XPhyto Provides Update on Drug Formulation and Development Business

- Rotigotine transdermal human pilot study successfully completed; program advancing to pivotal study
- Land purchased for construction of commercial drug manufacturing facility in Germany

Vancouver, Canada, and Biberach, Germany (May 13, 2021) - XPhyto Therapeutics Corp. (CSE:XPHY / OTC:XPHYF / FSE:4XT) ("XPhyto" or the "Company") is pleased to announce that its 2021 drug formulation programs are advancing on schedule and continue to expand in scope. XPhyto is a bioscience accelerator at the leading-edge of the life science industry. The Company's drug formulation and development business is conducted primarily by its wholly owned German subsidiary, Vektor Pharma TF GmbH ("Vektor").

Vektor is focused on the development of generic and hybrid-generic drug formulations for neurological conditions through its transdermal and oral dissolvable drug delivery platforms. Products in the development pipeline are targeting large and growing markets with the potential for meaningful patient outcomes.

As announced, January 28, 2021, the Company's drug development trial schedule for Q1 2021 was focused on a human bioavailability pilot study of its Rotigotine transdermal patch for Parkinson's disease. The Company is pleased to announce the Rotigotine study was completed successfully in March 2021. Based on the encouraging study results the Rotigotine development program will be advanced to a pivotal human trial. Further details will be released in due course.

Further to XPhyto's press release on January 28, 2021, and in anticipation of Vektor's drug product commercialization schedule, the Company has signed a purchase and sale agreement for a property in the district of Biberach, Germany, for the construction of a new commercial drug manufacturing facility. The estimated maximum capacity of laboratory and manufacturing space permitted on the property is 3,000 m^2 (32,000 ft^2). The Company is reviewing scalable construction options to synchronize its manufacturing capacity with demand from in-house and contract manufacturing opportunities. Further details will be released in due course.

"Vektor continues to build shareholder value by advancing its product development pipeline. Its lead program is now progressing to a pivotal human study in Europe, which is the final major milestone on the path to commercial regulatory approval," said Hugh Rogers, XPhyto CEO & Director. "The addition of in-

house, scalable commercial drug manufacturing capability is expected to add further value and optionality to XPhyto's drug formulation and manufacturing businesses."

Vektor is a German drug manufacturer, developer, and researcher located in the district of Biberach, Baden-Württemberg, Germany. For over a decade, the company and its team have been leaders in the design, testing and manufacture of thin film drug formulations, particularly transdermal patches and sub-lingual (oral) strips for the delivery of active pharmaceutical ingredients for the treatment of pain and neurological conditions.

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

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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.