newtopia

Newtopia announces C$5 Million Bought Deal Offering

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TORONTO, Oct. 14, 2020 /CNW/ - Newtopia Inc. ("**Newtopia**" or the "**Company**") (TSXV: NEWU), a tech-enabled disease prevention company focused on healthy habit change, today announced it has entered into an agreement with a group of underwriters led by Bloom Burton Securities Inc. (collectively, the "**Underwriters**") pursuant to which the Underwriters have agreed to purchase, on a "bought deal" private placement basis, 5,265,000 units of the Company (the "**Units**") at a price of $0.95 per Unit (the "**Offering Price**") for aggregate gross proceeds of $5,001,750 (the "**Offering**").

Each Unit shall consist of one common share in the capital of the Company (each a "**Common Share**") and one-half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant will be exercisable to acquire one Common Share for a period of 24 months following the closing of the Offering at an exercise price of $1.30 per share.

The Company has granted the Underwriters an option (the "**Over-Allotment Option**"), exercisable in whole or in part and from time to time, at any time until 30 days after the closing of the Offering, to purchase up to an additional number of Units equal to 15% of the number of Units sold pursuant to the Offering at the Issue Price.

The net proceeds of the offering will be used to fund general working capital and general corporate purposes. The Offering is expected to close on or about October 29, 2020 or such other date as the Company and the Underwriters may agree, and is subject to certain closing conditions, including but not limited to, the receipt of all necessary regulatory, stock exchange and other approvals, including the approval of the TSX Venture Exchange.

In connection with the Offering the Underwriters will receive: (i) a cash fee equal to 7.0% of the gross proceeds of the Offering (including Units sold pursuant to the exercise of the Over-Allotment Option); and (ii) that number of broker warrants equal to 7.0% of the Units sold under the Offering (including Units sold pursuant to the exercise of the Over-Allotment Option), each entitling the holder to acquire one Common Share at the Offering Price for a period of 24 months after the Closing Date.

The Units will be offered in reliance on exemptions from the prospectus requirements in each of the provinces of Canada, and may be offered in the United States to Qualified Institutional Buyers (as defined in Rule 144A under the United States *Securities Act of 1933*, as amended (the "**1933 Act**")) by way of private placement pursuant to an exemption from the registration requirements of the 1933 Act, or under other exemptions from the registration requirement that are available under the 1933 Act, and pursuant to any applicable securities laws of any state of the United States. The Units may also be sold in such other jurisdictions as the Company and the Underwriters may agree.

The securities referred to in this news release have not been, nor will they be, registered under the 1933 Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from the U.S. registration requirements. This press release does not constitute an offer for sale of securities, nor a solicitation for offers to buy any securities in the United States, nor in any other jurisdiction in which such offer, solicitation or sale would be unlawful. Any public offering of securities in the United States must be

made by means of a prospectus containing detailed information about the Company and management, as well as financial statements.

About Newtopia

Newtopia is a tech-enabled disease prevention company focused on healthy habit change. Newtopia's platform leverages genetic, social and behavioral insights to create individualized prevention programs with a focus on type 2 diabetes, heart disease, stroke and weight. With a person-centered approach that combines virtual care, digital tools, connected devices and actionable data science, Newtopia delivers sustainable clinical and financial outcomes. Newtopia serves some of the largest nationwide employers and health plans. To learn more, visit newtopia.com.

Forward Looking Information

This news release contains forward-looking information and forward-looking statements, within the meaning of applicable Canadian securities legislation, and forward looking statements, within the meaning of applicable United States securities legislation (collectively, "**forward-looking statements**"), which reflects management's expectations regarding Newtopia's future growth, results from operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects and opportunities. Wherever possible, words such as "predicts", "projects", "targets", "plans", "expects", "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward-looking statements. All statements other than statements of historical fact may be forward-looking information. Such statements reflect Newtopia's current views and intentions with respect to future events, based on information available to Newtopia, and are subject to certain risks, uncertainties and assumptions. Material factors or assumptions were applied in providing forward-looking information. While forward-looking statements are based on data, assumptions and analyses that Newtopia believes are reasonable under the circumstances, whether actual results, performance or developments will meet Newtopia's expectations and predictions depends on a number of risks and uncertainties that could cause the actual results, performance and financial condition of Newtopia to differ materially from its expectations. These forward-looking statements include, among other things, statements with respect to the Offering, the timing and ability of the Company to close the Offering, if at all, the number of Units offered or sold, the gross proceeds of the Offering, the timing and ability of the Company to obtain all necessary approvals, if at all, and the terms and jurisdictions of the Offering and the use of proceeds therefrom. Forward-looking statements are not a guarantee and are based on a number of estimates and assumptions management believes to be relevant and reasonable, whether actual results, performance or developments will meet Newtopia's expectations and predictions depends on a number of risks and uncertainties that could cause the actual results, performance and financial condition of Newtopia to differ materially from its expectations. There can be no assurances that Newtopia will be able to complete the Offering on the anticipated terms, or at all. Certain of the "risk factors" that could cause actual results to differ materially from Newtopia's forward-looking statements in this press release include, without limitation: the satisfaction of customary closing conditions related to the Offering, risks related to COVID-19 including various recommendations, orders and measures of governmental authorities to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing, disruptions to markets, economic activity, financing, supply chains and sales channels, and a deterioration of general economic conditions including a possible national or global recession; and other general economic, market and business conditions and factors, including the risk factors discussed or referred to in Newtopia's disclosure documents, filed with the securities regulatory authorities in certain provinces of Canada and available at www.sedar.com including Newtopia's final long form prospectus dated March 30, 2020.

For more information on these risks please see the "Risk Factors" in Newtopia's final long-form prospectus dated March 30, 2020. Should any factor affect Newtopia's in an unexpected manner, or should assumptions underlying the forward- looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. Any such forward-looking information is expressly qualified in its entirety by this cautionary statement. Moreover, Newtopia does not assume responsibility for the accuracy or completeness of such forward-looking information. The forward-looking information included in this press release is made as of the date of this press release, and Newtopia undertakes no obligation to publicly update or revise any forward-looking information, other than as required by applicable law.

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

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