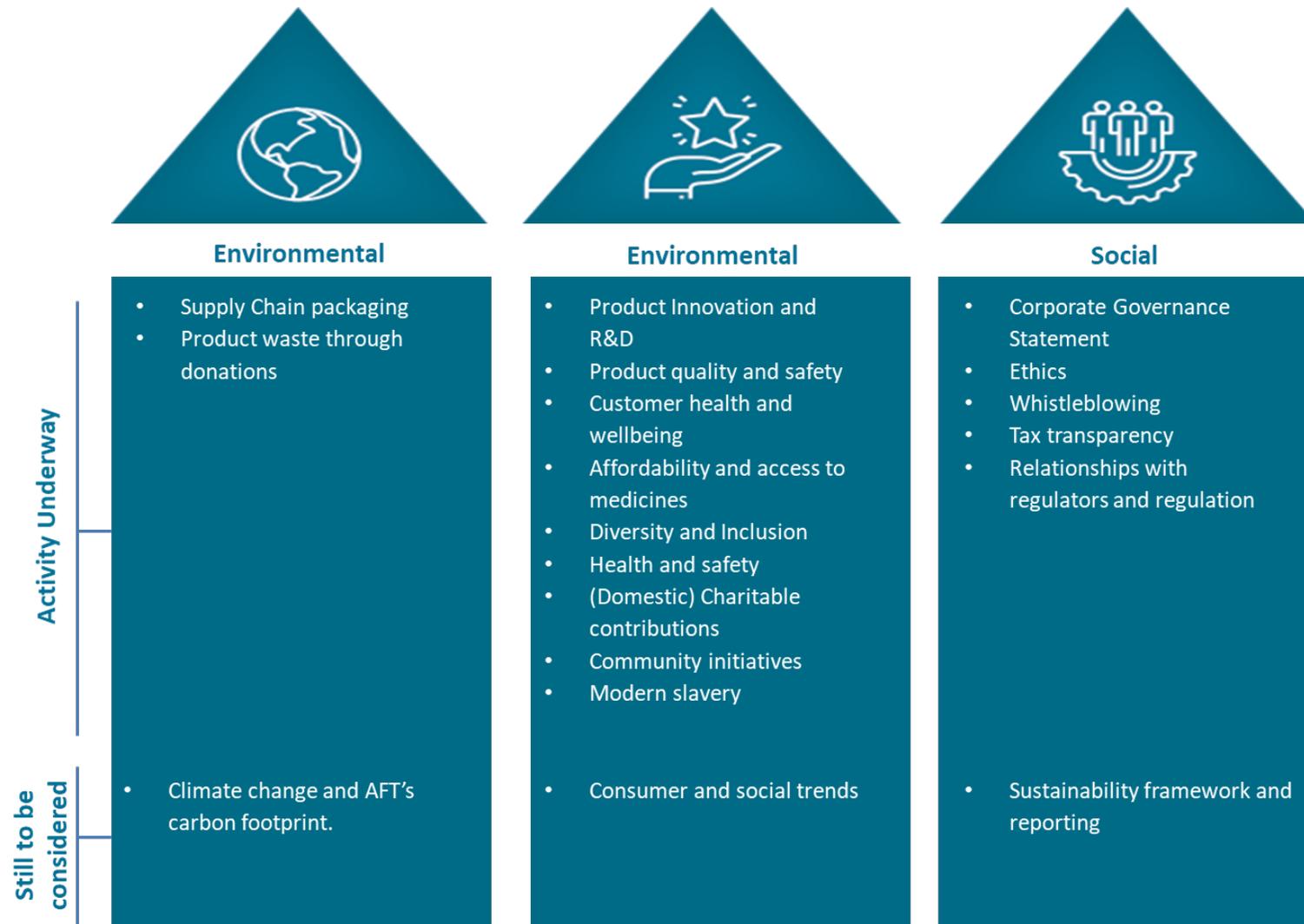
¹ FY20 normalised to exclude \$9.8m gain on de-recognition of equity accounted investment and recognition of net assets acquired at fair value in a step acquisition

AFT improved its financial strength and reduced debt



- Growth in assets follows inventory expansion to manage Covid-19 supply disruptions
- Significantly reduced funding costs achieved with the debt restructuring in early 2020
- Net debt reducing and when the \$25-30m target is achieved AFT will assess the potential for a dividend policy

