

*A copy of this preliminary prospectus has been filed with the securities regulatory authority in the Province of British Columbia but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authority.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

**As at the date of this prospectus, InnoMed Tech Ltd. does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.**

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## **NON-OFFERING PRELIMINARY PROSPECTUS**

Non-Offering Prospectus

February 10, 2023

### **INNOMED TECH LTD.**

**(the “Company”)**

**Suite 1000 – 409 Granville Street  
Vancouver, BC Canada V6C 1T2**

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### **No securities are being offered pursuant to this Prospectus.**

There is currently no market through which the common shares (the “Common Shares”) of the Company may be sold and shareholders may not be able to resell the Common Shares owned by them. This may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Common Shares and the extent of Company regulation. See “Risk Factors”.

This prospectus (the “Prospectus”) has been filed with the British Columbia Securities Commission and the TSX Venture Exchange (“TSXV” or the “Exchange”) for the purpose of allowing InnoMed Tech Ltd. (the “Company”) to meet one of the eligibility requirements for the listing of its common shares (the “Common Shares”) on the TSXV. As no securities are being sold pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company from its general funds.

**An investment in securities of the Company is speculative and involves a high degree of risk. In reviewing this prospectus, you should carefully consider the matters described under the heading “Risk Factors”.**

**The Company has submitted an application to list common shares on the TSXV. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV.**

No underwriter has been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus. No person is authorized by the Company to provide any information or make any representations other than those contained in this Prospectus.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Unless otherwise noted, all currency amounts in this prospectus are stated in US dollars.

The Company's head office, including subsidiary company PureFlowCath LLC, is Suite 1000 – 409 Granville Street Vancouver, BC Canada V6C 1T2.

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## APPENDIX A

### InnoMed Tech Ltd.

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	InnoMed Tech Ltd. Management Discussion and Analysis for the three interim period ended September 30, 2022	A017
<b>2021</b>	InnoMed Tech Ltd. Audited Consolidated Financial Statements for the years ended December 31, 2020 and December 31, 2021	
	InnoMed Tech Ltd. Management Discussion and Analysis for the year ended December 31, 2021	
<b>2020</b>	InnoMed Tech Ltd. Audited Consolidated Financial Statements or the years ended December 31, 2019 and December 31, 2020	A023
	InnoMed Tech Ltd. Management Discussion and Analysis for the year ended December 31, 2020	A047

## APPENDIX B

### InnoMed Two, LLC. (PureFlowCath, LLC)

<b>2020</b>	InnoMed Two, LLC. Unaudited Financial Statements for the interim period from January 1, 2020 to April 15, 2020	B002
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<b>2019</b>	InnoMed Two, LLC. Audited Financial Statements for the years ended December 31, 2018 and December 31, 2019	B021
	InnoMed Two, LLC. Management Discussion and Analysis for the year ended December 31, 2019	B036

<b>SCHEDULE 1</b>	<b>Luxembourg Taxation on IP - Office Freylinger S.A. (Luxembourg)</b>	<b>S002</b>
<b>SCHEDULE 2</b>	<b>Approved Patent Certificates</b>	<b>S023</b>
<b>SCHEDULE 3</b>	<b>Patent Applications &amp; Status</b>	<b>S070</b>
<b>CERTIFICATE OF THE PROMOTER</b>		<b>P001</b>
<b>CERTIFICATE OF THE COMPANY</b>		<b>D001</b>

## ABOUT THIS PROSPECTUS

The Company is not offering to sell securities under this Prospectus. An investor should rely only on the information contained in this Prospectus and is not entitled to rely on parts of the information contained in this Prospectus to the exclusion of others. The Company has not authorized anyone to provide investors with additional or different information. If anyone provides a prospective investor with additional, different, or inconsistent information, including statements in the media about the Company, such information should not be relied on. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date indicated, regardless of the time of delivery of this Prospectus.

As used in this Prospectus, the terms “The Company”, “us” and “our”, mean the Company as the context requires, unless otherwise indicated.

## FORWARD-LOOKING INFORMATION

This prospectus contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information may relate to our future financial outlook and anticipated events or results and may include information regarding our business, financial position, business strategy, growth plans and strategies, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances.

Discussions containing forward-looking information may be found, among other places, under “Summary of Prospectus”, “Narrative Description of The Business”, “Selected Financial Information”, “Management’s Discussion and Analysis”, “Consolidated Capitalization”, “Dividend Policy”, “Principal Shareholders”, “Directors and Executive Officers”, “Executive Compensation”, “Director Compensation” and “Risk Factors”.

More particularly and without limitation, this Prospectus contains forward-looking statements and information relating to the following:

- the performance characteristics of the Company’s medical devices
- projections of costs
- future medical devices and divestment
- securitisation of assets
- patent approvals
- FDA approvals
- capital programs
- debt levels
- treatment under governmental regulatory regimes and tax laws
- capital expenditures
- the anticipated impact of COVID-19

Although the Company believes that the expectations reflected in the forward-looking statements and information in this Prospectus are reasonable, it can give no assurance that such expectations will prove to be correct. Since forward-looking statements and information address future events and conditions, they involve inherent risks and uncertainties by their very nature. Actual results may differ materially from those currently anticipated due to a number of factors and risks.

This forward-looking information and other forward-looking information are based on Directors opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Material factors underlying forward-looking information and management's expectations include certain assumptions in respect of: our ability to affect our business strategy in the medical device market, our ability to retain key personnel; favourability of operating conditions, including the ability to operate in a safe, efficient and effective manner; the receipt of governmental and other third party approvals, licences and permits for our medical devices; obtaining required renewals for existing approvals, licences and permits and obtaining all other required approvals, licences and permits; our ability to obtain and maintain existing financing on acceptable terms; currency exchange and interest rates; the impact of competition; the changes and trends in our industry and the global economy; and changes in laws, rules, regulations, and global standards.

The forward-looking information in this prospectus is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as of the date such statements were made. It is also subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the following risk factors described in greater detail under the heading entitled "Risk Factors":

- Risks associated with the Company's business
- Conflicts of interest
- Economic uncertainty
- Competition
- Risk of changes in foreign currency exchange rates
- Legal proceedings and litigation
- Dependence on divestment of the Company's products
- Securitisation of the Company's IP
- Applicability of patents and proprietary technology
- Regulation and regulatory approval
- Substantial competition and rapid technological change
- Product commerciality
- Future issues of Common Shares could be dilutive

The forward-looking statements and information contained in this Prospectus are made as of the date hereof and, unless so required by applicable law, the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise. The forward-looking statements and information contained in this Prospectus are expressly qualified by this cautionary statement.

## **GENERAL DISCLOSURE INFORMATION**

The Company is not offering to sell securities under this Prospectus. An investor should rely only on the information contained in this Prospectus. Prospective investors should read this entire Prospectus and consult their professional advisors to assess the income tax, legal, risk factors and other aspects of an investment in the Common Shares.

## **CURRENCY AND CERTAIN INFORMATION**

Unless otherwise indicated or the context otherwise requires, all dollar amounts contained in this Prospectus are in US dollars (US\$). Aggregated figures in graphs, charts and tables contained in this Prospectus may not add due to rounding. Historical statistical data and or historical returns do not necessarily indicate future performance. Unless stated otherwise, the market and industry data contained in this Prospectus is based upon information from industry and other publications and the knowledge of management and experience of the Company in the markets in which the Company operates. Words importing the singular number include the plural and *vice versa*, and words importing any gender, or the neuter include both genders and the neuter.

## GLOSSARY

The following is a glossary of certain terms used in this Prospectus, including the summary hereof. Terms and conditions used in the financial statements are defined separately, and the terms and abbreviations defined below are not used therein, except where otherwise indicated.

<b>“Affiliate”</b>	means a company that is affiliated with another company as described below. A company is an affiliate of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same person. A company is “controlled” by a person if (a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that person, and (b) the voting securities, if voted, entitle the person to elect a majority of the Directors of the Company. A person beneficially owns securities that are beneficially owned by (a) a company controlled by that person, or (b) an affiliate of that person or an affiliate of any company controlled by that person.
<b>“Associate”</b>	means, when used to indicate a relationship with a person or company, (a) a Company of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the Company, (b) any partner of the person or company, (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity, and (d) in the case of a person, a relative of that person, including (i) that person’s spouse or child, or (ii) any relative of the person or of his spouse who has the same residence as that person.
<b>“Articles”</b>	means the Company’s articles of incorporation, as amended.
<b>“Audit Committee”</b>	means the audit committee established by the Board of Directors.
<b>“BCSC”</b>	means the British Columbia Securities Commission.
<b>“BCBCA”</b>	means the Business Corporations Act (British Columbia).
<b>“Board of Directors” or “Board”</b>	means the Board of Directors of the Company.
<b>“CEO”</b>	means Chief Executive Officer.
<b>“CFO”</b>	means Chief Financial Officer.
<b>“CIC Fund Securitisation S.A.”</b>	means the Luxembourg Securitisation entity or SV.
<b>“Company”</b>	means InnoMed Tech Ltd.
<b>“Company Shareholders”</b>	means the holders of Common Shares of InnoMed Tech Ltd.
<b>“Common Shares”</b>	means the common shares without par value in the capital of the Company.
<b>“Compartment PureFlowCath”</b>	means the segregated Compartment PureFlowCath of CIC Fund Securitisation S.A. created pursuant to a resolution of the board of directors ( <i>conseil d’administration</i> ) of CIC Fund Securitisation S.A. taken on August 10, 2020.
<b>“Consolidated Financial Statements”</b>	means the consolidated financial statements of the Group.
<b>“Control Person”</b>	means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of a Company so as to affect materially the control of that Company, or that holds more than 20% of the outstanding voting securities of a Company except where there is evidence showing that the holder of those securities does not materially affect the control of the Company.

<b>“Escrow Agent”</b>	means Computershare Investor Services Inc (Canada), as escrow agent for the Common Shares held in escrow.
<b>“Escrow Agreement”</b>	means the escrow agreement among the Company, the Escrow Agent and certain shareholders of the Company pursuant to the National Policy 46-201.
<b>“Listing”</b>	means the listing on the TSXV.
<b>“Listing Date”</b>	means the date on which the Common Shares are listed and posted for trading on the TSXV.
<b>“Group”</b>	means InnoMed Tech Ltd. and PureFlowCath, LLC.
<b>“IMP”</b>	means Innovative Medicine Partners, LLC. who was the Organiser of PureFlowCath, LLC before April 15, 2020.
<b>“IP”</b>	means Intellectual Property.
<b>“InnoMed Two, LLC”</b>	subsidiary of the Company now called PureFlowCath, LLC.
<b>“Insider”</b>	has the meaning ascribed to that term in the <i>Securities Act</i> (British Columbia), which includes the Directors and senior officers of the Company or any subsidiaries of the Company and any person that has direct or indirect beneficial ownership of, or control or direction over, securities of the Company carrying more than 10% of the voting rights attached to the Company’s outstanding voting securities.
<b>“ISO 13485”</b>	means International Standards Organization management systems standard specifically developed for the manufacture of medical devices. The standard contains specific requirements for the manufacture, installation and servicing of medical devices.
<b>“Luxembourg”</b>	means the Grand Duchy of Luxembourg.
<b>“MDD”</b>	means EU Medical Devices Directive.
<b>“MD&amp;A”</b>	means Management Discussion and Analysis.
<b>“NI 51-102”</b>	means National Instrument 51-102 <i>Continuous Disclosure Requirements</i> .
<b>“NI 52-110”</b>	means National Instrument 52-110 <i>Audit Committees</i> .
<b>“NI 58-101”</b>	means National Instrument 58-101 <i>Disclosure of Corporate Governance Practices</i> .
<b>“NI 58-201”</b>	means National Policy 58-201 <i>Corporate Governance Guidelines</i> .
<b>“NP 46-201”</b>	means National Policy 46-201 <i>Escrow for Initial Public Offerings</i> as published by the Canadian Securities Administrators.
<b>“Organiser”</b>	means under Alabama company law the entity that manages and organises the business (PureFlowCath, LLC).
<b>“Prospectus”</b>	means this Prospectus and any appendices, schedules or attachments hereto.
<b>“Principals”</b>	principals include all persons or companies that fall into one of the following categories: <ul style="list-style-type: none"> <li>a. Directors and senior officers of the Company, as listed in this Prospectus</li> <li>b. promoters of the Company</li> <li>c. those who own and/or control more than 10% of the Company's voting securities</li> <li>d. associates and affiliates of any of the above.</li> </ul>
<b>“Promoter”</b>	has the meaning set out in the <i>Securities Act</i> (British Columbia).
<b>“PureFlowCath, LLC.”</b>	Subsidiary of the Company formerly called InnoMed Two, LLC.
<b>“Related Person”</b>	means an “Insider”, which has the meaning set forth in the <i>Securities Act</i> (British Columbia) being: <ul style="list-style-type: none"> <li>a. a Director or senior officer of the Company that is an insider or subsidiary of the Company</li> </ul>

	<p>b. a Director or senior officer of the Company  a person that beneficially owns or controls, directly or indirectly, voting share carrying more than 10% of the voting rights attached to all outstanding voting shares of the Company</p> <p>d. the Company itself if it holds any of its own securities.</p>
<b>"Securities Commission"</b>	means the British Columbia Securities Commission.
<b>"SEDAR"</b>	means the System for Electronic Document Analysis and Retrieval ( <a href="http://www.sedar.com">www.sedar.com</a> ).
<b>"Securitisation"</b>	has the meaning ascribed to the term " <i>titrisation</i> " in the Securitisation Law, i.e. (within the meaning of the Securitisation Law) the transaction by which a securitisation undertaking acquires or assumes, directly or through another undertaking, risks relating to claims, other assets, or obligations assumed by third parties or inherent to all or part of the activities of third parties and issues securities, whose value or yield depends on such risks.
<b>"Securitisation Law"</b>	means the Luxembourg law dated 22 March 2004 on securitisation, as amended from time to time ( <i>Loi du 22 mars 2004 relative à la titrisation, telle que modifiée</i> ).
<b>"SV"</b>	has the meaning ascribed to the term " <i>organisme de titrisation</i> " in the Securitisation Law, i.e. (within the meaning of the Securitisation Law) undertakings which carry out the securitisation in full, and undertakings which participate in such a transaction by assuming all or part of the securitised risks – the acquisition vehicles –, or by the issuing of securities to ensure the financing thereof – the issuing vehicles – and whose articles of incorporation, management regulations or issue documents provide that they are subject to the provisions of the Securitisation Law.
<b>"TSXV"</b>	means the TSX Venture Exchange.

## GLOSSARY OF TECHNICAL MEDICAL TERMS

The following is a glossary of certain technical terms used in this Prospectus, including the summary hereof.

<b>“Bacterial adhesion”</b>	cell-surface components or appendages of bacteria that facilitate adhesion or adherence to other cells or to surfaces. Adherence is an essential step in bacterial pathogenesis or infection and is required for colonizing a new host.
<b>“Bacteriuria”</b>	the presence of bacteria in the urine.
<b>“Bernoulli’s principle”</b>	in fluid dynamics, Bernoulli's principle states that an increase in the speed of a fluid occurs simultaneously with a decrease in static pressure or a decrease in the fluid's potential energy.
<b>“Biofilm”</b>	a thin coating containing biologically active agents, which coats the surface of structures such as teeth or the inner surfaces of catheters, tubes, or other implanted or indwelling devices. It contains viable and nonviable microorganisms that adhere to the surface and are trapped within a matrix of organic matter (for example, proteins, glycoproteins, and carbohydrates).
<b>“Catheterization”</b>	threading of a flexible tube (catheter) through a channel in the body to inject drugs or a contrast medium, measure and record flow and pressures, inspect structures, take samples, diagnose disorders, or clear blockages. A cardiac catheter, passed into the heart through an artery or vein (the incision is often in the groin), can also carry pacemaker electrodes. A bladder catheter goes through the urethra into the bladder.
<b>“Catheter” (indwelling urinary catheter)</b>	a drainage tube that is inserted into the urinary bladder through the urethra, is left in place, and is connected to a closed collection system. Alternative methods of urinary drainage may be employed in some patients. Intermittent (“in-and-out”) catheterization involves brief insertion of a catheter into the bladder through the urethra to drain urine at intervals. An external catheter is a urine containment device that fits over or adheres to the genitalia and is attached to a urinary drainage bag.
<b>“CAUTI”</b>	Catheter associated urinary tract infection.
<b>“CSCI”</b>	Catheter System for Continuous Irrigation.
<b>“FDA”</b>	means the United States Food and Drug Administration.
<b>“Lumen”</b>	means internal diameter of catheter.

## SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information, and financial data and financial statements contained elsewhere in this Prospectus.

**General:** The Company was incorporated and registered on November 22, 2019 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 address of the registered office of the Company is Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

**The Company's Business:** 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, LLC, 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.

See "Narrative Description of the Business"

**Management, Directors and Officers:**

Name	Position
Robert Rhodes	Executive Director/CEO
Terrence Larkan	Executive Director/CFO
Dr Marshall Walker, MD	Non-Executive Director
David Toyoda	Non-Executive Director
Billy Williams	Non-Executive Director

See "Directors and Executive Officers"

**The Offering:** The Company is not conducting an offering of securities pursuant to this Prospectus.

**Funds Available and Use of Available Funds:** As at January 31, 2023, the most recent month-end before the date of this Prospectus, the Company had consolidated working capital of \$1,421,781. The Company's estimated use of funds for the next twelve months is as follows:

InnoMed Working Capital	Amount US\$
Patent approvals	60,000
FDA Applications	20,000
Prototype & package design completion	275,000
Audit & Accounting	80,000
Professional & Legal Fees	120,000
Securitisation Finance Costs	65,000
Regulatory Costs	18,000
Remuneration employees	393,000
Travel	60,000
Cost of Offering	20,000
Marketing	60,000
Unallocated Working Capital	250,781
	<u>1,421,781</u>

Please see "Use of Proceeds"

**Risk Factors:** An investment in medical technology companies involves a degree of risk, including risks related to Cash flow and liquidity, the ongoing need for financing, a volatile stock price operational risks and costs, regulatory matters and risks related to the development of the PureFlowCath medical device. The above list of risk factors is not intended to be a definitive list of all risks associated with the Company

*For a detailed description of these and other risks see “Risk Factors”*

**Summary Financial Information:**

The following selected financial information is subject to the detailed information contained in the financial statements of the Company and related notes thereto appearing elsewhere in this Prospectus. The selected financial information is derived from the audited financial statements of the Company as of December 31, 2021 and 2020 and the unaudited financial statements for the nine-months then ended September 30, 2022. All figures are in US Dollars.

	<b>Sep. 30, 2022 (Unaudited) Consolidated \$</b>	<b>Dec. 31, 2021 (Audited) Innomed Tech \$</b>	<b>Dec. 31, 2020 (Audited) Innomed Tech \$</b>
Total revenue	–	–	–
Net loss for the period	(407,336)	(634,297)	(2,044,024)
Loss per share, basic and diluted	(0.01)	(0.01)	(0.05)
Total assets	818,867	786,663	239,494
Total long-term liabilities	3,824,627**	3,472,124*	2,928,848*

\* Derivative liabilities      \*\*Derivative liabilities \$3,307,321 plus debt finance \$517,306

**Summary of Quarterly**

**Results:**

The following table summarizes selected unaudited financial data for each of the last eight fiscal quarters, prepared in accordance with IFRS:

	<b>Revenues</b>	<b>Net income (loss)</b>	<b>Basic and diluted earnings (loss) per share</b>
December 31, 2020	–	45,955	0.00
March 31, 2021	–	400	0.00
June 30, 2021	–	(230,471)	(0.01)
September 30, 2021	–	(26,417)	(0.00)
December 31, 2021	–	(319,400)	(0.01)
March 31, 2022	–	(98,552)	(0.00)
June 30, 2022	–	95,697	(0.00)
September 30, 2022	–	(417,175)	(0.00)

See “Selected Financial Information and Management’s Discussion and Analysis”.

## 1. CORPORATE STRUCTURE

### Name, Address and Incorporation

The Company was incorporated and registered on November 22, 2019 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 Corporations Act (British Columbia) with registered number C1251506 as InnoMed Tech Ltd. The address of the registered office of the Company is Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

### Intercorporate Relationships

The Company has one subsidiary company Innomed Two, LLC. ("InnoMed Two") which was incorporated on January 3, 2017 in Alabama USA to hold the patent applications and medical sciences of Catheter System for Continuous Irrigation ("CSCI"). Innomed Two, LLC was renamed PureFlowCath, LLC. ("PureFlowCath") on July 10, 2020.

### New Parent Company to PureFlowCath

The Company became the parent company to PureFlowCath by way of Share Purchase Agreements (SPA) whereby the owners or shareholders (member units) of PureFlowCath were issued 32,493,566 common voting shares in the Company (pro rata of their member unit holding). The conversion of member units in PureFlowCath was governed by its Operating Agreement. The Share Purchase Agreement converts for every one-member unit in PureFlowCath in to 228,777 shares in InnoMed Tech Ltd. This transaction was conducted at arms-length.

The Company issued shares to the existing shareholders of PureFlowCath by way of a Share Purchase Agreement ("SPA") such that the Company owned one hundred percent of PureFlowCath and therefore was a common control acquisition as shareholder control remained the same. Robert L. Rhodes and Dr. Mathew McIntyre are the Directors of PureFlowCath appointed by the Board of InnoMed Tech Ltd.

## 2. NARRATIVE DESCRIPTION OF THE BUSINESS

### 2.1 Background

The Company is in the business of medical devices and sciences, working with medical practitioner innovators within the global medical community. Each medical device, medical digital or science invention that is acquired will be placed in a separate entity as a subsidiary company which allows for divestment to a major medical corporation that has specific marketing and distribution structures and processes in place.

The Company's first medical device development subsidiary, PureFlowCath, is developing 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. Catheter associated urinary tract infection (CAUTI) is the most frequent healthcare associated infection (HAI) worldwide. It accounts for up to 40% of all hospital acquired infections and results in over 13,000 deaths annually in the United States alone<sup>1 2</sup>. The Company will establish additional subsidiaries, specifically owning and commercialising other innovations in medical technology with the

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<sup>1</sup> Systematic Review of Interventions to Reduce Urinary Tract. Meddings J, Saint S, Krein SL, Gaies E, Reichert H, Hickner A, McNamara S, Mann JD, Mody L.J Hosp Med. 2017.

<sup>2</sup> US Centre for Disease Control & Prevention (CDC) National Healthcare Safety Network

strategy for each subsidiary being commercialised in the most appropriate manner to the benefit of the shareholders, development team, future research funding and patient population.

From the incorporation of PureFlowCath in January 2017 by Innovative Medicine Partners, LLC. (“IMP”), the focus has been completing and filing patent applications for the Catheter System and its peripheral support devices. In 2018, the Catheter System design was further developed. IMP were the Organiser of PureFlowCath (“Old Management”) until April 15, 2020 when the new Management (“New Management”) had board over-sight of the Company. In mid-2019 PureFlowCath focused on corporate structuring (establishment of InnoMed Tech Ltd. as parent company) and debt finance secured against the patent applications.

In October 2019 IMP entered into an agreement with CIC Fund Securitisation S.A. (Luxembourg) to facilitate debt financing by way of securitisation transaction on patent applications and possible patent awards (“IP”).

In November 2019 InnoMed Tech Ltd. (“InnoMed Tech” or the “Company”) was established by the shareholders of PureFlowCath. The Company issued shares to the existing shareholders of PureFlowCath by way of a Share Purchase Agreement (“SPA”) such that the Company owned one hundred percent of PureFlowCath. This was a common control acquisition as shareholder control remained the same and was an arm’s length transaction.

On April 15, 2020 a process was undertaken to appoint a new Board with public company experience. In May 2020 the Company changed its jurisdiction of incorporation from Delaware USA to British Columbia Canada. From April to December 2020, \$980,000 in new capital was raised to fund the debt financing (by way of securitisation) and to seek a public listing on the TSXV. During 2020, international advisory firms Office Freylinger (Luxembourg IP law firm) and Ogier Law (Luxembourg) were appointed to PureFlowCath to aid in the development and approval processes of the patent applications.

In the 2021 fiscal year, the Company transferred the majority of the patent applications (IP) to its Luxembourg Securitisation *PureFlowCath Compartment* to secure debt finance. Patent approvals at the date of this prospectus are Eurasia, Saudi Arabia, Morocco, Panama, Philippines and Australia with significant progress being made for European and US patent awards. A further \$771,640 capital (equity) was provided by new and existing investors during the year ended December 31, 2021.

In March 2022, the Company appointed Paragon Medical Mansfield, to assist in the design, development and production of the PureFlowCath medical device prototype.

In April 2022, the Company appointed Clark Regulatory Services LLC., to provide consultancy advice to PureFlowCath for matters relating to medical device applications to FDA and other pertinent regulatory advice.

In September 2022, CIC Fund Securitisation S.A. approved up to Euro €5,000,000 which may be drawn upon by the Company in its sole discretion on an as needed basis. The Company intends to schedule any drawdowns to minimize interest while ensuring it has sufficient working capital for its operations. In September 2022, the Company drew down Euro €500,000 and in December 2022 drew down Euro €1,100,000.

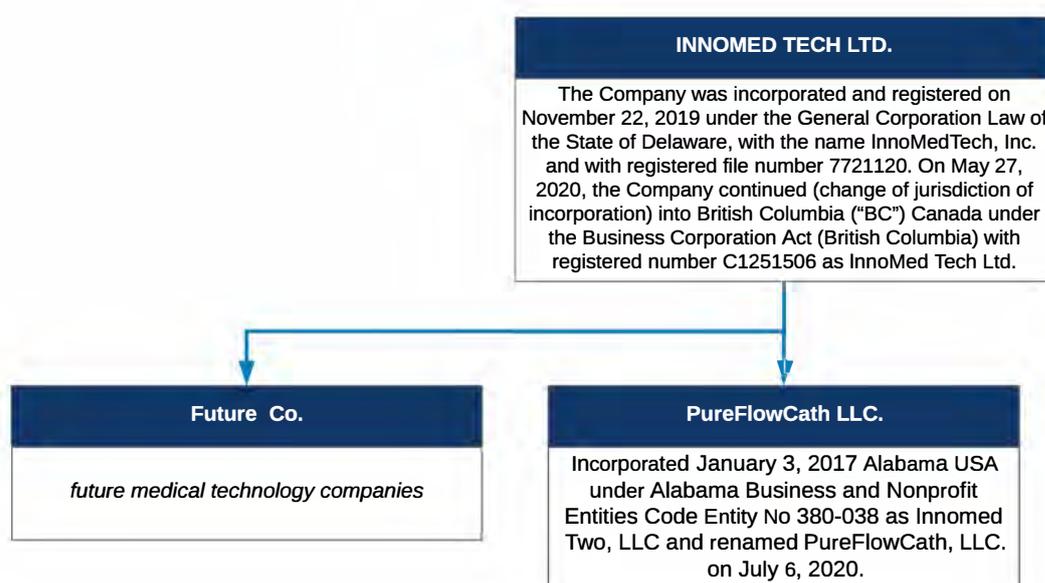
The Company, working with Paragon Medical, has successfully completed proof of concept engineering studies. In January 2023, the Company further engaged Paragon Medical to affect final design and prototype production and testing of the PureFlowCath medical device. Background work to support the

Company's FDA 510(k) application, under the FDA classification: 21 CFR Sec. 876.5130 Urological catheter and accessories, Device Class Classification 2 has also been initiated with Clark Regulatory Consulting.

## **2.2 Company Structure**

The Company is organized as a holding company, which conducts its operations through subsidiaries, which are engaged in the development of innovative medical devices. The Company has one subsidiary company PureFlowCath which is developing the Catheter System for Continuous Irrigation ("CSCI"). The Company structure has been established to allow divestment of each subsidiary.

On April 15, 2020, the Company acquired all Class I and III Member Units of PureFlowCath by way of issuing 228,777 shares in the Company for every member unit in PureFlowCath. The Company acquired Class II Member Units in PureFlowCath by way of issuing shares at \$0.29 per share with a full warrant exercisable for one common share at \$0.29 per common share on or before December 31, 2026.



## **2.3 Independent Oversight of Development of Medical Technology Devices**

The European Union Medical Device Regulation 2017/745 (EU MDR) enacted by the European Parliament and the Council of the European Union is a regulation to ensure a high standard of safety and quality for medical devices that are produced in, or supplied to, member countries of the European Union. EU MDR requires the Company to appoint a medical device development and advisory firm accredited with ISO 13485 to oversee and guide the Company in European CE certification of its medical devices. CE Certification cannot occur until after its patent applications have been approved and clinical trials have occurred. Services provided by an ISO accredited advisory firm will also include the following:

- I. oversight of the medical device development process to FDA clearance and approval in accordance with ISO 13485 Quality Management systems for medical devices;
- II. support to develop a detailed work plan and to secure patents, European CE certification and FDA approvals, including clinical trial programs. It is a regulatory requirement in EU patent applications to appoint an ISO 13485 accredited consultant to oversee the patent application process in compliance with ISO 13485;
- III. support and advise for the manufacture of prototype medical devices and /or manufacture for clinical trials; and
- IV. detailed independent reports for the Company's advisors, management, investors and shareholders.

Clinical trials are a key component of medical device development, and an international standard shall be followed to ensure that all clinical trials are conducted in the most thorough, efficient and cost-effective manner, providing truly accurate data from which to move forward to final regulatory clearance and approval. Quality Management Systems "QMS" are also required by regulators in most countries. ISO 13485 Quality Management of Medical Devices enables an organization to consistently provide safe and effective medical devices and fulfil customer and regulatory requirements. ISO 13485 Quality Management of Medical Devices is an internationally agreed standard that sets out the requirements for a quality management system specific to the medical devices industry.

The Company appoints medical device contractors that are accredited to meet the high standards of ISO 13485 Quality Management of Medical Devices.

#### **2.4 U.S. Food & Drug Administration (FDA) Approval**

PureFlowCath must obtain device approval or clearance as governed by the United States Federal Food, Drug, and Cosmetic Act (FD&C Act 21 U.S.C. 9, *et seq.*) to market the device.

On May 28, 1976, the FD&C Act was amended to include regulations for medical devices. The amendment required that all medical devices be classified into one of three classes:

- (i) Class I: Devices that typically do not require premarket approval or clearance but must follow general controls. Dental floss and certain surgical instruments are a couple of examples of Class I devices.
- (j) Class II: Devices that are brought to the market via 510(k) premarket notifications or de novo applications and are provided clearance through substantial equivalence to a predicate device or are deemed to be low to moderate risk devices that do not have an appropriate predicate and FDA agrees they qualify for de novo classification. Diagnostic tests, including ultrasound devices, cardiac catheters, hearing aids, and dental amalgams are examples of Class II devices.
- (k) Class III: Devices that are approved through the Premarket Approval (PMA) process. Class III devices are those devices that have a high risk to the patient and are life-supporting and life-sustaining and are of substantial importance in preventing impairment of human health, or which present a potential, unreasonable risk of illness or injury. Due to the level of risk associated with Class III devices, FDA has determined that general and special controls are not sufficient to assure safety and effectiveness.

Section 510(k) of the Federal Food, Drug, and Cosmetic Act requires those device manufacturers who must register with FDA to notify FDA at least 90 days in advance of their intent to market a medical device. This is known as Premarket Notification or 510(k). It allows FDA to determine whether the device is substantially equivalent to a Class I or Class II medical device already placed onto the market.

Any device that reaches market via a 510(k) notification must be "substantially equivalent" to a device on the market prior to May 28, 1976 (a "predicate device"). If a device being submitted is significantly different, relative to a pre-1976 device, in terms of design, material, chemical composition, energy source, manufacturing process, or intended use, the device nominally must go through a premarket approval, or PMA, unless that device could be determined to be low to moderate risk device and qualify as a de novo device.

A device that reaches the market via the 510(k)-pre-market notification process is not considered to be "approved" by the FDA. They are generally referred to as "cleared" or as receiving "510(k) clearance".

#### ***FDA "Breakthrough Device Designation"***

During initial consultation with FDA regarding PureFlowCath's 510(k) to pursue "Breakthrough Device Designation", which would allow for a high level of engagement with the FDA, the FDA provided direction requirements and other supporting documentation for a final application in the future.

The Breakthrough Devices Program is a voluntary program for certain medical devices and device-led combination products that provide for more effective treatment or diagnosis of life-threatening or irreversibly debilitating diseases or conditions. The goal of the Breakthrough Devices Program is to provide patients and healthcare providers with timely access to these medical devices by speeding up their development, assessment, and review, while preserving the Medical Device User Fee Amendments (MDUFA) statutory standards for premarket approval, 510(k) clearance, and de novo marketing authorization and Investigational Device Exemptions (IDE), consistent with the FDA mission to protect and promote public health. FDA considers devices granted designation under the Innovation Pathway 2.0 and the Expedited Access Pathway (EAP) to both be part of the Breakthrough Devices Program.

The Company is focused on patent application approval processes, PureFlowCath device prototype manufacture and FDA PureFlowCath approval processes.

## **2.5 PureFlowCath Regulatory Foundation**

The Foley Catheter is a proven and approved medical device by the FDA and has an approved European CE certification. PureFlowCath medical device is an advancement on the Foley Catheter and should not require extensive medical research, medical trials, and testing. It further should not require extensive medical research to prove its application.

The Company following finalisation of PureFlowCath prototype intends to file a 510(k) application, under the FDA classification: 21 CFR Sec. 876.5130 Urological catheter and accessories, Device Class Classification 2.

To demonstrate 510(k) PureFlowCath medical device equivalence to approved catheter devices, the Company appointed FDA specialist advisor Clark Regulatory Services LLC.

The PureFlowCath catheter applies a fluid barrier between the catheter and tissue but remains largely the same design as the Foley Catheter. The new technological characteristic will require qualification of the safety or effectiveness (S&E) regarding the technological characteristics of a fluid barrier between the catheter and tissue.

## **2.6 European Union CE Certification**

CE Marking (CE Mark) is a mandatory requirement for medical devices to be marketed in Europe. Medical Device categories include medical equipment, medical software, medical & surgical disposables. CE Marking (CE Mark) is recognized worldwide as a symbol of quality. It consists of CE logo and four-digit identification number of the certifying notified body (if applicable).

For a Medical Device manufacturer or Distributor, CE marking is the declaration that the product complies with all EU directives or EU regulations that apply to the medical device. CE marking does not imply that the product was made in the European Economic Area, but it states that the product is complying with the requirements of European Economic Area. By affixing the CE marking, the manufacturer indicates that it takes responsibility for the conformity of the product. If the Company divests the medical device, the responsibility is transferred to purchaser.

PureFlowCath is subject to EU Medical Devices Directive (93/42/EEC) ("MDD") for approval for use in Europe. The process requires the Company to provide a technical report on the PureFlowCath medical device. The Company intends to make an application for CE Certification on all medical device technologies as part of the overall approval process.

## **2.7      Securitisation of IP Financing**

The Company intends to finance its medical device subsidiary companies in the majority by Luxembourg Securitisation debt financing.

Securitisation under the Securitisation Law is a transaction by which a securitisation undertaking acquires or assumes, directly or through another undertaking, risks relating to claims, other assets, or obligations assumed by third parties or inherent to all or part of the activities of third parties and issues securities, whose value or yield depends on such risks. Securitisation is the pooling of intangible assets, namely patents and financing the acquisition of these pooled assets with the issuance of debt securities.

### ***Compartments***

Under the Securitisation Law and the articles of association (*status*) of CIC Fund Securitisation S.A., the board of directors (*conseil administration*) of CIC Fund Securitisation S.A. may create one or more compartments, each corresponding to a distinct part of the CIC Fund Securitisation S.A.'s assets and liabilities, such that the assets of a compartment are exclusively available to satisfy the rights of the investors and creditors of that compartment and that recourse of a compartment's investors and creditors is, by law, limited to that compartment's assets. One of the seven segregated compartments of CIC Fund Securitisation S.A. is Compartment PureFlowCath which is accessible by the Company.

The Company's structure allows for future subsidiary medical device entities as the structure diagram shows in Item 2.2 Company Structure. Should this occur the Company can use the same compartment without the having to create a new compartment with the same high establishment costs and raise additional capital based on the intrinsic value in part of the IP. On establishment of PureFlowCath Compartment, CIC Fund Securitisation S.A. is required to state the maximum amount of debt notes that the compartment can issue on its establishment for all of its potential projects (Euro €90,000,000). Of this amount, CIC Fund Securitisation S.A. has authorised in September 2022, Euro €5,000,000 in debt finance that may be drawn down by the Company in part or whole in the Company's sole discretion at any time. The Company has drawn down Euro €1,600,000 (US\$1,730,000) as of the date of this Prospectus.

Stuart J. Bromley is the one hundred per cent (100%) beneficial owner of CIC Fund Securitisation S.A. and a thirty-two per cent (32%) owner of CIC Capital Ltd.

### ***True Sale Securitisation Transaction***

A true sale transaction is the traditional form of a securitisation which the Company is conducting for debt finance. The Securitisation Vehicle ('SV'), CIC Fund Securitisation S.A., under Luxemburg Securitisation Law has seven sperate compartments. The SV has established of one of its segregated compartments, Compartment PureFlowCath ("originator"), who transfers the IP assets to the SV (acting exclusively in the name and on behalf of its segregated compartment, Compartment PureFlowCath). The assets are then removed from the balance sheet of the Company and added to the balance sheet of the SV, on a compartment basis under Compartment PureFlowCath. The SV acting exclusively in the name Compartment PureFlowCath finances the purchase of these IP assets by issuing securities in the form of debt notes to professional investors (defined as investors who purchase minimum notes of Euro €125,000 per debt note). The funds raised from the debt notes are then drawn down in full or part from the SV (acting exclusively in the name and on behalf of Compartment PureFlowCath) to finance the acquisition of the IP assets.

Therefore, the originator transfers both the legal and beneficial interest in the IP assets to the SV acting exclusively in the name and on behalf of one of its segregated compartments. As a result, the investor of the SV (acting exclusively in the name and on behalf of segregated Compartment PureFlowCath) indirectly

receives the beneficial rights to the underlying IP assets. Once the originator settles the interest and debt, the SV acting exclusively in the name and on behalf of segregated compartment PureFlowCath transfers back the legal and beneficial interest in the IP assets or converts the debt and interest into equity in the originator. The Company's audited financial statements (audited and interim) reflect only the costs expended on the IP during the reported financial period (indexed) not an intangible asset value which reflects the IP to be owned by the SV acting exclusively in the name and on behalf of segregated Compartment PureFlowCath.

At the date of this Prospectus the Company has transferred all IP assets to Compartment PureFlowCath.

CIC Fund Securitisation S.A. (a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, acting as an unregulated securitisation company (*société de titrisation*) within the meaning of, and governed by, the Securitisation Law, having its registered office at 6, rue d'Arlon L-8399 Windhof, Grand Duchy of Luxembourg, and registered with the Luxembourg Register of Commerce and Companies (*Registre de Commerce et des Sociétés, Luxembourg*) under the number B240860) has entered into an agreement with the Company to provide one of its segregated compartments – the Compartment *PureFlowCath* with offering notes at EURO €125,000 per note restricted to professional investors under Securitisation Law. The Company entered into an amended agreement in September, 2022, pursuant to which CIC Fund Securitisation Fund S.A. has made available up to Euro €5,000,000 at an interest rate of 8.2% with principal and interest payable on the fifth anniversary. A one-time administration fee is also payable to CIC Fund Securitisation S.A. equal to 4.2% of value of note issued for the life of the securitisation entity. The 4.2% fee is only payable on the debt finance draw down amount and interest is accrued as long-term liability.

The Company has the option to convert debt notes and interest into Common Shares subject to regulatory compliance. The Company will draw down on the Securitisation Debt Facility as required in the development of PureFlowCath and working capital needs to minimise interest and lending fees.

### ***Passive Management***

The SV management role should limit itself to the passive monitoring and administration of portfolio performance and securities (re)payment.

### ***Luxembourg Regulator (CSSF) Supervision***

Luxembourg SVs are in principle unregulated entities and not subject to authorisation or prudential supervision unless they issue securities to the public on a continuous basis. In such a case, SVs must be authorized by and will be subject to supervision of the CSSF (Commission de Surveillance du Secteur Financier).

CIC Fund Securitisation S.A. will not be subject to supervision of the CSSF as the financing has been placed with professional investors, investing Euro €125,000 per debt note.

### ***Securitisation of Company IP Assets Benefit's***

The transfer of the Company's IP title to CIC Fund Securitisation S.A. acting exclusively in the name and on behalf of its Compartment PureFlowCath provides the following purposes:

- **Protection of the IP rights and ownership**

Today's economies are increasingly based on knowledge and companies predominantly invest in R&D and IP such as trademarks, trade names, patents, franchises, information technology, software, goodwill and human capital which constitute their intangible assets. The value of those intangibles needs to be protected and their management is crucial for companies.

Luxembourg has concluded many agreements in view of protecting intellectual property such as the Bern Convention, the Patent Cooperation Treaty (PCT), the Paris Convention, as well as the Madrid Agreement and Protocol. Luxembourg has implemented European directives and treaties such as the agreement on Trade-Related aspects of Intellectual Property Rights (TRIPS). Luxembourg has also signed the European Patent Convention (leading to the European Patent Office) and the Patent Law Treaty (PLT). The Company by stating the above IP protection in Luxembourg is related to where the Company's IP is domiciled to secure debt financing by way of Luxembourg Securitisation and does not state that Luxembourg holds any protection advantage over US or Canada.

- **Debt Financing**

Debt financing by Securitisation of intangible assets namely the Company's IP as security, will provide the Company with capital to fully develop PureFlowCath medical devices.

- **Favourable Tax at Divestment of the IP**

Luxembourg as an IP hub offers a favourable tax environment. In an effort to become the prime location for IP internationally, Luxembourg envisioned a knowledge-based economy. An IP tax regime was implemented in Luxembourg with effect from January 1, 2008 providing for a very competitive tax rate applicable to a broad range of IP income generated by Luxembourg taxpayers (entity holding Company's IP). This regime has been modified from January 1, 2018, in accordance with OECD requirements, and provides a favourable regulatory environment for patent and copyright activities.

The hallmark of the Luxembourg IP tax regime is an 80% exemption on royalties and capital gains derived from patents and copyrights on software. Companies benefiting from that regime are subject to an effective tax rate as low as 5.84% on qualifying "net adjusted" IP income (i.e. gross revenue from the IP less directly related expenses, depreciation and write-downs provided that the net eligible income is greater than the sum of the expenses linked to the qualifying IP asset and incurred during previous tax years). The Company intends after patent and FDA clearance and approval to divest the IP asset. The IP asset jurisdiction of Luxembourg will not be subject to change and will be subject to the Tax laws of Luxembourg. The Company's IP will remain in Luxembourg and subject to Luxembourg tax law.

Please refer to Schedule 1, Tax Exemption on Intellectual Property Rights Revenues, opinion of Office Freylinger, the Company's regulated IP legal advisor.

## **2.8 History of Business Activities and Services of the Company**

The Company was formed as a holding company on November 22, 2019 to act as a parent to a number of subsidiary medical technology companies. On April 15, 2020, the Company became the parent of PureFlowCath, which is in development of new catheter medical technology products (CSCI) (no change of control).

## **2.9 Future Transaction Pipeline**

The Company has not solicited and has not entered into any discussion with other medical device companies. There are no current negotiations or communications between the Company and other potential development opportunities.

## **2.10 Competition**

The Company's medical device and sciences products will compete against and may be used in combination with well-established products that are currently in the market.

There are no catheter medical devices in the market that provide for a semipermeable membrane that elutes fluid along the length of the catheter within the periurethral space. This membrane allows for

continuous or intermittent flushing generating sufficient shear force to prevent adhesion and detach bacteria along the urethral portion of the catheter. PureFlowCath is developing the continuous flushing mechanism to maximize the prevention of biofilm by utilizing principles of fluid dynamics. Therefore, should the Company be successful in the grant of its patent applications and regulatory approval for public use by medical practitioners, there is no measurable competition. Financing by equity, the capital required to progress PureFlowCath to date has been predominantly through subscribers and management relationships.

Luxembourg Securitisation of the IP provides the long-term solution to draw capital as required. The Company has faced competition to secure a Securitisation Compartment in Luxembourg. The selection criteria by CIC Fund Securitisation S.A. was to conduct an internal review of the *risk and return*. Having secured the Securitisation facility, the Company requires no further capitalisation and can concentrate on the development of PureFlowCath medical devices.

Management believes that the level of competition and threat that any possible competitive forces could offer is mitigated on the following basis:

- I. The Directors have a track record in the medical device sciences, legal, governance, finance, corporate management and public company expertise. To develop a medical device to market requires a team of expertise not just medical science.
- II. The Company business structure allows for divestment of medical devices and sciences product advances that may be attractive to large corporations.
- III. Established Luxembourg Securitisation funding platform to issue debt notes against patent and trademark assets (illiquid asset funding).
- IV. The Directors have an extensive network of key advisor relationships maintained over many years.

### **2.11 Patents and Trademarks (“IP”)**

The Company subsidiary PureFlowCath before transfer to CIC Fund Securitisation S.A. acting exclusively in the name and on behalf of its Compartment PureFlowCath owns either legally or beneficially:

***I. Catheter system for continuous irrigation***

Patent applications have been filed in numerous jurisdictions and are detailed in Schedules 2 and 3.

***II. Improved continuous flushing catheter***

This patent application was filed in the USA (as a provisional application on March 17, 2020 and as an expedited patent application on May 12, 2020) and was filed as a PCT application on March 17, 2021 and entry into national/regional phases.

***III. Catheter tubing system***

This patent application was filed in the USA on February 22, 2018. A PCT application was filed on 22 February 2019 and has entered into national/regional phases. National/regional phases are currently underway for Australia, Brazil, Canada, Chile, China, Eurasia, Europe, India, Israel, Japan, Singapore and USA.

***IV. Intraluminal flush catheter***

A provisional US patent application was filed in the USA on March 17, 2020. A PCT application was filed on March 17, 2021, and entry in national/regional phases.

***V. Absorbent device for use with catheter***

This patent application was filed in the USA on April 17, 2019. A PCT application was filed on April 17, 2020, and entry in national/regional phases.

**VI. *Fluid catch device for use with the catheter***

A patent application is currently being drafted for this invention.

**2.12 Patents and Trademarks (IP) Valuation**

The Company subsidiary PureFlowCath is required by Luxembourg law to affect a valuation of the IP before the transfer to CIC Fund Securitisation S.A., acting exclusively in the name and on behalf of Compartment PureFlowCath. The valuation must be by an authorized Luxembourg IP/Valuation firm. The Company appointed Office Freylinger S.A. to produce the required IP valuation report solely for securitisation purposes and to advise/manage the Company's IP applications to possible approval.

### 3. BUSINESS OF PUREFLOWCATH

#### 3.1 Catheter System for Continuous Irrigation (CSCI)

PureFlowCath's primary product is CSCI, a catheter with two completely different clinical applications:

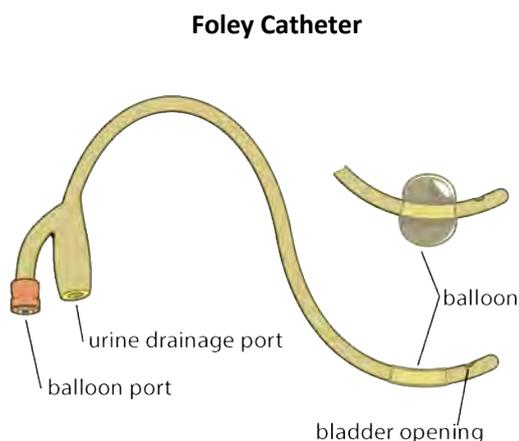
- i. Semipermeable membrane located in the periurethral portion of the catheter and provides continuous irrigation to prevent the on-going medical issues of catheter-associated urinary tract infection (CAUTI); and
- ii. Semipermeable membrane also located at the tip of the catheter, which allows for instillation of therapeutics into the bladder as well as prevention of CAUTI.

#### Urinary tract infection (CAUTI)<sup>3</sup>

- (g) CAUTI is the most common type of healthcare-associated infection, accounting for up to 40% of nosocomial infections.<sup>1</sup>
- (h) There are over 1 million cases of CAUTI in U.S. hospitals and nursing homes each year.<sup>1</sup>
- (i) CAUTIs are responsible for over 13,000 deaths per year in the U.S.<sup>1</sup>
- (j) The annual cost to manage CAUTIs in the U.S. is estimated to be \$425 million - \$451 million, with global costs greater than \$1.8 billion.<sup>4</sup>

#### Catheters

A urinary catheter is a drainage tube that is inserted into the urinary bladder through the urethra for the purpose of draining urine (treatment of urinary retention). Use of a drainage mechanism (catheter) for treatment of urinary retention has been around for many years. The basic design of the urinary catheter used today has not changed significantly since the 1930's. The most commonly used type in the hospital setting is the Foley catheter. The Foley catheter was designed by Frederic Foley, a surgeon from Boston, Massachusetts, in 1929 and was adopted by C.R. Bard, Inc. The design of this device, generally made of latex or silicone, has remained largely unchanged since its inception.



The Foley catheter is a tube with two internal lumens. One lumen drains the urinary bladder and the other is used to inflate the self-retaining balloon within the bladder. The previous figures provide a basic illustration of current catheter technology.

Numerous attempts have been made to decrease the incidence of CAUTI, including coating the catheter with antimicrobial substances or impregnating the catheter with antibiotics or antimicrobial metals such as silver. None of these has resulted in a significant decrease in the incidence of CAUTI.

