

Datametrex AI Limited

Management's Discussion and Analysis
March 31, 2023
(Canadian dollars)

Datametrex AI Limited

Management's Discussion and Analysis for the three months ended March 31, 2023
(Canadian dollars, except share and unit information)

AMENDED AND RESTATED

The following management discussion and analysis, prepared as of August 18, 2023, provides information that management believes is relevant to an assessment and understanding of the results of operations and the consolidated financial position of Datametrex AI Limited (the "Company"). The Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2023 and the audited consolidated financial statements for the year ended December 31, 2022. Unless otherwise noted, all financial information in the MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

The Company is amending this MD&A for the year ended December 31, 2022 to (1) enhance disclosure about the Company's current business operations, (2) provide updates on prior news releases, (3) provide additional discussion on revenues and direct costs, (4) discuss factors that have caused variations over the quarters, (5) include an analysis of the Company's liquidity, and (6) include an analysis of the Company's capital resources.

Forward-Looking Statements

This MD&A contains or incorporates forward-looking statements within the meaning of Canadian Securities legislation (collectively, "forward-looking statements"). These forward-looking statements relate to, among other things, revenue, earnings, changes in cost and expenses, capital expenditures and other objectives, strategic plans and business development goals, and may also include other statements that are predictive in nature or that depend upon or refer to future events or conditions, and can generally be identified by words such as "may", "will", "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions. In addition, any statements that refer to expectations, projections, or other characterizations of future events or circumstances are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates, and projections regarding future events.

Although the Company believes the expectations reflected in such forward-looking statements are reasonable, such statements are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. Undue reliance should not be placed on such statements. Certain material assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements.

The forward-looking statements contained in this MD&A are made as of the date of this MD&A and, accordingly, are subject to change after such date. Except as required by law, the Company does not undertake any obligation to update or revise any forward-looking statements made or incorporated in this MD&A, whether as a result of new information, future events or otherwise.

Business Overview

Datametrex AI Limited is a technology-focused Company with exposure to artificial intelligence, GPT technology, machine learning, and telehealth and has recently entered the electric vehicle (EV) market. Datametrex's mission is to develop innovative tools and solutions that facilitate the adoption of new standards of protocols using artificial intelligence and health diagnostics. Leveraging these technologies enables companies to proactively address issues related to supply chain management and enhance their overall operational efficiency with predictive and preventive technologies. In addition to the Company's existing portfolio of technologies, the Company recently ventured into the electric vehicle (EV) market, reflecting its commitment to sustainability and clean energy.

Datametrex prides itself on its forward-thinking approach and the ability to develop progressive solutions that address the most pressing challenges facing businesses today. Datametrex is committed to supporting clients in achieving their goals and helping them stay ahead of the curve in an ever-changing business landscape.

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The Company is a publicly traded corporation, incorporated in the province of Ontario and its head office is located at 2300 Yonge Street, Suite 2802, Toronto, Ontario, M4P 1E4, Canada. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") under the trading symbol "DM", on the OTCQB under the trading symbol "DTMXF" and on the Frankfurt Stock Exchange under the trading symbol "D4G".

Description of Business

Nexalogy Environics Inc. ("Nexalogy")

For over a decade, Nexalogy has combined cutting-edge academic, statistical, and AI research with in-house know-how to build advanced products for social and traditional media research. Nexalogy brings a wealth of experience in AI, NLP, Deep Learning, and big data analysis to produce world-class software for investigative experts to perform data exploration and monitoring. Nexalogy also holds several patents in the field of NLP and text analytics.

Nexalogy has collaborated with the Canadian (DRDC, OSINT) and American armed forces (ONR, USAF) for over seven years, contributing to committees and scientific achievement awards at the NATO level. On the private side, Nexalogy has worked with companies like Samsung, Lotte, Ford and 7-11 to improve brand recognition, audience discovery, and internal narrative monitoring.

Operational Details

Nexalogy's software, NexaIntelligence and NexaSMART, are available both as stand-alone products and as plug-ins to existing business intelligence and ETL pipelines. Nexalogy offers its software as an enterprise B2B offering with pricing commensurate with the amount of data processed. Nexalogy also participates in request for proposal (RFP) processes both in the public and private sectors, adapting its software solutions to specific customer needs on occasion. A typical enterprise engagement for Nexalogy ranges from hundreds of thousands to millions of dollars.

In addition to the enterprise offerings and RFP activities, Nexalogy offers custom services to businesses. These services include detailed research reports based on social and traditional media, market research and identification, and brand representation. Reporting and services start at \$25,000 CAD. Prices increase with the amount of data processed.

Key Agreements and Partnerships

Nexalogy, as a subsidiary of Datametrex is currently recognized as a preferred solution provider for Lotte Corporation. This key strategic agreement has allowed Nexalogy to expand its footprint in the Korean market.

