



INVESTOR PRESENTATION

FINANCIAL RESULTS
12 MONTHS TO 31 MARCH 2024



Dr Hartley Atkinson
Co-Founder and Managing Director

Malcolm Tubby
Chief Financial Officer

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

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

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Presenting Today

Dr Hartley Atkinson
Co-Founder and Managing Director



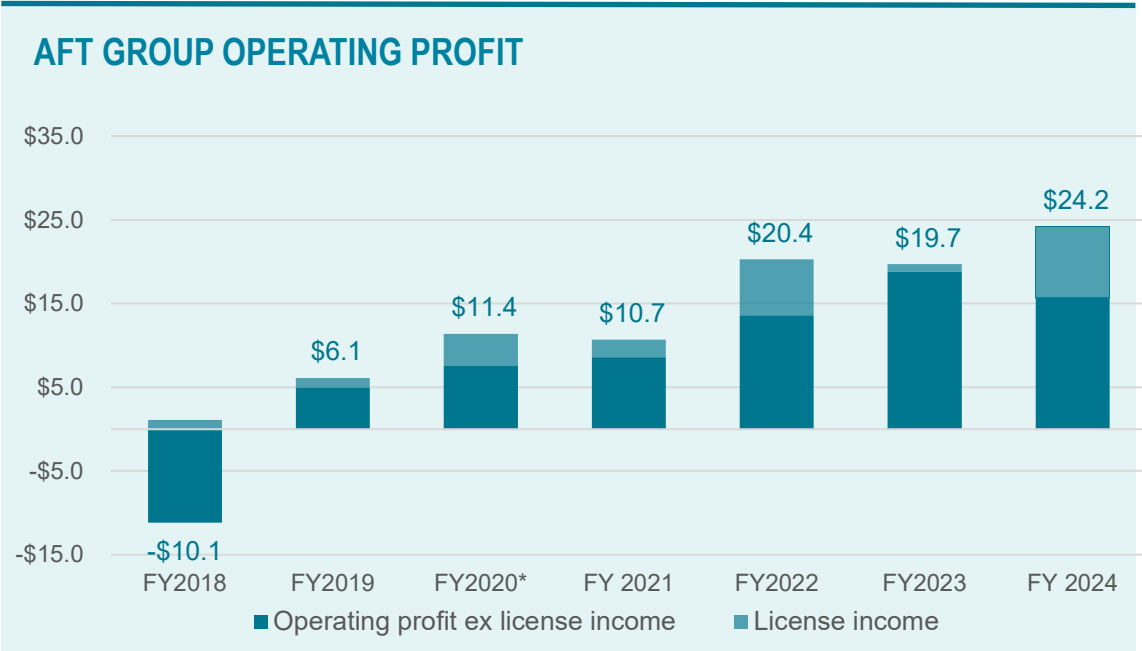
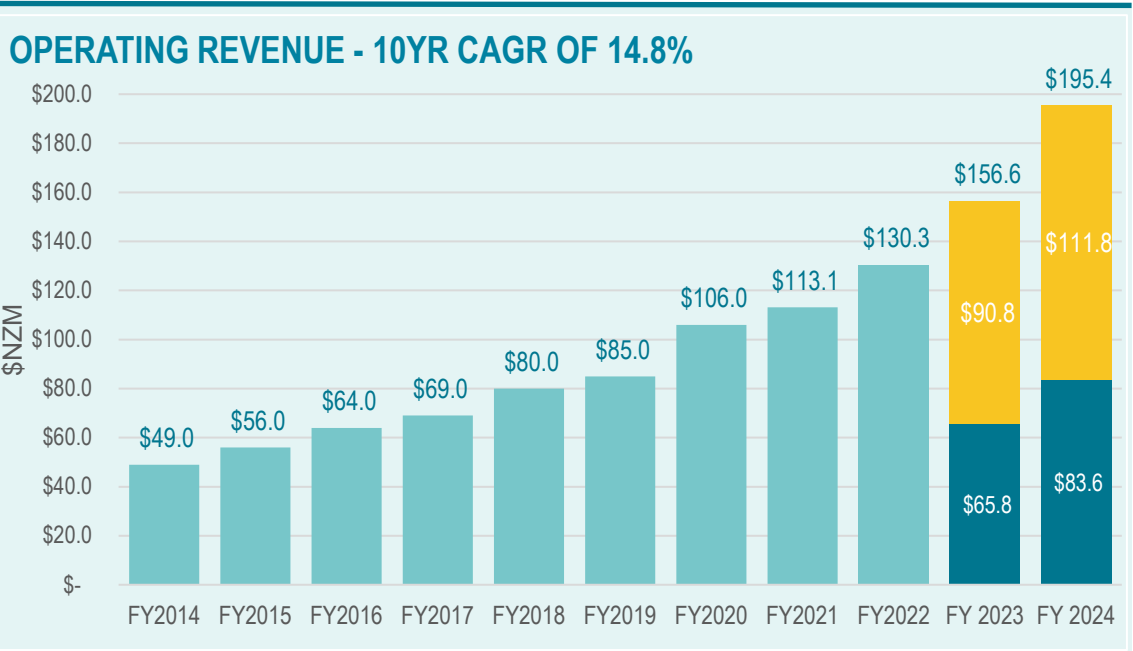
Malcolm Tubby
Chief Financial Officer



