

ANNUAL INFORMATION FORM

For the Year-ended June 30, 2020

December 3, 2020

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1 INTRODUCTORY NOTES

Date of Information

In this annual information form (“**Annual Information Form**”), INEO Tech Corp., together with its subsidiaries, as the context requires, is referred to as “**INEO**” or the “**Company**”. All information contained in this Annual Information Form is as at June 30, 2020, unless otherwise stated, being the date of the most recently completed financial year of the Company, and the use of the present tense and of the words “is”, “are”, “current”, “currently”, “presently”, “now” and similar expressions in this AIF is to be construed as referring to information given as of that date.

Cautionary Note Regarding Forward-Looking Statements and Information

This AIF contains forward-looking statements and information about the Company which reflect management’s expectations regarding the Company’s future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects and opportunities. In addition, the Company may make or approve certain statements or information in future filings with Canadian securities regulatory authorities, in news releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements or forward-looking information. All statements and information, other than statements or information of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements and information, including, but not limited to statements and information preceded by, followed by, or that include words such as “may”, “would”, “could”, “will”, “likely”, “expect”, “anticipate”, “believe”, “intends”, “plan”, “forecast”, “budget”, “schedule”, “project”, “estimate”, “outlook”, or the negative of those words or other similar or comparable words.

Forward looking statements and information involve significant risks, assumptions, uncertainties and other factors that may cause actual future performance, achievement or other realities to differ materially from those expressed or implied in any forward-looking statements or information and, accordingly, should not be read as guarantees of future performance, achievement or realities. Although the forward-looking statements and information contained in this AIF reflect management’s current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, the Company cannot be certain that actual results will be consistent with these forward-looking statements and information. A number of risks and factors could cause actual results, performance, or achievements to differ materially from the results expressed or implied in the forward-looking statements and information. Such risks and factors include, but are not limited to, the following:

- Limited Operating History;
- Reliance on Management
- Factors which may prevent realization of growth targets
- Additional financing
- Inability to achieve or obtain profitability
- Competition
- Dependence on personnel
- Difficulty to forecast

- Variable revenues/earnings
- Suppliers
- Operating risk and insurance coverage
- Management of growth
- Conflicts of interest
- Privacy
- Litigation
- Share price fluctuations
- Dividends
- Limited market for securities
- Credit concentration and credit risk
- Foreign exchange

For further details, see the “*Risk Factors*” section 16 of this AIF.

Although the Company has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements or information, there may be other factors and risks that cause actions, events or results not to be as anticipated, estimated or intended. Further, any forward-looking statements and information contained herein are made as of the date of this Annual Information Form and, other than as required by applicable securities laws, the Company assumes no obligation to update or revise them to reflect new events or circumstances. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual realities to differ materially from those contained in any forward-looking statement or information. Accordingly, readers should not place undue reliance on forward looking statements and information contained in this Annual Information Form and the documents incorporated by reference herein. All forward-looking statements and information disclosed in this Annual Information Form are qualified by this cautionary statement.

Currency and Exchange Rate Information

The financial statements included herein are reported in Canadian dollars. References in this AIF to “C\$” or “\$” are to the lawful currency of Canada.

2 CORPORATE STRUCTURE

2.1 Name, Address and Incorporation

INEO was incorporated on March 4, 2008 under the *Business Corporations Act* (British Columbia) (the “BCBCA”) as Metron Capital Corp to engage in the acquisition and exploration of mineral properties in Canada and the US and changed its name to “INEO Tech Corp.” on January 24, 2020 upon completing a reverse takeover transaction with INEO Solutions Inc., carried out by way of a share exchange.

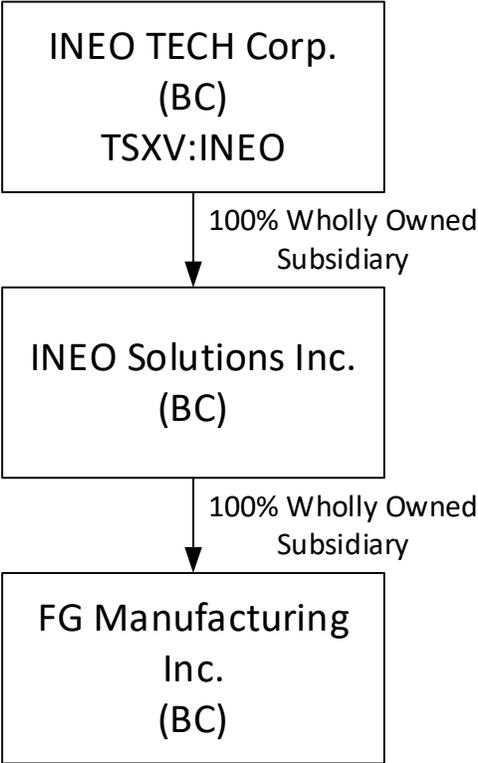
With the completion of the reverse take-over transaction, the Company’s principal business activity changed to providing services and products to connect advertisers with customers through its patented *INEO Welcoming Network* that combines digital advertising, predictive Artificial Intelligence (“AI”) and loss prevention in the innovative, patented *INEO Welcoming Pedestal*.

The Company’s shares started to trade on the TSX Venture Exchange (“TSX-V”) under the symbol **INEO** on **January 29, 2020**. The corporate head office and registered and records office of the Company is located at 105 – 19130 24th Ave Surrey, BC, V3Z 3S9.

2.2 Intercorporate Relationships

INEO Tech Corp has one wholly-owned subsidiary, INEO Solutions Inc. and INEO Solutions Inc. has one wholly-owned subsidiary, FG Manufacturing Inc. Both INEO Solutions Inc. and FG Manufacturing Inc. are incorporated under the BCBCA. The Company transacts all of its business through its wholly-owned subsidiary INEO Solutions Inc. (“INEO Solutions”). FG Manufacturing Inc. is the fabrication and manufacturing arm of the Company.

The following chart illustrates the intercorporate relationships of the Company:



3 GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Key Chronological Milestones

Following are key chronological milestones since the founding of the company:

Date	Milestone
March 4, 2008	"Metron Capital Corp." Founded
July 14, 2016	"1082864 B.C. Ltd." Founded
Aug. 4, 2016	"1082864 B.C. Ltd" renamed to "Flashgate Technology Inc."
Apr. 27, 2017	"Flashgate technology Inc." deploys first <i>Welcoming Pedestal</i> beta systems
Oct. 2019	Canadian <i>Welcoming Pedestal</i> patent granted to "Flashgate Technology Inc."
Aug. 26, 2019	"Flashgate Technology Inc." renamed to "INEO Solutions Inc."
Jan. 29, 2020	"INEO Tech Corp" is incorporated and completes reverse takeover with "Metron Capital Corp." to achieve listing on TSXV with the Company "INEO Solutions Inc." operating as a wholly-owned subsidiary.
April 7, 2020	US <i>Welcoming Pedestal</i> patent granted to "INEO Solutions Inc."
July 15, 2020	Launch of wireless version of <i>INEO Welcoming Pedestal</i>

3.2 Acquisitions

The Company has made five acquisitions since being founded:

Date	Acquisition	Consideration	Notes	Part 8 - 51-102 Filing
Dec. 6, 2016	Purchase of all assets of 3-Axis Manufacturing and Design.	\$37,500	Acquired to provide prototyping and manufacturing capabilities of mechanical systems for products.	Not applicable
Dec. 19, 2016	Purchase of all outstanding shares of Provent Technologies Corporation ("Provent").	\$42,710	Acquired to provide a regional retail customer base primarily in BC within which to deploy systems	Not applicable
Sept. 28, 2017	Purchase of all intellectual property assets of Detectag Inc.	\$23,747	Acquired in furtherance of our product development	Not applicable

			activities and intellectual property portfolio.	
June 15, 2018	Purchase of intellectual property assets of Exapik Systems.	\$1,000	Acquired in furtherance of our product development activities and intellectual property portfolio.	Not Applicable
May 5, 2020	Purchase of all assets of Newman Loss Prevention (AB).	200,000 shares ⁽¹⁾	Acquired to expand our retail customer base into Alberta	Not Required

Note (1)

Plus a future earn-out consideration of a further 200,000 INEO common shares upon achievement of certain agreed to milestones.

