

Early-stage Upstream fills oversubscribed funding round in four days

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Christchurch-based Upstream Medical Technologies has just closed a quick oversubscribed investment round to fund more clinical trials.

The company, which has developed technology that could reduce chest pain hospital patient admissions by up to 40%, raised \$750,000 within four days of opening.

Auckland-based investment firm Pacific Channel led the round, investing just over 20% and underwriting the remainder of the offer.

There were three other private investors from New Zealand, and one from Australia.

Pacific Channel managing director Brent Ogilvie says the speed the offer was filled – typically early stage company offers take four to six months to fill, with a low success rate – shows the interest in the company's potential.

About \$5 million more will be raised in a Series A round out of Europe – led by UK investment bank Innovator Capital – which is expected to be completed within the next eight months.

The company was spun out of the Christchurch Heart Institute in 2015 and has developed a biomarker test for people suffering chest pain, to identify which have unstable angina.

A biomarker is a measurable indicator in people's DNA, RNA, protein or other molecules, which can be used to detect or rule out disease.

A third of patients with acute chest pain will have unstable angina, which means they're at high risk of heart attack and need immediate treatment to avoid a heart attack.

In the US, eight million people go to an emergency department each year with chest pain, but only one in eight have a life-threatening actual or imminent heart attack.

This poses a challenge for doctors to diagnose and costs the US health system about \$US6.7 billion a year as tests are run for each patient.

Upstream claims its fast diagnosis test will reduce hospital admissions by 40%, which could save the global health sector substantial money.

The money from the latest round will go towards more clinical trials.

Upstream chief executive Dr Ruth Appleby says the trial will involve 1000 patients at several international clinics. It's designed to provide the clinical validation needed to secure regulatory approvals for the technology in the US and Europe.

The company seems to have designed clever technology, but will the path to commercialisation be paved with broken glass?

"If they can replicate what they've already achieved in clinical studies in these larger multi-centre, multi-country studies, then we're confident – based on discussions with major diagnostics companies globally – that there'll be an opportunity to licence the technology to one or more of those global diagnostics companies," Mr Ogilvie says.

When asked how many years it might be before the tech is in hospitals and the company breaks even, he replies: "That's always a tough question with medical development, but it has at least another year of clinical trial work and trials by nature are an investigation – so it will depend on the results from those trials. All going well, one would expect to see something on the market in a couple of years."

At the recent NZBIO annual conference in Wellington, Dr Appleby said the key to getting a new biomarker to the market is convincing the opinion leaders – the cardiologists.

"It's basically about getting enough data to change clinical practice because cardiologists can be very conservative."

Existing Upstream shareholders include the University of Otago, Powerhouse Ventures and NZ Investment Fund.

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