Record Revenue, Earnings and Lower Debt Whilst Investing for Growth

HIGHLIGHTS

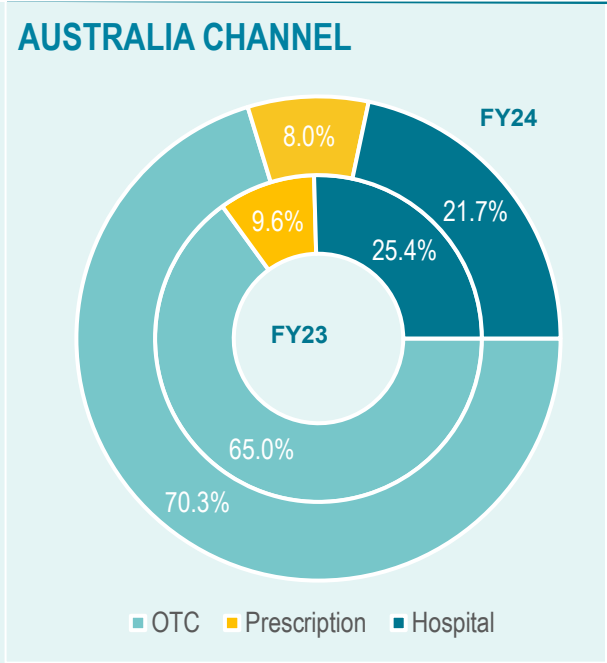
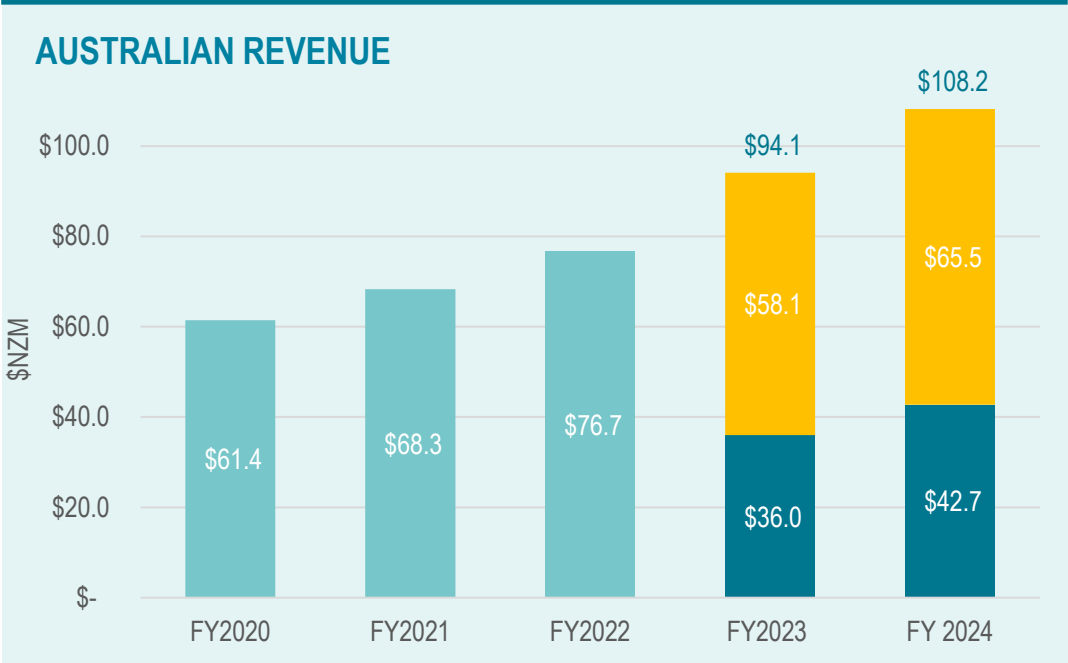
- Full-year operating revenue up **25%** to \$195.4 million, extending a decades long record of revenue growth
- International and Asian market revenue (excluding licensing income of \$8.5 million) rises **70%** to \$30 million; Australasian markets up **14%**;
- EBITDA¹ rises **22%** to \$26.2 million; operating profit rises **23%** to \$24.2 million, both at a record. The impact of revenue growth on earnings diluted by investments for the future including an expansion of the R&D portfolio and new product support in Australasia
- Net debt down **45%** to \$16.2 million and now ahead of 1x EBITDA target; dividend declared of **1.6** cents per share against 1.1 cents for FY23
- Forecasting strong growth and margin improvement; with **\$300 million** rolling revenue target now in focus



■ FY
 ■ 1H
 ■ 2H
 ¹ EBITDA is a non-GAAP measure of financial performance and is defined and reconciled to NZ GAAP on page 23 of this presentation.
 AFT PHARMACEUTICALS WORKING TO IMPROVE YOUR HEALTH