3.3 Financing

In financing completed on December 16, 2016, the Watkin Family Trust and StreamlineJK Media and Design Corporation, the founders of INEO Solutions Inc. purchased an aggregate of 9,600,000 Class A Common voting shares for \$0.0001 per share for aggregate proceeds of \$960.00.

In financing completed on March 20, 2018, Peter Fitzgerald purchased an aggregate of 960,000 Class A Common voting shares for \$0.15625 for aggregate proceeds of \$150,000.

Reverse Take Over and Concurrent Financing

On September 19, 2019, the Metron Capital Corp. entered into a Letter of Intent with INEO Solutions Inc. pursuant to which Company agreed to complete a reverse take-over transaction of INEO Solutions by way of a share exchange (“Acquisition”) in accordance with Policy 5.2 of the TSXV. In connection thereto, Metron Capital Corp. entered into an acquisition agreement with INEO Solutions Inc, as of November 1, 2019. Approval of the Acquisition was obtained at the respective meetings of shareholders of each of the Company and INEO Solutions Inc. held on January 24, 2020.

On January 24, 2020, the Metron Capital Corp. and INEO Solutions Inc. completed the Acquisition, in connection with the Acquisition, the Metron Capital Corp changed its name to INEO Tech Corp., acquired 100% of the issued and outstanding shares of INEO Solutions Inc., INEO Solutions Inc. became a wholly-owned subsidiary of the Company. Pursuant to the Acquisition Agreement, the Company issued Common shares to INEO Solutions Inc. in exchange for the delivery to the Company of all the issued and outstanding INEO Solutions Inc. Shares at an exchange ratio of 1:1.75863880 Common Shares (the “Exchange Ratio”). 19,626,409 Common Shares were issued at an issue price of \$0.35 per Common Share for each INEO Solutions Inc. Share and the Company issued to existing option holders of INEO Solutions Inc. an aggregate of 175,863 Options to purchase Company Shares at a price of \$0.0888 per Company Share in exchange for their INEO Solutions Inc. options. As part of the completion of the Acquisition, all outstanding subscription receipts issued pursuant to the concurrent financing (“Subscription Receipts”) were automatically converted into Company Shares, resulting in the additional issuance of 8,048,498 Common Shares for the aggregate amount of the Subscription Receipts. In

connection with the Concurrent Financing, the Company issued to certain eligible finders 262,181 finder's warrants, exercisable to obtain Company Shares at \$0.35 per Company Share.

Prior to the closing of the Acquisition, the Company completed a concurrent financing for gross proceeds of \$2,816,974 ("Concurrent Financing"). The Concurrent Financing consisted of Subscription Receipts that automatically converted into Company Shares subject to and concurrently with the closing of the Acquisition. In connection with the Concurrent Financing, the Company issued 262,181 finder's warrants to eligible finders, exercisable to obtain shares of the Company at \$0.35 per Company Share.

4 DESCRIPTION OF THE BUSINESS

4.1 Overview

The Company is engaged in the business of the development and operation of its proprietary *INEO Welcoming Network*. The *INEO Welcoming Network* consists of a network of *INEO Welcoming Pedestals* strategically deployed at the entrances of retailers to greet customers with targeted, brand-positive messaging, while capturing meaningful analytics information.

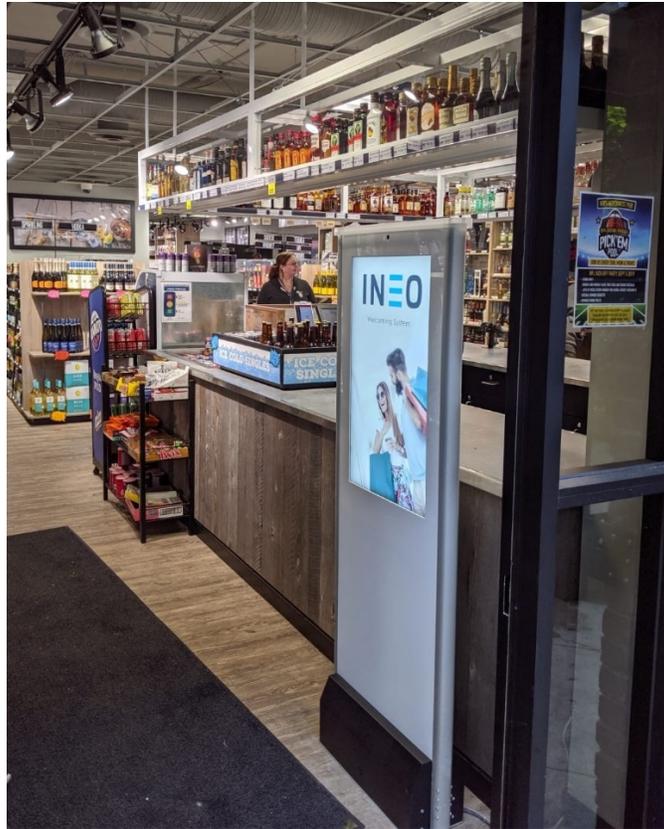
The Company currently owns all rights, title and interest to the *INEO Welcoming Network* and *INEO Welcoming Pedestals* for worldwide distribution and installation.

The Company generates revenue through:

- Monthly recurring sales to brands and retailers of targeted digital-media advertising
- Monthly recurring sales to brands and retailers of analytics data to provide meaningful customer insights
- Ongoing, periodic sales to retailers of loss-prevention (anti-theft) consumables

4.2 Proprietary Products & Services

The Company's subsidiary, INEO Solutions Inc. internally developed the *INEO Welcoming Pedestal* which is the key enabling technology of the *INEO Welcoming Network*. The *INEO Welcoming Pedestal* is an integrated digital signage and loss-prevention pedestal developed by the Company that is strategically placed at the front entrances of retailers. This location has been historically reserved for retail loss-prevention (anti-theft) systems and the Company's innovation is that it has designed, developed and deployed its patented technology to incorporate digital signage within a loss-prevention system.



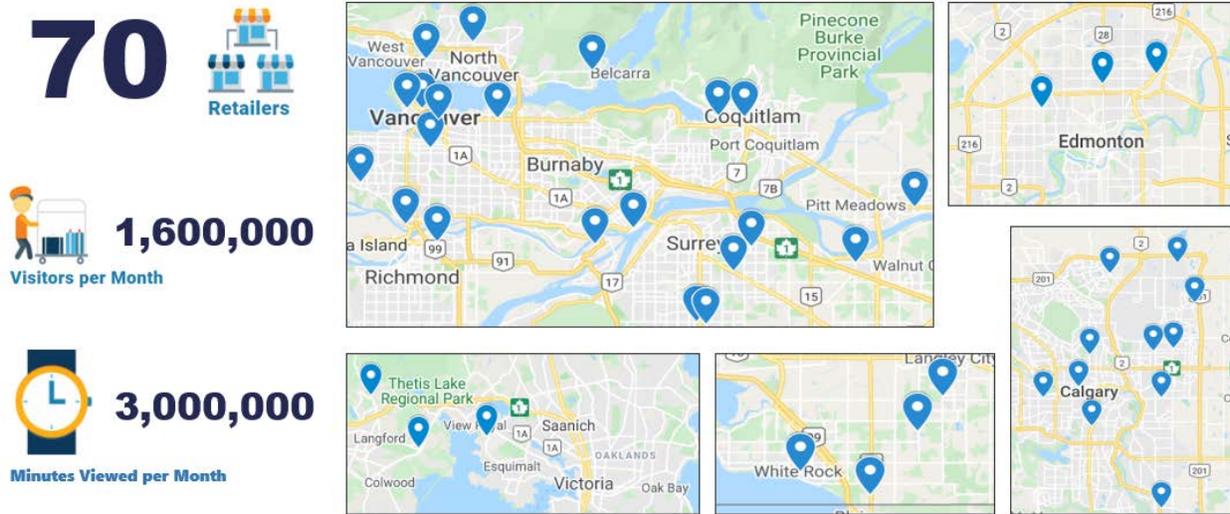
Typical *INEO Welcoming Pedestal*

By capturing the real-estate at the front door of a retailer, the *INEO Welcoming Pedestal* occupies a critical location to gather analytics information from all customers visiting an establishment. The Company's intelligent data analytics generates gender, age and CSAT (customer satisfaction scores) which can be triangulated with third-party data sources such as census data for income level, languages spoken or local weather and sports score feeds. This valuable data can be used to:

- Deliver impactful engagement between consumers and brands at the entrance of a retail store
- Triangulate store traffic data with other data sets to derive unique insights about customer buying patterns
- Benchmark traffic and demographics of that traffic
- Learn when and where the traffic comes from
- Compare demographics between locations
- Understand the context of store locations and traffic

4.3 *INEO Welcoming Network*

As at June 30, 2020 the *INEO Welcoming Network* operated 32 sites but has since ramped aggressively and currently operates 70+ sites in Western Canada, as reported on November 23, 2020. While the Company has defined 6 key vertical markets for its systems, its initial focus has been maintained on creating a critical-mass of retailers within the retail liquor distribution vertical.



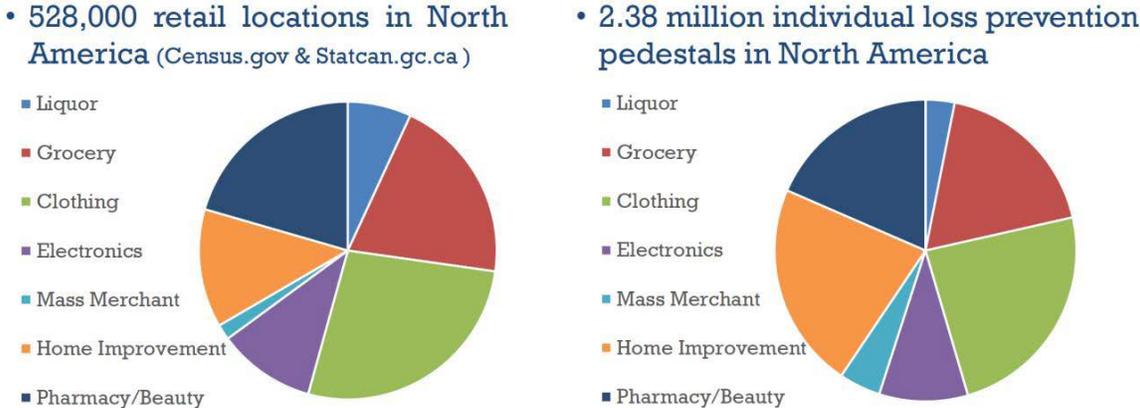
The Company is continuing to expand the deployment its *INEO Welcoming Network* at retail liquor distribution outlets throughout western Canada. In addition, the Company anticipates initiating pilot projects in other vertical markets in the upcoming year.

4.4 The Market

The Company believes that the replacement of retail loss prevention systems with *INEO Welcoming Pedestals* is a large market opportunity. Research reports estimate that the worldwide retail loss prevention market is worth \$9 billion annually (State of Loss Prevention – 2015). More specifically, reports estimate that the loss prevention antenna aspect of the market is worth nearly \$2 billion each year (Marketresearchfuture.com – 2018).

Currently, there are over 2.38 million loss prevention systems in North America. There are over 528,000 retail locations across North America, spanning a variety of industry verticals, providing a massive market for the Company to distribute and install its products.

Figure 2: Loss Prevention market opportunity in retail locations across North America



Source: Census.gov & Statcan.gc.ca

4.4.1 Competitive conditions

There are two large companies that operate in the loss prevention industry: Johnson Controls' Sensormatic division ("Sensormatic") and Checkpoint Systems ("Checkpoint").



- Founded in 1966
- Over \$1.1B in revenue in 2001
- Acquired by Tyco International in 2001 for \$2.2B
- Subsequently merged with Johnson Controls
- Operates as a wholly owned subsidiary of Johnson Controls



- Began in 1960s
- \$820M in revenue in 2015
- Acquired by CCL Industries in 2016 for \$443M
- Operates as a division of CCL industries
- 4,700 employees and HQ in New Jersey

Sensormatic has stated its loss prevention division sells over \$1 billion in loss prevention hardware, tags, and labels annually and Checkpoint sells over \$850 million worth of similar products each year. These two companies provide a proxy for the size of market opportunity.

It is the Company's goal to displace these single-point loss-prevention systems as it expands its *INEO Welcoming Network*.

Most fundamentally, the company has adopted a new recurring revenue model which is based on the sales of advertising and data rather than the one-time sale of hardware employed by Sensormatic, Checkpoint and all other competitors.

The Company believes the new business model provides an opportunity to grow the overall size of the market significantly as it will reduce the acquisition and operational costs to retailers.

The Company believes its software platform is at least two years ahead of the competition. This is largely in part due to the Company's patent which prevents competitors from adding digital advertising to loss prevention systems. Without the added revenue stream from advertising it will be extremely difficult for competitors to compete with the Company's business model.

4.4.2 Digital Out of Home Advertising market

Digital Out-of-Home ("DOOH") advertising is a rapidly growing business. DOOH is defined as any out-of-home (OOH) advertising which is dynamically and digitally displayed. It includes digital billboards, digital street furniture, digital transit and digital place-based displays such as those offered by INEO. DOOH ad spending is expected to increase from \$2.72 billion in 2020 to \$3.84 billion in 2023 (eMarketer June 2020) with the number of screens being placed growing at a 43% annual rate.

Another contributing factor to the rise of DOOH is the advent of programmatic DOOH whereby the DOOH inventory is secured via automated buying and selling similar to purchasing advertising for websites and mobile devices. Agencies and brands login to their programmatic platform of choice and they can purchase ad space across the available inventory the particular platform offers. INEO is actively working

with multiple programmatic platform providers to ensure the Company's inventory is available where purchasers are actively looking.

4.4.3 Data market

In order to be a leader in DOOH advertising, a provider of advertising space needs to provide the interested purchaser with base information about their screen with the fundamental data being the quantity of traffic which effectively has the ability to see the advertising. Having the means to collect this data in real time sets INEO apart from most DOOH providers. Other providers only use purchased and estimated data sets to project what their numbers may be. The spin off of INEO collecting traffic data is the systems used to collect this data can also collect many other data points about the traffic including demographic information such as gender, age and Customer Satisfaction Score. With good data sets come other opportunities and it is clear retailers are willing to pay for advanced analytics to help drive their businesses; according to Markets and Markets in 2017 retailers worldwide spent \$3.52 billion on analytics and it is expected that figure will rise to \$8.64 billion by 2022.

4.5 Sales Strategy

4.5.1 System Placement

Placing *INEO Welcoming Pedestals* at the front entrance of a retailer is the goal of the INEO sales team as once the system is placed there it is in the perfect position to sell advertising and collect data. To date INEO has been primarily selling to a captive customer set acquired with the purchase of the loss prevention resellers, Provent Technologies Corporation and Newman Loss Prevention. These companies had retail customers using legacy loss prevention systems and the INEO sales force is systematically working deals to upgrade those legacy systems to the new *INEO Welcoming Pedestals*.

The strategy to date has been to focus on one retail vertical - independent retail liquor stores. The Company is building out the first phase of the *INEO Welcoming Network* in retail liquor stores in order to have a homogeneous group of stores, with similar products and customer sets, to sell the screen time to advertisers. Focusing on one vertical within retail means one vertical of advertisers and allows the Company to focus its resources. Once critical mass in Liquor Retail vertical is reached the sales team will start working through a new vertical.

