

COVIRIX Medical actively seeking investment banker to assist with capital raisings – director

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COVIRIX Medical, a developer of repurposed antiviral treatments for respiratory diseases, is actively seeking to mandate an investment banker to assist with its current and future capital raisings, said Executive Director and Head of Corporate Development Richard Li.

COVIRIX, which is seeking to raise USD 6m as it undertakes a reverse merger with Nasdaq-listed Asia-based fertility services provider **NewGenIvf Group** [NASDAQ:NIVF], [as announced](#) on 3 June, is seeking investment banker assistance with this raise as well as with future capital raisings to support growth for the merged entity, Li told *Mergermarket*.

The USD 6m will give it enough runway for some Phase I trials and to prepare for Phase II trials, but it will require future capital raises of up to USD 20m for Phase III trials, he said. COVIRIX expects to complete Phase I trials in one or more candidates by the end of this year and to be ready for its first Phase II trials in late 2024/early 2025.

COVIRIX, which has had discussions with investment bankers in the US and Hong Kong, welcomes approaches from other interested parties, Li said. With the reverse merger expected to complete by the end of July/early August, COVIRIX plans to appoint an investment banker soon, said Li, who is also an independent non-executive director at NIVF.

As agreed with NIVF, COVIRIX has been valued at USD 617m, based on 25% discounted cash flow (DCF) modelling, which values COVIRIX at USD 9.90 per share on its current issued capital, Li said. Following stockholder approval, COVIRIX shareholders are expected to hold about 85.8% equity interest in NIVF.

Founded in 2020, COVIRIX is majority owned by its four founding shareholders namely Li, who has 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. It also has some 27 sophisticated investors, he said.

COVIRIX is currently doing virology studies on 15 respiratory viruses, including Avian Influenza (H5N1), which has already spilled over globally into other animal groups and has seen its first human death, [as reported](#) yesterday (6 June).

COVIRIX differentiates itself in the antiviral space in that it is developing a broad-spectrum treatment, Li said. It has already completed pre-clinical studies on SARS CoV-2 and its multiple variants and has proven the mechanism of action that is also applicable to the other 15 viruses, he explained. It is also repurposing an existing regulatory approved drug with a clinically proven mechanism of action and tolerability and is also designed to be administered by oral inhalation, making it more effective for treatment of respiratory diseases, Li added.

COVIRIX told *Mergermarket* [in 2022](#) that it planned to list on the ASX but is now focusing on Nasdaq as it has a better appreciation of the commercial value of biotech stocks and has also been achieving record highs, with the Nasdaq composite up 14.5% since 1 January and the S&P 500 up more than 12% year-to-date, Li said. Its listing is well timed due to the heightened risk of an Avian Flu human pandemic and the need for respiratory therapeutic drugs, Li added.

by Louise Weihart in Sydney
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