Proteomics International Laboratories Targets Key Asian Markets

Life sciences company Proteomics International Laboratories Ltd (ASX: PIQ) (the Company, PILL) is pleased to provide the following update on its business development activities in key Asian markets.

Commercialisation Agreement in China
The Company has an Agreement with leading Chinese biopharmaceutical company Newsummit Biopharma Co. (Newsummit) to commercialise PromarkerD, its Predictive and Diagnostic Test for the early diagnosis of diabetic kidney disease (DKD), in China.

PILL managing director Dr Richard Lipscombe was in Shanghai, China, last week at the invitation of Newsummit to attend the 6th China International Medical Expo and to commence discussions on potential licensing and funding partners.

Dr Lipscombe went on to meet with key opinion leaders in relation to the commercialisation of PromarkerD in China, including the Director of the Shanghai Diabetes Institute and President-elect of the Chinese Diabetes Society, Professor Weiping Jia, who also attended the formal signing ceremony for the Agreement.

The Newsummit Agreement was entered into in February this year prior to the Company’s ASX listing. It is a significant milestone, and the first commercial agreement for PromarkerD. It is also the first-ever proteomics derived In-Vitro Diagnostic (IVD) to enter the massive Chinese market.

Asia, and China in particular, represents a key market for PromakerD as the incidence of diabetes in the region has increased dramatically in recent years, with chronic kidney disease being one of its major complications. World Health Organisation figures indicate that 120 million Chinese have diabetes and are at risk of kidney disease – presenting a massive and growing market for PILL and PromarkerD.

Newsummit is China’s leading drug and medical device development business by volume. It has successfully achieved more than 20 new Investigational New Drug (IND) approvals on behalf of clients, and has been involved in more than 450 projects for new drugs and medical devices.

PILL presents at key South Korean Life Sciences and Healthcare event
Managing director, Dr Richard Lipscombe also this week presented the Company’s leading proteomics-based technology platform and services to the exclusive Australasian Life Science and Healthcare Showcase in Seoul, South Korea. The presentation is attached.

The event was open to only a small number of Australasian Life Science and Healthcare companies and was attended by around 50 strategic and corporate investors and fund managers from South Korea, seeking capital links and transaction opportunities between Korea and innovative Australian companies.

The event was hosted by the Korea Trade-Investment Promotion Agency’s (KOTRA) Global M&A Centre, in conjunction with the Korea Pharmaceutical Manufacturers Association (KPMA), the Korean Biotechnology Industry Organisation, and Wholesale Investor.
Biosimilars business
PILL also advises that Global Head of Business Development, Chuck Morrison recently attended a major international Biosimilars conference in Baltimore, in the USA to showcase the Company’s new Biosimilars data pack. The conference, the 4th International Conference and Exhibition on Biologics and Biosimilars, was attended by global experts and leaders in biosimilar development, manufacturing and commercialisation.

Biosimilars and Analytical Services are key parts of PILL’s business. The Company utilises its proteomics-based technology platform to test and validate the protein composition of a wide range of products. It has major application in the biosimilars market, with manufacturers of generic protein drugs seeking to have their compounds validated as a like-for-like against blockbuster drugs they seek to replace as they come off patent. Twelve protein-based drugs with combined revenue of $50 billion will come off patent by 2017.

ENDS

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About Proteomics International Laboratories
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. Proteomics is an integral part of the biotechnology and life sciences industries and plays a key role in understanding disease and biological systems.

PILL is recognised as a global leader in its field. 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 which operates across three synergistic proteomics-based business units in massive growth markets:

1. **Diagnostics**: Biomarkers of diseases and personalised medicine - focus on diabetic kidney disease and Alzheimer’s disease. The biomarkers market is estimated to double in size to $45.6 billion by 2020.

2. **Analytical services**: Specialist contract research, analytical testing and consultancy - fee for service model. The specialist proteomics market alone represents a massive global market estimated to be worth $20.8 billion by 2018.

3. **Drug discovery**: Therapeutic drug discovery with a focus on painkillers and antibiotics. The peptide therapeutics market is currently estimated to be worth $17 billion.
Global leader & innovator in the field of proteomics
**Corporate overview**

### Capital Structure

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<table>
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<tbody>
<tr>
<td>ASX code</td>
<td>PIQ</td>
</tr>
<tr>
<td>Shares on issue</td>
<td>50.6m</td>
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<tr>
<td>Listed (@ 20c)</td>
<td>16th April 2015</td>
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<tr>
<td>Market capitalisation (@ 43c)</td>
<td>$21.7m</td>
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<tr>
<td>4 month price range</td>
<td>21c-43c</td>
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<td>Cash at 30th June 2015</td>
<td>$2.0m</td>
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### Shareholders