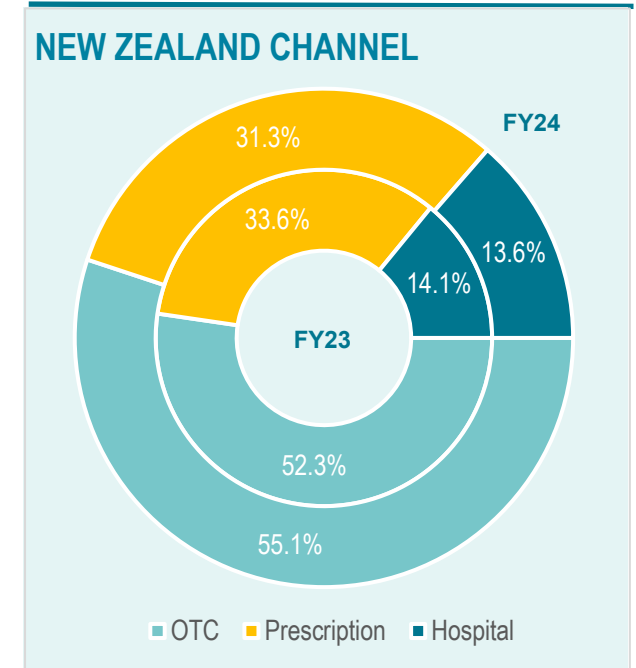
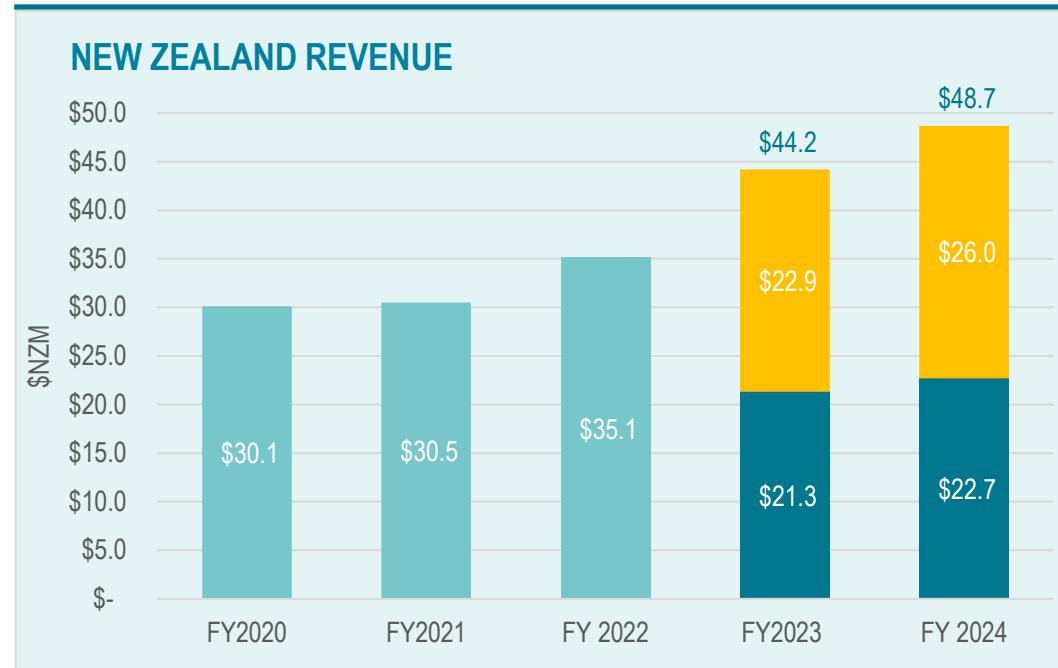
Australia: Sales Growth Led by OTC Markets

- Revenue rises 15% to \$108.2 million; driven by OTC channel growth; AFT’s liposomal vitamins and Maxigesic are the leaders in their respective segments; GP Field Force bedded down
- Operating profits down to \$15.5 million from \$19.3 million following increased marketing spend on product launches. Margins impacted by discounting and a change in mix, but we expect a normalisation in the coming year.



New Zealand: Growth in OTC

- Revenue rises 11% to \$48.7 million, with the OTC channel leading growth, hospital and prescription channels more subdued.
- Operating profit was \$7.3 million compared to \$8.1 million in the prior year. In part this reflects the increased marketing spend associated with product launches and brand support for Maxigesic. Margins expected to normalise.



FY 1H 2H

Driving Australasian Growth With New Products

- A full portfolio of product launches for our Australasian business, with 61 targeted for FY25 to FY26
- During FY24 we launched 18 new products across Australasia including:
 - Extending Ferro Range
 - Ferrocare Pregnancy Multivitamins
 - Ferro-MR Tablets
 - Ferro-MR + Vit C Tablets
 - Ferro-Malt Tablets
 - Extending Preservative Free Eye Drop Range
 - DorzolaTim Preservative Free Eye Drops
 - Extending Hospital injectable products
 - 5 new injectables



