



**Proteomics International**

LABORATORIES LTD

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## Proteomics gaining strong traction in Analytical Services

- **PILL has generated monthly revenues of \$100,000 in each of March and April (a 60% uplift on the previous monthly average).**
- **Several recent contract wins underscore ongoing activity.**
- **Growth driven by biosimilars (generic protein drug) market as the sector seeks to replicate the multiple billion dollar blockbuster biopharmaceutical drugs that are coming off patent.**
- **PILL has one of the few global ISO 17025 laboratories accredited to accurately analyse the make-up of biosimilar drugs as being like-for-like with the brand-name drugs they seek to replace.**
- **Present growth substantiates business model as PILL seeks to become cash flow positive.**

Life sciences company Proteomics International Laboratories Ltd (ASX: PIQ) (the Company, PILL) is pleased to provide the following update on the growth of its analytical services operations.

PILL's analytical services generate a regular ongoing revenue stream by providing a fee-for-service offering in proteomics, protein characterisation, biosimilars and biomarker discovery. It is a core component of the Company's operations and complements the R&D Tax Incentive scheme to minimise cash burn as the Company seeks to become cash flow positive.

The Company is pleased to advise that its analytical services have undergone a period of substantial growth over the past two months, resulting in record consecutive months across March and April. *"This substantiates our business model"*, said PILL's Chairman, Mr Terry Sweet, *"where sustained growth in service revenue underpins the advanced development and commercialisation of our diagnostics pipeline."*

Revenues of \$100,000 were booked in each of March and April, and based on month to date figures that trend is continuing. Activity has been concentrated on PILL's QC testing of biosimilars, and is underscored by a series of recent contracts including:

- Biosimilar testing for allergic asthma drug (Europe) - US\$120,000 (A\$165,000)
- Biosimilar testing for multiple sclerosis drug (India) – US\$67,000 (A\$92,000)
- Biosimilar testing for tissue repair drug (Middle East) - US\$29,000 (A\$40,000)

These contracts will also flow into future revenues and do not include any potential new business derived from PILL's recent trade visit to India, which targeted biosimilars. The Company was delighted with the interest shown in its expanded, quality testing portfolio. In total, PILL visited and reviewed product pipelines and testing requirements with over a dozen major biopharmaceutical companies across India, and it is anticipated that significant fee-for service work will flow from this marketing initiative. An Indian-based full-time sales and marketing person has been appointed to develop sales on the sub-continent.

India represents a significant biotechnology market and it is forecast to grow at an average annual rate of 30%, to be worth US\$100 billion by 2025. This is being led by the bio-pharmaceutical sector which currently accounts for 64% of the industry's revenues, which is an attractive target for PILL's services.

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Biopharmaceuticals are huge, complex molecular structures that encompass both protein biologic drugs and biosimilars (their generic copies). PILL has one of the few global, independent ISO 17025 laboratories accredited to accurately analyse the protein make-up of these biosimilar drugs as being like-for-like with the brand-name drugs they seek to replace.

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**About Proteomics International Laboratories (PILL)**

PILL is an ASX listed (ASX: PIQ) life science company focused on the area of proteomics – the industrial scale study of the structure and function of proteins. In the last few years, proteins have become the drug class of choice for the pharmaceutical industry because of their intimate role in biological systems. Thus proteomics technology is now playing a key role in understanding disease, from finding new diagnostic biomarkers to determining drug targets, and discovering new biopharmaceutical drugs.

PILL is recognised as a global leader in the field of proteomics. It received the world's first ISO 17025 laboratory accreditation for proteomics services, and operates from state-of-the art facilities at the Harry Perkins Institute of Medical Research in Perth, Western Australia. The Company's business model uses its proprietary technology platform across three integrated areas, each massive growth markets:

**1. Diagnostics:** Biomarkers of disease and personalised medicine - focus on diabetic kidney disease.

By 2020 the biomarkers market is estimated to double in size to \$45.6 billion, and the personalised medicine market is forecast to be worth over \$149 billion.

**2. Analytical services:** Specialist contract research fee-for-service model – focus on biosimilars QC.

The global biosimilars market is expected to reach \$6.2 billion by 2020, almost trebling from its 2015 level, as it seeks to replicate the multiple billion dollar blockbuster drugs that are coming off patent.

**3. Drug discovery:** Therapeutic peptide drug discovery - focus on painkillers and antibiotics.

The global peptide therapeutics market is currently estimated to be worth \$18 billion and is expected to increase at over 10% per year during 2016-2025.

In combination these areas offer, respectively, medium term products, near term cash flow, and blue sky potential by harnessing one complementary workflow centred on proteins and peptides.

Today, biopharmaceuticals comprise 20% of the pharma market, generating global revenues of \$163 billion. Biopharma is growing at twice the rate of conventional pharma because biopharmaceuticals offer a better safety profile and an ability to treat previously untreatable conditions.

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