Strategic Direction

In Q1 2023, Nexalogy announced its next-generation software, AnalyticsGPT. This platform integrates Nexalogy's proprietary GPT technology with its existing analytics engines, broadening its application. It aims to cater not only to large enterprises but also to SMEs, diversifying Nexalogy's potential market. The release of AnalyticsGPT is slated for fall 2023. Nexalogy will also continue to serve and expand its current clientele and continue to actively participate in both public and private RFPs.

Risk Factors

Nexalogy's business model is subject to various risks. As privacy laws evolve, access to primary data sources, especially from social media, may become restricted. Nexalogy adheres to these laws across all operational jurisdictions, including Canada, the US, and Korea. Some data types, like medical and legal information, come with added regulations. Additionally, should some data platforms choose to voluntarily restrict access to their data, Nexalogy would be adversely affected.

A significant portion of Nexalogy's revenue stems from public and private sector RFPs. A lack of suitable RFPs or unsuccessful bids could adversely affect the company's financial health. It's worth noting that certain public sector RFPs contain clauses that allow termination without prior notice. Nexalogy also works in the realm of AI. It's also worth noting that as this nascent technology matures, currently unknown risk factors may emerge such as government regulations and public backlash.

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This business line holds medical insurance for its employees. Beyond this, no additional insurance is deemed necessary for the regular conduct of its operations.

Imagine Health Centres (“Imagine Health”) and Medi-Call Inc. (“Medi-Call”)

The Healthcare Vertical includes Imagine Health Centres, a multidisciplinary healthcare facility with locations currently in Calgary and Edmonton, Alberta, and Medi-Call, a telehealth platform for iOS and Android devices currently serving British Columbia and Alberta. Both Imagine Health Centres and Medi-Call aim to converge to offer a seamless, integrated healthcare model.

Operational Details

Imagine Health Centres offer an extensive range of services, particularly focusing on their three primary lines: Medical, Pharmacy, and Physiotherapy. Their wide spectrum of services comprises Primary Care, Emergency Care, Pharmacy, Physiotherapy, Massage Therapy, Acupuncture, Cosmetic Services, Allergy Consultations, and Virtual Consults, provided by both employed healthcare professionals and independent consultants. Imagine Health does not own the locations of its medical clinics. Instead, the Company leases its clinic spaces. Imagine Health holds ownership of the pharmacies. However, the operations and management of these pharmacies are entrusted to and executed by licensed pharmacists in adherence to regulatory standards and best practices.

For the operation of our various services, the following licensing structures are in place:

- Medical Clinic:
 - Physicians must be registered and licensed with the College of Physicians & Surgeons of Alberta (CPSA).
- Pharmacy:
 - Pharmacists must be registered and licensed through the Alberta College of Pharmacy (ACP).
 - Pharmacy License: The pharmacy itself also has a license, in order to operate, that is under the name of a Imagine Health pharmacist.
- Physiotherapy:
 - Physiotherapists need to be registered and licensed with the Physiotherapy Alberta College + Association.

Imagine Health primarily derives its revenue through the following channels:

- **Physician Consultations:** Revenue is primarily generated when physicians consult with patients on a fee-for-service basis. The fees associated with these consultations are typically billable to entities such as Alberta Health, Workers Compensation Board, and Occupational Injury Service. Depending on the nature of the consultation and the coverage of the patient, either the patient directly pays for these services or the cost is covered by Alberta Health or private insurance.
- **Revenue Sharing:** Medical professionals charge a fee for the services they render. This fee is then shared between the professional and Imagine Health based on pre-agreed terms.
- **Pharmacy Operations:** On the pharmacy side of the business, revenue is generated from the sales of prescription drugs and over-the-counter (OTC) products. Moreover, licensed pharmacists have the capability to bill for additional services such as vaccinations and consultative sessions.

Imagine Health receives payments through various channels, including directly from Alberta's health care insurance plan, private insurance providers, and direct payments from clients.

Medi-Call, is an internally developed telehealth platform, with its technology maintained and updated through in-house resources and occasionally through external contractors as necessary.

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The primary revenue sources for Imagine Health Centres are derived from patient consultations in the medical clinic, pharmacy prescription and OTC sales, and physiotherapy services. Meanwhile, Medi-Call's main revenue stream originates from billable telehealth services.

Medi-Call's billable telehealth services encompass a wide range of virtual consultation offerings. These services are specifically those not reserved or exclusively provided by Health Canada and the respective provincial Governmental Health Care providers. To be precise, our telehealth platform facilitates:

- Remote medical consultations with healthcare professionals, including general practitioners and specialists.
- Electronic prescriptions, including medication renewals and new prescriptions based on the outcome of the virtual consultation.
- Follow-up care, medication reviews, and monitoring for patients with chronic illnesses or those requiring continuous care.
- Referrals to specialists or additional healthcare resources as required.