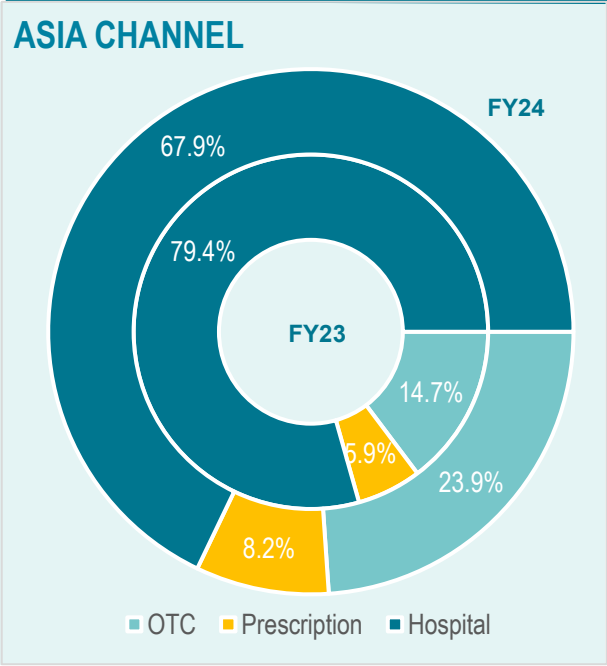
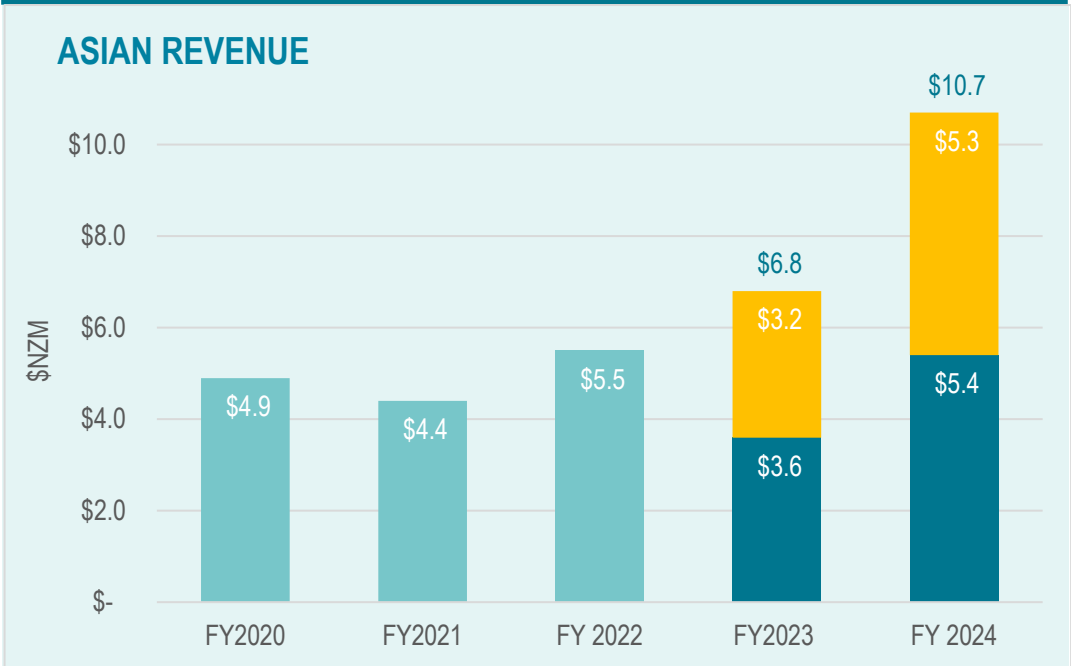
BREAKING THE BAD OF PSEUDOEPHEDRINE

- Deploying a pioneering technology designed to combat diversion to manufacture methamphetamine.
- Matrix technology reduces the amount of pseudoephedrine that can be extracted from the medicines.
- Approved for in Australia, seeking New Zealand approval
- Seeing strong interest from pharmacists concerned about in store robberies

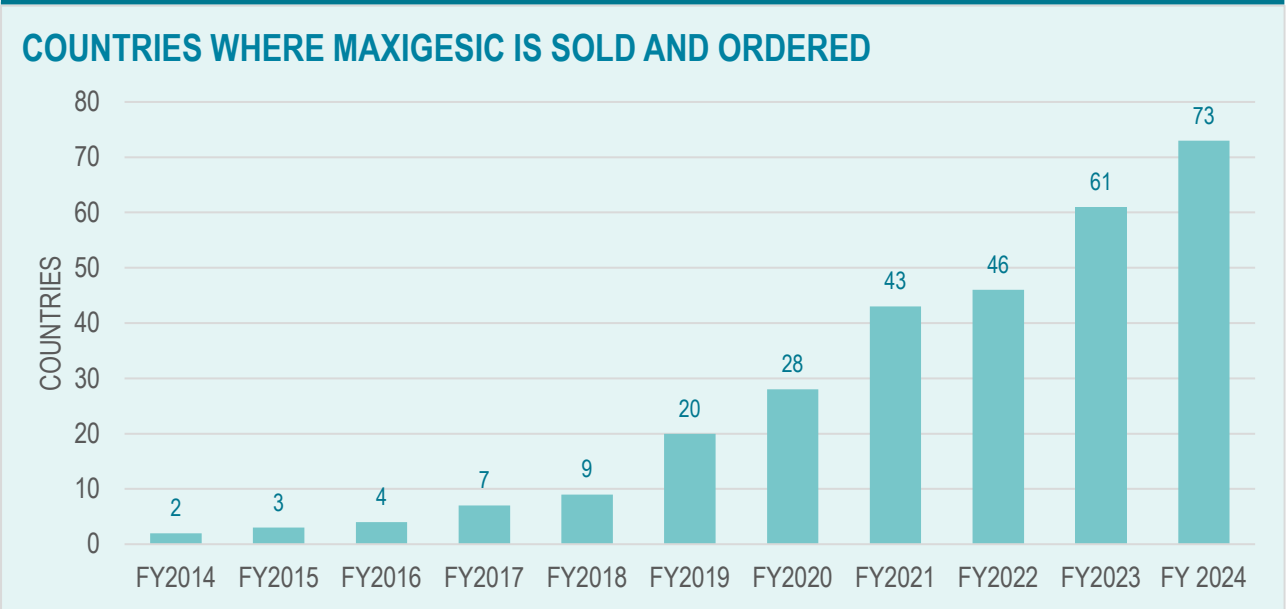
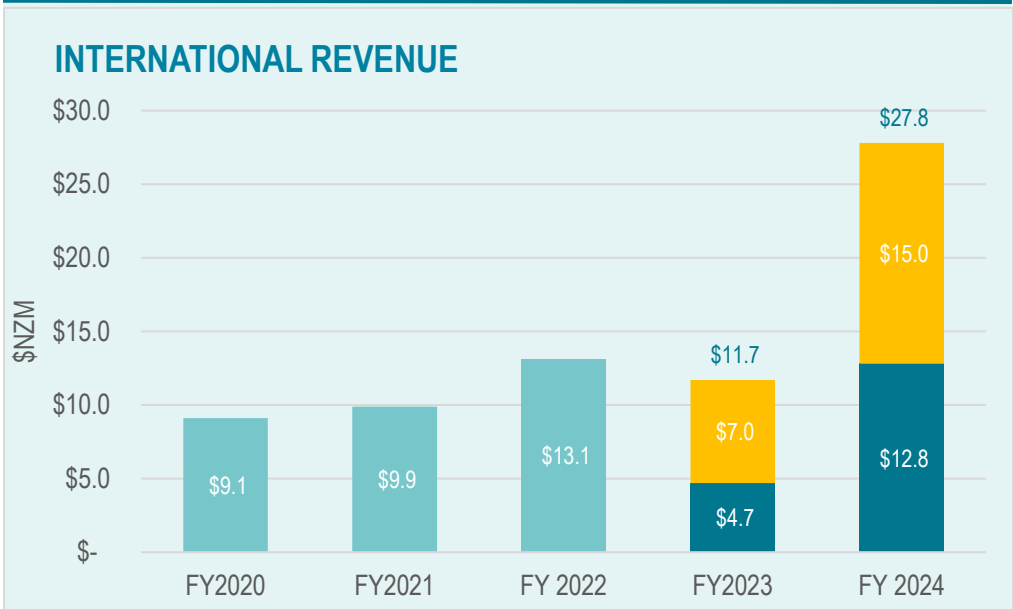


