



Innovate Biopharmaceuticals Announces Trading Under New Ticker Symbol INNT is Anticipated to Begin on Thursday, February 1, 2018

January 31, 2018

Shares of company stock are anticipated to begin trading on Nasdaq with new ticker INNT and will reflect a 1 for 10 reverse split on Thursday, February 1, 2018

RALEIGH, N.C., Jan. 31, 2018 (GLOBE NEWSWIRE) -- [Innovate Biopharmaceuticals, Inc.](http://www.innovatebiopharma.com) (NASDAQ:INNT), a clinical stage biotechnology company focused on developing novel autoimmune and inflammation therapeutics, announced the completion of its merger (the "Merger") with Monster Digital, Inc. on January 30, 2018. In connection with the completed Merger, Monster Digital, Inc. was renamed Innovate Biopharmaceuticals, Inc. The change of the Nasdaq ticker symbol for Innovate Biopharmaceuticals was delayed due to technical issues and Innovate Biopharmaceuticals shares will continue to trade under Monster Digital's ticker (NASDAQ:MSDI) on Wednesday, January 31, 2018, and, during such time, Nasdaq share numbers will not reflect the *1 for 10 reverse split* that occurred on January 30, 2018. We anticipate that Innovate Biopharmaceuticals shares will commence trading on Nasdaq with the new ticker INNT and will reflect the *1 for 10 reverse split* in trading on Thursday, February 1, 2018.

About Innovate Biopharmaceuticals, Inc.:

Innovate is a clinical stage biotechnology company focused on developing novel autoimmune and inflammation therapeutic drugs.

Innovate's lead drug candidate, larazotide acetate (INN-202), has successfully met its primary endpoint in a phase 2b efficacy clinical trial for celiac disease. Larazotide successfully completed the End of Phase 2 Meeting with the FDA last year to prepare for expected Phase 3 clinical trials for larazotide in celiac disease in mid-2018. In clinical studies in more than 800 patients, larazotide demonstrated a favorable safety profile comparable to placebo, due to what Innovate believes is its lack of systemic absorption from the small bowel. Larazotide has also received Fast Track designation from the FDA.

Larazotide, an oral peptide formulated into a capsule, has a unique mechanism of action which decreases intestinal permeability and regulates tight junctions by reducing antigen trafficking across intestinal epithelial cells. Innovate believes that larazotide is the only drug in the clinic with this mechanism of action of reducing intestinal permeability. Increased intestinal permeability, sometimes referred to as "leaky gut," has been widely recognized in the literature as a gateway to multiple autoimmune diseases, including celiac disease, irritable bowel syndrome (IBS), inflammatory bowel diseases (IBD, Crohn's and ulcerative colitis), type 1 diabetes mellitus (T1DM), nonalcoholic steatohepatitis (NASH), chronic kidney disease (CKD) and others.

Innovate's second drug candidate, INN-108, is expected to enter Phase 2 clinical trials for the treatment of mild to moderate ulcerative colitis. INN-108 is a novel small molecule comprised of two active parts with anti-inflammatory and immunomodulatory properties coupled through an azo bond. To date Innovate has no reason to believe that INN-108 has any detectable systemic absorption when orally administered until it reaches the colon where the active components are released locally to reduce inflammation.

For more information, please visit <http://www.innovatebiopharma.com/>

Forward Looking Statements

Some of the statements in this release are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995, which involve risks and uncertainties. These statements relate to future events, future expectations, plans and prospects. Although Innovate believes that the expectations reflected in such forward-looking statements are reasonable as of the date made, expectations may prove to have been materially different from the results expressed or implied by such forward-looking statements. Innovate has attempted to identify forward-looking statements by terminology including "possible," "may," "believe" or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. Forward-looking statements include, among others, statements regarding the proposed reverse-merger transaction with Innovate and the mechanism of action and therapeutic effects of larazotide acetate. These statements are only predictions and involve known and unknown risks, uncertainties, and other factors, including those discussed under the heading "Risk Factors" in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 31, 2017, in our Quarterly Report on Form 10-K filed with the Securities and Exchange Commission on May 19, 2017, in our Definitive Proxy Statement filed with the Securities and Exchange Commission on October 12, 2017, and in other documents filed by us from time to time with the Securities and Exchange Commission. Any forward-looking statements contained in this release speak only as of its date. We undertake no obligation to update any forward-looking statements contained in this release to reflect events or circumstances occurring after its date or to reflect the occurrence of unanticipated events.

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