Key Agreements and Partnerships

Imagine Health Centres is in the process of integrating the Medi-Call platform into its operations. This initiative will offer patients a unified virtual and physical healthcare experience, enhancing the services under a shared brand and nurturing a cohesive healthcare environment. Concurrently, Medi-Call has fostered strategic partnerships with numerous international student agencies, expanding its exposure, user base and reach.

Strategic Direction

Capitalizing on the traction Medi-Call has achieved in British Columbia, the Company envisions unveiling a fully integrated healthcare model. This model intends to combine the in-person consultations facilitated by Imagine Health Centres with Medi-Call's telehealth services.

Risk Factors

Datametrex's Healthcare division faces several risk factors including ongoing regulatory shifts in telehealth governance as laws catch up to the technology. Expansion into new provinces also runs risks, as new levels of healthcare compliance have to be factored into the business' expansion plans.

Datametrex's Healthcare division is also subject to all risk factors common to the healthcare industry such as federal and provincial laws and regulations, data privacy policies, malpractice, healthcare incidents at physical clinics, and escalating competition in both telehealth and conventional healthcare sectors. Additionally, the international student flows for Medi-Call may be subject to changing immigration policies in Canada and abroad.

The physicians and nurses associated with these entities have their own individual insurance coverages. They are licensed and regulated by their respective colleges – the College of Physicians & Surgeons of Alberta (CPSA) for those based in Alberta and the College of Physicians & Surgeons of British Columbia (CPSBC) for those in British Columbia.

Upcoming Developments

Imagine Health Centres is set to progressively embed Medi-Call into its offerings, providing patients with a merged virtual and tangible healthcare experience. In tandem, Medi-Call plans a comprehensive expansion in Alberta by year-end, banking on the existing presence of Imagine Health Centres in the region. While a potential move into Ontario is under consideration, a definitive timeline is yet to be set.

In line with its goals, a proposal to spin off the healthcare division is underway. This strategic move aims to unite Medi-Call and Imagine Health Centres into a distinct entity. The overarching vision revolves around presenting a potent, interlinked healthcare solution that addresses the diverse needs of patients.

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Offering residential and commercial electric vehicle charging solutions, dmEVS emphasizes safety and reliability. In addition to assisting clients with product selection, installation, and network management, we guide them in identifying grants and benefits for comprehensive charging needs. Our offerings include stand-alone and robotic chargers for both residential and commercial spaces as well as mobile charging vehicles suitable for roadside assistance, event support, and on-demand activities.

Key Agreements and Partnerships

dmEVS has secured pivotal contracts with EVAR Korea and CyberSwitching Technologies from the US to provide its charging solutions. While EVAR Korea is our main supplier for these solutions, CyberSwitching complements our product range by filling specific gaps. Management deems these contracts pivotal because they form the backbone of our business operations in the electric vehicle (EV) charging sector. Without these agreements, our capacity to participate and deliver services within this domain would be severely constrained.

DM EVS has a comprehensive partnership with EVAR Korea wherein we act in the capacity of a distributor. Specifically:

1. We purchase charging stations directly from EVAR Korea and subsequently resell them to the end-user. It's essential to note that our relationship is not merely facilitative; we do not simply introduce the supplier to the end-user.
2. Our involvement extends beyond the point of sale. DM EVS is responsible for the installation, maintenance, and other requisite services associated with the charging stations.
3. Furthermore, DM EVS furnishes the critical support infrastructure necessary for seamless operation within the North American market, which includes:
 - Provisioning a dedicated mobile phone application tailored for North American users.
 - Establishing and maintaining a robust payment infrastructure, encompassing our website, online payment portals, server support, and essential software back-end.
 - Ensuring prompt and efficient installation of the charging stations.
 - Offering consistent maintenance and support for all DM EVS products within North America.
 - Coordinating scheduling and being available for on-call activities.

Our suppliers, including EVAR Korea, provide warranties on their products. These warranties generally cover manufacturing defects and the operational integrity of the products for a specified period.

As for DM EVS' liability towards the end-user in cases of product defects:

- DM EVS is responsible for facilitating the warranty claims between the end-user and the supplier.
- In the event of a product defect, we undertake the task of diagnosing the issue and, if the defect falls under the supplier's warranty terms, we liaise with the supplier to ensure the product is repaired or replaced as stipulated by the warranty provisions.
- Additionally, DM EVS may offer auxiliary support and services to the end-user, particularly in areas concerning installation and operational guidance, to minimize any disruptions caused by potential product defects.

