



*Working to improve your health*

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## **AFT collaborates to develop birthmark medicine**

AFT Pharmaceuticals (NZX: AFT, ASX: AFP) today announces it has reached agreement with Massey Ventures, the commercialisation company of Massey University, and the Gillies McIndoe Research Institute, to license intellectual property to allow the development of a topical treatment for strawberry birthmarks (infantile haemangiomas) in children.

The agreement covers the intellectual property emerging from Massey Ventures and Gillies McIndoe research that demonstrated the synergistic action of two well-known heart medicines (beta blockers and angiotensin-converting enzyme inhibitors) in the topical treatment of strawberry birthmarks.

AFT will work with Massey Ventures and the Gillies McIndoe Research Institute to finalise the ingredients for a topical treatment and will then lead a full medicine development programme including clinical studies.

The programme is expected to be accommodated within the company's existing research and development budget, which is forecast to rise to \$12m in the FY 2023 financial year from \$10.2m in FY 2022.

Strawberry birthmarks affect up to 10% of children, with the majority appearing on the head and neck<sup>1</sup>. In approximately 15% of cases, they require treatment during infancy because of the threat to bodily function and sometimes life.

The standard treatment for these cases is oral propranolol, an anti-hypertensive medication, but treatment usually needs to continue for 12 -14 months and there are potential side effects such as low blood sugar.

In less severe cases, the birthmarks can regress spontaneously without treatment, but this can take several years, and a large proportion of children are left with a blemish that requires treatment with surgery and/or laser therapy. Topical application of beta-blockers has been used in these cases; however, this is only useful for very superficial lesions.

AFT Managing Director Dr Hartley Atkinson says: "We see this as a very worthwhile area to help the treatment of children with disfiguring birthmarks. It also offers an attractive global commercial opportunity and is aligned with our recent drive to build up our research and development pipeline to fuel our global growth aspirations.

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<sup>1</sup> N.Roberts (2009) Clin Med (London); 9(4), 385-389.

“With the tightening economic conditions, we have seen more research and development opportunities arise so AFT is aggressively pursuing these growth opportunities. In the next three to four years, we foresee that we will be launching some 78 new products in our Australasian markets and a number in global markets over the next two to five years.”

Massey Ventures CEO, Mark Cleaver says the agreement with AFT Pharmaceuticals and the Gillies McIndoe Research Institute is an exciting opportunity for the university.

“Partnerships with companies like AFT Pharmaceuticals are essential for realising a technology’s full potential. AFT has the networks, skills, and resources to make the most of a potentially life-changing medicine like this, and it is exciting to partner with them on this journey.”

Dr Swee Tan, Founder and Executive Director of the Gillies McIndoe Research Institute says: “The discovery of the stem cell origin and the involvement of the renin-angiotensin system by our team and collaborators underscores a potential paradigm shift in the treatment of strawberry birthmarks.

“We are looking forward to working with AFT and Massey Ventures to bring to the market an effective, non-invasive and safe topical treatment that can benefit children affected by this condition.”

AFT has previously conducted clinical studies in several countries around the world including Australia, the Czech Republic, Hungary, Jordan, Mexico, New Zealand, Romania, Serbia, Slovakia, Spain, Taiwan, United Kingdom and the United States.

It has developed and out-licensed patented pharmaceutical products in over 100 countries and, to date, launched these products in 51 countries. It has also in-licensed a significant number of products and has a number of existing R&D programmes.

*For and on behalf of AFT Pharmaceuticals Limited by Malcolm Tubby, Chief Financial Officer.*

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**About AFT Pharmaceuticals**

AFT is a growing multinational pharmaceutical company that develops, markets, and distributes a broad portfolio of pharmaceutical products across a wide range of therapeutic categories which are distributed across all major pharmaceutical distribution channels: over the counter (OTC), prescription and hospital. Our product portfolio comprises both proprietary and in-licensed products, and includes patented, branded, and generic drugs. Our business model is to develop and in-license products for sale by our own dedicated sales teams in our home markets of Australia and New Zealand and to out-license / distribute our products to local licensees and distributors

to over 125 countries around the world. For more information about the company, visit our website [www.aftpharm.com](http://www.aftpharm.com).