

XPhyto Therapeutics Corp.

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XPhyto is progressing its scientific approach to cannabis-based medicine and helping in the coronavirus fight

- German subsidiary, Vektor Pharma has developed an oral disintegrating film (ODF) for drug delivery
- Developing low-cost oral screening test to concurrently detect COVID-19 and non-COVID-19 coronaviruses
- Joint venture with Oettinger Brauerei for cannabis-infused beverages and products

What Xphyto Therapeutics does:

XPhyto Therapeutics Corp (CSE:XPHY) (FRA:4XT) is a science-focused cannabis company developing analytical testing, processing, and formulation capability in Canada, while in Germany, it is focused on and research, cultivation, extraction, import, distribution, and manufacturing.

The firm listed on the Canadian Securities Exchange (CSE) on August 6, 2019, and on the Frankfurt exchange on August 13, 2019.

In Canada, the firm has two exclusive five-year engagements with the faculty of Pharmacy at the University of Alberta to provide certified analytical testing capability, as well as extraction, isolation, and formulation facilities, and drug research and development expertise.

In Germany, in August 2019 - soon after going public - Xphyto acquired Vektor Pharma TF GmbH, a narcotics manufacturer. Vektor specializes in thin therapeutic films, such as skin patches and oral strips, and possesses a slate of narcotics licenses covering traditional and cannabis-related medications.

Prior to its float, XPhyto also acquired 100% ownership of German cannabis company, Bunker Pflanzenextrakte GmbH. The firm operates from a decommissioned German Air Force command center and nuclear bunker near Munich, hence its name, which is the largest cannabis laboratory in Germany.

Germany, Europe's biggest economy is projected to have one of the highest growth rates in the world for a cannabis market, with a 76.8% compound annual growth rate to reach \$1.6 billion by 2022, according to research by Arcview.

In November 2019, Xphyto announced a deal with a top cannabis grower to exclusively distribute cannabis flower, extracts, isolates and crystallites across Germany. The undisclosed supplier is a major grower and extractor - skilled in meeting Europe's good manufacturing practice standards - which produces more than 100,000 hectares of medical-grade hydroponic high THC flower and THC cannabis strains for extraction.

How is it doing:

Like many other firms, Xphyto has pivoted from its core business to help in the battle against the coronavirus (COVID-19) over the past few months.

The bioscience company and its exclusive diagnostic partner, 3a-Diagnostics GmbH, are developing a point-of-care

Price: 2.23

Market Cap: \$129.36 m

1 Year Share Price Graph



November 2019 May 2020 November 20

Share Information

Code: XPHY

Listing: CSE

52 week High Low
3.55 0.8

Sector: Cannabis

Website: www.xphyto.com

Company Synopsis:

XPhyto Therapeutics Corp.

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lateral flow test to detect COVID-19 viral RNA in patient saliva, as well as from nasal and throat swabs, in fewer than five minutes. In addition to COVID-19, the lateral flow is capable of detecting the broader family of coronaviruses.

3a's enhanced RNA probe system has proven capable of detecting viral RNA in symptomatic, pre-symptomatic and asymptomatic patients alike, the company said. The parties hope to win approval from European regulators in the first quarter of 2021, pending fast track certification from the German government, with commercial sales to follow soon after.

On September 8, Xphyto noted that 3a had taken possession of COVID-19 RNA isolated from live viable virus for its second round of proof-of-concept prototype testing, pointing out that the evaluation process is currently underway and results are expected within 30 days.

The group said that pending successful evaluation results, it will proceed to advanced prototype production and usability testing scheduled for the fourth quarter of 2020, adding that test development and optimization is continuing to proceed on an expedited basis at 3a's research lab and in collaboration with third party contractors and academic partners in Germany.

In a statement on October 19, the group said it planned to provide an update on its saliva-based COVID-19 screening test development program and additional related news shortly.

That October statement was focused more on XPhyto's mainstream work, with the firm revealing that its German subsidiary, Vektor Pharma TF GmbH had developed an oral disintegrating film (ODF) drug delivery mechanism for a major European generic drug company.

During the third quarter, Vektor completed manufacturing ODF clinical trial materials, which the company says will now be delivered for clinical evaluation.

The ODF technology is designed to quickly adjust to various active pharmaceutical ingredients (APIs) in order to deliver dosage that matches the client's needs. The film works by dissolving on the tongue.

Vektor has worked extensively for major and emerging drug companies to develop new and innovative dosage formulations based on its ODF and transdermal drug delivery platforms, the company said. Its contract work has included generic dosage formulations for Fentanyl, Rivastigmine, Clonidine, and Rotigotine, as well as novel non-generic active formulations for the treatment of Parkinson's disease, restless leg syndrome, incontinence, local pain and abuse-resistant pain medications.

At the end of August, Xphyto also provided an update on its transdermal delivery system for Rotigotine, which is approved for the treatment of Parkinson's disease and restless legs syndrome in Europe and the United States, saying the "formula was locked" and the company is looking forward to clinical studies in the third quarter of 2020.

The company revealed in June that Vektor Pharma had finalized the formula for its skin patch to help Parkinson's disease sufferers ahead of human pilot studies, and in August it said Vektor had completed process implementation for the manufacture of its Rotigotine patches. Global and European sales of Rotigotine patches last year came in at around \$500 million.

On the cannabis front, in May Xphyto said it had inked a letter of intent for developing, producing and distributing new cannabis-infused beverages and products with the well-known German brewery Oettinger Brauerei GmbH.

The companies agreed to sign a definitive agreement in due course for creating new cannabis-related beverages and products, XPhyto said. Oettinger's headquarters are in Oettingen, Bayern but it has large breweries in Gotha, Mönchengladbach and Braunschweig. The dominant brewer has been Germany's best-selling beer brand for a number of years.

Meanwhile, in a boost for investors, at the start of August, XPhyto shares were upgraded to trade on the OTCQB

market, giving the firm access to a wider investor base.

In July, the company also entered into an investor-relations consulting agreement with Knox Communications Inc (KCI) to carry out marketing and investor communication activities for the company.

Inflection points:

- Update on saliva-based COVID-19 screening test development program
- Clinical evaluation of Vektor's ODF material
- News on cannabis-infused beverages and products venture with Oettinger Brauerei

What the boss says:

"We believe that a low-cost, portable and easy to use screening tool that provides rapid on-the-spot results would be a disruptive tool in the fight against pandemic threats," XPhyto Therapeutics CEO Hugh Rogers said in a statement in July.

"We see an enormous global market opportunity that includes individual households, schools, hospitals, public transportation, airports and border services as well as many private employers," he added.

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