

Quest PharmaTech Announces Filing of 2024 Year End Financial Statements and Restated Fiscal 2023 Financial Statements, and Appointment of New Director

EDMONTON, AB, May 30, 2024 /CNW/ - Quest PharmaTech Inc. (TSXV: QPT) ("Quest" or the "Company") a Canadian based pharmaceutical company developing products to improve the quality of life through investee companies and proprietary technologies, announced today that it has restated and refiled its January 31, 2023 annual audited financial statements and its interim unaudited financial statements for the three months ended April 30, 2023, six months ended July 31, 2023 and nine months ended October 31, 2023 each with relevant comparative periods, and the related management's discussion and analysis for those periods. The restated financial statements and related MD&A have been filed on SEDAR+ (www.sedarplus.ca) which are available for viewing and download under the Company's SEDAR+ profile and at the Company's website.

The Company had determined that its interpretation of accounting standards relating to the methodology used to determine the fair value of its investment in bonds of OQP Bio Inc. ("OQP Bio") in the originally filed financial statements was incorrect and not in compliance with International Financial Reporting Standards (IFRS). The Company selected a different valuation methodology for its estimate of fair value for the OQP Bio bonds at January 31, 2023 and retained an independent valuator to prepare a valuation of the fair value of the OQP Bio bonds as at January 31, 2023. The independent valuation arrived at an estimated fair value on January 31, 2023, significantly lower than the fair value reported in the original financial statements, and as a result the carrying value of the OQP Bio bonds has been written down and an impairment charge taken for such estimated reduction in value. The Company determined that the impact was material to its previously issued financial statements and as such, required a restatement of the financial statements. This is a technical accounting matter and a non-cash item and does not impact the Company's operations or cash position.

In the original financial statements, the OQP Bio bonds were fair valued based on the underlying fair value of cash and publicly-traded shares contemplated to be received in exchange for the bonds under an agreement in principle with OQP Bio. No definitive binding agreement has been entered into to date for the exchange of the OQP Bio bonds and there can be no assurance that one will ever be entered into. In the restated financial statements, the OQP Bio bonds are fair valued based on the value of the bonds on January 31, 2023, as supported by an independent third-party valuation using customary valuation methods for valuations of this nature.

Based on the valuation prepared by the valuator, the OQP Bio bonds were estimated to have a fair value of \$18,832,271 at January 31, 2023 versus \$76,388,109 as originally reported in the 2023 annual financial statements.

Quest continues to hold the OQP Bio bonds that were received as an in-kind dividend from investee company OncoQuest Inc. in January 2022 and continues to engage in discussions with OQP Bio and its parent company, Canaria Bio M Co. Ltd. ("CABM"), for the exchange and monetization of the bonds. There can be no assurance that the parties will be able to reach an agreement or enter into a definitive agreement for any such transaction.

Quest is also pleased to announce the appointment of Mr. Bradley J. Glass to the Board of Directors, subject to regulatory approval. Mr. Glass has served as the General Counsel of Hepalink USA, Inc. and its subsidiaries ("Hepalink") for the past two years. In that role, Mr. Glass is responsible for managing all of Hepalink's U.S. legal issues, including matters involving contracts,

employment, intellectual property, litigation, tax, insurance, regulatory compliance, and permitting. Prior to joining Hepalink, Mr. Glass was in private law practice for over twenty years and advised, counseled, and represented clients all over the United States on a broad range of matters. Mr. Glass has represented and litigated numerous matters in federal, state, and local courts and administrative tribunals on a wide range of sophisticated regulatory and business matters.

The Company has also filed its audited annual financial statements for the year ending January 31, 2024 and related MD&A on SEDAR+ (www.sedarplus.ca) which are available for viewing and download under the Company's SEDAR+ profile.

About Quest PharmaTech Inc.

Quest PharmaTech Inc is a publicly traded, Canadian based biopharmaceutical company (QPT: TSX-V) developing products to improve the quality of life. The Company has a 42.5% ownership interest in OncoQuest Inc. which sold its immunotherapy technology assets to Korea-based Dual Industrial Co, Ltd. in April 2020. Quest also has a 23% ownership interest in OncoVent, a Chinese joint venture developing antibody-based immunotherapeutic products for cancer for the Greater China territory. Quest is also developing proprietary MAb AR 9.6 targeting truncated MUC16 as theranostic agents for cancer. AR 9.6 was licensed from University of Nebraska and currently is in late preclinical stage. To learn more, visit www.questpharmatech.com.

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