Governance evolving as AFT extends its global reach



New directors

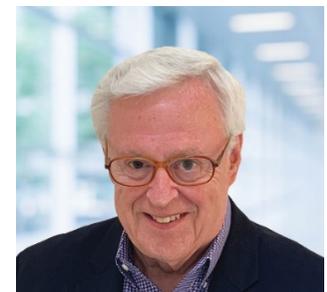


Anita Baldauf
INDEPENDENT DIRECTOR



Dr Ted Witek
INDEPENDENT DIRECTOR

Retiring director

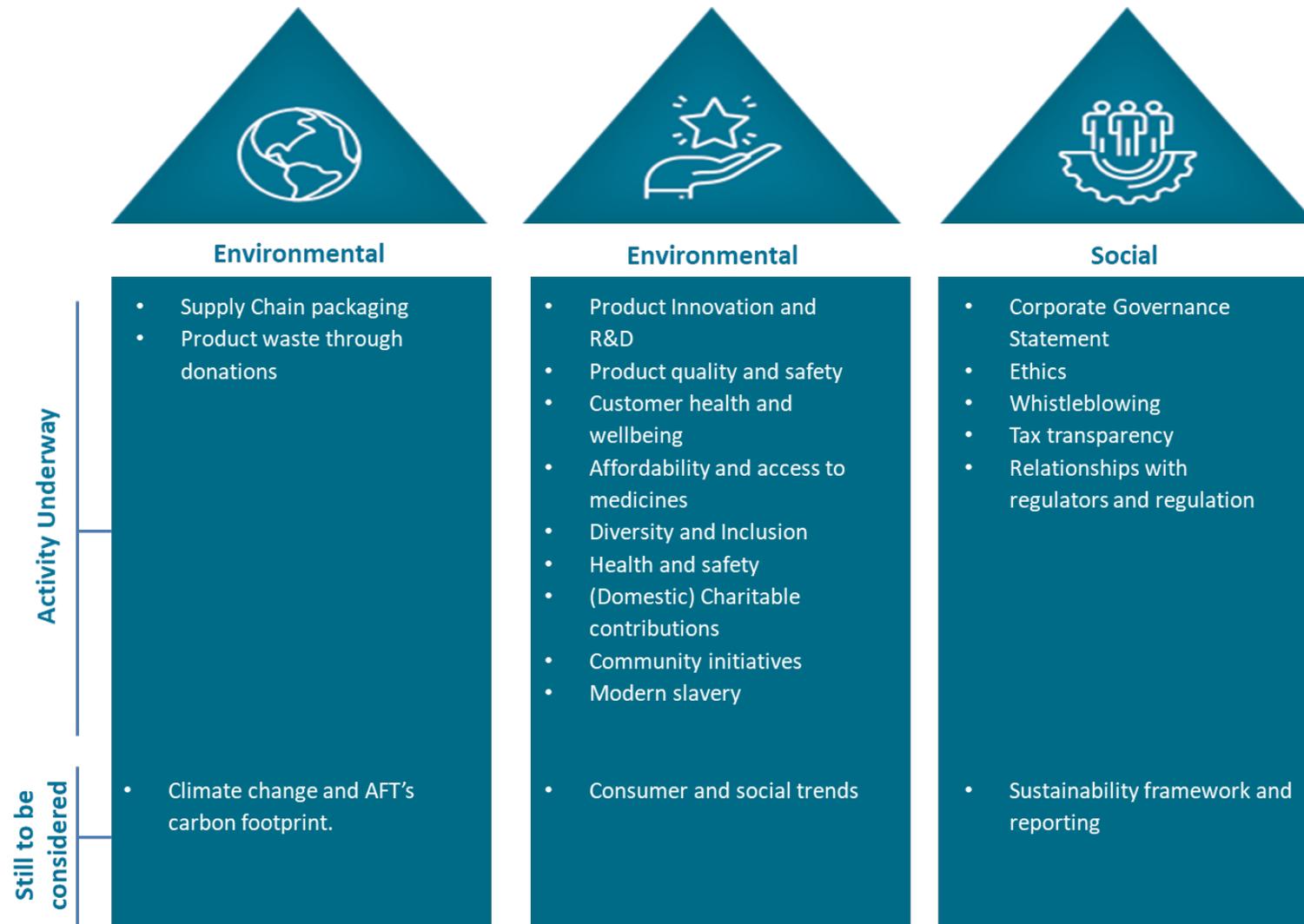


Dr James (Jim) Burns
INDEPENDENT DIRECTOR

Retirement speech of Jim Burns

Retirement speech of Jim Burns

Governance evolving as AFT extends its global reach



New directors

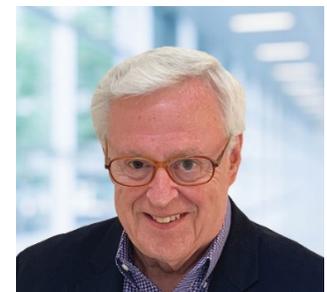


Anita Baldauf
INDEPENDENT DIRECTOR



Dr Ted Witek
INDEPENDENT DIRECTOR

Retiring director



Dr James (Jim) Burns
INDEPENDENT DIRECTOR

Outlook – adapting to a post pandemic environment

- We continue to monitor the economic and financial impacts of the pandemic
- Supply constraints remain for the foreseeable future necessitating increased inventory
- New Covid-19 variants, low vaccination rates and vaccination resistance lift risks of continuing disruption in local markets
- However significant vaccination rates in target markets of US/Canada, Europe and China are positive for a return to normal
- Travel restrictions are limiting the development of new markets and R&D clinical trials and encourage New Zealand authorities to give the question urgency especially in cases where business travellers have been vaccinated and present with a negative covid test
- Dividend policy remains on the agenda as we progress debt reduction to the target of \$25 - \$30 million, linked to underlying earnings progress.
- Targeting operating profit range remains between \$18 million and \$23 million.



Dr Hartley Atkinson

FOUNDER AND MANAGING DIRECTOR



Building on strengths to drive growth

Our strategy: Develop and distribute clinically-proven solutions to improve health outcomes in our markets

OUR STRENGTHS	OUR ACHIEVEMENTS IN FY2021
 <p>Broad product portfolio of patented, proprietary and in-licensed products with strong growth prospects</p>	<ul style="list-style-type: none"> Supported the registration of new Maxigesic dose forms such as Maxigesic IV Extended our portfolio with in-licensing of new products
 <p>Strong Australasian Business</p>	<ul style="list-style-type: none"> Strengthened Australasian portfolio Consolidated our position in core Australasian markets e.g. moved to #2 in Austrian eye lubricant market
 <p>Growing Asian Distribution Networks</p>	<ul style="list-style-type: none"> Extended our reach in Asia with 4 new countries (Indonesia, Korea, Pakistan, Thailand) Opened our first T-Mall e-commerce site in China
 <p>Global licensing relationships provide broad distribution networks</p>	<ul style="list-style-type: none"> Maxigesic IV licensed in 31 new markets including the US*, while tablets licensed in four new countries Extended Maxigesic sales to 43 from 28 countries