Asia: Maxigesic IV Drives Growth; Supported by OTC and Online

- Operating revenue grew **57%** to \$10.7 million from \$6.8 million, with growth driven by the hospital channel and strong demand for Maxigesic IV, particularly in Korea. Chinese cross border e-commerce (CBEC) initiatives also contribute
- Operating profit up **177%** to \$2.5 million from \$0.9 million. Expect continuing growth supported by the launch of Crystaderm antiseptic cream in China and further penetration of OTC markets and continued online growth



International: An Expanding Portfolio in New Markets



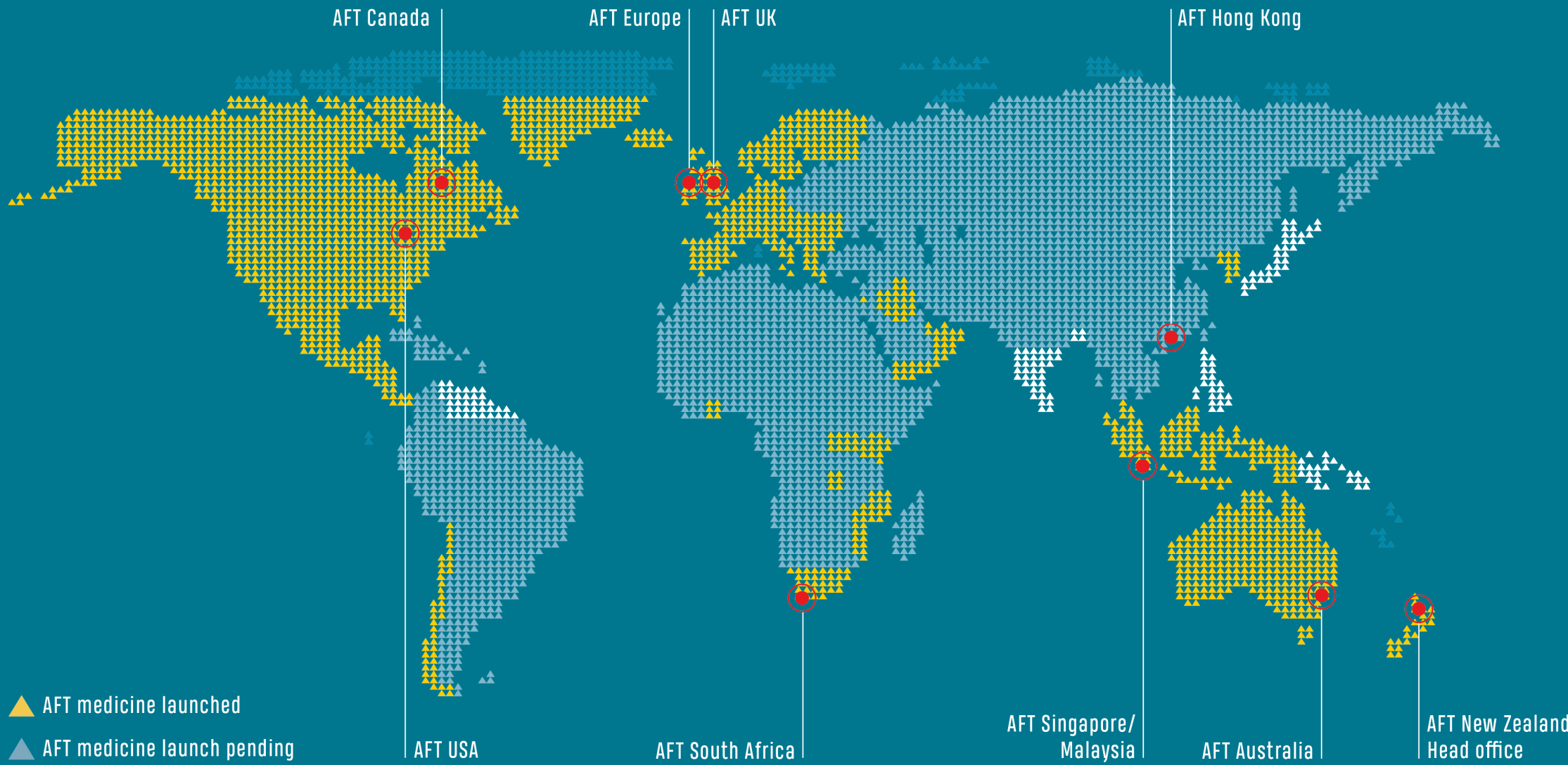
FY 1H 2H

- Revenue from product sales and royalties in the international business grew by 78% to \$19.3 million, primarily due to growing momentum in Maxigesic sales (in various dose forms)
- Operating profit rises to \$8.6 million from \$0.3 million lifted by milestone payments following the launch of Maxigesic IV in the US.



AFT's Global Reach

