

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

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



BUILDING A NEXT GENERATION BIOSCIENCE COMPANY: *Intelligent Capital & Human Resources*

XPhyto is set to leverage its strategic alliances and acquisitions, building the right team at the right time.

- WORLD-CLASS DRUG DELIVERY EXPERTISE**
A future investment in a high margin, market-leading technology that is safe for patients;
- EXTENSIVE GLOBAL SUPPLY NETWORKS**
Premium quality products with no capital investment in cultivation infrastructure;
- DISRUPTIVE DIAGNOSTIC PIPELINE**
Rapid, low-cost screening tools for pandemic threats;
- EFFICIENT M&A TRANSACTIONS**
Prudent management committed to building shareholder value;
- UNIQUE GERMAN R&D LICENCES**
First-mover advantage and industry leadership;
- R&D COLLABORATIONS**
Access to world-class facilities with limited capital investment;

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.