



MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2020

This Management's Discussion and Analysis ("MD&A") of Innomed Tech Ltd. (the "Company"), prepared as of Monday 6 December 2020, should be read in conjunction with the audited financial statements and the notes thereto for the for the year ended December 31, 2020 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of financial statements, including IAS 34, "Interim Financial Reporting".

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

The Board of Directors of Innomed Tech Ltd. has approved the disclosure contained in this MD&A. Additional information related to the Company can be found on the Company's website at www.InnomedTec.com.

The effective date of this report is Monday 6 December 2021.

FORWARD LOOKING STATEMENTS

This report includes certain statements that may be deemed "forward looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts that address such matters as future events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties and other factors of which are beyond the reasonable control of the Company. Such statements are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward-looking information. With respect to forward looking statements and information contained herein, we have made numerous assumptions including among other things, assumptions about economics and competition surrounding the services provided by the Company, anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate.

Readers can identify many of these statements by looking for words such as "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof. Examples of forward-looking statements in this Management Discussion & Analysis include that:

- the performance characteristics of the Company's medical devices
- projections of costs;
- future medical devices and divestment;
- securitisation of assets;

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- patent approvals
- FDA approvals;
- capital programs;
- debt levels;
- treatment under governmental regulatory regimes and tax laws; and
- capital expenditures.

Forward looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or information. Factors that could cause actual results to differ materially from those in forward looking statements include such matters as continued availability of capital and financing and general economic, market or business conditions.

Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward looking statements or information.

Any forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

HISTORY OF THE COMPANY

The Company was incorporated and registered on November 22, 2020 under the General Corporation Law of the State of Delaware, with the name InnoMed Tech, Inc. and with registered file number 7721120. On May 27, 2020, the Company continued (change of jurisdiction of incorporation) into British Columbia (“BC”) Canada under the Business Corporation Act (British Columbia) with registered number C1251506 as InnoMed Tech Ltd. (the “Company”)

The Company became was subject to transaction on April 15, 2020, which involved inserting a new parent company at the top of Innomed Two, LLC. The parent company (Innomed Tech Ltd) a ‘shell’ company issued shares to the existing controlling shareholders. Control remained the same before and after April 15, 2020 and is a common control acquisition. The New Management description being after April 15, 2020 refers to a new board being instituted representing the same control bloc namely member unit holders.

The Company has determined this transaction to be a common control business acquisition and has been accounted for using the pooling of interest method, whereby the combined assets and liabilities of the Company and PureFlowCath are recorded at their existing carrying value and no goodwill is recognized.

The address of the registered office of the Company is Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

Year to date Highlights

- Office Freylinger Luxembourg appointed Patent Counsel and regulated Patent valuer;
- Shareholders restructured the Board with specific expertise to affect a regulated public listing and gain approval for patent applications;
- Transferred majority Patent Applications to CIC Fund Securitisation S.A.(Luxembourg) as part of the process of debt finance of initial Euro €10,000,000;
- Completed Share Purchase Agreement to acquire 100% ownership pf PureFlowCath LLC; and
- Secured US\$2,430,000 in equity finance at US 29 cents per share to fund working capital and regulated public lusting.

BUSINESS OF THE COMPANY

The Company is in the business of medical devices and sciences working with medical practitioner innovators within the global medical community.

The Company's first medical device development subsidiary, PureFlowCath, is delivering the first medical device, the PureFlowCath Catheter System for Continuous Irrigation ("CSCI"). CSCI addresses a significant market opportunity in reducing or eliminating urinary tract infections commonly associated with the use of a urinary catheter.

OVERALL PERFORMANCE

In year ending December 31, 2020, the Company had a net income loss of (\$2,044,024) compared to ending December 31, 2019 of \$1,586,937.

In year ending December 31, 2020, operating loss (\$2,044,024) was due to:

- patent application filings and associated documentation preparation;
- legal and professional fees associated with application for regulated listing; and
- securitisation of patent applications.

SELECTED ANNUAL INFORMATION

The following table sets forth summary financial information for the Company for the year then ended December 31, 2019, (year of incorporation) and 2020. This information has been summarized from the Company's audited financial statements and should only be read in conjunction with the financial statements, and accompanying notes:

	Dec. 31, 2020	Dec. 31, 2019
Total revenue	–	–
Net income (Loss) for the year	(2,044,024)	(1,586,937)
Earnings per share, basic and diluted	–	–
Total assets	239,494	590,800
Total long-term liabilities	–	–

RESULTS OF OPERATIONS

During the year ended December 31, 2020, the PureFlowCath had net income loss of (\$2,044,024) compared to (\$1,586,937) for the year ended December 31, 2019.