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Operational Details

dmEVS collaborates with clients to develop solutions that meet mutual requirements. We assist in sizing, ordering, delivery, and logistical support. Typically, electrical installation and maintenance and construction are outsourced to certified third-party contractors.

For chargers and charging robots, dmEVS generally sells the unit(s) to the client. In these cases, dmEVS does not recognize revenue past the sales of the unit(s). dmEVS can provide ongoing maintenance and upkeep for a fee. For mobile charging solutions, dmEVS generally provides its own mobile charging units to clients on a case-by-case basis. Specifically, our tailored approach evaluates the specific requirements and circumstances of each client individually, determining the most suitable solution for them based on their needs. Historically, DM EVS has only rented out its mobile charging units to clients. However, this does not preclude the possibility of other arrangements, including sales, in the future.

dmEVS may, on occasion, enter into contracts that allow a split revenue recognition arrangement with the client. In such cases, ongoing revenue recognition and costs may be shared between dmEVS and the client. This includes revenue from the use of the chargers themselves in addition to revenue generated from operations and carbon tax credits. Additionally, in this model, ongoing costs, such as maintenance, will be negotiated on a case-by-case basis. This model is generally used when the client has an already established system that they would like to leverage i.e. an established hotel chain that is adding electric vehicle charging capabilities to their properties with existing maintenance contracts that must be honoured.

Key Agreements and Partnerships

dmEVS and EVAR Korea have collaboratively formed a partnership to enhance technical collaboration and streamline the supply of specialized electric charging equipment. This includes exclusive access to the complete range of company products and services, including smart electric vehicle chargers, automated robotic electric vehicle chargers, mobile charging units suitable for vehicles such as vans and trucks, and indoor self-driving infrastructure (SLAM).

A “smart electric vehicle charger” is a stationary installation, typically designed for fixed locations like homes, offices, or public charging stations. Its key differentiating feature is its ability to incorporate intelligent charging capabilities. Such capabilities encompass features like error and maintenance detection, load balancing to facilitate simultaneous charging of multiple vehicles from a single charging source, and often, real-time communication with grid operators or users.

In contrast, “mobile charging units” are adaptable charging systems specifically designed to be integrated into mobile platforms, like vans or trucks. These units enable the said vehicles to become mobile EV charging stations, thus offering flexibility in terms of location and rapid response to on-demand charging needs.

Our partnership agreements with EVAR Korea encompass licenses and provisions that enable DM EVS to operate within various geographical regions of North America, including the US. However, while our contractual permissions extend beyond Canada, our operational focus and endeavours have, to date, been singularly concentrated on the Canadian market.

Additionally, dmEVS has contracts to supply it with chargers and charging equipment with CyberSwitching. This partnership is aimed at filling product gap lines and expediting dmEVS' market presence.

dmEVS has partnered with Rewatt Power to deal in carbon tax credits. This collaboration allows dmEVS to accrue federal Clean Fuel Regulation (CFR) credits, a Canada-wide government incentive credit and the Low-Carbon Fuel Standard (LCFS) credit, which is British Columbia based only.

dmEVS recently signed a contract to provide the Holiday Inn Vancouver with electric vehicle chargers. The Holiday Inn agreement grants dmEVS the full entitlement to revenue generated from EV charging operations and carbon credits.

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Risk Factors

dmEVS is subject to any and all disruptions to its suppliers, namely EVAR and CyberSwitching. As electric charging demand increases, so will demand on these supply chains. Should dmEVS' current suppliers become unable to provide their products for any reason, dmEVS will have to look for additional suppliers to continue its business.

The electric charging industry is rapidly evolving. Unforeseen changes in government regulations and policies and industry agreements may negatively impact the ability of dmEVS to operate in certain jurisdictions. As global demand for charging solutions increases, pressure on manufacturers will increase, possibly negatively impacting dmEVS' ability to procure products.

Certain environmental conditions may also prohibit the ability of dmEVS to provide solutions to clients. For instance, dmEVS cannot provide chargers capable of charging in certain inclement weather conditions.

Carbon tax credits and their regulation by governments and industry is an ongoing process. dmEVS' revenue could be negatively affected by any regulations that restrict its ability to monetize carbon tax credits.

This segment possesses motor vehicle liability insurance that covers any potential liabilities related to the operation of its vehicles. Additionally, medical insurance is provided for its employees. When it comes to the installation and maintenance aspects of the business, the professionals contracted for these tasks are responsible for their own insurance coverage.

Strategic Direction

dmEVS currently operates in British Columbia, Canada, and recently announced the opening of operations in Ontario, Canada. dmEVS intends to expand its operations across Canada on a province-by-province basis, opening operations in new geographies as soon as operationally feasible.

