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How a Hong Kong-based start-up is helping Premier League players and other sports clubs restart fixtures while raising capital

- Prenetics finds eight Premier League players positive for Covid-19 after performing nearly 2,000 tests
- Biotech start-up closing Series C fundraising, bringing in new investors



The English Premier League trophy is displayed in an empty stadium. Photo: AP

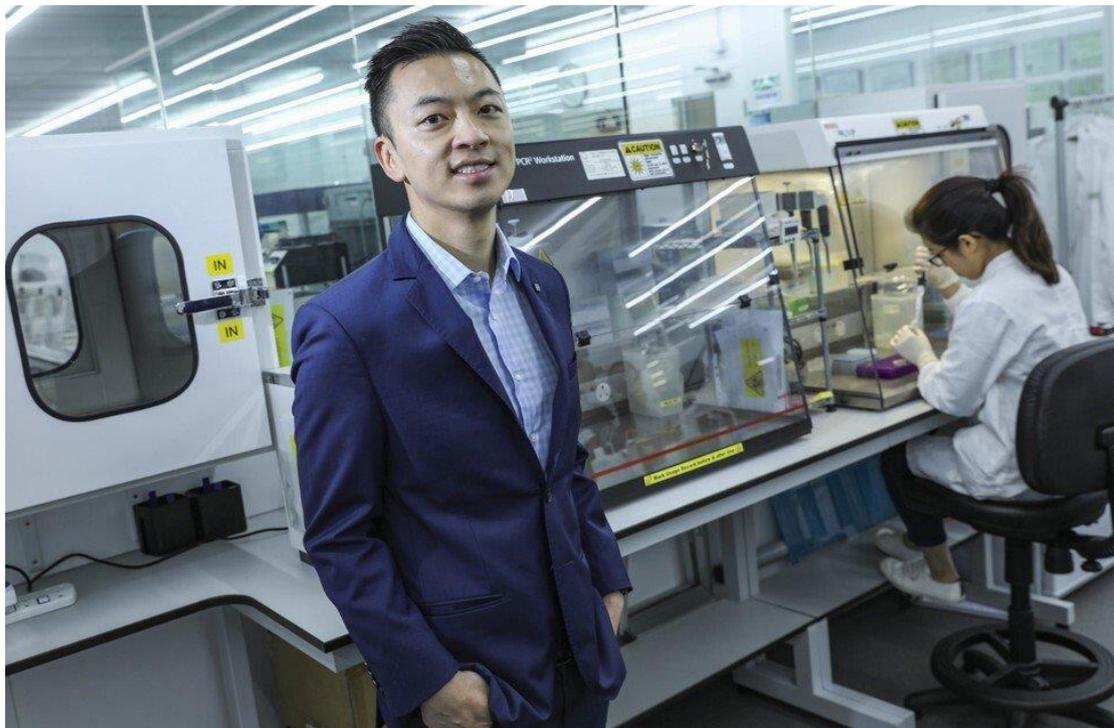
A Hong Kong start-up is on the frontline of the fight to make professional live sport safe to resume and for the fans to gradually return to watch games, while raising capital from venture capitalists for expansion.



Prenetics, which counts former Manchester United and England football captain Rio Ferdinand among its shareholders, sealed a deal with the Premier League in early May to test players and is in talks with other sports associations to help restart live fixtures.

In the UK, Prenetics is testing Premier League footballers twice a week. As of May 25, the biotech start-up had found eight players and staff positive for Covid-19 after performing nearly 2,000 tests at the league's 20 football clubs. They were all asymptomatic and are now self-isolating.

"Testing is crucial for early detection, isolation and tracing," Danny Yeung Sheng-wu, co-founder and CEO of Prenetics, said during an interview from his corner office overlooking Hong Kong's harbour. The firm is also putting the final touches on a fundraising drive to finance its growth as well as its research & development.



Danny Yeung in Prenetics' laboratory. Photo: Nora Tam



Professional sports are starting to resume, from German football to Taiwanese baseball, mostly without live audiences. Horse racing in Hong Kong has kept going throughout the coronavirus outbreak with no spectators, while racing in England and New Zealand halted completely.