Our medicines are now available in more than 70 countries around the world

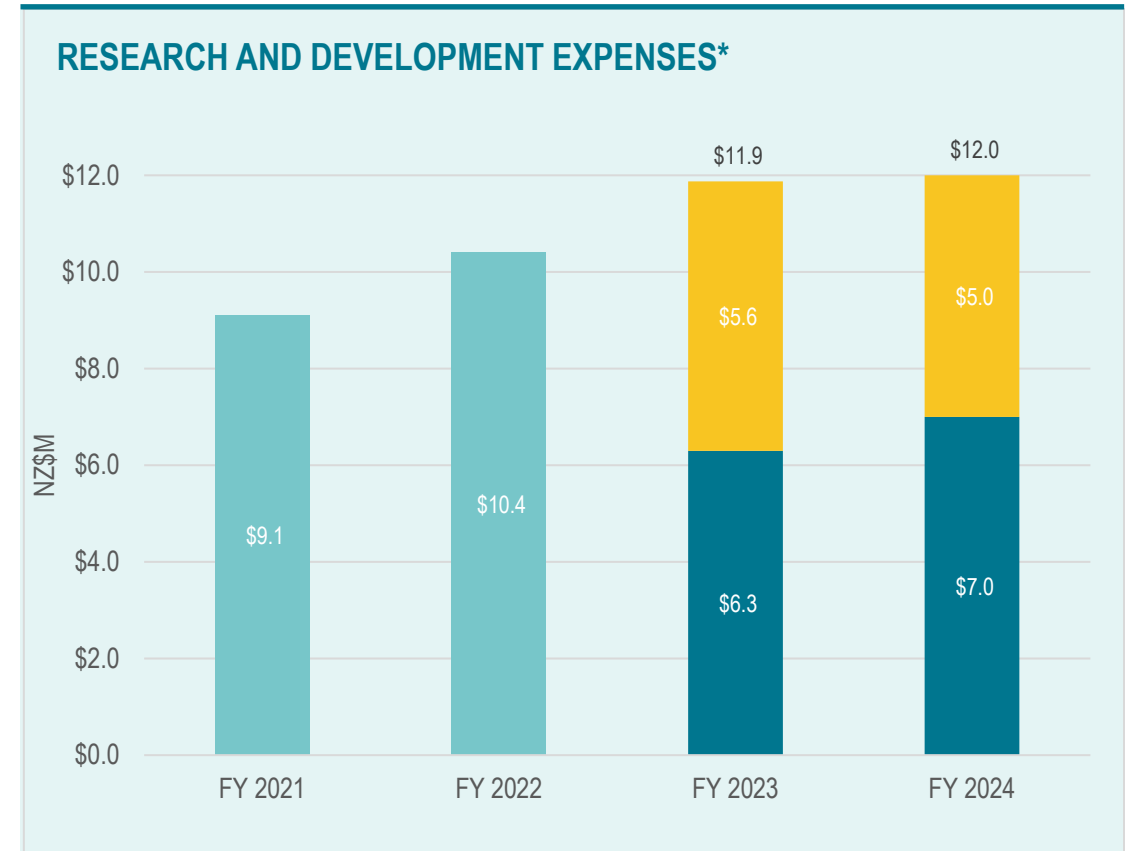


Commercialized Research and Development investment

Several projects have exited development during the year, and in the commercialization and revenue generating phase

PROJECTS NOW IN COMMERCIALISATION

- Maxigesic – nine dose forms now in market and protected by patents.
 - Tablets
 - Oral liquid
 - Rapid Dissolving Tablet (Patent 2039).
 - Intravenous (Patent 2035)
- Crystaderm, antibacterial and anti-acne cream, a unique and proprietary formulation
- Micolette micro-enema for bowel obstruction
- Kiwisothe tablets and sachets for gut discomfort and constipation
- Capsaicin cream in two strengths for Osteoarthritis (low) and Neuropathic pain (high)



*Expensed and capitalised

FY 1H 2H

Investing in a Strong Research and Development Pipeline

AFT's positive cashflows have positioned the company well to undertake and secure research and development projects either alone or in partnership with others.

