INNOVOTECH INC.

Management's Discussion and Analysis of Financial Conditions
And Results of Operations for the Three Months Ended March 31, 2019

The following Management's Discussion and Analysis (MD&A) of results of operations and financial position as at May 17th, 2019 should be read in conjunction with the audited financial statements of Innovotech Inc. ("Innovotech", "we", or "the Company") for the year ended December 31, 2018 and the related notes thereto.

Management is responsible for the information contained in the MD&A and its consistency with information presented, reviewed and approved by the Audit Committee and Board of Directors.

Additional information pertaining to the Company can be found on the System for Electronic Document Analysis and Retrieval (SEDAR) web site at **www.sedar.com.**

This MD&A and other materials filed with the Canadian securities regulators contain forward-looking statements that are subject to risks and uncertainties that cannot be predicted or quantified; consequently, actual results may differ materially from past results and those expressed or implied by any forward-looking statements.

Forward-looking statements may include words such as "expects", "plans", "will", "believes", "estimates", "intends", "may", and other words of similar meaning and may relate to future financial performance, business strategies, or safety and efficacy of unapproved products. Such forward looking statements are subject to risks, uncertainties and other factors many of which are beyond the control of Innovotech.

Factors that could cause or contribute to such risks or uncertainties include, but are not limited to: the regulatory environment including the difficulty of predicting regulatory outcomes; changes in the value of the Canadian dollar; the Company's reliance on a small number of customers including government organizations; the demand for new products and the impact of competitive products, service and pricing; availability and cost of raw materials; fluctuations in operating results; government policies or actions; progress and cost of clinical trials; reliance on key strategic relationships; uncertainty related to intellectual property protection and potential costs associated with its defense; the Company's exposure to lawsuits and other matters beyond the control of management; the impact of the adoption of new accounting standards on Company's financial results.

Scientific information that relates to unapproved products or unapproved uses of products is preliminary and investigative. No conclusions can or should be drawn regarding the safety or effectiveness of such products. Only regulatory authorities can determine whether products are safe and effective for the uses being investigated.

The cautionary statements referred to above should be considered in connection with all written or oral statements, especially forward-looking statements that are made by the Company or by persons acting on its behalf and in conjunction with its periodic filings with Securities Commissions, including those contained in the Company's news releases.

Should known or unknown risks or uncertainties materialize, or should management's assumptions prove inaccurate, actual results could vary materially from those anticipated. The Company undertakes no obligation to publicly make or update any forward-looking statements, except as required by applicable law.

OVERVIEW OF THE BUSINESS

Innovotech was incorporated in 2001 under the Alberta Business Corporations Act. The Company was listed on the TSX Venture Exchange in 2003. Since that time, the Company has become a leader in the field of contract research in connection with the susceptibility of medical devices to microbial biofilm formations. Innovotech occupies offices and laboratories in Edmonton, Alberta, Canada.

The Company also manufactures and sells globally the MBEC Assay® Kit, a high throughput biofilm growth device approved as an ASTM International Standard test kit used to test anti-biofilm product claims.

Innovotech has developed and patented an anti-biofilm silver periodate compound for wound care and medical device coatings called InnovoSIL™-1, a silver based antimicrobial compound that has the unique feature that it is not rapidly inactivated by chloride (salts) that is present in all body tissues.

The Company maintains an active search for a contributive acquisition to expand and diversify its revenue sources.

BUSINESS STRATEGY

The Company has two businesses, contract research and the production and sale of the MBEC Assay® Kit. In respect of its contract research business the Company is a leader in a niche market related to testing and qualifying medical devices and products for their susceptibility to, or resistance to the formation of microbial biofilms. The Company has methodologies and equipment and long experience that it believes give it certain proprietary advantages and efficiencies. The Company pursues new accounts on a direct contact basis.

Innovotech's manufacture and sale of the MBEC Assay® Kits keeps the Company's name in the forefront of research and medical device testing of microbial biofilms on a global basis. The consistent revenues from the Kits helps mitigate the volatility inherent in contract research services. The Company believes that the association of the Kit with its contract research capabilities is contributory to its marketing efforts.

In Q3 and Q4 of 2018 the Company reviewed its R&D efforts and G&A expenses. The company determined to curtail R&D efforts to maintenance for our InnovoSIL™ family of anti-bacterial compounds. Our G&A expenses were reduced during the second half of the year.

