

# FINANCIAL REVIEW

## Proteomics seeks \$6m to fund protein research

IPO watch Jessica Sier - 17 Nov 2014



Seven of the top 10 selling drugs in the world last year were protein therapeutics. **Photo: Erin Jonasson**

Proteomics International Laboratories is seeking to raise a minimum of \$4 million and a maximum of \$6 million from new investors to fund the growth of its three protein analysis businesses.

The Perth-based company specialises in the area of proteomics . the study of the structure and function of proteins.

It has one central technology that performs protein analysis across three areas: a services business, a diagnostics business and a drug discovery business.

The company has established 40 key clients and has generated a total of \$7.5 million since its inception in 2001. Proteins are some of the building blocks of life, our technology enables us to study proteins on an industrial scale,+managing director Richard Lipscombe said.

The market for proteomic testing is considerable. PIQ's analytical services business provides contract research and analytical testing, and operates in the proteomics market which is - estimated to be worth \$20.8 billion by 2018.

The diagnostic arm focuses testing products for diabetic kidney disease and Alzheimer's disease and operates in the biomarkers market, estimated to be worth \$40.8 billion by 2018.

**World leader in complex molecules**

Lastly, PIQ technology also runs tests on peptide drug discovery, focusing on painkillers and antibiotics, with a market currently estimated to be worth \$17 billion. Seven of the top 10 selling drugs in the world last year were protein therapeutics and before 2017, 12 protein-based drugs are due to come off patent. That's \$50 billion worth of annual revenue, Dr Lipscombe said.

Lots of companies will try and make generic versions of these protein molecules because of the size of the market. This particular class of drugs are made up of complex molecules and they're difficult to replicate.

To make these requires very specialist manufacture, but even more importantly, it requires specialist testing to prove the molecule is what it's supposed to be, Dr Lipscombe said.

Our clients are coming to us because we are one of the world leaders in testing these types of molecules.

The offer closes on November 28, with the stock due to start trading on December 16. Shares are priced at 20¢ apiece. The company has generated gross income of \$7.5 million to date.

As with most companies related to the biotech sector, there are key risks around Proteomics. It lists the risk of failing to commercialise its discoveries and the 10 to 15-year drug development cycle amongst its biggest risks.

***The Australian Financial Review***