

XPhyto Therapeutics Launches Rapid Test for COVID-19, Zacks Research Initiates Coverage

written by InvestorNews | October 12, 2021

[XPhyto Therapeutics Corp.](#) (CSE: XPHY | OTCQB: XPHYF | FSE: 4XT) (“XPhyto”) is a bioscience company with a focus on innovating, accelerating and commercializing, disruptive, disease diagnostic and drug delivery technologies. Some examples are diagnostics (COVID-19 testing and biosensors) and new thin-film drug delivery methods. The company is also developing new active pharmaceutical ingredient manufacturing processes. XPhyto’s specialty is speed to market of commercial innovative medical products.

XPhyto has international expertise with headquarters in Vancouver and operations out of Germany. The Company is currently focused on regulatory approval and commercialization of medical products for European markets.

A summary of XPhyto Therapeutics Corp.’s bioscience accelerator business



Source: [XPhyto company presentation](#)

Rapid COVID-19 PCR test launched

On September 8, XPhyto [announced](#) the successful launch into a growing market demand of its 25-minute COVID-19 PCR test (called ‘Covid-ID Lab test’) in Berlin, Germany. This event followed on news [announced](#) on March 18, 2021 that XPhyto’s rapid 25-minute COVID-19 PCR test had gained European approval.

XPhyto [stated](#):

“In parallel to the pilot project, we are developing further approaches and services with our partners to offer modular testing and hygiene solutions for larger events, such as concerts, sporting events and conferences.....Given our competitive pricing, we are in a strong position to accelerate sales growth in the near term.”

The XPhyto Covid-ID Lab test has great potential for (25 minute) rapid testing at airports, cruise ship terminals, border testing, schools, medical centers, government agencies, public venues and job sites markets. With [over 84 million](#) people, Germany is a very important and potentially lucrative market for XPhyto. XPhyto plans to expand through Europe to service its [748 million](#) people.

Biosensor test for oral disease launched

On August 30, XPhyto [announced](#) the launch of its first commercial biosensor test for oral disease. The biosensor test, in the form of a thin-film tab, dissolves on the tongue and if it turns turns bitter after five minutes it is an indication of the presence of ‘oral inflammation.’ The test has been successfully registered with the appropriate German authorities and is ready for partnering with wholesale distribution partners and market launch.

The announcement [stated](#):

“(XPhyto and partner 3a-diagnostics GmbH) successfully registered their first biosensor test in oral inflammation with the German authorities (cosmetic products notification). The easy at-home self-check can be performed without the need for specific medical knowledge or training, analytical equipment or even a power supply. When placed on the tongue, the thin film

dissolves and, after 5 minutes, the biosensor releases a bitter taste in case of oral inflammation. The biosensor functions as a quick test for heightened levels of certain bacteria and viruses to check whether a doctor's visit and further tests are necessary."

XPhyto believes that biosensors in general, and 3a's innovative biosensor system in particular, are a promising and reliable platform technology for accurate, early screening and diagnosis of diseases. XPhyto has signed an acquisition agreement with 3a which means XPhyto will acquire all of the outstanding shares of 3a [for EUR 3.9 million](#) with a planned closing on or around October 31, 2021. You can read more details about 3a-diagnostics GmbH [here](#).

XPhyto coverage by Zacks Research

On September 28, 2021, Zacks Research gave an initiated coverage on XPhyto and concluded:

"The company is optimistic about the prospects for the COVID-19 test and other products in its pipeline, as noted. While it is difficult to know the revenue arc for XPHYF at this early stage, just based on the sizable need for COVID testing, we believe the current share price of about \$1.10 does not reflect the fundamental value of the company's pipeline and prospects and would anticipate upside if the company continues to advance its candidates. We believe the substantial size of the company's target markets and the company's view of the competitive advantages of its diagnostic and delivery platforms suggest strong revenue growth if the company successfully executes its strategy.

.....we believe the average price-to-sales multiple of companies in this comparison of 14x provides a valuation benchmark for XPHYF. Therefore, applying a 14x multiple to our \$8 million to \$14

million 2025E revenue forecast and discounting back at 3% results in a present value of nearly \$102 million to \$179 million for XPHYF, or a mean value of about \$2.00 per share.”

XPhyto's buy and build strategy showing past acquisitions timeline



Source: [XPhyto company presentation](#)

Closing remarks

New bioscience companies need to move quickly and work hard to establish a market share into niche products that can rapidly lead to revenues. To do this the company first needs to spot a strong trend or need, such as COVID-19 rapid testing, and then move fast with a great product to get ahead of competitors.

