

Innovotech Inc.
Suite L131, 2011 – 94 Street
Edmonton, Alberta
T6N 1H1

NEWS RELEASE

INNOVOTECH REPORTS 2019 FINANCIAL RESULTS

Edmonton, April 28, 2020. Innovotech (IOT, TSX-V) recorded a 19% increase in revenue to \$986,225 in the year ended December 31, 2019, an increase of \$159,290 over the prior year. Contract research fees increased to \$693,612 from \$579,472 and sales of the MBEC assay kit rose to \$292,613 from \$247,463. Increased revenue resulted in a gross profit of \$695,113, up from \$606,321 in the prior year.

Despite rising revenue, the Company recorded a loss of \$48,761, a marked improvement over the \$127,634 loss of the 2018 year. A bad debt in the amount of \$22,873 and stock-based compensation costs of \$53,378 are the principal contributors to the net loss. EBITDAS (a non-GAAP measure) was a positive \$23,902, versus a negative \$70,724 in the prior year. This allowed Innovotech to retain a positive working capital of \$148,030 versus \$32,565 at December 31, 2018.

One of Innovotech's strongest achievements during the 2019 year was the design and development of our new BEST^{plus} Assay™, an innovative addition to our BEST Assay™, where "BEST" stands for Biofilm Eradication Surface Testing. The Company filed U.S. Provisional Patent Application No. 62/977,953 on Feb 18th, 2020 for this device, which enhances our leading value and technical position in our industry (see the Management Discussion and Analysis dated April 28, 2020 filed on SEDAR for more detail).

As noted in our March 30th news release, Innovotech is not immune to the negative social and commercial effects of the COVID-19 pandemic. Nevertheless, the Company has remained fully operational during the COVID-19 pandemic under appropriate social distancing and disinfectant protocols in its office and laboratory procedures. In early April we engaged in swab sterilization on behalf of laboratories, hospitals and medical centres in Edmonton, Alberta and expect to serve in this business area for the remainder of the 2020 year and perhaps beyond.

Alan Savage
CFO

This document may contain forward-looking statements that are predictive in nature and subject to risks and uncertainties that cannot be predicted or quantified; consequently, actual results may differ materially from past results and those expressed or implied by any forward-looking statements. Factors that could cause or contribute to such risks or uncertainties include, but are not limited to: the regulatory environment including the difficulty of predicting regulatory outcomes; changes in the value of the Canadian dollar; the Company's reliance on a small number of customers including government organizations; fluctuations in operating results; government policies or actions; progress and cost of clinical trials; reliance on key strategic relationships; uncertainty related to intellectual property protection and potential costs associated with its defense; the Company's exposure to lawsuits and other matters beyond the control of management. Should known or unknown risks or uncertainties materialize, or should management's assumptions prove inaccurate, actual results could vary materially from those anticipated. The Company undertakes no obligation to publicly make or update any forward-looking statements, except as required by applicable law.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of materials in this news release.