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Proteomics International

LABORATORIES LTD

Investor Presentation - Canary Capital | 8 February 2018

Alliance with **CPR Pharma Services**

Improving Drug Development

ASX: PIQ





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▶ Alliance overview

Alliance highlights: Summary

- **Proteomics International Laboratories Ltd (PIQ) is to collaborate with CPR Pharma Services (CPR)**
 - ▶ PIQ is a world leading specialist laboratory and diagnostics developer
 - ▶ CPR is a regional leader in provision of clinical services and laboratory testing in clinical trials
- **To produce a unique, R&D focused, Contract Research Organisation (CRO) capability specialising in diagnostics, clinical trials, and precision medicine**
 - ▶ Most advanced bioanalytical laboratory group in Australasia
 - ▶ Global leader in the analysis of biologics/biosimilars – the fastest growing drug sector globally
 - ▶ Ability to develop and deliver the next generation of diagnostic tests (Companion Diagnostics)

Alliance highlights: Key benefits

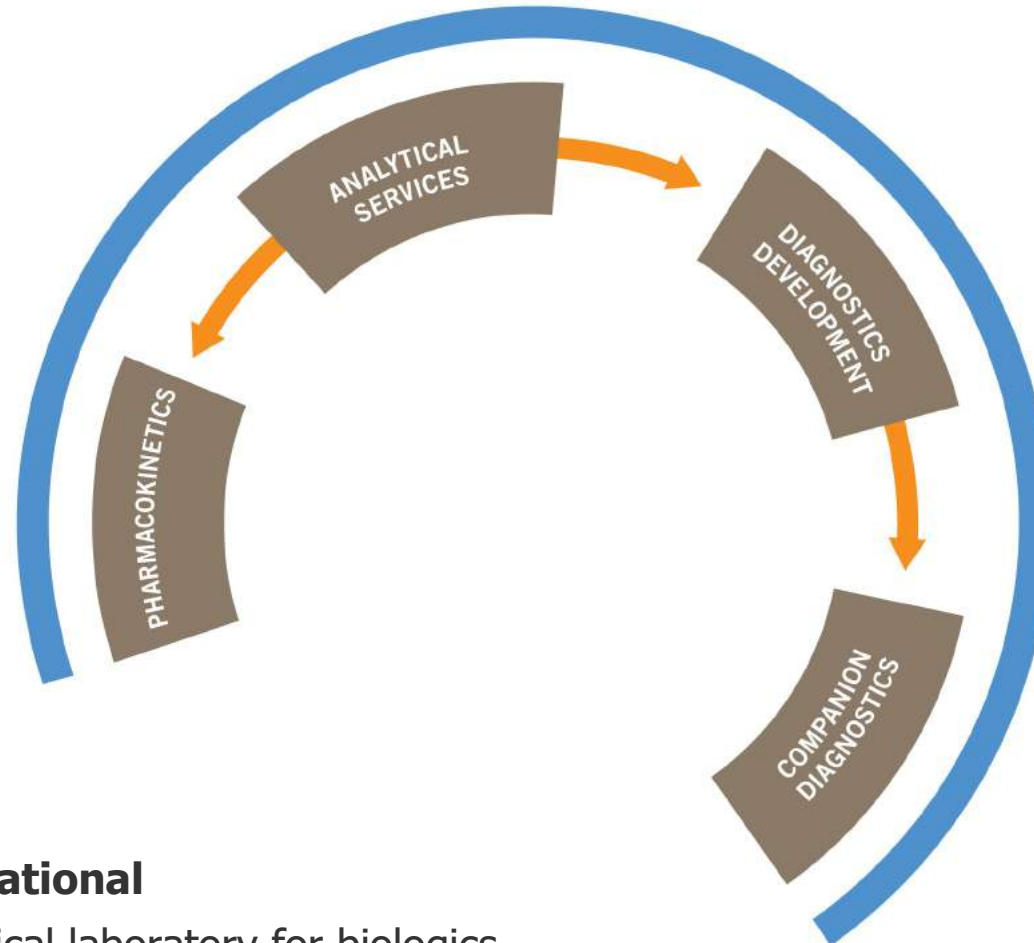
The commodity: Diagnostic and Analytical tests for precision medicine