In addition to pursuing large fleet contracts, dmEVS also believes there is significant revenue potential in the SMB marketplace. It is the belief of dmEVS that electric charging will become ubiquitous across Canada. To that end, dmEVS is also targeting these types of businesses for electric charging solutions.

DM EVS offers flexibility in the approach to the installation, maintenance, and construction of charging stations.

DM EVS has, on several occasions, undertaken the responsibility of providing support for the installation, maintenance, and construction of the charging stations, leveraging our network of trusted professionals and expertise in the domain.

Conversely, end-users or third parties are also afforded the choice to engage their preferred professionals for the installation, maintenance, and construction tasks related to their charging stations. Should they opt for this route, the responsibility for securing any necessary permits, licenses, and insurance pertinent to the installation and operation of the charging stations typically resides with these third parties, contingent on the specifics of each individual case.

In essence, while DM EVS is equipped and willing to provide comprehensive support, end-users or third parties retain the freedom to manage these aspects independently, should they deem it more suitable to their requirements.

Summary of Recent Developments

NCIB Share Buyback Program

For the three months ended March 31, 2023, the Company has purchased a total of 12,604,000 common shares of the Company for an aggregate amount of \$1,210,677 through the NCIB share buyback program. During the period, a total of 16,390,500 common shares were returned to treasury and cancelled.

Summary of NCIB Share Buyback Program

- In 2022, the Company spent \$2,040,650.71 to cancel 17,807,500 shares.

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- In Q1 2023, the Company spent a total of \$1,210,677 to cancel an additional 16,390,000 shares.
- In 2023, to date, the Company spent a total of \$1,210,677 to cancel 16,390,000 shares.
- Overall, the Company spent a total of \$3,251,328 to cancel 34,198,000 shares.

Nexalogy and AnalyticsGPT

Nexalogy continues to make significant strides in its partnership with the Canadian government and is pleased to announce it has completed the second phase of the \$40 million AI project aimed at aiding Canadian cybersecurity initiatives.

The Company received contracts worth approximately \$1.2 million from its existing conglomerate clients for its advanced technology solutions, which is attributed to the management's successful implementation of its land-and-expand strategy.

The Company successfully secured its intellectual property by obtaining two (2) technology patents for its secure data encryption solutions.

AnalyticsGPT, which combines Nexalogy's powerhouse software, NexaSMART with GPT technology, is set to launch late this summer or early fall. NexaSMART is already in use by large corporations and governments. AnalyticsGPT, the result of years of collaboration with both public and private Nexalogy clients, diversifies Nexalogy into new markets, such as small and medium enterprises (SMEs).

AnalyticsGPT has already launched a successful beta program for its new GPT software. The program offers small to medium enterprises (SMEs) the opportunity to sign up for exclusive access to Nexalogy's revolutionary AnalyticsGPT software.

The Company will continue to work with select partners to further expand and fine-tune the software.

Additionally, AnalyticsGPT has garnered global interest and members of management were invited to the Canadian AI Business Delegation Expo in Korea. During the expo, management held several B2B meetings with leading companies in the cybersecurity, data analytics, marketing, and PR space. The Company plans to increase operations in Korea due to the success and interest they have received.

The official launch of AnalyticsGPT is planned for this fall. The Company plans on expanding its software to bring in more customers with new in-depth demos and videos as various aspects of its product become declassified.

Medi-Call

This past year, Medi-Call launched its mobile telehealth application for iOS and Android devices and expanded to three provinces, providing its telehealth services in British Columbia and Alberta, while soft launching in Ontario.

The expansion has led to a substantial increase in new Medi-Call subscribers due to an influx of international foreign students using the platform's telehealth services. The latest figures show that the Company's innovative healthcare platform has now garnered a total of 389 subscribers, representing an impressive 38% increase from last month's report of 281 subscribers.

Medi-Call's primary focus remains on British Columbia and servicing international students. The Company is set to expand the scope of its marketing activities and establish more partnerships with international language agencies.

Additionally, Medi-Call is working on AI-powered features to enhance the telehealth platform experience for patients and physicians which will begin rollout this Q3.

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Imagine Health

Imagine Health is currently in the final stages of opening a third clinic in Vancouver, while management reviews the possibility of opening a fourth clinic in Ontario.

To further solidify its position as a leading provider of innovative healthcare solutions, the Company will be incorporating a Wellness Centre into its two (2) existing clinics which further expands services that offer physiotherapy, IV Vitamin Therapy treatment, acupuncture, and much more.

Datametrex Healthcare Division Spinoff

The Company is thrilled to announce that it is planning on spinning off its healthcare division, consisting of Medi-Call and Imagine Health Centres, as its own independent entity. This strategic move will create a powerful healthcare entity, consisting of a hybrid model of brick-and-mortar clinics and virtual services, with the goal of being able to offer an integrated healthcare solution under one roof.

