

# PIQ: New Oesophageal Cancer Test Announced

PIQ.ASX | PROTEOMICS INTERNATIONAL LABORATORIES LIMITED | HEALTHCARE | BIOTECHNOLOGY

PRICE  
**A\$0.92/sh**

TARGET PRICE  
**A\$1.80/sh**  
(UNCHANGED)

RECOMMENDATION  
**SPECULATIVE BUY**  
(UNCHANGED)

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## Event

PIQ has announced new results for its novel oesophageal cancer test 'PromarkerEso', which builds upon earlier work which identified and validated a panel of biomarkers. Results will be presented at the 19th ISDE World Congress for Esophageal Diseases.

## Impact

The test has shown to **correctly identify 89% of patients with oesophageal adenocarcinoma, and 92% without the disease** using PIQ's 'traffic light' scoring system.

The simple test could provide an early screening tool for clinicians to minimise the requirement for invasive surgery (endoscopy) - the current standard of diagnosis.

**The company continues to believe a validated test will garner significant interest, both commercially and in the clinic.**

Oesophageal cancer is an area of significant unmet medical need. The current 5-yr survival rate is ~20%, accounting for 1 in 20 cancer deaths worldwide and costing the US healthcare system ~\$2.9 billion per annum alone.

Oesophageal adenocarcinoma is the most prevalent form of oesophageal cancer. Moreover, the disease is linked with Barrett's oesophagus, an asymptomatic pre-malignant condition estimated to affect 10-15% of individuals with chronic acid reflux, or about 1-2% of the general population.

Since individuals with Barrett's oesophagus are much more likely to develop oesophageal adenocarcinoma, they are advised to get regular screening. Currently, this requires patients undergo an endoscopy – an invasive procedure that costs ~US\$2,750 per patient in the United States.

Next steps from here include:

- Streamlining the biomarker measurements for a CLIA-certified US Laboratory Developed Test (LDT) pathway (Same pathway being used by PromarkerD).
- Confirm the clinical performance of the test in an additional independent patient cohort, recognising today's results are based a total cohort size of 300 patients and a relatively small validation cohort; and
- Conduct formal economic health benefit modelling and clinical utility studies.

PIQ anticipates these activities will be completed over the next 9 months.

## Action

### Speculative Buy, \$1.80/sh Price Target

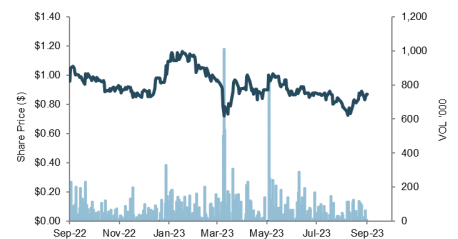
The successful development and commercialisation of a simple blood test for oesophageal cancer could provide further upside to our current Valuation and Price Target, which we continue to emphasize is exclusively based on PromarkerD.

## Catalysts

- US Sales – Dec'Q
- CMS Reimbursement Pricing – Sep'23/ Jan'24
- Endometriosis Update – Dec'Q

Share Price	0.92	A\$/sh
<b>Price Target</b>	<b>1.80</b>	<b>A\$/sh</b>
Valuation (DCF)	1.80	A\$/sh
WACC	11%	
Terminal Growth	3%	
Shares on issue	122.3	m
Market Capitalisation	111.9	A\$m
Enterprise Value	104.2	A\$m
Cash (Inc R&D)	7.8	A\$m
Debt (inc. AASB16)	0.1	A\$m

## Performance



Source: IRESS

## Personal disclosures

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No part of our compensation was, is or will be directly or indirectly, related to the specific recommendations or views expressed by the authoring analyst in this research, nor has any attempt been made to influence this Research.

## Company disclosures

The companies and securities mentioned in this report, include:

Proteomics International Laboratories Limited (PIQ.ASX) | Price A\$0.92 | Target price A\$1.80 | Recommendation Speculative Buy;

*Price, target price and rating as at 08 September 2023 (\* not covered)*

## Additional disclosures

The analyst declares that they have a beneficial interest in: Proteomics International Laboratories Limited (PIQ.ASX)

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