



TrustBIX Inc.

Management's Discussion and Analysis

Year Ended September 30, 2022

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

The following Management's Discussion and Analysis ("MD&A") relates to the financial position, results of operations and cash flows of TrustBIX Inc. ("TrustBIX", "we", "us", "our" or the "Company" or "Corporation") for the year ended September 30, 2022 and should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended September 30, 2022 (the "financial statements"), and the MD&A and TrustBIX Inc. audited consolidated financial statements and related notes for the year ended September 30, 2021. The information in this MD&A is current to December 22, 2022, unless otherwise noted.

Unless otherwise stated, financial information in this MD&A is expressed in Canadian dollars and the audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and included in the CPA Canada Handbook – Accounting, Part I. This MD&A provides information on the activities of the Company.

The audited consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries ViewTrak Technologies Inc. ("ViewTrak") and Insight Global Technology Inc ("Insight") (note 6 of the audited consolidated financial statements). All inter-company accounts and transactions have been eliminated.

Management is responsible for the information contained in the MD&A and its consistency with information presented, and the MD&A was reviewed and approved by the Board of Directors ("Board") as of December 22, 2022. The audited consolidated financial statements and additional information pertaining to the Company can be found on the System for Electronic Document Analysis and Retrieval ("SEDAR") web site at www.sedar.com.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and reflects the Company's present assumptions regarding future events. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance, and/or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements.

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "should", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions used by any of the Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's internal projections, expectations, future growth, performance and business prospects and opportunities and are based on information currently available to the Company. Since they relate to the Company's current views with respect to future events, they are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments except as required by applicable securities legislation, regulations or policies.

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

SIGNIFICANT DEVELOPMENTS AFFECTING OPERATIONS

Going concern

Liquidity and capital resources

The Company's principal sources of liquidity are cash from operations, cash on hand, loan payable with Western Economic Diversification Canada, and promissory notes. Funding operating capital needs, as circumstances warrant, may also come from sales of equity.

As at September 30, 2022, the Company had a net working capital deficit of \$1,068,208 compared to a net working capital of \$20,109 as at September 30, 2021. For the year ended September 30, 2022, the Company incurred a net loss of \$4,067,143 (2021 – \$2,239,359) and net cash outflow from operating activities of \$2,575,632 (2021 – \$2,140,742). As at September 30, 2022, the Company had an accumulated deficit of \$16,278,316 (2021 – \$12,211,173). In addition, the Company also has lease commitments in the amount of \$34,056 as disclosed in note 11 of the audited consolidated financial statements.

Key areas of future investment include improving the presentation and the functionality of the BIX platform; improving customer data integration and customer relations management capabilities of ViewTrak products; focusing on enhancing and optimizing the BIX platform for existing customers; creating more opportunities for the BIX platform in other industries and sectors such as ESG; and exporting of beef to Asia. These and other investments are expected to, among other things, provide growth of the BIX platform. The exporting of beef to Asia will not require additional personnel or significant capital costs.

On March 7, 2022 the Company completed the acquisition of Insight, an early stage company providing solutions to track, protect and identify the movement of high-value moveable equipment used in agriculture and other industries. The Company does not anticipate additional significant personnel or capital costs while executing sales of this new tracking solution.

While factors related to COVID-19 have negatively impacted results during the years ended September 30, 2022 and 2021, those negative impacts were partially offset by the positive results generated from expense reduction initiatives and the Canada Emergency Wage Subsidy (CEWS) which support an improved liquidity position. During the years ended September 30, 2022, the Company received \$8,214 (2021 – \$37,958) from CEWS, which is netted against wages and benefits (note 19 of the audited consolidated financial statements).

For the year ended September 30, 2022, the Company recognized government assistance of \$107,247 (2021 – \$10,418) in research and development expenses, and \$nil (2021 – \$43,860) in consulting expenses from Protein Industries Canada ("PIC") (note 19 of the audited consolidated financial statements).

For the year ended September 30, 2022, the Company recognized government assistance of \$125,206 (2021 – \$1,893) in research and development expenses, and \$nil (2021 – \$32,530) in consulting expenses from the Industrial Research Assistance Program ("IRAP") (note 19 of the audited consolidated financial statements).