*US licence signed post balance date

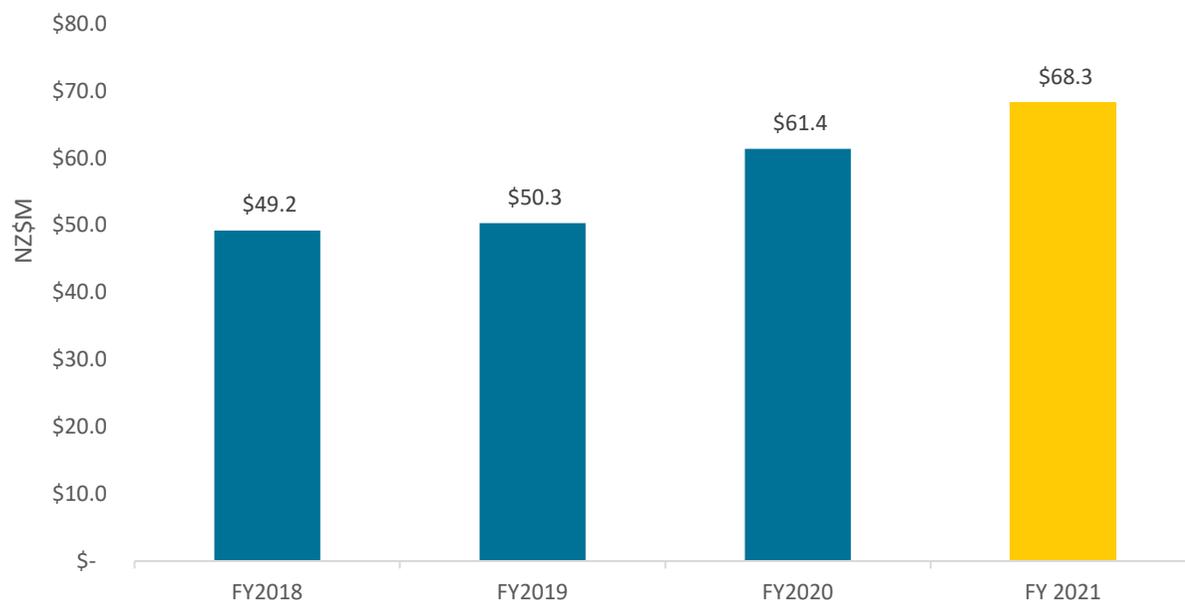
Leveraging our global networks to extend our reach

Our strategy: Develop and distribute clinically-proven solutions to improve health outcomes in our markets

OUR STRENGTHS	OUR ACHIEVEMENTS IN FY2021
 <p>Strong R&D capability: Innovation and successful global product development and registration.</p>	<ul style="list-style-type: none"> • Completed pivotal Maxigesic IV study in NZ and USA (225 patients) • Maxigesic registrations progressed in 25 new countries • NasoSURF advanced to enable first clinical studies to start this 2021 calendar year • Pascomer research significantly advanced
 <p>Global outsourced manufacturing relationships</p>	<ul style="list-style-type: none"> • Established new manufacturing relationships in Europe
 <p>Decades-long, record of financial performance and execution on growth opportunities.</p>	<ul style="list-style-type: none"> • Extended our record of sales growth by recording our 23rd year of increases. • Strengthened our Balance Sheet • Significantly reduced interest costs
 <p>Experienced and expert board and founder-led management team</p>	<ul style="list-style-type: none"> • Quickly adapted to COVID-19 challenges • New management positions in Asia and Europe to increase regional focus • Introduced new Board members

Australia benefits from product and channel diversity

AUSTRALIAN REVENUE



FY2021 highlights:

- COVID-19 disrupted OTC channel and new product introductions, but disruptions offset by growth in eyecare and the hospital channel
- Maxigesic consolidates leading position in combination pain relief medicine
- Eyecare and hospital products deliver strong growth

FY2022 focus areas:

- New product launches to drive growth, including Maxigesic line extensions
- Target 15 new medicine approvals across AU and expanding ongoing in licensing

AUSTRALIAN SNAPSHOT

Sales of \$68.3M represent 60.4% of total FY21 sales

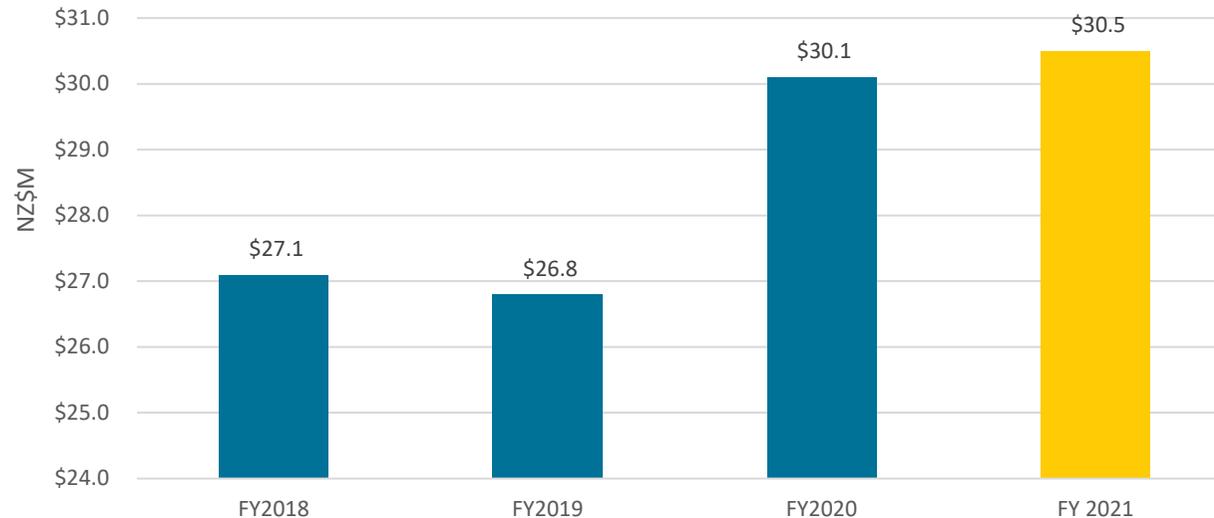
Revenue CAGR of 11.6% since 2018

Branded proprietary and generic products focussed on seven pillars of therapeutic focus:

- Pain
- Eyecare
- Medicated vitamins
- Allergy
- Gastro intestinal
- Dermatology
- Hospital

New Zealand sales growth slows due to Covid-19

NEW ZEALAND REVENUE



FY2021 highlights

- COVID-19 disrupts OTC channel and new product introductions, offset by growth in the hospital channel and strong Vitamin-C Liposachet sales and the launch of Crystawash Extend long acting hand sanitizer