- The combined capabilities of **Proteomics International Laboratories Ltd** (PIQ) and **CPR Pharma Services** (CPR) are expected to create:
 - \$
 - ▶ Immediate cost benefits to streamline business development and efficiencies in laboratory activities
 - \$\$
 - ▶ A globally competitive and regionally dominant player for clinical trials and bioanalytical laboratory testing
 - \$\$\$
 - ▶ Expertise & critical mass in biosimilars characterisation and analysis to service the demand for high-value clinical trials of biosimilars
 - \$\$\$\$
 - ▶ Leverage to attract clients for, and to create or sell, new **companion diagnostic tests** essential for the safe and effective use of a drug, namely applying *precision medicine to shorten the drug development process*



► Alliance: Strategic rationale

Strategic rationale: supply chain

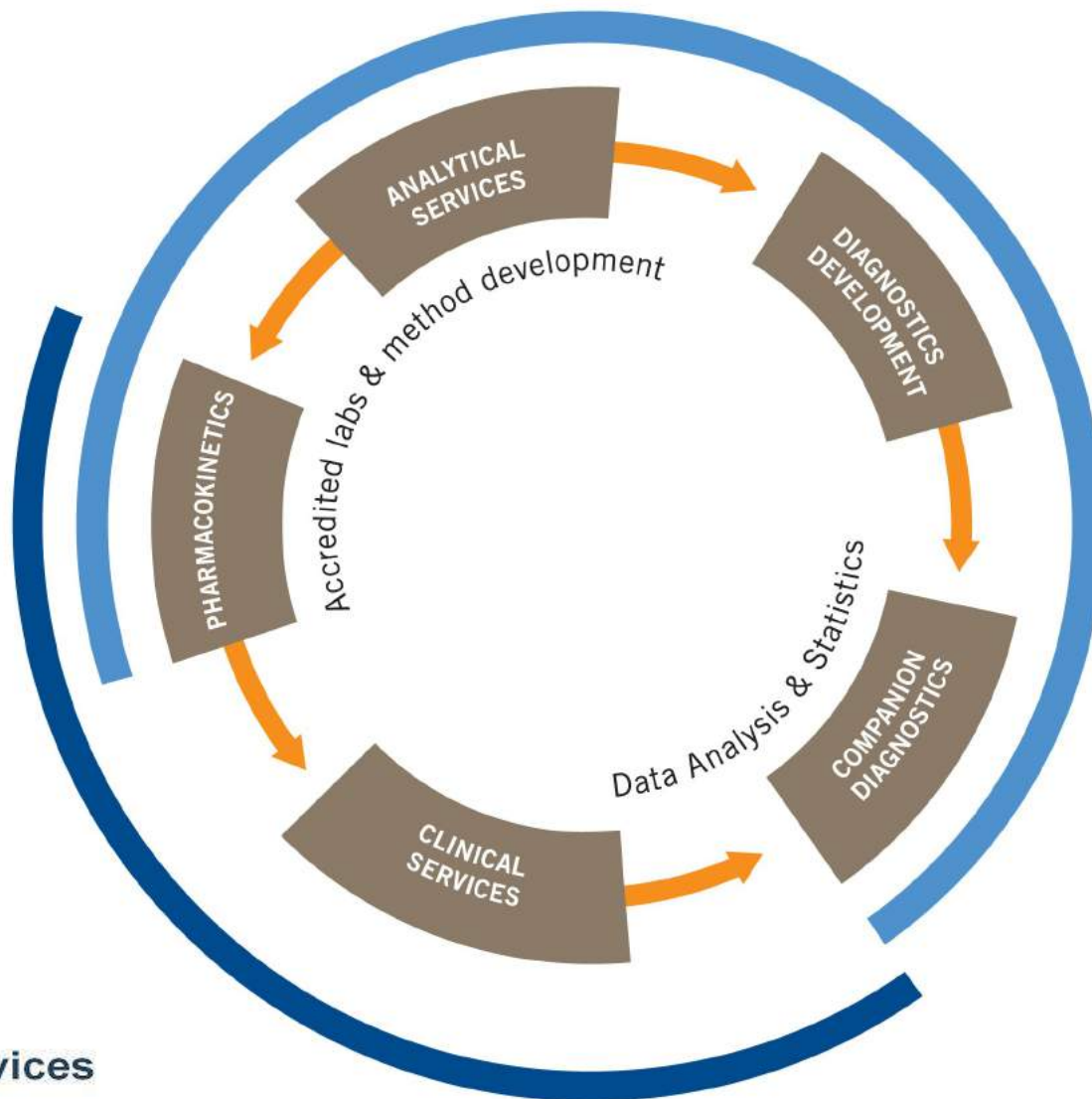


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- ▶ Specialist analytical laboratory for biologics
- ▶ Proven platform technology for developing new methods and novel diagnostic tests

Strategic rationale: supply chain completed



