



Market release  
20 February 2019

## **2019 New Year Letter to Investors**

Dear Investors,

The 2018 calendar year was a very busy one for AFT Pharmaceuticals with continuing progress on our pathway outlined at IPO.

### **Maxigesic Progress**

We continue to make significant progress on multiple fronts.

In Australia, *Maxigesic*® continues to maintain its leading market share position over the next paracetamol-ibuprofen combination product\*. In New Zealand, the potential reclassification of codeine to a prescription medicine similar to the decision which came into effect 1 February 2018 in Australia remains a key opportunity for AFT. In Australia this resulted in a significant increase in Maxigesic tablet sales and, if it occurs, a similar result in New Zealand would be expected.

On the international front, we are increasing sales with a significant number of launch orders received with the most recent being Belgium, Denmark, Finland, Iceland, Luxembourg, Kuwait, Norway, Portugal, Spain and Sweden.

We expect the first registration of the new Maxigesic IV dose form this calendar year and we are preparing further regulatory applications in major markets.

We also are now close to receiving our first Maxigesic sales milestone payment from a licensee which will be around NZ\$800,000. Our current licensing agreements in many cases provide for sales milestones and this represents our first realization of this potential multimillion-dollar income stream.

We have successfully completed the significant part of our clinical development program for Maxigesic oral dose forms. The first regulatory filings have also been made for Maxigesic Oral Solution, the pediatric dose form. Expanding the range of Maxigesic products, together with increasing the number of countries in which we have launched, will likely be a significant future driver of Maxigesic International sales.

We expect registration of Maxigesic tablets to be completed in the USA during the FY20 financial year, which would represent a significant milestone.

## **Licensing Update**

This continues to progress with multiple term sheets or agreements currently under negotiation.

We have also finalized an agreement in Cyprus for oral Maxigesic dose forms. We are negotiating additional agreements and remain confident that additional deals will continue to be made, especially for Maxigesic IV.

## **Progress in Asia: Significant Sales Increase Within Next 12 Months**

*Maxigesic*® has been successfully launched in both Malaysia and Singapore. New Maxigesic launches will fuel further growth with preparations well underway in Hong Kong following partnering with DKSH Hong Kong. We have been impressed by their in-depth market knowledge and extensive distribution network.

Agreements for Maxigesic in further Asian territories: Taiwan and Korea have been secured in the last 6 months and further agreements are being worked on in Vietnam, Philippines and Pakistan.

A further significant sales contract for a hospital product in Singapore has been secured and additional contracts are under evaluation by key buyers in Singapore. Based upon existing sales growth and new contracts secured, we are confident that sales will continue to increase appreciably in Asia during the FY20 time period.

## Return to Profitability

Historically AFT was profitable for many years prior to our anticipated significant R&D investment utilizing capital raised at the IPO on both drug development and strengthening our market position in Australia. As previously indicated, we remain on track to return to EBITDA profit in the FY2019 financial year.

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### For more information:

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### About MAXIGESIC®

MAXIGESIC® is a unique, patented combination of paracetamol and ibuprofen that provides fast, effective double action pain relief from a wide range of pain.

<https://www.aftpharm.com>

### About AFT

AFT is a growing multinational pharmaceutical business with a broad range of products, both developed itself and in-licensed from third parties. AFT's products cover all major pharmaceutical distribution channels: over-the-counter, prescription and hospital.

Historically, AFT's home markets have been Australia, New Zealand and South-East Asia.

However the company is out-licensing its own products to licensees and distributors to sell in an increasing number of countries around the world. The company's intensive Research and Development programme forms the basis of its international sales strategy. For more information about the company, visit [aftpharm.com](http://aftpharm.com)

\*Data source: IRI Total Australian Pharmacy Dollar Sales - MAT to 20/01/19.