PROJECT	PATENT	PARTNERSHIP AND APPLICATION
DERMATOLOGY		
Pascomer	2040/2044 ¹	Facial angiofibromas / Port Wine Stains
Strawberry Birthmarks	2041	Gillies McIndoe and Massey Ventures
Keloid Scars topical treatment	2044 ¹	Gillies McIndoe and Massey Ventures
Vulvar Lichen Sclerosis	TBC	Hyloris Pharmaceuticals
EYECARE		
Antibiotic Eye Drop	2037 and 2044 ¹	For drug resistant infections: - Conjunctivitis, Keratitis, Post Kpro prophylaxis
PAIN		
Burning Mouth Syndrome	TBC	Hyloris Pharmaceuticals
DRUG DELIVERY		
NasoSURF for conscious sedation	2036	
OTHER		
Novel new medicine (confidential)	2037	Late-stage development under negotiation

1. Patent pending.



Record Operating Profit

Year to 31 March	2024 \$000	Revenue %	2023 \$000	Revenue %	FY Δ%
Revenue	195,411		156,641		25%
Gross profit	88,272	45%	72,983	47%	
Operating expenses and other income	(64,037)	33%	(53,314)	34%	
Operating profit	24,235		19,669		23%
Finance expenses and other income	(2,216)		(3,870)		
Tax	(6,410)		(5,145)		
Profit after tax	15,609		10,654		47%
Revenue from product sales and royalties	186,872		155,768		20%
Gross profit from product sales and royalties	79,733	43%	72,110	46%	11%

- Strong growth in revenue supported by licensing income and sales in international markets.
- Gross profit margin on product sales and royalties reflects:
 - Australasian discounting of some high margin products; and
 - Product mix
- Expect margins to recover in the coming year
- Operating profit also diluted by investment in new product promotion and development projects.

AFT is Well Funded with Net Debt below EBITDA

Year to 31 March	2024 \$000	2023 \$000	FY Δ%
Current assets (excluding cash)	93,687	89,851	
Cash	12,040	4,749	154%
Non current assets	59,530	53,463	
Total assets	165,257	148,063	12%
Current liabilities (excluding interest-bearing liabilities)	46,068	37,317	
Non current liabilities (excluding interest-bearing liabilities)	3,194	2,820	
Interest bearing liabilities (current and non-current)	28,200	34,658	
Total liabilities	77,462	74,795	4%
Total equity	87,795	73,268	20%

- Reduction in net debt, now at \$16.2 million, down from \$29.9 million at the end of FY23
- Net debt now below target of 1X EBITDA
- Continue to target a reduction in working capital with inventory reductions for existing products
- But balancing this against continuing risks of supply interruption due to supply chain bottlenecks

Cashflow Supported by Strong Growth and Maxigesic IV Milestone Payment

Year to 31 March	2024 \$000	2023 \$000	FY Δ%
Net cash from operating activities	28,861	11,629	148%
Net cash used in investing activities	(9,527)	(9,177)	4%
Net cash (used)/generated from financing activities	(10,633)	(6,978)	52%
Net increase/(decrease) in cash	8,701	(4,526)	
Impact of foreign exchange on cash and cash equivalents	48	(123)	
Opening cash and cash equivalents	3,291	7,940	
Closing cash and cash equivalents	12,040	3,291	266%

- Strong growth in operating cashflows supported by Maxigesic IV licensing income of \$6 million and revenue growth
- Investment cash outflows remains elevated with investment in new projects
- Increase in financing cash outflows follows increased debt repayments and the maiden dividend.
- Cash and cash equivalents increase delivering AFT flexibility

Outlook: Positioned to Drive Continued Growth in Revenue and Earnings

- AFT is expecting growth for the coming financial year(s) to continue
- We are targeting operating profit – excluding any license payments – to range between \$22 million to \$25 million driven by better quality earnings from trading.
- AFT is well positioned to build on its long record of growth supported by:
 - The ongoing roll out of Maxigesic and its line extensions
 - Additional R&D products now being commercialized
 - The planned launch of 61 new products over the next 24 months in Australasia and a margins trending back to historical averages
 - Numerous new launches and increasing rates of growth in other markets around the world including AFT companies.
 - A robust product development pipeline
- Our goal of \$200 million in annual revenue on a moving annual total is now close and now turning to the next target of \$300 million annual revenue.



QUESTIONS





APPENDIX



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Appendix 1: Sustainability- Founded on a Social Goal of Improving Health

	SOCIAL	GOVERNANCE	GOVERNANCE
PRIORITIES	1. Working to improve health and well being  	2. Best practice corporate governance 	3. Ethical and sustainable value chains  
PRIORITIES	4. Supporting and developing our people   	5. Understanding our climate risks and taking action  	6. Waste minimisation 

AFT'S GREEN HOUSE GAS EMISSIONS

Category (ISO 14064-1:2018)	Scopes (ISO 14064-1:2006)	2024
Category 1: Direct emissions (tCO ₂ e)	Scope 1	331.76
Category 2: Indirect emissions from imported energy (location-based method*) (tCO ₂ e)	Scope 2	18.57
Total direct emissions (tCO₂e)		331.76
Total indirect emissions* (tCO₂e)		18.57
Total gross emissions* (tCO₂e)		350.33
Category 1 direct removals (tCO ₂ e)		0.00
Purchased emission reductions (tCO ₂ e)		0.00
Total net emissions (tCO₂e)		350.33

*Emissions are reported using a location-based methodology.