Notwithstanding the retail liquor store strategy, the Company's sales team is also working on landing key trials and tests with major national and multinational retailers. These deals have longer sales cycles and will move through a methodical test and trial period before gaining full traction and rollout across a large number of stores. The sales to these large retailers are via direct contact and relationships with the appropriate personnel at the various retailers INEO is targeting.

4.5.2 Advertising sales

INEO has partnered with a company called Consumer Media Solutions, based out of Toronto, to sell the advertising space on the *INEO Welcoming Network* in Canada. Consumer Media Solutions has a team of sales reps who sell digital advertising as their main and only line of business. They have contacts with all of the major agencies and a significant number of leading brands in Canada. Their expertise and knowledge of the advertising sales market delivers the Company indispensable capabilities to drive this aspect of the business. By partnering with Consumer Media Solutions INEO can scale its sales capabilities without the need to hire its own sales reps. INEO pays Consumer Media Solutions a percentage of the sale of the advertising. INEO continues to be the vendor of record with the advertisers and bills them directly.

Subsequent to June 30, 2020, INEO announced a partnership with Hivestack on October 27, 2020 for programmatic advertising. INEO's network of premium retail advertising screens can now connect to Hivestack's digital-out-of-home programmatic advertising platform to deliver targeted location-based advertising.

4.5.3 Data sales

The Company continues to build out its data capture and data visualization capabilities in order to reach a critical mass of data to attract the interest of major data market purchasers and resellers. To date the focus on the Company's data capabilities has been to offer the retailers of the *INEO Welcoming Network* predictive analytics. This means using the data collected to help them anticipate and plan for future business opportunities on the scale of hours, days, weeks or months. The Company is developing advanced data visualizations using the data stored in its own databases but also by acquiring other third-party data sets. The data visualizations are aided by tools and procedures which have been developed and documented by many major industry players including Microsoft. Microsoft PowerBI is the current data visualization tool of choice for INEO.

INEO plans to enter the data sales market later in fiscal 2021 once it has built up its base capabilities. The Company will continue to hire talent in this area and sign partners to advance its interests.

4.5.4 Consumable sales

INEO sells consumable loss prevention products such as security tags and labels to retailers of all types – big, small, local, national, international. The Company sells to its existing customer base but also utilizes online marketing and online ecommerce stores in Canada and the US to acquire new customers.

4.6 Operations Strategy

The Company is headquartered and operates two facilities in Surrey, BC as well as a regional sales office in Calgary, AB. In Surrey, the Company maintains its head-office and a Computer Numerical Control (CNC) machining facility. In Calgary, the Company maintains a regional sales & service operation as the result of the acquisition of Newman Loss Prevention. There are currently 13 employees working at the head-office, one employee working at the machining facility and two employees in Calgary.

The Company does its own design, manufacturing, and assembly. The Company sources most of its electronic components, such as LED screens and modules, overseas and manufactures its proprietary circuit boards via a partner in Canada. Where applicable, the Company sources components from multiple third-party suppliers. Additionally, the Company processes certain raw materials and mechanical sub-assemblies at its CNC machining facility, while final assembly and testing takes place at the head office.

Having its own machining facility allows the Company to develop its own mechanical designs, quickly create prototypes, reduce manufacturing costs, reduce time to market, and protect its intellectual property. Currently, the Company's machining facility has capacity to produce 50 units per week which is sufficient to fulfill the Company's needs over the next two years. In addition to producing products for the Company, the machining facility undertakes work for a small group of outside, non-competing customers, which helps to reduce the cost of production.

The Company uses Microsoft Azure for the cloud software components of its hosted platform. The Company's cloud software components include its content management and delivery system, customer and advertising databases, and web services. Additionally, the Company's business intelligence and

analytics are built on Microsoft Azure. Due to the sensitive nature of the data, the Company hosts as much information as possible in the nation in which its customer does business. For its own corporate use, including developing and testing equipment, the Company sources equipment from name brand manufacturers in Canada.

4.6.1 Build to Order Manufacturing

The Company employs *lean manufacturing* techniques to produce its products using a *build-to-order* manufacturing philosophy. This has allowed the Company to maintain low levels of finished goods inventory and respond to design changes more quickly. In most cases, if the Company receives an order by 11:00am, it is able to produce and ship product the same day.

4.7 Intellectual Property Strategy

The Company has a robust intellectual property strategy consisting of patents, trade secrets, trademarks and web domains.

4.7.1 Patents

The Company was granted Canadian patent 2,936,044, COMBINATION MEDIA DISPLAY AND ELECTRONIC ARTICLE SURVEILLANCE PEDESTAL, (the “Flashgate Patent”) on January 15, 2018. The Flashgate Patent has a term of 20 years.

In furtherance of the Flashgate Patent, the Company was granted USPTO patent 10,614,691 on April 7, 2020

Further to the grant of the Flashgate Patent, the Company has made a PCT (Patent Cooperation Treaty) filing for other jurisdictions worldwide.

As part of its research & development process, the Company evaluates ongoing advances in its technology to determine the suitability of applying for additional patents. The Company expects to file additional patent applications as it continues to develop its technology.

4.7.2 Trade Secrets

The Company employs a variety of trade secret processes in the production and operation of its products.

4.7.3 Trademarks

The Company has registered trademarks for “Flashgate” & “INEO Solutions”

4.7.4 Web domains

The Company has a number of web domains including primary sites and derivative names

4.8 Leadership & Oversight Team

4.8.1 Executive Leadership Team

4.8.1.1 Kyle Hall – CEO & Director

Mr. Kyle Hall is the Chief Executive Office and Director of the Company. Mr. Hall was formerly the CEO of PNI Digital Media (“PNI”), a Toronto Stock Exchange listed company providing eCommerce and photo kiosk services to some of the largest retailers in the world, including companies such as Walmart, Costco, CVS, Sam’s Club, Rite Aid, Walgreens, Tesco and Office Depot. Mr. Hall successfully negotiated the sale of PNI to Staples Inc. in 2014 for \$75 million and spent two years as an executive at Staples before leaving to join the Company. Prior to PNI, Mr. Hall had a distinguished career in Business Development and Sales &

Marketing for international companies including Corel Corporation, MGI Software and Telepix Imaging. Mr. Hall is also a former professional athlete having played in the CFL for the Winnipeg Blue Bombers and Ottawa Rough Riders. Mr. Hall earned a Bachelor of Science degree from Western University.

4.8.1.2 Zara Kanji - CFO

Ms. Zara Kanji is a founder of Zara Kanji & Associates. (established in 2004). Ms. Kanji is experienced in financial reporting compliance for junior listed resource companies, taxation, general accounting, financial reporting and value-added operational consulting services for individuals, private and public companies. Prior to starting her accounting practice, Ms. Kanji served as a controller for a marketing company, served as an accountant in public practice for a CA firm, a CGA firm and served as an analyst for a pension fund. In addition to providing accounting and financial compliance services to private and public entities, Ms. Kanji has served as director and officer for several listed issuers and has been part of teams that have facilitated several financings and acquisition transactions. Ms. Kanji is a Member of the Chartered Professional Accountants of BC and Canada and previously the Certified General Accountants Association since August 2003. Ms. Kanji holds a Bachelors of Technology in Accounting (Honors) and a Diploma in Corporate Finance (Honors) from the British Columbia Institute of Technology.

4.8.1.3 Greg Watkin – Founder, President & Board Chair

Mr. Greg Watkin is the Founder, President, Board Chair and Corporate Secretary of the Company. Mr. Watkin was formerly COO of Epic Data, a Vancouver based technology provider to the aerospace industry, servicing customers such as Lockheed Martin, Boeing and Bombardier. Prior to becoming COO of Epic Data, Mr. Watkin also held VP of Sales & Marketing and VP of Technology roles at Epic Data. After leaving Epic Data, Mr. Watkin led the registry services division of Resolve Corporation providing asset registry services for Canada's largest banks including RBC, BMO, CIBC, ScotiaBank and TD Canada Trust. Mr. Watkin grew the registry service division to over \$100 million in annual revenue before facilitating the sale of Resolve to Davis+Henderson. Mr. Watkin earned an Executive MBA from Queens University and a Diploma in Engineering Technology from Fleming College.