#### Biofilm

The presence of an indwelling urinary catheter promotes bacterial colonization and formation of biofilm. Biofilm is a complex protective matrix that shields bacteria from antimicrobial activity. Prevention of catheter-associated urinary tract infections (CAUTI) requires mechanical action to prevent biofilm

<sup>3</sup> Systematic Review of Interventions to Reduce Urinary Tract. Meddings J, Saint S, Krein SL, Gaies E, Reichert H, Hickner A, McNamara S, Mann JD, Mody L.J Hosp Med. 2017.

<sup>4</sup> US Centre for Disease Control & Prevention (CDC) National Healthcare Safety Network

formation. CSCI utilizes a mechanical flushing action, similar to the body's natural mechanism to prevent biofilm formation, a major advancement in catheter medical technologies.

Creating a continuous flushing of the urethra results in the potential to significantly reduce CAUTI infections.

Utilizing mass action irrigation (i.e. continuous flushing), CSCI mimics the human body's natural mechanism of action for flushing the urethral tract. This mechanical action prevents biofilm formation and subsequent infection. When a catheter is placed in a patient, the patient's body no longer has the ability to naturally create the mechanical flushing action required to prevent bacteria from colonizing and growing. When bacteria come into contact with the catheter, they attach themselves and develop a biofilm. This biofilm can migrate along the catheter introducing bacteria into the bladder. Pathologic bacteria inhabiting the bladder can produce clinically significant infections with resultant morbidity and mortality. Every patient who has a catheter is at risk for this type of infection.

### ***The innovation with the PureFlowCath***

The catheter has the ability to elute a substance into the urethra that is designed to prevent colonization of the catheter by biofilm, through the use of a physical flushing action. This mimics the natural mechanisms that our bodies use to prevent infection. PureFlowCath is designed to reduce catheter-associated urinary tract infections and has a secondary objective, the ability to treat periurethral diseases, as well as diseases of the bladder.

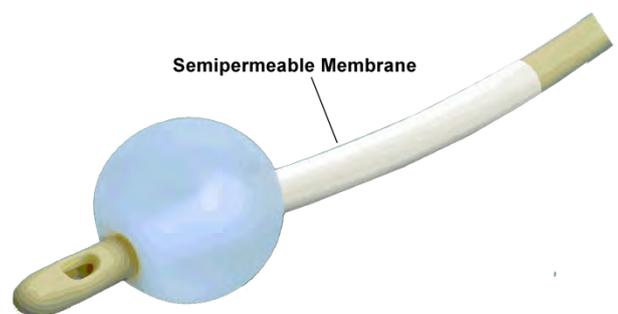
### **3.2 PureFlowCath - CSCI Key Features**

Periodic urethral flushing by urination is the body's natural method of biofilm formation prevention. PureFlowCath has developed a urinary catheter inspired by this natural mechanism at the catheter-urethral interface in an effort to eliminate biofilm formation, the first step in eliminating CAUTIs.

The key features of CSCI are:

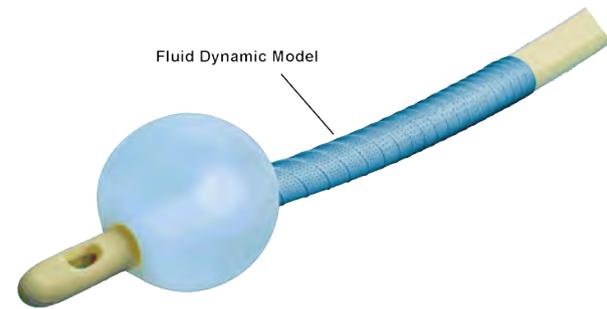
#### ***Periurethral Semipermeable Membrane***

The primary concept is a semipermeable membrane that elutes fluid along the length of the catheter within the periurethral space. This membrane allows for continuous or intermittent flushing generating sufficient shear force to prevent adhesion and detach bacteria along the urethral portion of the catheter. Required force for common CAUTI organisms is an experimentally established value on the order of 0.2-2.2 pN to prevent attachment and 3.1-4.6 pN to dislodge bacteria, respectively.

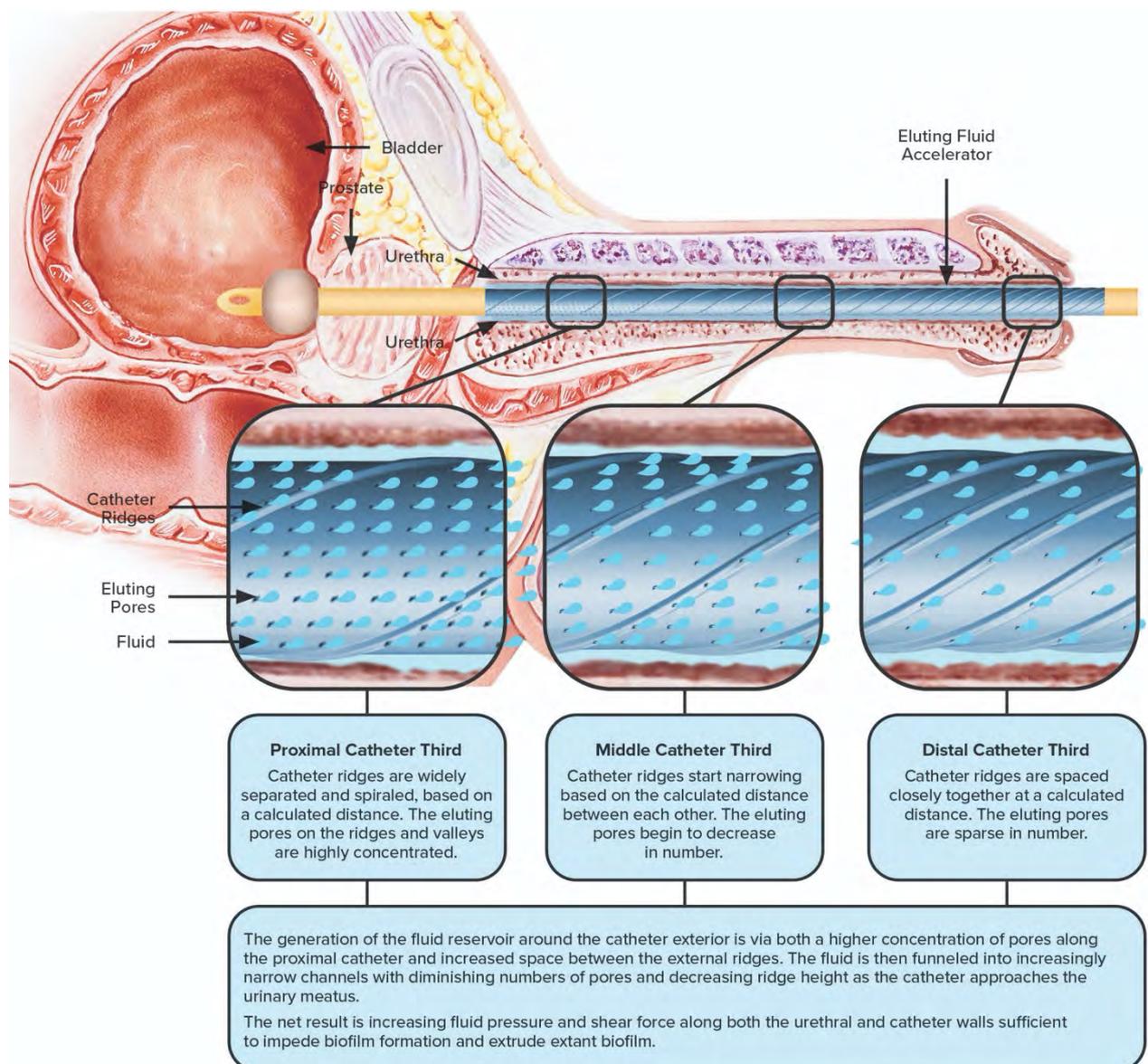


## Fluid Dynamic Model

PureFlowCath has, in addition, developed the continuous flushing mechanism to maximize the prevention of biofilm by utilizing principles of fluid dynamics. Biofilm formation and bacterial adhesion to the urethra and catheter, consequent as they are to the close apposition of their respective surfaces, can be diminished by decreasing points of contact by the presence of spaced external catheter ridges. Our innovative catheter design not only comprises catheter ridges, but also accounts for ridge tapering and spiralling, in increasingly tight formation distally, to provide funnelling of the eluent.

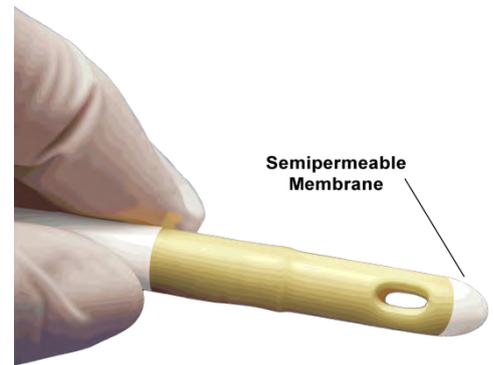


The sum of these effects is intended to increase fluid exit velocity, which based on Bernoulli's equation describing velocity changes with respect to cylinder diameter changes, increases shear force algorithmically where it is needed most. The design also utilizes the concept of vortex formation in a cylinder, as described by the Taylor-Culick equation describing parallel cylinder laminar flow.



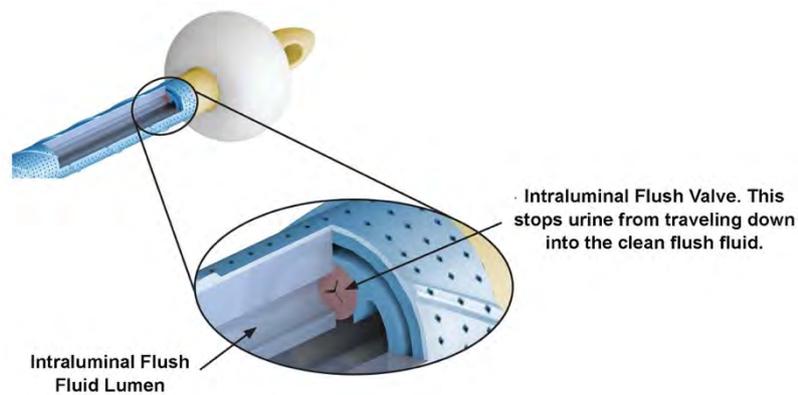
### Bladder Infusion Model

In addition to the periurethral flushing action, PureFlowCath has developed a series of catheters that also include an infusion segment of the catheter within the bladder. This allows for the continuous infusion and/or irrigation of the bladder without interruption of urinary drainage. Clinical applications for bladder infusion include, but are not limited to, chemotherapeutics, antimicrobial therapy, anticoagulants, etc. This design was developed with specific patient needs in mind, allowing the physician to choose the catheter that is best suited for an individual patient for a particular therapeutic purpose.



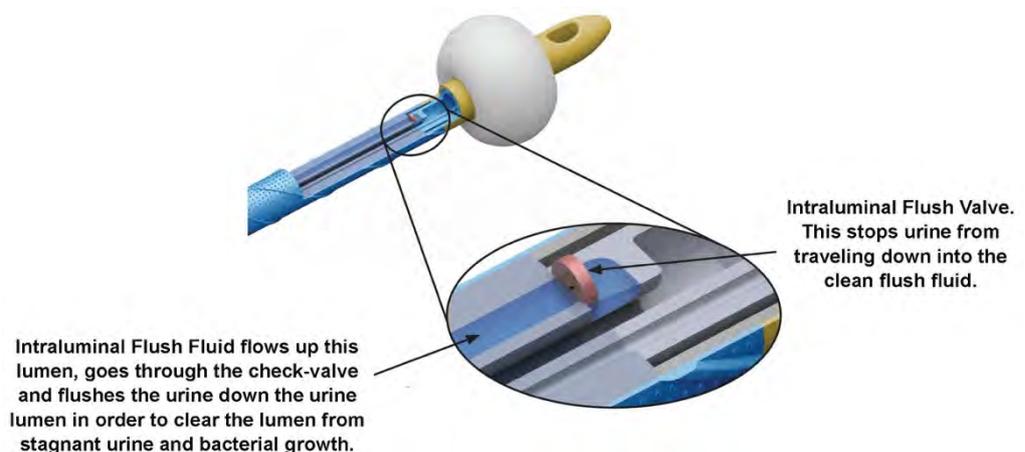
### Intraluminal Flush

Approximately 20-30% of catheter associated UTIs are caused by intraluminal contamination of the catheter. While periurethral flushing, described above, is designed to prevent extraluminal biofilm formation, this mechanism does not address the intraluminal contamination caused by the reflux of organisms that gain access to the catheter lumen from the failure of the closed drainage system, or contamination of urine in the collection bag.



A catheterized bladder drains by gravity. While a patient is in a recumbent position, urine can become stagnant in the drainage tube, allowing for more prolonged apposition of bacteria with the intraluminal catheter surface. PureFlowCath has developed a component that addresses intraluminal bacterial adhesion as well. This feature consists of an external access port with a unidirectional valve that allows for sterile fluid to be injected into the urine drainage tube, flushing urine distally through the catheter, into the collection bag, the same way that urination performs this function naturally.

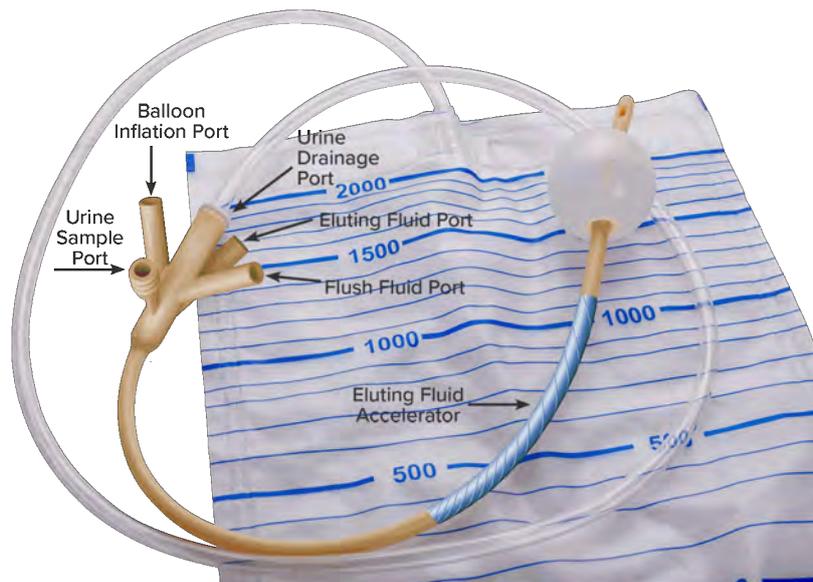
This valve prevents the intraluminal flushing fluid from mixing with the sterile extraluminal fluid eluting along the periurethral portion of the catheter. Force generated by periodic intraluminal flushing is designed to prevent bacterial adhesion and formation of biofilm on the interior surface of the catheter in much the same way that urine performs this function naturally.



### ***Sanitary Specimen Collection***

Periodic urine specimen collection presents an additional opportunity to eliminate exposure of the urethra to contaminants. Currently, clean catch urine specimen collection is imprecise and reliant on patient compliance, nursing skill, as well as other user-dependent factors. Stopping urination midstream to flush the urethra and then collecting an uncontaminated specimen is unwieldy and uncomfortable for these reasons.

To address the need for specimen collection without the need of removing urinary catheters and subsequently replacing them, a small parallel collection aperture within the catheter communicates with the bladder lumen. Clean specimens may be obtained with a luer lock syringe via an exterior port protected from retrograde contamination by a one-way valve. Decreasing the need for re-catheterization also diminishes patient discomfort.



## 4. USE OF PROCEEDS

### 4.1 Non-Offering Prospectus

This is a non-offering prospectus. The Company is not raising any funds in conjunction with this Prospectus. Accordingly, there are no proceeds to the Company in connection with the filing of this Prospectus. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised, and all expenses in connection with the preparation and filing of this Prospectus will be paid by the Company from its working capital.

### 4.2 Funds Available and Use of Available Funds

As at January 31, 2023, the most recent month-end before the date of this Prospectus, the Company had consolidated working capital of \$1,421,781. The Company's estimated use of funds for the next twelve months is as follows:

<b>InnoMed Working Capital</b>	<b>Amount US\$</b>
Patent approvals	60,000
FDA Applications	20,000
Prototype & package design completion	275,000
Audit & Accounting	80,000
Professional & Legal Fees	120,000
Securitisation Finance Costs	65,000
Regulatory Costs	18,000
Remuneration employees	393,000
Travel	60,000
Cost of Offering	20,000
Marketing	60,000
Unallocated Working Capital	250,781
	<b>1,421,781</b>

\* Director fees pre-listing on TSXV are \$2,000 per month, including PureFlowCath Director, CEO \$5,000 per month, totalling \$13,000 per month. Post listing, Director and Officer fees increase to \$32,750 per month or \$393,000 per year. Please refer to Item 16.4.

\*\* The Company has drawn down Euro €1,600,000 (US\$1,730,000) of Euro €5,000,000 debt finance facility at the date of this Prospectus

Since its founding, the Company has not generated positive cash flow from its operations and has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since operating funds will continue to be expended to pay its expenses. The Company, separate from any funds received by investor equity subscriptions, has available at the date of this Prospectus Euro €5,000,000 (less the Euro €1,600,000 drawn down to date) from the Securitisation debt finance facility to cover working capital needs but will only draw down funds as needed to ensure finance interest exposure is managed.

The Company funds its business using the proceeds from equity private placements and debt finance from Securitisation of its illiquid assets, namely IP. In the future, the Company may pursue additional private placement debt or equity financing based upon its working capital needs from time to time. There can be no assurance that such financing will be available or completed on terms that are favourable to the Company. The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances however, where for sound business reasons, a reallocation of funds may be necessary.

## **Business Objectives and Milestones**

The Company's principal objectives and milestones 12 months from date of prospectus are:

- Become a regulated public company trading on a designated stock exchange.  
**Milestones**  
File Long Form Non-Offering Prospectus with BCSC and TSXV cost: \$30,000  
Complete public listing process
- Paragon – complete design and manufacture PureFlowCath prototype medical device  
**Milestones**  
design and manufacture final PureFlowCath prototype medical device cost: \$275,000
- Complete existing patent applications  
**Milestones**  
Finalise design elements including cost: \$60,000  
Catheter prototype and material testing, file updated patent applications
- FDA applications  
**Milestones**  
Complete and file FDA regulatory applications cost: \$25,000

The above milestone costs are contained in the twelve (12) month expenditures set out above.

To progress the PureFlowCath medical device to market will require a process of patent application approval. During the patent approval, the finalisation of medical device design, prototype and material testing is to be completed. Paragon has been appointed to design and manufacture PureFlowCath prototype medical device. The initial design and proof of concept bench top prototype models have been assembled and tested by Paragon engineers.

The process of regulatory approval of the PureFlowCath medical devices has commenced. Clark Regulatory Services LLC has been appointed to provide consultancy advice to PureFlowCath medical device applications to the FDA and at a budget of \$25,000.

*Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. The Company has not been impacted by COVID-19 at the date of this prospectus and although the risk of future impact is expected to be low the nature of the outbreak continues to present a risk.*

## 5. SELECTED FINANCIAL INFORMATION

### 5.1 Selected Financial Information

The following table sets forth summary financial information for the Company for the years then ended December 31, 2021 and 2020 and for the nine months ended September 30, 2022. All figures are in US\$. This information has been summarized from the Company's financial statements for these periods and should only be read in conjunction with the financial statements and accompanying notes included elsewhere in this prospectus.

	<b>Sep. 30, 2022 (Unaudited) Consolidated \$</b>	<b>Dec. 31, 2021 (Audited) Innomed Tech \$</b>	<b>Dec. 31, 2020 (Audited) Innomed Tech \$</b>
Total revenue	–	–	–
Net loss for the period	(407,336)	(634,297)	(2,044,024)
Loss per share, basic and diluted	(0.00)	(0.01)	(0.05)
Total assets	818,867	786,663	239,494
Total long-term liabilities	3,824,627**	3,472,124*	2,928,848*

\* Derivative liabilities

\*\*Derivative liabilities \$3,307,321 plus debt finance \$517,306.

### 5.2 Summary of Quarterly Results

The following table summarizes selected unaudited financial data for each of the last eight fiscal quarters, prepared in accordance with IFRS:

	<b>Revenues</b>	<b>Net income (loss)</b>	<b>Basic and diluted earnings (loss) per share</b>
December 31, 2020	–	45,955	0.00
March 31, 2021	–	400	0.00
June 30, 2021	–	(230,471)	(0.01)
September 30, 2021	–	(26,417)	(0.00)
December 31, 2021	–	(319,400)	(0.01)
March 31, 2022	–	(98,552)	(0.00)
June 30, 2022	–	95,697	0.00
September 30, 2022	–	(404,481)	(0.00)

## **6. MANAGEMENT DISCUSSION & ANALYSIS**

### **6.1 InnoMed Tech Ltd. Interim period ended September 30, 2022**

InnoMed Tech Ltd. MD&A for the interim period ended September 30, 2022 is attached hereto as Appendix A.

### **6.2 InnoMed Tech Ltd. year ended December 31, 2021**

InnoMed Tech Ltd. MD&A for the year ended December 31, 2021 is attached hereto as Appendix A. The discussion of the operating results and financial position of InnoMed Tech Ltd. should be read in conjunction with the audited financial statements and related notes for the year ended December 31, 2021.

### **6.3 InnoMed Tech Ltd. year ended December 31, 2020**

InnoMed Tech Ltd. MD&A for the year ended December 31, 2020 is attached hereto as Appendix A. The discussion of the operating results and financial position of InnoMed Tech Ltd. should be read in conjunction with the audited financial statements and related notes for the years ended December 31, 2020 and 2019.

### **6.4 PureFlowCath year ended December 31, 2019**

PureFlowCath MD&A for the year ended December 31, 2019 is attached hereto as Appendix B. The discussion of the operating results and financial position of PureFlowCath should be read in conjunction with the audited financial statements and related notes for the years ended December 31, 2018 and 2019.

### **6.5 PureFlowCath interim period ended April 15, 2020**

PureFlowCath MD&A for the interim period for the interim period from January 1, 2020 to April 15, 2020 is attached hereto as Appendix B.

## **7. DIVIDEND POLICY**

The Company does not anticipate that it will distribute a dividend to the Company Shareholders pro-rata in part or whole. There are no restrictions in the Company's articles of incorporation or Articles that prevent it from declaring dividends unless insolvent or the payment of such dividend will render the Company insolvent.

## **8. DESCRIPTION OF SECURITIES**

### **8.1 Authorized and Issued Share Capital**

The authorized share capital of the Company consists of an unlimited number of common shares without par value and an unlimited number of preferred no voting shares issuable in series. As of the date of this Prospectus 47,644,018 Common Shares were issued and outstanding.

### **8.2 Common Shares**

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company, and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares are entitled to receive such dividends in any financial year as the Board of Directors may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary

or involuntary, the holders of the Common Shares are entitled to receive, the remaining property and assets of the Company.

### **8.3 Preferred Shares Non-Voting (“Preferred Shares”)**

The holder’s Preferred Shares are not entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company. The holders of the Preferred Shares are not entitled to receive such dividends in any financial year as the Board of Directors may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Preferred Shares are not entitled to receive the remaining property and assets of the Company. The conversion of Preferred Share to Common Shares is by way of special resolution by the Board of Directors. As of the date of this Prospectus there were no Preferred Shares issued or outstanding.

## **9. CONSOLIDATED CAPITALIZATION**

The following table summarizes changes in the Company's capitalization as at December 31, 2021 (the Company's year-end), September 30, 2022 and as of the date of this Prospectus.

<b>Authorized</b>	<b>Outstanding as of Dec 31, 2021 (Audited)</b>	<b>Outstanding as of Sep 30, 2022 (Unaudited)</b>	<b>Outstanding as of the date of this prospectus</b>	<b>Outstanding as of the date of this prospectus on a fully diluted basis</b>
Unlimited No of Common Shares	47,471,609	47,644,023	47,644,023	73,909,198*
Unlimited No of Preferred Common Shares	N/A	N/A	N/A	N/A
Long-term Debt	3,472,124	3,824,627	3,824,627	3,824,627

\* Includes 26,265,175 warrants if exercised on or before December 31, 2026. Warrants issued on the basis one share subscribed at \$0.29 cents per share with a full warrant exercisable at \$0.29 per share.

## **10. WARRANTS**

As of the date of this Prospectus, the Company has the following warrants to acquire common shares outstanding

<b>Number outstanding</b>	<b>Exercise Price \$</b>	<b>Expiry Date</b>
26,265,175,415	0.29	Dec 31, 2026

## **11. OPTIONS TO PURCHASE SECURITIES**

The Company has no outstanding options as of the date of this Prospectus.

## 12. PRIOR SALES

There have been no prior sales of the Company's Common Shares for the twelve (12) month period prior to the date of this Prospectus, other than as set out below.

Date	Aggregate Issue Price US\$	Issue Price per Share	Number of Shares
01 January 2022	15,000	0.29	51,724
14 June 2022	10,000	0.29	34,483
05 July 2022	25,000	0.29	68,966

The common shares of the Company are not listed on any exchange or quoted on any quotation system in Canada and therefore do not have a trading history. As of the date of this Prospectus, the Company has 26,282,415 warrants outstanding. Each warrant is excisable at \$0.29 on or before December 31, 2026.

## 13. ESCROWED SECURITIES AND OTHER SECURITIES SUBJECT TO RESALE RESTRICTIONS

### 13.1 Escrowed Securities

Under the applicable policies and notices of the Canadian Securities Administrators, securities held by Principals are required to be held in escrow in accordance with the national escrow regime applicable to initial public distributions. Equity securities, including Common Shares, owned, or controlled by the Principals of the Company are subject to the escrow requirements. In connection with the proposed listing, the Company expects to enter into the Escrow Agreement in accordance with NP 46-201 as described herein.

Pursuant to the Escrow Agreement to be entered into among the Escrow Agent, the Company, and the principals 18,823,404 common shares (the "Escrowed Securities") will be held in escrow with the Escrow Agent. The Escrow Agreement provides that 10% of the escrowed securities will be released from escrow upon the Listing Date and that an additional 15% will be released therefrom every 6-month interval thereafter, over a period of 36 months. The Company is an "emerging Company" as defined in the applicable policies and notices of the Canadian Securities Administrators. If the Company achieves "established Company" status during the term of the Escrow Agreement, it will "graduate" resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18-month schedule applicable to established Company's as if the Company had originally been classified as an established Company.

Pursuant to the terms of the Escrow Agreement, the escrowed securities may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings within the escrow are:

- transfers to continuing or, upon their appointment, incoming directors and senior officers of the Company or of a material operating subsidiary, with approval of the Board.
- transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse or children or parents.
- transfers upon bankruptcy to the trustee in bankruptcy.

- pledges to a financial institution as collateral for a loan, provided that upon a realization the securities remain subject to escrow.
- tenders of escrowed securities to a take-over bid are permitted provided that, if the tenderer is a Principal of the successor corporation upon completion of the take-over bid, securities received in exchange for tendered escrowed securities are substituted in escrow on the basis of the successor corporation's escrow classification.

The following table sets forth details of the securities that, as of the date of this Prospectus, will be subject to an Escrow Agreement.

Name	Designation of Security	Quantity	% Common Shares as of the date of Prospectus
Dr Matthew McIntyre	Common Shares	5,431,166	11.40%
CIC Capital Ltd.	Common Shares	3,103,448	6.51%
Billy Williams	Common Shares	3,741,379	6.08%
Deneen Plessala	Common Shares	3,094,819	6.50%
Carla Falkner	Common Shares	3,094,819	6.50%

- Based on 47,644,018 common shares issued and outstanding as of the date of this Prospectus.
- The escrowed securities are to be held by the Escrow Agent. Such escrowed securities are anticipated to be escrowed on or prior to the Listing Date per NP 46-201 and released pursuant to thereto.
- The principal shareholder of CIC Capital Ltd. is Stuart J. Bromley owns 32.98% of CIC Capital Ltd. share capital.
- Deneen Plessala and Carla Falkner are 100% owners and Directors of IMP (previous management of the Company). IMP and its Directors have currently no involvement in the Company.

NP 46-201 provides that all common shares of a company owned or controlled by Principals will be escrowed at the time of the Company's initial public offering, unless the common shares held by the Principal or issuable to the Principal upon conversion of convertible securities held by the Principal collectively represent less than 10% of the total issued and outstanding common shares of the Company after giving effect to the initial public offering. A Company will be classified for the purposes of escrow as either an "exempt Company", an "established Company" or an "emerging Company" as those terms are defined in NP 46-201.

Principals include all persons or companies that fall into one of the following categories:

- Directors and senior officers of the Company, as listed in this prospectus.
- promoters of the Company.
- those who own and/or control more than 10% of the Company's voting securities; and associates and affiliates of any of the above.

Uniform terms of automatic timed-release escrow apply to Principals of exchange-listed Companies, differing only according to the classification of the Company. The Company anticipates that it will be classified by the TSXV as an "emerging Company". As such, the Company anticipates that the following automatic timed releases will apply to the securities held by the Principal's listed in the table above:

<b>Date of Automatic Timed Release</b>	<b>Amount of Escrowed Released</b>
On the Listing Date	1/10 of the Escrowed Securities
6 months after the Listing Date	1/6 of the remaining Escrowed Securities
12 months after the Listing Date	1/5 of the remaining Escrowed Securities
18 months after the Listing Date	1/4 of the remaining Escrowed Securities
24 months after the Listing Date	1/3 of the remaining Escrowed Securities
30 months after the Listing Date	1/2 of the remaining Escrowed Securities
36 months after the Listing Date	the remaining Escrowed Securities

Assuming there are no changes to the escrowed securities initially deposited and no additional escrowed securities are deposited, automatic timed-release escrow applicable to the Company will result in a 10% release on the Listing Date, with the remaining escrowed securities being released every six months thereafter in accordance with the table above. Pursuant to the terms of the Escrow Agreement, Dr Mathew McIntyre, CIC Capital Ltd. and Billy Williams have deposited their common shares in escrow with the Escrow Agent. Pursuant to the Escrow Agreement, 1,382,340 common shares will be released from escrow on the Listing Date.

**13.2 Common Shares Subject to Resale Restrictions**

All securities issued within four months of the date of the receipt for the final prospectus will still be subject to resale restrictions pursuant to NI 45-102.

**14. PRINCIPAL SHAREHOLDERS**

**14.1 Significant Shareholder above 10% of the Common Share of the Company**

<b>Name</b>	<b>Number of Common Shares held as at the date of this prospectus and on trading on TSXV</b>	<b>Percentage of Common Shares as at the date of this prospectus and on trading on TSXV</b>
Dr Matthew McIntyre	5,431,166	11.40%

## 15. DIRECTORS AND EXECUTIVE OFFICERS

### 15.1 Name, Occupation and Security Holdings

The following table provides the names, state or province and country of residence, position, principal occupations during the five preceding years and the number of voting securities of the Company that each of its Directors and Executive Officers beneficially owns, directly or indirectly, or exercises control over, as of the date of this prospectus:

Director/Residence	Director/ Officer Since	Principal Occupation for the Past Five Years	Shares Beneficially Owned Directly or Indirectly at the date of this Prospectus	% of common shares
<b>Robert L. Rhodes**</b>	Jul 2014 to present	CIC Capital Ltd.	Director 2 days per month	
CEO / Exec Director Western Australia	Mar 2020 to present Mar 2020 to Jul 2021 Feb 2019 to Feb 2021 Jan 2023 to present	InnoMed Tech Ltd. CIC Capital Fund Ltd BTP Group Ltd. Swiss Foods Quality Serv AG.	Director Full time retired retired Director 1 day per month	- - - -
<b>Terrence A. Larkan*</b>	Mar 2020 to present	InnoMed Tech Ltd.	Director 5 days per month	
CFO / Chairman Western Australia	Nov 2015 to present Jun 2010 to present 28 Sep 2018 to Aug 2019 28 Sep 2018 to Aug 2019 3 May 2018 to Aug 2018 3 May 2018 to Aug 2018	CIC Capital Ltd. Ltd. Nakral Investments Pty Ltd. Kalia Limited Kalia Holdings Pty Ltd. Kalia Investment Limited Tore Joint Venture Limited	Director 2 days per month Director 3 days per month retired retired retired retired	- - - - - -
<b>Dr Marshall Walker*</b>	Mar 23, 2020 to present	InnoMed Tech Ltd.	Director 3 days per month	
Non-Exec Director Alabama, USA	Jul 2017 to present Jul 2007 to Jun 2016	Singing River Radiology University South Alabama	Director Full time	- -
<b>David Toyoda*</b>	July 2020 to present	CIC Capital Ltd.	Director 2 days per month	
Non-Exec Director BC, Canada	Aug 2020 to present 2006 to Aug 2020	Pacific Star Corporate Law Boughton Law Corp	Director Full time retired	- -
<b>Billy R. Williams*</b>	March 2021 to present	InnoMed Tech Ltd.	Director 2 days per month	3,741,379
Non-Exec Director Alabama, USA	Sept 2004 to present	Williams Financial Group	Director Full time	7.81%

\* Contracted to the Company

\*\* Full-time Contractor

Percentage of Common Shares outstanding is based on 47,885,398 Common Shares issued and outstanding as of the date of this Prospectus.

As of the date of this prospectus, the Directors and Executive Officers of the Company as a group do not beneficially own, directly or indirectly, or exercise control or discretion of any common shares of the Company except Billy Williams.

## **15.2 Background – Directors and Executive Officers**

The following is a brief description of each of the Directors and Executive Officers of the Company, including their names, ages, positions and responsibilities with the Company, relevant educational background, principal occupations, or employment during the five years preceding the date of this prospectus, experience in the Company's industry. All Directors and Officers employment contracts have non-competition or non-disclosure agreement provisions with the Company.

### ***Robert L. Rhodes***      *Chief Executive Officer / Executive Director*      *Age 63*

Mr. Rhodes has worked within the quarrying/mining and construction industry in Australia for the past 34 years. Mr. Rhodes has held senior management roles with Transmin Pty Ltd, BIS Industries, and international professional services consultancy Coffey International Limited. Mr. Rhodes has worked with many of the major national and international mining and construction companies that operate in Australia. For the five-year period from 2006 - 2011 Mr. Rhodes was the Regional General Manager for Komatsu Australia Pty Ltd.

After graduating from Curtin University in 1979 with a Bachelor of Applied Science Degree in Biology, Mr. Rhodes spent six years working as an agriculture research scientist. In 1985 Mr. Rhodes joined Boral Quarries Ltd which was the beginning of his career in the quarrying/mining and construction industry. Within this industry he has held roles responsible for sales, marketing, contracts, operations, human resources, regional and general management. Mr. Rhodes since 2007 has been a Canadian regulated public company Director as well as Director of London Stock Exchange company.

Mr. Rhodes is a Fellow of the Australian Institute of Quarrying, a Fellow of the Australian Institute of Management and a member of the West Australian Mining Club and is a member of the Disclosure Committee and Compensation Committee.

### ***Terrence A. Larkan***      *Chief Financial Officer / Executive Chairman*      *Age 61*

Mr. Larkan has extensive experience consulting over the past 35 years. Mr. Larkan's expertise is in finance and accounting functions as well as the operational support areas of IT, HR and supply chain augmented with extensive experience in corporate and project governance. Mr. Larkan has worked in Africa, Europe, North and South America, Australia and South East Asia.

Having worked in the compliance functions of major corporates and on IPO and M&A projects, Mr. Larkan is successful in managing relationships with professional services providers on many aspects of these processes. Mr Larkan has gained considerable experience of the regulatory and corporate governance requirements for publicly listed companies in the UK, USA, Canada and Australia. Mr. Larkan's recent career partnership with Ernst & Young (Australia) and as VP responsible for compliance, audit, security and risk management at Barrick Gold Corporation.

Mr. Larkan holds a BCompt. and an MBA, is a FCPA (Aust.) as well as being a Fellow of the Governance Institute of Australia and a Member of the Australian Institute of Company Directors. Mr. Larkan is a member of the Company's Audit Committee, Nomination Committee, Disclosure Committee and Compensation Committee.

**Marshall K. Walker, M.D. MPH, DABR.** *Non-Executive Director* *Age 40*

Dr Marshall K. Walker contributes a fresh look at emerging and age-old problems concerning operative approaches and maintaining low patient impact through minimally invasive techniques. As a native of the Gulf Coast, his childhood spent in New Orleans, LA and Ocean Springs, MS instilled an understanding and an eventual passion for bringing the big city into smaller communities regarding medical expertise.

Dr Walker received a Bachelor of Arts in Philosophy from Duke University followed by a contemporaneous MD/Master of Public Health degree from Tulane University. His master's degree included a concentration in health systems management, furthering his desire to see the big picture with regards to healthcare impact. He then completed an internship in general surgery followed by diagnostic radiology residency at the University of South Alabama and a fellowship in vascular and interventional radiology at the University of Alabama at Birmingham. He currently is in private practice in coastal Mississippi. Dr Walker is a Diplomate of the American Board of Radiology and a member of numerous professional organizations, including the American Medical Association, American College of Radiology, Society of Interventional Radiology, Mississippi State Medical Association, and the Alabama Academy of Radiology.

**David R. Toyoda** *Non-Executive Director* *Age 55*

Mr. Toyoda is the Principal of Pacific Star Corporate Finance Law in Vancouver, British Columbia Canada. He practices in the areas of corporate and securities law, advising technology, biotechnology and mining companies that are listed, or are preparing to list on, Canadian stock exchanges. He also acts for clients in international securities transactions, including cross-border financings, and has established U.S. markets for Canadian public companies.

Mr. Toyoda has extensive experience in the corporate finance area, assisting companies on a broad range of transactions, including initial and subsequent public offerings, inter-listings on stock exchanges, private placements of both debt and equity securities and venture capital financings. He also advises already listed companies on reverse takeovers, change of businesses and reactivations, share purchase agreements and asset acquisitions.

Mr. Toyoda is a frequent presenter and lecturer on corporate and securities law topics in Canada. Mr. Toyoda is a director of three reporting companies.

**Billy R. Williams** *Non-Executive Director* *Age 43*

Billy Williams earned his B.B.A. from Millsaps College with a concentration in Finance and a minor in mathematics. With over twenty years of experience in the financial services industry, he continues to further his commitment to offering sound financial planning services by pursuing courses in tax planning, estate planning, retirement planning, and investment management. In addition to remaining well versed in the issues critical to his clients, Billy belongs to many professional organizations, including the National Association of Insurance and Financial Advisors and the National Association of Estate Planners and Councils.

Billy works primarily with families and individuals who are focusing on retirement planning, comprehensive financial planning, and investment management.

### **15.3 Significant Employees**

Dr Matthew McIntyre MD is a Director of PureFlowCath together with Robert L. Rhodes (CEO Executive Director of the Company). Dr Mathew McIntyre is the inventor of the medical device of PureFlowCath.

#### **15.4 Enforcement of judgments against Director who are all foreign persons**

The Directors Robert L. Rhodes, Terrence Larkan, Billy Williams and Dr Marshall K. Walker, MD reside outside of Canada and in each case, have appointed FRASER / BATKIN / HANSON / TRIBE LLP, 1100 - 570 Granville Street, Vancouver, BC V6C 3P1 for service of process. Investors are advised that it may not be possible to enforce judgments obtained in Canada against any person who resides outside of Canada, even if the party has appointed an agent for service of process.

#### **15.5 Involvement in Certain Legal Proceedings**

There are currently no legal proceedings other than as stated in Part 22 Legal proceedings and Regulatory Actions to which any of our directors or Executive Officers is a party adverse to us or in which any of our directors or Executive Officers has a material interest adverse to the Company.

#### **15.6 Corporate Cease Trade Orders (CTO) or Bankruptcies**

Director Robert L. Rhodes and Stuart J. Bromley have been subject to cease trade orders from Securities Commissions in Canada as Directors of CIC Mining Resources Ltd in the past ten years relating to filing of financial statements. The CTO against CIC Mining Resources (now CIC Capital Fund Ltd.) is still outstanding.

The details are as follows:

<b>Date</b>	<b>Subject</b>	<b>Type</b>	<b>Reason</b>
25-Sep-13	CIC Mining Resources Ltd	Cease Trade Order	failure to file financial statements

Note: CIC Mining Resources Ltd. is renamed and is now CIC Capital Fund Ltd.

#### **15.7 Penalties or Sanctions**

None of our Directors, Officers or principal shareholders are, or have been within the last 10 years, the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or have entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

#### **15.8 Personal Bankruptcies**

None of our Directors, Officers or principal shareholders, or personal holding company of such persons, have, within the last 10 years become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets.

#### **15.9 Conflicts of Interest**

The Company's Directors and Officers may serve as Directors or Officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's Directors, a Director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. The Directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Robert Rhodes, Terry Larkan and David Toyoda are Directors of CIC Capital Ltd. At no material time do common Directors between CIC Capital Ltd. and the Company, conduct any corporate action without the approval of the other board members to avoid any conflicts of interest. The Directors and Officers of the Company are aware of the existence of laws governing the accountability of Directors and Officers for corporate opportunity and requiring disclosures by the Directors of conflicts of interest and the Company will rely upon such laws in respect of any Directors' and Officers' conflicts of interest or in respect of any breaches of duty by any of its Directors and Officers. All such conflicts will be disclosed by such Directors or Officers in accordance with applicable laws and shall govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

CIC Capital Ltd. is a related party by virtue of certain Directors of CIC Capital Ltd. are also Directors of the Company. Transactions involving CIC Capital Ltd are contract fees and common shares received for Transaction Advisory Services as detailed in Material Contracts in this prospectus. CIC Capital Ltd. in its Transaction Advisory role received US\$170,000 in fixed Transaction Advisory fees.

Billy Williams of Williams Financial Group prior to becoming an insider in July 2020 was an investor in the Company. On December 28, 2019, Billy Williams loaned PureFlowCath US\$500,000; PureFlowCath issued an unsecured promissory note. On April 4, 2020, the amount of \$500,000 plus \$50,000 interest was converted into common shares in InnoMed Tech Ltd. at \$0.29 per share or 1,896,552 common shares plus full warrant at exercisable 0.29 per warrant on or before December 31, 2026. On March 1, 2021 Billy William's became an independent Non-Executive Director of the Company.

## 16. EXECUTIVE COMPENSATION

### 16.1 Compensation Discussion and Analysis

#### ***Compensation, Philosophy and Objectives***

The Company does not have a formal compensation program. The Board meets to discuss and determine management compensation without reference to formal objectives, criteria or analysis. The general objectives of the Company's compensation strategy are to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other medical device companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a company without a history of earnings.

The Board ensures that total compensation paid to all Named Executive Officers (NEOs), as hereinafter defined, is fair and reasonable. The Board relies on the experience of its members as Officers and Directors with other companies in assessing compensation levels. The Compensation Committee makes a recommendation of compensation of all Directors and Officers to the Board for the final decision.

#### ***Analysis of Elements***

Base salary is used to provide the NEOs a set amount of compensation during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Company. The Company considers the granting of Options to be a component of executive compensation as it allows the Company to reward each NEOs efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Options are generally awarded to Executive Officers at the commencement of employment and periodically thereafter. The terms and conditions of the Option grants, including vesting provisions and exercise prices, will be governed by the terms of a stock option plan.

### ***Long Term Compensation and Option-Based Awards***

The Company has no long-term incentive plans other than to review based on the Company performance, incentive or bonuses in the form of common shares or cash subject to shareholder approval. The Company's Directors, Officers, employees and certain consultants will be entitled to participate in any incentive in the form of common shares.

### **16.2 Named Executive Officers**

The following statement of executive compensation is prepared in accordance with Form 51-102F6V of National Instrument 51-102 - Continuous Disclosure Obligations. As used in this prospectus, a "Named Executive Officer" or "NEO" means each of the following individuals:

- I. each individual who, in respect of the Company, during any part of the most recently completed financial year, served as Chief Executive Officer (a "CEO"), including an individual performing function similar to a CEO
- II. each individual who, in respect of the Company, during any part of the most recently completed financial year, served as Chief Financial Officer (a "CFO"), including an individual performing function similar to a CFO
- III. in respect of the Company and its subsidiaries, the most highly compensated Executive Officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year
- IV. each individual who would be a named Executive Officer but for the fact that the individual was not an Executive Officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

At the date of this prospectus, the Company had the following two (2) NEOs: Robert L. Rhodes, Chief Executive Officer and Director and Terrence A. Larkan, Chief Financial Officer and Board Chairman.

### **16.3 Outstanding Share-Based Awards and Option-Based Awards**

None of the Company's Directors or NEOs owned any compensation securities as at the date of the Company's most recently completed financial year on December 31, 2020. No Director or NEO has exercised any compensation securities during the most recently completed financial year.

## 16.4 Executive Compensation

The following table sets forth a summary of the compensation paid to the NEO's and the Directors for the two most recently completed financial years ended December 31, 2021 and 2020:

Name and position	Year	Salary, consulting fee, retainer, or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation	Total compensation
		\$	\$	\$	\$	\$	\$
<b>Robert L. Rhodes</b> <i>CEO/Executive Director</i>	2021	60,000	Nil	Nil	Nil	Nil	60,000
	2020	45,000	Nil	Nil	Nil	Nil	45,000
<b>Terrence A. Larkan</b> <i>CFO /Executive Chairman</i>	2021	24,000	Nil	Nil	Nil	Nil	24,000
	2020	10,000	Nil	Nil	Nil	Nil	10,000
<b>Dr Marshall K. Walker MD</b> <i>Non-Executive Director</i>	2021	24,000	Nil	Nil	Nil	Nil	24,000
	2020	10,000	Nil	Nil	Nil	Nil	10,000
<b>David Toyoda</b> <i>Non-Executive Director</i>	2021	24,000	Nil	Nil	Nil	Nil	24,000
	2020	10,000	Nil	Nil	Nil	Nil	10,000
<b>Billy R. Williams</b> <i>Non-Executive Director</i>	2021	20,000	Nil	Nil	Nil	Nil	20,000
	2020	Nil	Nil	Nil	Nil	Nil	Nil

**Note:** Pre-listing on TSXV, the Directors receive US\$2,000 per month, CEO receives US\$5,000 per month.

Director Fees US\$ Pre-Listing		Post Listing Annual Fees US\$	
4 directors* at US\$ 2,000 per month	96,000	Chairman at US\$3,750 per month	45,000
CEO US\$5,000	60,000	3 directors at US\$ 3,000 per month	108,000
	<b>156,000</b>	1 director* at US\$ 5,000 per month	60,000
		CEO US\$15,000 per month	180,000
Monthly	13,000		<b>393,000</b>
		<b>Monthly</b>	<b>32,750</b>

\* One PureFlowCath Director

Director fees pre-listing on TSXV are \$2,000 per month, including that for a PureFlowCath Director, CEO \$5,000 per month, totalling \$13,000 per month. Post listing, Director and Officer fees increase to \$32,750 per month or \$393,000 per year.

## **16.5 Employment Contracts, Termination of Employment and Change-In-Control Arrangements**

### ***Service Agreements and Letters of Appointment***

Robert L. Rhodes, entered into an executive service agreement with the Company on March 23, 2020, pursuant to which he was appointed as Executive Director and CEO at a fee of \$15,000 per month. The appointment is for an initial period of three years commencing from first day of Listing to trading on TSXV stock exchange, whereafter it may be terminated on not less than three written months' notice from either party. The agreement contains customary provisions in relation to duties of confidentiality and post-termination restrictive covenants. The agreement also has provisions to protect the Company's intellectual property rights.

Terrence A. Larkan entered into an executive service agreement with the Company on March 23, 2020 updated January 1, 2021, pursuant to which he was appointed as Executive Chairman and CFO for an annual fee of \$45,000 (to be reviewed annually), payable in arrears by equal monthly instalments. The appointment is for an initial term of three years and terminable on thirty days' notice by either party.

Dr Marshall K. Walker, MD entered a Letter of Appointment with the Company on March 23, 2020, pursuant to which he was appointed as a Non-Executive Director for an annual fee of \$36,000 (to be reviewed annually), payable in arrears by equal quarterly instalments from Listing to trading on TSXV stock exchange. The appointment is for an initial term of three years and terminable on thirty days' notice by either party.

David Toyoda entered into a Letter of Appointment with the Company on July 1, 2020, pursuant to which he was appointed as a Non-Executive Director for an annual fee of \$36,000 (to be reviewed annually), payable in arrears by equal quarterly instalments from Listing to trading on TSXV stock exchange. The appointment is for an initial term of three years and terminable on thirty days' notice by either party.

Billy R. Williams entered into a Letter of Appointment with the Company on March 1, 2021, pursuant to which he was appointed as a Non-Executive Director for an annual fee of \$36,000 (to be reviewed annually), payable in arrears by equal quarterly instalments from Listing to trading on TSXV stock exchange. The appointment is for an initial term of three years and terminable on thirty days' notice by either party.

Matthew McIntyre entered into a Letter of Appointment with the Company on December 21, 2020, pursuant to which he was appointed as a Non-Executive Director of PureFlowCath, LLC. for an annual fee of \$60,000 (to be reviewed annually), payable in arrears by equal quarterly instalments from Listing to trading on TSXV stock exchange. The appointment is for an initial term of three years and terminable on thirty days' notice by either party.

