

COVIRIX Medical seeks pre-IPO funding ahead of Australian listing by year-end – director

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COVIRIX Medical, an Australian developer of repurposed antivirals for the treatment of COVID-19, is seeking AUD 14m (USD 10m) in pre-IPO capital ahead of a listing in Australia by year-end, said Executive Director and Head of Corporate Development Richard Li.

The Victoria-based company, which is planning a secondary listing on the Hong Kong Stock Exchange soon after, is targeting sophisticated and professional investors for its pre-IPO fundraise, which will fund listing costs and Phase I and II clinical trials, Li said.

As it will be well-funded after its pre-IPO, the Australian listing could take the form of a compliance listing initially, he said. Listings are aimed at giving it a platform for future capital raisings, with the listing on the Hong Kong Stock Exchange, which is the second largest for biotechs globally, also being a precursor to listing on its highly visible and reputable Hang Seng Biotech Index, he noted.

COVIRIX has also talked to parties in Germany that are interested in helping it list on the Munich Stock Exchange [XMUN], which sees the highest number of secondary listings globally, and that could be a future option, Li added.

COVIRIX's corporate advisor is Sydney-based broker **Martin Place Securities**, but it is keen to engage and build relationships with other advisors, particularly in Hong Kong, where it is already talking to advisors and will need to appoint local investment banks for its listing there, Li said.

It also welcomes introductions to investors including industry and financial investors in any global market given that it is seeking to provide both therapeutic and prophylactic solutions for COVID-19, which is and will remain a global problem, he said.

COVIRIX, which is issuing five million new shares at AUD 2.80 per share for the pre-IPO, is also working with **Pitt Street Research**, which has given it a valuation of USD 5.46-USD 8.45 per share on the DCM valuation model, as per a Pitt Street Research report.

Founded in 2020, COVIRIX is majority-owned by its four founding shareholders and also has 27 sophisticated investors that participated in its AUD 400k startup raise, Li said. The founders are Li, who has extensive investment banking and listing experience; Australian cardiothoracic surgeons Professor Kumud Dhital (CEO) and Dr Ian Nixon (Chief Medical Officer); and Australian medicinal and drug discovery chemist Seb Marcuccio.

The company already has global relationships including in the US with Pleasanton, California-based diagnostics company **DiaCarta** and the **Blumberg Institute**, and in the Netherlands where it has completed virology studies ahead of its Phase I and II clinical studies, Li said.

Clinical trials for a range of drug candidates including its primary drug candidate CVX-20733, which is an antiviral US Food and Drug Administration (FDA)-approved drug for another disease application that is being repurposed as an inhalable small-molecule, broad-spectrum therapeutic treatment for COVID-19, are expected to commence in India and Nepal during the next six to nine months, Li said.

Completed trials and the potential for FDA Emergency Use Authorization are expected six to nine months after that, he added.

There are currently only three commercialized antivirals for COVID-19, made by **Merck** [NYSE:MRK], **Pfizer** [NYSE:PFE] and **Gilead** [NASDAQ:GILD], with COVIRIX having key differentiators and advantages, Li said.

It is repurposing an existing drug, which has a clinically proven action mechanism and tolerability, significantly reducing risk and time to market. It is also designed to be administered by inhalation, making it a more effective and targeted treatment for respiratory diseases like COVID-19, he elaborated.

According to the Pitt Street Research report, COVIRIX has access to four distinct potential market segments, namely active and acute cases, primary or secondary contacts, other prophylactic users, and long COVID cases, which together represent a likely patient population of some 1.5 billion by the end of 2023. Revenue potential is therefore large and no competitor has yet been identified, Li said.

According to a University of Tokyo study, and as reported in mainstream television media in Australia on 21 June, the COVID-19 pandemic could be evolving into something more serious.

The recently unveiled BA.4 and BA.5 sub-variants of the omicron variant have been found to attack lung cells unlike previous versions, which attacked the upper respiratory tract, highlighting the potential for more severe disease, which could see the start of a more infectious and virulent COVID-19 wave, Li said.

by Louise Weihart in Sydney

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