The *BMJ*, a weekly peer-reviewed medical journal, said 78 per cent of Covid-19 patients may be asymptomatic, underscoring the importance of testing, citing China's National Health Commission in an April 2 report.

Prenetics signed a contract with the Premier League for £4 million (US\$4.88 million) to provide up to 40,000 tests for players and staff. The elite squads of footballers started training again on May 20 with fixtures likely to kick off as soon as next month, said Yeung.

The firm's Hong Kong headquarters are decorated like a typical start-up with table football, millennials beaver away, and a bar. What is atypical is the over 4,000 square foot private laboratory for testing samples on the same floor.

"We're talking to a number of sports associations," said Yeung who says at 41 he is the oldest in the office.

Founded in 2014, Prenetics is closing its Series C fundraising within the next couple of weeks.

Despite a frigid atmosphere among venture capitalists, the start-up has managed to secure a punchy valuation and is closing in on that landmark unicorn status, the investing world's jargon for a private company valued at over US\$1 billion.

Looking ahead, Yeung said Prenetics is on track for an initial public offering in the coming years and Hong Kong would be a natural venue for the locally headquartered company.

"Hong Kong would be our number one choice," said Yeung, the former CEO of Groupon East Asia and former venture capitalist.



Former Manchester United player Rio Ferdinand is a shareholder in Prenetics. Photo: EPA-EFE

Prenetics raised US\$40 million from a Series B fundraising drive in 2017 and US\$10 million in a Series A round in 2016. Its shareholders include the Alibaba Hong Kong Entrepreneurs Fund, a not-for-profit initiative started by Chinese billionaire Jack Ma.

Other investors include Indonesia's Lippo Group-backed Venturra Capital, San Francisco-headquartered 500 Startups, Hong Kong-based venture capital fund Beyond Ventures, MFund, China-focused Yuntai Investment Partners, Singapore's RE.A.PRA and Ping An Ventures, the venture capital arm of Ping An Insurance Group.

Prenetics is still in the red as it ploughs back capital into research and development and its growing business. Hong Kong remains the company's biggest market in terms of revenue, followed by the UK, Southeast Asia and mainland China.



The firm's revenue is growing fast. Last year, revenue doubled year on year and Yeung forecast that this year its revenue would at least double.

The firm is branching into travel and looking to meet demand in medical genomics, providing tests to the hospitals and clinics.

The global genetic testing market will grow at a 12.2 per cent compound annual growth rate from over US\$13 billion in 2019 to US\$29 billion in 2026, according to a report by Global Market Insights in February. One of Prenetics' competitors is NYSE-listed advanced medical genetics firm Invitae, which has a market capitalisation of US\$2.19 billion.



A medical worker takes a swab sample from a child to test for coronavirus, in Wuhan, Hubei province. Photo: AFP

Demand for genetic testing is taking off as advances in sequencing techniques slash processing time and costs while access to tests becomes easier. Genetic testing involves testing the genome to identify alterations in chromosomes, genes, or proteins. These tests can be used to sequence the entire genome to test for ancestry as well as a method to diagnose or eliminate the possibility of genetic diseases.

Initially, Prenetics worked with employees and insurance companies, such as Prudential, AIA, HSBC Insurance and FWD, looking for tools to improve well-being and engagement with access to genetic tests.



But Yeung always wanted to sell to consumers. Last year, it started selling directly to consumers with the price of a testing kit ranging from US\$200 to US\$600 a piece. It competes against companies such as California-based 23andMe that does snip-based testing at a cheaper price.

Prenetics, a combination of prevention and genetics, has already processed nearly 400,000 DNA samples, said Yeung, whose cluttered desk was piled high with boxes of pills, hand sanitiser and a Rubik's cube.

Yeung was approached by friends around mid-March to see if his firm could test if they were asymptomatic carriers of the coronavirus. His friends told him they did not want to go to a hospital for fear of cross-infection. This inspired him to explore what Prenetics could contribute to relief efforts.

As well as commercial projects, Prenetics and partners have been offering tests at cost in Hong Kong for HK\$985 with the results returned within one business day.

"Given our resources and expertise, we felt we had a role to play here," said Yeung who was born in Guangdong and educated in San Francisco.