## **16.6 Oversight and Description of Director and NEO Compensation**

The Board is responsible for determining, by way of discussions at Board meetings, the compensation to be paid to the Executive Officers of the Company recommended by the Compensation Committee to the Board. The Company at this time does not have a formal compensation program with specific performance goals; however, the performance of each executive is considered along with the Company's ability to pay compensation and its results of operation for the period.

Compensation is designed to achieve the following key objectives:

- I. to support the overall business strategy and objectives
- II. to provide competitive compensation that is substantially performance based
- III. to provide incentives that encourage superior corporate performance and retention of highly skilled and talented employees
- IV. to align executive compensation with corporate performance and therefore shareholders' interests.

The Company's compensation package is comprised of a base salary and, in the future, option-based awards. The Company formal compensation is recommended by the Compensation Committee to the Board, which seeks to reward an Executive Officer's current and future expected performance. Individual performance in connection with the achievement of corporate milestones and objectives is also reviewed for all Executive Officers. The Company does have a set policy (Corporate Governance Manual) preventing a NEO or Director from purchasing financing instruments such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by such person.

***Pension Disclosure***

The Company does not have any form of pension plan that provides for payments or benefits to the NEO at, following, or in connection with retirement. The Company does not have any form of deferred compensation plan.

***Intended Changes to Compensation***

Compensation for the Executives will be reviewed initially every six months. At each review period, a compensation committee comprised of Directors of the Company will be struck to review Executive compensation to ensure compensation packages remains reflective of the current roles and responsibilities and competitive enough to ensure leading candidates of the executive team can be attracted and retained.

**17. INDEBTEDNESS OF DIRECTORS AND OFFICERS**

Other than routine indebtedness for management fees, travel and other expense advances, no existing or proposed Director or Executive Officer of the Company, or any associate of any of them, was indebted to the Company as of date of the document or is currently indebted to the Company or has any indebtedness to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

**18. AUDIT COMMITTEE AND CORPORATE GOVERNANCE**

**18.1 Audit Committee**

*National Instrument 52-110 – Audit Committees* ("NI 52-110"), NI 41-101 and Form 52-110F1 require the Company to disclose certain information relating to the Company's audit committee (the "Audit Committee") and its relationship with the Company's independent auditors.

***Audit Committee Charter***

The Audit Committee's charter is attached hereto as Appendix A.

***Composition of the Audit Committee***

The members of the Company's Audit Committee are set out below:

Terrence A. Larkan	CFO / Director**	Financially literate <sup>(2)</sup>
David Toyoda	Independent *	Financially literate <sup>(2)</sup>
Billy R. Williams	Independent *	Financially literate <sup>(2)</sup>

\* A member of an audit committee is independent as defined by Canadian National Instrument NI52-110 Audit Committees Section 1.4. Further the member has no direct or indirect material relationship with

the Company, which could, in the view of the Company's Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

\* An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

\*\* Terrence Larkan, it not an independent Audit Committee member he is a CFO of the company and as such the Company is relying on the exemption granted under Part 8 of NI 52 -110.

### **Relevant Education and Experience**

Each member of the Company's present Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and the requisite education and experience that have provided the member with:

- I. an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves
- II. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions
- III. experience preparing, auditing, analysing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities
- IV. an understanding of internal controls and procedures for financial reporting.

**Terrence A. Larkan** is a Certified Practicing Accountant – Australia (FCPA – Aust.) and has extensive experience working as an officer or director of Canadian and UK public companies. Terrence A. Larkan was VP responsible for Corporate Governance functions for TSX main board listed company Barrick Gold.

**David Toyoda** graduated from the University of British Columbia with a Bachelor of Commerce degree with Honours and a Bachelor of Law degree. David Toyoda is a director and member of the audit committee of three reporting issuers.

**Billy Williams** CFP ChFC is a Certified Practicing Investment Advisor with over 20 years of experience in the financial services industry and is a member of the US Financial Planning Association.

Please refer "Directors and Officers" above for further details.

### **Authority of Audit Committee**

- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties
- (b) to set and pay the compensation for any advisors employed by the audit committee
- (c) to communicate directly with the internal and external auditors.

### **Audit Fees**

	YE 31 Dec 2019	YE 31 Dec 2020	YE 31 Dec 2021	
Audit Fees	17,325	13,925	55,380	Auditor Fee
Audit Related Fees*	-	-	28,199	Interim review/prospectus
Tax Fees**	3,300	2,730	2,730	US annual Tax
All Other Fees	-	-	-	

\* Incurred in connection with review of interim condensed consolidated financial statements for three and nine month periods ended September 30, 2021 and prospectus

\*\* Preparation and filing of US investor K1 forms

### ***US Company Obligations***

The Company is not a US Company nor will any of its securities be admitted on a US stock Exchange.

### **18.2 Compensation Committee**

The Compensation Committee is responsible for determining all elements of the compensation of the Executive Directors, Officers and the Chairman of the Board.

In determining the Executive compensation policy, the committee takes into account the Company's need to attract, retain and incentivise executive talent, a variety of legal and regulatory requirements, the relevant provisions of the Companies Corporate Governance Policies. The committee also determines the policy on the duration, notice period and termination, with a view to recognising service to the Company whilst ensuring that failure is not rewarded and that the need to mitigate loss is recognised. The Compensation Committee makes recommendation of compensation of all Directors and Officers to the Board for final decision.

### ***Composition of the Compensation Committee***

The members of the Company's Compensation Committee are set out below:

Terrence A. Larkan	CFO/Executive Chairman
Billy R. Williams	Non-Executive Director
David Toyoda	Non-Executive Director

### **18.3 Disclosure Committee**

The Disclosure Committee is tasked with reviewing all proposed disclosures prior to their release. The Company is subject to highly specific reporting requirements by the regulators and any stock exchange it is listed on and must pay particular attention to any information issued to the public, whether it is done through press releases, reports filed with the SEDAR, speeches, web site pages, or other forms of communication.

Committee members share information about disclosure issues and inform the Company of what types of situations may require formal disclosure including the disclosures being included in the financial statements. If there is no disclosure committee in place, there is an increased likelihood that incorrect information will be released, or that information will be disclosed that does not follow reporting compliance. The Disclosure Committee has appointed Billy R. Williams for shareholder contact, any other outside contact and to issue public notices and materials in accordance with National Instrument NI 51-201.

### ***Composition of the Disclosure Committee***

The members of the Company's Disclosure Committee are set out below:

Terrence A. Larkan	CFO/Executive Chairman
David Toyoda	Non-Executive Director
Robert L Rhodes	CEO/Executive Director

#### **18.4    Nomination Committee**

The Company's Nomination Committee makes formal Director and Officer recommendations of appointment to the Board for consideration. The Company's Nomination Committee acts as part of the organization's corporate governance. The Nomination Committee evaluates the Board of Directors of its respective firm and examines the skills and characteristics needed in Board candidates. The Nomination Committee will identify suitable candidates for various Director positions. The Nomination Committee also reviews corporate governance policies and suggests any changes to the Board.

The Nomination Committee is a crucial part of a Company's corporate governance. Corporate governance is essential for balancing the interests of a company's many stakeholders. Corporate governance provides the framework for attaining a company's objectives. The Company's Nomination Committee also supports the search for the CEO. The CEO is an organization's highest-ranking executive, making all major corporate decisions, ranging from day-to-day operations to managing company resources, and liaising between the Audit Committee and the Board of Directors and other executives.

#### ***Composition of the Nomination Committee***

The members of the Nomination Committee are set out below:

Terrence A. Larkan	CFO/Executive Chairman
David Toyoda	Non-Executive Director

### **19.    CORPORATE GOVERNANCE DISCLOSURE**

The Company ensures certain practices and procedures are followed by the Board of Directors to ensure that effective corporate governance practices are affected. This also ensures that the Board of Directors functions independently of management. The Company's disclosure of corporate governance practices pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") is set out below in the form required by Form 58-101F2 – *Corporate Governance Disclosure* (Venture Issuer).

#### **19.1    Assessments**

The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives.

The contributions of an individual Director are informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

#### **19.2    Board of Directors**

NI 58-101 provides that the Board of Directors of a public company should be constituted with a majority of individuals who qualify as "independent" Directors. An "independent" Director is a Director who is independent of management and is free from any interest and any business or other relationship which could reasonably be perceived to materially interfere with the Director's ability to act with a view to the best interests of the company, other than interests and relationships arising from holding shares or securities in the company. In addition, where a company has a significant shareholder, NI 58-101 provides that the Board of Directors should include a number of Directors who do not have interests in either the company or the significant shareholder. The independent Directors would exercise their responsibilities for independent

oversight of management and meet independently of management whenever deemed necessary. The Company is not relying on an exemption as a Venture Issuer on the composition or independence of the Audit Committee members.

The Board is currently comprised of five (5) Directors, three (3) of whom are Independent (as defined in Section 1.2 of NI 58-101), namely Marshall K. Walker, MD, David Toyoda and Billy Williams.

### **19.3 Orientation and Continuing Education**

The Board has not adopted formal steps to orient new board members. The Board's continuing education is typically derived from correspondence with the legal counsels of the Company to remain up to date with developments in relevant corporate and securities law matters.

### **19.4 Directors Current Directorships**

<b>Director/Residence</b>	<b>Current Directorships</b>	<b>Jurisdiction</b>
Robert L. Rhodes	CIC Capital Ltd.	Canada
	InnoMed Tech Ltd	Canada
	Swiss Foods GBH	Germany
Terrence A. Larkan	CIC Capital Ltd.	Canada
	InnoMed Tech Ltd	Canada
	Nakral Investments Pty Ltd.	Australia
Dr Marshall K. Walker, MD, MPH, DABR	InnoMed Tech Ltd	Canada
David Toyoda	InnoMed Tech Ltd	Canada
	CIC Capital Ltd.	Canada
	Aurora Solar	Canada
	Technologies Inc.	Canada
	Paloma Resources Inc.	Canada
	Lite Access Technologies Inc.	Canada
Billy Williams	InnoMed Tech Ltd	Canada

### **19.5 Ethical Business Conduct**

The Board has adopted formal guidelines to encourage and promote a culture of ethical business conduct and does promote ethical business conduct by nominating Board members it considers ethical, by avoiding or minimizing conflicts of interest and by having a sufficient number of its Board members independent of corporate matters.

### **19.6 Nomination of Directors**

The Nomination Committee determines new nominees to the Board. The nominees are generally the result of recruitment efforts by the nomination members, including both formal and informal discussions among nomination members.

### **19.7 Compensation**

The Compensation Committee decides on the compensation for Officers and Directors, based on industry standards.

## **20. PLAN OF DISTRIBUTION**

This is a Non-Offering Long Form Prospectus and no securities are offered pursuant to this prospectus. The Company has applied to list the securities of the Company on the TSXV. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc) other than the TSX Venture Exchange.

## 21. RISK FACTORS

### **21.1 General**

A purchase of any of the securities of the Company involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any of the securities.

### **21.2 Risks relating to the company's business and structure**

#### ***Risks associated with the Company's business***

A potential investor should consider the risks and difficulties the Company expects to encounter as it attempts to execute its business strategy, including the rapidly evolving nature of the medical device industry.

Shareholders will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the medical device products and accordingly will be dependent upon the judgment and ability of the Directors to:

- I. protect its intellectual property
- II. implement its plan to divest the Company's medical device products after development or regulatory approval
- III. negotiate acceptable divestment of medical device terms
- IV. attract, integrate, retain and motivate qualified personnel and advisors
- V. respond effectively to increased business operation demands
- VI. defend against competitors who may develop similar medical device products that are more effective, of a better quality or less expensive than those developed by the Company
- VII. secure new medical devices in accordance with the stated strategy of the Company.

#### ***Conflicts of interest***

Certain Directors involved in the medical industry may be in conflict in the sectors in which the Company operates.

Certain Directors are also directors of the Company's transaction advisor CIC Capital Ltd. namely Terry Larkan, Robert Rhodes and David Toyoda. These directors have no direct or indirect material or executive relationship with the CIC Capital Ltd. that could be reasonably expected to interfere with the exercise of their independent judgment.

CIC Capital Ltd. acting as Transaction Advisor to the Company is remunerated in part with common shares in the Company. CIC Capital Ltd. has elected not to vote any of its shares in favour of minority shareholders. CIC Capital Ltd. is a related party and refer to the section 15.9 Conflicts of Interest for additional disclosure.

The Company conducts all transactions on arm's length commercial terms, under conditions consistent with industry practice. Notwithstanding such procedures, there remains a risk that such transactions may benefit such Directors or may be to the detriment of the Company.

***Economic uncertainty***

Future economic uncertainty or significant increases in the Company's operating costs could result in a reduction of future profits by the Company.

Since its founding, the Company has not generated positive cash flow from its operations and has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since operating funds will continued to be expended to pay its expenses.

***Competition***

Competitors may have filed patent applications or hold issued patents, relating to products or processes competitive with those the Company are currently developing or will develop. The patents of the Company's competitors may impair its ability to do business in a particular area. The Company's applications may not be approved or approved as desired. Others may independently develop similar products or duplicate any of the Company's or its partner's unpatented products. The Company's success will depend, in part, on its ability in the future to obtain patents, protect patents, protect trade secrets and other proprietary information and operate without infringing on the proprietary rights of others. Patent protection is uncertain and involves many complex legal, scientific and technical questions. There is no clear law or policy involving the degree of patent protection afforded under patents.

As a result, the scope of patents issued to the Company or its partners may not successfully prevent third parties from developing similar or competitive products. The Company's practice is to enter into confidentiality agreements with its employees, suppliers and distributors. However, these confidentiality agreements may be breached, and the Company may not have adequate remedies for such breaches. Others may independently develop substantially equivalent proprietary information without infringing upon any proprietary technology belonging to the Company. Third parties may otherwise gain access to the Company's proprietary information and adopt it in a competitive manner.

***Taxation***

The tax rules and their interpretation relating to an investment in the Company may change during the life of the investment as may the tax residence of the Company. The levels of, and reliefs from taxation may change. The tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of investors. Any change in the tax status of any member of the Company or the tax applicable to holding Common Shares or in taxation legislation or its interpretation, could affect the value of the equity interests held by the Company, affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders given that statements made in this document concerning the taxation of the Company and its investors are based upon current tax law and practice which is subject to change.

***Tax legislation***

Any change in the Company's tax status, or in taxation legislation could affect the value of its holdings in group companies and the Company's ability to achieve its objectives. Prospective investors are urged to consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Company.

***Risk of changes in foreign currency exchange rates***

The Company's results are reported in United States Dollars US\$. Any fluctuations in the value of the U.S. dollar and/or other currencies relative to US\$ may result in variations in financial statements with possible currency exchange losses.

***Legal proceedings and litigation***

By the very nature of the Company's business, it is expected that from time to time the Company will be subject to complaints or claims in the normal course of business. There is no certainty that such claims or complaints will not be material and that any settlements, awards or legal expenses associated with defending or appealing against any decisions in respect of any such complaints or claims will not have a material adverse effect on the Company's financial condition. The Company's business may be materially and adversely affected if the Company and or its employees or agents are found not to have met the appropriate standard of care or exercised their discretion or authority in a prudent or appropriate manner in accordance with accepted standards.

Although management of the Company believes that there will be no litigation with respect to the Patents, there can be no assurance as to this fact. Furthermore, there may be additional patent or other litigation in connection with any of the Company's current or future products or product candidates from time to time. Currently, there is no ongoing litigation against the Company. Patent litigation, with or without merit, is time-consuming and costly and may significantly impact the Company's financial condition and results of operations. The Company has not incorporated such potential costs in any of its financial forecasts.

***Significant fluctuations in quarterly results***

The Company's operating results may fluctuate from quarter to quarter and from year to year due to a combination of factors, including the number medical device products in development, variations in expenditures for personnel, litigation expenses and expenses of establishing new products. Due to the foregoing and other factors, there can be no assurance that the Company will be profitable on a quarterly or annual basis, or at all.

***Dependence on divestment of the Company's products***

The products the Company develops may not be accepted in the marketplace, or face competitors who may develop better products to that of the Company. The Company may also elect to market the products and make other commercialization decisions with respect to products it develops without gaining market acceptance. As a result, many of the variables that may affect the Company's revenues by divestment, cash flows and net income may not exclusively be in its control.

***Risk management policies and procedures***

Operational risk refers to the risk of financial loss resulting from the Company's own operations including, but not limited to deficiencies in the Company's operating policy and inadequacies or breaches in the Company's control procedures.

There is no certainty that the Company's policies and procedures to mitigate its exposure to market and operational risk will be completely effective. Unforeseen events and changes in the economy may lead to market disruptions and unexpected large or rapid changes in market conditions which may have a significant adverse effect on the Company's business, financial prospects and stability.

***Staff misconduct***

In recent years, there have been a number of highly publicised cases involving fraud or other misconduct by staff in the financial, professional and services industries and the Company runs the risk that staff misconduct could occur. Misconduct by staff could include binding the Company to transactions that present unacceptable risks, destroying computer data, or hiding from the Company unauthorized or

unsuccessful activities, which, in either case, may result in unknown and unmanaged risks or losses. Staff misconduct could also involve the improper use of confidential information, which could result in regulatory sanctions and serious reputational harm. It is not always possible to deter employee misconduct and the precautions the Company takes to prevent and detect this activity may not be effective in all cases.

***The Company may require additional capital in the future and no assurance can be given that such capital will be available at all or available on terms acceptable to the Company***

The Company funds its business using the proceeds from equity private placements, and debt finance from Securitisation of its illiquid assets, namely IP. In the future, the Company may pursue additional private placement debt or equity financing based upon its working capital needs from time to time. However, there can be no assurance that such financing will be available or completed on terms that are favourable to the Company. The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances however, where for sound business reasons, a reallocation of funds may be necessary.

The Company may have further capital requirements to the extent that it decides to proceed to expand its activities, or to take advantage of opportunities for product development, joint ventures or other business opportunities that may be presented to it. Whilst no such further capital requirements are currently expected, in the event that they were necessary or desirable, the Company may not be able to complete such financings in a timely manner on acceptable terms, if at all. Where the Company issues Common Shares in the future, such issuance may result in existing shareholders of the Company sustaining dilution to their relative proportion of the equity in the Company.

#### ***Securitisation of the Companies IP***

The ability of the Company to redeem all the debt notes at the maturity date in full and to pay all amounts due to the Note holders will require approval of patent applications and divestment or the conversion of debt to equity in the Company subject to shareholder and any regulatory approvals. The Company's IP is held in the securitisation company (Luxembourg) Compartment PureFlowCath as security of the debt finance. The Company cannot pledge or divest any of the Company's IP whilst the debt notes have not been redeemed without the approval of CIC Fund Securitisation S.A.

Risks in a typical securitisation transaction are:

- I. Credit risk may arise in transactions on non-payment by underlying borrowers in the pool of loans because of either inability or unwillingness to pay
- II. Counterparty risk arises on account of non-performance of any of the counterparties involved in securitisation transactions. Typical counter parties are IP valuator, legal advisors, transaction advisors, trustee and the fiduciary
- III. Legal risk may arise in a situation where if the originator (the Company) goes bankrupt, there is a possibility that the bankruptcy court may seek to seize the securitised intangible assets in favour of the debt note holders
- IV. Market risk arises on account of factors external to securitisation transactions. Risks arising from prepayment of loans, movement in interest rates, and other macro-economic factors fall under this category.

### **21.3 Risks relating to the medical products industry**

#### ***Applicability of patents and proprietary technology***

Competitors may have filed patent applications or hold issued Patents, relating to products or processes competitive with those the Company are currently developing or will develop. The patents of the

Company's competitors may impair its ability to do business in a particular area. The Company's patent applications may not be approved or approved as desired. Others may independently develop similar products or duplicate any of the Company's or its partner's unpatented products. The Company's success will depend, in part, on its ability in the future to obtain patents, protect patents, protect trade secrets and other proprietary information and operate without infringing on the proprietary rights of others. Patent protection is uncertain and involves many complex legal, scientific and technical questions. There is no clear law or policy involving the degree of patent protection afforded under Patents.

As a result, the scope of patents issued to the Company or its partners may not successfully prevent third parties from developing similar or competitive products. The Company's practice is to enter into confidentiality agreements with its employees, suppliers and distributors. However, these confidentiality agreements may be breached, and the Company may not have adequate remedies for such breaches. Others may independently develop substantially equivalent proprietary information without infringing upon any proprietary technology belonging to the Company. Third parties may otherwise gain access to the Company's proprietary information and adopt it in a competitive manner.

#### ***Patent litigation***

There has been substantial litigation in the medical device industry concerning the manufacture and supply of medical devices relating to infringement or invalidity by suing for patent infringement within 45 days of receiving notice of patent issue. If the applicant is challenged, the FDA is precluded by statute from granting clearance and approval to the applicant until the earlier of 30 months after the filing of the legal suit, a final court decision of non-infringement or patent invalidity or a court decision which abbreviates the 30 month stay period. Challenges of this type are not uncommon. Similar procedures exist in Canada under the Patented Medicines (Notice of Compliance Regulations). Although management of the Company believes that there will be no litigation with respect to the patent, there can be no assurance as to this fact. Furthermore, there may be additional patent or other litigation in connection with any of the Company's current or future products or product candidates from time to time. Currently, there is no ongoing litigation against the Company. Patent litigation, with or without merit, is time-consuming and costly and may significantly impact the Company's financial condition and results of operations. The Company has not incorporated such potential costs in any of its financial forecasts.

#### ***Meeting projected timelines***

The timing of completion of future clinical trials of the Company's medical device products, anticipated regulatory approvals or clearances, or the timing of product launch may vary due to factors such as delays or setbacks in the conducting of the Company's clinical trials, regulatory approvals or clearances, patent approvals or in the manufacturing and marketing of an approved product. If the Company does not meet its timelines within the projected timeframe, the Company's business and financial results could be materially adversely affected. Also, a delay in the launch of a product could negatively impact overall revenues and profitability relating to the product.

#### ***Product liability and insurance***

Medical device development involves extensive testing to ultimate regulatory approvals or clearances. Such studies create a risk of liability for personal injury or death to participants as a result of an unexpected adverse reaction to the medical device product being tested or used or as a result of negligence or misconduct and can result in product liability claims. There can be no assurance that any insurance will be adequate or will continue to be available on terms acceptable to the Company. Insurance will generally not protect the Company against certain of its own actions such as negligence.

#### ***Regulation and regulatory approval***

The Company requires regulatory approvals or clearances, in the United States and other jurisdictions. There is no assurance that it will receive these regulatory approvals or clearances. Failure to obtain

necessary regulatory approvals or clearances, may adversely affect the Company's business, financial condition or results of operations. The Company's regulatory strategy is to seek approval from the FDA.

The cost of obtaining and complying with government regulation can be substantial. Government authorities in the United States, Canada and comparable authorities in foreign countries regulate the research and development, manufacture, testing and safety of medical device products as well as the approval and commercialization of such products. The regulations applicable to the Company's existing and future products may change. There can be long delays in obtaining required clearances from regulatory authorities in any country after applications are filed. Government agencies in the United States, Canada and other countries in which the Company intends to carry on business regulate products intended for human use. Regulations require extensive clinical trials and other testing and government review and final approval before the Company can market its products. Requirements for approval vary widely from country to country outside of the United States and Canada. The Company time required to obtain any such approval may be longer or shorter than in the United States and Canada. Any failure or delay in obtaining regulatory approvals could adversely affect the market for any products the Company develops and therefore its business, results of operations, financial condition and cash flows.

***Dependence on strategic advisors***

The Company's success depends on its ability to conclude development to market of PureFlowCath medical devices. The Company will be dependent on engaging advisors in medical sciences, engineering, testing, manufacture and these advisors:

- I. may be pursuing alternative technologies or developing alternative products, either on their own or in collaboration with others, that may be competitive with the products as to which they are collaborating with the Company, which could affect their commitment to the Company's product development efforts
- II. may not be able to adequately develop products that would achieve regulatory approvals or clearances, which would adversely affect revenues
- III. may terminate their collaborations with the Company, which could make it difficult for the Company to attract new partners or adversely affect how the Company is perceived in the business and financial communities.

The development of medical device products is a process that requires large investments and can take years to complete. Medical device products can be abandoned along the way or regulatory authorities can refuse to approve new products. With respect to projects the Company initiates, the Company will attempt to minimize risk through the judicious selection of product candidates and by focusing on improving products that are required in the medical surgical industry.

***Substantial competition and rapid technological change***

The Company competes to obtain licenses for new products and competes to secure future divestment or sale of its products. Moreover, the Company's products compete with other products. The medical device industry is subject to rapid and substantial technological change. The Company's products will face intense competition. The Company will compete with companies in North America and abroad, including major surgical product manufacturing and chemical companies, research and development firms, universities and other research institutions. Many of the Company's competitors will have greater financial resources and market capabilities, have greater experience in the area of medical device development and have greater experience in obtaining FDA and other regulatory approvals. The Company's competitors may succeed in developing technologies and products that are more effective or cheaper to use than any products that the Company may develop or licence. These developments could render the Company's technologies and products obsolete or uncompetitive, which could have a material adverse effect on its business and financial results.

***The publication of negative results or clinical trials may adversely impact the Company's products***

The publication of negative results of studies or clinical trials related to the Company's products adversely affect the Company's business and financial results.

***Key personnel and external collaborators***

The Company's PureFlowCath medical device development capacity will depend, to a great extent, on its ability to attract and retain highly qualified staff and to establish and maintain relationships with research centres. The competition in the industry in which the Company operates is very intense. The Company's success will be highly dependent upon its senior officers, its scientific personnel as well as its consultants and collaborators. The loss of key employees or collaborators, if any, could compromise the pace and success of the Company's product development.

***Concentration risk***

Initially, the Company will have only one medical device product subsidiary, PureFlowCath. As a result, the impact on the Company's performance and the potential returns to investors will be more adversely affected if PureFlowCath were to perform badly than would be the case if a range of different medical device products were included in the business structure.

**21.4 Risks relating to the common shares**

***Share price volatility and trading basis***

Notwithstanding the fact that an application will be made for the Common Shares to be admitted to the TSXV, this should not be taken as implying that there will be a liquid market in the Common Shares and, accordingly, it may be more difficult for investors to sell their Common Shares. A return on investment in the Common Shares may, therefore, in certain circumstances be difficult to realise. The share price of publicly traded companies can be highly volatile and subject to wide fluctuations in response to a variety of factors, which could lead to losses for Shareholders. The price at which the Common Shares may trade and the price which investors may realise for their Common Shares will be influenced by a large number of factors, some specific to the Company and some which may affect quoted companies generally. These factors could include the performance of the Company's operations, large purchases or sales of shares, liquidity (or absence of liquidity) in its shares, currency fluctuations, legislative or regulatory changes (including changes in the tax regime in the jurisdiction in which the Company or its investments operate), additions or departures of key personnel at the Company, adverse press, newspaper and other media reports and general economic conditions.

In addition, stock markets from time to time suffer significant price and volume fluctuations that affect the market price for securities, which may be unrelated to the Company's performance. The value of the Common Shares will therefore fluctuate and may not reflect their underlying asset value.

***Future issues of Common Shares could be dilutive***

It may be necessary, at some future time, for the Company to issue additional Common Shares to fund the growth plans of the Company. Any such issue would dilute the interests of Shareholders and could impact upon the price of the Common Shares.

***Dividends***

There can be no assurance as to the level or frequency of future dividends, if any. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors of the Company, and will depend on, among other things, the Company's earnings, financial position, cash requirements and availability of profits.

## **21.5 COVID-19 impact on the Company**

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. Currently, COVID-19 has not had any an adverse impact on the business of the Company however, depending on the length and severity of the pandemic, COVID-19 could impact operations, could cause delays relating to approval from of patent applications.

**Investors should therefore consider carefully whether investment in the Company is suitable for them, in view of the risk factors outlined above and the information contained in this document, their personal circumstances and the financial resources available to them.**

## **22. PROMOTERS**

Robert L. Rhodes, CEO of the Company, Stuart J. Bromley and CIC Capital Ltd. (Transaction Advisor) to the Company directly take the initiative in founding, organizing or substantially reorganizing the business of the issuer and are considered the promoters of the Company under the Securities Act (British Columbia).

Stuart J. Bromley is the one hundred per cent (100%) beneficial owner of CIC Fund Securitisation S.A. and a thirty-two per cent (32%) owner of CIC Capital Ltd. Other than as disclosed in this section and under Directors and Executive Officers no person who was a promoter of the Company within the last two years:

- I. received anything of value directly or indirectly from the Company or a subsidiary
- II. sold or otherwise transferred any asset to the Company or a subsidiary within the last 2 years
- III. has been a Director, Officer or promoter of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets
- IV. has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities' regulatory authority
- V. has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision
- VI. has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

***See "Directors, Officers and Promoters" above and "Executive Compensation" above for further information.***

## **23. LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

From time to time the Company may be subject to legal claims, including default judgments (the “Claims”) arising in the ordinary course of business. When the Company is made aware of any Claim, it endeavours to resolve any issues, and when necessary, defend any litigation. The Company is not a party to any legal proceedings or regulatory actions and is not aware of any such proceedings known to be contemplated.

No penalties or sanctions have been imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory body within the three years immediately preceding the date of this Prospectus. Management of the Company is not aware of any such penalties or sanctions imposed against the Company.

The Company has not entered into any settlement agreements before a court relating to provincial, state and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Prospectus.

## **24. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than disclosed above in this Prospectus no Director, Executive Officer or principal shareholder of the Company, or an associate or affiliate of a Director, Executive Officer or principal shareholder of the Company, has any material interest, direct or indirect, in any transaction which has occurred within the three years before the date of this Prospectus, or in any proposed transaction that has materially affected or will materially affect the Company.

## **25. AUDITORS, TRANSFER AGENT AND REGISTRAR**

### **25.1 Auditors**

The auditors of the Company are RSM Canada LLC, independent registered public accountants, located at 11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada, M5H 4C7. RSM Canada LLC, is independent in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

### **25.2 Transfer Agent and Registrar**

The transfer agent of the Company’s Common Shares is Computershare Investor Services Inc., located at 510 Burrard St, 3rd Floor, Vancouver, BC, V6C 3B9.

## 26. MATERIAL CONTRACTS

The Company has entered into the following contracts which are considered material except for contracts made in the ordinary course of business, that are still in effect as of the date hereof:

- I. An agreement dated October 26, 2019, between the Company and CIC Capital Ltd. pursuant to which CIC Capital Ltd. agrees to provide advisory services to enable a direct listing on the TSXV in consideration for an advisory fee of cash Cdn\$172,961 (US\$130,000) and the issue of Cdn\$1,197,423 (US\$900,000) in common shares in the Company. The parties entered into a subsequent novation agreement to recognise InnoMed Tech Ltd. as the parent company of the Group (PureFlowCath as subsidiary).
- II. An amended agreement dated November 26, 2022 (replacing prior agreements), between the Company and CIC Fund Securitisation Fund S.A., pursuant to which CIC Fund Securitisation Fund S.A. agrees to the establishment of the Compartment to facilitate debt financing of Euro €5,000,000. In consideration of fees to be satisfied by CAD\$12,726 (€8.700) in cash, CIC Fund Securitisation S.A. administration fee of 4.2% of value of note issued for the life of the securitisation entity and Euro €93,000 on completion of the securitisation transaction. The agreement has a Long Stop Date of December 31, 2027.
- III. A loan agreement between Billy Williams and the Company dated December 28, 2019 for US\$500,000 plus a fixed interest charge of US\$50,000. On April 4, 2020, the amount of \$500,000 plus \$50,000 interest was converted into common shares in InnoMed Tech Ltd. at \$0.29 per share or 1,896,552 common shares plus full warrant at exercisable 29 cents per warrant on or before December 31, 2026. The loan agreement is no longer in effect following the conversion to common shares in the Company.
- IV. Individual Share Purchase Agreements (“SPA”) between shareholders of PureFlowCath to which they convert their interest in PureFlowCath for common shares in InnoMed Tech Ltd. effected from April 15, 2020.
- V. Escrow Agreement between the Company, Computershare Investor Services Inc., Dr Matthew McIntyre, CIC Capital Ltd. and Billy Williams referred to under “Escrowed Common Shares”.
- VI. An agreement dated March 18, 2022, between the Company and Paragon Medical Mansfield, pursuant to which Paragon Medical Mansfield agrees to the design, development and production of PureFlowCath medical device prototype for a consideration of US\$111,000.
- VII. An agreement dated April 8, 2022, between the Company and Clark Regulatory Services LLC., pursuant to which Clark Regulatory Services agrees to provide consultancy advice to PureFlowCath medical device applications to FDA and other regulatory advice.
- VIII. An agreement dated February 1, 2023 between the Company and Laidebeur & Partners S.A., pursuant to which Laidebeur & Partners agrees to provide IP Legal services.

A copy of any material contract may be inspected following publication of this documents and thereafter for a period of 30 days during normal business hours at the Company's offices at Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

## **27. INTEREST OF EXPERTS**

To the knowledge of Management, as of the date hereof, no expert, nor any Associate or Affiliate of such person has any beneficial interest, direct or indirect, in the securities or property of the Company or of an Associate or Affiliate of any of them, and no such person is or is expected to be elected, appointed or employed as Director, Officer or employee of Company or of an Associate or Affiliate thereof.

The independent auditors of the Company are RSM Canada. RSM Canada LLP has informed the Company that it is independent with respect to the Company within the meaning of the CPA Code of Professional Conduct of Ontario.

Prospectus review have been passed upon on behalf of the Company by Pacific Star Corporate Finance Law (BC Canada).

Certain US legal matters in connection with this Prospectus relating to PureFlowCath have been passed upon on behalf of the Company by Satterwhite Law Firm, LLC. (Alabama USA).

Certain legal matters in connection with this Prospectus in relation to Securitisation Luxembourg have been passed upon on behalf of the Company by Ogier (Law Firm Luxembourg).

## **28. OTHER MATERIAL FACTS**

There are no other material facts other than as disclosed herein.

## **APPENDIX A**

### **InnoMed Tech Ltd.**

<b>2022</b>	InnoMed Tech Ltd. Unaudited Consolidated Financial Statements for the three month and nine-month periods ended September 30, 2022 InnoMed Tech Ltd. Management Discussion and Analysis for the three month and nine-month periods ended September 30, 2022
<b>2021</b>	InnoMed Tech Ltd. Audited Consolidated Financial Statements or the years ended December 31, 2021 InnoMed Tech Ltd. Management Discussion and Analysis for the year ended December 31, 2021
<b>2020</b>	InnoMed Tech Ltd. Audited Consolidated Financial Statements or the years ended December 31, 2019 and 2020 InnoMed Tech Ltd. Management Discussion and Analysis for the year ended December 31, 2020

## **APPENDIX B**

### **InnoMed Two, LLC. (PureFlowCath, LLC)**

<b>2020</b>	InnoMed Two, LLC. Unaudited Financial Statements for the interim period from January 1, 2020 to April 15, 2020 InnoMed Two, LLC. Management Discussion and Analysis for the interim period from January 1, 2020 to April 15, 2020
<b>2019</b>	InnoMed Two, LLC. Audited Financial Statements for the years ended December 31, 2019 and December 31, 2018 InnoMed Two, LLC. Management Discussion and Analysis for the year ended December 31, 2019

## APPENDIX A

### InnoMed Tech Ltd.

<b>2022</b>	InnoMed Tech Ltd. Unaudited Consolidated Financial Statements for the three month and nine-month periods ended September 30, 2022	A002
	InnoMed Tech Ltd. Management Discussion and Analysis for the three month and nine-month periods ended September 30, 2022	A017
<b>2021</b>	InnoMed Tech Ltd. Audited Consolidated Financial Statements or the years ended December 31, 2020 and 2021	A017
	InnoMed Tech Ltd. Management Discussion and Analysis for the year ended December 31, 2021	A017
<b>2020</b>	InnoMed Tech Ltd. Audited Consolidated Financial Statements or the years ended December 31, 2019 and 2020	A023
	InnoMed Tech Ltd. Management Discussion and Analysis for the year ended December 31, 2020	A047



**Interim Condensed Consolidated Financial Statements**

For the three month and nine month periods ended  
September 30, 2022

(Expressed in US dollars)  
(Unaudited)

**INNOMED TECH LTD.**

Interim condensed consolidated statements of financial position  
As at September 30, 2022 and December 31, 2021  
(Expressed in US dollars)  
(Unaudited)

		As at September 30 2022	As at December 31 2021
	Notes	\$	\$
<b>Assets</b>			
<b>Current</b>			
Cash		297	315,511
Due from CIC Capital Ltd.		516,764	301,709
Prepaid expenses		301,806	169,443
<b>Total assets</b>		<b>818,867</b>	<b>786,663</b>
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		130,323	69,610
<b>Non-current</b>			
Derivative liabilities	3	3,307,321	3,472,124
Long Term Loan CIC	4	517,306	-
		<b>3,472,124</b>	<b>3,472,124</b>
<b>Shareholders' deficiency</b>			
Share capital	5	7,072,283	7,045,959
Treasury Shares	5	(794,000)	(794,000)
Contributed surplus	5	1,003,220	1,003,220
Warrant reserve		366,517	366,517
Deficit		(10,784,103)	(10,376,767)
Total shareholders' deficiency		<b>(3,136,083)</b>	<b>(2,755,071)</b>
<b>Total liabilities and shareholders' deficiency</b>		<b>818,867</b>	<b>786,663</b>

(The accompanying notes are an integral part of these interim condensed consolidated financial statements.)

## INNOMED TECH LTD.

Interim condensed consolidated statements of operations and comprehensive loss  
 For the three month and nine month periods ended September 30, 2022 and 2021  
 (Expressed in US dollars)  
 (Unaudited)

	notes	Three months ended Sep 30 2022	Three months ended Sep 30 2021	Nine months ended Sep 30 2022	Nine months ended Sep 30 2021
<i>Expenses</i>					
Legal & professional fees	6,7	\$ 80,857	\$ 83,426	\$ 367,036	\$ 304,490
Change in fair value of derivative liabilities	3	268,324	(160,011)	(188,479)	(160,011)
Salaries and wages		52,501	49,421	149,384	153,257
Foreign exchange loss		(7,342)	-	(3,933)	16,643
Patent / Research & development		-	-	14,723	500
General administration		1,381	747	7,080	9,018
Travel		-	-	42,397	-
Interest expense on long-term loan		3,500	-	3,500	-
Marketing		5,260	-	15,628	-
<b>Total expenses</b>		<b>404,481</b>	<b>26,417</b>	<b>407,336</b>	<b>324,397</b>
<b>Net loss and comprehensive loss</b>		<b>\$ 404,481</b>	<b>\$ 26,417</b>	<b>407,336</b>	<b>324,397</b>
<b>Weighted average shares outstanding</b>					
- basic and diluted	8	47,639,338	44,482,985	47,566,468	44,643,775
<b>Basic and diluted loss per share</b>		<b>\$ 0.01</b>	<b>\$ 0.00</b>	<b>0.01</b>	<b>\$ 0.01</b>

(The accompanying notes are an integral part of these interim condensed consolidated financial statements.)

**INNOMED TECH LTD.**

Interim condensed consolidated statements of changes in shareholders' deficiency

For the nine months ended September 30, 2022 and 2021

(Expressed in US dollars)

(Unaudited)

		Share Capital		Treasury Shares	Contributed Surplus	Warrant Reserve	Deficit	Total Shareholders' Deficiency
	Notes	Number	Amount \$	\$	\$	\$	\$	\$
<b>Balance, January 1, 2021</b>		<b>47,800,702</b>	<b>6,428,929</b>	-	-	<b>366,517</b>	<b>(9,742,470)</b>	<b>(2,947,024)</b>
Acquisition of treasury shares for no consideration and forgiveness of accounts payable to certain Shareholders		(4,869,441)		(794,000)	1,003,220			209,220
Issuance of units		1,551,724	260,797	-	-	189,203	-	450,000
Recognition of derivative liabilities		-	(48,263)	-	-	(189,203)	-	(237,466)
Net income and comprehensive income		-	-	-	-	-	(323,897)	(323,897)
<b>Balance, Sep 30, 2021</b>		<b>44,482,985</b>	<b>6,641,463</b>	<b>(794,000)</b>	<b>1,003,220</b>	<b>366,517</b>	<b>(10,066,367)</b>	<b>(2,849,167)</b>
<b>Balance January 1, 2022</b>		47,471,609	7,045,959	(794,000)	1,003,220	366,517	(10,376,767)	(2,755,071)
Issuance of units	5	172,414	33,108	-	-	16,892	-	50,000
Recognition of derivative liabilities	3,5	-	(6,784)	-	-	(16,892)	-	(23,676)
Net loss and comprehensive loss		-	-	-	-	-	(407,336)	(407,336)
<b>Balance, September 30, 2022</b>		<b>47,644,023</b>	<b>7,072,283</b>	<b>(794,000)</b>	<b>1,003,220</b>	<b>366,517</b>	<b>(10,784,103)</b>	<b>(3,136,083)</b>

(The accompanying notes are an integral part of these interim condensed consolidated financial statements.)

**INNOMED TECH LTD.**

Interim condensed consolidated statements of cash flows  
For the nine months ended September 30, 2022 and 2021  
(Expressed in US dollars)  
(Unaudited)

	Nine months ended Sep 30, 2022	Nine months ended Sep 30, 2021
	\$	\$
<hr/>		
Cash provided by (used in)		
<b>Operations</b>		
Net income (loss)	(407,336)	(323,897)
<i>Items not affecting cash</i>		
Interest expense on long-term loan	3,500	-
Unrealized foreign exchange gain	(16,194)	-
Change in fair value of derivative liabilities	(188,479)	(160,011)
	608,509	(483,908)
<i>Changes in non-cash working capital</i>		
Prepaid expenses	(132,363)	-
Due from CIC Capital Ltd. – In Trust	(215,055)	36,695
Accounts payable and accrued liabilities	60,713	15,000
	(895,214)	(432,213)
<b>Financing</b>		
Loan payable to CIC Capital Ltd.	530,000	(17,200)
Issuance of units for cash	50,000	450,000
	580,000	432,800
<b>Net change in cash</b>	(315,214)	587
<b>Cash, beginning of the period</b>	315,511	3,562
<b>Cash, end of the period</b>	297	4,149

(The accompanying notes are an integral part of these interim condensed consolidated financial statements.)

## 1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS AND GOING CONCERN

Innomed Tech Ltd. (the “Company”) was incorporated and registered on November 22, 2019 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 is in the business of developing medical devices, medical digital or science inventions. The address of the registered office of the Company is Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

The Company was subject to a transaction on April 15, 2020, which involved inserting a new parent company above PureFlowCath, LLC [formerly Innomed Two, LLC] (“PureFlowCath”). The parent company (the Company), a ‘shell’ company, issued shares to the existing controlling shareholders of PureFlowCath. Control remained the same before and after April 15, 2020. 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 was recognized. All comparative figures reflect those of PureFlowCath only.

The Company is subject to several risks associated with the successful development of new products, the successful conduct of clinical studies and the subsequent marketing and commercialization of the results in the uncertain environment presented by the COVID-19 pandemic. It is likely that the product developed by the Company will require approval from the U.S. Food and Drug Administration and equivalent organizations in other countries before commercialization.

For the nine months ended September 30, 2022, the Company incurred a net loss of \$407,336 and a cash-flow deficit from operations of \$895,214. The Company’s future operations are dependent upon its ability to secure additional funds to finance patent applications to approval, its research and development activities and in the longer-term clinical studies. It is not possible to predict whether the Company will be successful, securing new financing, patent application approvals and obtain approval from the U.S. Food and Drug Administration and equivalent organizations in other countries.

There can be no assurance that management will be successful in their efforts to generate sufficient cash-flow or that it will ever develop a self-supporting business. These factors may cast significant doubt on the Company’s ability to continue as a going concern. These interim condensed consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Accordingly, these interim condensed consolidated financial statements do not reflect any adjustments to the carrying amounts which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these interim condensed consolidated financial statements.

## **1. NATURE OF OPERATIONS, CONTINUANCE OF BUSINESS AND GOING CONCERN (continued)**

The Company has been closely monitoring developments related to the novel strain of coronavirus, specifically identified as “COVID-19”, including the existing and potential impact on global and local economies. The Company has implemented its business continuity plan ensuring minimal interruption to the business. Governments worldwide have since put in place various measures to contain the spread of the virus, which have directly and indirectly impacted many businesses. The COVID-19 pandemic presented some challenges in delays in raising financing but otherwise did not have any other significant impact on the Company's interim condensed consolidated financial statements.

The longer-term impacts of the COVID-19 situation will depend on future developments which are highly uncertain, rapidly evolving and difficult to predict. These impacts may differ in magnitude depending on a number of scenarios, which the Company continues to monitor and take into consideration.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **a) Basis of presentation**

The interim condensed consolidated financial statements for the nine months ended September 30, 2022 have been prepared in accordance with the International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*. The interim condensed consolidated financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2021.

These interim condensed consolidated financial statements were approved for issue by the Board of Directors on January 6 2023.

### **b) Basis of consolidation**

The interim condensed consolidated financial statements comprise the financial statements of the Company and its wholly-owned subsidiary, PureFlowCath. All intercompany transactions, balances are eliminated upon consolidation. Assets, liabilities, income and expenses of a subsidiary are included in the interim condensed consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

### **c) New standards, interpretations and amendments adopted by the Company**

The accounting policies followed in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2021. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Company.

## **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

d) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's interim condensed consolidated financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

The following amendments to existing standards have been issued and are applicable to the Company for its annual period beginning on January 1, 2023 and thereafter, with an earlier application permitted:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1 *Presentation of Financial Statements*;
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2;
- Definition of Accounting Estimates – Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*; and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 *Income Taxes*.

The Company is currently evaluating the impacts of adopting these amendments on its interim condensed consolidated financial statements.

e) Summary of significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements.

f) Significant accounting judgements, estimates and assumptions

The preparation of the Company's interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of assets or liabilities affected in future periods.

### 3. 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 after a 30-day continuous trading on a designated stock exchange, the Company's average share price is lower than the then-subscription price of \$0.29 per unit. The "down-round" feature was determined by the Company to be a financial liability since it creates an obligation to issue a variable number of shares. Thus, it does not meet the 'fixed-for-fixed' condition in IAS 32.

As a result of down-round provision, the Company has identified derivative liabilities on outstanding warrants with "down-round" provision and on incremental common shares and warrants that could be issued if the "down-round" provision is triggered.

### 3. DERIVATIVE LIABILITIES (continued)

Derivative liabilities are remeasured at end of each reporting period, with changes in fair value recognized in profit or loss.

Changes in fair value of derivative liabilities during the period are as follows:

	Outstanding warrants with "down- round" feature \$	"Down- round" feature on warrants \$	"Down-round" feature on common shares \$	Total
Balance, January 1, 2022	2,625,378	298,150	548,596	3,472,124
Issuance during the period (Note 5)	16,892	2,285	4,499	23,676
Change in fair value	(346,943)	38,652	119,812	(188,479)
Balance, September 30, 2022	2,295,327	339,087	672,907	3,307,321

	Outstanding warrants with "down- round" feature \$	"Down- round" feature on warrants \$	"Down-round" feature on common shares \$	Total
Balance, January 1, 2021	2,398,365	191,674	338,809	2,928,848
Issuance during the period (Note 5)	189,203	17,429	30,835	237,467
Change in fair value	(287,489)	50,144	77,334	(160,011)
Balance, September 30, 2021	2,300,079	259,247	446,978	3,006,304

The change in fair value of the derivative liabilities is presented as a separate line on the consolidated statement of operations and other comprehensive income.

*Valuation of derivative on incremental shares*

Upon issuance of units, the Company assumed that the probability of the share price to go down by 20% is 25% (2021 – 25%) and the probability of the share price to remain at the then-subscription price of \$0.29 or to go higher is 75% (2021 – 75%).

*Valuation of derivative on outstanding warrants and incremental warrants*

The valuation method and inputs used in the valuation of the derivative on outstanding warrants on the date of grant are disclosed in Note 4.

### 3. DERIVATIVE LIABILITIES (continued)

The fair value of the derivative on outstanding warrants and incremental warrants was determined using the Black-Scholes pricing model with the following assumptions:

	September 30, 2022		December 31, 2021	
	Outstanding Warrants	Incremental warrants	Outstanding warrants	Incremental warrants
Number of warrants	23,161,727	13,343,161	22,989,313	13,243,836
Exercise price	\$0.29	\$0.29	\$0.29	\$0.29
Share price	\$0.20	\$0.23	\$0.18	\$0.23
Risk-free rate	3.79%	3.79%	1.25%	0.95%
Expected volatility	103.00%	112.00%	124.00%	124.00%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%
Expected life (in years)	2.25	1.75	3.00	1.75

On initial recognition, the Company assumed that the probability of the share price to go down by 20% is 25% (2021 – 25%) and the probability of the share price to remain at the then-subscription price of \$0.29 or to go higher is 75% (2021 – 75%).

#### *Fair value hierarchy*

The fair value of outstanding warrants with “down-round” provision is classified under Level 2 fair value hierarchy. The fair value of both incremental shares and warrants is classified under Level 3 fair value hierarchy.

The following table summarizes the quantitative information about the significant unobservable inputs used in the fair value measurements of incremental shares and warrants as of September 30, 2022 and December 31, 2022.

Key unobservable inputs	Relationship of unobservable inputs to fair value
Probability that the “down-round” provision will be triggered - 25%	The lower the probability, the lower the fair value
Magnitude of share price reduction - 20%	The lower the share price below the then-subscription price of \$0.29, the higher the incremental common shares and warrants that could be issued. The higher the incremental shares and warrants, the higher the fair value
Discount rate - 30%	The higher the discount rate, the lower the fair value

There were no transfers between any levels during the year.