4.8.2 Board Leadership Team

4.8.2.1 Serge Gattesco – Board member

Mr. Serge Gattesco was the National Managing Partner of Strategy and Operations at PwC Canada, prior to his retirement in 2019. Mr. Gattesco, in his role as Canadian Managing Partner of Strategy and Operations for PwC Canada had oversight for all of the firm's cities, stakeholders, marketing and sales, business transformation and innovation. Mr. Gattesco also previously served as the National Managing Partner for PwC Canada's Audit and Assurance Group where he was responsible for the practice's strategy, profitability, people, regulatory and quality of the Assurance Group.

Mr. Gattesco has a Bachelor of Commerce degree from the University of Toronto and is a Canadian Chartered Professional Accountant. In 2013, Mr. Gattesco was elected as a Fellow of the Institute of Chartered Accountants of Ontario for his dedication to the profession and community. He is a frequent instructor for the Institute of Corporate Directors and was a member of the audit committee for the Ontario Division of the Canadian Cancer Society. Mr. Gattesco also, until June 2019, was a Board member of the Toronto Region Board of Trade (TRBOT), where he was the Chair of the Finance Committee and Treasurer of TRBOT. Mr. Gattesco was the founding Chair of the Accounting and Finance Advisory Committee of the Ted Rogers School of Management at Ryerson (TRSM) where he sat in that capacity for 5 years, and is currently on the Deans Council of TRSM.

4.8.2.2 Steve Matyas – Board member

Mr. Steve Matyas, retired Chief Executive Officer of STAPLES® Retail, joined The Business Depot® Ltd. (Canada) as their first employee in March 1991, culminating in his appointment as President of STAPLES® North American Retail in June 2016, followed by Chief Executive Officer of STAPLES® Retail in September 2017. Before joining The Business Depot® Ltd., he worked for several subsidiaries of Koffler Associates, including Shoppers Drug Mart Ltd., where Mr. Matyas held a variety of senior executive positions. Mr. Matyas is also Director of K-Bro Linens Inc., Director, Kal Tire Corp., and Director of the Baycrest Hospital Foundation. Mr. Matyas formerly served as Director and Chairman of the Board of the Retail Council of Canada, Director of EPCOR Utilities, Director, SC REIT, Director of University of Alberta Business School Advisory Council on Retail Studies and Director of the Advisory Committee for the School of Retail Management at the Faculty of Business, Ryerson University.

4.8.2.3 Gurminder Sangha – Board member

Mr. Gurminder Sangha has over 18 years of experience with providing corporate advisory services to both private and publicly traded companies. While serving as a board member of various publicly traded listed companies Mr. Sangha has led initiatives related to corporate finance, business development, and corporate governance. Mr. Sangha holds an MBA from both Queens University and Cornell University.

5 CAPITAL STRUCTURE

The Company's share capital consists of an unlimited number of Common Shares without par value of which 40,680,742 common shares are issued and outstanding as of the date of this AIF.

5.1 Common Shares

Each common share entitles the holder to one vote at meetings of shareholders of the Company and to receive dividends if, as and when declared by the Board and to participate upon dissolutions or winding-up in the distribution of the assets of the Company. The common shares have no conversion, retraction, pre-emptive or subscription rights, nor do they contain any sinking or purchase fund provisions.

5.2 Warrants

The following table sets forth all Warrants of the Company that are outstanding as at the date of this AIF:

Number of Warrants	Exercise Price	Expiry Date
262,181	\$0.35 (CAD)	January 23, 2024

5.3 Options

The Company maintains a 10% rolling stock option plan in order to provide the company with the flexibility to attract and retain the services of all employees in competition with other businesses in the industry and in accordance with Exchange policies.

The following table sets forth all Options of the Company that are outstanding as at the date of this AIF:

Number of Options	Exercise Price	Vesting End Date
175,864	\$0.0833	Jan. 22, 2022
2,600,000	\$0.26	April 15, 2024
500,000	\$0.35	April 15, 2024
200,000	\$0.26	Aug. 18, 2024

6 MARKET FOR SECURITIES

6.1 Market, Description of the Capital Structure, Warrants and Options

Market

On January 29, 2020, the Company's Common shares began trading under the symbol "INEO" on the TSXV following the completion of the reverse takeover of INEO Solutions Inc.

Capital Structure

The Company's authorized share capital consists of an unlimited number of Common Shares. As at the date of this AIF, 40,680,742 Common Shares are issued and outstanding (45,037,215 on a fully diluted basis).

Registered holders of Common Shares are entitled to receive notice of and attend all meetings of shareholders of the Company, and are entitled to one vote for each Common Share held at a meeting of shareholders other than meetings at which only the holders of any other class or series of shares of INEO may be issued or outstanding from time to time or are entitled to vote as a separate class or series. In addition, holders of Common Shares are entitled to receive on a *pro rata* basis dividends if, as and when declared by the board of directors and, upon liquidation, dissolution or winding-up of the Company, are entitled to receive on a *pro rata* basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares, including preferred shares, ranking in priority to, or equal with, the holders of the Common Shares.

Stock Options

On January 24, 2020, the Board of Directors approved the adoption of a stock option plan (the "**Stock Option Plan**") for the benefit of directors, employees and consultants of the Company. The purpose of the Stock Option Plan is to provide eligible persons with an opportunity to purchase Common shares and to benefit from the appreciation in the value of such Common shares. The Stock Option Plan increases the Company's ability to attract the individuals of exceptional skill by providing them with the opportunity, through the exercise of stock options, to benefit from the growth of the Company. The Board of Directors has the authority to determine the directors, officers, employees and consultants to whom options will be granted, the number of options to be granted to each person and the price at which common shares may be purchased, subject to the terms and conditions set forth in the Stock Option Plan.

Key provisions of the Stock Option Plan include:

- (a) the maximum number of Common Shares issuable pursuant to options granted under the Stock Option Plan will be a number equal to 10% of the issued and outstanding Common Shares on a non-diluted basis at any time;
- (b) a restriction that, without disinterested shareholder approval, no more than 10% of the total number of issued and outstanding Common Shares on a non-diluted basis may be issuable to insiders of INEO pursuant to options granted to insiders under the Stock Option Plan, together with all of INEO other previously established and outstanding or proposed share compensation arrangements;

- (c) a restriction that, without disinterested shareholder approval, no more than 10% of the total number of issued and outstanding Common Shares on a non-diluted basis may be issued to insiders of INEO within a one-year period pursuant to options granted to insiders under the Stock Option Plan, together with all of INEO's other previously established and outstanding or proposed share compensation arrangements;
- (d) the option price per Common Share is to be determined by the Board provided that such exercise price is not less than the discounted market price on the date of grant of such options or such other minimum price as may be required by the TSXV;
- (e) the vesting period of all options shall be determined by the Board;
- (f) options may be exercisable for a period of up to a maximum term of ten years, such period to be determined by the Board and the options are non-transferable;
- (g) options held by individuals who are terminated without cause are subject to an accelerated expiry term for those options which requires that options held by those individuals expire on the earlier of: (a) the original expiry term of such options; (b) 30 days after the optionee ceases active employment or engagement with INEO; or (c) 30 days after the date of delivery of written notice of retirement, resignation or termination;
- (h) options held by an individual who ceases to be employed by INEO for cause will terminate immediately; and
- (i) options which expire unexercised or are otherwise cancelled will be returned to the Stock Option Plan and may be made available for future option grant pursuant to the provisions of the Stock Option Plan.