<table>
<thead>
<tr>
<th>Top 20 Shareholders</th>
<th>69.3%</th>
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<tr>
<td><strong>Major Shareholders</strong></td>
<td></td>
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<tr>
<td>Richard Lipscombe</td>
<td>31.9%</td>
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<tr>
<td>XYLO Pty Ltd</td>
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<tr>
<td>John Dunlop</td>
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<tr>
<td>Randolph Resources Pty Ltd</td>
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<tr>
<td>Sparrow Holdings Pty Ltd</td>
<td>2.1%</td>
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### Management Team:

**Terry Sweet FAICD, Chairman**
Director of several listed companies over the past 30 years in both executive and non-executive capacities.

**Richard Lipscombe PhD, Founder & Managing Director**
30 years experience in research and development globally in academic and commercial entities.

**John Dunlop, Non-Executive Director**
Director of several several ASX-listed companies covering analytical services, mineral exploration & finance.

**Bill Parker PhD, Non-Executive Director & Co-founder**
30 years experience in commercial and university laboratories.

**James Moses, Executive Director (Head of Investor Relations)**
Extensive experience in investment markets and the media developed in a career spanning 25 years.

**Chuck Morrison, Head of Business Development**
37 years in life sciences, biotechnology, and diagnostic industries including DuPont and PerkinElmer.
Introducing PILL

- Revenue generating Company – Established 2001
- Global leader & innovator in field of proteomics
- **World’s first company** to receive ISO 17025 laboratory accreditation for proteomics services
- Proven technology with established IP
- Operates from purpose built, **state-of-the art facilities** at the Harry Perkins Institute of Medic Research in Perth, Western Australia
- Business model uses proprietary technology platform which drives three synergistic proteomics-based business units in high growth markets
Engaged in high growth markets

- **Diagnostics (biomarkers) market is $24.1bn**
  - Predicted to reach $45.6bn by 2020.
  - ‘Omics’ technology holds ~75% share.

- **Proteomics market to be $20.8bn by 2018**
  - Bio-engineered protein drugs was $152bn (2013) CAGR 7.2%.
  - 7 of world’s top 10 selling drugs were proteins therapeutics.
  - Between 2013 & 2017 drugs worth $50bn p.a. in revenues come off patent.

- **Therapeutic peptide based drug market currently $17bn**
  - Growing at 10% driven by genomics and 'next generation science'.
  - Better safety levels than traditional small molecule drugs.

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3. Research and Markets: Global Peptide Therapeutics report 2014
Business model

- Three synergistic business units
- Unifying platform technology
  - leverage & efficiency
- Existing revenue generation & deal flow
  - multiple major upside opportunities
Transaction opportunity: Diagnostics

Predictive test for diagnosis of diabetic kidney disease

- International Diabetes Foundation estimates 387 million people globally have diabetes
- According to US Centre for Disease Control, 35% of adults with diabetes have chronic kidney disease and 20% will end up with kidney failure

- Results show PromarkerD can predict which patients will progress to have a significant decline in kidney function better than any other known measure; specificity 89%, sensitivity 68%, ROC Curve AUC 0.83

- PromarkerD can be commercialised as:
  - specialist diagnostic test run by clinical laboratories (laboratory developed test - LDT)
  - clinical pathology test produced by diagnostic companies (in vitro diagnostic - IVD)
  - companion diagnostic test (CDx) used to monitor a patient’s response to drug therapy - personalised medicine tailoring treatments to individual needs

- Potential income streams include licensing fees, upfront payments and royalties
Transaction opportunity: Analytical services

Proven track record in analysing protein drugs

- Blue chip, global client base with **50% export** income (priced in USD)
- Analytical & consulting services income in 2015 grew **27%** year on year
- Latest US FDA guidance (May 2014) for **biosimilars** recommends extensive and robust comparative structural studies – this is driving demand for services
- Major contracts post listing: global milk company (**quality control testing**) & major biopharmaceutical company for **biosimilars & biologics testing**
- Recently partnered with global CRO, inVentiv Health Clinical – expanding global reach
Why PILL?

- **Leveraged business model**
  - Established income ~$1m per annum reduces burn
  - Analytics division underpins cash flow (revenue grew 27% in 2015)

- **Strong IP position**
  - Patents granting in major jurisdictions for ground-breaking PromarkerD diagnostic

- **Proven technology platform**
  - Proof of concept established with multiple applications for bespoke diagnostic tests, e.g. Alzheimer's

- **Established company in emerging sector**
  - Key regional presence, but with global reach
  - Pending deal flow amidst fast-growing international activity

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Strategic alliances | Out-licensing | Joint ventures
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