During the year ended December 31, 2020, the Company recorded:

General administration	2,193
Salaries and wages	93,705
Legal and professional fees	1,560,268
Interest expense	50,000
Patent/research and development	23,831
Change in fair value of derivative liabilities	273,969
Foreign exchange loss	40,058

The Company incurred US\$40,058 in foreign exchanges loss due to cash subscriptions coming from US investors being transferred to Canadian bank account. This loss is likely to continue but is being monitored by management. Legal and Professional fees include US\$900,000 recorded as a cost for Transaction advisor. On April 15, 2020, the Company issued 3,103,448 common shares plus a full warrant exercisable for one common share at \$0.29 per common share on or before December 31, 2025 as consideration for professional services of \$900,000 received from Transaction advisor. Other significant costs are the maintenance and application of patent applications, legal advisors and accrued liabilities by previous management.

The Company recorded US\$273,969 for derivative liabilities relating to certain debt and equity financing agreements contain a “down-round” provision that allows for the issuance of incremental common shares and warrants if the provision in the agreements is triggered.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes audited financial data from incorporation November 22, 2020, to December 31, 2020.

	Revenues	Net income (loss)	Net earnings (loss) per share (basic and diluted)
December 31, 2019	–	(9,968)	0.01
March 31, 2020	–	(9,968)	–
June 30, 2020	–	(1,402,867)	–
September 30, 2020	–	(891,039)	–
December 31, 2020	–	(2,044,024)	0.001

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

As at December 31, 2020, the Company had cash \$53,788.

As at December 31, 2020, the Company has no assets other than cash and prepaid expenses US\$185,706, a working capital deficit of \$(1,224,907), and an accumulated deficit of \$(9,742,470).

Financing Activities

As at December 31, 2020, the Company raised \$1,880,000 in equity financing at \$0.29 cents per share with a

full warrant exercisable on or before December 31, 2025. A total of 6,482,758 common voting shares and warrants were issued.

The Company transferred the majority of its majority Patent Applications to CIC Fund Securitisation S.A.(Luxembourg) as part of the process of securing debt finance of initial Euro €10,000,000. The patent application and patents intangible asset value in not recorded in the financial statement as the are held separately by Securitisation in Luxembourg.

The Company ability to continue as a going-concern is dependent upon its ability to fund any additional losses it may incur.

Capital Management

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements.

Derivative Liabilities

Certain debt and equity financing agreements contain a “down-round” provision that allows for the issuance of incremental common shares and warrants if the provision in the agreements is triggered.

The Company accounts for warrants as either equity instruments or derivative liabilities, depending on the specific terms of the warrant agreement. Warrants are accounted for as a financial liability if the warrants contain a “down-round” provision and, therefore, do not meet the ‘fixed-for-fixed’ condition under IAS 32 Financial Instruments: Presentation (“IAS 32”). The Company will continue to classify the fair value of the warrants that contain “down-round” provision as a liability until the warrants are exercised, expire or are amended in a way that would no longer require these warrants to be classified as a liability.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The following transactions occurred with related parties during the year ending December 31, 2020.:

	2020	2019
Purchase of professional services from CIC Capital Ltd., a shareholder in 2020 (i)	\$ 1,000,700	\$ -
Purchase of management services from IMP, a shareholder	-	360,000
Purchase of research and development services from a consultant related to the President and Chief Operating Officer of PureFlowCath	-	480,000
Purchase of research and development services from consultants that are part of the management team of IMP	-	180,000
Purchase of professional services from two minority shareholders	47,125	129,559
Purchase of marketing services from a company with common ownership as the Company	-	6,950

- (i) Of the professional services, \$900,000 was paid through the issuance of common shares and warrants. See Note 8.

FOURTH QUATER

During the fourth quarter of 2020, the Company:

- I. completed the majority transfer of majority Patent Applications to CIC Fund Securitisation S.A.(Luxembourg) as part of the process of debt finance of initial Euro €10,000,000; and
- II. completed the acquisition of PureFlowCarh LLC. by way of Share Purchase Agreements.

PROPOSED TRANSACTIONS

There are no proposed transactions.

FINANCIAL INSTRUMENTS AND RISKS

The Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include accounts payable and accrued liabilities, and convertible debt, approximate their carrying values due to the relatively short-term maturity of these instruments.

Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company earning sufficient cash flow or raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

An analysis of material components of the Company's general and administrative expenses is disclosed in the financial statements for the year ended December 31, 2020 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Share Capital

The authorized share capital of the Company comprises of unlimited common shares with no par value of \$0.0001 per share. All the shares have the same rights in respect of the distribution of dividends and the repayment of capital. Each share confers the right to one vote at the annual general meeting.

OTHER

Additional disclosures pertaining to the Company's reports, press releases and other information are available on the SEDAR website at www.sedar.com or on the Company's web site www.InnomedTec.com