The Company continues to speak with agricultural and medical device companies to interest them in evaluating the anti-microbial biofilm properties of our InnovoSIL™ compounds to advance those products toward commercial application. There is ongoing third-party testing of our InnovoSIL™-1 product and its AgreGuard™ product in that regard.

The Company has focused on its core businesses following R&D curtailment. This has resulted in improving revenues, and our reduced G&A costs allow for more of that revenue to reach our bottom line. Our third focus is to maintain and nurture existing accounts and obtain new business to increase consistency in the trend of our quarterly revenues. Strategically, the Company continues to look for merger or acquisition opportunities to diversify its business activities and provide increased revenues.

OVERALL PERFORMANCE

The quarter was one of improved performance. As tabled below, revenues increased, and costs were closely monitored. Net income was negatively affected by timing in respect of product sales billing due to customs delays and fixed first quarter costs (some non-recurring), which are highest during the first quarter of the year. However, viewed against the prior 2018 first quarter the trend was satisfactory, and as of the date of this MD&A, continues to be so. The Company hired a recent BSc. graduate microbiologist toward the end of the 1st quarter with grant assistance from the Province of Alberta.

RESULTS OF OPERATIONS

	Q1 2019	Q1 2018
Contract research fees	149,448	162,119
Product sales	72,573	53,677
Gross revenue	222,021	215,796
Cost of goods sold	69,090	64,412
Gross profit	**152,931**	**151,384**

Revenue rose to $222,021 from $215,796 in Q1 of the prior year. Improving revenues is a focus of our business strategy, and we believe the Company's revenues will continue to improve as our ISO 17025 accreditation gains traction. Product sales were higher than Q1, 2018, but contract research revenues were lower by $12,671 than those of Q1 2018. Gross profit rose by $1,547 over Q1 2018.

Operating Expenses and Net Profit (Loss):

	Q1 2019	Q1 2018
General and administrative (G & A)	161,471	210,280
Sales and marketing	-	85
Research & development (R & D)	4,477	17,546
Total operating expenses	165,948	227,911
Interest expense	1,501	-
Net profit (loss)	(14,518)	(42,398)
Per share, basic and diluted	(0.00)	(0.00)

Q1 operating expenses declined in the quarter. G&A expenses decreased from $210,280 to $161,471 and R&D expenses from $17,546 to $4,477 in the current period. The decrease in G&A expenses is mainly due to reductions in salaries and wages, professional fees and insurance. R&D expenses now consist of maintenance and patent costs. Interest expense is the interest at 6% on a $100,000 working capital line of credit from a shareholder.

The Company incurred a net loss of $14,518 in Q1, compared to a loss of $42,398 in Q1 of 2018. While the result is an improvement over the 2018 first quarter, it is not the result that we were looking for. However, management's plan to implement greater efficiencies is clearly gaining traction as Q1 2019 revenue increased 3%, while the net loss fell by 2/3 from the prior year Q1.

OUTLOOK

The Company is optimistic that the ISO certification achieved in Q1 will contribute to an increase in revenues. Productivity efficiencies and demonstrated lowering of expenses in Q1, together with a reduction in expensed R & D will lead to a more positive result.

Innovotech's InnovoSIL™ family of antibacterial products continues to be of interest to and is being tested by other companies in both medical and agricultural applications (see below for an introduction to InnovoSIL™).

EBITDAS

This non-GAAP measure is not defined under IFRS and may not be comparable to similar measures presented by other companies. For the Company, it is defined as earnings before interest, taxes, dividends, amortization and depreciation, and share-based compensation (EBITDAS). Management believes that EBITDAS as defined here is useful in providing investors with additional information to assist them in understanding operational performance.

	Q1 2019	Q1 2018
Net income (loss) for the quarter	(14,518)	(76,527)
Depreciation	2,659	3,098
Interest expense	1,501	-
Share-based compensation	1,800	34,129
	(8,558)	**(39,300)**

The decrease in the negative EBITDAS in Q1 over the prior year Q1 is attributable to the increase in revenue together with a reduction of costs as outlined in *Results of Operations*.

