

XPhyto's acquisition target, 3a-diagnostics, reports breakthrough identification of COVID-19 biosensor candidates

- First saliva activated biosensor molecules identified to diagnose COVID-19 infection using XPhyto's oral dissolvable delivery platform
- Biosensor candidates are ready for optimization and performance assessment
- Development of biosensor screening test would expand XPhyto's diagnostic product pipeline for COVID-19 and additional infectious diseases
- Biosensor candidates present an innovative low-cost diagnostic alternative beyond conventional antigen and RNA tests

Vancouver, Canada, and Frankfurt, Germany (July 28, 2021) - XPhyto Therapeutics Corp. (CSE:XPHY / OTC:XPHYF / FSE:4XT) ("XPhyto" or the "Company") announces today that its acquisition target, 3a-diagnostics GmbH ("3a") has identified the first saliva activated "in-mouth" biosensor candidates for the detection of a COVID-19 infection. The enzyme-activated biosensors are developed for real-time, low-cost and easy-to-use oral screening applications for the rapid detection of infectious diseases including COVID-19 at home or at the point-of-care. XPhyto's pending acquisition of 3a was first announced July 20, 2021.

A comprehensive review of current COVID-19 detection methods from lab-care to point-of-care diagnosis published July 24, 2021, in the journal Science Direct, points out the significance of biosensor technology¹. As stated in the review, the conventional techniques for coronavirus detection like CT-scan, PCR, Sequencing, CRISPR, ELISA, LFA, and LAMP are not sufficient to meet all testing requirements. The urgent global need for rapid, accurate, and low-cost detection systems and the requirement to screen and rapidly identify current infectious disease and future pandemic threats lead scientists to recognize the need to advance new technologies.

Biosensors in general, and 3a's innovative biosensor system in particular, are a promising and reliable platform technology for accurate, early diagnosis and screening of infectious disease and offer advantages over traditional detection methods.

Dr. Heinrich Jehle, Managing Director of 3a-diagnostics GmbH, explained: "We are delighted to announce the successful identification of the first biosensor candidates to diagnose COVID-19 which allows us to expand our portfolio of COVID-19 diagnostics in the future and to complement our recently launched

¹ Singh *et al.*, Sensor international, <https://doi.org/10.1016/j.sintl.2021.100119>

rapid 25-minute PCR test, “COVID-ID Lab”. After optimization, we can assess the clinical performance of our new candidates and proceed with the commercial development of this novel screening test product. This is a major step forward in the development of next generation COVID-19 tests and we are optimistic that development will lead to new, low-cost, rapid, reliable and easy-to-use diagnostic options for low-threshold monitoring of the ongoing pandemic.”

Wolfgang Probst, Director and Chief Operating Officer of XPhyto added: “We believed in 3a’s research and development plan from the beginning, when we signed the first collaboration contract in 2020. Now that XPhyto has announced the pending acquisition of 3a, we are particularly excited about this development milestone. Successful validation of the first biosensor candidates demonstrates the expertise and scientific excellence at 3a. Since the co-developed and successfully approved German CE marked 25-minute PCR test in March of this year, this novel approach for oral biosensor screening is another important milestone towards development of tools to effectively identify infectious breakouts of COVID-19 to reduce the pandemic spread and help find our way back to the new normal.”

In April 2020, XPhyto and 3a signed a definitive development, technology purchase and license agreement for the development and commercialization of real-time, low-cost and easy-to-use biosensor screening tests and related development platform for the rapid detection of infectious diseases. On July 20, 2021, XPhyto announced the signing of an acquisition agreement with 3a. Pursuant to the definitive agreement, XPhyto will acquire all of the outstanding shares of 3a for EUR 400,000, to be paid immediately, and EUR 3.5 million, to be paid on closing, planned for on or around October 31, 2021.

The Company is not making any express or implied claims that its product has the ability to eliminate, cure or contain the COVID-19 pandemic.

About 3a-diagnostics GmbH

3a-diagnostics GmbH is a research-based biotechnology company located near Stuttgart, Germany, specializing in the development, production and marketing of point-of-care test systems. 3a has developed a pipeline of molecular biosensor screening tests for bacterial and viral infectious diseases which include stomatitis, periimplantitis, periodontitis, group A streptococcus, and influenza A. 3a has also designed a scalable next generation microbial-enzyme screening platform for high-throughput identification of biosensor targets to facilitate rapid development of new diagnostic products.

About XPhyto Therapeutics Corp.

XPhyto Therapeutics Corp. is a bioscience accelerator focused on next-generation drug delivery, diagnostic, and new active pharmaceutical ingredient investment opportunities, including: precision

transdermal and oral dissolvable drug formulations; rapid, low-cost infectious disease and oral health screening tests; and standardization of emerging active pharmaceutical ingredients for neurological applications, including psychedelic compounds and cannabinoids. The Company has research and development operations in North America and Europe, with an operational focus in Germany, and is currently focused on regulatory approval and commercialization of medical products for European markets.

XPhyto Therapeutics Corp.

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