

The Danish Biotech company Biomonitor is going after an \$800 million theranostics market

Following an investment from the Danish venture capital company Sunstone Capital, Biomonitor A/S is ready to go after an \$800M market for screening for antibodies against biopharmaceuticals. The ambition is to reach a sales turnover of \$35M in 4-5 years.

Biopharmaceuticals are a new generation of highly effective drugs. The major problems with these drugs are that their bioavailability varies considerably from patient to patient and that many patients develop antibodies that neutralize the drugs.

Biomonitor, which was founded in 2003, has developed specialized assays to measure drug levels as well as antibodies to these drugs. These assays are being used to monitor patients suffering from diseases such as multiple sclerosis and rheumatoid arthritis for antibodies against the biopharmaceuticals they are being treated with. They are also being used to support pharma/biotech companies with immunogenicity testings of new and biopharmaceutical drugs. With the investment from Sunstone Capital, Biomonitor is in a position to realize its international potential:

”Our growth until now has been organic. Therefore, we have not had the strength to move out into the large market. With the present investment we can now enter into the international market of an estimated \$800M with an annual growth rate of approximately 16%, says Arsalan Kharazmi, CEO, Biomonitor”.

”Biomonitor with its proprietary technologies and assays has reached the advanced stage, where regulatory authorities such as FDA and EMEA as well as clinicians treating the patients with biopharmaceuticals have recognized the problem of drug immunogenicity. Biomonitor is the first-mover in this field, and provides services for patient monitoring as well as pharma/biotech industry developing biopharmaceutical drugs. We believe that the company has the potential of reaching a sales turnover of approximately \$35M with 4-5 years, says Søren Lemonius, partner at Sunstone Capital”.

Expensive drugs

There are approximately 200 biopharmaceuticals in the market at present. In addition there are approximately 300 new protein drug candidates under clinical development. Annual cost per patient at present is in the range of \$15.000 - \$20.000. Testing for antibodies will have a great impact on the proper use of these drugs as well as on reduction in therapy cost incurred by the patients, insurance companies and public institutions.

”Testing for antibodies against protein drugs in patients suffering from chronic diseases such as multiple sclerosis and rheumatoid arthritis can help physicians shift to other effective therapies, says Arsalan Kharazmi and continues:

”In Europe and the US approximately 500.000 patients with rheumatoid arthritis are being treated with anti-TNFalpha biopharmaceuticals. At least 200.000 patients will develop antibodies to these

drugs within 6-9 months of therapy. This amounts to an annual cost of \$3B - \$4B. And this number will keep on increasing, says Arsalan Kharazmi”.

With the investment from Sunstone Capital, Biomonitor will focus on two markets:

”The first focus area will be development of the patient monitoring segment, initially with focus on a handful of European markets. The second focus area will be to expand and develop services provided to pharma/biotech industry for their biopharmaceutical drug development, says Arsalan Kharazmi, and continues:

”Simultaneously we will work on the US market on a joint venture basis with US companies”.

Theranostics/Diagnostics is hot

According to Sunstone Capital, theranostics/diagnostics companies are attractive investment areas:

”The annual global turnover of the drugs are approximately \$700B, but almost 30% of these drugs are ineffective, because they don’t match the individual patient’s actual need. The major trend these days is personalized medicine, by which each individual patient should be treated differently. Better diagnosis and monitoring of the patient can optimize patient therapy and at the same time reduce the costs dramatically, says Søren Lemonius, and continues:

”Today we use approximately 3 cents for diagnostics each time we buy drugs for 1 dollar. This corresponds to an annual global cost \$30B for diagnostics. Better diagnostics can reduce at least the \$100B cost of the ineffective drugs. Therefore, there is a great deal of money to save with the use of better diagnostics tools and patient monitoring, says Søren Lemonius

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