The Board may, from time to time, subject to applicable law and the prior approval, if required, of the TSX-V or any other applicable regulatory body, suspend, terminate, discontinue or amend the Stock Option Plan.

6.2 Trading Price & Volume

The following table summarizes the price ranges and trading volume of the Common shares on the Exchange for each of the months stated, to the close of market trading on November 27, 2020:

Month	Price Range (\$CAD)		Volume	Exchange
	High	Low		
January	\$0.42	\$0.37	117,462 ⁽¹⁾	TSXV
February	\$0.40	\$0.35	241,486	TSXV
March	\$0.35	\$0.18	133,622	TSXV
April	\$0.25	\$0.15	94,096	TSXV
May	\$0.34	\$0.21	249,634	TSXV
June	\$0.30	\$0.24	88,669	TSXV
July	\$0.30	\$0.24	120,610	TSXV
August	\$0.24	\$0.21	89,094	TSXV
September	\$0.25	\$0.19	771,282	TSXV
October	\$0.25	\$0.19	692,626	TSXV
November	\$0.28	\$0.23	187,099 ⁽²⁾	TSXV

Notes:

- (1) 3 days trading only subsequent to listing date of January 29, 2020
- (2) 20days trading only to November 27, 2020

7 ESCROWED SECURITIES

The following table sets forth all Escrowed Securities of the Company that are outstanding as at the date of this AIF:

Designation of Class	Number of shares that are held in escrow or are subject to a contractual restriction on transfer as of date of AIF	Total % of Class
Common Shares	16,509,692 ⁽¹⁾	40.58%

Notes:

- (1) Held in escrow pursuant to the Value Escrow Agreement executed in conjunction with the Reverse Takeover Agreement. The Value Escrow Agreement provides for a timed release of Common Shares consistent with the escrow provisions of NP 46-201 and the restrictions agreed to by each of the applicable parties.

8 DIVIDENDS & DISTRIBUTIONS

The Company has not declared or paid dividends in the past and does not anticipate paying dividends in the foreseeable future.

The decision to declare a dividend is subject to the discretion of the Board and applicable law. In determining whether to declare and pay a dividend, the Board, amongst other criteria, will take into account The Company's earnings, financial liquidity, capital spending requirements, opportunities for growth and need to retire debt.

9 MANAGEMENT & GOVERNANCE

9.1 Directors & Officers & Security Holding

The following table sets forth the Directors & Officers of the Company:

Name & Place of Residence	Office Held	Date of Appointment	Principal Occupation Previous 5 years
Serge Gattesco <i>Toronto, ON, Canada</i>	Director ⁽¹⁾⁽⁴⁾	Director: Aug 19, 2020	PwC Canada National Managing Partner
Kyle Hall <i>Surrey, BC, Canada</i>	CEO, Director	Director: Sept, 2016 Officer: Sept, 2016	Director and Officer of INEO Solutions Inc. predecessor since Sept, 2016.
Zara Kanjii <i>Coquitlam, BC, Canada</i>	CFO	Officer: Jan 29, 2020	Founder of Zara Kanji & Associates since 2014

Steve Matyas <i>Toronto, ON, Canada</i>	Director ⁽²⁾⁽⁴⁾	Director: Feb 3, 2020	Chief Executive Office of STAPLES® Retail.
Gurminder Sangha <i>Surrey, BC, Canada</i>	Director ⁽³⁾	Director: Feb 3, 2020	Independent businessman.
Greg Watkin <i>Surrey, BC, Canada</i>	President, Director ⁽²⁾	Director: July, 2016 Officer: July 2016	Director and Officer of INEO Solutions Inc. predecessor since July, 2016

Notes:

- (1) Chair of the Audit committee
- (2) Member of the Audit committee
- (3) Chair of the Compensation, Governance & Nomination committee
- (4) Member of the Compensation, Governance & Nomination committee

Shareholdings of Directors and Executive Officers

The following table sets forth the Directors & Officers and their respective security holding in the Company:

Name	Number of Common Shares Held	Percentage of Common Shares Held
Greg Watkin	12,662,199	31.13%
Kyle Hall	4,220,733	10.38%
Gurminder Sangha	247,049	0.61%
Steve Matyas	200,000	0.49%
Serge Gattesco	nil	0.0%

As at the date of this AIF, the directors and executive officers of the Company, as a group, beneficially owned, or controlled or directed, directly or indirectly, 17,329,981 Common Shares, representing approximately 42.61% of the issued and outstanding Common Shares of the Company

9.2 Compensation, Governance & Nomination Committee

The Compensation, Governance & Nomination committee consists of:

- Gurminder Sangha (Chair & Independent)
- Serge Gattesco (Independent)
- Steve Matyas (Independent)

9.4 Audit Committee

The Company has established an Audit Committee that operates under a charter approved by the board of directors of the Company. A copy of the Audit Committee Charter is set out in full in Schedule A to this Annual Information Form. It is the board of directors' responsibility to ensure that an effective internal control framework exists within the Company. The Audit Committee has been formed to assist the board of directors to meet its oversight responsibilities in relation to the Company's financial reporting and external audit function, internal control structure and risk management procedures. In doing so, it will be

the responsibility of the Audit Committee to maintain free and open communication between the Audit Committee, the external auditors and the management of the Company.

The Audit Committee will review the effectiveness of the Company’s financial reporting and internal control policies and its procedures for the identification, assessment, reporting and management of risks. The Audit Committee will oversee and appraise the quality of the external audit and will review the Company’s financial reporting and practices, accounting policies, and the competency of the Company’s accounting department.

9.2.1 Composition of the Audit Committee

The Audit committee consists of:

- Serge Gattesco (Chair & Independent)
- Steve Matyas (Independent)
- Greg Watkin (non-Independent)

All of the members of the Audit Committee, except Greg Watkin, are independent within the meaning of National Instrument 52-110 — *Audit Committees (“NI 52-110”)*, which provides that a member shall not have a direct or indirect material relationship with the Company which could, in the view of the board of directors, reasonably interfere with the exercise of a member’s independent judgment. Also, all of the members are considered to be financially literate under NI 52-110. The Company considers “financial literacy” to be the ability to read and understand a company’s fundamental financial statements, including a company’s balance sheet, income statement and a cash flow statement.

In addition to each member’s general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as a member of the Audit Committee are as follows:

Director	Relevant Education and Experience
Serge Gattesco	BCom - University of Toronto Canadian Chartered Professional Accountant. Fellow of the Institute of Chartered Accountants of Ontario (2013) Instructor for the Institute of Corporate Directors. Founding Chair of the Accounting and Finance Advisory Committee of the Ted Rogers School of Management at Ryerson (TRSM) Deans Council of TRSM.
Steve Matyas	Retired Chief Executive Officer of STAPLES® Retail Retired President of STAPLES® North American Retail in Director of K-Bro Linens Inc., Director, Kal Tire Corp. Former Director and Chair - Retail Council of Canada Director of EPCOR Utilities, Director, SC REIT, Former Director of University of Alberta Business School Advisory Council on Retail Studies Former Director of the Advisory Committee for the School of Retail Management at the Faculty of Business, Ryerson University
Greg Watkin	Executive MBA – Queen’s University Former Officer of Burnaby Lake Greenhouses

	Former Officer of Canadian Securities Registration Systems Former Deputy Registrar – Bank of Canada Bank Act Security Former Officer of Epic Data
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The members of the Audit Committee are elected by the Board of Directors at its first meeting following the annual shareholders’ meeting to serve one-year terms and are permitted to serve an unlimited number of consecutive terms. As the Company is considered a “venture issuer” for the purpose of National Instrument 52-110, it is relying on the exemption found in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of National Instrument 52-110.

9.3 Audit Committee Oversight

It is the Board of Directors’ responsibility to ensure that an effective internal control framework exists within the Company. The Audit Committee has been formed to assist the Board of Directors to meet its oversight responsibilities in relation to the Company’s financial reporting and external audit function, internal control structure and risk management procedures. In doing so, it will be the responsibility of the Audit Committee to maintain free and open communication between the Audit Committee, the external auditors and the management of the Company.

