



Proteomics International Laboratories

Feb 20th 2015

Proteomics raising at least \$3M to fund protein analysis businesses

Proteomics International Laboratories (Proposed ASX:PIQ) is seeking to raise a minimum of \$3 million through its prospectus that closes on 27th February 2015 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 a central technology that performs protein analysis across three areas: an analytical services business, a diagnostics business and a drug discovery business. The PIQ technology enables the study of proteins on an industrial scale.

Already, the company has established 50 key clients and has generated total revenues of \$8 million since 2001.

Over \$6.5 million has been invested in research & development and a portfolio of intellectual property ("IP") which now allows for a commercialisation phase.

PIQ is at an advanced stage of commercialising a diagnostic test for diabetic kidney disease after a two-year \$2 million study involving 1,000 patients.

The company does not intend using its resources to develop diagnostic tools or drugs, but seeks to licence the discovered IP to major pharma groups, who have the required resources for development.

This business model is a leveraged approach intended to reduce requirement for large amounts of capital, spreading risk.

Investment highlights

Proteomics is a leading market innovator in the field of proteomics with gross income since incorporation exceeding \$8 million.

It has an established analytical services business with a blue chip client base that provides an annualised income of more than \$1 million with 80% margin. This has organic growth of more than 30% per annum.

There is a significant opportunity to service the fast growing generic protein drug manufacturing industry.

In January 2015 PIQ finalised an agreement with Chinese bio-pharmaceutical company New Summit Biopharma to commercialise its next generation diagnostic test for the early diagnosis of diabetic kidney disease in China.

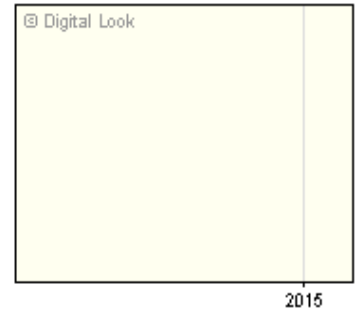
New Summit Biopharma will initially commit \$1.1 million to the project, with the test having potential to be worth up to A\$312 million per annum in the Chinese market alone.

Substantial licence fees are expected from further commercialisation of the diagnostic test over next 6-24 months.

The company is seeking to raise at least \$3 million at \$0.20 per share.

Growth markets

1 Year Share Price Graph



Share Information

Code: PIQ
Listing: ASX
Sector: Medical
Website: www.proteomicsinternational.com

Company Synopsis:

Proteomics International Laboratories Ltd (ASX:PIQ) is an innovative biological research and drug discovery company working to make a difference in peoples lives by developing simple diagnostic tests for common diseases and discovering new therapeutic drugs.

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Proteomics market forecast to be \$20.8 billion by 2018, with key metrics including:

- Bio-engineered protein drugs was \$152 billion (2013) CAGR 7.2%, and 7 of world's top 10 selling drugs were proteins therapeutics;
- Between 2013 and 2017 drugs worth \$50 billion per annum in revenues come off patent which is driving the generic protein drug market to which PIQ provides testing services Biomarkers (new diagnostics) market is \$17.5 billion and predicted to reach \$40.8 billion by 2018; and
- Proteomics and genomics technology holds ~75% share.

Diabetes currently affects 382 million people globally, and one of its major complications is diabetic kidney disease. 20% of adults with diabetes will end up with kidney failure.

Proteomics sector transactions

Further highlighting the value of the sector, Proteome Sciences (AIM: PRM), which has biomarker discovery, validation and assay development in Alzheimer's, breast cancer and cosmetics, increased its revenue up 86% in 2013 to £2.14 million.

It has a market cap. of GBP£53 million (A\$103 million).

Separately, private San Diego-based Applied Proteomics, which has a biomarker discovery focused on colorectal and pancreatic cancer, raised \$28 million in August 2013 from Malaysia's Genting Berhad, Domain Associates and Vulcan Capital.

Lastly, Thallion Pharmaceuticals sold Caprion Proteomics, which developed biomarker discovery and immune monitoring in diabetes, oncology and infectious diseases, to Capital Growth Partners in 2011 in a deal valued at \$28 million.

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