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Resapp Fails Confirmation Target Pfizer To Pay \$127m

[RESAPP HEALTH](#)

Resapp says its Covid-19 algorithm confirmation study performed “significantly lower than the ... pilot study” meaning Pfizer will pay \$127 million for the company.

Last week, Resapp said that Pfizer Australia agreed to increase the scheme consideration from 11.5 cents a share, valuing the company at about \$100 million, to 20.7 cents a share on satisfaction of a confirmatory data readout condition, valuing it at about \$178 million, or to 14.6 cents a share if the confirmatory data condition was not satisfied, valuing the company at about \$125 million (BD: Jun 14, 2022).

Today, the company said that the confirmatory study achieved a sensitivity of 84 percent and a specificity of 58 percent significantly lower than the pilot study.

Resapp said the results were below the thresholds required to satisfy the Pfizer condition under the revised scheme, which consisted of a minimum sensitivity of 86 percent and a minimum specificity of 71 percent.

The company said that the results were calculated by Resapp and independently analyzed and verified by an independent third-party statistician.

In March, Resapp said its 741-patient pilot trial shows that its cough diagnostic screening test could “correctly detect Covid-19 in 92 percent of people with the infection” with a sensitivity of 80 percent (BD: Mar 22, 2022).

The company said that as the confirmatory data readout condition under the revised scheme was not satisfied, the scheme consideration would be 14.6 cents a share in cash, representing an equity value of \$127 million.

Resapp said the 14.6 cents price was a 62.2 percent premium to the close on April 8, the last trading day prior to announcement of the initial scheme and a 63.0 percent premium to the one-month 5-day volume-weighted average price to April 8, 2022.

The company said its board unanimously recommended that shareholders vote in favor of the scheme, in the absence of a superior proposal and subject to the independent expert concluding and continuing to conclude that the revised scheme was in the best interests of shareholders.

Resapp managing-director Dr Tony Keating said the company was “confident that our algorithms can detect Covid-19 using cough sounds, [but] they will require further refinement, testing and validation to ensure that they perform to the level needed”.

“This work will continue with the benefit of now having over 1,300 additional cough sound recordings with gold standard [polymerase chain reaction] test results to use to train and improve the algorithms,” Dr Keating said.

“Notwithstanding, the results underscore the considerable work, challenge and cost of bringing our technology to market,” Dr Keating said.

“Pfizer’s all cash offer represents an attractive 62 percent premium to our share price prior to announcement of the initial scheme and removes any risk associated with the future development and commercialization of Resapp’s technology,” Dr Keating said.

Resapp fell five cents or 28.6 percent to 12.5 cents with 38.2 million shares traded.