### 4. LONG-TERM LOAN PAYABLE

In September 2022, the Company received approval of securitisation debt finance providing maximum amount of Euro 5,000,000 from CIC Fund Securitisation S.A. The Company drew down Euro 500,000 (equivalent to \$530,000) which was deposited into CIC Capital Trust account. The Company subsequently used part of the trust funds for working capital.

The loan bears interest at 8.20% per annum, is repayable in Euro, and matures at the end of 5 years from the date of loan drawdown. The interest is accrued and repaid together with the principal at the end of 5 years from the date of loan drawdown.

### *Changes in liabilities arising from financing activities*

The table below details changes in long-term loan, which is a liability arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cashflows were, or future cash flows will be, classified in the group's consolidated statement of cash flows as cash flows from financing activities.

	<b>September 30 2022</b>	September 30 2021
	\$	\$
Balance, beginning of period	-	-
Financing cash flows	<b>530,000</b>	
Non-cash changes:		
Interest	<b>3,500</b>	-
Unrealized foreign exchange	<b>(16,194)</b>	-
Balance, end of period	<b>517,036</b>	-

## **5. SHARE CAPITAL AND RESERVES**

### ***Authorized***

The Company is authorized to issue unlimited common shares without par value.

### ***Common shares***

At September 30, 2022, 47,644,023 common shares (December 31, 2021 – 47,471,609 common shares) were issued.

During the nine months ended September 30, 2022, the Company issued 172,414 units under various subscription agreements entered into various dates during the period for \$0.29 per unit for net proceeds of \$50,000. Each unit consists of one share and a full warrant exercisable for one common share at \$0.29 per common share on or before December 31, 2026. The subscription agreements in respect of this financing contain a “down-round” feature, which is disclosed in Note 3. All warrants granted are classified as a financial liability because they do not meet the ‘fixed-for-fixed’ criteria in IAS 32.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	172,414
Exercise price	\$0.29
Share price	\$0.18 - \$0.20
Risk-free interest rate	1.02% – 3.46%
Expected volatility	92% - 121%
Expected life of warrants	2.49 - 3.00 years
Expected dividend yield	0.00%
Fair value	\$16,892
Fair value per warrant	\$0.09 - \$0.11

## 6. SHARE CAPITAL AND RESERVES (continued)

During the nine months ended September 30, 2021, the Company had the following capital transactions:

- 1) The Company issued 1,551,724 units under various subscription agreements entered into various dates during the period for \$0.29 per unit for net proceeds of \$450,000. Each unit consists of one share and a full warrant exercisable for one common share at \$0.29 per common share on or before December 31, 2026. The subscription agreements in respect of this financing contain a “down-round” feature, which is disclosed in Note 3. All warrants granted are classified as a financial liability because they do not meet the ‘fixed-for-fixed’ criteria in IAS 32.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	1,551,724
Exercise price	\$0.29
Share price	\$0.16
Risk-free interest rate	0.30 - 0.62%
Expected volatility	132 - 142.00%
Expected life of warrants	3.5 – 3.9 years
Expected dividend yield	0.00%
Fair value	\$189,203
Fair value per warrant	\$0.13

- 2) On February 5, 2021, Innovative Medicine Partners, LLC (“IMP”), a shareholder, and previous key members of management, including certain company and consultants related to them, reached a settlement with the Company regarding a dispute over the past operation and management of PureFlowCath by IMP and regarding the number of shares issued on April 15, 2020 to IMP in exchange for its membership units in PureFlowCath. As part of the settlement, on February 18, 2021 IMP returned 4,869,441 common shares to the Company valued at \$0.16 per common share or total fair value of \$794,000. In addition, \$209,220 previously recorded in accounts payable as due to shareholders (IMP and related party consultants), including certain company and consultants related to them, was discharged. As a result, the Company recorded \$1,003,220 in contributed surplus.

### **Warrants**

As at September 30, 2022, there were 26,265,175 warrants (December 31, 2021 – 26,092,761 warrants) issued and outstanding with an exercise price of \$0.29 and all expire on December 31, 2026. Of these warrants, 23,161,727 warrants were presented as part of the derivative liabilities (December 31, 2021 – 22,989,313 warrants).

## 7. LEGAL AND PROFESSIONAL FEES

Components of legal and professional fees for the year are as follows:

	Three months ended September 30, 2022 \$	Three months ended September 30, 2021 \$	Nine months ended September 30, 2022 \$	Nine months ended September 30, 2021 \$
Patent and trademark legal fees	28,166	15,265	107,259	15,765
Legal and professional fees	50,853	65,817	213,760	271,381
Accounting and audit	1,838	17,344	46,017	17,344
	<b>44,857</b>	<b>98,426</b>	<b>367,036</b>	<b>304,490</b>

## 8. RELATED PARTY TRANSACTIONS

Key management personnel compensation is as follows:

	Three months ended September 30, 2022 \$	Three months ended September 30, 2021 \$	Nine months ended September 30, 2022 \$	Nine months ended September 30, 2021 \$
Short-term employee benefits	52,501	49,421	149,383	153,257

The following transactions occurred with related parties for the nine months ended:

	Three months ended September 30, 2022 \$	Three months ended September 30, 2021 \$	Nine months ended September 30, 2022 \$	Nine months ended September 30, 2021 \$
Purchase of professional services from CIC Capital Ltd.	54,000	54,000	168,700	162,000
Purchase of professional services from minority shareholders	-	875	3,493	875
Interest expense on long-term loan	3,500	-	3,500	-

## 9. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares and excluding treasury shares.

The following table reflects the loss and share data used in the basic and diluted loss per share calculations for the nine months period ended:

	Three months ended September 30, 2022 \$	Three months ended September 30, 2021 \$	Nine months ended September 30, 2022 \$	Nine months ended September 30, 2021 \$
Net loss	417,175	26,417	(407,336)	(323,897)
Weighted average share outstanding - basic and diluted	47,639,338	44,482,985	47,566,468	44,643,775
Basic and diluted earnings loss per share	0.01	0.00	0.01	0.01

For the periods presented, the diluted loss per share was the same as the basic loss per share as the inclusion of warrants and contingently issuable shares and warrants would have been anti-dilutive. Accordingly, the diluted loss per share for the periods presented was calculated using the basic weighted average number of common shares outstanding.

## 10. MANAGEMENT OF CAPITAL

The Company defines its capital as share capital and deficit. The Company's objectives when managing capital are to ensure there are sufficient funds available to carry out its research and development programs. To date, these programs have been funded through the sale of equity securities.

The Company also intends to source non-dilutive funding by accessing grants, government assistance and tax incentives, and through partnerships with corporations and research institutions. The Company uses budgets and purchasing controls to manage its costs. The Company is not exposed to any externally imposed capital requirements.

## 11. FINANCIAL INSTRUMENTS

### *Fair Value*

Cash, due to CIC Capital Ltd. – In Trust, accounts payable and accrued liabilities and loan payable to CIC Capital Ltd. are all short-term in nature and, as such, their carrying values approximate fair values.

### *Risks*

The Company has exposure to credit risk, liquidity risk and interest rate risk.

#### (a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company's cash and amounts due from parent. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash are on deposit with a major Canadian bank.

#### (b) 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 is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

#### (c) Foreign currency risk

Currency risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company is exposed to foreign currency risk on fluctuations related to cash and accrued expenses that are denominated in Canadian dollars.

As at September 30, 2022, \$554,454 (December 31, 2021 - \$245,902 in net assets) in net liabilities were denominated in Canadian Dollars and a 10% fluctuation in foreign exchange rate would impact the interim condensed consolidated statement of operations and comprehensive loss by \$48,361 (2021 - \$22,355).

## 12. SUBSEQUENT EVENTS

The Company drew down from debt finance facility Euro €1,100,000 in December 2022.

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## **MANAGEMENT DISCUSSION & ANALYSIS**

### **FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2022**

This Management's Discussion and Analysis ("MD&A") of Innomed Tech Ltd. ("Company"), prepared as of December 28, 2022, should be read in conjunction with the financial statements and the notes thereto for the nine months period ended June 30, 2022 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". The currency of the amounts are expressed in US dollars.

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 the Company 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](http://www.InnomedTec.com).

**The effective date of this report is February 8, 2023.**

### **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 MD&A include that:

- the performance characteristics of the Company's medical devices
- projections of costs;
- future medical devices and divestment;
- securitisation of assets;
- patent approvals
- Food and Drug Administration 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, 2019 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 was subject to transaction on April 15, 2020, which involved inserting a new parent company at the top of PureFlowCath, LLC (formerly InnoMed Two, LLC) (“PureFlowCath”). 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 was recognized.

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

## 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.

## RESULTS OF OPERATIONS

For the nine months ended September 30, 2022, the Company had a net loss of \$407,336 compared to a net loss of \$323,897 for the nine months ended September 30, 2021.

The Company in September 2022 received first debt finance approval for Euro €5,000,000 and drew down Euro €500,000 for working capital. Cash subscription was US\$50,000 for the nine months ended September 30, 2022 and was significantly lower than previous period as the first debt finance replaced the need for equity finance.

Legal and professional fees in 2022 of US\$367,036, which were mainly related to patent application costs and consultant fees, were higher than those in 2021 of US\$304,490. Salaries and wages in 2022 were US\$149,384 compared to US\$153,257 in 2021.

The Company recorded a fair value gain of US\$188,479 in 2022 and US\$160,011 in 2021 representing change in the fair value of derivative liabilities. Certain 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.

During the nine month periods ended September 31, 2022 and 2021, Company incurred the following general and administrative expenses:

	Nine months ended Sep 30	Nine months ended Sep 30
	2022	2021
<i>Expenses</i>		
Legal & professional fees	\$ 367,036	304,490
Change in fair value of derivative liabilities	(188,479)	(160,011)
Salaries and wages	149,384	153,257
Foreign exchange loss	(3,933)	16,643
Patent / Research & development	14,723	500
General administration	7,080	9,018
Travel	42,397	-
Interest on long-term loan	3,500	-
Marketing	15,628	-
	<b>(407,336)</b>	<b>(323,897)</b>

## SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected unaudited financial data for the last eight fiscal quarters to September 30, 2022 prepared in accordance with IFRS:

	Revenues	Net income (loss)	Basic and diluted earnings (loss) per share
December 31, 2020	–	45,955	0.00
March 31, 2021	–	400	0.00
June 30, 2021	–	(230,471)	(0.01)
September 30, 2021	–	(26,417)	(0.00)
December 31, 2021	–	(319,400)	(0.01)
March 31, 2022	–	(98,552)	(0.00)
June 30, 2022	–	95,697	(0.00)
September 30, 2022	–	(404,481)	(0.01)

## LIQUIDITY AND CAPITAL RESOURCES

### Operating Activities

As at September 30, 2022, the Company had cash of \$297. The Company is an early-stage entity with no revenue, while incurring costs for development and approval processes of its patent application. The Company will continue to have an operational cash flow burn and is anticipated to have a working capital deficiency within the next twelve months.

### Financing Activities

During the nine month period ended September 30, 2022, the Company issued 172,414 units under various subscription agreements entered into various dates during the period for \$0.29 per unit for net proceeds of \$50,000. Each unit consists of one share and a full warrant exercisable for one common share at \$0.29 per common share on or before December 31, 2026. The Company transferred the majority of its Patent Applications to CIC Fund Securitisation S.A. (Luxembourg) as part of the process of securing debt finance of initial Euro €5,000,000.

In September 2022, the Company received approval of securitisation debt finance providing maximum amount of Euro 5,000,000 from CIC Fund Securitisation S.A. The Company drew down Euro 500,000 (equivalent to \$530,000) which was deposited into CIC Capital Trust account. The Company subsequently used part of the trust funds for working capital.

The Company's 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.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

## TRANSACTIONS WITH RELATED PARTIES

The following transactions occurred with related parties for the three month and nine month periods ended September 30, 2022:

Key management personnel compensation is as follows:

	Three months ended September 30, 2022 \$	Three months ended September 30, 2021 \$	Nine months ended September 30, 2022 \$	Nine months ended September 30, 2021 \$
Short-term employee benefits	52,501	49,421	149,383	153,257

The following transactions occurred with related parties for the three month and nine-month periods ended:

	Three months ended Sep 30, 2022 \$	Three months ended Sep 30, 2021 \$	Nine months ended Sep 30, 2022 \$	Nine months ended Sep 30, 2021 \$
Purchase of professional services from CIC Capital Ltd.	54,000	54,000	168,700	162,000
Purchase of professional services from minority shareholders	-	875	3,493	875
Interest expense on long-term loan	3,500	-	3,500	-

## 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 cash, and accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term maturity of these instruments.

### *Foreign Exchange Rate Risk*

Currency risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company is exposed to foreign currency risk on fluctuations related to cash and accrued expenses that are denominated in Canadian dollars.

### **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 is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

### **ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

### **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 nine months ended September 30, 2022 to which this MD&A relates.

### **DISCLOSURE OF OUTSTANDING SHARE DATA**

#### **Share Capital**

The Company's authorized capital consists of an unlimited number of common shares without par value.

The authorized share capital of the Company at September 30, 2022 is as follows:

	<b>September 30, 2022</b>
<b>Common Shares</b>	47,644,018
<b>Warrants</b>	26,265,175
<b>Options</b>	-

As at the date of this MD&A, the Company has 47,644,018 common shares issued and outstanding and 26,265,175 warrants with no options.

### **OTHER**

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

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(The accompanying notes are an integral part of these consolidated financial statements)



**Consolidated Financial Statements**

For the Years Ended December 31, 2020 and 2021

(Expressed in US dollars)

(The accompanying notes are an integral part of these consolidated financial statements)

(The accompanying notes are an integral part of these consolidated financial statements)

**INNOMED TECH LTD.**Consolidated statements of financial position  
As at December 31, 2020 and 2021

		<b>2021</b>	2020
	Notes	\$	\$
<b>Assets</b>			
<b>Current</b>			
Cash		<b>315,511</b>	3,562
Cash held in trust	3	<b>301,709</b>	50,226
Prepaid expenses		<b>169,443</b>	185,706
<b>Total assets</b>		<b>786,663</b>	239,494
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	4	<b>69,610</b>	240,470
Loan payable to CIC Capital Ltd.	5	-	17,200
		<b>69,610</b>	257,670
<b>Non-current</b>			
Derivative liabilities	6	<b>3,472,124</b>	2,928,848
<b>Shareholders' deficiency</b>			
Share capital	7	<b>7,045,959</b>	6,428,929
Treasury shares	7	<b>(794,000)</b>	-
Contributed surplus	7	<b>1,003,220</b>	-
Warrant reserve	7	<b>366,517</b>	366,517
Deficit		<b>(10,376,767)</b>	(9,742,470)
<b>Total shareholders' deficiency</b>		<b>(2,755,071)</b>	(2,947,024)
<b>Total liabilities and shareholders' deficiency</b>		<b>786,663</b>	239,494

Subsequent events (Note 15)

(The accompanying notes are an integral part of these consolidated financial statements)

**INNOMED TECH LTD.**

Consolidated statements of operations and comprehensive income  
For the years ended December 31, 2020 and 2021

	Notes	2021 \$	2020 \$
<i>Expenses</i>			
Legal and professional fees	8, 9	<b>536,562</b>	\$ 1,560,268
Change in fair value of derivative liabilities	6	<b>(156,394)</b>	273,969
Salaries and wages		<b>184,216</b>	93,705
Interest expense		-	50,000
Foreign exchange loss		<b>51,286</b>	40,058
Patent/research and development		<b>500</b>	23,831
General administration		<b>18,127</b>	2,193
<b>Net loss and comprehensive loss</b>		<b>634,297</b>	2,044,024
Weighted average shares outstanding			
- Basic and diluted	11	<b>45,023,518</b>	39,341,315
Basic and diluted loss per share	11	<b>(0.01)</b>	(0.05)

(The accompanying notes are an integral part of these consolidated financial statements)

**INNOMED TECH LTD.**

Consolidated statements of changes in shareholders' deficiency

For the years ended December 31, 2020 and 2021

	Notes	Class II Units	Class III Units	Share Capital		Treasury Shares	Contributed Surplus	Warrant Reserve
		\$	\$	# of Shares	Amount \$	\$	\$	\$
<b>Balance, January 1, 2020</b>		3,820,200	2,036,250	-	-	-	-	-
Innomed Two LLC. Member unit conversion		(3,820,200)	(2,036,250)	32,493,566	4,300,707	-	-	1,555,743
Recognition of derivative liabilities on Class II units conversion	6,7	-	-	-	(310,877)	-	-	(1,555,743)
Loan conversion	7	-	-	1,896,552	326,017	-	-	-
Issuance of units	7	-	-	6,482,758	949,207	-	-	366,517
Issuance of shares for no consideration	7	-	-	6,927,826	1,163,875	-	-	-
Net loss and comprehensive loss		-	-	-	-	-	-	-
<b>Balance, December 31, 2020</b>		-	-	<b>47,800,702</b>	<b>6,428,929</b>	-	-	<b>366,517</b>
IMP share return for no consideration and forgiveness of accounts payable	7	-	-	(4,869,441)	-	(794,000)	1,003,220	-
Issuance of units	7	-	-	4,540,348	771,640	-	-	545,060
Recognition of derivative liabilities	6,7	-	-	-	(154,610)	-	-	(545,060)
Net loss and comprehensive loss		-	-	-	-	-	-	-
<b>Balance, December 31, 2021</b>		-	-	<b>47,471,609</b>	<b>7,045,959</b>	<b>(794,000)</b>	<b>1,003,220</b>	<b>366,517</b>

(The accompanying notes are an integral part of these consolidated financial statements)

**INNOMED TECH LTD.**Consolidated statements of cash flows  
For the years ended December 31, 2020 and 2021

	2021	2020
	\$	\$
Cash provided by (used in)		
<b>Operations</b>		
Net loss	(634,297)	(2,044,024)
<i>Items not affecting cash</i>		
Shares issued for professional fees	-	900,000
Interest converted to shares	-	50,000
Change in fair value of derivative liabilities	(156,394)	273,969
	(790,691)	(820,055)
<i>Changes in non-cash working capital</i>		
Cash held in trust	(251,483)	(50,226)
Prepaid expenses	16,263	(185,706)
Due from Innovative Medicine Partners, LLC	-	359,531
Accounts payable and accrued liabilities	38,360	(528,451)
	(987,551)	(1,224,907)
<b>Financing</b>		
Loan payable to CIC Capital Ltd.	(17,200)	17,200
Issuance of units	1,316,700	980,000
	1,299,500	997,200
<b>Net change in cash</b>	311,949	(227,707)
<b>Cash, beginning of the year</b>	3,562	231,269
<b>Cash, end of the year</b>	315,511	3,562
<b>Non-cash financing activities</b>		
IMP share return	794,000	-
Forgiveness of accounts payable	209,220	-
Conversion of promissory note and related interest into equity	-	550,000

(The accompanying notes are an integral part of these consolidated financial statements)

## 1. NATURE OF OPERATIONS, CONTINUANCE OF BUSINESS AND GOING CONCERN

Innomed Tech Ltd. (the “Company”) was incorporated and registered on November 22, 2019 under the General Corporation Law of the State of Delaware, with the name InnoMed Tech, Inc. On May 27, 2020, the Company continued (change of jurisdiction of incorporation) into British Columbia (“BC”) Canada under the Business Corporation Act (British Columbia) as InnoMed Tech Ltd.

The Company is in the business of developing medical devices, medical digital and science inventions. The address of the registered office of the Company is Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

The Company was subject to a transaction on April 15, 2020, which involved inserting a new parent company above PureFlowCath, LLC [formerly Innomed Two, LLC] (“PureFlowCath”). The parent company (the Company), a ‘shell’ company, issued shares to the existing controlling shareholders of PureFlowCath. Control remained the same before and after April 15, 2020. 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 was recognized. All comparative figures reflect those of PureFlowCath only.

The Company is subject to several risks associated with the successful development of new products, the successful conduct of clinical studies and the subsequent marketing and commercialization of the results in the uncertain environment presented by the COVID-19 pandemic. It is likely that the product developed by the Company will require approval from the U.S. Food and Drug Administration and equivalent organizations in other countries before commercialization.

For the year ended December 31, 2021, the Company incurred a loss of \$634,297 (2020 - \$2,044,024) and cash-flow deficit from operations of \$987,551 (2020 - \$1,224,907). The Company’s future operations are dependent upon its ability to secure additional funds to finance patent applications to approval, its research and development activities and in the longer-term clinical studies. It is not possible to predict whether the Company will be successful, securing new financing, patent application approvals and obtain approval from the U.S. Food and Drug Administration and equivalent organizations in other countries.

There can be no assurance that management will be successful in their efforts to generate sufficient cash-flow or that it will ever develop a self-supporting business. These factors may cast significant doubt on the Company’s ability to continue as a going concern. These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Accordingly, these consolidated financial statements do not reflect any adjustments to the carrying amounts which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements.

## 1. NATURE OF OPERATIONS, CONTINUANCE OF BUSINESS AND GOING CONCERN (continued)

The Company has been closely monitoring developments related to the novel strain of coronavirus, specifically identified as “COVID-19”, including the existing and potential impact on global and local economies. The Company has implemented its business continuity plan ensuring minimal interruption to the business. Governments worldwide have since put in place various measures to contain the spread of the virus, which have directly and indirectly impacted many businesses. The COVID-19 pandemic presented some challenges in delays in raising financing but otherwise did not have any other significant impact on the Company's consolidated financial statements. The longer-term impacts of the COVID-19 situation will depend on future developments which are highly uncertain, rapidly evolving and difficult to predict. These impacts may differ in magnitude depending on a number of scenarios, which the Company continues to monitor and take into consideration.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements were approved for issue by the Board of Directors on May 13, 2022.

### (b) Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis, except for derivative instruments, which are measured at fair value.

### (c) Amended Accounting Standards Adopted

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2021 that have a material effect on the financial statements of the Company.

### (d) Standards issued but not yet effective

The following amendments to existing standards have been issued and are applicable to the Company for its annual period beginning on January 1, 2022 and thereafter, with an earlier application permitted:

- Reference to the Conceptual Framework – Amendments to IFRS 3 *Business Combinations*
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and
- Annual Improvements to IFRS Standards 2018–2020.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (d) Standards issued but not yet effective (continued)

The following amendments to existing standards have been issued and are applicable to the Company for its annual period beginning on January 1, 2023 and thereafter, with an earlier application permitted:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1;
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2;
- Definition of Accounting Estimates – Amendments to IAS 8; and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 *Income Taxes*.

The Company is currently evaluating the impacts of adopting these amendments on its consolidated financial statements.

### (e) Functional and Presentation Currency

These consolidated financial statements are presented in United States dollars, which is the Company's functional currency.

### (f) Significant Estimates and Assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

#### *Determining the fair value of services received in exchange for share-based payments*

From time to time the Company issues common shares for services or non-cash assets. The Company's Board of Directors determines the fair market value of the services or non-cash assets received in exchange for common shares. These transactions are typically valued using the fair value of common shares issued.

#### *Valuation of the "down-round" provision in equity agreements*

Certain 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. Management judgement is required to determine the probability of the triggering event to occur and the number of incremental common shares and warrants that could be issued, which is dependent on the Company's share price in the future. The valuation method and assumptions used in valuing the derivative liabilities are disclosed in Note 6.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### *Valuation of warrants*

The Company uses the Black-Scholes option pricing model to determine the fair value of warrants in order to calculate the warrant liabilities. The Black-Scholes model involves six key inputs to determine fair value of a warrant: risk-free interest rate, exercise price, market price at the date of issue, expected dividend yield, expected life and expected volatility. Certain of the inputs are estimates that involved considerable judgment and are or could be affected by significant factors that are out of the Company's control.

### (g) Research and Development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes.

Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are expensed as incurred. No internal development costs have been capitalized to date.

Research and development expenses include all direct and indirect operating expenses supporting the products in development.

The costs incurred in establishing and maintaining patents are expensed as incurred.

### (h) Unit Share Issuances

For unit share issuances consisting of common shares and warrants, the Company uses the Black-Scholes option pricing model in determining the fair value of warrants. The proceeds from the issuance of units are first allocated to the warrants and the residual amount, being the difference between the proceeds from issuance and the fair value of the warrants, is allocated to common shares.

### (i) Derivative Liabilities

Certain 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.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (i) Derivative Liabilities (continued)

On initial recognition, (1) the fair value of the derivative on outstanding warrants with “down-round” provision is determined using an option pricing model, (2) the fair value of the derivative on incremental common shares is determined based on the estimated incremental common shares that could be issued and estimated share price in the future, which is then applied with a probability and discount rate to arrive at the present value of the liability, and (3) the fair value of the derivative on incremental warrants is based on an option pricing model, which is then applied with a probability and discount rate to arrive at the present value of liability. These amounts are measured at fair value to profit or loss. Changes in the fair value of the derivative liabilities are charged to operations.

The remainder of the proceeds is allocated to the share capital.

### (j) Financial Instruments

#### *Classification and measurement of financial instruments*

Financial assets are required to be initially measured at fair value and subsequently classified at amortized cost or fair value on the basis of the Company’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company’s financial assets includes cash and cash held in trust, which are classified at amortized cost because the Company’s business model is to hold these financial instruments to maturity to collect contractual cash flows consisting solely of payments of principal and interest on the principal amount outstanding.

Financial liabilities include accounts payable and accrued liabilities, and loan payable to CIC Capital Ltd. which were initially measured at fair value and subsequent classified at amortized cost.

#### *Impairment of financial assets*

For the impairment of financial assets under IFRS 9, the Company is required to apply an expected credit loss (“ECL”) model to all debt financial assets not held at FVTPL, where credit losses that are expected to transpire in future years are provided for, irrespective of whether a loss event has occurred or not as at the date of the statement of financial position. The Company recognizes a loss allowance for expected credit losses on loan receivables which are measured at amortized cost. The measurement of the loss allowance depends upon the Company’s assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

## **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **(k) Financial Instruments (continued)**

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognized is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets, with the exception of loan receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of operations and comprehensive loss.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations and comprehensive loss for the period to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

### **(l) Income Taxes**

Deferred tax is recognized using the liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, the deferred tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred taxation asset is realized or the deferred tax liability is settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

## **3. CASH HELD IN TRUST**

While the Company is finalising the transfer of its banking facilities part of its cash was held in trust with CIC Capital Ltd., a shareholder and advisor to the Company. The cash is due to the Company on demand and is non-interest bearing.

#### 4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities at December 31, 2020 was \$203,220 owing to the previous key members of management (who are also shareholders) of PureFlowCath, including certain company and consultants related to them, arising from provision of research and development, professional and marketing services. During the year ended December 31, 2021, these balances were forgiven as part of the settlement agreement disclosed in Note 7.

#### 5. LOAN PAYABLE TO CIC CAPITAL LTD.

Loan payable to CIC Capital Ltd. is unsecured, non-interest bearing and has no fixed terms of repayment. The loan was repaid in full during 2021.

#### 6. DERIVATIVE LIABILITIES

Certain equity financing agreements contain a “down-round” provision that allows for the issuance of incremental common shares and warrants if after a 30-day continuous trading on a designated stock exchange, the Company’s average share price is lower than the then-subscription price of \$0.29 per unit. The “down-round” feature was determined by the Company to be a financial liability since it creates an obligation to issue a variable number of shares. Thus, it does not meet the ‘fixed-for-fixed’ condition in IAS 32.

As a result of down-round provision, the Company has identified derivative liabilities on outstanding warrants with “down-round” provision and on incremental common shares and warrants that could be issued if the “down-round” provision is triggered.

Derivative liabilities are remeasured at year-end, with changes in fair value recognized in profit or loss.

Changes in fair value of derivative liabilities during the year are as follows:

	Note	Outstanding warrants with “down-round” feature \$	“Down-round” feature on warrant \$	“Down-round” feature on common shares \$	Total \$
Balance, January 1, 2020		-	-	-	-
Issued during the year	7	2,192,002	167,261	295,616	2,654,879
Change in fair value		206,363	24,413	43,193	273,969
Balance, December 31, 2020		2,398,365	191,674	338,809	2,928,848
Issued during the year	7	545,060	55,832	98,778	699,670
Change in fair value		(318,047)	50,644	111,009	(156,394)
Balance, December 31, 2021		2,625,378	298,150	548,596	3,472,124

The change in fair value of the derivative liabilities is presented as a separate line on the consolidated statement of operations and other comprehensive income.

## 6. DERIVATIVE LIABILITIES (continued)

### *Valuation of derivative on incremental common shares*

On initial recognition, the Company assumed that the probability of the share price to go down by 20% is 25% (2020 – 25%) and the probability of the share price to remain at the then-subscription price of \$0.29 or to go higher is 75% (2020 – 75%).

### *Valuation of derivative on outstanding warrants and incremental warrants*

The valuation method and inputs used in the valuation of the derivative on outstanding warrants on the date of grant are disclosed in Note 7.

The fair value of the derivative on outstanding warrants and incremental warrants was determined using the Black-Scholes pricing model with the following assumptions:

	December 31, 2021		December 31, 2020	
	Outstanding Warrants	Incremental warrants	Outstanding warrants	Incremental warrants
Number of warrants	<b>22,989,313</b>	<b>13,243,836</b>	18,448,965	10,628,208
Exercise price	<b>\$0.29</b>	<b>\$0.29</b>	\$0.29	\$0.29
Share price	<b>\$0.18</b>	<b>\$0.23</b>	\$0.16	\$0.23
Risk-free rate	<b>1.25%</b>	<b>0.95%</b>	0.39%	1.05%
Expected volatility	<b>124.00%</b>	<b>124.00%</b>	146.00%	1.29%
Expected dividend yield	<b>0.00%</b>	<b>0.00%</b>	0.00%	0.00%
Expected life (in years)	<b>3.00</b>	<b>1.75</b>	4.00	1.75

On initial recognition, the Company assumed that the probability of the share price to go down by 20% is 25% (2020 – 25%) and the probability of the share price to remain at the then-subscription price of \$0.29 or to go higher is 75% (2020 – 75%).

### *Fair value hierarchy*

The fair value of outstanding warrants with “down-round” provision is classified under Level 2 fair value hierarchy. The fair value of both incremental shares and warrants is classified under Level 3 fair value hierarchy.

The following table summarizes the quantitative information about the significant unobservable inputs used in the fair value measurements of incremental shares and warrants as of December 31, 2020 and 2021.

## 6. DERIVATIVE LIABILITIES (continued)

Key unobservable inputs	Relationship of unobservable inputs to fair value
Probability that the “down-round” provision will be triggered - 25%	The lower the probability, the lower the fair value
Magnitude of share price reduction - 20%	The lower the share price below the then-subscription price of \$0.29, the higher the incremental common shares and warrants that could be issued. The higher the incremental shares and warrants, the higher the fair value
Discount rate - 30%	The higher the discount rate, the lower the fair value

There were no transfers between any levels during the year.

## 7. SHARE CAPITAL AND RESERVES

### **Authorized**

Unlimited common shares without par value.

### **Common shares**

As of December 31, 2021, 47,471,609 common shares (2020 - 47,800,702) were issued.

During the year ended December 31, 2021, the Company had the following share capital transactions:

### **Shares issued for subscriptions**

The Company issued 4,540,348 units under various subscription agreements entered into at various dates during the year for \$0.29 per unit for net proceeds of \$1,316,700. Each unit consists of one share and a full warrant exercisable for one common share at \$0.29 per common share on or before December 31, 2026. The subscription agreements in respect of this financing contain a “down-round” feature, which is fully disclosed in Note 6. All warrants granted are classified as a financial liability because they do not meet the ‘fixed-for-fixed’ criteria in IAS 32.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	4,540,348
Exercise price	\$0.29
Share price	\$0.16 - \$0.17
Risk-free interest rate	0.64% - 1.56%
Expected volatility	128.00% - 142.00%
Expected life of warrants	3.0 - 3.9 years
Expected dividend yield	0.00%
Fair value	\$545,060
Fair value per warrant	\$0.12 - \$0.13

## 7. SHARE CAPITAL AND RESERVES (continued)

All warrants granted are classified as a financial liability because they do not meet the ‘fixed-for-fixed’ criteria in IAS 32 (see Note 6).

### *Return of shares and forgiveness of accounts payable*

On February 5, 2021, Innovative Medicine Partners, LLC (“IMP”), a shareholder, and previous key members of management, including certain company and consultants related to them, reached a settlement with the Company regarding a dispute over the past operation and management of PureFlowCath by IMP and regarding the number of shares issued on April 15, 2020 to IMP in exchange for its membership units in PureFlowCath. As part of the settlement, on 18 February 18, 2021, IMP returned 4,869,441 common shares to the Company valued at \$0.16 per common share or total fair value of \$794,000. In addition, \$209,220 previously recorded in accounts payable as due to shareholders (IMP and related party consultant Peter Falkner), including certain company and consultants related to them, was discharged (Note 4). As a result, the Company recorded \$1,003,220 in contributed surplus.

During the year ended December 31, 2020, the Company had the following share capital transactions:

### *PureFlowCath Member unit’s conversion to shares in the Company*

On April 15, 2020, the Company acquired all Class I and III Member Units of PureFlowCath by way of issuing 228,777 shares in the Company for every member unit in PureFlowCath. This transaction involved inserting a new parent company at the top of PureFlowCath. The parent company (the Company), a ‘shell’ company, issued shares to the existing controlling shareholders and is a common control acquisition. The Company acquired Class II Member Units in PureFlowCath by way of issuing shares at \$0.29 per share with a full warrant exercisable for one common share at \$0.29 per common share on or before December 31, 2026. The conversion agreements entered into with Class II unitholders contain a “down-round” feature, which is disclosed in Note 6.

Member Units PureFlowCath			Conversion to Common Shares of the Company			Total Common Shares of the Company
Class I	Class II	Class III	Class I	Class II	Class III	
71.66	11.00	17.34	16,490,247	13,173,103	2,830,216	<b>32,493,566</b>

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	13,173,103
Exercise price	\$0.29
Share price	\$0.17
Risk-free interest rate	0.41%
Expected volatility	106.00%
Expected life of warrants	4.8 years
Expected dividend yield	0.00%
Fair value	\$1,555,743
Fair value per warrant	\$0.12

All warrants granted are classified as a financial liability because they do not meet the ‘fixed-for-fixed’ criteria in IAS 32 (see Note 6).

## 7. SHARE CAPITAL AND RESERVES (continued)

### *Shares issued for subscription and services*

The Company issued 3,379,310 units under various subscription agreements entered between April 2020 and August 2020 for \$0.29 per unit for net proceeds totalling \$980,000. Each unit consists of one share and a full warrant exercisable for one common share at \$0.29 per common share on or before December 31, 2026. The subscription agreements in respect of this financing contain a “down-round” feature, which is fully disclosed in Note 6.

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, 2026 as consideration for professional services of \$900,000 received from CIC Capital Ltd.

## 7. SHARE CAPITAL AND RESERVES (continued)

### *Shares issued for subscription and services*

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	6,482,758
Exercise price	\$0.29
Share price	\$0.15 - \$0.17
Risk-free interest rate	0.23 - 0.41%
Expected volatility	106.00 – 196.00%
Expected life of warrants	4.3 - 4.8 years
Expected dividend yield	0.00%
Fair value	\$778,793
Fair value per warrant	\$0.12 - \$0.14

As presented:

	\$
Warrant liability	412,276
Warrant reserve	366,517
<b>Total</b>	<b>778,793</b>

### *Loan conversion (promissory note)*

On December 28, 2019, PureFlowCath issued an unsecured promissory note for \$500,000, bearing interest of 10% per annum, with principal and interest due on April 1, 2021. On April 4, 2020, the principal amount of \$500,000 plus \$50,000 interest was converted into equity in the Company at \$0.29 per unit or 1,896,552 units. Each unit consists of one common share and one warrant. Each warrant is exercisable for one common share at \$0.29 per common share on or before December 31, 2026. The amended agreement in respect of this financing contains a “down-round” feature, which is disclosed in Note 6.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	1,896,552
Exercise price	\$0.29
Share price	\$0.17
Risk-free interest rate	0.41%
Expected volatility	106.00%
Expected life of warrants	4.8 years
Expected dividend yield	0.00%
Fair value	\$223,983
Fair value per warrant	\$0.12

All warrants granted are classified as a financial liability because they do not meet the ‘fixed-for-fixed’ criteria in IAS 32 (see Note 6).

## 7. SHARE CAPITAL AND RESERVES (continued)

### *Shares issued for no consideration*

During the year ended December 31, 2020, the Company issued 6,927,826 common shares to certain individual and institutional investors for no consideration, but these investors are required to purchase 5 common shares on the market for each common share issued to them within 60 days from the date of the Company's listing on a designated exchange. The shares issued were recorded at fair value, with corresponding increase in deficit. The fair value of the shares was based on most recent arm's length financing transactions.

### *Warrants*

Set out below are summaries of warrants granted and classified under equity during the year:

	2021		2020	
	Average exercise price per warrant	Number of warrants	Average exercise price per warrant	Number of warrants
Balance, beginning of year	\$0.12	3,103,448	-	-
Granted during the year	-	-	\$0.12	3,103,448
Balance end of year		3,103,448		3,103,448
Vested and exercisable, end of year	\$0.12	3,103,448	\$0.12	3,103,448

No warrants expired during the year.

As of December 31, 2021, there were 26,092,761 warrants issued and outstanding (2020 - 21,552,413) with an exercise price of \$0.29 and all expire on December 31, 2026. Of these warrants, 22,989,313 warrants were presented as part of the derivative liabilities (2020 - 18,448,965).

## 8. LEGAL AND PROFESSIONAL FEES

Components of legal and professional fees for the year are as follows:

	2021		2020	
Patent and trademark legal fees	\$	142,336	\$	101,664
Legal and professional fees		306,304		1,396,998
Accounting and audit		87,922		61,606
	\$	536,562	\$	1,560,268

## 9. RELATED PARTY TRANSACTIONS

Key management personnel compensation is as follows:

	2021 \$	2020 \$
Short-term employee benefits	169,816	86,505

The following transactions occurred with related parties.

	2021 \$	2020 \$
Purchase of professional services from CIC Capital Ltd., a shareholder (i)	\$ 234,000	\$ 1,000,700
Purchase of professional services from CIC Veritas Ltd., a company with common shareholder	5,000	
Purchase of professional services from two minority shareholders	13,681	47,125

- (i) Of the professional services in 2020, \$900,000 was paid through the issuance of common shares and warrants. See Note 7.

## 10. INCOME TAXES

The following table reconciles income tax recovery calculated at the basic Canadian corporate tax rate with the income taxes recorded in these consolidated financial statements:

	2021 \$	2020 \$
Loss before income taxes	(634,297)	(2,044,024)
Combined federal and provincial income tax rate	26.5%	26.5%
Income tax recovery at statutory rate	168,089	541,666
Tax effect of:		
Temporary differences for which no deferred tax income asset has been recognized	(168,089)	(559,166)
Net income not taxable as an Alabama corporation prior to the move to Canada	-	17,500
Income tax expense	-	-

The Company has not recognized a deferred tax asset of \$727,255 (2020 - \$559,166) with respect to the loss carry forward as it is not probable that sufficient future taxable profit will be available against which the Company may use the benefits.

The Company has non-capital tax losses of \$2,744,358 (2020 - \$2,110,061) in Canada that may be applied to reduce future years' taxable income. Of these losses, \$2,110,061 expires in 2040 and \$634,297 expires in 2041.

## 11. LOSS PER SHARE

Loss per share is calculated by dividing the loss for the year attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the loss and share data used in the basic and diluted EPS calculations for the years ended December 31, 2021 and 2020:

	2021	2020
Loss attributable to ordinary equity shares	\$ 634,297	\$ 2,044,024
Basic and diluted weighted average shares outstanding	45,023,518	39,341,315
Basic and diluted loss per share	\$ (0.01)	\$ (0.05)

## 12. MANAGEMENT OF CAPITAL

The Company defines its capital as share capital and deficit. The Company's objectives when managing capital are to ensure there are sufficient funds available to carry out its research and development programs. To date, these programs have been funded through the sale of equity securities. The Company also intends to source non-dilutive funding by accessing grants, government assistance and tax incentives, and through partnerships with corporations and research institutions. The Company uses budgets and purchasing controls to manage its costs. The Company is not exposed to any externally imposed capital requirements.

## 13. FINANCIAL INSTRUMENTS

### *Fair value*

Cash, cash held in trust, accounts payable and accrued liabilities and loan payable to CIC Capital Ltd. are all short-term in nature and, as such, their carrying values approximate fair values.

### *Risks*

The Company has exposure to credit risk, liquidity risk and foreign exchange risk.

#### (a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company's cash and amounts due from related parties. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash is deposited with a major Canadian bank.

#### 14. FINANCIAL INSTRUMENTS (continued)

##### (b) 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 is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

##### (c) Foreign currency Risk

Currency risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company is exposed to foreign currency risk on fluctuations related to cash and accrued expenses that are denominated in Canadian dollars.

As at December 31, 2021 \$245,902 in net assets were denominated in Canadian Dollars and a 10% fluctuation in foreign exchange rate would impact the consolidated statement of loss and comprehensive loss by \$22,355. As at December 31, 2020, the Company did not have any significant monetary accounts that were exposed to any foreign currency risk.

#### 15. SECURITISATION AGREEMENT

PureFlowCath entered into an agreement dated October 26, 2019 with CIC Fund Securitisation Fund S.A., a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, acting as an unregulated securitization company (*société de titrisation*) within the meaning of, and governed by, the Luxembourg Securitization Law. Pursuant to the agreement, CIC Fund Securitisation Fund S.A. agrees to provide services in relation to the securitization of PureFlowCath's intellectual property in Luxembourg. Such services include the establishment of a dedicated PureFlowCath compartment to facilitate debt financing of €5,000,000, with the first note raising €1,100,000 at Prospectus approval by regulator. As consideration, PureFlowCath agreed to pay CIC Fund Securitisation S.A. CAD\$12,726 (paid - equivalent to US\$10,038) in cash, administration fee of 4.2% annually of the value of a note issued for the life of the securitization entity and €93,000 (paid) on completion of the securitisation transaction. At year-end, the securitisation transaction is still in progress.

#### 16. SUBSEQUENT EVENTS

On January 1, 2022, the Company issued 51,724 units under various subscription agreements entered into, for \$0.29 per unit for net proceeds of \$15,000. Each unit consists of one share and a full warrant exercisable for one common share at \$0.29 per common share on or before December 31, 2026.

On May 26, 2022, the Company issued 34,483 units for \$0.29 per unit for net proceeds of \$10,000. Each unit consists of one share and a full warrant exercisable for one common share at \$0.29 per common share on or before December 31, 2026.

On July 5, 2022, the Company issued 86,207 units for \$0.29 per unit for net proceeds of \$25,000. Each unit consists of one share and a full warrant exercisable for one common share at \$0.29 per common share on or before December 31, 2026.

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## MANAGEMENT DISCUSSION & ANALYSIS

### FOR THE YEAR ENDED DECEMBER 31, 2021

This Management's Discussion and Analysis ("MD&A") of Innomed Tech Ltd. (the "Company"), prepared as of May 15, 2022, 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. The currency the amounts are expressed US dollars.

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](http://www.InnomedTec.com).

**The effective date of this report is May 15, 2022.**

### 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 MD&A include that:

- the performance characteristics of the Company's medical devices
- projections of costs;

- future medical devices and divestment;
- securitisation of assets;
- patent approvals
- Food and Drug Administration 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, 2019 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 was subject to transaction on April 15, 2020, which involved inserting a new parent company, Innomed Tech Ltd as 100% equity owner of PureFlowCath LLC. (formerly 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 was 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***

- Progressed the public listing application with a regulator;

- Progressed PureFlowCath patent application in all jurisdictions;
- Australia, Saudi Arabia, Panama, Morocco and Eurasia patent applications have been approved;
- Return to treasury 4,869,441 common shares by issued to previous managers of the Company;
- Secured US\$1,331,700 year ended December 31, 2021 by subscription and equity finance at US\$ 29 cents per share to fund working capital and regulated public listing; and
- Secured US\$15,000 post year ended December 31, 2021 to the date of this MD&A by subscription and equity finance at US\$ 29 cents per share to fund working capital and regulated public listing.

## **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**

For the year ended December 31, 2021, the Company had a net loss of \$634,297 compared to a net loss of \$2,044,024 for year ended December 31, 2020.

For the year ended December 31, 2021, net loss of \$634,297 was due to:

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

The Company incurred US\$51,286 in foreign exchanges loss due to cash subscriptions coming from US investors being transferred to Canadian bank account. Cash subscription was slightly higher in 2021 compared to 2020 by \$ 40,058 due to increased subscriptions in 2021. This loss is likely to continue but is being monitored by management. Legal and professional fees mainly related to patent application costs and consultant fees decreased to US\$536,562 in 2021 from \$1,560,268 in 2020 due to less consultancy requirements as the majority of work were completed in 2020.

Salaries and wages in 2021 \$ 184,216 increased over 2020 by \$93,705 as the Company paid out its first full years re listing salaries.

The Company recorded a fair value gain of US\$156,394 representing change in the fair value of derivative liabilities. Certain 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.

During the years ended December 31, 2021 and 2020, Company incurred the following general and administrative expenses:

<b>Expenses</b>	<b>2021</b>	<b>2020</b>
-----------------	-------------	-------------

Legal and professional fees	\$	536,562	1,560,268
Change in fair value of derivative liabilities		(156,394)	273,969
Salaries and wages		184,216	93,705
Foreign exchange loss		51,286	40,058
Patent/research and development		500	23,831
General administration		18,127	2,193
	\$	<b>634,297</b>	<b>1,994,024</b>

## SELECTED ANNUAL INFORMATION

The following table sets forth summary financial information for the Company for the years ended December 31, 2021 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, 2021	Dec. 31, 2020
	\$	\$
Total revenue	—	—
Net Loss for the year	(634,297)	(2,044,024)
Loss per share, basic and diluted	(0.01)	(0.05)
Total assets	786,663	239,494
Total long-term liabilities	3,472,124	2,928,848

## RESULTS OF OPERATIONS

During the year ended December 31, 2021, the Company had a net loss of \$634,297 compared to a net loss of \$2,044,024 for the year ended December 31, 2020.

During the year ended December 31, 2021, the Company recorded:

### Expenses

Legal and professional fees	\$	536,562
Change in fair value of derivative liabilities		(156,394)
Salaries and wages		184,216
Foreign exchange loss		51,286
Patent/research and development		500
General administration		18,127
	\$	<b>634,297</b>

The Company incurred US\$51,286 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 of US\$536,562 were mainly related to patent application costs and consultant fees

The Company recorded a fair value gain of US\$156,394 representing change in the fair value of derivative liabilities. Certain 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 unaudited financial data for eight quarters:

	Revenues	Net income (loss)	Basic and diluted earnings (loss) per share
March 31, 2020	–	(24,541)	(0.00)
June 30, 2020	–	(1,757,640)	(0.05)
September 30, 2020	–	(307,798)	(0.01)
December 31, 2020	–	45,955	0.00
March 31, 2021	–	400	(0.00)
June 30, 2021	–	(230,471)	(0.01)
September 30, 2021	–	(93,425)	(0.00)
December 31, 2021	–	(319,400)	(0.01)

## LIQUIDITY AND CAPITAL RESOURCES

### *Operating Activities*

As at December 31, 2021, the Company had cash (including cash held in trust) of \$617,220.

As at December 31, 2021, the Company has no assets other than cash and prepaid expenses US\$169,443, a working capital of \$717,053, and an accumulated deficit of \$10,376,767.

### *Financing Activities*

For the year ended December 31, 2021, the Company issued 4,540,348 units under various subscription agreements entered into various dates during the year for \$0.29 per unit for net proceeds of \$1,316,700. Each unit consists of one share and a full warrant exercisable for one common share at \$0.29 per common share on or before December 31, 2026.

The Company transferred the majority of its Patent Applications to CIC Fund Securitisation S.A. (Luxembourg) as part of the process of securing debt finance of initial Euro €5,000,000. The patent applications and approved patents intangible asset value is not recorded in the financial statement as they are held separately by the securitisation compartment in Luxembourg. The Company's 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 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. 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, 2021:

	2021	2020
Purchase of professional services from CIC Capital Ltd., a shareholder(i)	\$ 234,000	\$ 1,000,700
Purchase of professional services from CIC Veritas Ltd., a company with common Shareholder (Stuart J. Bromley)	5,000	-
Purchase of professional services from two minority shareholders (Billy Williams and David Toyoda)	13,681	47,125

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

## FOURTH QUARTER

During the fourth quarter of 2021, the Company:

- 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 €0,000,000.

## 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 cash, due from CIC Capital Ltd.-In Trust, accounts payable and accrued liabilities, loan payable to CIC Capital Ltd. and due from Innovative Medicine Partners LLC, approximate their carrying values due to the relatively short-term maturity of these instruments.

### *Credit risk, liquidity risk and interest rate risk*

The Company has exposure to credit risk, liquidity risk and interest rate risk.

#### Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company's cash and amounts due from parent. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash are on deposit with a major American bank.

#### 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 is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate price risk to the extent that the promissory note is at a fixed interest rate.

#### Currency risk

Currency risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company is exposed to foreign currency risk on fluctuations related to cash and accrued expenses that are denominated in Canadian dollars.