FY2022 focus areas:

- 16 new product launches to drive growth, including Maxigesic line extensions
- Target new medicine approvals and expanding ongoing in-licensing

NEW ZEALAND SNAPSHOT

Sales of \$30.5M represent 27.0% of total FY21 sales

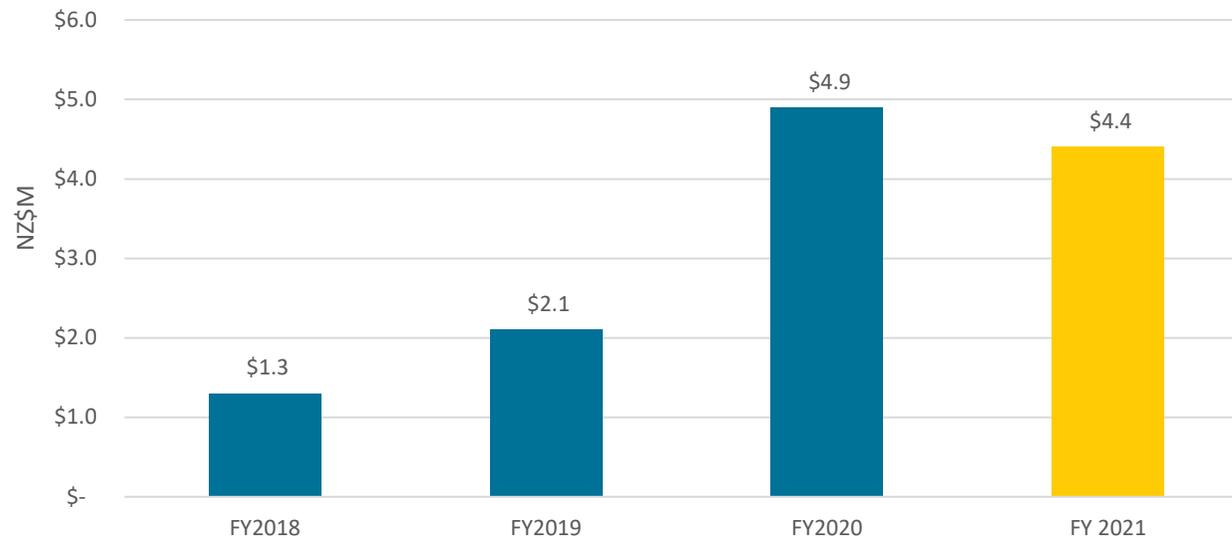
Revenue CAGR of 4% since 2018

Branded proprietary and generic products focused on seven pillars of therapeutic focus:

- Pain
- Eyecare
- Vitamins
- Allergy
- Gastro intestinal
- Dermatology
- Hospital

Asian sales fall as forecast but margins improve

ASIAN REVENUE



FY2021 highlights

- Product portfolio transitions to higher margin hospital and prescription products
- Launched our T-Mall flagship store

FY2022 focus areas:

- Focus on launching OTC products
- Finalise Maxigesic licensing discussions in China and Japan.
- Extend launches across the region
- Extend our T-Mall flagship store to include OTC medicines

*Source:

ASIAN SNAPSHOT

Sales of \$4.4M represent 3.9% of total FY21 sales

Revenue CAGR of 50.1% since 2018

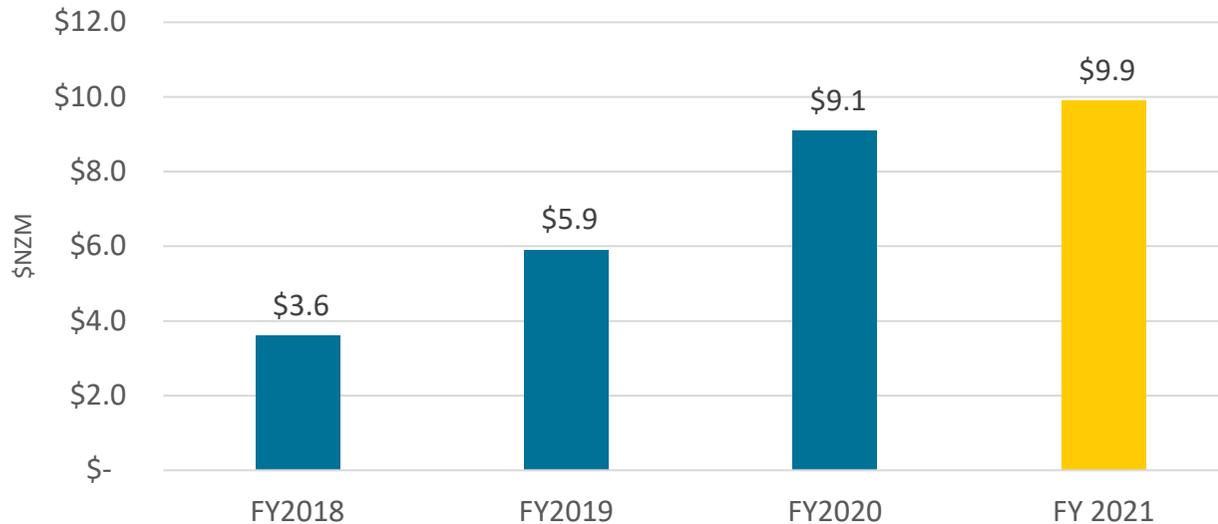
Branded proprietary and generic products focussed on four therapeutic areas:

- Pain
- Vitamins
- Dermatology
- Hospital



Maxigesic drives international licensing and sales revenue

INTERNATIONAL REVENUE



FY2021 highlights

- Product sales growth of 52% driven by Maxigesic, offset by falls in licensing and royalty fees due to Covid-19 disruptions
- US licensing for Maxigesic IV (finalised post balance date)
- 31 new licensees signed for Maxigesic IV and 4 for tablets in 2021
- FY 21 Registrations for tablets increase by 5 for tablets and by 18 for Maxigesic IV

FY2022 focus areas:

- Continue research and development on other dose forms
- Grow licensing and registrations of new dose forms
- Assist licensees and distributors to grow sales as Covid effects recede