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CPR completes the circle

- ▶ High volume analytical laboratory for clinical trials
- ▶ Clinical services expanding into biosimilars
- ▶ Leveraging client relationships to drive new business in CDx



Strategic rationale: the Alliance

- **World class bioanalytics lab**

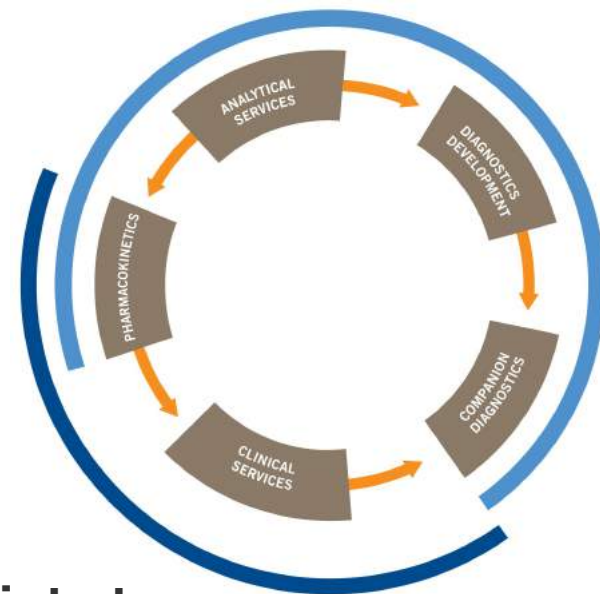
- ▶ Expert in accredited analysis of biosimilars and biologics
- ▶ Specialist in method development for analytics and diagnostics
- ▶ Specialist, accredited pharmacokinetic (PK) testing for pre-clinical and clinical trials

- **Globally recognised CRO for clinical services**

- ▶ Full service early phase clinical trials specialist
- ▶ FDA and EMA inspected
- ▶ Highly qualified Quality Assurance department
- ▶ Strong client relationships in US and Asia

- **Expertise at the forefront of the next generation of diagnostic tests**

- ▶ Developed PromarkerD – a world first predictive diagnostic test for diabetic kidney disease
- ▶ Proven platform technology for developing new diagnostics and Companion Diagnostics (CDx)

