

# Financial Post

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Small Business

## Biotech firm makes strategic shift



*CNW Group*

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**John Shmuel, Financial Post** · Thursday, Aug. 12, 2010

When a patient gets their cholesterol checked, it usually involves fasting for 12 hours and then having a few vials of blood drawn. But now a Winnipeg-based biotechnology firm has a non-invasive alternative: a test that measures cholesterol through the skin.

Miraculins Inc., a publicly traded company listed on the Toronto Stock Exchange, acquired the PREVU Skin Cholesterol Test last week in a deal expected to close shortly. Although the company stresses it's not a flat-out replacement for a standard cholesterol test, it does offer a convenient screening alternative.

Christopher Moreau, chief executive of Miraculins, says the test could generate “millions” of dollars a year in revenue for the company, which has three full-time employees. “We’ve got a whole host of opportunities where we can actively use this technology. It’s got huge growth potential,” he says.

The PREVU technology is approved for use in Europe and Canada. In the United States, it has been cleared by the Food and Drug Administration for patients already considered at risk of heart disease.

The acquisition of PREVU is part of Miraculins' 2008 shift to focus on in-licensing of biotechnologies. When it launched in 2002, Miraculins initially focused on in-house research and development, with the aim of having a partner to commercialize any resulting drugs. It's focus has always been on medical diagnostic devices that use biomarkers.

The switch to in-licensing this technology was a strategic move to address market realities, Mr. Moreau says. "The market dramatically changed within a short period soon after the launch of Miraculins," he says. "The company was set up to do its own biomarker development work, but by that point, you could no longer expect to partner out your work — the expectation was you advance your own research, which was more costly."

Mr. Moreau approached the board about changing Miraculins' business model to focus on in-licensing and acquisitions shortly after being appointed chief executive in February 2007. Its first acquisition was the rights to the testing of 35 biomarkers as part of a program at Toronto's Mount Sinai Hospital to detect preeclampsia, a potentially fatal complication during pregnancy. Miraculins partnered with Alere Inc. to commercialize a suite of biomarkers for preeclampsia. Alere is developing tests for the biomarkers, in an effort to see which one may be the most successful in detecting the condition.

When the company switched to its new business model two years ago, it didn't eliminate all in-house R&D. Last week, Miraculins announced it was one step closer to identifying biomarkers that could test for prostate cancer through a less invasive way, such as urine samples — one of its first research projects. It launched PSP94 Immunoassay for Urine Specimens, a research-only tool that detects a biomarker in urine believed to be indicative of prostate cancer. The company also signed a one-year non-exclusive distribution agreement with GenWay Biotech for marketing the test worldwide.

Mr. Moreau says the company is gaining momentum due to technologies such as PREVU and the PSP94 immunoassay.

"In our last round of financing, we were at about 5¢ a share. Today we're trading at 15¢ to 16¢," he says. "We're going to keep growing with the products we have, and like always, keep our eye on any new and exciting technologies in the future."

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