

Bioasis Technologies Inc.

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Bioasis Technologies draws higher valuation from Edison Investment Research

Analysts at Edison Investment Research hailed Bioasis Technologies Inc's (CVE:BTI) (OTCQB:BIOAF) deal with Chiesi Global Rare Diseases, in which it will license its technology to bypass the blood brain barrier (BBB), the xB3 platform, for the development of drugs targeting lysosomal storage disorders (LSDs).

Chiesi will use the platform to develop drugs for four disorders, and in return international research-focused healthcare firm Chiesi Group, the parent of Chiesi Global Rare Diseases, will pay Bioasis an upfront payment of \$3 million. Bioasis, based in Guilford, Connecticut, may also be eligible to receive additional development, regulatory and commercial milestone payments of up to \$138 million, as well as additional royalties on net sales of licensed products.

"We see this as a major validation of the platform and for additional future licensing potential," Edison Investment Research analyst Nathaniel Calloway wrote in a note.

READ: Bioasis Technologies and Chiesi Group announce strategic alliance to treat lysosomal storage disorders

"Neither company has released the details of which lysosomal storage disorders will be targeted as part of the agreement. However, these diseases are very well suited for use with the xB3 platform."

Valuation hiked

Edison also modeled a higher valuation for the company driven by the agreement with Chiesi.

"We increased our valuation to C\$60.1 million or C\$0.89 per basic share, from C\$47.8 million or C\$0.71 per basic share, driven by the addition of the Chiesi partnership to our model," said Calloway.

The company's stock traded up Tuesday by 26% to \$0.23 a share in New York and rose 17% to C\$.031 a share in Toronto.

Provides a plug-and-play solution

The analyst also noted that the xB3 platform may offer an attractive solution to the issue of improving central nervous system (CNS) drug activity because it is entirely modular.

"Enzyme replacement therapies have already been developed for a range of lysosomal storage disorders, and the development of a brain penetrant derivative of these drugs could be as simple as producing a conjugate to the xB3 peptide developed by the company," said Calloway.

Price: 0.32

Market Cap: \$21.71 m

1 Year Share Price Graph



Share Information

Code: BIOAF

Listing: OTCQB

52 week High Low
0.38325 0.092

Sector: Pharma & Biotech

Website: www.bioasis.us

Company Synopsis:

Bioasis Technologies Inc. is a biopharmaceutical company developing the xB3™ platform, a proprietary technology for the delivery of therapeutics across the blood brain barrier and the treatment of CNS disorders in areas of high unmet medical need, including brain cancers and neurodegenerative diseases.

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"There is little risk that this will interfere with the normal activity of the enzyme, allowing the programs to quickly bypass early drug development and progress to animal studies, which will verify the potential to penetrate the BBB."

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