

XPhyto Launches First Commercial Biosensor for Oral Disease

- Biosensor test dissolves on the tongue and turns bitter indicating the presence of oral inflammation after five minutes
- Easy and simple at-home self-checks improve oral health and indicate inflammation early on
- Test successfully registered with the German authorities and is ready for partnering with wholesale distribution partners and market launch
- The global Biosensor market is expected to cross USD 38.7 billion by 2027 at a CAGR of 7.95% during the forecast period according to Market Research Future

Vancouver, Canada, and Frankfurt, Germany (August 30, 2021) - XPhyto Therapeutics Corp. (CSE:XPHY / OTC:XPHYF / FSE:4XT) (“XPhyto” or the “Company”) with its partner and acquisition target, 3a-diagnostics GmbH (“3a”) has successfully registered their first biosensor test in oral inflammation with the German authorities (cosmetic products notification). The easy at-home self-check can be performed without the need for specific medical knowledge or training, analytical equipment or even a power supply. When placed on the tongue, the thin film dissolves and, after 5 minutes, the biosensor releases a bitter taste in case of oral inflammation. The biosensor functions as a quick test for heightened levels of certain bacteria and viruses to check whether a doctor’s visit and further tests are necessary.

Dr. Heinrich Jehle, Managing Director of 3a-diagnostics GmbH, explained: “We are delighted to announce the successful registration of our biosensor test for oral inflammation indications. Our enzyme-activated biosensors are developed for real-time, low-cost and easy-to-use oral screening applications for the rapid detection of infectious diseases at home or at the point-of-care. This new technology offers advantages over conventional detection methods. Its innovative approach using the tongue as a sensor provides a unique selling proposition that clearly sets it apart from established competitors. Easily accessible indicators for oral inflammation lead to patients visiting their doctor earlier in the course of the disease thus improving oral health and patient care on a fundamental level.”

Hugh Rogers, Director and CEO of XPhyto added: “The successful registration of the oral inflammation test is another milestone in our fruitful collaboration with 3a-diagnostics. Biosensors in general, and 3a’s innovative biosensor system in particular, are a promising and reliable platform technology for accurate, early screening and diagnosis of diseases. The inflammation test is already the second product successfully developed and launched with our partner 3a, confirming our strong rationale for the closing of our acquisition in October. With a focus on the burgeoning multi-billion-dollar disease detection market,

together with 3a we are marketing point-of-care screening systems developed over the past decade and are well positioned for success.”

XPhyto and 3a-diagnostics have developed a pipeline of peptide-based biosensor screening tests for bacterial and viral infectious diseases with a radically new approach to diagnostic testing. The technology addresses a gap in the market by allowing a reliable, quick diagnosis that is later confirmed professionally. In addition, the platform provides access to advanced screening modalities that could lead to new health management strategies in the future.

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 agreement, XPhyto will acquire all of the outstanding shares of 3a with a planned closing on or around October 31, 2021.

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.

Hugh Rogers, CEO and Director

Wolfgang Probst, COO and Director

Investor Inquiries:

Mr. Knox Henderson

T: +1 604-551-2360

E: info@xphyto.com**Media Inquiries:**

MC Services AG

Julia Hofmann, Andreas Jungfer

T: +49 89 210 228 0

E: xphyto@mc-services.eu**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 a successful diagnostic, drug delivery, and 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 a commercial product; that the sale of products may not be a viable business; that the Company may be unable to scale its business; product liability risks; product regulatory risk; 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. Neither the CSE nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this news release.