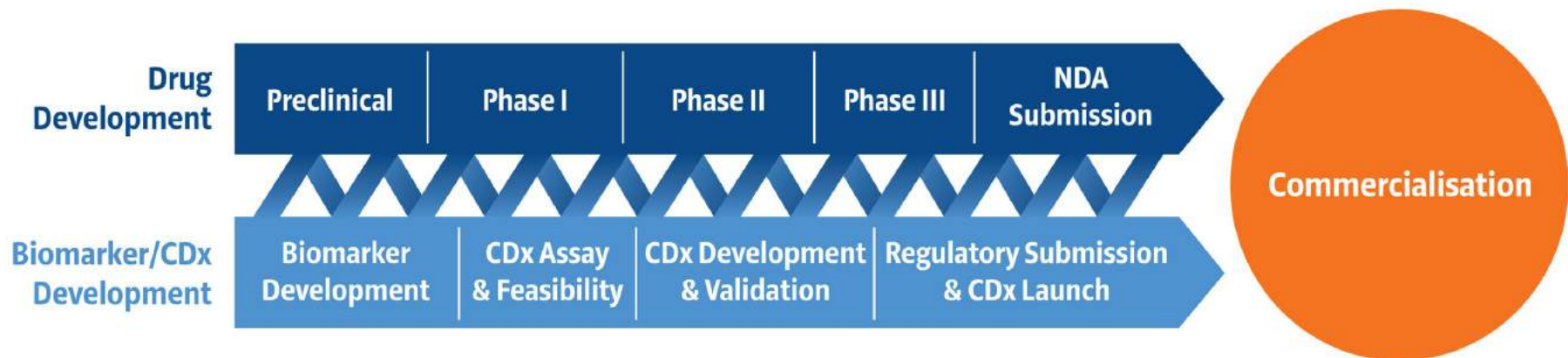


Value proposition: Synergies in combining PIQ diagnostics and CPR clinical trials



- **Australia is a global leader in clinical trials**

- ▶ In 2016 there were over 1500 clinical trials run in Australia-NZ
- ▶ Efficient regulatory framework | High quality trial sites | Results accepted globally



- **Companion Diagnostics (CDx) are a key tool to develop drugs more efficiently**

- ▶ Validated biomarkers can be commercialised as diagnostic kits, including use in clinical trials to measure and monitor effectiveness, or toxicity of a drug treatment
- ▶ The FDA states a Companion Diagnostic.... provides information that is essential for the safe and effective use of a corresponding drug or biological product
- ▶ Identify patients in need | More accurate dosing | Monitor side effects | Improved success rate

The combined companies will uniquely link clinical trials and diagnostics development

Recent sector transactions

The sector is currently experiencing strong interest – all targets are Australian based

Date	Target	Buyer	Details	Financials
Aug 2017	Vivopharm	Cancer Genetics	Laboratory offering preclinical pharmacology, toxicology & bioanalytics	Acquisition \$15.3m
Aug 2017	Novotech	TPG Capital	Full clinical service CRO (without a clinical trial site or laboratory)	Acquisition \$300m
Jan 2018	Nucleus Network	Crescent Capital Partners	Clinical trials site (no laboratory)	Estimated value \$100m
Nov 2017	Rhythm Bioscience	IPO	Diagnostic test for colorectal cancer at early development stage	\$20m; heavily over-subscribed



► **Strategic rationale: the details**

Experienced board & management



- **Terry Sweet** FAICD, Chairman

Director of several listed companies over the past 30 years in both executive and non-executive capacities. Companies include XRF Scientific Ltd, where he was Managing Director for 4 years, Western Biotechnology Ltd, Heartlink Ltd, and Scientific Services Ltd.

- **Richard Lipscombe** PhD (London), MA (Oxon), Founder & Managing Director

Successfully managed the Company for 16 years.

30 years experience in research and development globally in academic and commercial entities.

Technical expertise in chemistry, immunology, & biomarker discovery.

- **John Dunlop** PhD (UWA), BSc (UWA), Non-Executive Director

Director of several several ASX-listed companies covering mineral exploration, finance & analytical labs.

Founding Director of beta-carotene producer Western Biotechnology Ltd and Founding Director of Sheen Analytical Services (which listed as Scientific Services Ltd).

- **Roger Moore** R (Denmark), BPharm (U.Syd), Non-Executive Director

International pharmaceutical industry experience spanning 40 years, including almost 30 years as President of Novo Nordisk Japan. From 2000, he was appointed Novo Nordisk's Senior Vice President, Japan and Oceania Region. He has also served as a member of the Senior Management Board, Novo Nordisk A/S.

- **Paul House** GAICD, BCommerce (UWA), Non-Executive Director

Over 25 years with multi-national corporations, most recently serving as MD, SGS India for 8 years. Previously held CFO and COO roles, and was Senior Manager at a leading global management consultancy firm.

