



OETTINGER BREWERY SIGNS EXCLUSIVE AGREEMENT WITH XPHYTO FOR CANNABIS-INFUSED BEVERAGES

Vancouver, Canada (May 12, 2020) - XPhyto Therapeutics Corp. (CSE:XPHY / FSE:4XT / OTC:XPHYF) (“XPhyto” or the “Company”) is pleased to announce that it has signed a standstill agreement and letter of intent (the “Agreement”) for cooperation in the field of development, production, and distribution of new cannabis-infused beverages and products with the renowned German brewery OETTINGER Brauerei GmbH (“Oettinger”). XPhyto and Oettinger have agreed to pursue the signing of an exclusive definitive agreement in due course, specifically for creating new cannabis-related beverages and products.

The German-based Oettinger brewery is based on a centuries-old tradition and has extensive experience and capacities in development, production, marketing and distribution of beers and non-alcoholic beverages. Oettinger beer is not only one of the best-selling beers in Germany, it is also internationally recognized as one of the largest brewery groups in the world.

“With so much strength and experience in the European beverage industry, Oettinger is an ideal partner for XPhyto. We very much look forward to this collaboration,” said Hugh Rogers, CEO of XPhyto. “In partnership with Oettinger and supported by Weihenstephan, we plan to establish ourselves as first-movers in Europe in this important and fast growing market.”

XPhyto will continue its exclusive cannabis research and development agreement with the chair of brewing and beverage technology at the Technical University of Munich (“TUM”), School of Life Sciences Weihenstephan (“Weihenstephan”), first announced September 9, 2019.

Weihenstephan is home to the International Beverage Research Center Weihenstephan (the “iGZW”), a best-in-class interdisciplinary research and development center, capable of handling the entire drink design process chain – from basic molecular biology research through biotechnology processes to the final product. With a start-up cost of EUR 22 million, the iGZW includes a state-of-the-art pilot brewing plant which makes it possible to run a variety of trials to manufacture a broad range of beers in accordance with the German Purity Law and other fermented beverages using un-malted cereals and alternative starch carriers, as well as non-fermented beverages.

The chair of brewing and beverage technology has a well-earned reputation for expertise in the field of food and beverage science with an emphasis on commercial applicability. The institution has a specific focus on flavor-process-engineering, raw material and product design, food safety, and relevant legislative issues, such as EU designated “novel foods”.

About XPhyto Therapeutics Corp.

XPhyto is a biotechnology and 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 the 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 commercial 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; product regulatory risk; 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; 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.

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