



Press Release

Innovotech Announces TSX Venture Exchange Final Approval of CanBiocin Debenture Acquisition

Edmonton, Alberta, February 23rd, 2021 – Innovotech Inc. (TSX-V IOT) (“Innovotech”), is pleased to announce that it has received final approval from the TSX Venture Exchange on the previously announced acquisition of a \$150,000 8% convertible loan agreement with CanBiocin Inc., a private Alberta corporation (the “CanBiocin Debenture”), by way of an assignment from Lonsdale Capital Corporation (“Lonsdale”). Innovotech will purchase all of Lonsdale’s rights, title, and interest in and to the CanBiocin Debenture, previously issued on April 13, 2020, with a \$150,000 principal amount outstanding and payable by CanBiocin Inc. Through the convertibility of the CanBiocin Debenture Innovotech has obtained exposure to the rapidly growing probiotics industry in the companion animal and farming sectors.

The CanBiocin Debenture bears an interest rate of 8% per annum, payable quarterly until April 13th, 2022 after which date principal is paid monthly in installments of \$3,125.00 together with interest calculated at 8% on the declining balance until the CanBiocin Debenture is paid in full. At any time prior to April 15, 2025, Innovotech will have the option to convert the outstanding principal amount and interest outstanding under the CanBiocin Debenture at a conversion price of \$1.25 per share of Canbiocin Inc. In consideration for the purchase by way of assignment of the CanBiocin Debenture from Lonsdale, Innovotech has agreed to issue to Lonsdale a total of 625,000 common shares of Innovotech at a deemed price of \$0.24 per common share for a total deemed price of \$150,000.

The CanBiocin Debenture is considered a “related party transaction” pursuant to the policies of the TSX Venture Exchange and Multilateral Instrument 61-101, *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) as Alan Savage (the “Related Party”) is a director and officer of Innovotech and also holds 100% of the voting rights of Lonsdale, a significant shareholder of both Innovotech and CanBiocin Inc. The CanBiocin Debenture will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101. In particular, Innovotech determined that the exemptions set out in paragraph (a) and (b) in section 5.5 of MI 61-101 are applicable since the aggregate consideration to be paid by the Related Party does not exceed 25% of the market capitalization of Innovotech and Innovotech is not listed on the Toronto Stock Exchange, but only on the TSX Venture Exchange. In addition, regarding the minority shareholder approval exemptions, the independent directors have determined that the exemptions set out in paragraphs (1)(a) and (b) in section 5.7 of MI 61-101 are applicable in that the aggregate consideration to be paid by the Related does not exceed 25% of the market capitalization of Innovotech, the distribution of the securities to the Related Party has a fair market value of not more than \$2,500,000 and Innovotech is not listed on the Toronto Stock Exchange, but only on the TSX Venture Exchange.

About CanBiocin Inc.

CanBiocin was founded in 1998 and is a global leader in species-specific companion animal and livestock probiotic development. With a mission to build health from the inside out, the company targets overall microbiome health to support all animal body systems and functions. CanBiocin began as a University of Alberta spin-off company and first commercialized Micocin[®], a probiotic metabolite used to inhibit the growth of *Listeria monocytogenes* in processed meat products and with beneficial application in livestock feed. Today, its premium canine and other pet probiotic lines help global pet food manufacturers fill their customers' need to care for their pets as integral members of their families deserving of the same attention and investment in their health and wellness. CanBiocin has a growing number of customers in North America, as well as internationally, and can be found online at www.canbiocin.ca.

About Innovotech Inc:

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 and can be found online at www.innovotech.ca.

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.