As at December 31, 2021 \$245,902 in net assets were denominated in Canadian Dollars and a 10% fluctuation in foreign exchange rate would impact the consolidated statement of loss and comprehensive loss by \$22,355. As at December 31, 2020, the Company did not have any significant monetary accounts that were exposed to any foreign currency risk.

#### **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, 2021 to which this MD&A relates.

#### **DISCLOSURE OF OUTSTANDING SHARE DATA**

The authorized share capital of the Company at December 31, 2021:

	<b>Dec 31, 2021</b>
<b>Common Shares</b>	47,471,609
<b>Warrants</b>	26,092,761
<b>Options</b>	-

Common shares at the date of this MD&A are 47,523,333, no options and 23,041,037 warrants.

#### ***Shares Issued for Subscription***

For the year ended December 31, 2021, the Company issued 4,540,348 units under various subscription agreements entered into various dates during the year for \$0.29 per unit for net proceeds of \$1,316,700. Each unit consists of one share and a full warrant exercisable for one common share at \$0.29 per common share on or before December 31, 2026. The subscription agreements in respect of this financing contain a “down-round” feature.

***Return of shares and forgiveness of accounts payable***

On February 5, 2021, Innovative Medicine Partners, LLC (“IMP”), a shareholder, and previous key members of management, including certain company and consultants related to them, reached a settlement with the Company regarding dispute over past operation and management of PureFlowCath by IMP and regarding the number of shares issued on April 15, 2020 to IMP in exchange for its membership units in PureFlowCath. As part of the settlement, IMP was required to return 4,869,441 common shares valued at \$0.16 per common share or total fair value of \$794,000. On February 18, 2021, IMP returned 4,869,441 common shares to the Company. In addition, \$209,220 in accounts payable to shareholders (IMP and related party consultants Peter Falkner), including certain company and consultants related to them, was discharged. As a result, the Company recorded \$1,003,220 in contributed surplus.

**OTHER**

Additional disclosures pertaining to the Company’s reports, press releases and other information are available on the SEDAR website at [www.sedar.com](http://www.sedar.com) or on the Company’s web site [www.InnomedTec.com](http://www.InnomedTec.com)

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**Consolidated Financial Statements**

For the Years Ended December 31, 2020 and 2019

(Expressed in US dollars)



RSM Opinion

to be inserted on final form Prospectus

**INNOMED TECH LTD.**

Consolidated statements of financial position

As at December 31, 2020 and 2019

(Expressed in US dollars)

	2020	2019
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 3,562	\$ 231,269
Cash held in trust (Note 3)	50,226	-
Prepaid expenses	185,706	-
Due from Innovative Medicine Partners LLC (Note 4)	-	359,531
<b>Total assets</b>	<b>\$ 239,494</b>	<b>\$ 590,800</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 240,470	\$ 768,921
Loan payable to CIC Capital Ltd. (Note 6)	17,200	-
	<b>257,670</b>	<b>768,921</b>
<b>Non-current</b>		
Derivative liabilities (Note 7)	2,928,848	-
Promissory note (Note 8)	-	500,000
	<b>2,928,848</b>	<b>500,000</b>
<b>Total liabilities</b>	<b>3,186,518</b>	<b>1,268,921</b>
<b>Shareholders'/members' deficiency</b>		
Share capital (Note 8)	6,428,929	-
Membership units (Note 8)	-	5,856,450
Warrant reserve (Note 8)	366,517	-
Deficit	(9,742,470)	(6,534,571)
<b>Total shareholders'/members' deficiency</b>	<b>(2,947,024)</b>	<b>(678,121)</b>
<b>Total liabilities and shareholders'/members' deficiency</b>	<b>\$ 239,494</b>	<b>\$ 590,800</b>

Subsequent events (Note 16)

(The accompanying notes are an integral part of these consolidated financial statements)

**INNOMED TECH LTD.**

Consolidated statements of operations and comprehensive income  
For the years ended December 31, 2020 and 2019  
(Expressed in US dollars)

	2020	2019
<i>Expenses</i>		
Legal and professional fees (Notes 9 and 10)	\$ 1,560,268	\$ 405,540
Change in fair value of derivative liabilities (Note 7)	273,969	-
Salaries and wages	93,705	-
Interest expense	50,000	-
Foreign exchange loss	40,058	-
Patent/research and development (Note 10)	23,831	725,230
General administration	2,193	10,011
Management fees (Note 10)	-	360,000
Automobile expense	-	81
Marketing and multimedia (Note 10)	-	19,825
Share-based payments	-	66,250
<b>Net loss and comprehensive loss</b>	<b>\$ 2,044,024</b>	<b>\$ 1,586,937</b>
Weighted average shares outstanding		
- Basic and diluted (Note 12)	39,341,315	30,224,809
<b>Basic and diluted loss per share (Note 12)</b>	<b>(0.05)</b>	<b>(0.05)</b>

(The accompanying notes are an integral part of these consolidated financial statements)

**INNOMED TECH LTD.**

Consolidated statements of changes in stockholders'/members' deficiency

For the years ended December 31, 2020 and 2019

(Expressed in US dollars)

	Class I	Class II	Class III	Share Capital		Warrant	Deficit	Total
	Units	Units	Units	# of Shares	Amount \$	Reserve	\$	Shareholders'/ Members' Deficiency
	\$	\$	\$		\$	\$	\$	\$
Balance, January 1, 2019	-	1,223,750	1,970,000	-	-	-	(4,947,634)	(1,753,884)
Issuance of units		2,596,450	66,250	-	-	-	-	2,662,700
Net loss and comprehensive loss	-	-	-	-	-	-	(1,586,937)	(1,586,937)
Balance, December 31, 2019	-	3,820,200	2,036,250	-	-	-	(6,534,571)	(678,121)
Innomed Two LLC.								
Member unit conversion	-	(3,820,200)	(2,036,250)	32,493,566	4,300,707	1,555,743	-	-
Recognition of derivative liabilities on Class II units conversion	-	-	-	-	(310,877)	(1,555,743)	-	(1,866,620)
Loan conversion	-	-	-	1,896,552	326,017	-	-	326,017
Issuance of units	-	-	-	6,482,758	949,207	366,517	-	1,315,724
Issuance of shares for no consideration	-	-	-	6,927,826	1,163,875	-	(1,163,875)	-
Net loss and comprehensive loss	-	-	-	-	-	-	(2,044,024)	(2,044,024)
<b>Balance, December 31, 2020</b>	-	-	-	<b>47,800,702</b>	<b>6,428,929</b>	<b>366,517</b>	<b>(9,742,470)</b>	<b>(2,947,024)</b>

Innomed Tech Ltd. acquired Innomed Two, LLC (PureFlowCath, LLC) on April 15, 2020.

(The accompanying notes are an integral part of these consolidated financial statements)

**INNOMED TECH LTD.**

Consolidated statements of cash flows  
For the years ended December 31, 2020 and 2019  
(Expressed in US dollars)

	2020	2019
<b>Cash provided by (used in)</b>		
<b>Operations</b>		
Net loss	\$ (2,044,024)	\$ (1,586,937)
<i>Items not affecting cash</i>		
Shares issued for professional fees	900,000	-
Interest converted to shares	50,000	-
Change in fair value of derivative liabilities	273,969	-
Share-based payments	-	66,250
	<b>(820,055)</b>	<b>(1,520,687)</b>
<i>Changes in non-cash working capital</i>		
Prepaid expenses	(185,706)	-
Cash held in trust	(50,226)	-
Due from Innovative Medicine Partners, LLC	359,531	(1,229,293)
Accounts payable and accrued liabilities	(528,451)	(233,431)
	<b>(1,224,907)</b>	<b>(2,983,411)</b>
<b>Financing</b>		
Loan payable to CIC Capital Ltd.	17,200	-
Proceeds from promissory note	-	500,000
Issuance of shares	980,000	-
Contributions	-	2,596,450
	<b>997,200</b>	<b>3,096,450</b>
<b>Net change in cash</b>	<b>(227,707)</b>	<b>113,039</b>
<b>Cash, beginning of the year</b>	<b>231,269</b>	<b>118,230</b>
<b>Cash, end of the year</b>	<b>\$ 3,562</b>	<b>\$ 231,269</b>
<b>Non-cash financing activity</b>		
Conversion of promissory note and related interest into equity	\$ 550,000	\$ -

(The accompanying notes are an integral part of these consolidated financial statements)

## **INNOMED TECH LTD.**

Notes to the consolidated financial statements  
For the years ended December 31, 2020 and 2019  
(Expressed in US dollars)

### **1. NATURE OF OPERATIONS, CONTINUANCE OF BUSINESS AND GOING CONCERN**

Innomed Tech Ltd. (the “Company”) was incorporated and registered on November 22, 2019 under the General Corporation Law of the State of Delaware, with the name InnoMedTech, Inc. On May 27, 2020, the Company continued (change of jurisdiction of incorporation) into British Columbia (“BC”) Canada under the Business Corporation Act (British Columbia) as InnoMed Tech Ltd. The Company is in the business of developing medical devices, medical digital or science inventions. The address of the registered office of the Company is Suite 1000 – 409 Granville Street, Vancouver, BC Canada V6C 1T2.

The Company was subject to a transaction on April 15, 2020, which involved inserting a new parent company at the top of PureFlowCath, LLC [formerly Innomed Two, LLC] (“PureFlowCath”). The parent company (the Company), a ‘shell’ company, issued shares to the existing controlling shareholders of PureFlowCath. Control remained the same before and after April 15, 2020. 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. All comparative figures reflect those of PureFlowCath only.

The consolidated financial statements were prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company is subject to several risks associated with the successful development of new products and their marketing and the conduct of its clinical studies and their results, in addition to the uncertainties presented by the COVID-19 pandemic. It is likely that the product developed by the Company will require approval from the U.S. Food and Drug Administration and equivalent organizations in other countries before sales can be authorized. For the year ended December 31, 2020, the Company incurred a loss of \$2,044,024 (2019 - \$1,586,937) and cash-flow deficit from operations of \$1,224,907 (2019 - \$2,983,411). The Company’s future operations are dependent upon its ability to secure additional funds to finance patent applications to approval, its research and development activities and in the longer-term clinical studies. It is not possible to predict whether the Company will be successful, securing new financing, patent application approvals and obtain approval from the U.S. Food and Drug Administration and equivalent organization in other countries.

There can be no assurance that management will be successful in its efforts to generate sufficient cash-flow or that it will ever develop a self-supporting business. These factors may cast significant doubt on the Company’s ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments to the carrying amounts which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements.

## INNOMED TECH LTD.

Notes to the consolidated financial statements  
For the years ended December 31, 2020 and 2019  
(Expressed in US dollars)

### 1. NATURE OF OPERATIONS, CONTINUANCE OF BUSINESS AND GOING CONCERN (continued)

The Company has been closely monitoring developments related to the novel strain of coronavirus, specifically identified as “COVID-19”, including the existing and potential impact on global and local economies. The Company has implemented its business continuity plan ensuring minimal interruption to the business. Governments worldwide have since put in place various measures to contain the spread of the virus, which have directly and indirectly impacted many businesses. The COVID-19 pandemic presented some challenges in delays in raising financing but otherwise did not have any other significant impact on the Company's consolidated financial statements. The longer term impacts of the COVID-19 situation will depend on future developments which are highly uncertain, rapidly evolving and difficult to predict. These impacts may differ in magnitude depending on a number of scenarios, which the Company continues to monitor and take into consideration.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements were approved for issue by the Board of Directors on December 3, 2021.

#### (b) Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis.

#### (c) Amended Accounting Standards Adopted

The Company has adopted all the new or amended Accounting Standards and Interpretations issued by the IASB that are mandatory for the current reporting period.

The following amendments are most relevant to the Company:

- Amendments to IFRS 3 *Business Combinations* improve the definition of a business. The amendments help entities determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others.
- *Definition of Material* (Amendments to IAS 1 *Presentation of Financial Statements* [“IAS 1”] and to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* [“IAS 8”]) is intended to make the definition of material in IAS 1 easier to understand and is not intended to alter the underlying concept of materiality in IFRS Standards. The concept of “obscuring” material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from “could influence” to “could reasonably be expected to influence”. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1.

The adoption by the Company of the amendments listed above did not have any impact on the Company's consolidated financial statements

## INNOMED TECH LTD.

Notes to the consolidated financial statements  
For the years ended December 31, 2020 and 2019  
(Expressed in US dollars)

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (d) Standards issued but not yet effective

The following amendment to an existing standard has been issued and is applicable to the Company beginning on June 1, 2020 and thereafter, with an earlier application permitted:

- *COVID-19 Related Rent Concessions* (Amendment to IFRS 16, *Leases*): i) provide lessees with a practical expedient that relieves a lessee from assessing whether a COVID-19-related rent concession is a lease modification; ii) require lessees that apply the practical expedient to account for COVID-19-related rent concessions as if they were not lease modifications.

The following amendments to existing standards have been issued and are applicable to the Company for its annual period beginning on January 1, 2022 and thereafter, with an earlier application permitted:

- Reference to the Conceptual Framework – Amendments to IFRS 3 *Business Combinations*
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and
- Annual Improvements to IFRS Standards 2018–2020.

The following amendments to existing standards have been issued and are applicable to the Company for its annual period beginning on January 1, 2023 and thereafter, with an earlier application permitted:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1;
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2;
- Definition of Accounting Estimates – Amendments to IAS 8; and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 *Income Taxes*.

The Company is currently evaluating the impacts of adopting these amendments on its consolidated financial statements.

#### (e) Functional and Presentation Currency

These consolidated financial statements are presented in United States dollars, which is the Company's functional currency.

#### (f) Significant Estimates and Assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

## **INNOMED TECH LTD.**

Notes to the consolidated financial statements  
For the years ended December 31, 2020 and 2019  
(Expressed in US dollars)

### **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### (f) Significant Estimates and Assumptions (continued)

##### *Determining the fair value of services received in exchange for share-based payments*

From time to time the Company issues common shares for services or non-cash assets. The Company's Board of Directors determines the fair market value of the services or non-cash assets received in exchange for common shares. These transactions are typically valued using the fair value of common shares issued.

##### *Valuation of the "down-round" provision in debt and equity agreements*

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. Management judgment is required to determine the probability of the triggering event to occur and the number of incremental common shares and warrants that could be issued, which is dependent on the Company's share price in the future. The valuation method and assumptions used in valuing the derivative liabilities are disclosed in Note 7.

##### *Valuation of warrants*

The Company uses the Black-Scholes option pricing model to determine the fair value of stock options in order to calculate stock-based compensation expense. The Black-Scholes model involves six key inputs to determine fair value of a stock option: risk-free interest rate, exercise price, market price at the date of issue, expected dividend yield, expected life and expected volatility. Certain of the inputs are estimates that involved considerable judgment and are or could be affected by significant factors that are out of the Company's control.

#### (g) Research and Development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes.

Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are expensed as incurred. No internal development costs have been capitalized to date.

Research and development expenses include all direct and indirect operating expenses supporting the products in development. The costs incurred in establishing and maintaining patents are expensed as incurred.

#### (h) Share-based Payments

The Company issues share-based payments to employees or consultants. The fair value of the shares issued is recognized over the applicable vesting period as compensation expense unless there are no vesting requirements in which case the entire amount is recognized immediately.

## INNOMED TECH LTD.

Notes to the consolidated financial statements  
For the years ended December 31, 2020 and 2019  
(Expressed in US dollars)

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Unit Share Issuances

For unit share issuances consisting of common shares and warrants, the Company uses the Black-Scholes option pricing model in determining the fair value of warrants. The proceeds from the issuance of units are first allocated to the warrants and the residual amount, being the difference between the proceeds from issuance and the fair value of the warrants, is allocated to common shares.

(j) 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.

On initial recognition, (1) the fair value of the derivative on outstanding warrants with “down-round” provision is determined using an option pricing model, (2) the fair value of the derivative on incremental common shares is determined based on the estimated incremental common shares that could be issued and estimated share price in the future, which is then applied with a probability and discount rate to arrive at the present value of the liability, and (3) the fair value of the derivative on incremental warrants is based on an option pricing model, which is then applied with a probability and discount rate to arrive at the present value of liability. These amounts are measured at fair value to profit or loss. Changes in the fair value of the derivative liabilities are charged to operations.

The remainder of the proceeds is allocated to the share capital.

(k) Financial Instruments

*Classification and measurement of financial instruments*

Financial assets are required to be initially measured at fair value and subsequently classified at amortized cost or fair value on the basis of the Company’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company’s financial assets includes cash, cash held in trust and due from Innovative Medicine Partners LLC, which are classified at amortized cost because the Company’s business model is to hold these financial instruments to maturity to collect contractual cash flows consisting solely of payments of principal and interest on the principal amount outstanding.

Financial liabilities include accounts payable and accrued liabilities, loan payable to CIC Capital Ltd. and promissory note which were initially measured at fair value and subsequent classified as amortized cost.

## **INNOMED TECH LTD.**

Notes to the consolidated financial statements  
For the years ended December 31, 2020 and 2019  
(Expressed in US dollars)

### **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### (k) Financial Instruments (continued)

##### *Impairment of financial assets*

For the impairment of financial assets under IFRS 9, the Company is required to apply an expected credit loss ("ECL") model to all debt financial assets not held at FVTPL, where credit losses that are expected to transpire in future years are provided for, irrespective of whether a loss event has occurred or not as at the date of the statement of financial position. The Company recognizes a loss allowance for expected credit losses on loan receivables which are measured at amortized cost. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognized is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets, with the exception of loan receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of operations and comprehensive loss.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations and comprehensive loss for the period to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

#### (l) Income Taxes

Deferred tax is recognized using the liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, the deferred tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred taxation asset is realized or the deferred tax liability is settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

## **INNOMED TECH LTD.**

Notes to the consolidated financial statements  
For the years ended December 31, 2020 and 2019  
(Expressed in US dollars)

### (l) Income Taxes (continued)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

### **3. CASH HELD IN TRUST**

Cash held in trust with CIC Capital Ltd., a shareholder and advisor to the Company, is due on demand and non-interest bearing.

### **4. DUE FROM INNOVATIVE MEDICINE PARTNERS LLC**

As at December 31, 2020, amount due of nil (2019: \$359,531) from Innovative Medicine Partners, LLC ("IMP"), a shareholder, was non-interest bearing, had no fixed terms of repayment and was secured against common shares held in the Company.

### **5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Included in the accounts payable and accrued liabilities are amounts owed to the previous key members of management of PureFlowCath, including certain company and consultants related to them, in the amount of \$203,020 (2019: \$751,596) arising from provision of research and development, professional and marketing services.

Subsequent to year-end, the outstanding balance was settled as part of the settlement agreement disclosed in Note 15.

### **6. LOAN PAYABLE TO CIC CAPITAL LTD.**

Loan payable to CIC Capital Ltd., a shareholder and advisor to the Company, is unsecured, non-interest bearing and has no fixed terms of repayment.

### **7. 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 after a 30-day continuous trading on a designated stock exchange, the Company's average share price is lower than the then-subscription price of \$0.29 per unit. The "down-round" feature was determined by the Company to be a financial liability since it creates an obligation to issue a variable number of shares. Thus, it does not meet the 'fixed-for-fixed' condition in IAS 32.

As a result of down-round provision, the Company has identified derivative liabilities on outstanding warrants with "down-round" provision and on incremental common shares and warrants that could be issued if the "down-round" provision is triggered. Derivative liabilities are remeasured at year-end, with changes in fair value recognized in profit or loss.

## INNOMED TECH LTD.

Notes to the consolidated financial statements  
For the years ended December 31, 2020 and 2019  
(Expressed in US dollars)

### 7. DERIVATIVE LIABILITIES (continued)

Changes in fair value of derivative liabilities during the year are as follows:

	Outstandin g warrants with “down- round” feature	“Down- round” feature on warrant s	“Down- round” feature on common shares	Total
Balance, January 1, 2020	\$ -	\$ -	\$ -	\$ -
Issuance during the year (Note 8)	2,192,002	167,261	295,616	2,654,879
Change in fair value	206,363	24,413	43,193	273,969
Balance, December 31, 2020	\$ 2,398,365	\$ 191,674	\$ 338,809	\$ 2,928,848

The change in fair value of the derivative liabilities is presented as a separate line on the consolidated statement of operations and other comprehensive income.

#### *Valuation of derivative on incremental common shares*

On initial recognition, the Company assumed that the probability of the share price to go down by 20% is 25% and the probability of the share price to remain at the then-subscription price of \$0.29 or to go higher is 75%. Accordingly, the Company recognized \$295,616 in liability for incremental common shares on initial recognition. The fair value of the liability for incremental common shares as of December 31, 2020 is \$338,809.

#### *Valuation of derivative on outstanding warrants and incremental warrants*

The valuation method and inputs used in the valuation of the derivative on outstanding warrants on the date of grant are disclosed in Note 8.

As of December 31, 2020, the fair value of the derivative on outstanding warrants and incremental warrants was determined using the Black-Scholes pricing model with the following assumptions:

	Outstanding warrants	Incremental warrants
Number of warrants	18,448,965	10,628,208
Exercise price	\$0.29	\$0.29
Share price	\$0.16	\$0.23
Risk-free rate	0.39%	1.05%
Expected volatility	146%	129%
Expected dividend yield	0%	0%
Expected life (in years)	4.00	1.75

On initial recognition, the Company assumed that the probability of the share price to go down by 20% is 25% and the probability of the share price to remain at the then-subscription price of \$0.29 or to go higher is 75%. Accordingly, the Company recognized \$167,261 in liability for the incremental warrants on initial recognition. The fair value of the liability for incremental warrants as of December 31, 2020 is \$191,674.

## INNOMED TECH LTD.

Notes to the consolidated financial statements  
For the years ended December 31, 2020 and 2019  
(Expressed in US dollars)

### 7. DERIVATIVE LIABILITIES (continued)

#### *Fair value hierarchy*

The fair value of outstanding warrants with “down-round” provision is classified under Level 2 fair value hierarchy.

The fair value of both incremental shares and warrants is classified under Level 3 fair value hierarchy.

The following table summarizes the quantitative information about the significant unobservable inputs used in the fair value measurements of incremental shares and warrants as of December 31, 2020.

Key unobservable inputs	Relationship of unobservable inputs to fair value
Probability that the “down-round” provision will be triggered - 25%	The lower the probability, the lower the fair value
Magnitude of share price reduction - 20%	The lower the share price below the then-subscription price of \$0.29, the higher the incremental common shares and warrants that could be issued. The higher the incremental shares and warrants, the higher the fair value
Discount rate - 30%	The higher the discount rate, the lower the fair value

There were no transfers between any levels during the year.

### 8. SHARE CAPITAL AND RESERVES

#### **Subsequent to conversion to shares in the Company**

##### ***Authorized***

Unlimited common shares without par value.

##### ***Common shares***

47,800,702 common shares were issued during year ended December 31, 2020.

##### ***PureFlowCath Member unit’s conversion to shares in the Company***

On April 15, 2020, the Company acquired all Class I and III Member Units of PureFlowCath by way of issuing 228,777 shares in the Company for every member unit in PureFlowCath. This transaction involved inserting a new parent company at the top of PureFlowCath. The parent company (the Company), a ‘shell’ company, issued shares to the existing controlling shareholders and is a common control acquisition. The Company acquired Class II Member Units in PureFlowCath by way of issuing shares at \$0.29 per share with a full warrant exercisable for one common share at \$0.29 per common share on or before December 31, 2026. The conversion agreements entered into with Class II unitholders contain a “down-round” feature, which is fully disclosed in Note 7.

## INNOMED TECH LTD.

Notes to the consolidated financial statements  
For the years ended December 31, 2020 and 2019  
(Expressed in US dollars)

### 8. SHARE CAPITAL AND RESERVES (continued)

Member Units PureFlowCath			Conversion to Common Shares of the Company			Total Common Shares of the Company
Class I	Class II	Class III	Class I	Class II	Class III	
71.66	11.00	17.34	16,490,247	13,173,103	2,830,216	32,493,566

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	13,173,103
Exercise price	\$0.29
Share price	\$0.17
Risk-free interest rate	0.41%
Expected volatility	106%
Expected life of warrants	4.8 years
Expected dividend yield	0%
Fair value	\$1,555,743
Fair value per warrant	\$0.12

All warrants granted are classified as a financial liability because they do not meet the 'fixed-for-fixed' criteria in IAS 32 (see Note 7).

#### **Shares Issued for Subscription and Services**

The Company issued 3,379,310 units under various subscription agreements entered between April 2020 and August 2020 for \$0.29 per unit for net proceeds totalling \$980,000. Each unit consists of one share and a full warrant exercisable for one common share at \$0.29 per common share on or before December 31, 2026. The subscription agreements in respect of this financing contain a "down-round" feature, which is fully disclosed in Note 7.

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, 2026 as consideration for professional services of \$900,000 received from CIC Capital Ltd.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	6,482,758
Exercise price	\$0.29
Share price	\$0.15 - \$0.17
Risk-free interest rate	0.23 - 0.41%
Expected volatility	106 - 196%
Expected life of warrants	4.3 - 4.8 years
Expected dividend yield	0%
Fair value	\$778,793
Fair value per warrant	\$0.12 - \$0.14

## INNOMED TECH LTD.

Notes to the consolidated financial statements  
For the years ended December 31, 2020 and 2019  
(Expressed in US dollars)

### 8. SHARE CAPITAL AND RESERVES (continued)

As presented:		
Warrant liability	\$	412,276
Warrant reserve		366,517
Total	\$	778,793

#### ***Loan Conversion (Promissory Note)***

On December 28, 2019, PureFlowCath issued an unsecured promissory note for \$500,000, bearing interest of 10% per annum, with principal and interest due on April 1, 2021. On April 4, 2020, the principal amount of \$500,000 plus \$50,000 interest was converted into equity in the Company at \$0.29 per unit or 1,896,552 units. Each unit consists of one common share and one warrant. Each warrant is exercisable for one common share at \$0.29 per common share on or before December 31, 2026. The amended agreement in respect of this financing contains a “down-round” feature, which is fully disclosed in Note 7.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	1,896,552
Exercise price	\$0.29
Share price	\$0.17
Risk-free interest rate	0.41%
Expected volatility	106%
Expected life of warrants	4.8 years
Expected dividend yield	0%
Fair value	\$223,983
Fair value per warrant	\$0.12

All warrants granted are classified as a financial liability because they do not meet the ‘fixed-for-fixed’ criteria in IAS 32 (see Note 7).

#### ***Shares Issued for No Consideration***

During the year ended December 31, 2020, the Company issued 6,927,826 common shares to certain individual and institutional investors for no consideration, but these investors are required to purchase 5 common shares on the market for each common share issued to them when the Company is listed on a designated exchange. The shares issued were recorded at fair value, with corresponding increase in deficit. The fair value of the shares was based on most recent arm’s length financing transactions.

#### ***Warrants***

As of December 31, 2020, there were 21,552,413 warrants issued and outstanding with an exercise price of \$0.29 and all expire on December 31, 2026. Of these warrants, 18,448,965 warrants were presented as part of the derivative liabilities.

#### ***Prior to conversion to shares in the Company***

##### ***Authorized***

The authorized unit capital of the Company consists of 3 units of ownership: Class I Units (100 units), Class II Units (33.5 units) and Class III Units (15 units).

## INNOMED TECH LTD.

Notes to the consolidated financial statements  
For the years ended December 31, 2020 and 2019  
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### 8. SHARE CAPITAL AND RESERVES (continued)

#### *Member Units Issued*

As of December 31, 2019 and conversion, the Company had issued 100 units of Class I Units<sup>(a)</sup>, 16.38 units of Class II Units<sup>(ii)</sup> and 9.75 Class III Units<sup>(iii)</sup>.

(i) Class I Units are voting

(ii) Class II Units are non-voting

(iii) Class III Units are for the purpose of compensating certain consultants and professionals and are non-voting

### 9. LEGAL AND PROFESSIONAL FEES

Components of legal and professional fees for the year are as follows:

	2020	2019
Patent and trademark legal fees	\$ 101,664	\$ 173,451
Legal and professional fees	1,396,998	170,114
Accounting and audit	61,606	61,975
	\$ 1,560,268	\$ 405,540

### 10. RELATED PARTY TRANSACTIONS

The following transactions occurred with related parties:

	2020	2019
Purchase of professional services from CIC Capital Ltd., a shareholder in 2020 <sup>(i)</sup>	\$ 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.

## INNOMED TECH LTD.

Notes to the consolidated financial statements  
For the years ended December 31, 2020 and 2019  
(Expressed in US dollars)

### 11. INCOME TAXES

The following table reconciles income tax recovery calculated at the basic Canadian corporate tax rate with the income taxes recorded in these consolidated financial statements:

	<b>2020</b>
Loss before income taxes	\$ (2,044,024)
Combined federal and provincial income tax rate	26.5%
Income tax recovery at statutory rate	541,666
Tax effect of:	
Temporary differences for which no deferred tax income asset has been recognized	(559,166)
Net income not taxable as an Alabama corporation prior to move to Canada (PureFlowCath)	17,500
Income tax expense	\$ -

The Company has not recognized a deferred tax asset of \$559,166 (2019 - \$nil) with respect of the loss carry forward as it is not probable that sufficient future taxable profit will be available which the Company may use the benefits.

The Company has non-capital tax losses of \$2,110,061 in Canada that may be applied to reduce future taxable income. The losses expire in 2040.

### 12. LOSS PER SHARE

The Company defines its capital as share capital and deficit. The Company's objectives holders of the Company by the weighted average number of ordinary shares outstanding during the year. Loss per share is calculated by dividing the loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the loss and share data used in the basic and diluted EPS calculations for the years ended December 31, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Loss attributable to ordinary equity shares	\$ 2,044,024	\$ 1,586,937
Basic and diluted weighted average shares outstanding	39,341,315	30,224,809
Basic and diluted loss per share	\$ (0.05)	\$ (0.05)

For purposes of calculating the weighted average shares outstanding for 2019, the unitholders' membership units were multiplied by the conversion ratios established in the conversion agreements.

### 13. MANAGEMENT OF CAPITAL

## **INNOMED TECH LTD.**

Notes to the consolidated financial statements  
For the years ended December 31, 2020 and 2019  
(Expressed in US dollars)

The Company defines its capital as share capital and deficit. The Company's objectives when managing capital are to ensure there are sufficient funds available to carry out its research and development programs. To date, these programs have been funded through the sale of equity securities.

The Company also intends to source non-dilutive funding by accessing grants, government assistance and tax incentives, and through partnerships with corporations and research institutions. The Company uses budgets and purchasing controls to manage its costs. The Company is not exposed to any externally imposed capital requirements.

### **14. FINANCIAL INSTRUMENTS**

#### ***Fair Value***

Cash and accounts payable and accrued liabilities and loan payable to CIC Capital Ltd. are all short-term in nature and, as such, their carrying values approximate fair values.

#### ***Risks***

The Company has exposure to credit risk, liquidity risk and interest rate risk.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company's cash and amounts due from related parties. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash are on deposit with a major American bank.

(b) 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 is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company was exposed to interest rate price risk to the extent that the promissory note was at a fixed interest rate.

### **15. SECURITIZATION AGREEMENT**

## **INNOMED TECH LTD.**

Notes to the consolidated financial statements  
For the years ended December 31, 2020 and 2019  
(Expressed in US dollars)

PureFlowCath entered into an agreement dated October 26, 2019 with CIC Fund Securitisation Fund S.A., a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, acting as an unregulated securitization company (*société de titrisation*) within the meaning of, and governed by, the Luxembourg Securitization Law. Pursuant to the agreement, CIC Fund Securitisation Fund S.A. agrees to provide services in relation to the securitization of PureFlowCath's intellectual property in Luxembourg. Such services include the establishment of a dedicated PureFlowCath compartment to facilitate debt financing of €5,000,000. As consideration, PureFlowCath agreed to pay CIC Fund Securitisation S.A. CAD\$12,726 (€8,700) in cash, administration fee of 4.2% of value of a note issued for the life of the securitization entity and €93,000 on completion of the securitization transaction. At year-end, the securitization transaction is still in progress.

### **16. SUBSEQUENT EVENTS**

On February 5, 2021, Innovative Medicine Partners, LLC ("IMP"), a shareholder, and previous key members of management, including certain company and consultants related to them, reached a settlement with the Company regarding dispute over past operation and management of PureFlowCath by IMP and regarding the number of shares issued on April 15, 2020 to IMP in exchange for its membership units in PureFlowCath. As part of the settlement, IMP was required to return 4,869,441 common shares valued at \$0.16 per common share or total fair value of \$794,000. On February 18, 2021, IMP returned 4,869,441 common shares to the Company. In addition, \$209,220 in accounts payable to shareholders (IMP and related party consultant Peter Falkner), including certain company and consultants related to them, was discharged. As a result, the Company credited \$1,003,220 in contributed surplus.

On October 19, 2021, the board of directors approved the issuance of 500,000 warrants to each of the five directors of the Company, and to the director of PureFlowCath as founder's warrants.

### **17. AMENDMENTS TO THE PREVIOUSLY ISSUED CONSOLIDATED FINANCIAL STATEMENTS**

In connection with the Company's filing of a non-offering prospectus, these consolidated financial statements were amended for the items set out below.

- The amount and expiry date of unused tax losses for which no deferred tax asset was recognized in the consolidated statement of financial position have been disclosed in Note 11; and
- Loss per share information has been disclosed in Note 12.

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## 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 May 15, 2022, 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. The currency the amounts are expressed US\$.

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](http://www.InnomedTec.com).

**The effective date of this report is May 15, 2022.**

### 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;
- 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, 2019 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 was subject to transaction on April 15, 2020, which involved inserting a new parent company, Innomed Tech Ltd as 100% equity owner of PureFlowCath LLC. (formerly 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 was appointed as 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 €5,000,000
- Completed Share Purchase Agreement to acquire 100% ownership pf PureFlowCath LLC
- Secured US\$980,000 year ended December 31, 2020 by subscription and equity finance at US\$ 29 cents per share to fund working capital and regulated public listing
- Secured US\$2,311,700 post year ended December 31, 2020 to date of this MD&A by subscription and equity finance at US\$ 29 cents per share to fund working capital and regulated public listing

## 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

For the year ended December 31, 2020, the Company (including PureFlowCath - consolidated) had a net loss of (\$2,044,024) compared to a net loss of \$1,586,937 for year ending December 31, 2019 (PureFlowCath).

In year ending December 31, 2020, operating loss OF (\$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 years ended December 31, 2020 and 2019. 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 Loss for the year	(2,044,024)	(1,586,937)
Loss per share, basic and diluted	(0.05)	(0.05)
Total assets	239,494	590,800
Total long-term liabilities	2,928,518	500,000

## RESULTS OF OPERATIONS

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

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

	US \$
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 for transaction advisory. 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, 2026 as consideration for professional services of \$900,000 received from the transaction advisor. Other significant costs are the maintenance and application of patent applications and legal advisors.

The Company recorded a fair value loss of US\$273,969 representing change in the fair value of 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.

## SUMMARY OF QUARTERLY RESULTS

The following table summarizes unaudited financial data from incorporation date November 22, 2019 to December 31, 2020.

	Revenues	Net income (loss) \$	Basic and diluted earnings (loss) per share \$
March 31, 2020	—	(24,541)	(0.00)
June 30, 2020	—	(1,757,640)	(0.05)
September 30, 2020	—	(307,798)	(0.01)
December 31, 2020	—	45,955	0.00

## LIQUIDITY AND CAPITAL RESOURCES

### *Operating Activities*

As at December 31, 2020, the Company had cash (including cash held in trust) of \$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 \$(18,176), and an accumulated deficit of \$(9,742,470).

For the year ended December 31, 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, 2026 as consideration for professional services of \$900,000 received from the Transaction Advisor.

### ***Financing Activities***

For the year ended December 31, 2020, the Company raised \$980,000 in equity financing at \$0.29 cents per share with a full warrant exercisable on or before December 31, 2026. A total of 3,379,310 common voting shares and warrants were issued.

For the year ended December 31, 2020, the promissory note of \$500,000 plus \$50,000 interest was converted into equity in the Company at \$0.29 per unit or 1,896,552 units. Each unit consists of one common share and one warrant.

The Company transferred the majority of its Patent Applications to CIC Fund Securitisation S.A. (Luxembourg) as part of the process of securing debt finance of initial Euro €5,000,000. The patent applications and approved patents intangible asset value is not recorded in the financial statement as they 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) (Stuart J. Bromley)	\$ 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 (Carla Falkner)	-	480,000
Purchase of research and development services from consultants that are part of the management team of IMP (Kirby Plessala and Peter Falkner)	-	180,000
Purchase of professional services from two minority shareholders (Harry Satterwhite and Billy Williams)	47,125	129,559
Purchase of marketing services from a company with common ownership in the Company (Terry Ediker)	-	6,950

(ii) Of the professional services, \$900,000 was paid through the issuance of common shares and warrants.

## FOURTH QUARTER

During the fourth quarter of 2020, the Company:

- II. 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 €5,000,000.

## 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 cash, due from CIC Capital Ltd. -In Trust, accounts payable and accrued liabilities, loan payable to CIC Capital Ltd. and due from Innovative Medicine Partners LLC, approximate their carrying values due to the relatively short-term maturity of these instruments.

**Credit risk, liquidity risk and interest rate risk**

The Company has exposure to credit risk, liquidity risk and interest rate risk.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises from the Company's cash and amounts due from parent. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash are on deposit with a major American bank.

**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 is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate price risk to the extent that the promissory note is at a fixed interest rate.

**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 during the from period January 1, 2020 to April 15, 2020**

During the period from January 1, 2020 to April 15, 2020, the authorized unit capital of the Company consists of 3 units of ownership: Class I Units, Class II Units and Class III Units. There were no common shares warrants, options, or any other securities.

	January 1, 2020	Issuance of Units	April 15, 2020
Class I	71.66	0	71.66
Class II (ii)	11.00	0	11.00
Class III (iii)	17.34	0	17.34

**PureFlowCath Member unit's conversion to shares in the Company**

On April 15, 2020, the Company acquired all Class I and III Member Units of PureFlowCath by way of issuing 228,777 shares in the Company for every member unit in PureFlowCath. This transaction involved inserting a new parent company at the top of PureFlowCath. The parent company (the Company), a 'shell' company, issued shares to the existing controlling shareholders and is a common control acquisition. The Company acquired Class II Member Units in PureFlowCath by way of issuing shares at \$0.29 per share with a full warrant exercisable for one common share at \$0.29 per common share on or before December 31, 2026.

Member Units PureFlowCath			Conversion to Common Shares of the Company			Total Common Shares of the Company
Class I	Class II	Class III	Class I	Class II	Class III	
71.66	11.00	17.34	16,490,247	13,173,103	2,830,216	<b>32,493,566</b>

### ***Share Capital during the period from April 15, 2020 to December 31, 2020***

The authorized share capital of the Company at December 31, 2020:

	<b>Dec 31, 2020</b>
<b>Common Shares</b>	47,800,702
<b>Warrants</b>	21,552,413
<b>Options</b>	-

Common shares at the date of this MD&A are 47,523,333, no options and 23,041,037 warrants.

### ***Shares Issued for Subscription and Services***

The Company issued 3,379,310 units under various subscription agreements entered between April 2020 and August 2020 for \$0.29 per unit for net proceeds totalling \$980,000. Each unit consists of one share and a full warrant exercisable for one common share at \$0.29 per common share on or before December 31, 2026. The subscription agreements in respect of this financing contain a “down-round” feature.

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, 2026 as consideration for professional services of \$900,000 received from CIC Capital Ltd.

### ***Shares Issued for No Consideration***

During the year ended December 31, 2020, the Company issued 6,927,826 common shares to certain individual and institutional investors for no consideration, but these investors are required to purchase 5 common shares on the market for each common share issued to them when the Company is listed on a designated exchange. The shares issued were recorded at fair value, with corresponding increase in deficit. The fair value of the shares was based on most recent arm’s length financing transactions.

### ***Loan Conversion (Promissory Note)***

On December 28, 2019, PureFlowCath issued an unsecured promissory note for \$500,000, bearing interest of 10% per annum, with principal and interest due on April 1, 2021. On April 4, 2020, the principal amount of \$500,000 plus \$50,000 interest was converted into equity in the Company at \$0.29 per unit or 1,896,552 units. Each unit consists of one common share and one warrant. Each warrant is exercisable for one common share at \$0.29 per common share on or before December 31, 2026.

### **OTHER**

Additional disclosures pertaining to the Company’s reports, press releases and other information are available on the SEDAR website at [www.sedar.com](http://www.sedar.com) or on the Company’s web site [www.InnomedTec.com](http://www.InnomedTec.com)

## APPENDIX B

### APPENDIX B

#### InnoMed Two, LLC. (PureFlowCath, LLC)

<b>2020</b>	InnoMed Two, LLC. Unaudited Financial Statements for the interim period from January 1, 2020 to April 15, 2020
	InnoMed Two, LLC. Management Discussion and Analysis for the interim period from January 1, 2020 to April 15, 2020
<b>2019</b>	InnoMed Two, LLC. Audited Financial Statements for the years ended December 31, 2019 and December 31, 2018
	InnoMed Two, LLC. Management Discussion and Analysis for the year ended December 31, 2019

**INNOMED TWO, LLC.**

**Interim Financial Statements**

Period from January 1, 2020 to April 15, 2020

(Expressed in US dollars)  
(unaudited)

**INNOMED TWO, LLC**

Consolidated interim statement of financial position

As at April 15, 2020

(Expressed in US dollars)

(Unaudited)

	<b>As at April 15, 2020</b>	<b>As at December 31, 2019</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 3,904	\$ 231,269
Due from Innovative Medicine Partners, LLC (Note 5)	441,031	359,351
Due from Synergy Management (Note 5)	101,345	-
	<b>546,280</b>	590,800
Patents and copyrights	37,155	-
<b>Total Assets</b>	<b>\$ 583,435</b>	<b>\$ 590,800</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 791,097	\$ 768,921
	791,097	768,921
Promissory note (Note 7)	500,000	500,000
	<b>1,291,097</b>	1,268,921
<b>Members' Deficiency</b>	<b>(707,662)</b>	<b>(678,121)</b>
<b>Total Liabilities and Members' Deficiency</b>	<b>\$ 583,435</b>	<b>\$ 590,800</b>

(The accompanying notes are an integral part of these interim financial statements)

**INNOMED TWO, LLC.**

Consolidated interim statement of operations and comprehensive income

For the period from January 1, 2020 to April 15, 2020

(Expressed in US dollars)

(Unaudited)

	<b>Period from January 1, 2020 to April 15, 2020 (4.5 months)</b>		<b>Year ended December 31, 2019 (12 months)</b>	
<b>Expenses</b>				
General administration	\$	<b>1,615</b>	\$	10,011
Professional fees		<b>9,496</b>		405,540
Management fees		-		360,000
Research and development		<b>18,430</b>		725,230
Automobile expense		-		81
Marketing and multimedia		-		19,825
Share-based payments		-		66,250
		<b>29,541</b>		1,586,937
<b>Net loss and comprehensive loss</b>	<b>\$</b>	<b>(29,541)</b>	<b>\$</b>	<b>(1,586,937)</b>

(The accompanying notes are an integral part of these interim financial statements)

**INNOMED TWO, LLC**

Consolidated interim statement of changes in members' deficiency

For the period from January 1, 2020 to April 15, 2020

(Expressed in US dollars)

(Unaudited)

	Class I Units		Class II Units		Class III Units		Total Members' Deficiency	
Balance, January 1, 2018	\$	(1,646,666)	\$	(16,627)	\$	356,721	\$	(1,306,572)
Issuance of units		-		833,750		1,600,000		2,433,750
Net loss		(1,822,669)		(933,451)		(124,942)		(2,881,062)
Balance, December 31, 2018		(3,469,335)		(116,328)		1,831,779		(1,753,884)
Issuance of units		-		2,596,450		66,250		2,662,700
Net loss		-		(1,586,937)		-		(1,586,937)
Balance, December 31, 2019		(3,469,335)		893,185		1,898,029		(678,121)
Net loss		-		(29,541)		-		(29,541)
<b>Balance, April 15, 2020</b>	<b>\$</b>	<b>(3,469,335)</b>	<b>\$</b>	<b>863,644</b>	<b>\$</b>	<b>1,898,029</b>	<b>\$</b>	<b>(707,662)</b>

(The accompanying notes are an integral part of these interim financial statements)

**INNOMED TWO, LLC**

Consolidated interim statements of cash flows  
For the period from January 1, 2020 to April 15, 2020  
(Expressed in US dollars)  
(Unaudited)

	Period from January 1, 2020 to April 15, 2020 (4.5 months)	Year ended December 31, 2019 (12 months)
<b>Cash provided by (used in) operations</b>		
Net loss	\$ (29,541)	\$ (1,586,937)
Items not affecting cash		
Share-based payments	-	66,250
	<b>(29,541)</b>	<b>(1,520,687)</b>
Net changes in non-cash working capital		
Due to/from Innovative Medicine Partners, LLC	<b>(81,680)</b>	(1,229,293)
Due from Synergy Management	<b>(101,345)</b>	-
Accounts payable and accrued liabilities	<b>22,176</b>	(233,431)
	<b>(190,390)</b>	<b>(2,983,411)</b>
<b>Investing</b>		
Acquisition of patent and copyrights	<b>(37,155)</b>	-
<b>Financing</b>		
Capital contributions	-	2,596,450
Proceeds from promissory note	-	500,000
	-	3,096,450
<b>Net change in cash</b>	<b>(227,365)</b>	113,039
<b>Cash, beginning of period</b>	<b>231,269</b>	118,230
<b>Cash, end of period</b>	<b>\$ 3,904</b>	<b>\$ 231,269</b>

(The accompanying notes are an integral part of these interim financial statements)

## **InnoMed Two, LLC**

Notes to the interim financial statements

For the period from January 1, 2020 to April 15, 2020

(Expressed in US dollars)

(Unaudited)

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### **1. NATURE OF OPERATIONS AND GOING CONCERN**

InnoMed Two, LLC (the “Company”) was organized under the laws of the State of Alabama, USA on January 3, 2017.

The Company’s head office, principal address and address of its registered and records office is 1100 Dauphin Street, Suite B, Mobile, AL, 36604, USA.

The Company is developing, patenting and clinically testing a new technology in the area of Urology.

The financial statements were prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company is subject to several risks associated with the successful development of new products and their marketing and the conduct of its clinical studies and their results, in addition to the uncertainties presented by the COVID-19 pandemic (note 10). It is likely that the product developed by the Company will require approval from the U.S. Food and Drug Administration and equivalent organizations in other countries before sales can be authorized. For the period from January 1, 2020 to April 15, 2020, the Company incurred a loss of \$29,541 and cash-flow deficit from operations of \$190,390. The Company’s future operations are dependent upon its ability to secure additional funds to finance its research and development activities and its clinical studies. If the Company is unsuccessful in obtaining adequate financing in the future the Company will have to consider postponing research activities until market conditions improve. It is not possible to predict whether the Company will be successful in securing new financing or acquire approval from the U.S. Food and Drug Administration and equivalent organization in other countries. These circumstances and conditions may cast significant doubt about the Company’s ability to continue as a going concern.

These interim financial statements do not reflect the adjustments to carrying amounts of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was deemed inappropriate. Such adjustments could be material.

### **2. BASIS OF PRESENTATION**

#### **Statement of Compliance**

The interim financial statements for the period from January 1, 2020 to April 15, 2020 have been prepared in accordance with the International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*. The interim financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2019.

These interim financial statements were approved for issue by the Board of Directors on July 7, 2020.

#### **Basis of Measurement**

These financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities measured at fair value.

## **INNOMED TWO, LLC.**

Notes to the condensed financial statements

For the period from January 1, 2020 to April 15, 2020

(Expressed in US dollars)

(Unaudited)

### **2. BASIS OF PRESENTATION (continued)**

#### **Functional and Presentation Currency**

These financial statements are presented in United States dollars, which is the Company's functional currency.

#### **Use of Significant Estimates and Assumptions**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses, related disclosures of contingent assets and liabilities. Significant estimates and judgements include going concern assumption and the valuation of share-based payments. Actual results could differ materially from these estimates and assumptions. The Company reviews its estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and may impact future periods.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently in these financial statements.

#### **Research and Development**

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes.

Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are expensed as incurred. No internal development costs have been capitalized to date.

Research and development expenses include all direct and indirect operating expenses supporting the products in development.

The costs incurred in establishing and maintaining patents are expensed as incurred.

#### **Share-Based Payments**

The Company issues share-based payments to employees or consultants. The fair value of the shares issued is recognized over the applicable vesting period as compensation expense unless there is no vesting requirements in which case the entire amount is recognized immediately. The fair value of the shares is calculated using the value of similar Class II units that were recently issued less the value of the preferred return.

## **INNOMED TWO, LLC.**

Notes to the condensed financial statements

For the period from January 1, 2020 to April 15, 2020

(Expressed in US dollars)

(Unaudited)

### **3. SIGNIFICANT ACCOUNTING POLIIES (continued)**

#### **Financial Instruments**

##### *Classification and measurement of financial instruments*

Financial assets are required to be initially measured at fair value and subsequently classified at amortized cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company's financial assets includes cash and due from parent which are classified at amortized cost because the Company's business model is to hold these financial instruments to maturity to collect contractual cash flows consisting solely of payments of principal and interest on the principal amount outstanding.

Financial liabilities include accounts payable and accrued liabilities, due to parent and due to unitholder which were initially measured at fair value and subsequent classified as amortized cost.