The spinoff will result in a boost in the Company's balance sheet post-endemic as it acquires shares of the new entity. Management plans to launch this development within the next 12 months, delivering enhanced value to stakeholders and customers alike.

dmEVS

DM EVS successfully launched its highly anticipated EV Mobile Pilot Event. The event accumulated an overwhelming response, with 60 enthusiastic EV drivers eagerly signing up to participate in the trial of the Company's innovative mobile EV chargers. In response to the high demand, DM EVS has extended the event to accommodate all participants, enabling them to experience the service first-hand.

Based on the positive feedback and insights gathered during the event, DM EVS is proud to announce the official launch of its mobile EV charging service in May which is a significant step forward in the Company's efforts to promote sustainable EV charging solutions.

DM EVS recently launched a second pilot event to install and operate EV charging stations for Airbnb hosts and Hotel & Inn owners until mid-May. The initiative is part of the Company's goal to expand its operations across a diversified group of properties going into the new quarter, providing EV charging solutions to a wider audience. The success of the pilot event will allow DM EVS to explore new opportunities in the hospitality sector.

In addition, the Company is currently in discussions with three large hotels about installing and operating EV chargers on-site and plans to launch an aggressive charging station installation project for hospitals and street malls, expanding its presence in public spaces and providing greater accessibility to EV drivers. This project will further demonstrate the Company's commitment to promoting sustainable transportation and reducing carbon emissions.

EBITDA and Adjusted EBITDA

Management believes that EBITDA and Adjusted EBITDA are effective measures for analyzing the performance of the Company. The term "EBITDA" refers to earnings before deducting interest, taxes, depreciation and amortization. The Company calculates Adjusted EBITDA as earnings before deducting interest and accretion, taxes, depreciation and amortization, impairment charges, acquisition related costs, and share based compensation. "EBITDA", "EBITDA per share", "Adjusted EBITDA", and "Adjusted EBITDA per share" are non-GAAP measures. The Company believes that EBITDA and Adjusted EBITDA are useful additional information to management, the Board and investors as it provides an indication of the operational results generated by its business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration asset depreciation and amortization and it excludes items that could affect the comparability of our operational results and could potentially alter the trends analysis

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in business performance. Excluding these items does not necessarily imply they are non-recurring, infrequent or unusual. EBITDA and Adjusted EBITDA are also used by some investors and analysts for the purpose of valuing a company. Investors are cautioned that EBITDA and Adjusted EBITDA should not be construed as an alternative to operating earnings or net earnings determined in accordance with IFRS as an indicator of the Company's financial performance or as a measure of the Company's liquidity and cash flows. EBITDA and Adjusted EBITDA do not take into account the impact of working capital changes, capital expenditures, debt principal reductions and other sources and uses of cash, which are disclosed in the consolidated statements of cash flows.

The following table reconciles net loss to EBITDA and Adjusted EBITDA for the three months ended March 31, 2023 and the year ended December 31, 2022:

	Three months ended March 31,	
	2023	2022
	\$	\$
Net income (loss)	(1,251,169)	1,352,550
Income taxes	-	71,697
Depreciation and amortization	1,107,357	643,210
Interest and accretion	28,223	735
EBITDA	(115,589)	2,068,192
Share based compensation	-	1,098,232
Adjusted EBITDA	(115,589)	3,166,424

Refer to the Summary of Operations section in this MD&A for further details.

Summary of Operations

Revenue

For the three months ended March 31, 2023, revenue was \$3,832,217 (2022: \$10,714,141). Certain significant revenue results were as follows:

- \$1,643,156 from IT services and licensing revenue earned from big data and Artificial Intelligence solutions (2022: \$2,118,435). Nexalogy reported approximately \$1 million in revenue from reaching certain milestones on its Government of Canada contract. Remaining amounts are from Datametrex Korea for its IT hardware sales and servicing contracts. Gross profit for the three months ended March 31, 2023 was \$873,929 (2022: \$1,855,132) and gross margin was approximately 53% (2022: 87%). The significant decrease in gross profit and margin is largely due to the composition of the Company IT revenue. The Company does not allocate any labour costs as direct costs related to the Nexalogy's government contracts due to the nature of the services provided.
- \$2,189,061 from health care revenue (2022: \$8,595,706) which is entirely from COVID-19 related businesses as the Company is yet to consolidate its businesses acquired from Imagine Health. Revenue for the quarter is significantly lower due to the stoppage of COVID-19 testing all locations. Direct costs for 2023 was approximately \$879,617, for a gross profit of \$1,309,444, or roughly 60% gross margin. Gross profit for 2022 was \$3,924,181, or 46% gross margin. As the Company carry less inventory on hand, it now recognizes less impairment of inventory resulting in a slightly better margin.
- The Company continues to work with several companies to build on its AI and Technology segment.