9.4 Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

9.5 Pre-Approval Policies and Procedures

The Audit Committee has adopted procedures requiring the Audit Committee to review and approve in advance all particular engagements for services provided by the Company’s independent auditor. Consistent with applicable laws, the procedures permit limited amounts of services, other than audit, review or attest services, to be approved by one or more members of the Audit Committee pursuant to authority delegated by the Audit Committee, provided the Audit Committee is informed of each particular service. All of the engagements and fees for the year ended June 30, 2020 were pre-approved by the Audit Committee. The Audit Committee reviews with its auditor whether the non-audit services to be provided are compatible with maintaining the auditor’s independence.

External Auditor Service Fees

The following table provides detail in respect of audit, audit related, tax and other fees paid by the Company to the external auditor, Davidson and Company, Chartered Public Accountants LLP for professional services:

Category	Year ended June 30, 2020 \$
Audit Fees ⁽¹⁾	\$29,000

Audit-Related Fees ⁽²⁾	nil
Tax Fees ⁽³⁾	nil
All Other Fees ⁽⁴⁾	nil
Total	\$29,000

Notes:

- (1) "Audit Fees" represent fees for the audit of the Company's consolidated annual financial statements, review of the Company's interim financial statements and review in connection with regulatory financial filings.
- (2) "Audit Related Fees" represent fees for assistance regarding the application of accounting and financial reporting standards.
- (3) "Tax Fees" represent fees for tax compliance, tax consulting and tax planning.

9.6 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no Director or executive Officer of the Company is, as of the date of this AIF, or has been within the last 10 years prior to this date, been a Director, Chief Executive Officer or Chief Financial Officer of any company that was subject to a cease-trade order

To the knowledge of the Company, no director or executive officer of the Company is, as at the date hereof, or has been within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (a) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Company, no director or executive officer of the Company and no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company (a) is, as at the date hereof, or has been within ten years before the date hereof, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Furthermore, to the knowledge of the Company, no director or executive officer of the Company and no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a

securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

9.7 Conflicts of Interest

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the BCBCA dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and in the best interest of the Company.

10 PROMOTERS

The *British Columbia Securities Act* defines a "Promoter" as a person who:

(a) acting alone or in concert with one or more other persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, or

(b) in connection with the founding, organization or substantial reorganization of the business of the issuer, directly or indirectly receives, in consideration of services or property or both, 10% or more of a class of the issuer's own securities or 10% or more of the proceeds from the sale of a class of the issuer's own securities of a particular issue,

but does not include a person who

(c) receives securities or proceeds referred to in paragraph (b) solely

(i) as underwriting commissions, or

(ii) in consideration for property, and

(d) does not otherwise take part in founding, organizing or substantially reorganizing the business.

Each of Greg Watkin and Kyle Hall may be considered promoters of the Company, as they have taken the initiative in founding the business of the Company. The number of Common Shares currently held by each of the promoters, and the corresponding percentage of outstanding Common Shares, is set out in the section *Directors and Officers*.

11 LEGAL PROCEEDINGS

The Company is not, and was not party during the most recently completed financial year, to any legal proceedings. The Company does not know of any legal proceedings which are contemplated.

12 INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No directors, officers or employees of the Company hold an interest in material transactions and receive no extra or special benefit or advantage not shared on an equal basis by all other holders of the same class of securities or all other holders of the same class of securities who are resident in Canada.

13 TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar for the Common Shares of the Company is Computershare Investor Services, located at its offices in Toronto, Ontario.

14 MATERIAL CONTRACTS

Except as set out below, there are no material contracts, other than those contracts entered into in the normal course of business, which have been entered into in the last fiscal year, or that are still in effect, and which are required to be filed with Canadian securities authorities in accordance with section 12.2 of National Instrument 51-101 – Continuous Disclosure Obligations:

The Escrow Agreement between the Company, Computershare Investors and certain shareholders of the company dated January 24, 2020

15 INTEREST OF EXPERTS

The Company's auditors are Davidson and Company, Chartered Professional Accountants. It has prepared and independent auditors report dated October 13, 2020, in respect of the Company's consolidated financial statements with accompanying notes for the year-ended June 30, 2020 and has advised that it is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

No director, officer or employee of Davidson and Company is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or any of its subsidiaries.

16 RISK FACTORS

The development and deployment of new technology is subject to significant risks. The risk factors noted below do not necessarily comprise all those faced by the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the business, operations and future prospects of the Company. If any of the following risks actually occur, the business of the Company may be harmed and its financial condition and results of operations may suffer significantly.

Limited Operating History

The Company began carrying on business as INEO in 2016 and has only recently begun to generate revenue. The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a

return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Reliance on Management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees such as Greg Watkin and Kyle Hall, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Factors which may Prevent Realization of Growth Targets

The Company is currently in the early roll-out stage. There is a risk that these additional resources will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following:

- non-performance by third party contractors;
- developing technology is subject to change;
- competition;
- inability to acquire sufficient financing to fund operations;
- cyber attacks on the Company's operating systems;
- loss of intellectual property rights on its proprietary software;
- increases in materials or labour costs;
- foreign exchange risks and currency fluctuation;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment processes;
- contractor or operator errors;
- labour disputes, disruptions or declines in productivity;
- inability to defend and costs in defending potential breaches of intellectual property rights;
- inability to attract sufficient numbers of qualified workers; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

As a result, there is a risk that the Company may not have product or sufficient product to meet the anticipated demand or to meet future demand when it arises.

Additional Financing

In order to execute the anticipated growth strategy, the Company may require some additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit the Company's growth and may have a material adverse effect upon future profitability. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights,

preferences and privileges superior to those of holders of Common Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Inability to achieve or obtain profitability

The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, it will not be profitable.

Competition

Numerous factors will affect the Company's competitive position, including price. Other companies may decide to enter the space and could have substantially greater financial, marketing and other resources. Several of these companies may have greater name recognition and well-established relationships with some of the Company's target customers. Furthermore, these potential competitors may be able to adopt more aggressive pricing policies and offer more attractive terms to customers than the Company is able to offer. The Company may face increasing price pressure from competitors and customers. In addition, current and potential competitors have established or may establish cooperative relationships amongst themselves or with third parties to compete more effectively. Existing and potential competitors may also develop enhancements to, or future generations of, competitive products and services that will have better performance features than the Company's system.

It is possible that the Company will face additional competition from new entrants. To remain competitive, the Company will require a continued high level of investment in research and development, marketing, sales and customer support. The Company may not have sufficient resources to maintain research and development, marketing, sales and customer support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Company.

Dependence on Personnel

Due to the technical nature of its business and the dynamic market in which the Company competes, its success depends on its ability to attract and retain highly skilled developers, technology, engineering, managerial, marketing and sales personnel. In particular, the Company's future success depends in part on the continued services of each of its current executive officers and other key employees. Competition for qualified personnel in the technology space is intense. Management believes that there are only a limited number of persons with the requisite skills to serve in many key positions and it is difficult to hire and retain these persons. The loss of one or more of these key personnel may have a significant adverse effect on the Company's sales, operations, technological development and profits.

Difficulty to Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Variable Revenues / Earnings

The revenues and earnings of the Company may fluctuate from quarter to quarter, which could affect the market price of the Company's Common Shares. Revenues and earnings may vary quarter to quarter as a result of a number of factors, including the timing of releases of new products or services, the timing of substantial sales orders or deliveries, activities of the Company's competitors, cyclical fluctuations related to the evolution of technology, possible delays in the manufacture or shipment of current or new products, concentration in the Company's customer base, and possible delays or shortages in component supplies.