#### **Impairment of financial assets**

For the impairment of financial assets under IFRS 9, the Company is required to apply an expected credit loss ("ECL") model to all debt financial assets not held at FVTPL, where credit losses that are expected to transpire in future years are provided for, irrespective of whether a loss event has occurred or not as at the date of the statement of financial position. The Company recognizes a loss allowance for expected credit losses on loan receivables which are measured at amortized cost. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognized is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of loan receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of operations and comprehensive loss.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations and comprehensive loss for the period to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

## **INNOMED TWO, LLC.**

Notes to the condensed financial statements  
For the period from January 1, 2020 to April 15, 2020  
(Expressed in US dollars)  
(Unaudited)

### **4. MEMBERS' DEFICIENCY**

#### **Authorized**

The authorized unit capital of the Company consists of 3 units of ownership: Class I Units (100 units), Class II Units (33.5 units) and Class III Units (15 units).

#### **Member Units Issued**

For the period from January 1, 2020 to April 15, 2020

	<b>Beginning of Period</b>	<b>Issuance of Units</b>	<b>End of Period</b>
Class I (i)	71.66	-	71.66
Class II (ii)	11.00	-	11.00
Class III (iii)	17.34	-	17.34

(i) Class I Units are voting and fully dilutable.

(ii) Class II Units are non-voting and are entitled to a preferred return which upon a sale, license or royalty agreement of the Company's intellectual property. The Class II units would receive an additional distribution of 10-35% depending on the proceeds in accordance with the LLC agreement.

(iii) Class III Units are for the purpose of compensating certain consultants and professionals and are non-voting.

### **5. RELATED PARTY TRANSACTIONS**

The Company had a \$441,031 receivable from Innovative Medicine Partners LLC (December 31, 2019 - \$359,531). The receivable is unsecured, non-interest bearing with no set terms of repayment.

The Company had a \$101,345 receivable from Synergy Management, a company owned by the President and Chief Operating Officer of the Company (December 31, 2019 - \$nil). The receivable is unsecured, non-interest bearing with no set of terms of repayment.

### **6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Included in the accounts payable and accrued liabilities are amounts owed to the key members of management of the Company, including certain company and consultants related to them, in the amount of \$736,000 as at April 15, 2020 (December 31, 2019 - \$745,396) arising from provision of research and development, professional and marketing services

### **7. PROMISSORY NOTE**

On April 15, 2020, the Company issued an unsecured promissory note for \$500,000, bearing interest 10% per annum, with principal and interest due on April 1, 2021. As at April 15, 2020, current portion of the promissory note was \$500,000 (December 31, 2019 - \$nil).

## **INNOMED TWO, LLC.**

Notes to the condensed financial statements

For the period from January 1, 2020 to April 15, 2020

(Expressed in US dollars)

(Unaudited)

### **8. MANAGEMENT OF CAPITAL**

The Company defines its capital as member units and deficit. The Company's objectives when managing capital are to ensure there are sufficient funds available to carry out its research and development programs. To date, these programs have been funded through the sale of equity securities.

The Company also intends to source non-dilutive funding by accessing grants, government assistance and tax incentives, and through partnerships with corporations and research institutions. The Company uses budgets and purchasing controls to manage its costs. The Company is not exposed to any externally imposed capital requirements.

### **9. FINANCIAL INSTRUMENTS**

#### ***Fair Value***

Fair Value Measurement provides a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs are those that reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions with respect to how market participants would price an asset or liability. These two inputs used to measure fair value fall into the following three different levels of the fair value hierarchy:

Level 1 Quoted prices in active markets for identical instruments that are observable.

Level 2 Quoted prices in active markets for similar instruments; inputs other than quoted prices that are observable and derived from or corroborated by observable market data.

Level 3 Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

The hierarchy requires the use of observable market data when available.

Cash, due from Innovative Medicine Partners LLC, due from Synergy Management, accounts payable and accrued liabilities and promissory note are all short-term in nature and, as such, their carrying values approximate fair values.

#### ***Risks***

The Company has exposure to credit risk, liquidity risk and interest rate risk.

##### **(a) Credit risk**

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company's cash and amounts due from parent. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash are on deposit with a major American bank.

##### **(b) 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 is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

## **INNOMED TWO, LLC.**

Notes to the condensed financial statements

For the period from January 1, 2020 to April 15, 2020

(Expressed in US dollars)

(Unaudited)

### **9. FINANCIAL INSTRUMENTS (continued)**

#### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate price risk to the extent that the promissory note is at a fixed interest rate.

### **10. SUBSEQUENT EVENTS**

- a) The Company is 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.

- b) Promissory note of \$500,000 plus \$50,000 interest (fixed interest) entered into on December 31, 2019 has been amended whereby \$550,000 can be converted into common shares in InnoMed Tech Ltd. at 20% less trading price plus a full warrant exercisable at same price.
- c) The Company changed its name from Innomed Two, LLC to PureFlowCath, LLC (Alabama US) on May 27, 2020 and is a subsidiary of InnoMed Tech Ltd.
- d) On various dates between April 15, 2020 and July 7, 2020 (inclusive), the Company issued 1,741,379 units under various subscription agreements entered into for \$0.29 per unit for net proceeds of \$505,000. Each unit consists of one share and a full warrant exercisable for one common share at \$0.29 per common share on or before December 31, 2026.
- e) 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, 2026 as consideration for professional services of \$900,000 received from CIC Capital Ltd.
- f) Amounts due from Innovative Medicine Partners, LLC and Synergy Management totaling \$542,375 were offset against accounts payable to certain members of IMP management and related party consultant.
- g) Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. However, depending on the length and severity of the pandemic, COVID-19 could impact operations, could cause delays relating to approval from U.S. Food and Drug Administration and equivalent organizations in other countries, could postpone research activities, and could impair the Company's ability to raise funds depending on COVID-19's effect on capital markets.

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# Innomed Two, LLC.

## MANAGEMENT DISCUSSION & ANALYSIS

### FOR THE INTERIM PERIOD JANUARY 1, 2020 TO APRIL 15, 2020

This Management's Discussion and Analysis ("MD&A") of Innomed Two, LLC." (the ("Company" or "Innomed Two, LLC."), prepared as of August 16, 2022, should be read in conjunction with the financial statements and the notes thereto for the for the period January 1, 2020 to April 15, 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 Two has approved the disclosure contained in this MD&A.

**The effective date of this report is August 16, 2022.**

#### 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 Innomed Two, anticipated costs and expenditures and the Innomed Two'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;
- 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**

Innomed Two was incorporated and registered on January 3, 2017 under Alabama Business and Non Profit Entities Code of the State of Alabama, with the name Innomed Two, LLC. and with registered file number 380-038. On July 6, 2020, Innomed Two, LLC. changed its name to PureFlowCath LLC. (“PureFlowCath”).

The Company was subject to transaction on April 15, 2020, which involved inserting a new parent company, Innomed Tech Ltd as 100% equity owner of PureFlowCath LLC. (formerly 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.

#### **BUSINESS OF THE INNOMED TWO**

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.

## RESULTS OF OPERATIONS

During the year period ended April 15, 2020, the Company had a net loss of US\$29,541, compared to a net loss of US\$1,586,937 for the year ended December 31, 2019. This loss related to research and development costs US\$18,430 relating to patent application compliance, professional advisor fees US\$9,496 and administration costs US\$1,615.

## SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected unaudited quarterly financial data for prepared in accordance with IFRS:

	Revenues	Net loss	Net loss per share (basic and diluted)
March 31, 2020	–	(24,541)	0.00
April 15, 2020*	–	(5,000)	0.00

\* The Company was acquired by Innomed Tech Ltd. on April 15, 2020

The Company was not a reporting issuer and was not required to prepare interim financial statements therefore, quarterly results are not available. The Company conducted in prior years, annual financial statements with no quarterly reporting (not required in US).

## LIQUIDITY AND CAPITAL RESOURCES

### *Operating Activities*

As at April 15, 2020, the Company had cash US\$3,904.

### *Financing Activities*

For the period ended April 15, 2020, the Company did not raise any capital.

### *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.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

## TRANSACTIONS WITH RELATED PARTIES

The Company had a \$441,031 receivable from its parent (2019 - \$359,531). The receivable is unsecured, non-interest bearing with no set terms of repayment.

The Company had a \$101,345 receivable from Synergy Management, a company owned by Carla Falkner, President and Chief Operating Officer of the Company (December 31, 2019 - \$nil). The receivable is unsecured, non-interest bearing with no set of terms of repayment.

## PROPOSED TRANSACTIONS

The Company was subject to transaction on April 15, 2020, which involved inserting a new parent company, Innomed Tech Ltd as 100% equity owner of PureFlowCath LLC. (formerly 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 Innomed Tech Ltd 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.

## **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 cash, due from Innovative Medical Partners LLC, due from Synergy Management, accounts payable and accrued liabilities and promissory note, approximate their carrying values due to the relatively short-term maturity of these instruments.

### ***Credit risk, liquidity risk and interest rate risk***

The Company has exposure to credit risk, liquidity risk and interest rate risk.

#### **(a) Credit risk**

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company's cash and amounts due from parent. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash are on deposit with a major American bank.

#### **(b) 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 is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

#### **(c) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate price risk to the extent that the promissory note is at a fixed interest rate.

## **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, 2019 to which this MD&A relates.

## DISCLOSURE OF OUTSTANDING SHARE DATA

### *Share Capital*

The authorized unit capital of the Company consists of 3 units of ownership: Class I Units, Class II Units and Class III Units. There are no common shares warrants, options, or any other securities.

For the period ended April 15, 2020:

	<b>Beginning of Year</b>	<b>Issuance of Units</b>	<b>End of Period 15 Apr 2020</b>
Class I	71.66	0	71.66
Class II (ii)	11.00	0	11.00
Class III (iii)	17.34	0	17.34

### **OTHER**

Additional disclosures pertaining to the Company's reports, press releases and other information are available on the Company's web site [www.InnomedTec.com](http://www.InnomedTec.com).

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**InnoMed Two, LLC**

**Financial Statements**

**For the Years Ended December 31, 2019 and 2018**



## **INDEPENDENT AUDITOR'S REPORT**

To the Unitholders of InnoMed Two, LLC

### *Opinion*

We have audited the financial statements of InnoMed Two, LLC, (the "Company"), which comprise the statements of financial position as at December 31, 2019 and 2018 and the statements of loss and comprehensive loss, changes in members' deficiency and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of \$1,586,937 during the year ended December 31, 2019 and cash-flow deficit from operations of \$2,983,411. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Licensed Public Accountants

July 7, 2020

Toronto, Ontario

**INNOMED TWO, LLC**  
**Statement of Financial Position**  
**As at December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 231,269	\$ 118,230
Due from Parent (Note 6))	359,531	-
	<b>590,800</b>	<b>118,230</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 791,097	\$ 1,002,352
Due to Parent (Note 6)	-	869,762
	<b>791,097</b>	<b>768,921</b>
Promissory note (Note 7)	<b>500,000</b>	-
	<b>1,291,097</b>	<b>1,872,114</b>
<b>Members' Deficiency</b>	<b>(678,121)</b>	<b>(1,753,884)</b>
	<b>\$ 590,800</b>	<b>\$ 118,230</b>

Subsequent events (Note 10)

Approved by the Board



Director

See accompanying notes

**INNOMED TWO, LLC.**  
**Statement of Loss and Comprehensive Loss**  
**As at December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>Expenses</b>		
General administration	\$ 10,011	\$ 425
Professional fees	405,540	266,478
Management fees	360,000	360,000
Research and development	725,230	683,671
Automobile expense	81	-
Marketing and multimedia	19,825	10,488
Share-based payments	66,250	1,600,000
	<b>1,586,937</b>	<b>2,881,062</b>
Net loss	\$ (1,586,937)	\$ (2,881,062)

See accompanying notes

**INNOMED TWO, LLC**  
**Statement of Changes in Members' Deficiency**  
**As at December 31, 2019 and 2018**

	<b>Class I Units</b>		<b>Class II Units</b>		<b>Class III Units</b>		<b>Total Members' Deficiency</b>
Balance, January 1, 2018	\$	(1,646,666)	\$	(16,627)	\$	356,721	\$ (1,306,572)
Issuance of units		-		833,750		1,600,000	2,433,750
Net loss		(1,822,669)		(933,451)		(124,942)	(2,881,062)
Balance, December 31, 2018		(3,469,335)		(116,328)		1,831,779	(1,753,884)
Issuance of units		-		2,596,450		66,250	2,662,700
Net loss		-		(1,586,937)		-	(1,586,937)
<b>Balance, December 31, 2019</b>	<b>\$</b>	<b>(3,469,335)</b>	<b>\$</b>	<b>893,185</b>	<b>\$</b>	<b>1,898,029</b>	<b>\$ (678,121)</b>

See accompanying notes

**INNOMED TWO, LLC**  
**Statements of Cash Flows**  
**As at December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>Cash provided by (used in) operations</b>		
Net loss	\$ (1,586,937)	\$ (2,881,062)
Items not affecting cash		
Share-based payments	- 66,250	1,600,000
	<b>(1,520,687)</b>	<b>(1,281,062)</b>
Net changes in non-cash working capital		
Accounts payable and accrued liabilities	<b>(1,229,293)</b>	429,596
Due to/from parent	<b>(233,431)</b>	35,586
	<b>(2,983,411)</b>	<b>815,880</b>
<b>Financing</b>		
Contributions	<b>(2,596,450)</b>	833,750
Proceeds from promissory note	<b>500,000</b>	-
	<b>3,096,450</b>	<b>833,750</b>
<b>Net change in cash</b>	<b>113,039</b>	<b>17,870</b>
<b>Cash, beginning of year</b>	<b>118,230</b>	<b>100,360</b>
<b>Cash, end of year</b>	\$ <b>231,269</b>	\$ <b>118,230</b>

See accompanying notes

## **INNOMED TWO, LLC.**

Notes to Financial Statements

Years ended December 31, 2019 and 2018

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### **1. NATURE OF OPERATIONS AND GOING CONCERN**

InnoMed Two, LLC (the “Company”) was organized under the laws of the State of Alabama, USA on January 3, 2017.

The Company’s head office, principal address and address of its registered and records office is 1100 Dauphin Street, Suite B, Mobile, AL, 36604, USA.

The Company is developing, patenting and clinically testing a new technology in the area of Urology.

The financial statements were prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company is subject to several risks associated with the successful development of new products and their marketing and the conduct of its clinical studies and their results, in addition to the uncertainties presented by the COVID-19 pandemic (note 10). It is likely that the product developed by the Company will require approval from the U.S. Food and Drug Administration and equivalent organizations in other countries before sales can be authorized. For the period from January 1, 2020 to April 15, 2020, the Company incurred a loss of \$29,541 and cash-flow deficit from operations of \$190,390. The Company’s future operations are dependent upon its ability to secure additional funds to finance its research and development activities and its clinical studies. If the Company is unsuccessful in obtaining adequate financing in the future the Company will have to consider postponing research activities until market conditions improve. It is not possible to predict whether the Company will be successful in securing new financing or acquire approval from the U.S. Food and Drug Administration and equivalent organization in other countries. These circumstances and conditions may cast significant doubt about the Company’s ability to continue as a going concern.

These interim financial statements do not reflect the adjustments to carrying amounts of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was deemed inappropriate. Such adjustments could be material.

### **2. BASIS OF PRESENTATION**

#### **Statement of Compliance**

The interim financial statements for the period from January 1, 2020 to April 15, 2020 have been prepared in accordance with the International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*. The interim financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2019.

These interim financial statements were approved for issue by the Board of Directors on March 2, 2022.

#### **Basis of Measurement**

These financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities measured at fair value.

## **INNOMED TWO, LLC.**

Notes to Financial Statements

Years ended December 31, 2019 and 2018

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### **2. BASIS OF PRESENTATION (continued)**

#### **Functional and Presentation Currency**

These financial statements are presented in United States dollars, which is the Company's functional currency.

#### **Use of Significant Estimates and Assumptions**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses, related disclosures of contingent assets and liabilities. Significant estimates and judgements include going concern assumption and the valuation of share-based payments. Actual results could differ materially from these estimates and assumptions. The Company reviews its estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and may impact future periods.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently in these financial statements.

#### **Research and Development**

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes.

Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are expensed as incurred. No internal development costs have been capitalized to date.

Research and development expenses include all direct and indirect operating expenses supporting the products in development.

The costs incurred in establishing and maintaining patents are expensed as incurred.

#### **Share-Based Payments**

The Company issues share-based payments to employees or consultants. The fair value of the shares issued is recognized over the applicable vesting period as compensation expense unless there is no vesting requirements in which case the entire amount is recognized immediately. The fair value of the shares is calculated using the value of similar Class II units that were recently issued less the value of the preferred return.

## **INNOMED TWO, LLC.**

Notes to Financial Statements

Years ended December 31, 2019 and 2018

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### **3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

#### **Financial Instruments**

##### *Classification and measurement of financial instruments*

Financial assets are required to be initially measured at fair value and subsequently classified at amortized cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company's financial assets includes cash and due from parent which are classified at amortized cost because the Company's business model is to hold these financial instruments to maturity to collect contractual cash flows consisting solely of payments of principal and interest on the principal amount outstanding.

Financial liabilities include accounts payable and accrued liabilities, due to parent and due to unitholder which were initially measured at fair value and subsequent classified as amortized cost.

##### *Impairment of financial assets*

For the impairment of financial assets under IFRS 9, the Company is required to apply an expected credit loss ("ECL") model to all debt financial assets not held at FVTPL, where credit losses that are expected to transpire in future years are provided for, irrespective of whether a loss event has occurred or not as at the date of the statement of financial position. The Company recognizes a loss allowance for expected credit losses on loan receivables which are measured at amortized cost. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognized is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of loan receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of operations and comprehensive loss.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations and comprehensive loss for the period to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

## INNOMED TWO, LLC.

Notes to Financial Statements

Years ended December 31, 2019 and 2018

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### 4. MEMBERS' DEFICIENCY

#### Authorized

The authorized unit capital of the Company consists of 3 units of ownership: Class I Units (100 units), Class II Units (33.5 units) and Class III Units (15 units).

#### Member Units Issued

For the period ended December 31, 2019

	Beginning of Year	Issuance of Units	End of Year
Class I (i)	100.00	-	100.00
Class II (ii)	7.38	9.00	16.38
Class III (iii)	9.50	0.25	9.75

For the period ended December 31, 2018

	Beginning of Year	Issuance of Units	End of Year
Class I (i)	100.00	-	100.00
Class II (ii)	3.00	4.38	7.38
Class III (iii)	2.50	7.00	9.50

- (i) Class I Units are voting and as of December 31, 2019 represents 73.87% (2018 - 83.125%) interest of the Company.
- (ii) Class II Units are non-voting as of December 31, 2019 represents 16.38% (2018 - 7.375%) interest of the Company. The Class II units are entitled to a preferred return which upon a sale, license or royalty agreement of the Company's intellectual property, the Class II units would receive an additional distribution of 10-35% depending on the proceeds in accordance with the LLC agreement. During the year, the Company issued 9.005 units of Class II units (2018 - 4.375 units) for proceeds of \$2,596,450 (2018 - \$833,750).
- (iii) Class III Units are for the purpose of compensating certain consultants and professionals and are non-voting and as of December 31, 2019 represents 9.75% (2018 - 9.50%) interest of the Company. During the year, the Company granted 0.25 units of Class III units (2018 - 7 units) to various consultants and professionals for services provided to the Company. The fair value of these units issued in 2019 was determined to be \$66,250 (2018 - \$1,600,000) based on the value of Class II units less the value of the preferred return that were recently issued.

## **INNOMED TWO, LLC.**

Notes to Financial Statements

Years ended December 31, 2019 and 2018

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### **5. PROFESSIONAL ADVISOR FEES**

Components of professional advisor expenses for the period ended December 31, 2019 and 2018 were as follows:

	<b>2019</b>	<b>2018</b>
Patent and Trademark Legal Fees	\$ <b>173,451</b>	\$ 12,929
Other Legal Fees	<b>88,776</b>	131,533
Accounting & Audit	<b>61,975</b>	27,710
Other Professional Advisors	<b>81,338</b>	54,406
	<b>\$ 405,540</b>	<b>\$ 226,578</b>

### **6. RELATED PARTY TRANSACTIONS**

In 2019, the Company paid \$360,000 (2018 - \$360,000) to the Company's parent for management fees. As at December 31, 2019, the Company had a \$359,531 receivable from its parent (2018 - payable of \$869,762). The receivable is unsecured, non-interest bearing with no set terms of repayment.

As at December 31, 2019, the Company had \$51,500 (2018 - \$299,000) outstanding payable to a company related to the President and COO of the Company.

The Company incurred research & development consulting fees of \$480,000 (2018 - \$480,000) to a consultant related to the President and COO of the Company. As of December 31, 2019, the Company had \$380,000 (2018 - \$260,000) of payables outstanding to this consultant.

The Company incurred research & development consulting fees of \$180,000 (2018 - \$180,000) to consultants that are part of the management team of the parent of the Company. As of December 31, 2019, the Company had \$304,500 (2018 - \$319,500) of payables outstanding to these consultants.

The Company incurred professional fees of \$129,559 (2018 - \$170,845) to two minority unitholders of the Company. As of December 31, 2019, the Company had \$9,396 (2018 - 105,688) of payables outstanding to these unitholders.

The Company incurred marketing expenses of \$6,950 (2018 - \$9,600) to a company with common ownership of the Company. As of December 31, 2019, the Company had \$nil (2018 - \$175) of payables outstanding to this company.

### **7. PROMISSORY NOTE**

On December 31, 2019, the Company issued an unsecured promissory note for \$500,000, bearing interest 10% per annum, with principal and interest due on April 1, 2021.

## **INNOMED TWO, LLC.**

Notes to Financial Statements

Years ended December 31, 2019 and 2018

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### **8. MANAGEMENT OF CAPITAL**

The Company defines its capital as member units and deficit. The Company's objectives when managing capital are to ensure there are sufficient funds available to carry out its research and development programs. To date, these programs have been funded through the sale of equity securities.

The Company also intends to source non-dilutive funding by accessing grants, government assistance and tax incentives, and through partnerships with corporations and research institutions. The Company uses budgets and purchasing controls to manage its costs. The Company is not exposed to any externally imposed capital requirements.

### **9. FINANCIAL INSTRUMENTS**

#### **Fair Value**

Fair Value Measurement provides a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs are those that reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions with respect to how market participants would price an asset or liability. These two inputs used to measure fair value fall into the following three different levels of the fair value hierarchy:

Level 1 Quoted prices in active markets for identical instruments that are observable.

Level 2 Quoted prices in active markets for similar instruments; inputs other than quoted prices that are observable and derived from or corroborated by observable market data.

Level 3 Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

The hierarchy requires the use of observable market data when available.

Cash and accounts payable are all short-term in nature and, as such, their carrying values approximate fair values.

#### **Risks**

The Company has exposure to credit risk, liquidity risk and interest rate risk.

##### **(a) Credit risk**

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises from the Company's cash and amounts due from parent. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. Cash are on deposit with a major American bank.

## **INNOMED TWO, LLC.**

Notes to Financial Statements

Years ended December 31, 2019 and 2018

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### **9. FINANCIAL INSTRUMENTS (Cont'd)**

#### **Risks (Cont'd)**

(b) 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 is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate price risk to the extent that the promissory note is at a fixed interest rate.

### **10. SUBSEQUENT EVENTS**

- a) The member units of InnoMed Two, LLC were converted by way of conversion agreements, effective April 15, 2020, between the unitholders and InnoMed Tech Ltd. whereby their units were exchanged into common shares of InnoMed Tech Ltd. Subsequent to the conversion, InnoMed Tech Ltd. owns a majority interest of the Company.
- b) Promissory note of \$500,000 plus \$50,000 interest (fixed interest) entered into on December 31, 2019 has been amended whereby \$550,000 can be converted into common shares in InnoMed Tech Ltd. at 20% less trading price plus a full warrant exercisable at same price.
- c) InnoMed Two, LLC changed its name to PureFlowCath, LLC (Alberta) and is a subsidiary of InnoMed Tech Ltd.
- d) Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. However, depending on the length and severity of the pandemic, COVID-19 could impact operations, could cause delays relating to approval from U.S. Food and Drug Administration and equivalent organizations in other countries, could postpone research activities, and could impair the Company's ability to raise funds depending on COVID-19's effect on capital markets.

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# Innomed Two, LLC.

## MANAGEMENT DISCUSSION & ANALYSIS

### FOR THE YEAR ENDED DECEMBER 31, 2019

This Management's Discussion and Analysis ("MD&A") of Innomed Two LLC. (the "Company" or "Innomed Two"), prepared as of August 16, 2022, should be read in conjunction with the audited financial statements and the notes thereto for the for the year ended December 31, 2019 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". The currency the amounts are expressed US\$.

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 Innomed Two 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.

**The effective date of this report is August 16, 2022.**

#### 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 Innomed Two 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 Innomed Two. 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 Innomed Two, anticipated costs and expenditures and the Innomed Two'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 MD&A include that:

- the performance characteristics of the Innomed Two's medical devices
- projections of costs;
- future medical devices and divestment;
- securitisation of assets;
- 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 Innomed Two 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 Innomed Two 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 INNOMED TWO**

The Innomed Two was incorporated and registered on January 3, 2017 under Alabama Business and Non Profit Entities Code of the State of Alabama, with the name Innomed Two, LLC. and with registered file number 380-038. On July 6, 2020, Innomed Two, LLC. changed its name to Innomed Two LLC. (“Innomed Two”).

Management and majority owner of Innomed Two was Medicine Partners LLC. (“IMP”).

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

#### **BUSINESS OF THE INNOMED TWO**

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, 2018 operating loss (\$2,881,062) was due to patent application filing and associated documentation preparation. In year ending December 31, 2019 the operating loss (\$1,586,937) was mainly due to development costs of on-going patent applications by the parent company Innovative Medicine Partners LLC. (“IMP”).

#### **SELECTED ANNUAL INFORMATION**

The following table sets forth summary financial information for the Innomed Two for the year then ended December 31, 2019. This information has been summarized from the Innomed Two’s audited financial

statements for the years ended December 31, 2018 and 2019, and unaudited financial statements for the year ended December 31, 2017, and should only be read in conjunction with the financial statements and notes:

	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
	\$	\$	\$
Total revenue	–	–	–
Net loss for the year	(1,586,937)	(2,881,062)	(342,000)
Loss per share, basic and diluted	–	–	–
Total assets	590,800	118,230	–
Total long-term liabilities	500,000	y–	–

## RESULTS OF OPERATIONS

During the year ended December 31, 2019, Innomed Two had a net loss of \$1,586,937 compared to a net loss of \$2,881,062 for the year ended December 31, 2018.

During the year ended December 31, 2019 Innomed Two recorded:

- General administration \$10,011
- Professional advisors \$405,540
- IMP Management fees \$360,000
- Research & development \$725,230
- Marketing & multimedia \$19,825
- Share-based payments \$66,250

## SUMMARY OF QUARTERLY RESULTS

The Company was not a reporting issuer and was not required to prepare interim financial statements therefore, quarterly results are not available. The Company conducted in prior years, annual financial statements with no quarterly reporting (not required in US).

## LIQUIDITY AND CAPITAL RESOURCES

### *Operating Activities*

As at December 31, 2019, the Innomed Two had cash \$231,269.

### *Financing Activities*

For the year ended December 31, 2019, Innomed Two raised \$2,596,450 in cash financing by issuing Class II membership units. Innomed Two also issued promissory note for \$500,000.

### *Capital Management*

The Innomed Two manages its capital structure and makes adjustments to it in light of economic conditions. The Innomed Two, 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 Innomed Two is not subject to externally imposed capital requirements.

## OFF-BALANCE SHEET ARRANGEMENTS

The Innomed Two does not utilize off-balance sheet arrangements.

## TRANSACTIONS WITH RELATED PARTIES

In 2019, the Company paid \$360,000 (2018 - \$360,000) to the Company's parent (IMP) for management fees. As at December 31, 2019, the Company had a \$359,531 receivable from its parent (2018 - payable of \$869,762). The receivable is unsecured, non-interest bearing with no set terms of repayment.

As at December 31, 2019, the Company had \$51,500 (2018 - \$299,000) outstanding payable to a company related to the President and COO (Carla Falkner) of the Company.

The Company incurred research & development consulting fees of \$480,000 (2018 - \$480,000) to a consultant related to the President and COO of the Company (Peter Falkner). As of December 31, 2019, the Company had \$380,000 (2018 - \$260,000) of payables outstanding to this consultant.

The Company incurred research & development consulting fees of \$180,000 (2018 - \$180,000) to consultants (Kirby Plessala and Peter Falkner) that are part of the management team of the parent of the Company. As of December 31, 2019, the Company had \$304,500 (2018 - \$319,500) of payables outstanding to these consultants.

The Company incurred professional fees of \$129,559 (2018 - \$170,845) to two minority unitholders (Harry Satterwhite and Peter Falkner) of the Company. As of December 31, 2019, the Company had \$9,396 (2018 - 105,688) of payables outstanding to these unitholders.

The Company incurred marketing expenses of \$6,950 (2018 - \$9,600) to a company (IMP) with common ownership of the Company. As of December 31, 2019, the Company had \$nil (2018 - \$175) of payables outstanding to this company.

#### **FOURTH QUARTER**

During the fourth quarter of 2019, the Company:

- I. Entered into Transaction Advisory agreements to list the Company on a designed stock exchange through a new parent company;
- II. Secured US\$500,000 for further working capital; and
- III. Progress patent applications for approval.

#### **PROPOSED TRANSACTIONS**

Innomed Tech Ltd. was established to acquire Innomed Two by way of Share Purchase Agreement (SPA) whereby, the owners or member unit holders would convert their member units in Innomed Two pro rata for common shares in Innomed Tech (the "Conversion").

The Innomed Two member unit holders individually would have to agree to the conversion. The Old Management board was of the belief at this time from direct solicitation to member unit holders that they would convert as there was a future public listing of Innomed Tech.

#### **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 risk.

**Credit risk, liquidity risk and interest rate risk**

The Company has exposure to credit risk, liquidity risk and interest rate risk.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company’s cash and amounts due from parent. The carrying amount of these financial assets represents the maximum credit exposure. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company’s ability to meet its liquidity needs. Cash are on deposit with a major American bank.

(b) 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 is a development stage company and is reliant on external fundraising to support its operations. Once funds have been raised, the Company manages its liquidity risk by investing in cash and short-term instruments to provide regular cash flow for current operations. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate price risk to the extent that the promissory note is at a fixed interest rate.

**DISCLOSURE OF OUTSTANDING SHARE DATA**

**Share Capital**

The authorized unit capital of the Company consists of 3 units of ownership: Class I Units, Class II Units and Class III Units. There are no common shares warrants, options, or any other securities.

For the year ended December 31, 2019:

	Beginning of Year	Issuance of Units	End of Year
Class I (i)	100.00	-	100.00
Class II (ii)	7.38	9.00	16.38
Class III (iii)	9.50	0.25	9.75

**OTHER**

Additional disclosures pertaining to the Innomed Two’s reports, press releases and other information are available on the web site [www.InnomedTec.com](http://www.InnomedTec.com)

**SCHEDULE 1**

Luxembourg Taxation on IP - Office Freylinger S.A. (Luxembourg)



**OFFICE FREYLINGER**

PATENT AND TRADEMARK ATTORNEYS



## **ARTICLE 50ter L.I.R.**

TAX EXEMPTION ON INTELLECTUAL PROPERTY RIGHTS REVENUES

Under this IP tax scheme, eligible net income from qualifying IP assets benefits from an 80% exemption from income taxes.

### Eligible assets

Two main groups of IP assets are eligible to benefit from the new regime:

- Inventions protected under patents, utility models, and other similar IP rights, including supplementary protection certificates, plant variety certificates.
- Software protected by copyright under national or international norms.

Trademarks, designs and domain names are not eligible.

To be eligible, the IP asset needs to have been constituted, developed or improved after 31 December 2007, as part of the R&D activities of the IP rights owner. Such activities may be conducted in Luxembourg, or through a foreign permanent establishment as long as this is located within the EEA and does not benefit from a similar IP regime in its country of location.

### Eligible expenditure

Eligible expenditure is solely that which is necessary for R&D activity directly connected to the eligible IP asset. Expenditure must be incurred within the framework of an R&D activity undertaken either by the IP owner itself or outsourced to an unrelated, third party.

Some expenditure is not eligible:

- Acquisition costs of existing IP assets
- Financing costs
- Real property-related costs
- Other costs not directly linked to a specific eligible IP asset.

### Eligible income

In determining gross eligible income, the IP owner can take into consideration the IP revenues earned for its own use (based on a part of the sale price of its own products or services), the license to use granted to third parties of the eligible IP asset, or damages awarded on the basis of the eligible IP asset. Capital gains realised upon disposal of the eligible IP asset are eligible income as well.

**Total expenditure** linked to the IP asset must also be computed. This comprises

- Eligible expenditure, as specified above;
- Acquisition costs
- Necessary R&D expenditure directly linked to the IP asset being created or developed, payable to any related party

The **net eligible income** must then be determined. This is defined as gross eligible income, less total expenditure, less any other expenditure indirectly linked to the eligible IP asset, multiplied by the nexus ratio.

### “nexus ratio”

The “nexus ratio” multiplier is defined as

$$\text{Nexus} = \frac{\text{Eligible expenditure} \times 130\% \text{ (capped at 1.00) relating to all previous periods}}{\text{Total expenditure relating to all previous periods}}$$

### Implementation

In order to obtain the benefit of the regime, we can help you in establishing an appropriate **IP strategy** and structuration. We can also help you in creating or acquiring the corresponding IP rights.

- **Contracts** are required with your (internal or external) developers, as well as license agreements, but also confidentiality agreements with your partners or investors, etc. We can help you draft all of these.
- **Patents** are granted for technical inventions. Patent searches are recommended for analyzing the patentability of your invention and identifying third party rights that could prevent you from adopting a technology solution.
- **Source codes** should be filed to obtain a certified date of its content

**Other rights**, such as **trademarks** for names and logos, or **registered design** rights, may also be of interest to protect your project to avoid the name and look and feel of your products being available to your competitors.

You can contact us in English, French or German

Cost estimates for the protection of IP rights  
in any country of the world upon simple request at  
office@freylinger.com

## **SCHEDULE 2**

### **Approved Patent Certificates**

**Patent application in Australia based on PCT/US2017/026450**

**Designated state: Australia**

*Certificate attached for example of award*

**Patent application in Saudi Arabia based on PCT/US2017/026450**

**Designated state: Saudi Arabia**

**Patent application in Eurasia based on PCT/US2017/026450**

**Designated states: Armenia, Azerbaijan, Belarus, Kyrgyzstan, Kazakhstan, Russian Federation, Tajikistan, and Turkmenistan**

**Patent application in Morocco based on PCT/US2017/026450**

**Designated state: Morocco**

**Patent application in Japan based on PCT/US2017/026450**

**Designated state: Japan**



Australian Government

IP Australia

# CERTIFICATE OF GRANT STANDARD PATENT

**Patent number:** 2017397418

The Commissioner of Patents has granted the above patent on 26 August 2021, and certifies that the below particulars have been registered in the Register of Patents.

**Name and address of patentee(s):**

CIC Fund Securitisation S.A. of 22-24, Boulevard Royal L-2449 Luxembourg Luxembourg

**Title of invention:**

Catheter system for continuous irrigation

**Name of inventor(s):**

McIntyre, Matthew G.

**Term of Patent:**

Twenty years from 6 April 2017

**Priority details:**

<b>Number</b>	<b>Date</b>	<b>Filed with</b>
62/454,829	5 February 2017	US



Dated this 26<sup>th</sup> day of August 2021

Commissioner of Patents

**PATENTS ACT 1990**

The Australian Patents Register is the official record and should be referred to for the full details pertaining to this IP Right.

S005

**(12) STANDARD PATENT**  
**(19) AUSTRALIAN PATENT OFFICE**

(11) Application No. **AU 2017397418 B2**

(54) Title  
**Catheter system for continuous irrigation**

(51) International Patent Classification(s)  
**A61M 25/00** (2006.01) **A61M 25/04** (2006.01)

(21) Application No: **2017397418** (22) Date of Filing: **2017.04.06**

(87) WIPO No: **WO18/144045**

(30) Priority Data

(31) Number	(32) Date	(33) Country
<b>62/454,829</b>	<b>2017.02.05</b>	<b>US</b>

(43) Publication Date: **2018.08.09**

(44) Accepted Journal Date: **2021.05.13**

(71) Applicant(s)  
**CIC Fund Securitisation S.A.**

(72) Inventor(s)  
**McIntyre, Matthew G.**

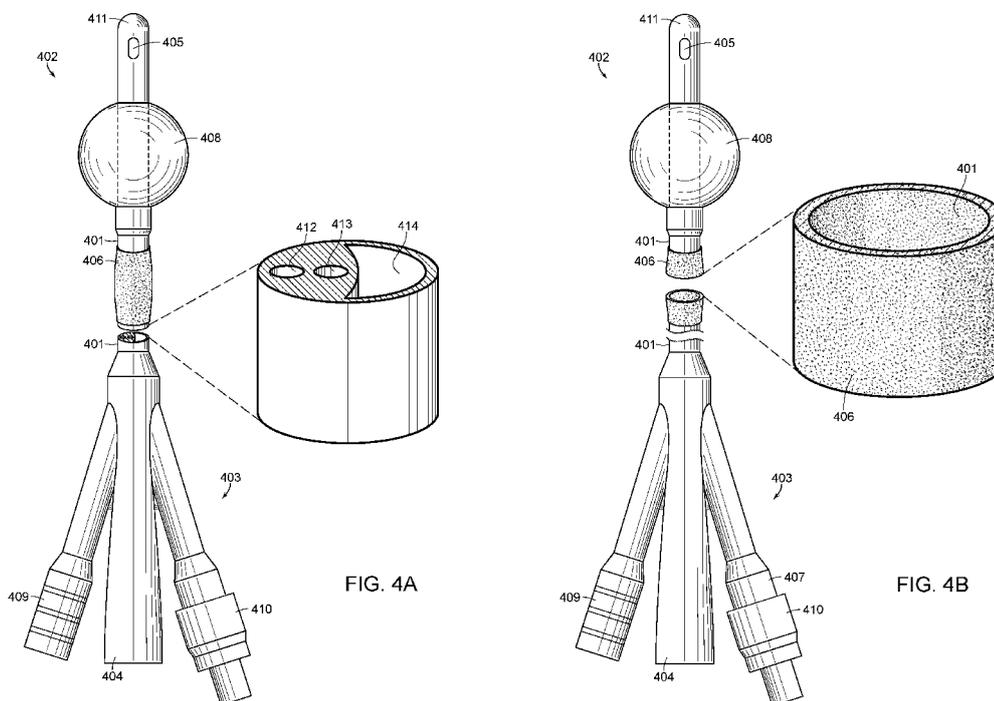
(74) Agent / Attorney  
**Spruson & Ferguson, GPO Box 3898, Sydney, NSW, 2001, AU**

(56) Related Art  
**FR 1280481 A**  
**US 3981299 A**  
**US 5269755 A**  
**US 5417657 A**  
**US 2016/0367747 A1**



- (51) International Patent Classification:  
A61M 25/00 (2006.01) A61M 25/04 (2006.01)
- (21) International Application Number:  
PCT/US2017/026450
- (22) International Filing Date:  
06 April 2017 (06.04.2017)
- (25) Filing Language: English
- (26) Publication Language: English
- (30) Priority Data:  
62/454,829 05 February 2017 (05.02.2017) US
- (71) Applicant: INNOMEDTWO, LLC [US/US]; 3939 Airport Boulevard, #1, Mobile, AL 36608 (US).
- (72) Inventor: MCINTYRE, Matthew, G.; 5720 Riverview Plantation Dr., Theodore, AL 36592 (US).
- (74) Agent: CHAMBERLAIN, Christina; Intellectual Property Consulting, L.L.C., 334 Carondelet Street, Suite B, New Orleans, LA 70130 (US).
- (81) Designated States (unless otherwise indicated, for every kind of national protection available): AE, AG, AL, AM, AO, AT, AU, AZ, BA, BB, BG, BH, BN, BR, BW, BY, BZ, CA, CH, CL, CN, CO, CR, CU, CZ, DE, DJ, DK, DM, DO, DZ, EC, EE, EG, ES, FI, GB, GD, GE, GH, GM, GT, HN, HR, HU, ID, IL, IN, IR, IS, JP, KE, KG, KH, KN, KP, KR, KW, KZ, LA, LC, LK, LR, LS, LU, LY, MA, MD, ME, MG, MK, MN, MW, MX, MY, MZ, NA, NG, NI, NO, NZ, OM, PA, PE, PG, PH, PL, PT, QA, RO, RS, RU, RW, SA, SC, SD, SE, SG, SK, SL, SM, ST, SV, SY, TH, TJ, TM, TN, TR, TT, TZ, UA, UG, US, UZ, VC, VN, ZA, ZM, ZW.
- (84) Designated States (unless otherwise indicated, for every kind of regional protection available): ARIPO (BW, GH, GM, KE, LR, LS, MW, MZ, NA, RW, SD, SL, ST, SZ, TZ, UG, ZM, ZW), Eurasian (AM, AZ, BY, KG, KZ, RU, TJ,

(54) Title: CATHETER SYSTEM FOR CONTINUOUS IRRIGATION



(57) Abstract: An indwelling urinary catheter system having an elongated tubular catheter body 401 having a distal end and a proximal end; at least one sleeve portion 406 constructed out of a semi-permeable membranes surrounding at least one portion of the catheter body; at least one lumen to instill fluid into the catheter body; and a means to continuously efflux the instilled fluid through the semi-permeable membrane for circumferential egress of fluid out of the membrane around the catheter body. The catheter may further include a drainage lumen 414 extending through the catheter body from just short of the distal end to the proximal end and an opening or eyelet 405 in the catheter body just short of the distal end of the catheter body to permit urine to drain from a patient's bladder into the drainage lumen. A retaining mechanism may also be comprised.

TM), European (AL, AT, BE, BG, CH, CY, CZ, DE, DK, EE, ES, FI, FR, GB, GR, HR, HU, IE, IS, IT, LT, LU, LV, MC, MK, MT, NL, NO, PL, PT, RO, RS, SE, SI, SK, SM, TR), OAPI (BF, BJ, CF, CG, CI, CM, GA, GN, GQ, GW, KM, ML, MR, NE, SN, TD, TG).

**Declarations under Rule 4.17:**

- *as to applicant's entitlement to apply for and be granted a patent (Rule 4.17(ii))*
- *of inventorship (Rule 4.17(iv))*

**Published:**

- *with international search report (Art. 21(3))*

**Patent Cooperation Treaty Patent Application****TITLE:** CATHETER SYSTEM FOR CONTINUOUS IRRIGATION**INVENTOR(S):** MATTHEW G. MCINTYRE**[0001] RELATED APPLICATIONS**

**[0002]** This application claims priority to U.S. Provisional Application No. 62/454,829 filed February 5, 2017. The entire contents of the above application are hereby incorporated by reference as though fully set forth herein.

**[0003] FIELD**

**[0004]** The present invention pertains to a catheter, and more particularly, to intra-urethral or indwelling catheters capable of effluxing fluids.

**[0005] BACKGROUND**

**[0006]** The traditional Foley-type catheter is well known in the art and comprises an inflatable balloon disposed within the patient's bladder and a discharge tube extending through the urethra to the exterior. The Foley-type catheter provides passive urinary drainage, and the ability to clamp the catheter closed at a location exterior of the patient.

**[0007]** Urethral catheters, such as Foley-catheters, are used to drain urine from the bladder. A urinary tract infection (also called "UTI") is an infection in the urinary system, which includes the bladder and kidneys. When a urinary catheter is inserted into the bladder, germs can migrate along the catheter and cause an infection in the bladder or kidney; resulting in a catheter-associated urinary tract infection (or "CAUTI"). CAUTIs are the most common of hospital-acquired infections. In fact, 40% of all nosocomial

infections and over 100,000 admissions to hospital within the USA annually are attributable to CAUTIs.<sup>1</sup> Outcomes associated with CAUTIs include bacteremia and sepsis. While morbidity that is attributable to a single episode of catheterization is limited, the high frequency of catheter use (around 25% of hospitalized patients) means that the cumulative burden of CAUTIs on patients and hospitals is substantial.<sup>2</sup>

[0008] When sterile urinary catheters are inserted into the bladder, components in urine, blood, or surrounding tissue, such as polysaccharides, ions, and glycoproteins, are deposited on the surface of the device allowing the formation of biofilms. Biofilms are highly structured and actively growing bacterial communities that consist of multiple bacterial layers protected by a thick exopolysaccharide layer<sup>3</sup>. Biofilms are resistant to antibiotics/antimicrobials due to the fact that these agents cannot penetrate sufficiently through the exopolysaccharide layer.

[0009] According to Centers for Disease Control and Prevention (CDC), there was no change in overall catheter-associated urinary tract infections (CAUTI) rates between 2009 and 2014. (see <https://www.cdc.gov/hai/surveillance/>). This is not surprising, as while a variety of approaches for prevention of biofilm formation include the use of biocoatings, impregnating materials with antibiotics, antimicrobials or other

<sup>1</sup> D. Cardo et al. National Nosocomial Infections Surveillance (NNIS) System Report, data summary from January 1992 through June 2004, issued October 2004. *Am. J. Infect. Control*, 32 (2004), pp. 470–485.

<sup>2</sup> Lo, E. et al. (2008). Strategies to Prevent Catheter- Associated Urinary Tract Infections in Acute Care Hospitals. *Infection Control and Hospital Epidemiology*, 29(S1), S41-S50. doi:10.1086/591066

<sup>3</sup> Tenke, P.; Koves, B.; Nagy, K.; Hultgren, S.J.; Mendling, W.; Wullt, B.; Grabe, M.; Wagenlehner, F.M.; Cek, M.; Pickard, R.; et al. Update on biofilm infections in the urinary tract. *World J. Urol.* 2012, 30, 51–57.

materials as well as catheters capable of eluting antibiotics and/or antimicrobials have been used, none have been fully effective. Further, one of the major complications associated with antibiotic based coatings is the development of resistance. For example, one approach has been to attach active biocides such as antibiotics to biomaterial surfaces, or to impregnate them into the biomaterial itself by coating device surfaces or impregnating device surfaces with antibiotics such as ciprofloxacin, gentamicin, norfloxacin, and nitrofurazone. When used in clinical studies, the uncontrolled release profiles of the drugs resulted in the elution of initial high local concentrations that may initially damage the cells followed by concentrations that are not inhibitory.<sup>4</sup> By not killing all of the bacteria effectively, any subsequent infection will be more difficult to eradicate due to the development of resistance.

**[00010]** Looking at the physiology of the urethra, UTIs are generally avoided because the act of urination (voiding) flushes everything, including bacteria. Further, there are glands in urethra that secretes protecting mucus. Several drug eluting urinary catheters are known in the prior art. Drug-eluting urinary catheters generally consist of three parts - the catheter tube, a polymer coating that binds the drug to the tube and releases the drug. The drug is slowly and continuously released into the bladder or along urethra; however, there is no continual washing of the periurethral space, where bacteria adhere, form biofilms and result in bacterial infections.

<sup>4</sup> Walder, B.; Pittet, D.; Tramer, M.R. Prevention of bloodstream infections with central venous catheters treated with anti-infective agents depends on catheter type and insertion time: Evidence from a meta-analysis. *Infect. Control Hosp. Epidemiol.* 2002, 23, 748–756.

[00011] It would therefore be useful to magnify the effect of the glands in the urethra that protect from infection in the context of catheters.

[00012] **BRIEF SUMMARY OF THE INVENTION**

[00013] It is therefore one object of the present invention to provide an indwelling urinary catheter system having (1) an elongated tubular catheter body having a distal end and a proximal end; (2) at least one sleeve portion constructed substantially out of a semipermeable membranes surrounding at least one portion of the catheter body; (3) at least one lumen to instill fluid into the catheter body; and (4) a means to continuously efflux the instilled fluid through the semipermeable membrane of at least one sleeve resulting in the circumferential egress of fluid out of the semipermeable membrane around the catheter body. The catheter may further include a drainage lumen extending through the catheter body from just short of the distal end to the proximal end and an opening or eyelet in the catheter body just short of the distal end of the catheter body to permit urine to drain from a patient's bladder into the drainage lumen. The catheter body is disposed within the urethra of the patient and a retaining mechanism, such as an inflatable balloon, is disposed within the patient's bladder to retain the catheter in position. The fluid instilled into the catheter body and effluxed from the sleeve portion(s) may include, but is not limited to, antiseptics, antibiotics or antimicrobials, and/or combinations thereof to prevent biofilm formation on the exterior surface of the catheter body. The fluid may also include certain therapeutic agents used in intravesical therapy, such as immunotherapy agents or chemotherapeutic agents. The fluid may also include agents for patient comfort, such as antispasmodics and pain medicines. All such agents

can be effluxed directly into the bladder through the semipermeable sleeve portion around the catheter tip placed within the bladder.

[00014] It is another object of the present invention to provide different embodiments of the urinary catheter system that match the particular anatomical characteristics of a patient with respect to male or female anatomy. For example, a retention collar may be positioned on the catheter body for female patients or a space may be provided for the prostate for male patients.

[00015] **BRIEF DESCRIPTION OF THE DRAWINGS**

[00016] **Figure 1.** Figure 1 is cross section view of a traditional catheter for insertion into the bladder.