As part of the Company's growth strategy, management made a strategic decision to reinvest the profits made in the acquisition of Imagine Health Centres. This acquisition and the Company exercising its share buyback program have

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contributed to a decrease in cash. The Company believes that the acquisition of Imagine Health Centres, once completed, will enhance its position in the market and drive future growth and profits.

The Company also spent a total of \$1,210,677 to repurchase 16,390,500 common shares of the Company through the NCIB which contributes to the decrease in cash.

The Company notes that the recent loss reported in the Profit and Loss report is not a result of operations, but rather attributed to the expenses related to the amortization and depreciation of various intangible assets, as well as a decrease in the share price of the invested companies. As noted above, EBITDA was \$115,589 which also included unrealized loss on marketable securities of \$114,823.

Despite the expected end of the COVID-19 pandemic, which fueled significant profits for the Company, management remains committed to a long-term strategy of prioritizing its core AI technology and integrating it to its healthcare businesses to drive sustained growth and profitability.

Operating Expenses & Other Items

For the three months ended March 31, 2023, the Company incurred \$3,398,133 of operating expenses (2022: \$3,170,896). Certain significant items are noted below:

- Depreciation and amortization of \$1,107,357 (2022: \$643,210) relating to the Company's property and equipment, intangible assets, and right-of-use assets. The increase is due to the increase in finite live intangible assets from Medi-Call and dmEVS.
- Share based compensation of \$Nil (2022: \$1,098,232) as the Company's stock option plan lapsed on January 21, 2022, and therefore the Company was unable to grant any stock options during the year, until the plan was renewed.
- Salaries, benefits, and consulting fees of \$1,076,051 (2022: \$762,359) increased due to increased activities building out new businesses, including DM EVS and Imagine Health.
- Office and general of \$331,366 (2022: \$366,327) includes office supplies, office maintenance, insurance, travel expenses and marketing costs. The costs remained relatively similar as the costs for COVID-19 businesses decreased slightly offset by an increase in office costs at dmEVS.
- Professional fees of \$666,436 (2022: \$271,305) due to various consulting services related to dmEVS and Imagine Health. The Company anticipates that the professional fees will continue to be higher than previous periods until the Company is able to hire its own employees in the EV industry.
- The Company holds marketable securities in ScreenPro and Graph Blockchain. The investments are measured at fair value, with the change recognized in profit or loss. During the three months ended March 31, 2023, the Company recorded an unrealized loss on its marketable securities of \$114,823 (2022: loss of \$1,257,988).

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Management's Discussion and Analysis for the three months ended March 31, 2023
(Canadian dollars, except share and unit information)

AMENDED AND RESTATED

Summary of Quarterly Results

The following is a summary of the Company's eight most recently completed quarters:

	Q1 – 23 \$	Q4 – 22 \$	Q3 – 22 \$	Q2 – 22 \$	Q1 – 22 \$	Q4 – 21 \$	Q3 – 21 \$	Q2 – 21 \$
Total revenue	3,832,217	2,944,601	9,202,894	7,627,303	10,714,141	8,713,152	10,821,697	10,448,303
Net income (loss)	(1,251,169)	(20,071,827)	961,922	(621,193)	2,450,782	(1,490,655)	170,294	850,134
Net income (loss) per share – basic	(0.003)	(0.046)	0.002	(0.002)	0.006	(0.004)	0.001	0.003
EBITDA	(115,589)	(13,459,916)	2,699,239	99,482	3,166,424	(390,334)	1,420,179	1,565,957
Adjusted EBITDA	(115,589)	(1,653,266)	2,699,239	99,482	3,166,424	(1,950,834)	1,420,179	1,567,993

In the past, since Q2-2021, the Company reported approximately \$10 million revenue each quarter, with some fluctuations depending on seasonality of travelling or filming. Starting Q4-2022, the Company reported a sharp drop in revenue which is due to the fact that COVID-19 testing is no longer required for travels and the expectation that COVID-19 pandemic is coming to an end. This trend continued into Q1-2023 in which the Company reported revenue of \$3.8 million which is due to a strong revenue added by Nexalogy on reaching certain milestones with the Government of Canada. The Company's revenue stream related to COVID-19 businesses have ended during the first half of 2023 and anticipates that Q2-2023 will be the final quarter that the Company will report any such revenue.

