Lifecare: A step forward under the product development agreement with Sanofi

Lifecare Research Note 2024-10-29 (09:42

Redeye comments on Lifecare following today's news that the company has completed a key development phase and submitted a phase-end report to Sanofi, which holds a right of first refusal for Sencell in human use.



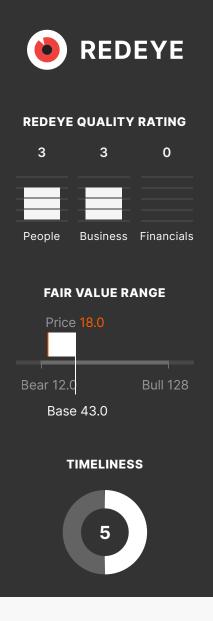
Filip Einarsson

In today's press release, Lifecare confirmed the completion of a "defined development phase," which triggers the release of funding from Sanofi under their existing product development agreement. A similar event occurred in Q3 2023, see this <u>note</u>. The total agreement provides a funding contribution of approximately EUR0.3m; therefore, today's contribution is not expected to have any substantial impact on Lifecare's income statement for Q4.

In exchange for Sanofi's financial contribution to the product development agreement, Lifecare has granted Sanofi a right of first refusal to negotiate a global and exclusive license for Lifecare's patented and proprietary glucose monitoring technology for human use.

Interestingly, the press release states that Lifecare anticipates submitting the next phase-end report after concluding the longevity study in dogs, projected for Q1 2025. The company also notes that "this report could potentially activate commercial rights." However, Lifecare clarifies that there is currently no indication as to whether these commercial rights will indeed be triggered, but in our view it highlights the potential for an interesting newsflow throughout the first half of 2025.

Today's press release does not impact our valuation of Lifecare; however, in this note we have adjusted our valuation model to account for the newly issued shares from the recent share issue. This adjustment results in a revised base case of NOK43, previously NOK47.



KEY STATS

285.3 MNOK
227.4 MNOK
-57.8 MNOK
38 K
15.9M
N/A
N/A
N/A

Data from 2024-10-29 🕒 09:43

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All information regarding limitation of liability and potential conflicts of interest can be found at the end of the report.

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Redeye performs/has performed services for Lifecare and receives/has received compensation from these Companies in connection with this.