[00017] **Figure 2.** Figure 2 is a front perspective view of a traditional 2-way urinary catheter.

[00018] **Figure 3.** Figure 3 is a front perspective view of a traditional 3-way urinary catheter with a cutaway cross section of the catheter body.

[00019] **Figure 4A.** Figure 4A is a front perspective view of one embodiment of the urinary catheter of the present invention with a cutaway cross section of the catheter body.

[00020] **Figure 4B.** Figure 4B is a front perspective view of one embodiment of the urinary catheter of the present invention with a cutaway cross section of the sleeve section.

[00021] **Figure 5A.** Figure 5A is a front perspective view of an alternative embodiment of the urinary catheter of the present invention with a cutaway cross section of the catheter body.

[00022] **Figure 5B.** Figure 5B is a front perspective view of an alternative embodiment of the urinary catheter of the present invention with a cutaway cross section of the sleeve.

[00023] **Figure 6A.** Figure 6A is a front perspective view of an alternative embodiment of the urinary catheter of the present invention with a cutaway cross section of the catheter body.

[00024] **Figure 6B.** Figure 6B is a front perspective view of an alternative embodiment of the urinary catheter of the present invention with a cutaway cross section of the sleeve.

[00025] **Figure 7A.** Figure 7A is a cross section view of the placement of a catheter in a male.

[00026] **Figure 7B.** Figure 7B is a cross section view of the placement of a catheter in a female.

[00027] **Figure 8A.** Figure 8A is a front perspective view of one embodiment of the present invention for use in female patients.

[00028] **Figure 8B.** Figure 8B is a front perspective view of one embodiment of the present invention for use in female patients with a cutaway cross section of the sleeve.

[00029] **Figure 9A.** Figure 9A is a front perspective view of one embodiment of the present invention for use in male patients.

[00030] **Figure 9B.** Figure 9B is a front perspective view of one embodiment of the present invention for use in male patients with a cutaway cross section of the sleeve.

[00031] **Figure 10A.** Figure 10A is a front perspective view of one embodiment of the present invention with a couvelaire tip.

[00032] **Figure 10B.** Figure 10B is a front perspective view of one embodiment of the present invention with a dufour tip.

[00033] **Figure 10C.** Figure 10C is a front perspective view of one embodiment of the present invention with a coude tip.

[00034] **Figure 11A.** Figure 11A is a front perspective view of an alternative embodiment of the present invention with a couvelaire tip.

[00035] **Figure 11B.** Figure 11B is a front perspective view of an alternative embodiment of the present invention with a dufour tip.

[00036] **Figure 11C.** Figure 11C is a front perspective view of an alternative embodiment of the present invention with a coude tip.

[00037] **Figure 12A.** Figure 12A is a front perspective view of an alternative embodiment of the present invention with a couvelaire tip.

[00038] **Figure 12B.** Figure 12B is a front perspective view of an alternative embodiment of the present invention with a dufour tip.

[00039] **Figure 12C.** Figure 12C is a front perspective view of an alternative embodiment of the present invention with a coude tip.

[00040] **DETAILED DESCRIPTION**

[00041] For the purposes of the present invention, the term “semipermeable” is intended to encompass not only those materials that are semipermeable by their nature (i.e. those that allow certain substances to pass through it while not allowing other materials to pass through it) but materials that may be made semipermeable by creating

pores of a predetermined size that would allow certain substances to pass through it while not allowing other materials to pass through it.

[00042] Turning to the drawings, there shown in Fig. 1 is a traditional catheter for insertion into a cavity, duct, or a vessel to permit injection or withdrawal of fluids into or from the cavity, duct, or vessel, or to establish patency of a passageway. For example, the catheter body **16** may be inserted through a patient's urethra and into the patient's bladder **10** for draining urine from the bladder and/or instilling fluid into the bladder through slots in the tip **12** of the catheter. A retaining device, such as the balloon **14**, is used to maintain placement of the catheter in the bladder.

[00043] Turning to Fig. 2, a traditional 2-way urinary catheter is represented with a catheter body **201** having a distal end **202** and a proximal end **203** with the catheter body **201** connecting an opening or eyelet **204** at the distal end **202** to a drainage lumen **205** at the proximal end **203** of the catheter body **201** through which fluid may flow into the drainage lumen **205** when the catheter is used to drain fluid from the bladder. An inflatable tube section **206** with an inflation lumen **207** extends along the length of the catheter body **201** and communicates with the inflatable tube section **206**. Inflation fluid, such as distilled water, is passed through inflation lumen **207** into the tube section **206** to inflate the tube section **206**, and the inflation fluid is withdrawn from the tube section **206** into and through the inflation lumen **207** when it is desired to deflate the tube section **206**.

[00044] Turning to Fig. 3, a traditional 3-way urinary catheter is represented that is essentially the same as the catheter shown in Fig. 2, except it includes an instillation lumen **309** that extends from the catheter body **301** at the proximal end **303**. The fluid

instilled into the catheter body **301** is passed through tube **311** in the catheter body **301** and into the bladder through the opening or eyelet **304** and then the fluid is subsequently drained through the opening or eyelet **308** through tube **312** in the catheter body **301** and out the drainage lumen **305**. As shown in the cross section, the fluid instilled into the catheter body **301** passes through tube **311** in the catheter body. Inflation fluid is passed through inflation lumen **307** and through tube **310** to inflate the tube section **306**. Fluid that is drained through eyelet **308** at the distal end **302** passes through tube **312** and out the drainage lumen **305**.

[00045] Referring to Fig. 4A, the catheter of the present invention includes an elongated tubular catheter body **401** having a distal end **402** and a proximal end **403**. A drainage lumen **404** extends through tube **414** in the catheter body **401** from the distal end **402** to the proximal end **403**. The drainage lumen **404** communicates with an opening or eyelet **405** in the catheter body **401** at the distal end **402** of the catheter body **401** through which the fluid may flow into the drainage lumen **404** when the catheter is used to drain a fluid from a cavity, duct, or vessel (e.g., draining urine from a person's bladder). A sleeve portion **406** constructed from a semipermeable membrane is formed over the catheter body **401**. An instillation lumen **410** extends from the catheter body **401** at the proximal end **403**. The instillation lumen **410** connects with the sleeve portion **406** using tube **413** that runs through the length of the catheter body **401**. The fluid instilled into the catheter body **401** through the tube **413** is continuously effluxed from the sleeve portion **406** through the semipermeable membrane in a circumferential controlled delivery to continuously irrigate the periurethral space and the catheter body **401** to prevent formation of biofilm and further ensuing bacterial infection. The fluid may include, but is

not limited to, antiseptics, antibiotics or antimicrobials and/or combinations thereof to prevent biofilm formation on the exterior surface of the catheter body. Inflation fluid is passed through inflation lumen **409** and through tube **412** in the catheter body **401** to inflate the tube section **408**.

[00046] Turning to Fig. 4B, a cross section cutaway of the sleeve portion **406** illustrates that the sleeve circumferentially surrounds the catheter body **401**. In the preferred embodiment, the sleeve **406** is manufactured as a continuous part over the catheter body **401**. It may be secured to the catheter body **401** using methods known in the art such as adhesive attachment or heat press melting. Additionally, the sleeve **406** is preferably constructed from a non-elastic material to allow the effluxed fluid to irrigate the periurethral space without putting pressure on the urethra. In the preferred embodiment, the fluid effluxed from the sleeve **406** exits through the urethral opening and may be collected by a sponge or padded surface. Ideally around 300-500mL of fluid a day would be effluxed resulting in a collection rate in the sponge or padded surface of about 20ccs per hour. This is manageable in a hospital care setting with intermittent replacement of the sponge or padded surface.

[00047] Referring to Fig.4A, the preferred embodiment a retaining mechanism near the distal end **402** of the catheter body **401** is generally an inflatable tube section **408** with an inflation lumen **409** that extends the length of the catheter body **401** through tube **412** and communicates with the inflatable tube section **408**. Inflation fluid, such as distilled water, is passed through inflation lumen **409** into the tube section **408** to inflate the tube section **408**, and the inflation fluid is withdrawn from the tube section **408** into and through the inflation lumen **409** when it is desired to deflate the tube section **408**.

When the inflatable tube section **408** is not inflated, it lies substantially parallel along the central axis of the catheter body **401**, forming a cylinder having a diameter that substantially matches the outer diameter of the catheter body **401**.

[00048] The fluid instilled into the catheter body **401** and effluxed out of the semipermeable membrane sleeve **406** of the catheter body may be pushed through the device using various mechanisms, including but not limited to, a pressure and flow regulating valve to control rate of flow for a specific fluid at a specific pressure that is installed at the effluxing instillation lumen **410** or using a pump tension device, such as a plastic ball that is blown up and then pushes fluid out at a constant rate. It is also contemplated that an intravenous (IV) pump operating at a continuous rate may also be used to move fluid through the instillation lumen **410** and out of the semipermeable membrane of the sleeve portion **406**. Again, the rate would be predetermined based on the semipermeable membrane material as well as the molecular weight cut off (MWCO) of the agent instilled into the catheter and effluxed through the semipermeable membrane to ensure that the agent is being pushed with sufficient pressure and at a sufficient rate to effectively continuously wash the periurethral space around the catheter body **401**.

[00049] It is further contemplated that a drug eluting portion could be located within the tip **411** of catheter body **401** that goes into the bladder that could be used to deliver drugs to the bladder itself, such as an antispasmodic, pain medicines, antibiotics, antiseptics, antimicrobials and combinations thereof.

[00050] Turning to Fig. 5A, an alternative embodiment of the present invention is represented with an elongated tubular catheter body **501** having a distal end **502** and a proximal end **503**. A drainage lumen **504** extends through tube **513** in the catheter body

**501** from the distal end **502** to the proximal end **503**, and the drainage lumen **503** communicates with an opening or eyelet **505** in the catheter body **501** at the distal end **502** of the catheter body **501** through which the fluid may flow into the drainage lumen **504** when the catheter is used to drain a fluid from a cavity, duct, or vessel (e.g., draining urine from a person's bladder). The retaining mechanism in this example is an inflatable tube section **507** with an inflation lumen **508** that extends through the length of the catheter body **501** through tube **511** and communicates with the inflatable tube section **507**. Inflation fluid, such as distilled water, is passed through inflation lumen **508** into the tube section **507** to inflate the tube section **507**, and the inflation fluid is withdrawn from the tube section **507** into and through the inflation lumen **508** when it is desired to deflate the tube section **507**. When the inflatable tube section **507** is not inflated, it lies substantially parallel along the central axis of the catheter body **501**, forming a cylinder having a diameter that substantially matches the outer diameter of the catheter body **501**.

[00051] A sleeve portion **506** constructed from a semipermeable membrane is formed over the catheter body **501** above the tube section **507**. An instillation lumen **509** extends from the catheter body **501** at the proximal end **504**. The instillation lumen **509** connects with the sleeve portion **506** using tube **512** that runs through the length of the catheter body **501**. The fluid instilled into the catheter body **501** through the tube is continuously effluxed from the sleeve portion **506** through the semipermeable membrane and into the bladder.

[00052] Turning to Fig. 5B, a cross section cutaway of the sleeve portion **506** illustrates that the sleeve circumferentially surrounds the catheter body **501**. In the preferred embodiment, the sleeve **506** is manufactured as a continuous part over the

catheter body **501**. It may be secured to the catheter body **501** using methods known in the art such as adhesive attachment or heat press melting. The fluid effluxed through the sleeve **506** includes, but is not limited to, certain therapeutic agents used in intravesical therapy, such as immunotherapy agents or chemotherapeutic agents, as well as antispasmodic agents and numbing agents such as lidocaine. The semipermeable membrane of the sleeve **506** allows certain substances to pass through it but not others, such as allowing fluids to efflux out of the sleeve **506** but not allowing bacteria or other contaminants into the sleeve **506**. The semipermeable membrane also allows the use of a small amount of fluid everywhere circumferentially along the length of the catheter body portion in the bladder as well as into the bladder space. The pore size of the semipermeable membrane is predetermined based on the agent instilled into the catheter and effluxed from the semipermeable membrane to ensure that the agent may pass through the semipermeable membrane of the sleeve **506** and may be effluxed with sufficient pressure and at a sufficient rate to effectively continuously wash the bladder with the fluid. This method is a superior mechanism to deliver therapies such as antispasmodic agents and numbing agents than an instillation performed using a traditional catheter. With a traditional catheter, instillations are performed on an intermittent basis wherein the medicine is delivered through a single lumen catheter and then removed. The patient then voids the bladder to remove the medicine. The present invention allows the medicine to be slowly effluxed into the bladder at a continuous rate. This is especially useful after transurethral surgery on a patient. The catheter of the present invention can be placed shortly after surgery so that a drug, such as an

antispasmodic or pain medication, may be effluxed from the sleeve **506** for the next four to six hours, resulting in steady patient pain and discomfort management.

[00053] The fluid instilled into the catheter body and effluxed out of the semipermeable membrane of the sleeve portion **506** over the catheter body **501** and into the bladder may be pushed through the device using various mechanisms, including but not limited to, a pressure and flow regulating valve to control rate of flow for a specific fluid at a specific pressure that is installed at the effluxing instillation lumen port **510** or using a pump tension device, such as a plastic ball that is blown up and it then pushes fluid out at a constant rate. It is also contemplated that an intravenous (IV) pump operating at a continuous rate may also be used to move fluid through the instillation lumen and out of the semipermeable membrane of the sleeve portion **506**. Again, the rate would be predetermined based on the agent instilled into the catheter and effluxed from the semipermeable membrane to ensure that the agent is being pushed with sufficient pressure and at a sufficient rate to effectively continuously wash the bladder space.

[00054] Turning to Figs. 6A-B, another embodiment of the present invention uses both sleeve portions of Figs. 4-5. This results in a 4 way catheter capable of both effluxing fluid to continuously irrigate the periurethral space as well as effluxing fluid to continuously wash the bladder space.

[00055] As shown in Fig. 6A an elongated tubular catheter body **601** having a distal end **602** and a proximal end **603**. A drainage lumen **604** extends through tube **617** in the catheter body **601** from the distal end **602** to the proximal end **603**, and the drainage lumen **604** communicates with an opening or eyelet **605** in the catheter body **601** at the distal end **602** of the catheter body **601** through which the fluid may flow into

the drainage lumen **604** when the catheter is used to drain a fluid from a cavity, duct, or vessel (e.g., draining urine from a person's bladder). A first sleeve portion **606** constructed from a semipermeable membrane is formed over the catheter body **601**. An instillation lumen **607** extends from the catheter body **601** at the distal end **602**. The instillation lumen **607** connects with the first sleeve portion **606** using tube **616** that runs through the length of the catheter body **601**. The fluid instilled into the catheter body **601** through the tube is continuously effluxed from the sleeve portion **606** through the semipermeable membrane in a circumferential controlled delivery to continuously irrigate the periurethral space and the catheter body **601** to prevent formation of biofilm and further ensuring bacterial infection. The fluid may include, but is not limited to, antiseptics, antibiotics or antimicrobials and/or combinations thereof to prevent biofilm formation on the exterior surface of the catheter body.

[00056] A second sleeve portion **609** constructed from a semipermeable membrane is formed over the catheter body **601** above the tube section **610**. An instillation lumen **611** extends from the catheter body **601** at the distal end **602**. The instillation lumen **611** connects with the sleeve portion **609** using tube **618** that runs through the length of the catheter body **601**. The fluid instilled into the catheter body **601** through the tube **618** is continuously effluxed from the sleeve portion **609** through the semipermeable membrane and into the bladder itself.

[00057] The fluid effluxed through the sleeve **609** includes, but is not limited to, certain therapeutic agents used in intravesical therapy such as immunotherapy agents or chemotherapeutic agents, antispasmodic agents and numbing agents, such as lidocaine.

[00058] The fluid instilled into the catheter body and effluxed out of the semipermeable membrane of the sleeve portions **606** and **609** may be pushed through the device using various mechanisms, including but not limited to, pressure and flow regulating valves to control rate of flow for a specific fluid at a specific pressure that is installed at the effluxing instillation lumen ports **607** and **611**, or using a pump tension device, such as a plastic ball that you blow up and it then pushes fluid out at a constant rate. It is also contemplated that an intravenous (IV) pump operating at a continuous rate may also be used to move fluid through the instillation lumens **607** and **611** and out of the semipermeable membrane of the sleeve portions **606** and **609**, respectively. Again, the rate would be predetermined based on the agent instilled into the catheter and effluxed from the semipermeable membrane to ensure that the agent is being pushed with sufficient pressure and at a sufficient rate to effectively continuously wash the periurethral and bladder spaces.

[00059] Turning to Fig. 6B, a cross section cutaway of the sleeve portions **606** and **609** illustrates that the sleeve circumferentially surrounds the catheter body **601**. In the preferred embodiment, the sleeve portions **606** and **609** are manufactured as continuous parts over the catheter body **601**. They may be secured to the catheter body **601** using methods known in the art such as adhesive attachment or heat press melting.

[00060] Turning to Fig. 7A-B, the differences in anatomy for the placement of a urinary catheter are shown. The male anatomy of Fig. 7A results in a larger portion of the catheter body in the periurethral space than the female counterpart. Fig. 7A shows the bladder **701**, rectum **702**, pubic bone **703**, prostate **704**, urethra **705** and the catheter **706**.

The catheter **706** must also be fed past the prostate **704** in males before it can be retained in the bladder **701**. The female anatomy of Fig. 7B results in a shorter portion of the catheter body needed to fill the periurethral space. Fig. 7B shows the bladder **707**, rectum **708**, pubic bone **709**, vagina **710**, urethra **711** and catheter **712**.

[00061] Taking these anatomical differences into consideration, Fig. 8A-B shows the distal end of the catheter of Fig. 4 as used for female anatomy whereas Fig. 9A-B shows the distal end of the catheter of Fig. 5 as used for male anatomy. The sleeve portion **801** of Fig. 8A-B is shorter than the sleeve portion **901** of Fig. 9A-B. Additionally, there is a larger space **903** between the sleeve portion **901** and the inflatable portion **902** than the space **803** between the sleeve portion **801** and the inflatable portion **802**, which accommodates placement of the catheter in the presence of the prostate.

[00062] As shown in Figs. 10A-C, one embodiment of the invention shown in Figs. 4A-B with sleeve portion **1001**, catheter body **1002**, retaining device **1003**, drainage eyelet **1004** and alternative instillation eyelet **1005** may have various shapes to the end that is inserted into the bladder. For example, Fig. 10 A shows a couvelaire tip, Fig. 10B shows a dufour tip and Fig. 10C shows a coude tip.

[00063] As shown in Figs. 11A-C, one embodiment of the invention shown in Figs. 5A-B with sleeve portion **1006**, catheter body **1002**, retaining device **1003**, drainage eyelet **1004** and alternative instillation eyelet **1005** may have various shapes to the end that is inserted into the bladder. For example, Fig. 11 A shows a couvelaire tip, Fig. 11B shows a dufour tip and Fig. 11C shows a coude tip.

[00064] As shown in Figs. 12A-C, one embodiment of the invention shown in Figs. 6A-B with sleeve portions **1001** and **1006**, catheter body **1002**, retaining device

**1003**, drainage eyelet **1004** and alternative instillation eyelet **1005** may have various shapes to the end that is inserted into the bladder. For example, Fig. 12 A shows a couvelaire tip, Fig. 12B shows a dufour tip and Fig. 12C shows a coude tip.

[00065] It is necessary for the fluid to be effluxed continuously at a basal rate to effect the continual washing of the periurethral space, where bacteria adhere, to prevent formation of biofilms and resulting bacterial infections. However, it is also contemplated that the fluid may be continuously effluxed from the semipermeable membrane(s) in a peristaltic wave action along the length of the catheter body in addition to the basal rate.

[00066] For the purposes of promoting an understanding of the principles of the invention, reference has been made to the preferred embodiments illustrated in the drawings, and specific language has been used to describe these embodiments. However, this specific language intends no limitation of the scope of the invention, and the invention should be construed to encompass all embodiments that would normally occur to one of ordinary skill in the art. The particular implementations shown and described herein are illustrative examples of the invention and are not intended to otherwise limit the scope of the invention in any way. For the sake of brevity, conventional aspects of the method (and components of the individual operating components of the method) may not be described in detail. Furthermore, the connecting lines, or connectors shown in the various figures presented are intended to represent exemplary functional relationships and/or physical or logical couplings between the various elements. It should be noted that many alternative or additional functional relationships, physical connections or logical connections might be present in a practical device. Moreover, no item or component is essential to the practice of the invention unless the element is specifically described as

“essential” or “critical”. Numerous modifications and adaptations will be readily apparent to those skilled in this art without departing from the spirit and scope of the present invention.

## CLAIMS

1. A urinary catheter assembly comprising:

an elongate catheter body having a proximal end and a distal end,

a first sleeve portion comprising a semipermeable membrane, wherein the first sleeve portion is disposed on an outer surface of at least one portion of the catheter body;  
and;

an inflation lumen at the proximal end of the catheter body, wherein the inflation lumen is in fluid communication with an inflatable tube section; wherein an inflation fluid is passed through an inflation lumen, and a through tube in the catheter body to inflate the tube section,

wherein the urinary catheter assembly further comprises:

a first instillation lumen at the proximal end of the catheter body, wherein the first instillation lumen is in fluid communication with the first sleeve portion;

a pump in fluid communication with said first instillation lumen

wherein the pump is operable to continuously move a first fluid through the first instillation lumen to the first sleeve portion and to continuously and circumferentially efflux the first fluid out of the semipermeable membrane of the first sleeve.

2. The urinary catheter assembly according to claim 1, wherein the first sleeve portion is at the tip of the distal end of the catheter body

3. The urinary catheter assembly according to claim 1 or 2, further comprising a pressure and flow regulating valve operable to regulate a flow rate and a pressure of the first fluid effluxing through the first sleeve portion.

4. The urinary catheter assembly according to claim 3, wherein the pump comprises a pump tension device operable to regulate a flow rate and a pressure of the first fluid effluxing through the first sleeve portion.

5. The urinary catheter assembly according to claim 3, wherein the pump comprises an intravenous (IV) pump operable to operate at a continuous rate and operable to regulate a flow rate and a pressure of the first fluid effluxing through the first sleeve portion.

6. The urinary catheter assembly according to any one of claims 3 to 5, wherein the flow rate and the pressure of the first fluid effluxing through the first sleeve portion is predetermined based on the material used for the semipermeable membrane of the first sleeve portion and calculated based on a molecular weight cut off (MWCO) of the first fluid.

7. The urinary catheter assembly according to any one of the preceding claims, wherein the pore size of the semipermeable membrane of the first sleeve portion is predetermined and calculated based on a molecular weight cut off (MWCO) of the first fluid.

8. The urinary catheter assembly according to any one of the preceding claims, further comprising:

a second sleeve portion comprising a semipermeable membrane, wherein the second sleeve portion is disposed on the outer surface of at least one portion of the catheter body;

a second instillation lumen at the proximal end end of the catheter body in fluid communication with the second sleeve portion; and

a second pump in fluid communication with said second instillation lumen; wherein the second pump is operable to continuously move a second fluid through the second instillation lumen to the second sleeve portion and to continuously and circumferentially efflux the second fluid out of the semipermeable membrane of the second sleeve portion.

9. The urinary catheter assembly according to claim 8, further comprising a second pressure and flow regulating valve operable to regulate a flow rate and a pressure of the second fluid effluxing through the second sleeve portion.

10. The urinary catheter assembly according to claim 8 or 9, wherein the second pump comprises a pump tension device operable to regulate a flow rate and a pressure of the second fluid effluxing through the second sleeve portion.

11. The urinary catheter assembly according to any one of claims 8 to 10, wherein the second pump is an intravenous (IV) pump operable to operate at a continuous rate and operable to regulate a flow rate and a pressure of the second fluid effluxing through the second sleeve portion.

12. The urinary catheter assembly according to any one of claims 8 to 11, wherein the flow rate and the pressure of the second fluid effluxing through the second sleeve portion (609) is predetermined based on the material used for the semipermeable membrane of the second sleeve portion (609) and calculated based on a molecular weight cut off (MWCO) of the second fluid.

13. The urinary catheter assembly according to any one of claims 8 to 12, wherein the pore size of the semipermeable membrane of the second sleeve portion is predetermined and calculated based on the molecular weight cut off (MWCO) of the second fluid.

14. The urinary catheter assembly according to any one of claims 8 to 13, further comprising a retaining mechanism towards the distal end of the catheter body.

15. The urinary catheter assembly according to claim 14, wherein the first sleeve portion is between the proximal end of the catheter body and the retaining mechanism.

16. The urinary catheter assembly according to claim 14 or 15, wherein the second sleeve portion is between the distal end of the catheter body and the retaining mechanism.

17. The urinary catheter assembly according to any one of claims 14 to 16, wherein the first sleeve portion is at the tip of the distal end of the catheter body and the second sleeve portion is located between the proximal end of the catheter body and the retaining mechanism.

18. The urinary catheter assembly according to any one of the preceding claims, further comprising a drainage lumen and at least one drainage opening at the distal end of the catheter body, wherein the drainage lumen extends through the catheter body and is in fluid communication with the at least one drainage opening.

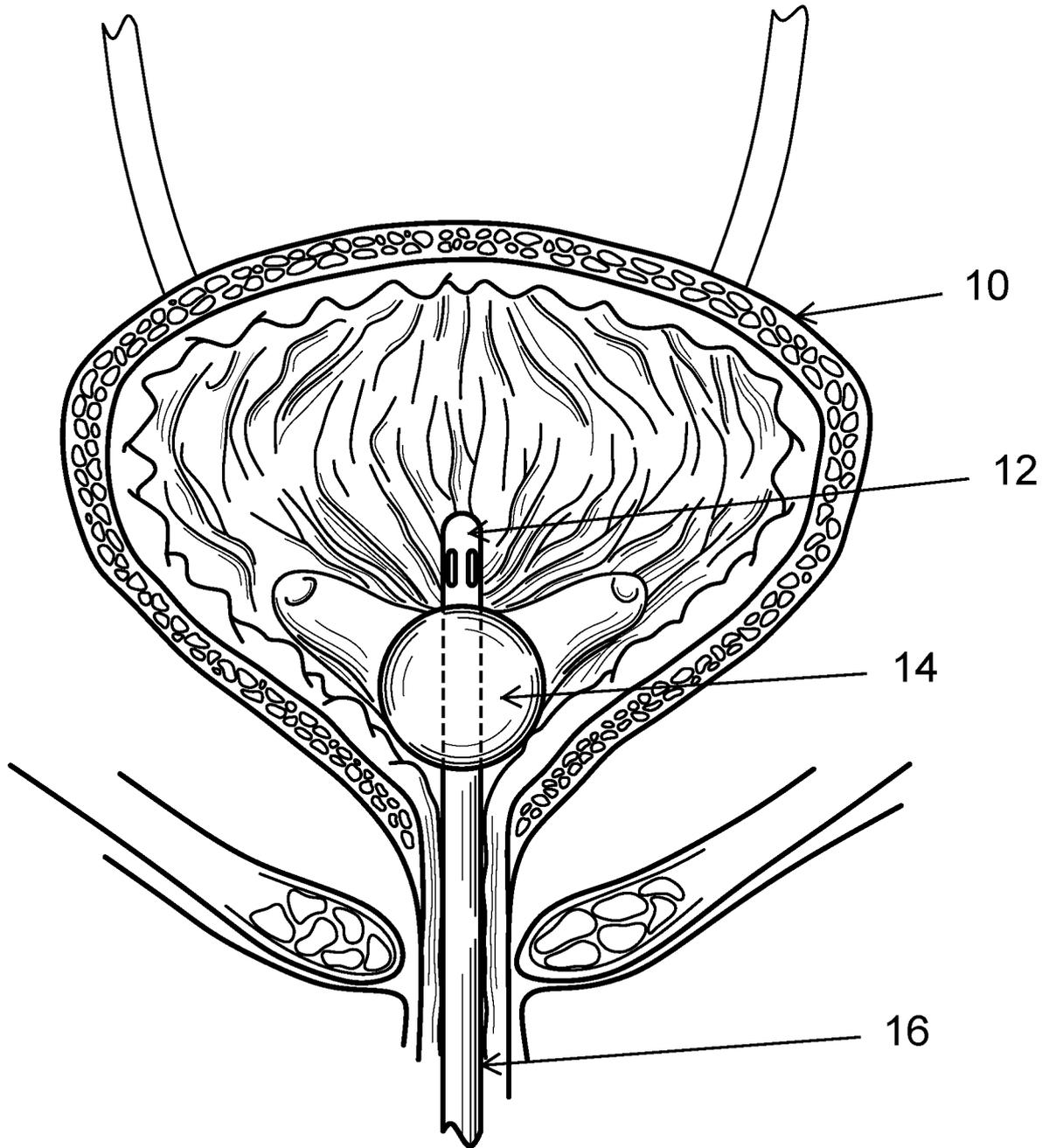


FIG. 1

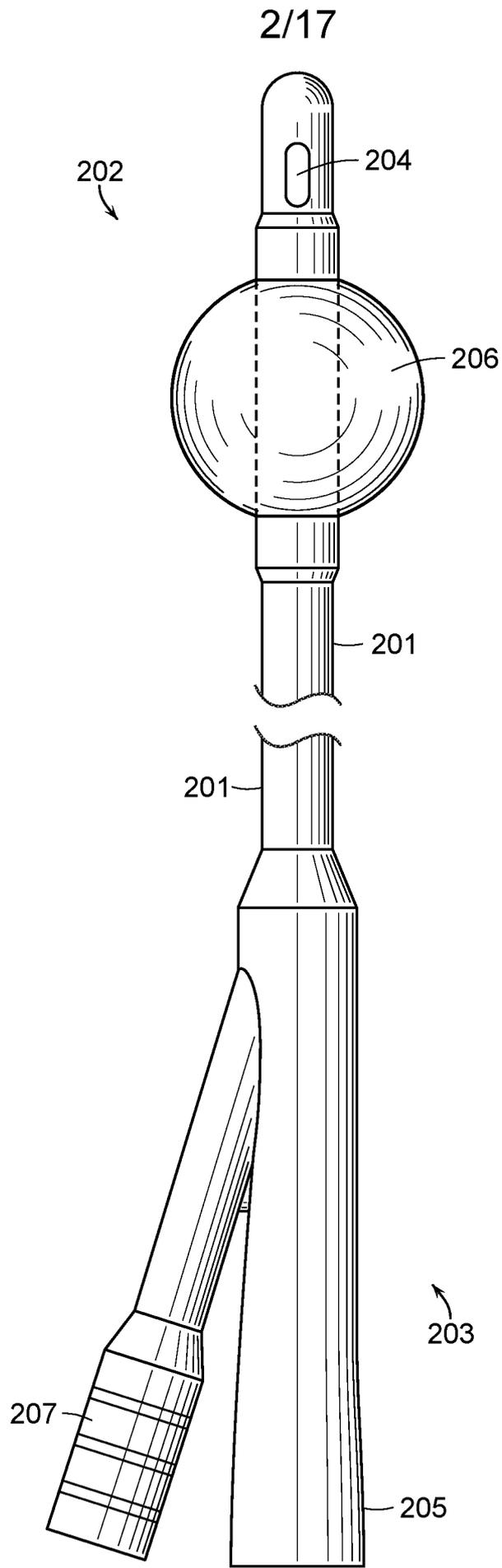
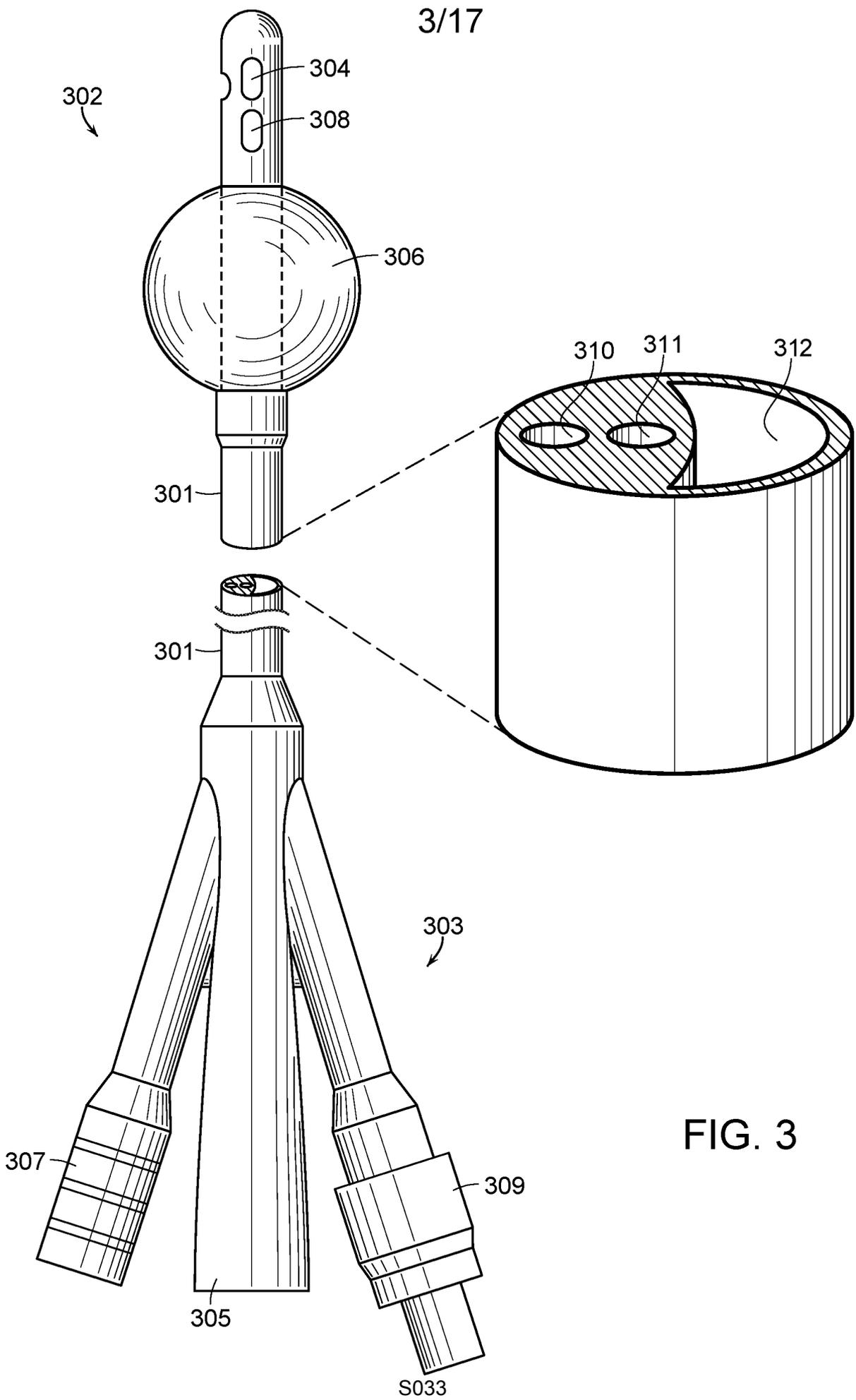


FIG. 2



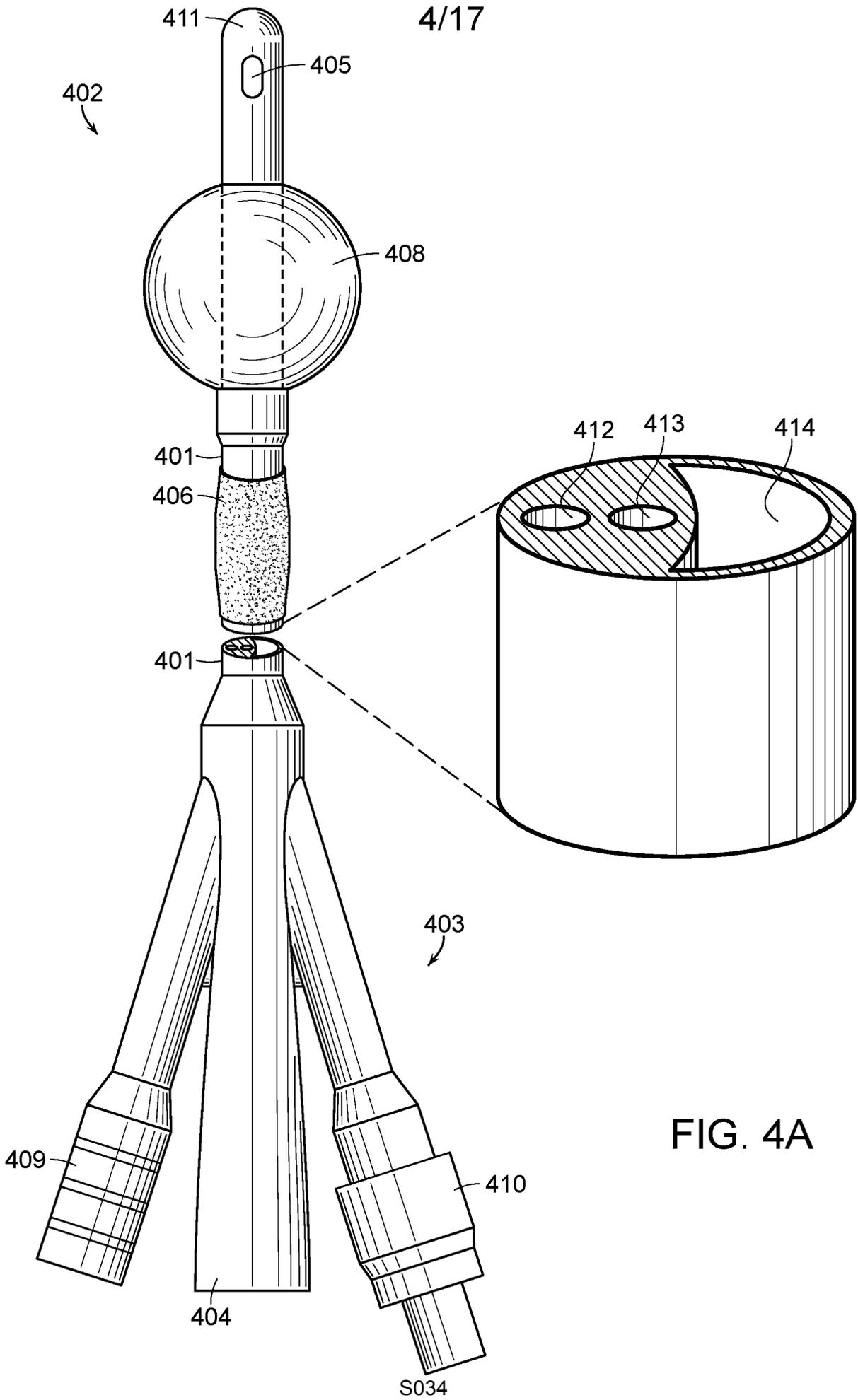
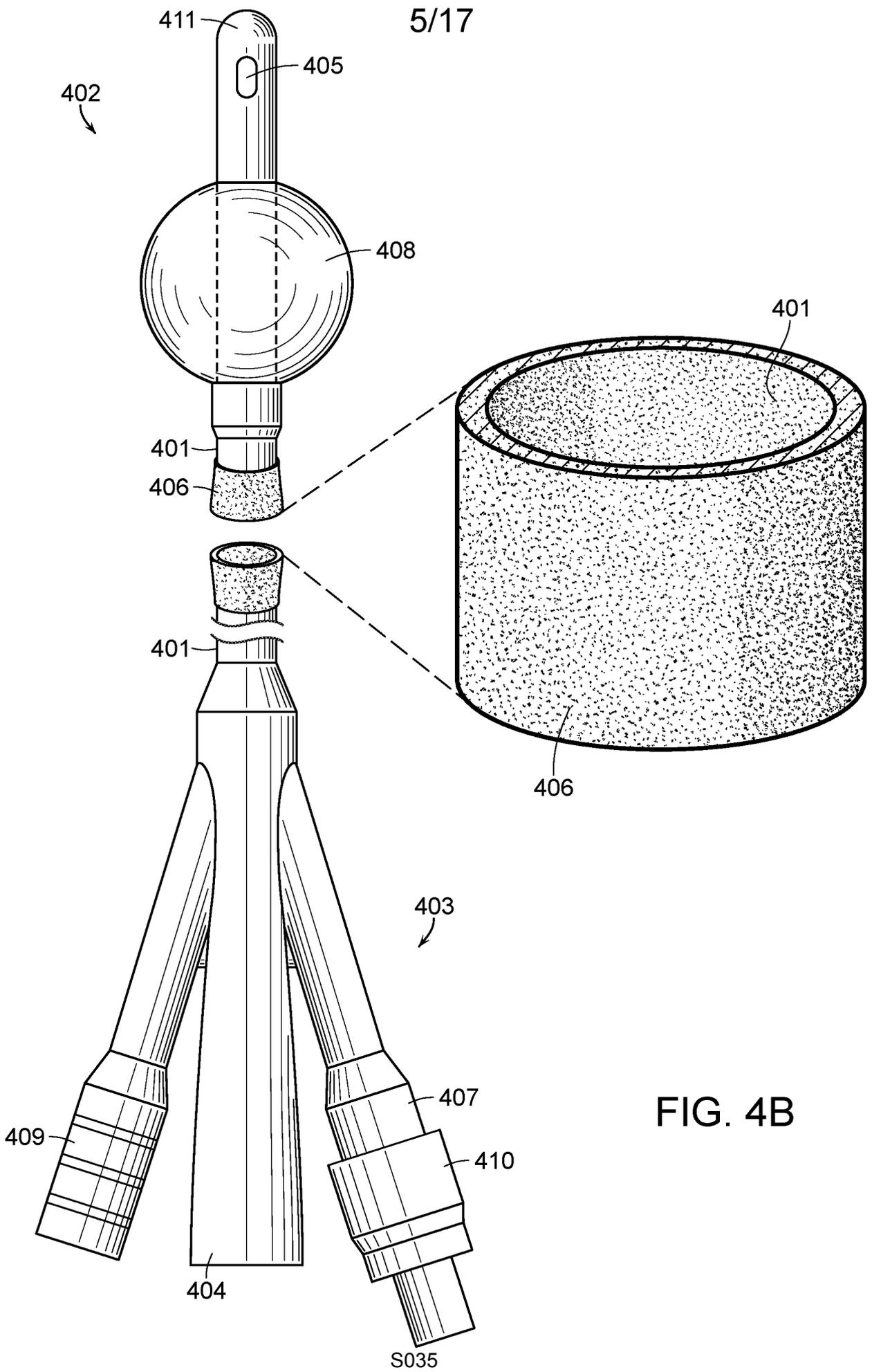
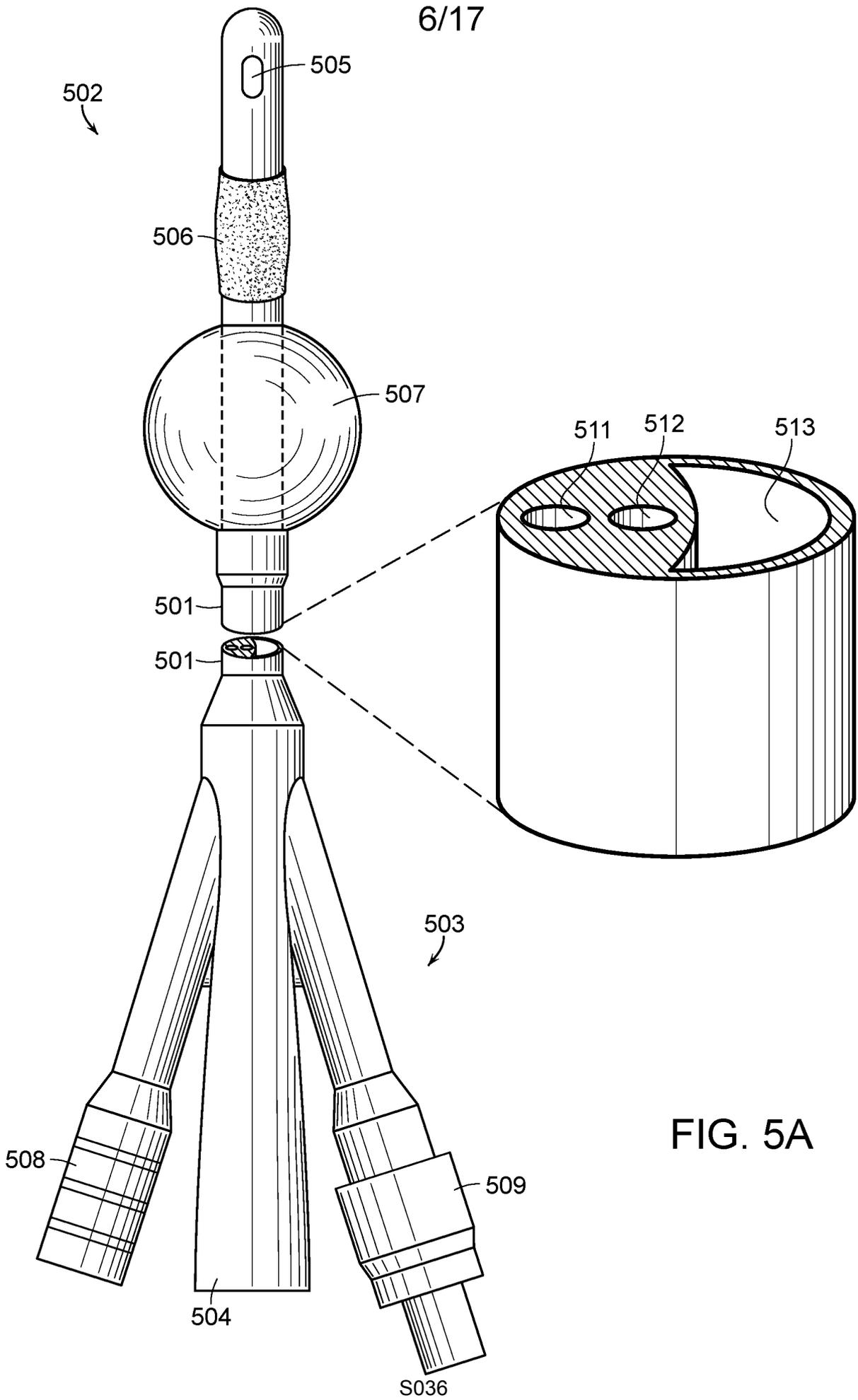
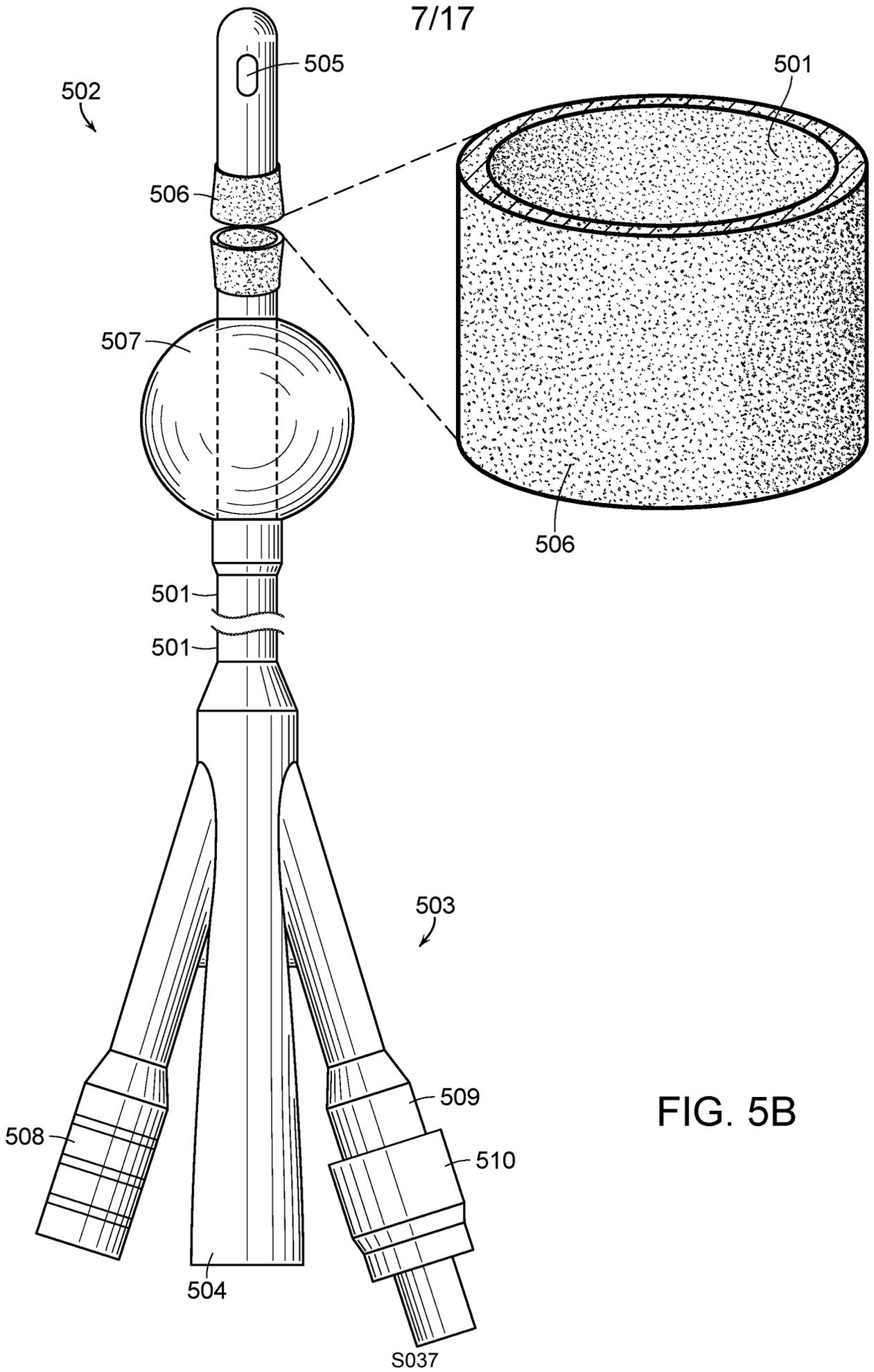
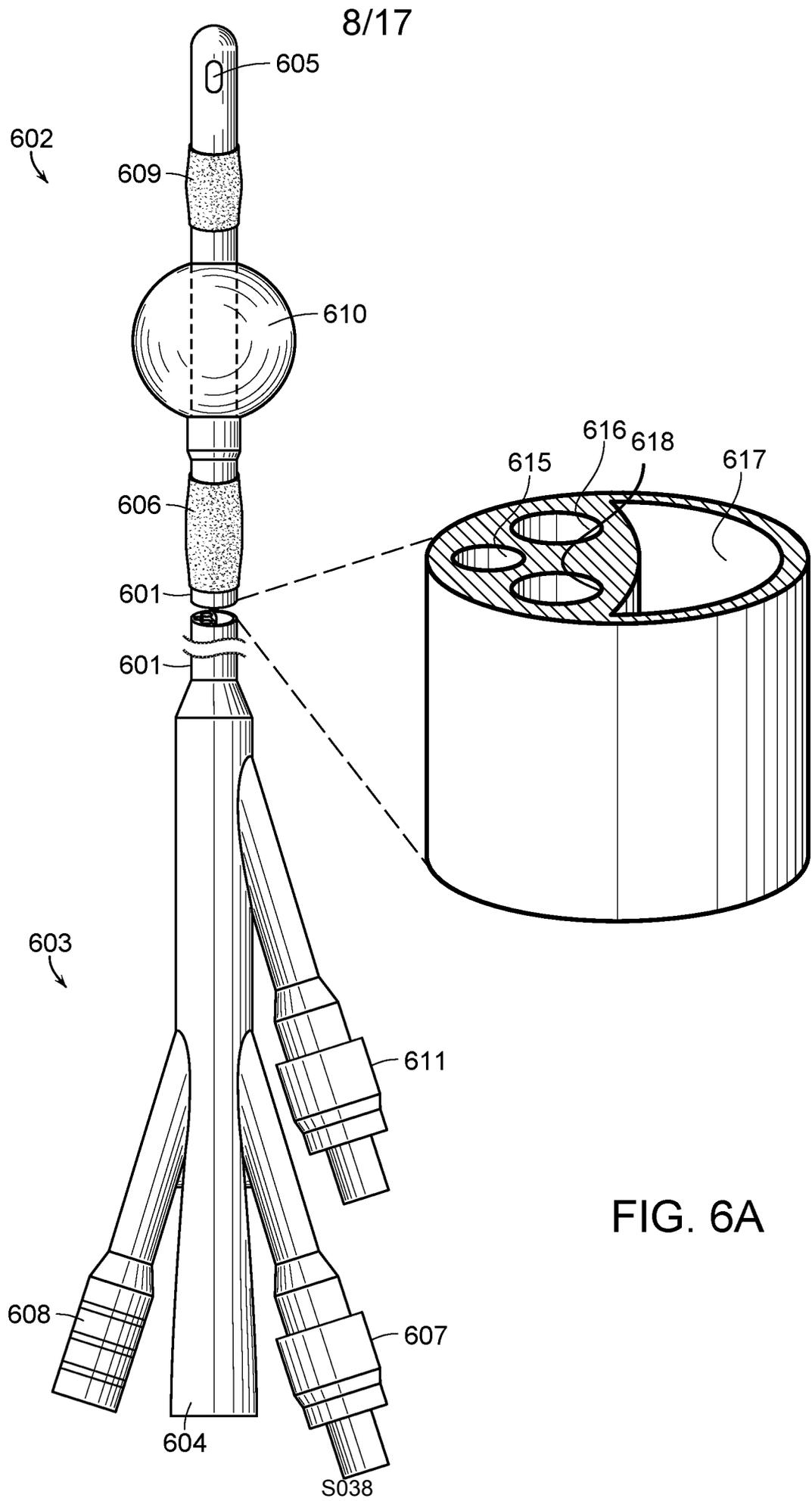