Net income (loss) over the past 8 quarters were fluctuating significantly which is due to the timing of recognition of expense items, including share-based compensation expense, impairment losses on intangible assets, losses from business acquisitions, and unrealized losses on marketable securities. As a result, the Company experienced significant losses during Q4 of both 2022 and 2021. The Company reported positive EBITDA and Adjusted EBITDA except for those two Q4 quarters due to the annual adjustments, as described above. The net loss for Q1-2023 is due to the start-up costs associated with the new businesses acquired with no revenues being added as of yet.

Segment information

Geographical information is summarized as follows:

	Canada \$	Korea \$	Total \$
For the three months ended March 31, 2023			
Revenue from external customers	3,145,245	686,972	3,832,217
Non-current assets	20,116,710	253,133	20,369,843
	Canada \$	Korea \$	Total \$
For the year ended December 31, 2022			
Revenue from external customers	28,312,374	2,176,565	30,488,939
Non-current assets	20,125,413	255,846	20,381,259

Liquidity, Capital Resources, and Cash Flow

The Company has historically primarily financed its operations through the issuance of common shares and warrants, but operations were profitable in recent periods. Also, the management focused on improving sales and reducing operating costs. The consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

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For the three months ended March 31, 2023, net cash provided by (used in) operating activities was (\$949,413) (2022: \$699,664), net cash used in investing activities was \$1,137,841 (2022: \$352,987), and net cash provided by (used in) financing activities was (\$1,325,841) (2021: \$144,090).

At March 31, 2023, the Company has an accumulated deficit of \$42,101,110 (December 31, 2022: \$40,849,941) and a working capital of \$3,653,154 (December 31, 2022: \$6,215,545). On March 31, 2023, the Company had cash and cash equivalents of \$5,512,540 (December 3, 2023: \$8,934,913).

At March 31, 2023, the Company had current assets of \$13 million, including cash of \$5.5 million, and current liabilities was approximately \$9.4 million, including legal provision of \$1,875,000. Management believes that it has sufficient cash to fund its planned operations for the next twelve months. However, as noted above, the Company's cash flows from operations decreased significantly. In 2022, the Company generated approximately \$700,000 in cash from operations. In 2023, the cash used in operations was approximately \$1 million. This is due to decreasing sales and increasing costs associated with start-up businesses. However, the Company has over \$5 million in cash that can be used to implement its core business strategy.

Nexalogy's contract with the Canadian government continues to provide cash in 2023 and the Company continues to obtain IT related contracts both in Canada and in Korea.

The acquisitions of dmEVS and Imagine Health are complete and Imagine Health will start to add revenues and cash flows almost immediately without any significant additional capital expenditures. At March 31, 2023, the Company had \$2.5 million already advanced to Imagine Health and no further capital expenditure is required. In connection with the purchase of Imagine Health, the Company issued a secured vendor take-back note with a principal amount of \$800,000 payable in installments of 6, 12 and 18 months from the date of issuance. \$266,667 was paid subsequent to December 31, 2022 and \$533,333 remain outstanding as of the date of this amended MD&A.

dmEVS division has already incurred significant start-up cost, including development of mobile charging vans, that can be deployed upon further testing. There will be further capital expenditures in building additional fleet of mobile charging vans and installing charging stations, but spending will be based on a contract-by-contract basis and will only occur when the Company starts to see revenues.

Related Party Transactions

a) Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities at March 31, 2023 was \$78,359 (December 31, 2022 - \$Nil) due to an officer and a director of the Company.

b) Loan receivables

As at March 31, 2023, the Company has a loan receivable from Graph in an amount of \$10,000 (December 31, 2022 - \$10,000). The loan is unsecured, non-interest bearing and repayable on demand.

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c) Compensation of key management personnel

Related parties include key management personnel and others considered to have significant influence or control over the Company's operations. The Company considers key management personnel to include members of the Board of Directors and executive officers of the Company. Compensation to key management personnel is listed below:

	Three months ended March 31, 2023		Three months ended March 31, 2022	
	Amount \$	Options vested	Amount \$	Options vested
Cash based compensation	624,778	-	320,132	-
Share based compensation	-	-	1,013,753	3,250,000
	<u>624,778</u>	<u>-</u>	<u>1,333,885</u>	<u>3,250,000</u>

Off Balance Sheet Arrangements

The Company has not entered into any off balance sheet arrangements, such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or with respect to any obligations under a variable interest equity arrangement.

Contingency

A former employee of the Company filed a claim for wrongful dismissal seeking damages aggregating \$135,000. The Company filed a defence and counterclaim denying the claim and counterclaiming for certain losses incurred by the Company. The Company intends to defend the claim vigorously and the outcome of the claim cannot be reasonably estimated at this time.

Risk Factors

Refer to the "Risk Factors" section of the annual MD&A for the year ended December 31, 2022. The risk factors remain primarily unchanged for the three months ended March 31, 2023.

Other Information

Additional information regarding the Company is available on SEDAR at www.sedar.com