

Buyouts In Biotech: XORTX Next In Line?

XORTX Therapeutics Inc.

TSXV: XRTX NASDAQ: XRTX FSE: ANUA

***Multiple Recent Major Wins in Biotech have set the Stage for XORTX;
Recent Buy Rating With Target Price of US\$14.00***

Recently, **The Venture Letter™** introduced **NASDAQ-listed XORTX Therapeutics Inc.** to readers. **Within less than a month**, the stock ran from US\$2.20 to an intra-day trading price of US\$7.00 per share. That's an increase of **318%**. The stock has since settled back and



is currently trading around the US\$3.20 level (at April 15th, 2024). With a recent buy rating from **Alliance Global Partners' analyst James Molloy providing a target price of US\$14.00**, it seems there is still room for significant near-term improvement from current trading levels.

Recent big news from the biotech sector should get XORTX shareholders quite excited. Firstly and most recently, biopharmaceutical giant **Vertex Pharmaceuticals** (NASDAQ: VRTX) announced



on April 10th, 2024 it will buy **Alpine Immune Sciences** (NASDAQ: ALPN) for **US\$4.9 Billion**. This will grant Vertex access to the biotech firm's **treatment for an autoimmune disease of the kidney**, bolstering its portfolio on kidney diseases as deals in biotechnology continue to heat up. Alpine's 'Povetacipet' is in mid-stage development for the treatment of IgA nephropathy and will be evaluated in a **late-stage trial in the second half of 2024**.

XORTX shareholders and investors considering becoming shareholders should consider the following: Alpine is in Phase 2a of testing for its Povetacipet with Phase 3 trials expected by the fall of this year. By comparison, **XORTX Therapeutics** is in a similar position, **approaching Phase 3 testing** expected later this year of its **orphan drug designated XRx-008 drug therapy** for Autosomal Dominant Polycystic Kidney Disease (ADPKD) to slow the progression of kidney damage. Alpine has a current market capitalisation of some **US\$4.22 billion**, whereas XORTX' market cap is a mere **US\$7.2 million**.

- IMPORTANT TO CONSIDER -

Alpine Immune Sciences has a market capitalisation of some US\$4.22 billion - 586x greater than XORTX Therapeutics'.

However, XORTX is at a similar point, if not ahead of Alpine in its testing of an important and greatly needed progressive kidney disease drug therapy.

Something else important to consider:

Alpine recently raised US\$150 million via the issuance of shares and warrants at US\$12.50 per share/warrant. This issuance increased the company's issued and outstanding shares from 53.55 million to **65.55 million**.

XORTX Therapeutics only has 2.9 million shares issued and outstanding with US\$5 million in the bank. The company anticipates the need for a further US\$20 million to **complete its Phase 3 trials with the Food & Drug Administration** (the FDA). Though XORTX management aims to raise such funds at higher prices and even if the company raised these funds at current share price levels, the total shares issued from the XORTX treasury **would be much lower** than the total shares issued from treasury by Alpine. Were a similar buyout offer come to XORTX in the semi-near to near future, we believe **the per share value would be significantly higher than that of Alpine's**.

To add to the Alpine buyout, a number of big-dollar acquisitions of smaller cap biotechs by major companies have already happened in 2024. These only strengthen our belief that XORTX is in the right place at the right time:

Novo Holdings Acquires Catalent for US\$16.5 Billion

Date of Announcement: February 5, 2024

Catalent Inc. is a global leader in enabling pharma, biotech, and consumer health partners to optimise product development, launch, and full life-cycle supply for patients around the world. Novo Holdings, a holding and investment company that is responsible for managing the assets and wealth of the Novo Nordisk Foundation, entered into a merger agreement under which Novo Holdings will acquire Catalent in an all-cash transaction.

Bristol Myers Squibb Acquires Karuna Therapeutics for US\$14 Billion

Date of announcement: March 18, 2024

Bristol Myers Squibb completed its acquisition of Karuna Therapeutics, Inc. a biopharmaceutical company that focuses on developing medicines for neurological and psychiatric conditions. Karuna is now a wholly owned subsidiary of BMS.

Gilead Sciences Acquires CymaBay Therapeutics for US\$4.3 Billion

Date of announcement: February 12, 2024

Gilead Sciences Inc. is a biopharmaceutical company headquartered in Foster City, California that focuses on researching and developing antiviral drugs used in the treatment of HIV/AIDS, hepatitis B, hepatitis C, influenza, and COVID-19. entered a definitive agreement under which it will acquire CymaBay Therapeutics Inc.

Novartis Takes Over MorphoSys AG for €2.7 billion (US\$2.9 billion)

Date of announcement: February 6, 2024

Novartis entered an agreement to make a voluntary public takeover offer to acquire MorphoSys AG, a Germany-based, global biopharmaceutical company developing oncology medicines.

AstraZeneca Acquires Fusion Pharmaceuticals for US\$2.4 Billion

Date of announcement: March 19, 2024

AstraZeneca entered into a definitive agreement to acquire Fusion Pharmaceuticals Inc., a clinical-stage biopharmaceutical company developing next-generation radioconjugates (RCs).

Sanofi Acquires Inhibrx for US\$2.2 Billion

Date of Announcement: January 24, 2024

Sanofi entered into a definitive agreement under which its subsidiary Aventis Inc. will acquire all assets and liabilities associated with INBRX-101, an optimised, recombinant alpha-1 antitrypsin (AAT) augmentation therapy currently in a registrational trial for the treatment of alpha-1 antitrypsin deficiency (AATD).

