



XPHYTO THERAPEUTICS INITIATES INFECTIOUS DISEASE PROGRAMS

Vancouver, Canada (March 03, 2020) - XPhyto Therapeutics Corp. (CSE:XPHY; FSE:4XT) (“XPhyto” or the “Company”) is pleased to announce that its wholly owned German subsidiary, Vektor Pharma TF GmbH (“Vektor”), will be commencing several research and development programs related to infectious disease. These programs include in-vitro study of thin film delivery of cannabigerol (CBG) and quercetin for potential anti-bacterial and anti-viral treatments, respectively, as well as the development of point-of-care sensor-film infectious disease detection products.

Vektor is a narcotics manufacturer, importer, and research enterprise located in the Upper Swabia region of the German state of Baden-Württemberg. The company is an expert in the design, testing and manufacture of thin film drug delivery systems, including transdermal patches and sub-lingual (oral) strips. Vektor also holds a number of valid licences for import, handling and manufacturing of narcotics pursuant to EU GMP certification and other governing regulations. Vektor is permitted to develop and manufacture novel vaccine products for research and development purposes.

XPhyto’s current product development programs are focused on precision dosing of tetrahydrocannabinol (THC) and cannabidiol (CBD) using Vektor’s proprietary thin-film sub-lingual (oral) strip technology. Targeted medical conditions include serious disorders such as epilepsy and appetite regulation. Based on Vektor’s deep understanding of thin-film drug delivery systems, its current THC and CBD-focused clinical programs, and anticipated future demand for anti-viral therapeutics, XPhyto has initiated a CBG and quercetin-focused research and development program, starting with in-vitro delivery studies at its lab in Germany. Notably, CBG and quercetin, both natural compounds, have demonstrated anti-microbial properties in peer reviewed academic research. Pending successful results, the Company will evaluate clinical opportunities for further development.

“In light of the pending global coronavirus disease pandemic and anticipated long-term growing demand for novel anti-viral and anti-microbial treatments, XPhyto is moving forward with an infectious disease-related research and development program,” said Hugh Rogers, CEO of XPhyto. “XPhyto’s thin-film drug delivery system is a platform technology capable of delivering various active therapeutic compounds for a broad range of medical conditions, including infectious disease.”

Oral thin film drug delivery, which includes the treatment of infectious disease, is a rapidly growing segment of the global healthcare and pharmaceutical industry. Transparency Market Research estimates that the global market for thin film drug manufacturing will be worth US\$15.984 billion by 2024 and rising at a solid 9.0% CAGR between 2019 and 2024.

XPhyto is investigating the use of enzyme-targeted sensor-film technology for the real-time detection of infectious diseases, such as coronavirus disease (COVID-19). The goal is development of a low-cost, point-of-care, rapid detection test using sensor-film technology.

About XPhyto Therapeutics Corp.

XPhyto is a next-generation cannabis company focused on formulation, clinical validation, and European imports, distribution and sales. XPhyto’s 100% owned subsidiary, Vektor Pharma TF GmbH, a



German narcotics manufacturer, importer and researcher has expertise in the design, testing and manufacture of thin film drug delivery systems, particularly transdermal patches and sub-lingual (oral) strips. Vektor also holds a number of narcotics licences issued by the German Federal Institute for Drugs and Medical Devices (BfArM), including import and manufacturing permits, as well as EU GMP lab certification. XPhyto's 100% owned German subsidiary, Bunker Pflanzenextrakte GmbH, has been granted a unique German cannabis cultivation and extraction licence for scientific purposes by BfArM. Bunker has two exclusive R&D collaboration agreements with the Technical University of Munich, chair of beverage and brewing technology and Faculty of Chemistry. XPhyto is pursuing additional opportunities in Europe including commercial cannabis cultivation, processing, manufacturing, import, and distribution. In Canada, two exclusive 5-year engagements with the Faculty of Pharmacy at a major Canadian university provide certified extraction, isolation, and formulation facilities, drug research and development expertise, as well as commercial analytical testing capability. XPhyto signed a supply, import and distribution agreement for cannabis oils and isolates with one of the largest, highest quality, and lowest cost cannabis cultivators in the world.

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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 an industry leading medical cannabis 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 any cannabis-infused products; that the sale of any products may not be a viable business; that the Company may be unable to scale its business; product liability risks; frequent changes to cannabis regulations in Europe, Canada and elsewhere; 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; 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.

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