



## Proprietary Intelligence

### Medical

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#### **XING Group seeks diagnostics JV partners; ready to release new COVID-19 test kit – CEO**

**XING Group Holdings**, a Brisbane-based private Australian medical technology company, is actively seeking joint venture (JV) partners for a spin-off of its diagnostics division to facilitate product commercialization, starting with its COVID-19 test kit, said CEO Tom Esplin.

The company's corporate advisor is **BlueMount Capital (Queensland)**, but it welcomes approaches from other advisors with potential JV partners that can assist with manufacturing processes and have distribution capability, Esplin said.

XING Group plans to spin off its diagnostics division into a separate entity, in which it intends to maintain a majority stake with the rest owned by the JV partner, he said. It is already having partnership and investment conversations with diagnostics and life sciences companies in the US and Europe and is also willing to hear from significant players in other markets like China, Japan and South Korea, Esplin said.

Under the diagnostics division, the company is now focusing on getting its COVID-19 test from its XavTrap rapid diagnostic platform to market, the CEO said. It has already secured key manufacturing and distribution agreements in Australia and Asia for its COVID-19 test specifically, which could be deployed in eight to 12 weeks depending on the level of working capital, resources available and speed of regulatory processes, Esplin said.

XING Group's COVID-19 test differentiates from others currently on the market by looking for the virus itself, whereas others look at the immune response and can only show positive readings from day seven to 12, he said.

Meanwhile, the company is also seeking to advance its Genosis point-of-care diagnostics platform, Esplin added.

Over the next three to five years, XING Group will also explore JV spin-off opportunities for its other divisions, which each control the development and commercialisation of specific platform technologies, Esplin said. These include its Xing Cancer Care pathology and gene sequencing division, its biodefense and biosecurity division Xing Biodefense Systems, its cancer therapeutics division Xi:Nox, and its protein and peptide division Xi:Pex.

Following those spin-offs, the company will look to either IPO or seek a strategic sale of such divisions, as soon as they become economically attractive, to provide potential liquidity events for investors currently holding shares in the XING Group Holding company, either through dividends or share buybacks, Esplin said.

XING Group is currently owned by about 15 private high net worth investors, including Esplin and co-founder Dr Paul Mainwaring, a renowned global medical research oncologist, the CEO said. Its top four shareholders own 80% of shares on issue, he added.

The company, founded in 2013, has so far raised some AUD 10m (USD 6.3m) to commercialize technology licensed from the University of Queensland. It has 30 employees, Esplin said.

XING Group uses patented nanotechnology to develop novel disruptive diagnostic and monitoring platforms with global distribution potential, currently spanning from cancer care to rapid nucleic acid and protein detection diagnostics as well as nanoparticle capture agents to identify and prevent spread of pathogens like COVID-19.

The company is expected to generate more than AUD 1m in revenue in FY20 through laboratory research and genomic sequencing services and has a pipeline of some AUD 10m in revenue for FY21, Esplin said.

As reported by this news service last week (13 April), private Sydney-based molecular diagnostics company **AusDiagnostics** is selling COVID-19 tests, while Sydney-based molecular diagnostic kit maker **Genetic Signatures** [ASX:GSS] announced receipt of European regulatory approval for its COVID-19 test on 1 April.

by Louise Weihart in Sydney

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**Target:** XING Group Holdings

*Financial advisor:* BlueMount Capital

**Target:** XING Group Holdings (diagnostics division)

**Vendor:** XING Group Holdings

**Source:** Proprietary Intelligence

**Size:** < 50m (AUD)

**Value:** 10m AUD (Capital raised to date)

**Stake Value:** N/A

**Grade:** Confirmed

**Alert:** BlueMount Capital

**Intelligence ID:** 3021477



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