The Company may also fund operating and growth capital needs, as circumstances warrant, from sales of equity securities. The timing and amount of any equity sales would depend on, among other factors, available cash and liquidity and operating performance, commitments and obligations, alternative sources and costs of capital available, market perceptions, current trading price of common equity, and overall market conditions. Cash raised in fiscal 2022 include:

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

- Promissory notes totaling \$250,000 to use as working capital (note 14 of the audited consolidated financial statements);
- non-brokered private placement financing for gross proceeds of \$1,138,380 or 6,324,334 units at a price of \$0.18 (note 15(a) of the audited consolidated financial statements); and
- non-brokered private placement for gross proceeds of \$705,000 or 4,406,250 common shares at a price of \$0.16 per common share. (note 15(a) of the audited consolidated financial statements).

On July 27, 2020, the Company entered into a contribution agreement with Western Economic Diversification Canada (WD) for a repayable financial contribution under the Regional Relief and Recovery Fund. Under the contribution agreement, WD supported the Company with an investment of \$1,000,000 for general working capital requirements (the "Contribution"). Repayment of the Contribution commences on January 31, 2023 and continues in equal monthly instalments until the Contribution is fully repaid by December 31, 2025. The Contribution is unsecured and non-interest bearing, unless repayment is not made as scheduled. This loan could adversely affect the Company's ability to raise additional capital to fund operations, limit ability to react to changes in the economy or its industry, and prevent it from meeting its obligations.

Based on current operating plans, management believes that cash will need to be raised to provide sufficient liquidity to fund operations and growth for the next 12 months.

The outcome of such efforts is dependent on a number of factors outside of the Issuer's control. The nature of the technology sector, availability of government grants and current financial equity market conditions, including the impact of a novel strain of the coronavirus (COVID-19) (note 3 in the audited consolidated financial statements), make the success of any future financing ventures and the other management strategies uncertain. There can be no assurance that management's efforts will be successful. This uncertainty casts significant doubt upon the Issuer's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to going concern.

COVID-19

The COVID-19 pandemic has had, and continues to have, a significant impact around the world, prompting governments and businesses to implement restrictions on travel and business operations and quarantine. During the year ended September 30, 2022, aspects of the Company's business continue to be affected by the COVID-19 pandemic, with a number of the Company's employees working remotely and the reactivation of certain travel and business development activities. The continued spread of COVID-19 resulted in a slowing of the agriculture and general business sectors and staffing issues, resulting in financial uncertainty with the Company's customers.

The full extent of the impacts of COVID-19 on the Company's operations and future financial performance is currently uncertain. It will depend on future developments that are uncertain and unpredictable, including the duration and emergence of new variants, its continued impact on capital and financial markets on a macro-scale and any new information that may emerge concerning the severity of the virus. These uncertainties may persist beyond when it is determined how to contain the virus or treat its impact. The outbreak presents uncertainty and risk with respect to the Company, its performance and estimates and assumptions used by management in the preparation of its financial results.

PRINCIPAL BUSINESS

As an innovative leader, TrustBIX provides agri-food traceability and chain of custody value solutions. The Company's goal is to create a world where we trust more, waste less and reward sustainable behaviour by addressing consumer and agri-food business demands. The proprietary platform, BIX (Business

TrustBIX Inc.

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

InfoXchange System), is designed to create trust without compromising privacy through innovative, blockchain-derived use of technology and data. By leveraging BIX and its unique use of incentive solutions, TrustBIX delivers independent validation of food provenance and sustainable production practices within the supply chain - Gate to Plate®.

While management's efforts and the Company's focus is primarily on the development of BIX products and markets, current revenue is generated largely from ViewTrak's products (information regarding operating segments is disclosed in note 21 of the audited consolidated financial statements). ViewTrak, a wholly owned subsidiary of TrustBIX, has developed solutions for many agricultural technology challenges, with an emphasis on feedlots, auctions and processors, and its proprietary technology includes:

Auction Master Pro ("AMP") and Market Master ("MM") - livestock auction market software solutions to help build and operate auction activities,

Feedlot Solutions ("FLS") - livestock feedlot management software, and

Electronic Pork Grader - pork probe technology to help producers price pork carcasses by evaluating carcasses for fat thickness, lean meat thickness, meat percentage and carcass class.

