

# Float Watch

## Proteomics International Laboratories Ltd

**Overview:** Proteomics International Laboratories Ltd (“Proteomics”, “the Company”) is an Australian biotechnology company focused on development of new diagnostic and therapeutic tools. Its most advanced asset is Intellectual Property (“IP”) surrounding a diagnostic test for diabetic kidney disease. The Company also provides contract research services from its ISO accredited facility in Perth, which became the world’s first certified proteomics laboratory in 2009.



**Catalysts:** After increasing at an average rate of 34 per cent over the past five years, cumulative income from contract research services has reached \$7.5million. The Company intends to commercialise its diabetic kidney IP by engaging a licensing partner within the next 12months.

Benchmarking			
Company	Asset	Status	Valuation
CDY.ASX	Cancer Diagnostics	Sales	20x Rev, 0.6x Issued Capital
OCC.ASX	Regenerative Medicine	Sales	20x Rev, 1.2x Issued Capital
TDX.ASX	TB Diagnostics	Development	N/A

**Hurdles:** Contract research income is not sufficient to eliminate the Company’s reliance on external capital. Patent applications surrounding diabetic kidney diagnostic tool remain pending. There is no guarantee Proteomics licensing strategy will produce a commercially significant outcome.

**Investment View:** Proteomics offers speculative exposure to the biotechnology industry. We are attracted to the existing cash flow generated by its contract research unit, and near term licensing target. Whilst the listing requires a speculative risk profile, it’s structure is conducive for growth should management deliver their licensing targets.

Use of Proceeds (\$6m)			
Asset Acquisitions	Asset Development	R&D	60%
Vendor Sale	Balance Sheet	Working Capital	8%
		Offer Costs	12%

2-Mar-2015

### Initial Public Offer

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Offer Price: \$0.20

Listing: 26<sup>th</sup> Mar

#### Corporate Summary

Ticker	PIQ.ASX
Shares on Offer	30m
Post Float Shares	65.5m
Other Securities	3.7m Options (\$0.20, 2018)
Market Cap	\$13.1m
Issued Capital	\$6.1m

#### Asset Overview

Title	Diabetics Kidney Diagnostics
Rights	Pending
Status	Development
Market Size	N/A
Patent Expiry	N/A

#### Management

Chairman	Terry Sweet
Managing Director	Richard Lipscombe

#### Track Record

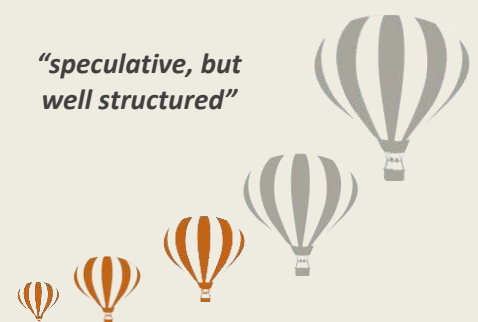
Value Creation	Fair
Operations	Strong
Capital Markets	Fair

#### Post Float Share Holders

IPO Investors	45.8%
Management	43.3%
Others	10.9%

#### Float Watch Ranking

*“speculative, but well structured”*



3/5

## Glossary

### Float Watch Ranking System



High Flyer – strong prospect of value growth



Airborne – favourable value growth prospects



Clear for Takeoff – reasonable value growth potential with appropriate capital structure given the risks



Safety Check – elevated risks shadow value growth potential



Grounded – value growth not likely due to excessive risks

### Company Life Cycle Categories

<b>Discovery</b>	Assets typically at a concept stage, yet to demonstrate commercial potential. Company reliant on external capital
<b>Development</b>	Feasibility and commercial trials are a primary focus. Company reliant on external capital
<b>Delivery</b>	Assets are typically generating cash flow. Company has an operating focus & may no longer rely on external capital

## Archives

### IPO Market

Feb-15	Sector Review
Aug-14	Sector Review
May-14	Sector Review

### Float Watch

Feb-15	Tinho Union Group TUA.ASX
Feb-15	Spring Financial SFL.ASX
Feb-15	Crowd Mobile CM8.ASX

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