



Newtopia Announces Intention to Amend Convertible Debentures and Proposed Non-Brokered Offering of Subordinated Non-Convertible Debentures

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TORONTO, Sept. 11, 2023 /CNW/ - Newtopia Inc. ("**Newtopia**" or the "**Company**") (TSXV: NEWU) (OTCQB: NEWUF), a tech-enabled whole health platform creating sustainable habits that prevent, slow, and reverse chronic disease, today announced it intends to seek approval of the TSX Venture Exchange (the "**TSXV**") and each of the holders (collectively, the "**Holders**") of the subordinated and postponed 8.0% secured non-convertible debentures, which were issued on September 15, 2021 by way of non-brokered private placement and maturing on September 15, 2023 (collectively, the "**Debentures**"). The Company is contemplating the following amendments: (a) to extend the maturity date of the Debentures by one year to September 15, 2024 (the "**New Maturity Date**"); (b) the Debentures will bear interest at a rate of 12.0% for the period from September 15, 2023 until the New Maturity Date; and (c) the Debentures will include an early repayment fee equal to (i) six percent (6%) of the principal amount of the Debentures if such repayment occurs following September 15, 2023 but prior to March 15, 2024; and (ii) four percent (4%) of the principal amount of the Debentures if such repayment occurs following March 15, 2024 but prior to the New Maturity Date (collectively, the "**Proposed Amendments**").

As consideration, the Holders that approve the Proposed Amendments will receive, for no additional consideration, such number of common shares in the capital of the Company (each whole common share, an "**Amendment Bonus Share**", and collectively, the "**Amendment Bonus Shares**") as is equal to 10% of the principal amount of Debentures held divided by \$0.115, being the closing market price of the common shares of the Company on the TSXV on September 11, 2023. In the event that all of the Debentures are amended, being the principal amount of approximately \$2.545 million, a maximum of 2,213,043 Bonus Shares will be issued in connection with the Proposed Amendments.

Simultaneously with the proposed amendment of the Debentures, the Company announced a proposed non-brokered offering of subordinated and postponed 12% secured non-convertible debenture units (the "**Units**") pursuant to which Newtopia proposes to raise gross proceeds of up to \$2.545 million (the "**Offering**") to repay any of the Debentures that do not approve the Proposed Amendments and instead mature on September 15, 2023 and are therefore required to be repaid. The Company expects to use the proceeds of the Offering to repay any of the Debentures that are not otherwise extended pursuant to the Proposed Amendments. The Company expects that the proceeds of the Offering will be equal to the principal amount of the Debentures that are not extended pursuant to the Proposed Amendments.

Up to 255 Units may be issued pursuant to the Offering. Each Unit is comprised of: (i) \$10,000 principal amount of subordinated and postponed secured non-convertible debentures of the Company (the "**Replacement Debentures**"); and (ii) for no additional consideration, such number of

common shares in the capital of the Company (each whole common share, a "**Bonus Share**", and collectively, the "**Bonus Shares**") as is equal to 10% of the principal amount of Debentures purchased divided by \$0.115, being the closing market price of the common shares of the Company on the TSXV on September 11, 2023. In the event that the maximum amount of Debentures are issued in connection with the Offering, a maximum of 2,213,043 Bonus Shares will be issuable in connection with the Offering. In any event, the maximum amount of Bonus Shares and Amendment Bonus Shares will not be greater than 2,213,043 common shares in the capital of the Company.

The Debentures will mature on the date that is 12 months from the closing date (the "**Closing Date**") of the Offering and are secured by the assets of the Company and bear interest at a rate of 12.0% per annum payable quarterly in arrears in cash.

The Company will pay to the holders of the Debentures an annual work and credit maintenance fee of 2% of the principal amount in cash to be paid on the date that is two months following the completion of the Offering.

The Debentures and the Bonus Shares to be issued pursuant to the Offering and the Amendment Bonus Shares issued in connection with the Proposed Amendments, will be subject to a hold period of four months plus one day from the Closing Date, except as permitted by applicable securities legislation and the rules of the TSXV. The Offering and the Proposed Amendments is subject to approval by the TSXV and the consent of the Company's Schedule I bank secured lender.

As consideration for certain services provided to the Company in connection with the Offering, the Company may pay a finder's fee comprised of a cash fee equal to 6% of the principal amount of Debentures purchased by subscribers that are introduced to the Company by each such finder and such number of compensation options to purchase common shares in the capital of the Company (the "**Compensation Options**") calculated based on 6% of the principal amount of Replacement Debentures purchased by subscribers that were introduced to the Company by each such finder divided by \$0.115, being the closing market price of the common shares of the Company on the TSXV on September 11, 2023. Each Compensation Option is exercisable into one common share of the Company at \$0.115 per share, subject to adjustments in certain events, until the date that is 24 months following the Closing Date.

About Newtopia

Newtopia is a personalized whole health platform helping people create positive lifelong habits that prevent, slow, or reverse chronic disease while reducing healthcare costs. The platform leverages genetic, social and behavioral insights to create individualized prevention programs with a focus on metabolic disease, diabetes, mental health challenges, hypertension, weight management and musculoskeletal disorders. 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 and is currently listed in Canada on the Toronto Stock Exchange (TSXV: NEWU) and is quoted in the US on the OTCQB® Venture Market (OTCQB: NEWUF). To learn more, visit newtopia.com, [LinkedIn](#) or [Twitter](#).

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Forward Looking Statements

This press 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, TSXV and senior secured lender approval of the Offering and Proposed Amendment, approval of the Holders in respect of the Proposed Amendments, the use of proceeds from the Offering, statements relating to Newtopia's business plans and outlook. 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. 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 termination of contracts by clients, 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.

Should any factor affect Newtopia 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 the 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.

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