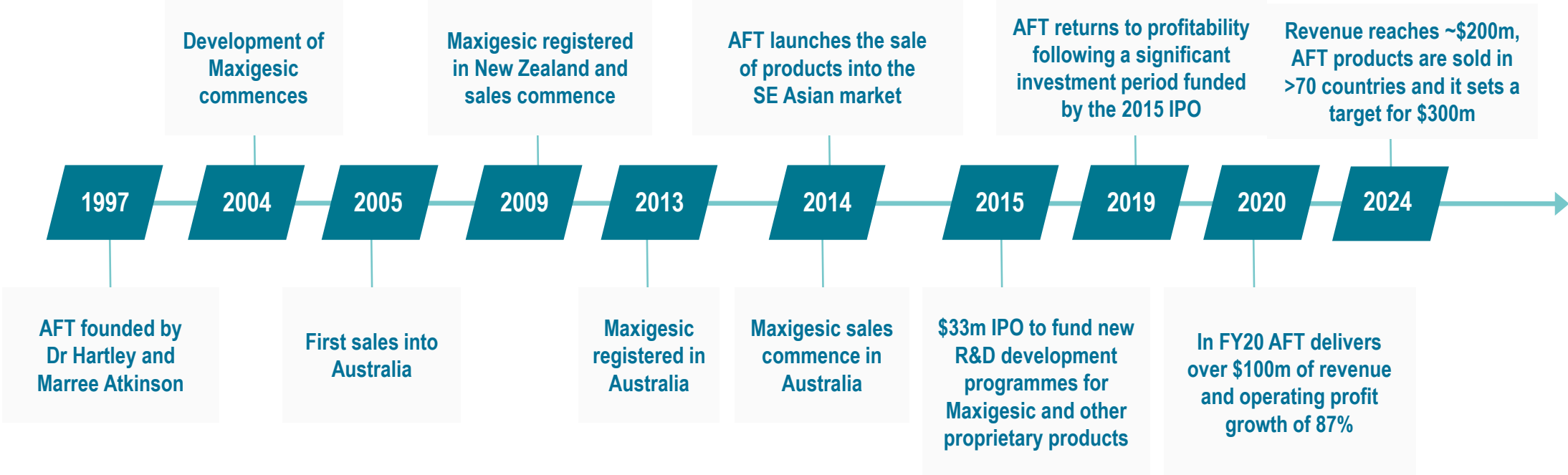
DELIVERING OUR FIRST CLIMATE ASSESSMENT

- Continue the evolution of our sustainability framework
- We completed our first climate risk assessment, and our first disclosure required under the Aotearoa New Zealand Climate Standards
- We determined that climate change does not represent a material risk to our business
 - Established targets for Scope 1 and 2 emissions consistent with limiting global warming to a 1.5-degree increase
 - Developing our emissions reduction plan
- Reviewed our materiality assessment that we use to set our priorities
- Continuing to evolve the measures and targets we use to assess progress on our sustainability agenda

Appendix 2: History of AFT Pharmaceuticals

AFT was founded over 25 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 and its growth and global reach is now accelerating



Appendix 3: 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 over 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, Crystasoothe, Topiderm range, Decazol, MycoNail
Hospital	Maxigesic IV, Injectables



¹ Paracetamol and Ibuprofen

Appendix 4: 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: Maxigesic¹, Pascomer, NasoSURF, and Crystaderm

<p>Pain</p>	<p>Maxigesic oral dose forms</p> <ul style="list-style-type: none"> - Tablets - Solution - Hot drink sachet - Rapid tablets - Cold and Flu - Day& Night <p>ZoRub Osteo and HP</p>
<p>Hospital</p>	<p>Maxigesic IV (intravenous)</p> <p>NasoSurf – nasal nebuliser drug delivery</p>
<p>Dermatology</p>	<p>Crystaderm – selected territories</p>
<p>Gastroenterology</p>	<p>Kiwisoothe</p> <p>Micolette</p>



¹ Paracetamol and Ibuprofen

Appendix 5: Extending the Reach of the Maxigesic Portfolio

AFT has the #1 selling product (Maxigesic) in the Australian para-ibu¹ combo pain relief and is building the presence of the business internationally, through the adoption of existing products and the launch of new dose forms

Product	Maxigesic Tablet		Maxigesic IV		Maxigesic Oral		Maxigesic sachet	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Territories	100+	100+	100+	100+	100+	100+	100+	100+
Licensed	69	66	50	43	14	2	2	2
Registered	60	55	36	21	1	1	2	2



¹ Paracetamol and Ibuprofen

Appendix 6: GAAP to Non-GAAP Reconciliation

AFT's standard profit measure prepared under New Zealand GAAP is net profit after tax.

AFT has used the non-GAAP profit measure of EBITDA when discussing financial performance in this document. AFT directors and management believe that this measure provides useful information as it is 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.

Year to 31 March	2024 \$000	2023 \$000
Net profit after tax attributable to owners of the parent	15,609	10,654
Less: Finance Income	(66)	(13)
Add back: Interest costs	3,686	2,873
Add back: Other finance loss/(gain)	(1,404)	1,010
Add back: Depreciation	1,003	808
Add back: Amortisation	1,010	916
Add back: Income tax expense/(benefit)	6,410	5,145
EBITDA	26,248	21,393



FOR MORE INFORMATION

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