Suppliers

The Company has relationships with suppliers and service providers upon which it depends to provide critical components for its products and services. In the event that the Company is unable to maintain these relationships or establish relationships with new suppliers or service providers as required, the availability, pricing and quality of its products and services may be adversely affected causing an adverse effect on the Company's business, operating results and financial condition. Relationships with third-party suppliers and service providers expose the Company to risks associated with the integrity, quality, reputation, solvency and performance of such parties.

Operating Risk and Insurance Coverage

The Company has insurance to protect its assets, operations and employees. While Management believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company may be exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if it were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Conflicts of Interest

Certain of the proposed directors and officers of the Company are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies.

Privacy

The Company may be subject to scrutiny and regulation from regulatory and legislative bodies with regards to the information that is collected within its systems. To reduce this risk, the Company has taken a proactive approach to consumer and data privacy a comprehensive data privacy policy that is consistent

with industry best practices. However, there can be no assurance that the approach taken by the Company with respect to data privacy will be wholly sufficient to protect the Company from various risks associated with personal data collection, which risks could materially and adversely affect the business, financial condition and results of operations of the Company.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business, which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for the Company's Common Shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant company resources.

Share Price Fluctuations

The market price of the Company's Common Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company and its subsidiaries, general economic conditions, legislative changes, and other events and factors outside of the Company's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Company's Common Shares.

Dividends

The Company has no earnings or dividend record, and does not anticipate paying any dividends on the Common Shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Limited Market for Securities

Upon completion of the Acquisition, the Company's Common Shares will be listed on the Exchange, however, there can be no assurance that an active and liquid market for the Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company.

Technology

The Company operates in a highly competitive environment where its hardware and other products and services are subject to rapid technological change and evolving industry standards. The Company future success depends on its ability to design and produce new products and services, deliver enhancements to its existing products and services, accurately predict and anticipate evolving technology and respond to technological advances in its industry and its customers' increasingly sophisticated needs. The Company's products embody complex technology that may not meet those standards, changes and preferences. If the Company is unable to respond to technological changes, fails or delays to develop products in a timely and cost-effective manner, its products and services may become obsolete, and the Company may be unable to recover its research and development expenses which could negatively impact sales, profitability and the continued viability of the business.

Intellectual Property

In spite of the patent on the Company's proprietary technology, unauthorized parties may attempt to copy aspects of its products or to obtain information that is proprietary. Policing unauthorized use of proprietary technology, if required, may be difficult, time-consuming and costly. If a third-party misappropriates the Company's intellectual property, the Company may be unable to enforce its rights. If the Company is unable to protect its intellectual property against unauthorized use by others, it could have an adverse effect on its competitive position. The Company may be challenged by allegations of its infringement of the intellectual property of others. There is no assurance that the Company will be successful in defending such claims and, if it is unsuccessful, there is no assurance that the Company will be successful in obtaining a license for the intellectual property in question. Intellectual property claims are expensive and time consuming to defend and, even if they are without merit, may cause delay in the introduction of new products or services. In addition, the Company's managerial resources could be diverted in order to defend its rights, which could disrupt its operations.

Proprietary Protection

The Company's success will depend, in part, on its ability to enforce patent rights, maintain the confidentiality of trade secrets and unpatented know-how, and to operate without infringing on the proprietary rights of third parties or having third parties circumvent the Company's rights. The Company relies on a combination of patented technology, contract, copyright, trademark and trade secret laws, confidentiality procedures and other measures to protect its proprietary information. There can be no assurance that the steps taken will prevent misappropriation of the Company's proprietary rights. The Resulting Issue's competitors could also independently develop technology similar to its technology. Although the Company does not believe that its products or services infringe on the proprietary rights of any third parties, there can be no assurance that infringement or invalidity claims (or claims for indemnification resulting from infringement claims) will not be asserted or prosecuted against us, or that any such assertions or prosecutions will not materially adversely affect our business, financial condition or results of operations. Irrespective of the validity or the successful assertion of such claims, the Company could incur significant costs and diversion of resources with respect to the defense thereof, which could have a material adverse effect on its business.

Liability Claims

The Company may be subject to claims arising from the use of its products and services. The Company's products are complex and sophisticated and, from time to time, may contain design defects that are difficult to detect and correct. There can be no assurance that errors will not be found in the Company's products or, if discovered, that we will be able to successfully correct such errors in a timely manner or at all. Correcting such errors and failures could require significant expenditure of capital. The sale and support of the Company's products and services may entail the risk of substantial product liability or warranty claims in the event of errors or failures. A product liability claim could adversely impact the Resulting Issue's business due to the cost of settlements and due to the costs of defending such claims.

Credit Concentration and Credit Risk

The Company intends to provide credit to its customers in the normal course of operations. Credit risk arises from the potential that a customer or counterparty will fail to meet its contractual obligations. The

Company is exposed to credit risk from its customers on its trade receivables and unbilled revenue. Accounts receivable include amounts due from its retail customers, which exposes the Company to risk of non-payment. The Company estimates probable losses on a continuing basis, and records a provision for such losses based on the estimated realizable value. Although the Company will attempt to manage its credit risk exposure, there is no assurance that this provision will be adequate.

Foreign Exchange

As Management anticipates that the Company's business will expand with increased global sales, it is expected that it may be necessary to transact sales in foreign currencies other than Canadian dollars, thus exposing the Company to foreign currency risk.

General Economic Conditions

The Company's results could be adversely affected by changing economic conditions in the countries in which it operates. The current Covid[19] crisis has affected the level of commercial and consumer delinquencies, lack of consumer confidence, cuts in government spending, increased market volatility and widespread reduction of business activity generally. There can be no guarantees that the countries in which the Company operates will not experience similar economic conditions, and to the extent such markets experience an economic deterioration, the resulting economic pressure on the Company's customers may cause them to end their relationship with the Company, reduce or postpone current or expected purchase orders for its products, or suffer from business failure, resulting in a decline in our revenues and profitability that could be material. Continued difficult or uncertain economic conditions could adversely affect the Company's revenue and profitability.

Market Demand for the Product and Services

The Company's success is dependent on its ability to market its products and services. There is no guarantee that its products and services will remain competitive. There is no guarantee the Company will be able to respond to market demands. If the Company is unable to effectively develop and expand the market for its products and services, its growth may be adversely affected.

Stock Price Volatility

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the Company's securities will be affected by such volatility. The Company's stock price may also experience significant fluctuations due to operating performance, performance relative to analysts' estimates, disposition or acquisition by a large shareholder, a lawsuit against the Company, the loss or acquisition of a significant customer or distributor, industry-wide factors and factors other than the operating performance of the Company. These factors, among others, may cause decreases in the value of the Company's Common Shares.

Government Regulations

Although Management believes that the Company has obtained the necessary approvals for the products that it currently sells, it may not be able to obtain approvals for future products on a timely basis, or at all. In addition, regulatory requirements may change or the Company may not be able to obtain regulatory approvals from countries in which it may desire to sell products in the future. The Company may be required to incur additional costs in order to comply with foreign and state government regulations as it might pertain to certain issues concerning compliance with local regulations governing its devices, content, privacy, taxation and other considerations.

Industry Growth

There can be no assurance that the Company's targeted vertical and geographic markets will grow, or that the Company will be successful in establishing ourselves in new vertical and geographic markets. If the various markets in which its products compete fail to grow, or grow more slowly than is currently anticipated, or if the Company is unable to establish itself in new markets, its growth plans could be materially adversely affected.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities as they become due. The Company facilitates this in part by maintaining a line of credit with a major Canadian bank.

Accounting Estimates

The Company commenced preparing its financial statements in Canadian dollars in accordance with International Financial Reporting Standards ("IFRS"). Management makes various estimates and assumptions in determining the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and revenues and expenses for each year presented. The significant estimates include testing for impairment of goodwill and provision for warranty. Changes in estimates and assumptions will occur based on the passage of time and the occurrence of certain events.

Internal Controls

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. However, the system of internal controls over financial reporting is not guaranteed to provide absolute assurance with regard to the reliability of financial reporting and financial statements.