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Proteomics International

LABORATORIES LTD

Strategic Alliance and Investment in CPR Pharma Services Targets Improved Drug Development

Medical technology company Proteomics International Laboratories Ltd (Proteomics International, ASX: PIQ) and clinical services specialist CPR Pharma Services (CPR) are poised to offer an advanced suite of services to improve drug development in clinical trials.

HIGHLIGHTS

- **Proteomics International will apply its proven Promarker™ discovery platform to create new diagnostic tests to improve drug development**
- **Partnership has the potential to speed up drug development, saving biopharma companies millions of research dollars**
- **Adds scale and enhances Proteomics International's competitive position in the high value clinical services market**
- **Ability to leverage strong existing brand and reputation when entering new markets**
- **Materially boosts client reach and potential earnings**
- **Offer to acquire 10% of CPR through the issue of 4 million PIQ shares**
- **CPR has over 80 staff, with multi-million dollar revenue from clients in USA, Asia, Europe and Australia**

The partnership agreement will see Proteomics International provide its predictive diagnostics and analytical services capability to complement CPR's position as a regional leader in provision of clinical services and laboratory testing in clinical trials. The global clinical trials market is projected to reach \$22 billion by 2021.

Proteomics International's Managing Director Dr Richard Lipscombe said, "This alliance with CPR Pharma Services presents a fantastic opportunity to expand our diagnostics portfolio and grow revenue. We see this as adding significant value to the success of our Promarker technology."

With a complete clinical trial program typically costing \$100 million, a new Promarker™ companion diagnostic test could save biopharma companies millions of research dollars and help bring treatments to market faster.

Proposed Alliance with CPR Pharma Services

Proteomics International today entered into an MOU with CPR Pharma Services Pty Ltd (CPR) to target the fast growth area of clinical trials, and provide further commercial opportunities for Proteomics International's Promarker™ technology.

Strategic Rationale

In combination, Proteomics International and CPR offer a unique, R&D focused, Contract Research Organisation (CRO) capability specialising in companion diagnostics and clinical trials.

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- ✓ Highly complementary alliance enhancing competitive position:
 - Expertise at the forefront of developing the next generation of diagnostic tests
 - Developed PromarkerD – a world first predictive diagnostic test for diabetic kidney disease
 - Proven technology platform for developing novel diagnostic tests in areas of unmet medical need
 - Direct access to the clinical trials market to apply Promarker™ technology to shorten the drug development process by developing Companion Diagnostic tests (CDx)
 - Global leader in the analysis of biosimilars (generic protein drugs) and biologics – the fastest growing drug sector globally

- ✓ Highly complementary alliance adding scale:
 - Most advanced bioanalytical laboratory group in Australasia
 - Highly regarded regional provider of contract services for clinical trials
 - Provides rapid entry for Proteomics International into the market for pharmacokinetic (PK) testing, building on the company's strategy to target sophisticated analytical services for clinical trials

The alliance will offer regional and local project management, certified bioanalysis, trial monitoring, data management and biostatistical services, analytical platforms of mass spectrometry and immunoassay for small and large molecules, sample storage and stability testing, and development of new methods and diagnostic tests.

The strategic alliance with CPR builds upon Proteomics International's partnership with Linear Clinical Research Ltd (ASX: 15 Nov 2016), a specialist clinical trials site.

Offer Details

In consideration for 10% of the fully diluted issued share capital of CPR, Proteomics International Laboratories Ltd will issue four million (4,000,000) fully paid ordinary PIQ shares. The deemed issue price will be the 30 day VWAP per share, and shares will be subject to a 12-month escrow period.

Completion of the acquisition of shares in CPR is subject to receiving CPR shareholder approval by 28 Feb 2018. The transaction is due to complete 5 March 2018.

By mutual agreement Proteomics International Laboratories Ltd and CPR may elect to undertake a second share swap of four million (4,000,000) PIQ shares against the provision of another 10% of CPR.

CPR Pharma Services (www.cprservices.com.au)

CPR is a privately owned, highly regarded full service Contract Research Organisation (CRO) specialising in provision of clinical services and laboratory testing in early phase clinical trials. CPR is based in Adelaide and has been providing its services for over 10 years.

Key features include:

- Turnover of \$15m in FY17
- Full service early phase specialist CRO
- Strong competitive position in the S-E Asia region serving a range of biotech and small-mid sized pharma
- Large number of clients in the USA and Asia
- Close relationship with Phase I clinical trial sites across Australia
- FDA and EMA inspected and laboratories have GLP and ISO 17025 accreditation

CPR has over 80 highly skilled technical and operational staff across clinical, data management and laboratory services.

- ENDS -

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About Companion Diagnostics (CDx)

The FDA describes a companion diagnostic as a test which provides information that is essential for the safe and effective use of a corresponding drug.

Companion diagnostics can:

- identify patients who are most likely to benefit from a particular therapeutic product;
- identify patients likely to be at increased risk for serious side effects as a result of treatment with a particular therapeutic product; or
- monitor response to treatment with a particular therapeutic product for the purpose of adjusting treatment to achieve improved safety or effectiveness.

Proteomics International will apply its proven Promarker™ discovery platform to this market.

About the Promarker™ technology platform

Proteomics International's diagnostics development is made possible by the company's proprietary biomarker discovery platform called Promarker, which searches for protein 'fingerprints' in a sample. This disruptive technology can identify proteins that distinguish between people who have a disease and people who do not, using only a simple blood test. It is a powerful alternative to genetic testing. The technology is so versatile it can be used to identify fingerprints from any biological source, from wheat seeds to human serum.

About Proteomics International Laboratories (PILL) (www.proteomicsinternational.com)

Proteomics International is a wholly owned subsidiary and trading name of PILL (ASX: PIQ), a medical technology company focused on proteomics – the industrial scale study of the structure and function of proteins. 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 located on the QEII Medical Campus in Perth, Western Australia. The company's business model uses its proprietary technology platform across three integrated areas of diagnostics, drug discovery and analytical services.

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