INTERNATIONAL SNAPSHOT

Sales of \$9.9M represent 8.8% of total FY21 sales

Revenue CAGR of 40.1% since 2018

Branded proprietary products focused on three therapeutic areas:

- Pain
- Hospital
- Dermatology

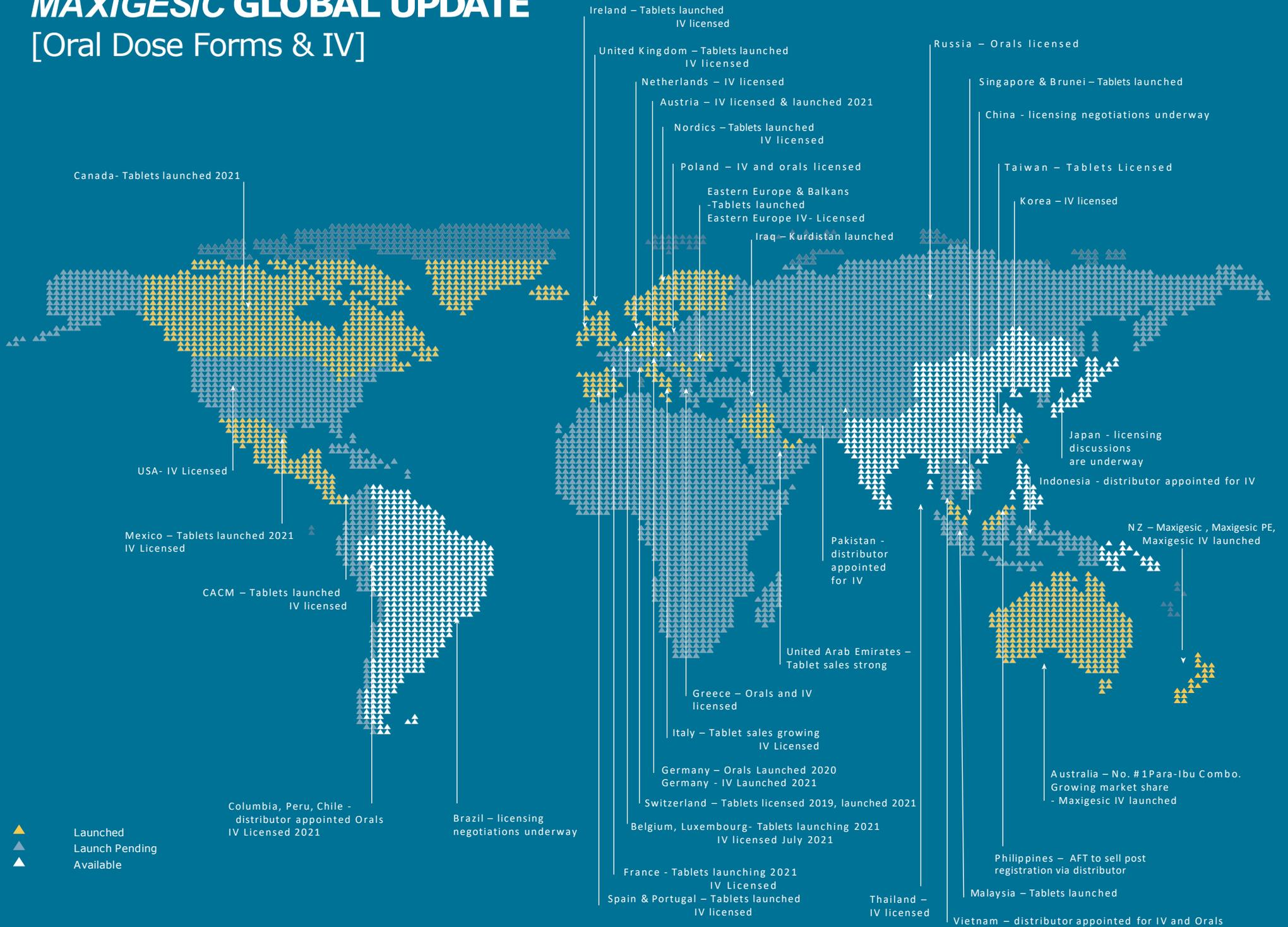
Distribution:

- licensees and distributors
- 100+ countries covered for Maxigesic tablets, IV and Oral Liquid



MAXIGESIC GLOBAL UPDATE

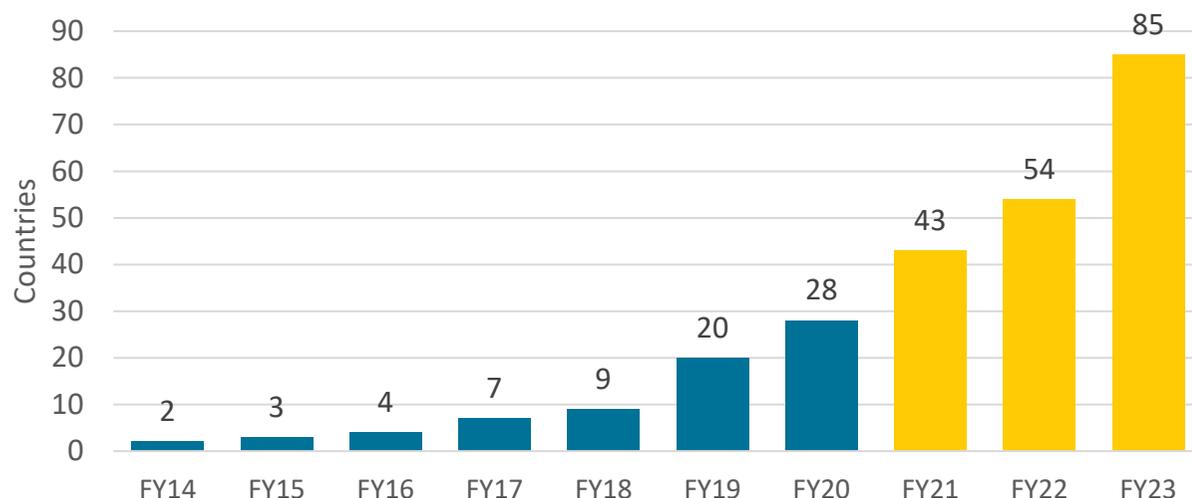
[Oral Dose Forms & IV]