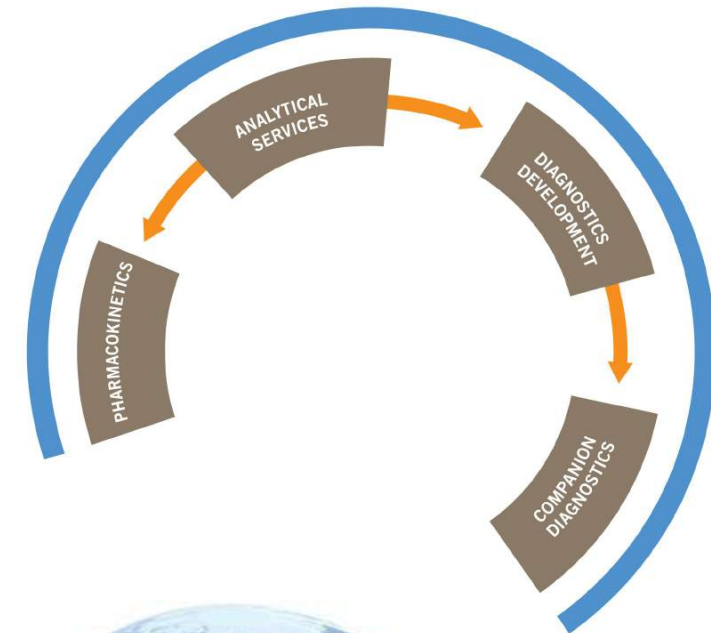
- **Chuck Morrison** BSc (Boston), MBA (Boston), Business Development

36 years in life sciences, biotechnology, and diagnostic industries including DuPont and PerkinElmer.

Overview: Proteomics International

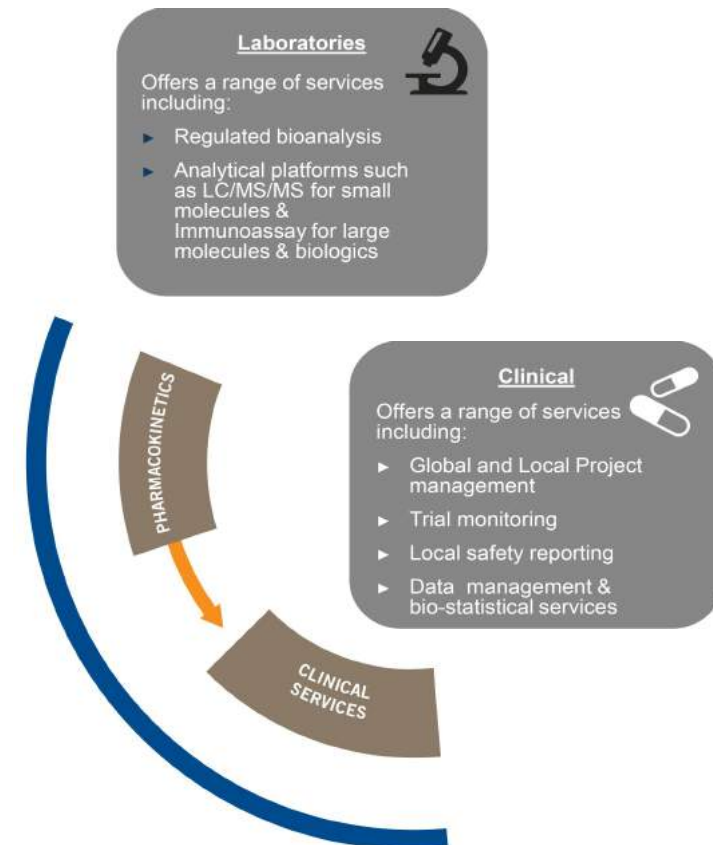


- Specialist **MedTech and Life Sciences** company
- **Revenue generating** company – Est'd 2001
- Listed on the **Australian Stock Exchange** April 2015 (code: PIQ)
- **Global leader & innovator** in field of proteomics
- **World's first company** to receive ISO 17025 laboratory accreditation for proteomics services
- Analytics, diagnostics, and drug discovery business
- Proven technology with **patents granted**
- Operates from purpose built, **state-of-the art facilities** in Perth, Western Australia
- **Asian focus** with global reach



