



XPHYTO ANNOUNCES UPDATE ON ORAL THIN FILM DRUG DELIVERY PROGRAMS

Vancouver, Canada (September 22, 2020) - [XPhyto Therapeutics Corp.](#) (CSE:XPHY / OTC:XPHYF / FSE:4XT) ("XPhyto" or the "Company"), a next-generation bioscience company, is pleased to announce an update on its oral disintegrating film ("ODF") drug delivery programs.

XPhyto's wholly owned German subsidiary, Vektor Pharma TF GmbH ("Vektor"), is currently advancing two sublingual ODF development programs for the delivery of the active pharmaceutical ingredients ("APIs") cannabidiol ("CBD") and tetrahydrocannabinol ("THC").

The US Food & Drug Administration (FDA) and European Medicines Agency (EMA) have approved CBD based medicines for the treatment of severe childhood forms of Epilepsy, specifically Dravet syndrome and Lennox-Gastaut syndrome. THC based medicines have been approved for the treatment of nausea associated with cancer chemotherapy and for the treatment of anorexia associated with weight loss in AIDS patients. The registered formulation for CBD is a lipophilic solution in sesame oil and for THC it is a soft gelatin capsule filled with THC in a sesame oil carrier.

XPhyto is developing ODF dosage forms for CBD and THC based on Vektor's ODF platform. The dosage forms are designed to increase API bioavailability using Vektor's rapid release technology. Increased product efficacy and patient convenience is expected through anticipated faster onset of drug action, more predictable therapeutic activity and ease of use. In addition, research organizations will have an opportunity to work with a reliable and reproducible dosage form to study THC and CBD activity and develop innovative treatment regimes. Cannabinoid ODF dosage forms are also expected to yield reduced costs per daily prescription versus oil-based systems due to the use of significantly less API per daily dosage.

Initial dissolution data for XPhyto's sublingual CBD product, first announced December 6, 2019, indicates an at least 5-fold increase in API bioavailability over oil-based delivery methods. A European human bioavailability study for its sublingual CBD product is planned for Q1 2021 with results expected in Q2 2021. XPhyto anticipates initial dissolution data for its sublingual THC product to be available and announced in the coming weeks.

Further to its current CBD ODF and THC ODF development programs, the Company has identified a 1:1 CBD/THC ODF product for the treatment of MS induced spasticity as a prospective candidate for future development. Additional cannabis ODF products are being investigated as potential future development initiatives. XPhyto is reviewing these opportunities with respect to R&D timelines and capacity, cost of development and market opportunities. The Company will announce progress on new ODF initiatives as they are advanced.

The global thin film drug market is expected to grow to USD \$29.2 billion by 2024 at a CAGR of 10.5% according to Market Data Forecast. The global cannabis market is forecast to grow to USD \$63.5 billion by 2024 with a CAGR of 21.1%, with Germany set to lead industry growth with a



CAGR of 76.8% into 2022 according to Arcview Market Research. Germany is a medical cannabis only market.

About XPhyto Therapeutics Corp.

XPhyto Therapeutics Corp. is innovating and commercializing the next-generation drug delivery, diagnostic, and cannabis investment opportunities: precision transdermal and oral dissolvable drug dosage forms; rapid, low-cost infectious disease and oral health screening tools; and validation of approved cannabis-based therapeutics focused on European markets.

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