Maxigesic roll out continues across the world

TARGETED MAXIGESIC FY 2022-2023

MAXIGESIC COUNTRIES SOLD AND ORDERED

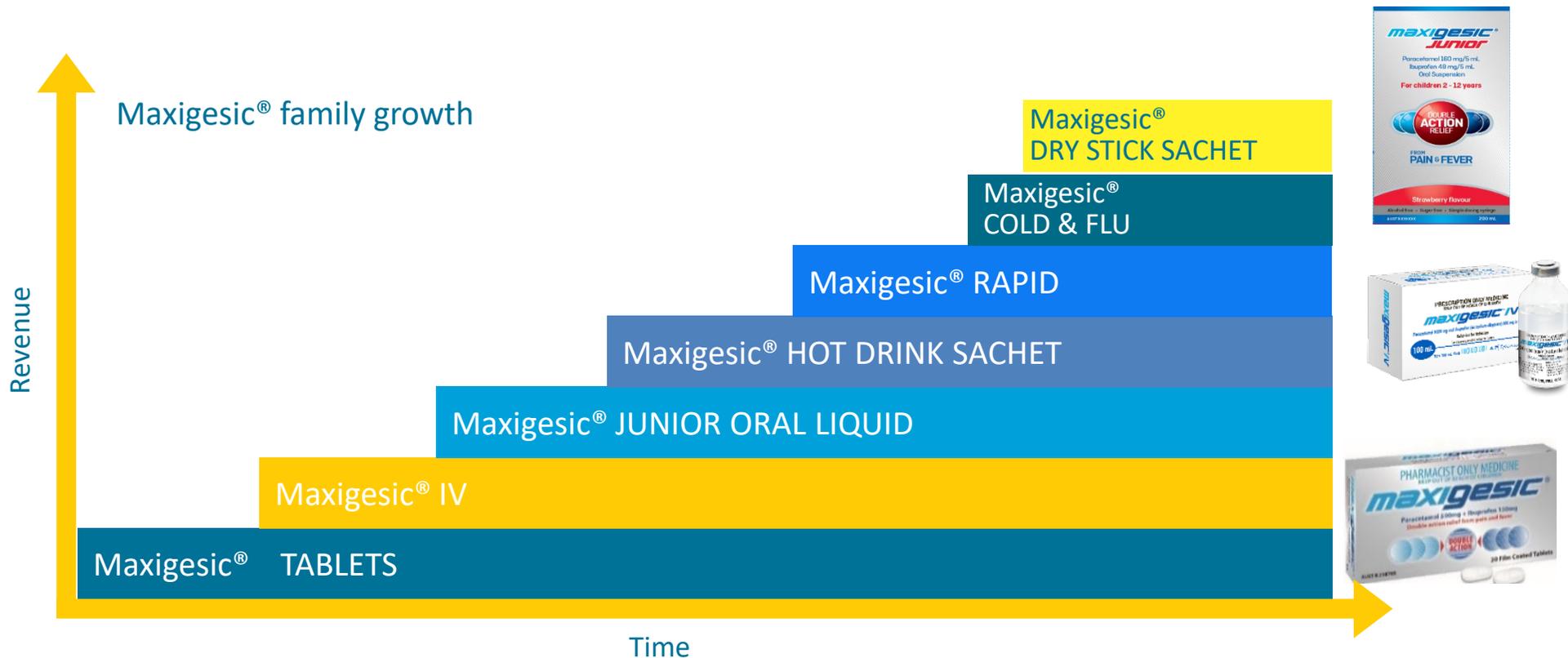


FY 2022 progress to date:

- **Tablets:** Launched in Switzerland and CACM
- **Maxigesic IV:** launched in Germany and Austria in July
- **Oral Liquid:** Registered in Italy and Malta.

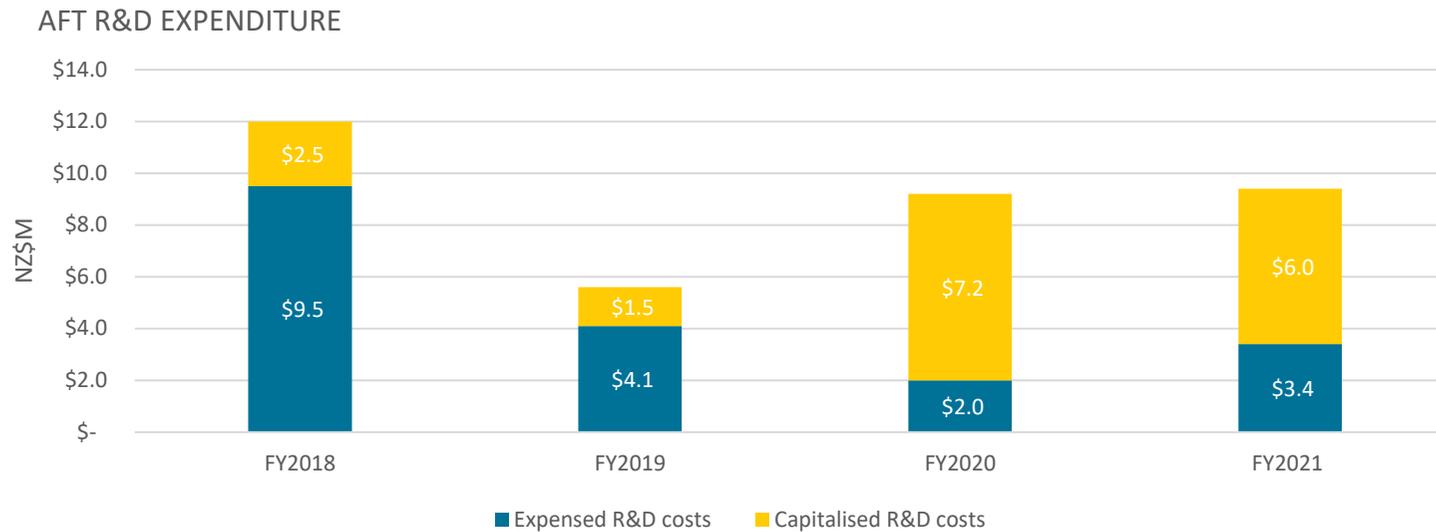
Product	Maxigesic Tablets		Maxigesic IV		Maxigesic Oral Solution	
	31 July 2021	31 March 2021	31 July 2021	31 March 2021	31 July 2021	31 March 2021
Licensed	100+	100+	100+	100+	100+	100+
Registered	49	49	24	21	2	0
Sold in	45	43	5	3	0	0