Overview: CPR Pharma Services

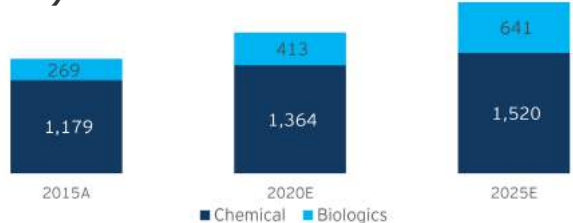
- **Revenue generating (FY17: \$15m)** – Est'd 2009
- **Full service early phase (I and II) CRO**
- **FDA inspected** with OECD GLP and ISO 17025 R&D laboratory accreditation
- Close relationship with **Phase I clinical trial sites** across Australia
- Serves a range of biotech and small-mid sized pharma
- Services underpinned by a **highly qualified** Quality Assurance Department
- Head-quartered in Adelaide, South Australia
- **Asian and US focus**



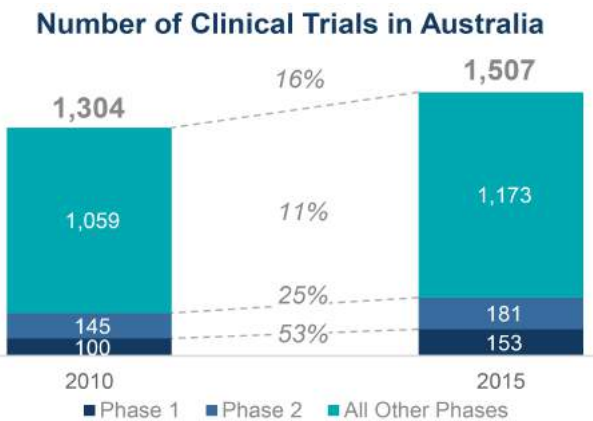
Operating in fast growing markets

- **Testing new protein drugs: biologics and biosimilars**
 - ▶ 7 of world's top 10 selling drugs are protein therapeutics (“biologics”)
 - ▶ **Fastest growing class of drug in development is biologics**
 - ▶ Manufacture of biosimilars is growing rapidly in Asia
- **Biomarkers (creating novel diagnostic tests)**
 - ▶ predicted to double in size to **\$45.6bn** by 2020
 - ▶ with the personalised medicine market worth over **\$149bn**
- **Clinical services**
 - ▶ The demand for clinical trials in Australia continues to grow
 - ▶ **Phase I and Phase II show strongest demand**

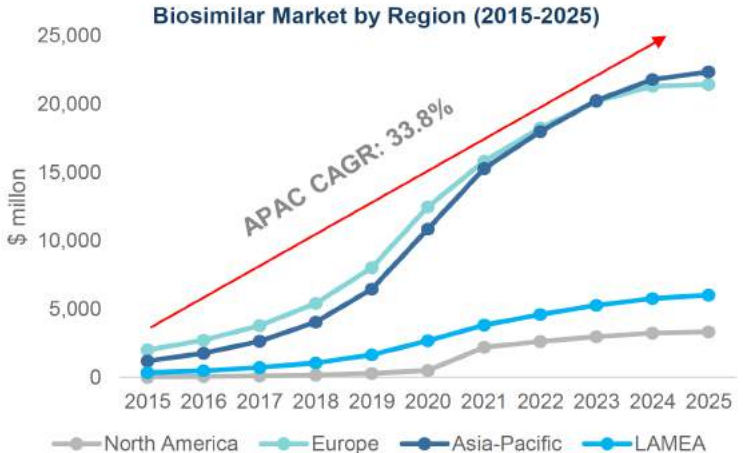
Global Pharmaceutical market outlook



Biologics (large molecule drugs) revenue increasing from \$269bn in 2015 to **\$641bn** in 2025



Phase I up 53%
Phase II up 25%



Strategic rationale: Biosimilars testing

Protein drugs, originally termed “biologics”, can perform highly complex functions that simple small chemicals cannot perform.