XPhyto is doing a good job so far of innovating and bringing, in-demand, pharmaceutical products rapidly into the marketplace. Its next step will be to see how quickly the products can achieve a strong uptake and strong revenues.

XPhyto Therapeutics Corp. trades on a market cap of C\$95 million with the 3a-diagnostics acquisition due to finalize very soon. This acquisition looks to be the best so far and with COVID-19 testing and the biosensor market doing well it should only boost XPhyto's near term prospects. Stay tuned.

XPhyto Therapeutics moving forward from successful prototype testing of saliva virus test

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Non-invasive test can detect viral RNA in asymptomatic patients

XPhyto Therapeutics Corp. (CSE: XPHY | OTCQB: XPHYF | FSE: 4XT) (“XPhyto”) is a next generation bioscience company with a rapid pathogen screening systems division, including a new, non-invasive coronavirus saliva test. This is an important addition to rest of their businesses which includes advanced drug delivery systems (Vektor Pharma) and cannabis investments (Vektor Pharma & Bunker).

XPhyto’s core business is drug delivery, diagnostic, and cannabis investment opportunities focused on European markets, especially Germany.



Source: [Company presentation](#)

XPhyto’s rapid pathogen screening systems

XPhyto is focused on developing rapid, low-cost, screening tools for pandemic threats. The company, along with their diagnostic partner 3a-Diagnostics GmbH (“3a”), has recently become better known for their COVID-19 RNA testing. The XPhyto team is developing a rapid, disposable, point-of-screening test to

detect COVID-19 viral RNA from patient saliva as well as more traditional nasal and throat swabs. On July 6, 2020, XPhyto [announced](#) successful validation of its working test prototype. The test, as observed and reported by clinicians and scientists in peer reviewed publications, demonstrated a detection limit capable of identifying viral RNA in the saliva of symptomatic, pre-symptomatic, and asymptomatic patients. Subject to fast track certification by the German government, XPhyto and 3a are targeting Q1 2021 for European regulatory approval and commercial sales.

Being able to detect coronavirus early in patients with no symptoms has been identified as a key factor in halting the spread. A saliva-based test is another huge advantage due to the ease of testing compared to the current nasal swab testing, which can range from uncomfortable to painful.

The technology behind the new test will also be suitable for other types of coronaviruses in the long term. XPhyto and 3a are also in the process of developing rapid screening tests for other pandemic threats, including H1N1 (swine flu) and H5N1 (avian flu), with a specific focus on identifying early pre-symptomatic stages of infection.

XPhyto's advanced drug delivery systems

XPhyto owns Vektor Pharma, a German narcotics manufacturer, importer and researcher. Vektor Pharma is a decade-long leader in design, testing and manufacture of thin film drug delivery systems including transdermal patches, oral dissolvable film (ODF), sub-lingual (oral) strips for the clinical management of pain, and an ODF biosensor delivery platform. Vektor Pharma currently holds numerous narcotics import and manufacturing licenses, including cannabis imports and authorizations related to conventional and cannabis-related prescription medications.

XPhyto's cannabis investments

XPhyto also 100% owns Bunker. Bunker has a unique German cannabis cultivation and extraction license for scientific purposes. Subject to BfArM (the Federal Institute for Drugs and Medical Devices) security requirements, the license authorizes cultivation and extract of 70 different strains of Cannabis Sativa and Cannabis Indica for scientific purposes.

XPhyto also has an exclusive LOI and standstill agreement for cooperation in the field of development, production, and distribution of new cannabis-infused beverages and products with the famous German brewery Oettinger. Oettinger beer is not only one of the best selling beers in Germany, it is also internationally recognized as one of the largest brewery groups in the world.

XPhyto Therapeutics Corp. is well-placed in key emerging industries



Source: [Company presentation](#)

Closing remarks

XPhyto is an innovator in the increasingly important fields of virus detection and drug delivery systems, including the vital area of mass rapid pathogen screening testing. Added to that, it has some exciting cannabis related investments, particularly with Bunker in Germany. XPhyto also has R&D collaborations with the technical University of Munich and the University of Alberta.

For investors, XPhyto Therapeutics Corp. trades on a market cap of C\$165m and the stock is up an impressive 132% in the past year. While a non-invasive COVID-19 saliva test that can detect

the virus in both symptomatic and asymptomatic patients would have immediate and obvious benefits, it could also have long-term applicability to other pathogens going forward. Added to XPhyto's carefully curated suite of other diagnostic, drug delivery and cannabis licenses, it makes it a company to watch.