

XPhyto Signs Letter of Intent for US Manufacturing and Strategic Business Opportunities

Vancouver, Canada, and Uttenweiler, Germany (November 4, 2022) - XPhyto Therapeutics Corp. (CSE:XPHY / OTC:XPHYF / FSE:4XT) (“XPhyto” or the “Company”) is pleased to report that it has signed a non-binding Letter of Intent (“LOI”) to identify and assess potential business synergies for manufacturing, import/export, distribution and product development with a US-based thin film manufacturing firm (the “Firm”).

The Firm operates a state-of-the art US-based FDA-certified pharma production facility managed by a seasoned leadership team with over 50 years of experience. With an expert R&D team and a licenced manufacturing facility with a 50 million+ annual thin film capacity, the Firm is an ideal potential partner to produce XPhyto’s oral dissolvable (“ODF”) biosensor products. They are capable of thin film medical product formulation, mixing, coating, and packaging. In addition, the Firm has a portfolio of OTC and FDA-approved products currently for sale in the US market.

The LOI sets out a number of short-term milestones to determine the extent and feasibility of potential business synergies between XPhyto and the Firm which include: manufacturing compatibility for XPhyto’s ODF biosensor products; potential EU-GMP certification of the US-based facility; reciprocal import/export opportunities between the US and Europe; and product R&D collaborations.

XPhyto’s proprietary ODF biosensor development portfolio includes multiple oral health products, including for the detection of stomatitis, periodontitis, and periimplantitis. The Company’s first ODF biosensor screening product is for general oral inflammation. Positive detection of the causative inflammatory agents results in an enzymatic release of a bitter compound in the user’s mouth, with no medical training, analytical equipment or power supply required. The oral inflammation biosensor is designed to function as a simple, low-cost, and self-administered screening test to identify users for follow-up medical testing. The Company’s oral dissolvable inflammation screening test was EU registered in late 2021 and is currently licensed for marketing and sale in Europe.

XPhyto’s pipeline of biosensor screening products for inflammatory, bacterial and viral infectious diseases includes stomatitis, periimplantitis, periodontitis, group A strep, influenza A, and covid-19. This suite of biosensor products positions the Company within the global biosensor and oral health markets which are expected to reach US \$43.6 billion and US \$44.5 billion respectively by 2028 according to Global Market Insights.

About XPhyto Therapeutics Corp.

XPhyto Therapeutics Corp. is a diversified bioscience accelerator focused on next-generation drug formulation, 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 manufacture, standardization, and evaluation of psychedelic compounds for the treatment of neurological conditions. 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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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.