

Innovotech Inc.  
Edmonton, Alberta  
T6N 1H1

## **NEWS RELEASE**

### **INNOVOTECH REPORTS DECREASED NET PROFIT IN THE FIRST 3 MONTHS OF 2022 TO March 31<sup>st</sup>, (Q1)**

**Edmonton, May 24, 2022.** Innovotech Inc. (IOT – TSX-V), a pioneer in the field of biofilm product development, reports a net loss of \$32,287 for the 2022 first quarter on account of reduced revenue of \$276,648 compared to \$308,575 in Q1 of the prior year. Both product sales and contract research revenues declined. The Company believes that the decline in product revenue was consequent on quarterly inventory building in 2021 by our clients on account of the well-advertised global supply chain issues. Sales of products were down by 23% to \$66,229. Contract research service fees declined by 9% to \$194,182 compared to Q1, 2021. Cash generated by operating activities was negative \$5,557.

While the lower level of Q1 business activity allowed for Quality, Safety and HR systems to be updated following a very busy 2021, it is not the start to the 2022 year that the Company expected. Management and staff were also able to spend more time on development of the new testing platforms that we have been working on. We will be rolling out these new devices over the balance of 2022 with a view to favorably impacting the remainder of the year.

We also saw continued interest in potential collaborations on new applications for InnovoSIL-1 from prospective partners following on past non-disclosure and material transfer agreements and the Company is optimistic toward advancing one or more of these active interests to the agreement stage.

<b>Q1 2022 comparative financial results</b>	<b>March 31<sup>st</sup>, 2022</b>	<b>March 31<sup>st</sup>, 2021</b>
Gross revenue	<b>276,648</b>	<b>308,575</b>
Cost of sales	91,268	80,674
<b>Gross profit</b>	<b>185,380</b>	<b>227,901</b>
Operating expenses	219,653	207,747
Interest expense	(1,730)	(2,081)
Interest income	3,716	-
<b>Net profit (loss)</b>	<b>(32,287)</b>	<b>22,235</b>

Innovotech's balance sheet remains strong. Working capital declined to \$739,463 from \$774,521 while cash increased to \$552,741 on account of a decline in accounts receivable of \$177,821.

#### **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](http://www.innovotech.ca).

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