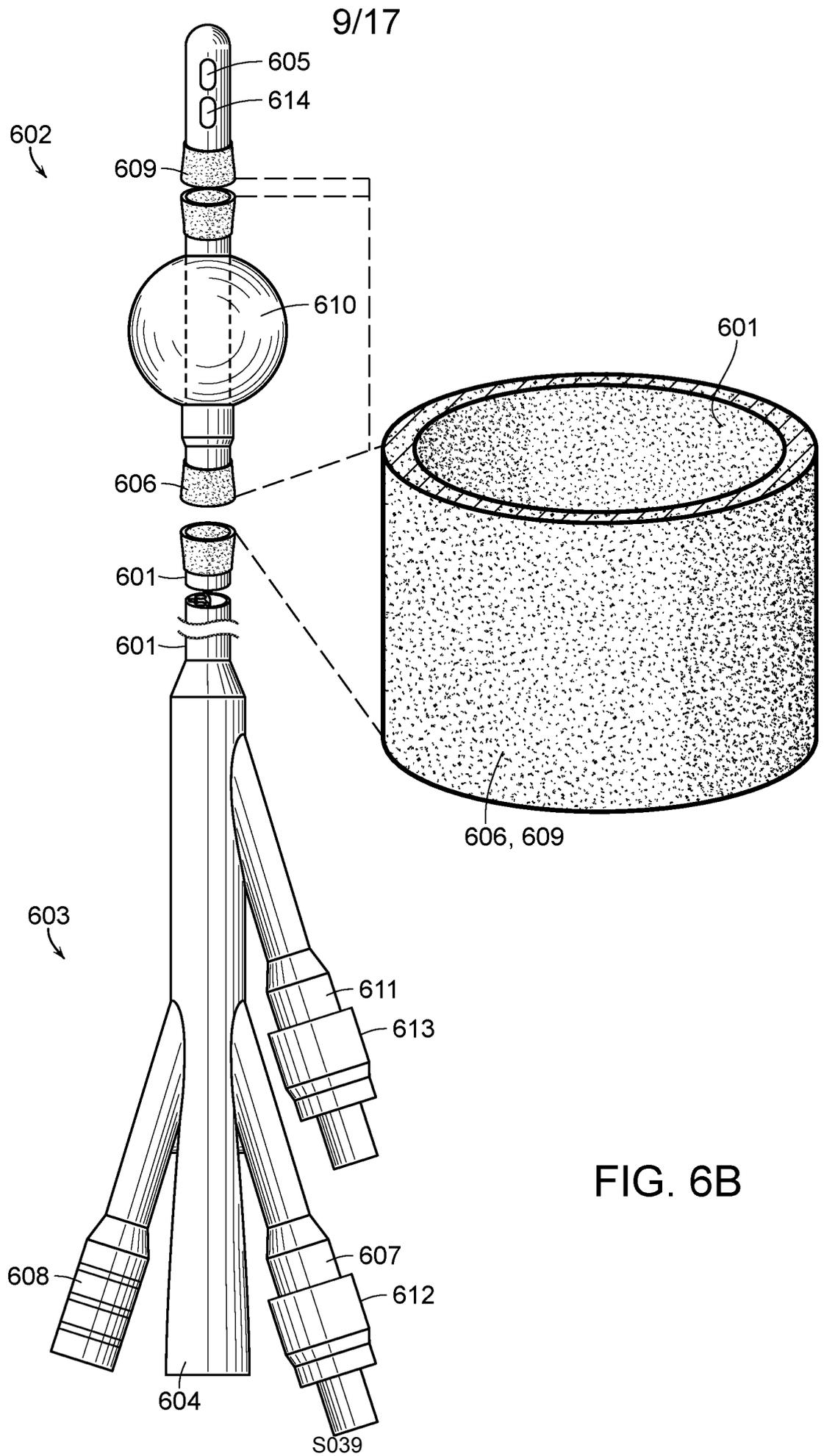
FIG. 4A



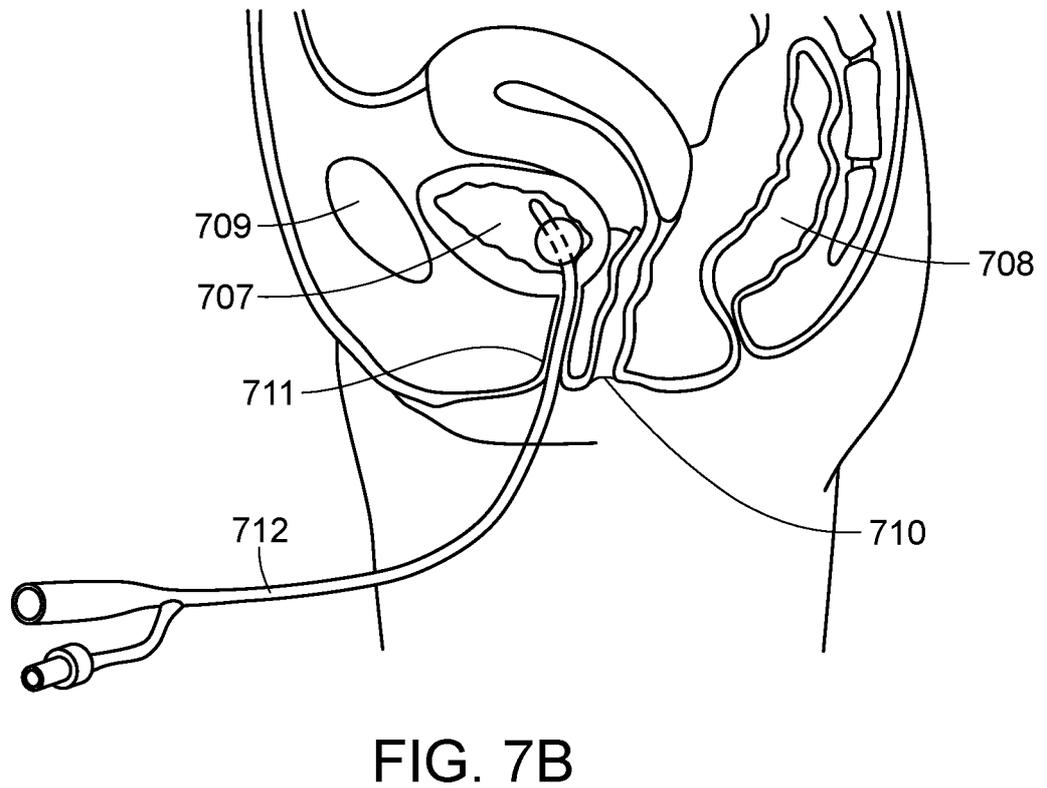
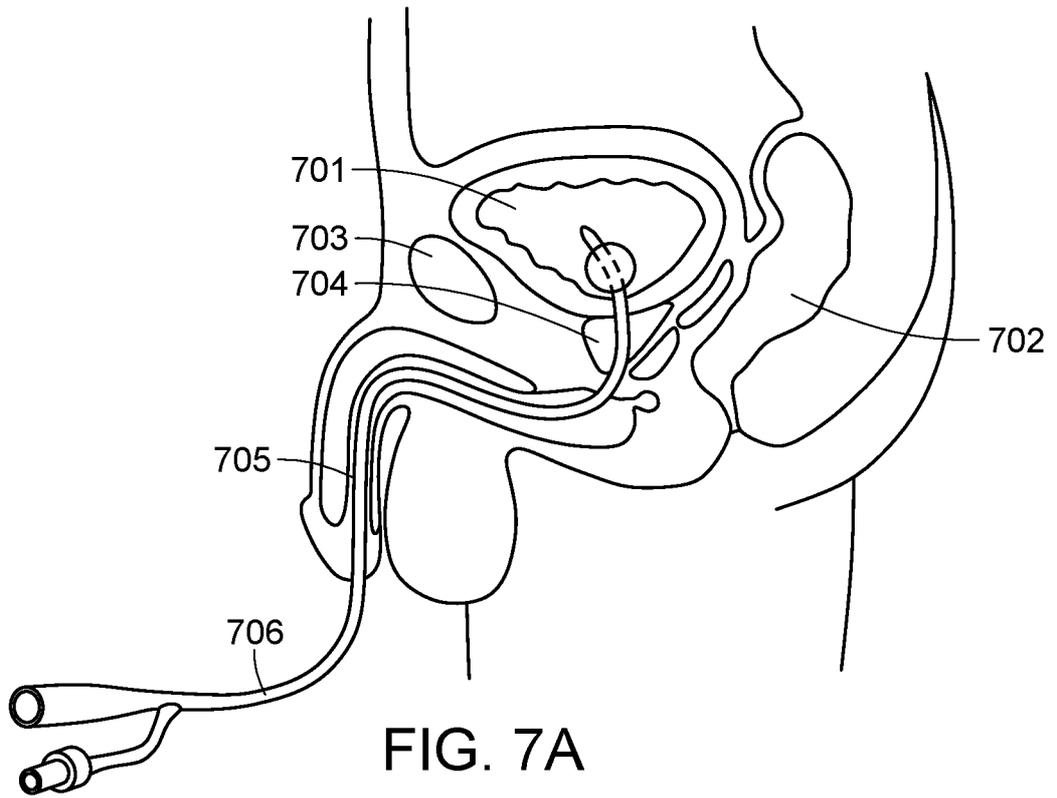








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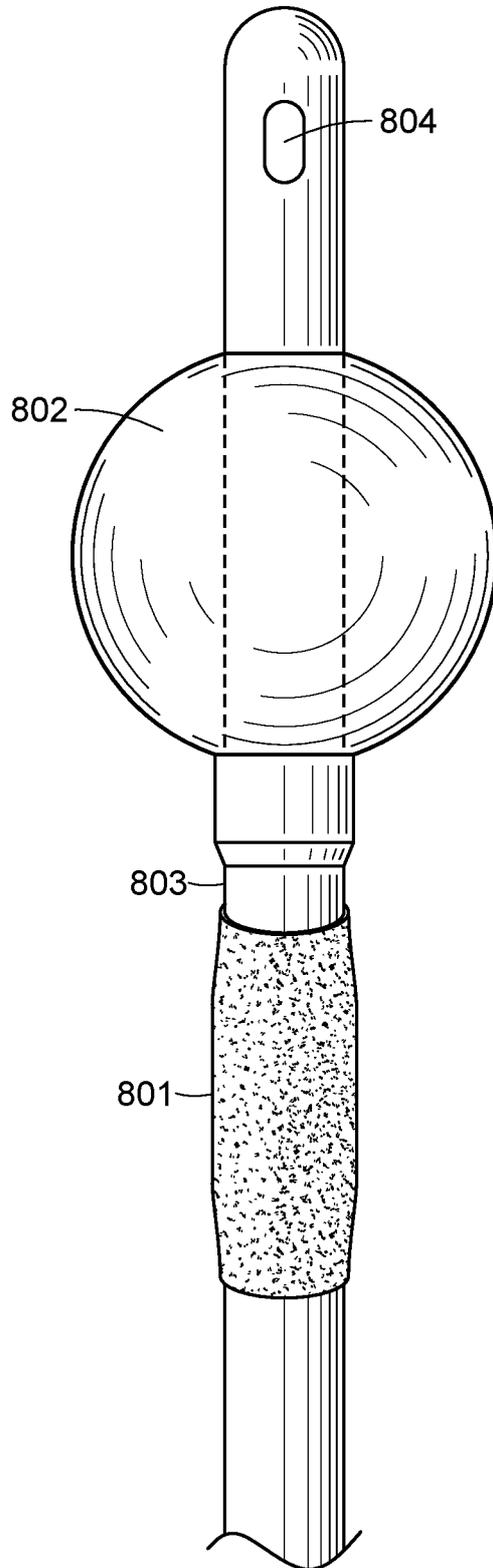


FIG. 8A

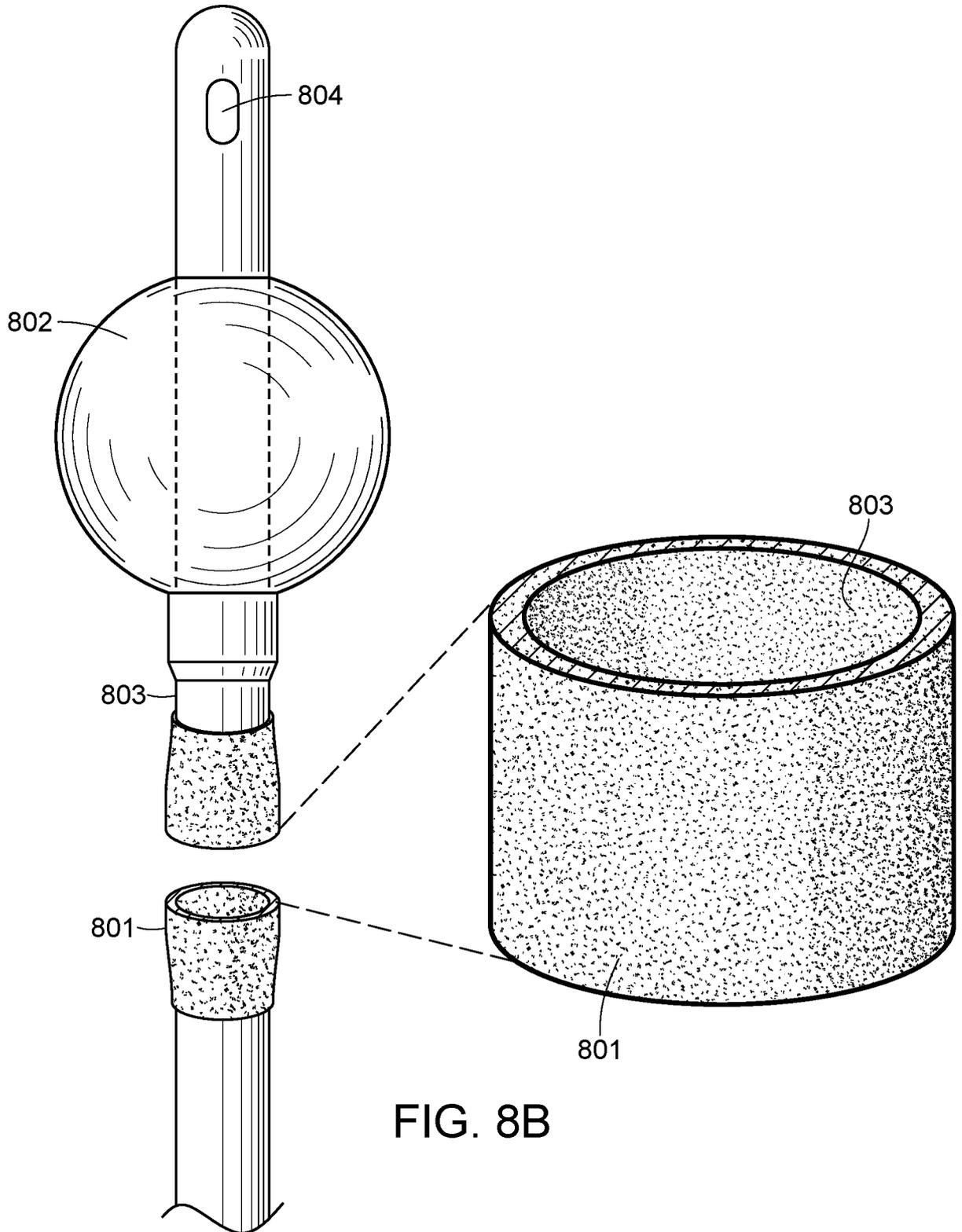


FIG. 8B

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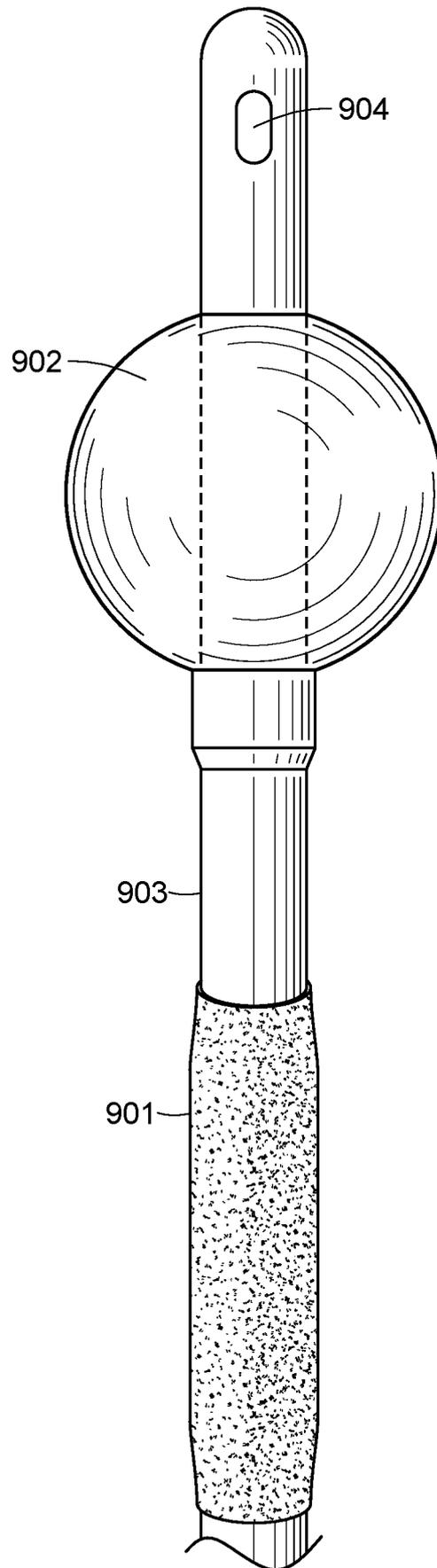


FIG. 9A

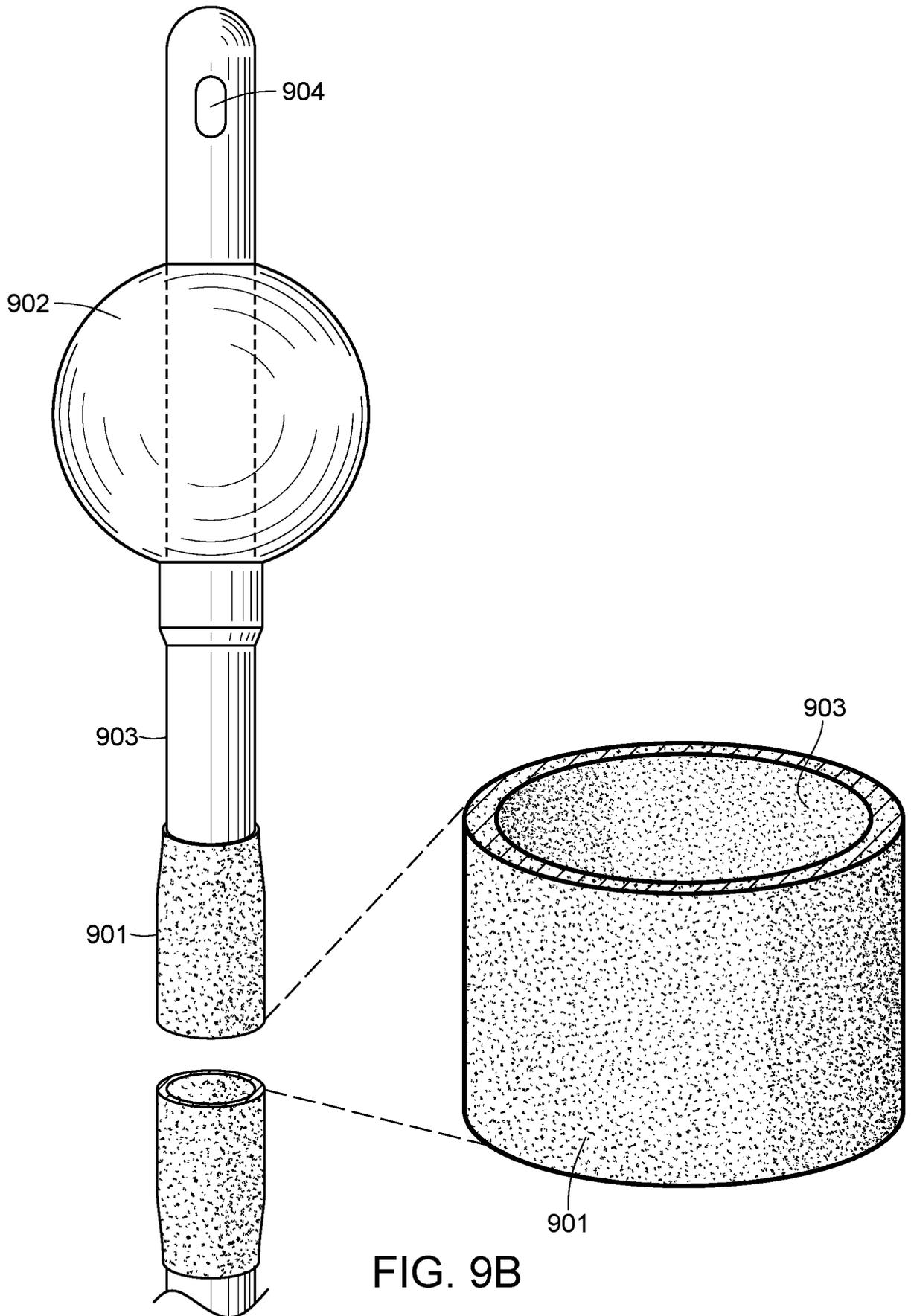


FIG. 9B

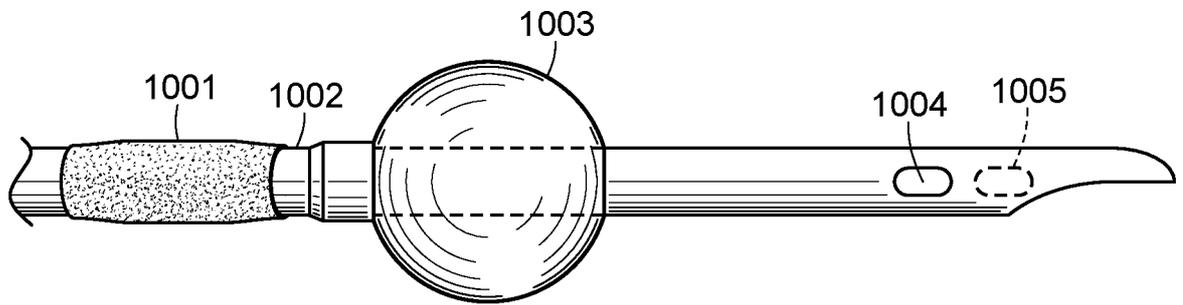


FIG. 10A

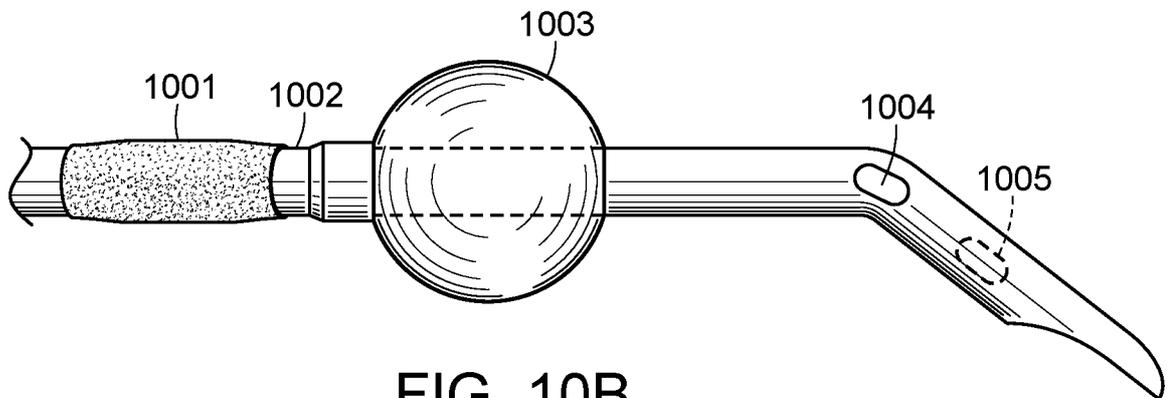


FIG. 10B

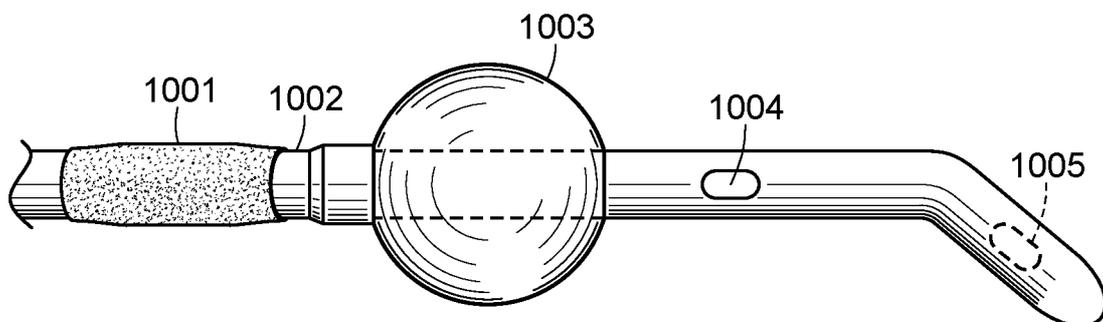


FIG. 10C

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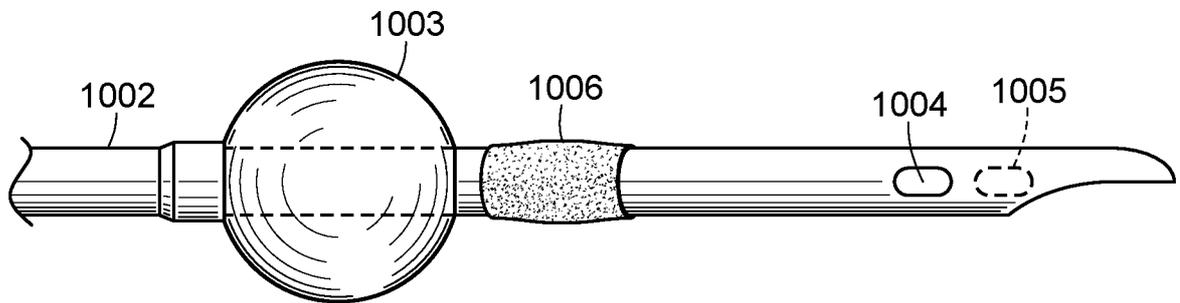


FIG. 11A

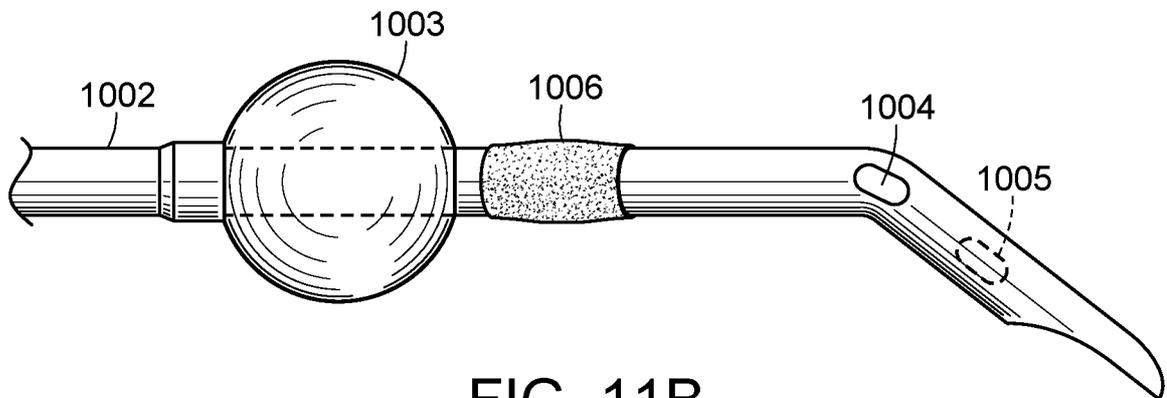


FIG. 11B

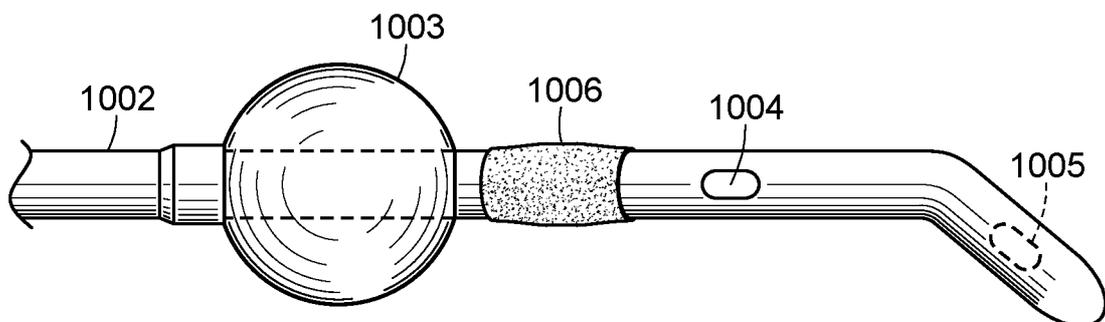


FIG. 11C

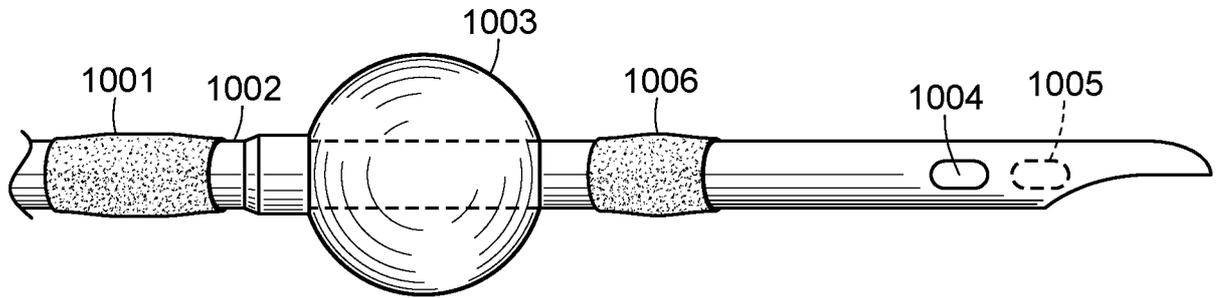


FIG. 12A

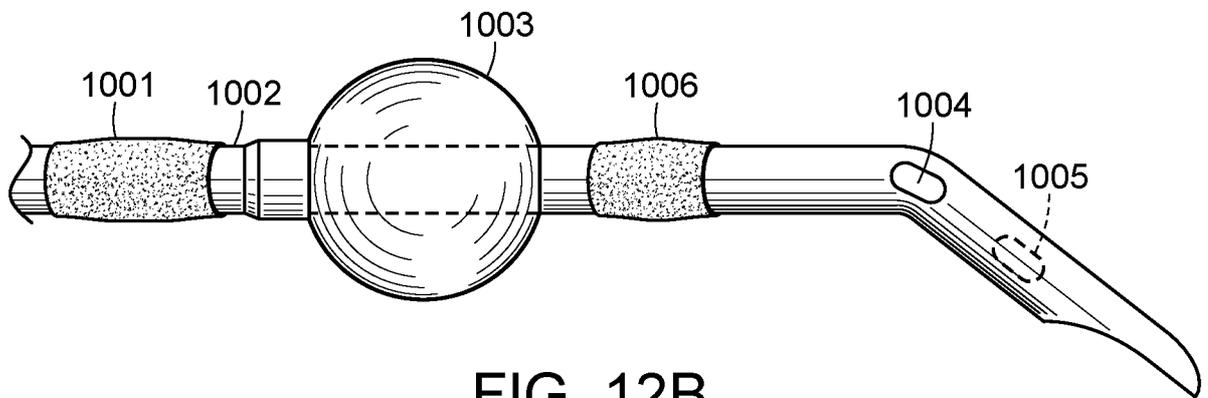


FIG. 12B

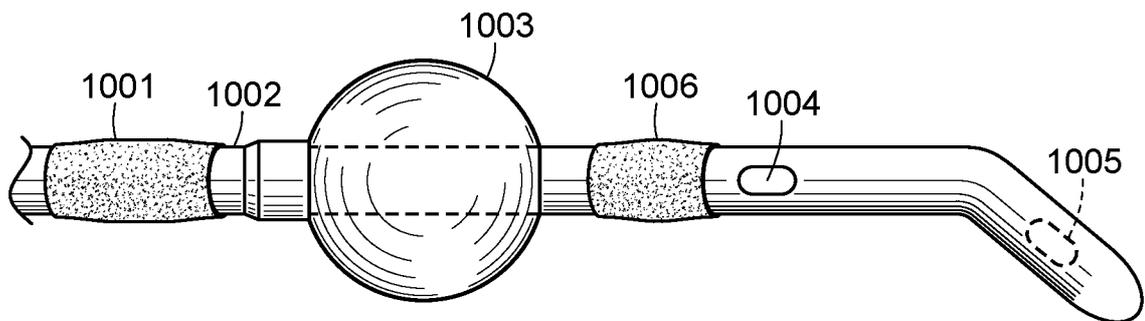


FIG. 12C

**SCHEDULE 3**

Patent Applications



	<b>Our reference Client's reference Status</b>	<b>Kind of file</b>	<b>Country</b>	<b>Title</b>	<b>Application</b>	<b>Grant / Registration</b>	<b>Annuity / Renewal</b>	<b>Proprietor</b>
1	<b>P-INNOME-001/WOAU RR2606</b> GRANTED	Patent	Australia	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 2017397418	26.08.2021 2017397418	06.04.2023 (7th annuity)	CIC Fund Securitisation S.A.
2	<b>P-INNOME-001/WOBR RR2606</b> APPL. PENDING	Patent	Brazil	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 BR11201901617 2-4		06.04.2023 (7th annuity)	PUREFLOWCATH, LLC. <u>Assignment to:</u> CIC Fund Securitisation S.A.
3	<b>P-INNOME-001/WOCA RR2606</b> APPL. PENDING	Patent	Canada	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 3 052 434		06.04.2023 (7th annuity)	CIC Fund Securitisation S.A.
4	<b>P-INNOME-001/WOCN RR2606</b> APPL. PENDING	Patent	China	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 201780089343.1		()	CIC Fund Securitisation S.A.
5	<b>P-INNOME-001/WOEA RR2606</b> GRANTED	Patent	Eurasia	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 201991844	17.01.2022 039346	06.04.2023 (7th annuity)	CIC Fund Securitisation S.A.
6	<b>P-INNOME-001/WOEP RR2606</b> APPL. PENDING	Patent	Europe	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 17 718 690.5		30.04.2023 (7th annuity)	CIC Fund Securitisation S.A.
7	<b>P-INNOME-001/WOHK RR2606</b> APPL. PENDING	Patent	Hong Kong	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 62020005088		()	CIC Fund Securitisation S.A.
8	<b>P-INNOME-001/WOID RR2606</b> APPL. PENDING	Patent	Indonesia	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 P00201907684		()	CIC Fund Securitisation S.A.
9	<b>P-INNOME-001/WOIL RR2606</b> APPL. PENDING	Patent	Israel	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 268317		()	CIC Fund Securitisation S.A.
10	<b>P-INNOME-001/WOIN RR2606</b> APPL. PENDING	Patent	India	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 201917031888		()	CIC Fund Securitisation S.A.
11	<b>P-INNOME-001/WOJP RR2606</b> APPL. PENDING	Patent	Japan	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 2019-564004		()	CIC Fund Securitisation S.A.
12	<b>P-INNOME-001/WOKR RR2606</b> APPL. PENDING	Patent	Republic of Korea	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 2019-7024321		()	CIC Fund Securitisation S.A.
13	<b>P-INNOME-001/WOMA RR2606</b> APPL. PENDING	Patent	Morocco	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 46674		06.04.2023 (7th annuity)	CIC Fund Securitisation S.A.



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14 P-INNOME-001/WOMO RR2606 APPL. PENDING	Patent	Macao	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017		()	CIC Fund Securitisation S.A.
15 P-INNOME-001/WOMX RR2606 APPL. PENDING	Patent	Mexico	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 MX/a/2019/0091 92		()	CIC Fund Securitisation S.A.
16 P-INNOME-001/WOMY RR2606 APPL. PENDING	Patent	Malaysia	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 PI2019004473		()	INNOMED TWO, LLC <u>Assignment to:</u> CIC Fund Securitisation S.A.
17 P-INNOME-001/WONZ RR2606 APPL. PENDING	Patent	New Zealand	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 755964		06.04.2023 (7th annuity)	CIC Fund Securitisation S.A.
18 P-INNOME-001/WOPA RR2606 GRANTED	Patent	Panama	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 92758-01	23.12.2021 92758-1	06.04.2022 (6th annuity)	CIC Fund Securitisation S.A.
19 P-INNOME-001/WOPH RR2606 APPL. PENDING	Patent	Philippines	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 1-2019-501805		09.08.2022 (5th annuity)	INNOMED TWO, LLC <u>Assignment to:</u> CIC Fund Securitisation S.A.
20 P-INNOME-001/WOSA RR2606 APPL. PENDING	Patent	Saudi Arabia	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 519402382		31.03.2023 (7th annuity)	CIC Fund Securitisation S.A.
21 P-INNOME-001/WOTH RR2606 APPL. PENDING	Patent	Thailand	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 1901004807		()	INNOMED TWO, LLC <u>Assignment to:</u> CIC Fund Securitisation S.A.
22 P-INNOME-001/WOUS RR2606 APPL. PENDING	Patent	United States of America	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 16/482,374		()	CIC Fund Securitisation S.A.
23 P-INNOME-001/WOVN RR2606 APPL. PENDING	Patent	Viet Nam	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 1-2019-04861		()	CIC Fund Securitisation S.A.
24 P-INNOME-001/WOZA RR2606 APPL. PENDING	Patent	South Africa	CATHETER SYSTEM FOR CON- TINUOUS IRRIGATION	06.04.2017 2019/06801		06.04.2022 (6th annuity)	CIC Fund Securitisation S.A.
25 P-INNOME-002/WO APPL. PENDING	Patent	International	IMPROVED CONTINUOUS FLUSH- ING CATHETER	17.03.2021 PCT/EP2021/056 872		()	CIC Fund Securitisation S.A.
26 P-INNOME-003/WOAE RR2606 APPL. PENDING	Patent	United Arab Emirates	CATHETER TUBING SYSTEM	22.02.2019 P6001185/2020		22.02.2023 (5th annuity)	CIC Fund Securitisation S.A.
27 P-INNOME-003/WOAU RR2606 APPL. PENDING	Patent	Australia	CATHETER TUBING SYSTEM	22.02.2019 2019224087		22.02.2023 (5th annuity)	CIC Fund Securitisation S.A.



Date: 08.06.2022

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28 P-INNOME-003/WOBR RR2606 APPL. PENDING	Patent	Brazil	CATHETER TUBING SYSTEM	22.02.2019 1120200169218		22.02.2023 (5th annuity)	CIC Fund Securitisation S.A.
29 P-INNOME-003/WOCA RR2606 APPL. PENDING	Patent	Canada	CATHETER TUBING SYSTEM	22.02.2019 3,091,779		22.02.2023 (5th annuity)	CIC Fund Securitisation S.A.
30 P-INNOME-003/WOCL RR2606 APPL. PENDING	Patent	Chile	CATHETER TUBING SYSTEM	22.02.2019 2164-2020		()	CIC Fund Securitisation S.A.
31 P-INNOME-003/WOCN RR2606 APPL. PENDING	Patent	China	CATHETER TUBING SYSTEM	22.02.2019 201980014863.5		()	CIC Fund Securitisation S.A.
32 P-INNOME-003/WOEA RR2606 APPL. PENDING	Patent	Eurasia	CATHETER TUBING SYSTEM	22.02.2019 202091959		()	CIC Fund Securitisation S.A.
33 P-INNOME-003/WOEP RR2606 APPL. PENDING	Patent	Europe	CATHETER TUBING SYSTEM	22.02.2019 19 710 213.0		28.02.2023 (5th annuity)	CIC Fund Securitisation S.A.
34 P-INNOME-003/WOIL RR2606 APPL. PENDING	Patent	Israel	CATHETER TUBING SYSTEM	22.02.2019 276,800		()	CIC Fund Securitisation S.A.
35 P-INNOME-003/WOIN RR2606 APPL. PENDING	Patent	India	CATHETER TUBING SYSTEM	22.02.2019 202017039300		()	CIC Fund Securitisation S.A.
36 P-INNOME-003/WOJP RR2606 APPL. PENDING	Patent	Japan	CATHETER TUBING SYSTEM	22.02.2019 2020-567443		()	CIC Fund Securitisation S.A.
37 P-INNOME-003/WOSG RR2606 APPL. PENDING	Patent	Singapore	CATHETER TUBING SYSTEM	22.02.2019 11202007999V		()	CIC Fund Securitisation S.A.
38 P-INNOME-003/WOUS RR2606 APPL. PENDING	Patent	United States of America	CATHETER TUBING SYSTEM	22.02.2019 16/971,812		()	CIC Fund Securitisation S.A.
39 P-INNOME-005/WOAE APPL. PENDING	Patent	United Arab Emirates	ABSORBENT DEVICE FOR USE WITH CATHETER	17.04.2020 P6001883/2021		17.04.2022 (3rd annuity)	CIC Fund Securitisation S.A.
40 P-INNOME-005/WOAU APPL. PENDING	Patent	Australia	ABSORBENT DEVICE FOR USE WITH CATHETER	17.04.2020 2020257419		17.04.2024 (5th annuity)	CIC Fund Securitisation S.A.
41 P-INNOME-005/WOBR APPL. PENDING	Patent	Brazil	ABSORBENT DEVICE FOR USE WITH CATHETER	17.04.2020 1120210200754		17.04.2022 (3rd annuity)	CIC Fund Securitisation S.A.



Date: 08.06.2022

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42 P-INNOME-005/WOCA APPL. PENDING	Patent	Canada	ABSORBENT DEVICE FOR USE WITH CATHETER	17.04.2020 3,136,170		17.04.2023 (4th annuity)	CIC Fund Securitisation S.A.
43 P-INNOME-005/WOCL APPL. PENDING	Patent	Chile	ABSORBENT DEVICE FOR USE WITH CATHETER	17.04.2020 2644-2021		()	CIC Fund Securitisation S.A.
44 P-INNOME-005/WOCN APPL. PENDING	Patent	China	ABSORBENT DEVICE FOR USE WITH CATHETER	17.04.2020 202080028652.X		()	CIC Fund Securitisation S.A.
45 P-INNOME-005/WOEA APPL. PENDING	Patent	Eurasia	ABSORBENT DEVICE FOR USE WITH CATHETER	17.04.2020 202192797		()	CIC Fund Securitisation S.A.
46 P-INNOME-005/WOEP APPL. PENDING	Patent	Europe	ABSORBENT DEVICE FOR USE WITH CATHETER	17.04.2020 20724672.9		30.04.2023 (4th annuity)	CIC Fund Securitisation S.A.
47 P-INNOME-005/WOEPHK APPL. PENDING	Patent	Hong Kong	ABSORBENT DEVICE FOR USE WITH CATHETER	29.03.2022 62022050728.4		()	CIC Fund Securitisation S.A.
48 P-INNOME-005/WOIL APPL. PENDING	Patent	Israel	ABSORBENT DEVICE FOR USE WITH CATHETER	17.04.2020 287013		()	CIC Fund Securitisation S.A.
49 P-INNOME-005/WOIN APPL. PENDING	Patent	India	ABSORBENT DEVICE FOR USE WITH CATHETER	17.04.2020 202117051277		()	CIC Fund Securitisation S.A.
50 P-INNOME-005/WOJP APPL. PENDING	Patent	Japan	ABSORBENT DEVICE FOR USE WITH CATHETER	17.04.2020 2021-561758		()	CIC Fund Securitisation S.A.
51 P-INNOME-005/WOSG APPL. PENDING	Patent	Singapore	ABSORBENT DEVICE FOR USE WITH CATHETER	17.04.2020 11202111305Y		()	CIC Fund Securitisation S.A.
52 P-INNOME-005/WOUS APPL. PENDING	Patent	United States of America	ABSORBENT DEVICE FOR USE WITH CATHETER	17.04.2020 17/604,666		()	CIC Fund Securitisation S.A.

Number of cases: 52

**CERTIFICATE OF PROMOTER THE COMPANY**

**Dated: February 10, 2023**

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Company as required by the securities legislation of British Columbia.

***“Robert L. Rhodes”***

***“Stuart J. Bromley”***

***For and Behalf of CIC Capital Ltd.”***

**CERTIFICATE OF THE COMPANY**

**Dated: February 10, 2023**

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Company as required by the securities legislation of British Columbia.

***“Robert L. Rhodes”***

CEO / Executive Director

***“Terrence A. Larkan”***

CFO / Executive Chairman

**ON BEHALF OF THE BOARD OF DIRECTORS**

***“Dr Marshall K. Walker, MD”***

Director

***“David Toyoda”***

Director

***“Billy R. Williams”***

Director