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## **Innovotech Inc. Closes Over-subscribed Private Placement and Completes the Acquisition of Keystone Labs Inc.**

**Edmonton, Alberta, November 5<sup>th</sup>, 2024** - Innovotech Inc. (TSX-V: IOT) (“Innovotech” or the “Company”) is pleased to announce that it has closed the previously announced acquisition of all the outstanding shares of Keystone Labs Inc. (“Keystone”) through a definitive share purchase agreement (the “SPA”) effective November 1<sup>st</sup>, 2024. A copy of the SPA is available on SEDAR+ under Innovotech’s profile at [www.sedarplus.ca](http://www.sedarplus.ca).

Innovotech is also excited to announce the closing of its non-brokered private placement which has been over-subscribed, raising an amount of \$1,150,000 from supportive investors.

“The acquisition is a bold initiative for Innovotech, diversifying our revenue base and market opportunities.”, says Craig Milne, CEO. “We’re excited to have such strong support in our financing efforts, enabling us to execute our plans for growth.”

### **Details of the Acquisition**

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.

Under the terms of the SPA, Innovotech acquired 100% of Keystone’s shares on a term debt-free basis, for a total consideration of up to \$516,698. This includes 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 is offered, which is 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.

### **Closing of Private Placement**

The non-brokered private placement offered units priced at \$0.13 per unit, each consisting of one common share and one-half of one common share purchase warrant. A full warrant entitles the holder to purchase one common share at a price of \$0.17 for a period of 12 months from the closing date.

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Proceeds from the oversubscribed offering will be used to clear shareholder loan balances at Keystone, purchase necessary equipment, and support general working capital and business development activities for the combined Innovotech-Keystone operations.

The securities issued through the private placement are subject to a four-month plus one day hold period from the closing date, pursuant to Canadian securities laws.

The issuance of the Units to insiders pursuant to the private placement will constitute a “related party transaction” as defined under Multilateral Instrument 61-101, Protection of Minority Security Holders in Special Transactions (“MI 61-101”). The private placement will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101. In particular, the Company has determined that the exemptions set out in paragraphs (a) and (b) in section 5.5 of MI 61-101 are applicable since the aggregate consideration to be paid by the related parties will not exceed 25% of the market capitalization of the Company and the Company is not listed on the Toronto Stock Exchange, but only on the TSX Venture Exchange. In addition, regarding the minority shareholder approval exemptions, the independent directors have determined that the exemptions set out in paragraphs (1)(a) and (b) in section 5.7 of MI 61-101 are applicable in that the aggregate consideration to be paid by the related parties will not exceed 25% of the market capitalization of the Company, the distribution of the securities to the related parties will have a fair market value of not more than \$2,500,000 and the Company is not listed on the Toronto Stock Exchange, but only on the TSX Venture Exchange. No finder’s fees were incurred in the acquisition or financing.

### **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](http://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*

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*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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