XPhyto Therapeutics Closes Investment

written by Raj Shah | December 9, 2020

December 8, 2020 (Source) – **XPhyto Therapeutics Corp. (CSE:XPHY) (OTC:XPHYF) (FSE:4XT)** ("**XPhyto**" or the "**Company**"), is pleased to announce that it has closed an investment of $3,000,000 of unsecured convertible debentures (the "Offering") with a single arms-length investor (the "Investor"). The Investor is in the business of manufacturing and distributing medical products in Europe and the Middle East.

The Company intends to use the net proceeds of the Offering to facilitate development and commercialization of its ODF and TDS drug formulations, infectious disease diagnostics, and psychedelic API and dosage forms as well as general working capital purposes.

Each convertible debenture (the "Debentures") will bear interest from their issue date at 8.0% per annum, calculated and payable semi-annually and mature two years from the date of issuance (the "Maturity Date"). Pursuant to a price reservation filed with the Canadian Securities Exchange (the "CSE") on October 28, 2020, the principal amount of the Debentures is convertible at the option of the holder into common shares in the capital of the Company (the "Common Shares") at any time prior to the Maturity Date at a conversion price of $1.77 per Common Share. Conversion of the Debentures may be forced at the option of the Company if the 15-day volume weighted average price of the Common Shares on the Canadian Securities Exchange exceeds 250% per share of the conversion price.

In connection with the Offering, the Company paid a cash fee of $240,000 and issued 135,593 finder's warrants to Canaccord

Genuity Corp. Each finder’s warrant entitles the holder thereof to purchase one common share at an exercise price of $1.77 until December 8, 2022.

The securities issued pursuant to the Offering will be subject to a statutory four month hold period.

About XPhyto Therapeutics Corp.

XPhyto Therapeutics Corp. is a bioscience accelerator focused on next-generation drug delivery, diagnostic, and new active pharmaceutical ingredient investment opportunities, including: precision transdermal and oral dissolvable drug formulations; rapid, low-cost infectious disease and oral health screening tests; and standardization of emerging active pharmaceutical ingredients for neurological applications, including psychedelic compounds and cannabinoids. The Company has research and development operations in North America and Europe and is currently focused on regulatory approval and commercialization of medical products for European markets.

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Forward looking statements

This news release includes statements containing forward-looking information within the meaning of applicable Canadian securities law (“forward-looking statements”). Forward-looking statements are frequently characterized by words such as “develop”, “plan”, “continue”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “potential”, “propose” and other similar words, or statements that certain events or conditions “may” or “will” occur, and in this release include the statement regarding the Company’s goal of building a successful diagnostic, drug delivery, and medical cannabis and psychedelic company. Forward-looking statements are only predictions based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements, including: that the Company may not succeed in developing a commercial product; that the sale of products may not be a viable business; that the Company may be unable to scale its business; product liability risks; product regulatory risk; general economic conditions; adverse industry events; future legislative and regulatory developments; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; currency risks; competition; international risks; and other risks beyond the Company’s control. The Company is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

Neither the CSE nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this news release.