ASSETS, LIABILITIES AND SHAREHOLDER'S EQUITY

	Q1 2019	Q4 2018
Current assets	212,007	211,425
Equipment	59,675	60,905
Total assets	271,682	272,330
Current liabilities	190,931	178,860
Shareholder's equity (deficiency)	80,751	93,470

SUMMARY OF QUARTERLY RESULTS

	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Gross revenue	222,021	199,615	216,536	194,988
Cost of sales	69,090	57,937	44,332	53,933
Gross profit	152,931	141,678	172,204	141,055
Expenses	167,449	109,833	188,987	207,225
Net income (loss)	**(14,518)**	**31,845**	**(16,783)**	**(66,170)**
Net income (loss) per share	0.00	0.00	(0.00)	(0.00)

	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Gross revenue	215,796	195,087	258,500	208,690
Cost of sales	64,412	44,196	111,325	67,666
Gross profit	151,384	150,891	147,175	141,030
Expenses	193,782	121,602	(537,141)	167,386
Net income (loss)	**(42,398)**	**29,289**	**684,316**	**(26,356)**
Net income (loss) per share	(0.00)	0.00	0.02	(0.00)

ABOUT INNOVOSIL™

InnovoSIL™-1 is a silver based antimicrobial compound that has the unique feature that it is not rapidly inactivated by chloride (salt) that is present in all body tissues.

In 2017 Innovotech was issued US patent #9723843 covering the InnovoSIL™ family of Silver(1) Periodate Compounds Having Broad Anti-Microbial Properties, including InnovoSIL™-1 and AgreGuard™. The patent claims the ability to prevent, reduce, and treat microbial growth or contamination and describes treatment of infection in humans, pets, and livestock, disinfection of surfaces, and anti-biofilm as well as anti-planktonic (free floating) activity.

The patent claims the use of AgreGuard™ as an antimicrobial agent to coat plant surfaces (including leaves or seeds), thus providing protection for agricultural applications of interest.

There are other members of the InnovoSIL™ family that have different properties that may be suitable for applications in which InnovoSIL™-1 does not excel. The patent also provides coverage for a variety of compounds in the family that replace some of the silver with other metals or hydrogen. This could allow Innovotech to generate additional products with tuned physical or chemical properties such as stability or solubility, or reduced costs.

Innovotech's AgreGuard™ products have shown effectiveness against such diseases as Powdery Mildew on lettuce, White Mold on beans, Bacterial Spot on tomatoes and Fire Blight on apples. They are effective at low concentrations, are applied using conventional techniques in green houses and outdoors and can be environmentally friendlier than currently used products such as streptomycin.

LIQUIDITY AND CAPITAL RESOURCES

Innovotech has a history of frequent quarterly and annual losses exacerbated by varying levels of expensed R&D costs. The Company has funded its operations primarily from equity financing, shareholder loans and government grants. As of March 31, 2019, the Company had $16,760 of cash and cash equivalents versus $28,808 at December 31, 2018, and $21,076 of working capital versus $32,565 at December 31, 2018.

CONTRACTUAL OBLIGATIONS

Included in current liabilities is a note for $100,000 comprising the full amount of a working capital line of credit provided by a shareholder. The note bears interest at 6% per annum paid monthly, is unsecured, and is payable on October 22nd, 2019. There are no other material contractual obligations or off-balance sheet arrangements.

OUTSTANDING SHARE CAPITAL

As of May 17, 2019, there are 36,239,612 common shares issued and outstanding.

During the current quarter, three employees were granted a total of 36,000 stock options at an exercise price of $0.05 for a period of 5 years. There are, as of the date of this MD&A 2,079,000 outstanding stock options.

CHANGES IN ACCOUNTING POLICIES

New and amended standards adopted

IFRS 16, Leases establishes a single lease accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with the approach to lessor accounting in IFRS 16 substantially unchanged from the predecessor standards IAS 17 Leases. The standard replaces IAS 17 Leases and related interpretations.

SIGNIFICANT ESTIMATES AND CRITICAL JUDGEMENTS

The preparation of interim financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances.

Non-financial assets, including equipment and intangible assets, are reviewed for indicators of impairment at each reporting date. Where impairment indicators are identified, the Company uses discounted cash flow models to determine the recoverable amount of the assets, which drives the conclusion of whether the impairment exists, and if it does, the amount of impairment to record. These models require assumptions to be formulated about future cash flows, margins and discount rates, which are made using careful judgment, but are nonetheless subject to estimation risk.

Determining the fair value of stock options and warrants requires judgment related to the choice of a pricing model, the estimation of expected stock price volatility, and the expected term of the instrument. Any changes in the estimates utilized to determine fair value could result in a significant change in the amount of share-based compensation charged to operations.

The significant accounting policies that are most critical in fully understanding and evaluating the reported results in this MD&A are included in notes 1 to 3 to the Company's Annual Financial Statements as of December 31, 2018.