Maxigesic dose forms extend the addressable market



- Estimated total analgesic market size \$6.2 billion, oral dose forms US5.4 billion and injectable forms US724 million**
- Maxigesic tablets are patent protected out to 2025-2028, beyond which the brand name is expected to cement Maxigesic's OTC position in the market
- AFT is now leveraging the brand goodwill into Maxigesic variants, including:
 - Maxigesic PE (2034 patent)
 - Maxigesic Hot Drink Sachet (2025-2028 patent)
 - Maxigesic Dry Stick Sachet (2036 patent)
 - Maxigesic IV (2031-2034, 2035, 2037 patents)
 - Maxigesic Oral Liquid (2025-2028 patents)
 - Maxigesic Cold & Flu (2025-2028 patents)
 - Maxigesic Rapid (2039 patents)

R&D investment lays foundation for future growth



- **Maxigesic dose forms:**
 - Maxigesic Cold & Flu final studies underway this year
- **Pascomer:** Treatment of facial angiofibromas
 - Licensed for North America to Timber Pharmaceuticals and Europe to Desitin
 - Global Phase II/III study patient enrolment close to completion despite pandemic
- **NasoSURF:** Intranasal drug delivery instead of an injection
 - Clinical studies of the first dose form to commence this year
- **Other products:**
 - Other products in development: Medicinal Cannabis, Crystawash Extend, Crystaderm
- Research and development costs also include new market development costs.



Underlying profit rises – higher sales, lower interest costs

NZ\$'000's year ended 31 March	2021	% of revenue	2020	% of revenue
Revenue	113,105		105,597	
Gross Profit	48,741	43.1%	48,265	45.7%
Underlying Operating Expenses and Other Income	(38,033)	33.6%	(36,843)	34.9%
Underlying Operating Profit¹	10,708	9.5%	11,422	10.8%
Non-recurring Gain	-		9,784	
Operating Profit	10,708		21,206	
Financing expenses and income	(2,821)		(8,329)	
Tax Expense	(105)		(185)	
Profit after tax	7,782		12,692	
Underlying Profit after tax¹	7,782		2,908	
Revenue from product sales & royalties	110,980		101,772	
Gross Profit from product sales & royalties	46,754	42.1%	44,440	43.7%

¹ Adjusted for the \$9,784 non-recurring gain on acquisition

Working capital expands mitigating supply disruptions

NZ\$'000's year ended 31 March	2021	2020
Current assets	64,693	49,217
Cash	3,209	6,119
Non-current assets	37,237	31,716
Total assets	105,139	87,052
Current liabilities	26,941	23,102
Current interest bearing liabilities	5,161	2,000
Non-current liabilities	3,242	3,495
Non-current interest bearing liabilities	33,200	41,200
Total liabilities	68,544	69,797
Total equity	36,595	17,255
Total liabilities and equity	105,139	87,052

Operating cashflow invested in inventory

NZ\$'000's year ended 31 March	2021	2020
Net cash from operating activities	757	14,878
Net cash used in investing activities	(6,231)	(6,562)
Net cash (used) / generated from financing activities	2,515	(9,118)
Net increase / (decrease) in cash	(2,959)	(802)
Impact of foreign exchange on cash and cash equivalents	49	5
Opening cash and cash equivalents	6,119	6,916
Closing cash and cash equivalents	3,209	6,119

Financing cash inflow reflects \$12 million capital raising offset by \$6.5 million debt repayment

A challenging year but growth potential remains strong

Positive achievements across all our key markets

- Continued growth in key Australian market
- Significant growth in product sales to Rest of the World
- Significant margin improvement in Asia on forecast lower FY21 revenue

But Covid-19 has impeded our progress

- Supply disruptions
- Delays to product launches and regulatory approvals
- Negotiations on licensing and distribution agreements have taken longer
- Lockdowns, travel restrictions and foreign government-imposed limits to medicine supply disrupted sales

AFT remains very confident about its future and remains very excited about its potential to grow in its core Australasian markets and the potential of its intellectual property around the world

Summary and outlook



Further drive international sales

- Accelerate number of new countries in which Maxigesic is launched such as Russia
- Growing sales in newly launched markets such as Canada, Germany, Switzerland
- Launch new line extensions – Maxigesic IV and Maxigesic Oral Liquid



Extend international licensing

- Finalise Maxigesic licensing agreement discussions in China and Japan



Bank increased licence payments

- Maxigesic IV upfront and milestone payments
- Additional territories such as China or Japan
- Other milestone payments such as Pascomer



Drive Australia and New Zealand sales

- Drive Maxigesic sales and line extensions in AU & NZ such as hot drink sachets
- Targeting 31 new approvals across ANZ.
- Ongoing in-licensing to expand ANZ business
- New launches in AU & NZ.

Shareholder questions



Resolutions



Resolutions

Resolution 1: That the directors are authorised to fix the fees and expenses of Deloitte as auditor for the 2022 financial year.

Resolutions

Resolution 2: That Mr David Flacks be re-elected as a director of AFT Pharmaceuticals Limited.

Resolutions

Resolution 3: That Ms Anita Baldauf be elected as a director of AFT Pharmaceuticals Limited.

Anita Baldauf

Resolutions

Resolution 3: That Ms Anita Baldauf be elected as a director of AFT Pharmaceuticals Limited.

