

Innovotech Inc.
Edmonton, Alberta
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NEWS RELEASE

INNOVOTECH REPORTS INCREASED NET PROFIT IN 2021

Edmonton, April 26, 2022. Innovotech Inc. (IOT – TSX-V), a pioneer in the field of biofilm product development, is pleased to report a net profit of \$367,130 for the 2021 year from revenue of \$1,481,767. Operating net income of \$281,135 was augmented by an increase of \$85,995 in the fair market value (“FMV”) of the Company’s shareholding underlying its \$150,000 CanBiocin 8% convertible debenture whereby the 120,000 CanBiocin shares into which the debenture has since been converted (April 14th, 2022) have been determined to have increased in value to \$1.75 from their \$1.25 conversion price.

For three years, the Company has seen its revenue growing at a >20% per annum compounded rate. It is rewarding to see that growth supported this year by our CanBiocin investment as that company grew revenue by 300% in a profitable 2021 year and executed a \$1.75 per share financing at yearend. Both of those events combined to drive the increase in the FMV of the CanBiocin shares held by Innovotech.

Three-year summary of 12-Month revenue & gross profit (\$)

Year	<u>2021</u>	<u>2020</u>	<u>2019</u>
Gross revenue	1,481,767	1,193,382	986,225
Cost of sales	363,153	326,508	291,112
Gross profit	1,118,614	866,874	695,113
Operating expenses	850,662	767,557	737,874
Interest expense	4,383	3,000	6,000
Interest income	17,566	-	-
Gain on fair value adjustment of debenture.	85,995	-	-
Term loan forgiveness	-	3,000	6,000
Net profit (loss)	367,130	106,317	(48,761)

Cash generated by operating activities was \$394,653, which, when added to the \$150,000 share issuance to pay for the acquisition of the CanBiocin debenture and the increase in fair market value thereof combined to be the primary drivers of an increase in shareholder’s equity from \$644,978 to \$1,176,930.

Selected balance sheet items (\$)

Year	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
Current assets	993,530	752,725	224,825
Equipment & other	439,443	69,715	50,057
Total assets	1,432,973	822,440	274,882
Current liabilities	219,009	157,462	76,795
Lease obligations	37,034	20,000	100,000
Total liabilities	256,043	177,462	176,795
Shareholder’s equity	1,176,930	644,978	98,087

2021 Developments

The 2021 financial results drove an increase in shareholder's equity from \$644,978 to \$1,176,930 of which working capital comprised \$774,521. Cash of \$442,419 and trade receivables of \$368,931 comprised the principal components of working capital.

During the year the Directors promoted Dr. Tyler Boone to Chief Operating Officer and Dr. Patricia Nadworny to Chief Scientific Officer (CSO). As a result of the above two appointments, Innovotech now has a committed and experienced executive team fully familiar with its multiple operating procedures and working with more laboratory space equipped with new and upgraded facilities enabling us to handle a larger volume of contract research.

In 2021 the Company also enhanced its banking arrangements, improved its invoice payment process, increased its yield on surplus cash, revisited our SRED credit application procedures to ensure support for our R&D work, and began a relationship to improve our foreign exchange trading procedures, the latter of which was completed subsequent to year end.

About Innovotech

Innovotech is a Canadian biotechnology company owning proprietary intellectual property, conducting contract research, and owning and providing proprietary devices for testing in multiple applications in microbiology. Innovotech can be found online at www.innovotech.ca.

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