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Pfizer To Pay \$100m For Resapp Health

Resapp says Pfizer Australia will offer 11.5 cents a share – a 27.8 percent premium to Friday's closing price – to buy the company, valuing it at \$100 million.

Resapp said it had a “binding scheme implementation deed with Pfizer Australia Holding Pty Ltd”, pending approvals.

The company said that the scheme consideration of 11.5 cents a share was a 27.8 percent premium to the closing price of 9.0 cents a share on April 8, 2022, a 28.4 percent premium to the one-month volume-weighted average price to April 8 and a 39.7 percent premium to the three-month volume-weighted average price to April 8.

Resapp said that shareholders would vote on the scheme implementation at a meeting expected to be held in mid-June 2022 and, if approved, the scheme was expected to be implemented in late-June.

Resapp said that the scheme consideration remained subject to conditions including, the independent expert concluding that the scheme was in the best interests of its shareholders, along with regulatory approvals, including Australia Competition and Consumer Commission clearance, no “material adverse change” or “regulated events” and court approval.

The company said that a break fee of about \$1 million would be payable by it under certain circumstances and a reverse break-fee of the same value would be payable by Pfizer in certain circumstances.

Resapp said that in addition to the scheme, it had a \$3 million up-front research and development licence agreement with Pfizer to collaborate on research and development of products in the field of Covid-19.

Resapp said the key terms of the agreement were non-exclusive research and development licence in the field of Covid-19, a six-month term with two extensions of three months each, the retainment of all intellectual property rights, up to \$1 million in milestone payments based on clinical trial recruitment, and rights of first negotiation for certain commercial transactions with third parties in the Covid-19 field.

The company said that the Perth-based Azure Capital Pty Ltd would act as financial adviser and that the Melbourne-based DLA Piper would act as legal adviser.

In 2015, Narhex Life Sciences voted on 13 resolutions to transform the company from developing HIV treatments to mobile telephone respiratory diagnoses applications, raise \$4 million and change its name to Resapp Health (BD: Apr 24, 2015).

Narhex was then trading around 0.8 to 0.9 cents and following a three for eight consolidation traded around two cents (BD: May 27, Jun 12, Jul 3, 2015).

Since 2015, Resapp has traded as high as 49 cents in mid-2016 and as low as 4.0 cents in July 2021.

Today, Resapp managing-director Dr Tony Keating said that “we are excited by the prospect of this acquisition by Pfizer, a leading biopharmaceutical company that shares our vision and belief that technology can help transform healthcare and improve patients’ lives”.

“The proposed acquisition recognizes the years of dedicated work by the Resapp team to build Resapp into a leader in audio- based analysis of respiratory health,” Dr Keating said.

“We believe that the material premium and certainty of an all-cash consideration is an attractive outcome for our shareholders,” Dr Keating said.

Pfizer chief digital and technology officer Lidia Fonseca said that “this proposed acquisition and research collaboration add to our growing digital capabilities and bolster our efforts to pave a new era for digital health”.

Resapp was up two cents or 22.2 percent to 11 cents with 21.4 million shares traded.