- Seven of the world's ten best selling drugs are protein-based drugs (“biologics”)
- Generic copies of these sophisticated drugs are known as 'biosimilars'

Drug developments - comparison of size and complexity

<p>21 atoms</p>	<p>723 atoms</p>	<p>25,000 atoms</p>
<p>Aspirin</p>	<p>Insulin</p>	<p>Herceptin®</p>
<p>analgesic first derived from tree bark.</p>	<p>peptide used in diabetes management.</p>	<p>engineered Monoclonal Antibody used for treating breast cancer and chronic kidney failure.</p>
<p>180 atomic mass units</p>	<p>5,808 atomic mass units 32 x aspirin</p>	<p>150,000 atomic mass units 850 x aspirin • 26 x insulin</p>
<p>Penny Farthing 20kg</p>	<p>Mini Cooper 650kg</p>	<p>F18 Jet Fighter 17,000kg</p>

Fast-growing markets

biosimilars & biologics QC
clinical trials testing
(pharmacokinetic studies)

- **PIQ specialises in analysing biosimilars**
- **CPR has identified biosimilars as a growth area for clinical trials**

Case study: Building a world leading predictive diagnostic test - PromarkerD



Without PromarkerD



With PromarkerD



Case study – the PromarkerD success story

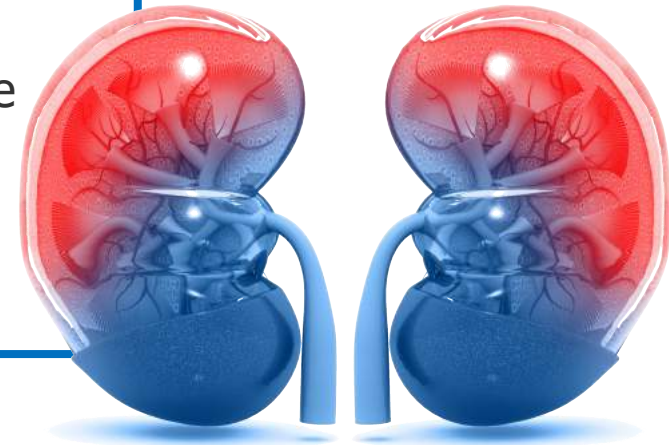


The Problem

425 million people globally have diabetes (International Diabetes Foundation)

1 in 3 diabetic adults have chronic kidney disease (US Centre for Disease Control)

- ▶ There are no early symptoms of diabetic kidney disease
- ▶ There is currently no available test for predicting the onset of diabetic kidney disease



The Solution

A predictive diagnostic test for diabetic kidney disease

- ▶ PromarkerD can **diagnose** diabetic patients already suffering from chronic kidney disease that the current gold standard tests miss
- ▶ PromarkerD can **predict** the onset of disease **before** clinical symptoms appear
- ▶ *Doctors can then prescribe an early therapeutic treatment to stop the onset of disease*

Clinical utility: both a diagnostic (Dx) and companion diagnostic (CDx) test



A new approach to managing diabetic kidney disease

- ▶ *Product will launch in Q1 2018*
- ▶ Early detection, intervention, monitoring and management
- ▶ Identify at-risk individuals
- ▶ Tighter monitoring and control of blood glucose and insulin level implemented, alongside routine PromarkerD follow-up tests
- ▶ Targeted treatments and medications
- ▶ Manage disease progression
- ▶ As an endpoint marker in clinical trials for any new drug
- ▶ For risk stratification in future clinical trials



The Promarker platform can be used to develop a CDx for *any* new drug



Please contact

Richard Lipscombe

Managing Director

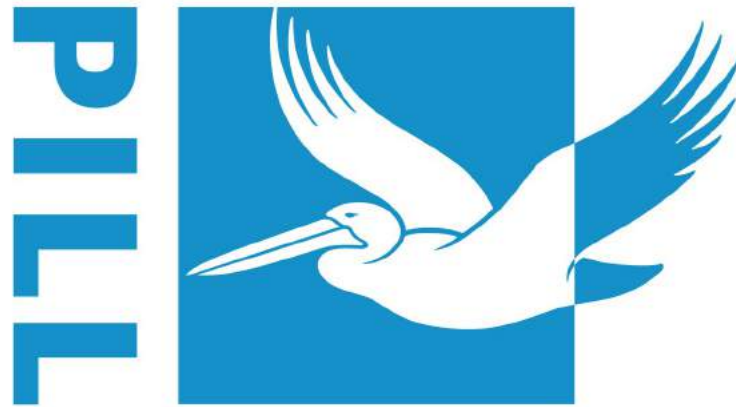
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