Xerion Limited

Moore Stephens Victoria ("MSV") has been engaged to assist Xerion Limited ("Xerion"), a growing Australian speciality pharmaceutical company, with both its pre-IPO and IPO capital raising objectives.

Investment opportunity overview

Xerion provides an outstanding opportunity to invest in the growth of this revenue generating specialty pharmaceutical business with a range of clinically validated anti-fungal products, a proven companion diagnostic tool and a strong product and R&D pipeline. Xerion’s product range includes an efficacious and naturally derived range of over the counter (“OTC”) nail fungal treatments and fatty acid blood level testing devices.

This is a unique investment opportunity that provides a sophisticated investor in the dermaceutical and personalised medicine markets to rapidly benefit from Xerion’s significant international growth prospects as well as its exciting product pipeline.

Business overview

Xerion has two proprietary technology platforms with products commercialised from each in the global OTC and personalised medicine markets:

- **KALM**: a range of OTC dermaceutical products featuring a key anti-fungicidal ingredient, AMYCOT®. nailKALM® is Xerion’s flagship product.
- **PUFA**: dried blood spot (DBS) test kits for consumers and healthcare professionals to test fatty acid levels, including Omega-3 levels.

Key Investment Highlights

- Leading brand (nailKALM®) with strong IP protection through international granted patents and recently ranged in all Chemist Warehouse stores.
- Very high product efficacy with TGA approval secured to treat fungal infections.
- Competitive advantage with natural active ingredient and zero toxicity.
- Clearly differentiated from the competition through ease of use (no filing necessary) and efficacy.
- Clear path to take AMYCOT® to the US as a prescription nail fungal drug.
- Clinical trial for a new acne treatment is underway in Israel.
- Large global markets including nail fungus (US$3.4bn), acne (US$4.7bn) and atopic dermatitis (US$7.0bn+).

Xerion operates an outsourced business model, with limited overheads and minimal fixed costs. For its nailKALM® product it currently utilises contract manufacturing services and outsourced distribution partners. The manufacturing of AMYCOT® will take place in Xerion’s new, in-house manufacturing facility to derisk supply chain issues. This is an efficient and scalable operating model with minimal working capital requirements.

Xerion’s DBS test cards and kits are manufactured in India and Xerion has engaged laboratories in Australia, Asia and the USA to conduct the analysis of test samples.
Sales Channels

The majority of Xerion’s sales from nailKALM® in Australia come from Chemist Warehouse, other independent pharmacies and podiatrists. An online presence in the US has been established through Amazon with further online sales just commenced via Xerion’s own e-commerce site.

Xerion has partnered with BASF to distribute its PUFACoat® test kits to the consumer health market. BASF market PUFACoat® alongside their Cardio3 high potency Omega-3 supplement in the US Market. PUFAPro® targeting healthcare professionals has recently been launched in Singapore, Australia and New Zealand.

Favourable Industry Trends – KALM

The AMYCOT® anti-fungal product range competes in the OTC pharmaceutical market, globally valued at US$219 billion. In Australia, this market is valued at $2 billion and is forecast to grow annually by 2% (CAGR 2019-2023). As a sub-set of the OTC market, the anti-fungal drugs market was valued at US$10 billion in 2018, with 3.2% annual growth expected to 2027.

As a new entrant in this market, Xerion is well-positioned to grow market share due to the proven high antifungal efficacy of nailKALM®, its competitive price point and increasing month-on-month sales as the brand rolls-out.

Favourable Industry Trends – PUFA

The PUFA product range competes in the pathology testing services market, specifically testing for cardio vascular and inflammatory markers. The PUFA test kit is recognised as a medical device and can be widely used in the growing personalised medicine market. Globally, the in vitro diagnostic (IVD) market is valued at US$65 billion, growing to reach US$93 billion in 2023.

Growth Outlook

Xerion has recently established a third operating subsidiary to advance and develop its AMYCOT® technology into the US. Specifically targeting the nail fungal market, this subsidiary will initiate clinical trials in its development of a prescription-only product for this lucrative >US$1 billion market.

Healthcare professionals are starting to recognise the importance of correct fatty acid balance and that the Omega-3 Index is becoming an emerging indicator and can be more accurate than cholesterol in measuring cardiovascular risk. Xerion will continue its expansion of PUFA products into the healthcare, veterinary, prescription and precision medicine markets.

Board of Directors

- Andrew Monk – Non-Executive Chairman
- Danny Goldman – Managing Director and Founder
- Tim Cushway – Non-Executive Director
- Jeremy Keane – Non-Executive Director
- Peter Streader – Non-Executive Director
- George Su – Non-Executive Director

Expressions of Interest

Xerion has asked that all expressions of interest are to be lodged directly with MSV. Subject to acceptance of your registration, interested investors will be required to sign a confidentiality agreement and will receive a Short Form Information Memorandum and access to the Xerion Virtual Data Room containing detailed information about the opportunity and further instructions regarding the capital raise process.

Contact Us

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