



ContraVir Pharmaceuticals raising \$9M for trial of shingles treatment

By [Dan Lonkevich](#)

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ContraVir Pharmaceuticals Inc. (CTRV), a developer of treatments for viruses, is raising \$9 million from a private placement of convertible preferred stock to fund a Phase 2b clinical trial of a treatment for herpes zoster or shingles.

The [Edison](#), N.J.-based company describes its lead drug FV-100 as a "fast-acting, once-daily oral antiviral agent" for treatment of shingles, an infection caused by the reactivation of varicella zoster virus from chicken pox.

ContraVir said Wednesday that it is issuing preferred stock that will convert into common shares at 48 cents each. That is a discount of 26.2% to the price where ContraVir stock closed on Tuesday, Oct. 14.

ContraVir shares rose 49 cents, or 75.4%, to \$1.14 in over-the-counter trading after the financing was announced.

The amount being raised represents a 62.2% stake in the company, which had a market value of just \$14.5 million before the financing was disclosed.

Buyers of the preferred stock include both new investors and existing investors.

ContraVir CEO James Sapirstein said in an interview that the money will only cover the first installment of the Phase 2b trial of FV-100, which is expected to cost \$14 million to \$17 million.

That means ContraVir will have to raise at least another \$5 million to \$8 million. "I'm actually planning to raise a little more than that," he said.

The additional capital will probably be raised in the first quarter, Sapirstein said. Before the financing, as of June 30, the company had \$1.82 million in cash on its balance sheet after a \$5.28 million loss for its fiscal year ending June 30.

[Jeffrey Fessler](#), a partner with law firm [Sichenzia Ross Friedman Ference LLP](#) in New York, advised ContraVir.

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