Johnson & Johnson Acquires Ambrx for US\$2.0 Billion

Date of announcement: March 7, 2024

Johnson & Johnson acquired Ambrx Biopharma Inc., a clinical-stage biopharmaceutical company with a proprietary synthetic biology technology platform to design and develop next-generation antibody drug conjugates (ADCs).

GSK Acquires Aiolos Bio for \$1 Billion upfront & up to \$400 Million in success-based regulatory milestones

Date of Announcement: January 9, 2024

GSK plc entered into an agreement to acquire Aiolos Bio, Inc., a clinical-stage biopharmaceutical company focused on treatments for certain respiratory and inflammatory conditions.

AstraZeneca Acquires Amolyt Pharma for US\$1.05 Billion

Date of announcement: March 14, 2024

AstraZeneca entered a definitive agreement to acquire Amolyt Pharma, a clinical-stage biotechnology company focused on developing treatments for rare endocrine diseases.

As you can quite plainly see, the market for biopharmaceutical companies developing new therapies is strongly bullish. Since XORTX has been focused on advancing their drug therapy trials in the past few years, the company is now in the advanced position required to entertain big pharma interest. We always encourage proper due diligence on any potential investment, but feel this is a rare opportunity for smart investors to seriously consider joining the shareholders of XORTX Therapeutics Inc.

XORTX Therapeutics Inc.

- Corporate Recap -

- ✓ **Developing greatly needed, drug-based therapies for serious progressive kidney diseases with a high, unmet medical need**, including Autosomal Dominant Polycystic Kidney Disease (ADPKD), Diabetes Type-2 Nephropathy (T2DN) and Acute Kidney Injury (AKI).
- ✓ **Three patent families derived from its proprietary technology** with broad therapeutic claims.; patent protection until 2034.
- ✓ **US\$1.0 - 1.8 Billion per year revenue potential for XORTX in the US alone** to help an estimated 160,000 ADPKD patients. Clear focus on XRx-008 program for ADPKD for a **strong unmet medical need**; potential for early revenue in 2026/7 to replace Tolvaptan by Otsuka.
- ✓ Based on the percentage of US patients to US population, the **global number of ADPKD patients** in need of XORTX' proprietary ADPKD drug therapy could be **over 3.8 million** which gives XORTX Incredible Blue Sky potential.
- ✓ **Orphan Drug Designation granted by FDA**; path to accelerated approval has been confirmed.
- ✓ **Good cash position** of US\$5.2 Million vs. a market cap of US\$7.2 Million: runway for fourteen months; **extremely low shares outstanding**
- ✓ **Senior team led by CEO Allen Davidoff, Ph.D** who was responsible for **Oxypurinol** development in prior ventures; known builders of strong shareholder value:
 - ★ **Trillium Therapeutics** - bought for **US\$2.2 Billion by Pfizer**
 - ★ **Cynapsus Therapeutics** - acquired for **US\$624 Million**

Notes from The Venture Letter™

XORTX Therapeutics Inc. (NASDAQ: XRTX / TSXV: XRTX / FSE: ANUA) has the potential to be the next micro-cap, biotech stock that can deliver its shareholders a strong return on investment through its pursuits of valuable, new orphan drug disease therapies.

As mentioned earlier, Mr. James Molloy, the Managing Director and Biotechnology & Specialty Pharmaceuticals Equity Research Analyst with New York City's Alliance Global Partners gave XRTX a 'Buy' rating with a **price target of US\$14.00 per share** - something else to consider in making an informed, investment decision.

Our February, 2024 **Special Report on XORTX Therapeutics Inc.** can be found here:

<https://theventureletter.com/wp-content/uploads/2024/02/TVL-Special-Report-XORTX-Therapeutics-Inc.-0224.pdf>

The Venture Letter will be providing further follow-up reports on XORTX in the weeks ahead as more news and updates are released from the company.

For more information on **XORTX Therapeutics Inc.**, we encourage you to contact the company via phone at **+1 (403) 455-7727** or email at info@xortx.com. Visit the company's corporate website at www.xortx.com.

Good luck and good hunting.



 AllianceGlobalPartners member FINRA, SIPC		January 4, 2024 Biotechnology
XORTX Therapeutics		Buy
James Molloy (617) 283-5521, jmolloy@alliancegp.com Sales & Trading 888-543-4448		
(NASDAQ: XRTX)		
Price		\$2.49
52 Week Range		(\$1.98 - \$11.16)
Price Target		\$14.00
Market Cap (mil)		\$5.00
Shares out (mil)		2.00
3-Mo Avg Vol		219,863
Cash per share		\$2.54
Total Debt (mil)		NA
Debt/Equity		NA

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RISK OF BIAS. We often own shares in the companies we feature. For those reasons, please be aware that we are extremely biased with regard to the companies we write about and feature in our newsletter and on our website. As of the date of this Update Report, a principal of The Venture Letter™ owns 6,000 shares of **XORTX Therapeutics Inc.** and holds 6,000 warrants at an exercise price of C\$4.50 per the company's private placement of units which closed on March 4th, 2024.

The CEO of XORTX Therapeutics Inc., Mr. Allen W. Davidoff Ph.D. has reviewed and approved the information contained in this update report.