Resolutions

Resolution 4: That Dr Ted Witek be elected as a director of AFT Pharmaceuticals Limited



Dr Ted Witek

Resolutions

Resolution 4: That Dr Ted Witek be elected as a director of AFT Pharmaceuticals Limited

Proxies for the resolutions

Resolution	For	Against	Discretionary	Abstain
1. Auditor fees and expenses	84,488,629	11,972	458,363	20
2. Re-election David Flacks	84,495,521	3,900	459,563	0
3. Election Anita Baldauf	84,486,696	1,351	470,917	20
4. Election Dr Ted Witek	84,495,747	0	463,217	20

Voting



General business



Meeting close



The logo for AFT pharmaceuticals is centered on a blue background. It features the letters 'A', 'F', and 'T' in a bold, white, sans-serif font, each separated by a thin vertical white line. To the right of these letters, the word 'pharmaceuticals' is written in a white, italicized serif font. Below the main logo, the tagline 'Working to improve your health' is written in a smaller, white, italicized serif font. A large yellow triangle is positioned on the left side of the image, pointing towards the top right.

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

APPENDIX 1: 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



¹ Paracetamol and Ibuprofen

APPENDIX 2: 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



APPENDIX 3: 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 – tablets, solution, hot drink sachet, rapid, cold and flu</p>
<p>Hospital</p>	<p>Maxigesic IV (intravenous) NasoSurf – nasal nebuliser drug delivery</p>
<p>Dermatology</p>	<p>Pascomer – primarily North America & Europe Crystawash extend – selected territories such as Canada & Middle East Crystaderm – selected territories such as Canada</p>

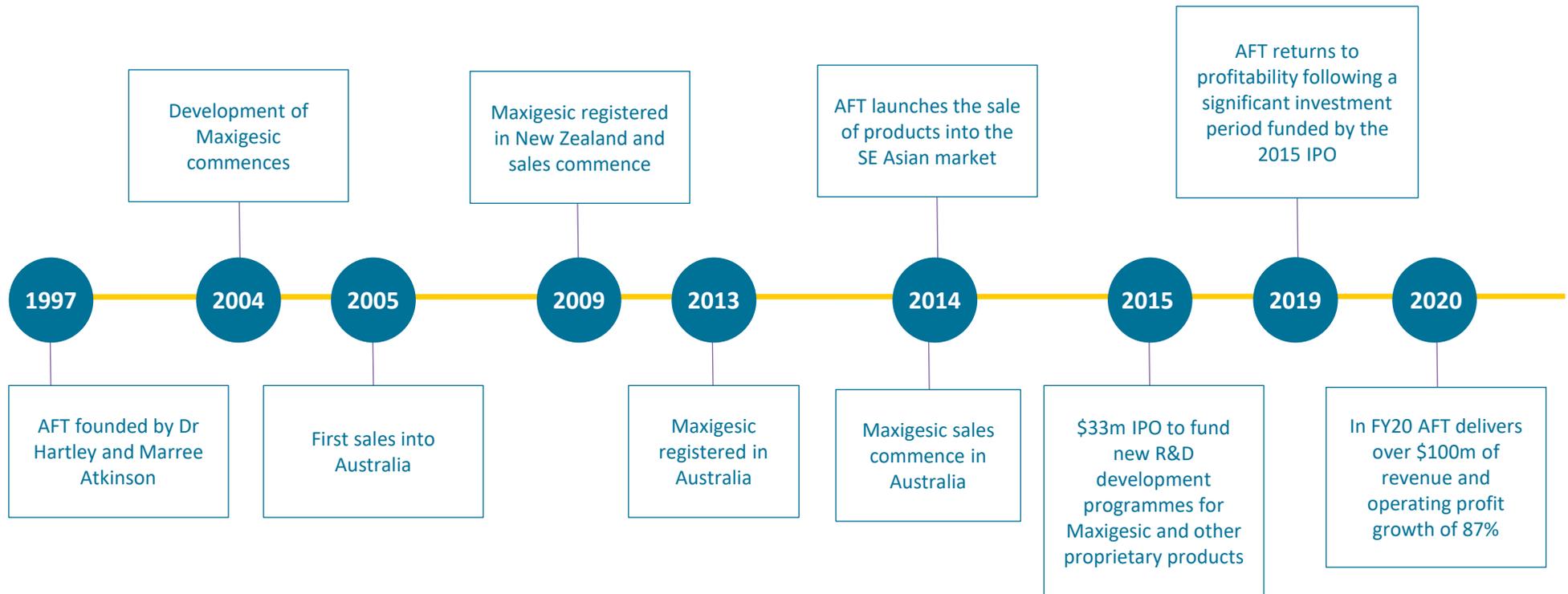


¹ Paracetamol and Ibuprofen

APPENDIX 4: 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



APPENDIX 5: GAAP TO NON-GAAP RECONCILIATION

AFT has used non-GAAP measures when discussing financial performance in this document including underlying profit after tax and underlying operating profit. The directors and management believe that these measures provide useful information as they are used internally to evaluate performance of business units, to establish operational goals and to allocate capital.

Definitions:

Underlying profit after tax:	Profit after tax less significant one-off non-recurring gain.
Underlying operating profit:	Operating profit less significant one-off non-recurring gain.

Non-GAAP measures are not prepared in accordance with NZ IFRS (New Zealand International Financial Reporting Standards) and are not uniformly defined, therefore the non-GAAP 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 Pharmaceuticals in accordance with NZ IFRS.

The non-GAAP measures are not subject to audit or review.

GAAP to Non-GAAP Reconciliation:

	Year Ended 31 March	
	2021	220
	\$'000	\$'000
Underlying profit after tax	7,782	2,908
Add back/(subtract):		
Gain on derecognition of equity accounted investment and recognition of net assets acquired at fair value in a step acquisition ¹	-	9,784
Profit after tax	7,782	12,692
Underlying operating profit	10,708	11,422
Add back/(subtract):		
Gain on derecognition of equity accounted investment and recognition of net assets acquired at fair value in a step acquisition ¹		9,784
Operating profit	10,708	21,206

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