

Innovotech Inc. signs Definitive Agreement to acquire Keystone Labs Inc.

Edmonton, Alberta, October 21st, 2024 - Innovotech Inc. (TSX-V: IOT) (“Innovotech” or the “Company”) is pleased to announce the execution of a definitive purchase agreement with Keystone Labs Inc. (“Keystone”), marking an important milestone in the Company’s plan to acquire Keystone as previously announced in the news release dated September 11th, 2024. The closing date is expected to be in the latter part of November 2024, subject to the acceptance of the TSX Venture Exchange (TSXV). Keystone, a privately held contract-testing laboratory founded in 2005 and based in Edmonton, is a leader in high-quality analytical and microbiological testing services for the global pharmaceutical, industrial, and biotechnology sectors.

“We are extremely excited about combining Innovotech’s excellence in contract-testing services and antimicrobial technologies with Keystone’s market potential,” said Dr. Craig Milne, CEO of Innovotech. “This acquisition will enable both companies to build on their strengths and deliver enhanced value to our customers.”

Ms. Jodi McDonald, President of Keystone Labs, added, “Keystone has always been driven by quality and customer service, and this partnership with Innovotech represents a fantastic opportunity for us to expand our capabilities. Combining our expertise will drive a wider platform for growth.”

Details of the Acquisition

Under the terms of the definitive agreement, Innovotech will acquire 100% of Keystone’s shares on a term debt-free basis, for a total consideration of up to \$516,698. This will include the issuance of \$216,698 in Innovotech shares at a price of \$0.13 per share, subject to an escrow agreement, with the 1,666,907 shares being released over a two-year period. Additionally, a performance-based cash incentive plan of up to \$300,000 will be offered, contingent on revenue growth and positive net income targets over the next three years. Ms. McDonald will continue in her leadership role as President of Keystone Labs.

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About Innovotech Inc.:

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, and can be found online at www.innovotech.ca.

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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.

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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