ViewTrak's pork probe technology is used by the largest pork processor in China¹ and by major pork processors in Canada and Mexico to grade and price pork carcasses.

On March 7, 2022 the Company completed the acquisition of Insight (note 6 of the audited consolidated financial statements), an early stage company providing solutions to track, protect and identify the movement of high-value moveable equipment used in agriculture and other industries.

¹ <https://www.scmp.com/business/companies/article/3022643/worlds-largest-pork-producer-wh-group-between-us-and-china-finds>

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

OUTLOOK

The TrustBIX vision is to create a world where we trust more, waste less, and reward sustainable behaviour.

The TrustBIX team continues to focus on bringing this vision to reality – pursuing new opportunities while delivering on existing arrangements and agreements. Expenses are closely monitored and controlled, but research and development efforts continue. Further working capital will be required to continue the Company's development and growth, including possible acquisitions, which may be funded through private placements. Since the May 24th, 2022, announcement, the team has also been working with US investor relations firm, RB Milestone Group, to start marketing to US investors.²

The Company's main objectives for the 2022 fiscal year continue to be:

1. Create revenue growth; and
2. Enhance and expand technology capabilities and functionality

Objective 1 – Revenue Growth

Market Pull Creation

Environmental, Social, and corporate Governance (ESG) investing is top of mind as many global fund managers are increasingly using ESG criteria as part of their portfolio selection. According to NAVEX Global: "As of 2020, 88% of publicly traded companies, 79% of the venture and private equity-backed companies, and 67% of privately-owned companies had ESG initiatives in place."³ TrustBIX is positioned to gather and report on the data needed for ESG reporting, particularly with respect to the food supply chain.

On May 3rd, 2022, the Company announced the signing of a master services agreement with JBS Food Canada.⁴ Internationally, JBS is one of the world's largest food companies with customers in approximately 100 countries on six continents. TrustBIX continues to work closely with the JBS team and anticipates 2023 will show more revenue.

On February 28th, 2022, TrustBIX announced the continued strengthening of the relationship with Cargill through the signing of an Innovation Agreement.⁵ Cargill Limited is one of Canada's largest food merchandisers and processors. Globally, Cargill has customers in 70 countries/regions. Engagement from Cargill has not yet reached levels as originally anticipated.

These announcements are significant because the combined volume of cattle harvested in Canada by these two companies is approximately 85% of all federally-inspected beef in Canada.⁶ The TrustBIX pricing model is a combination of volume transacted, plus subscription and professional services. Working with the Canadian divisions of these international food companies allows TrustBIX to explore opportunities to grow and scale revenues not only in beef but also in other agri-food sectors.

² <https://www.newsfilecorp.com/release/124836/TrustBIX-Inc.-Announces-Engagement-of-US-Investor-Relations-Services>

³ <https://www.navexglobal.com/blog/article/environmental-social-governance-esg-global-survey-findings/>

⁴ <https://www.newsfilecorp.com/release/122479/TrustBIX-Inc.-Announces-Agreement-with-JBS-Food-Canada-ULC>

⁵ <https://www.newsfilecorp.com/release/114950/TrustBIX-Inc.-Announces-Innovation-Contract-with-Cargill>

⁶ <https://financialpost.com/commodities/agriculture/why-only-three-meat-packing-plants-process-the-vast-majority-of-canadas-beef>

TrustBIX Inc.

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

Producer Engagement

The success of ESG supply chain reporting also depends on data from the farms. This is a competitive advantage for TrustBIX due to the long relationships with the ViewTrak and BIX users who are farmers and producers.

To incentivize this group to share information needed for economic buyers' metrics or sustainability brand and product claims, TrustBIX works with its partners to create financial benefits for producers that participate in marketing programs utilizing BIX. These benefits could be related to increased volume sold, increased prices, or incentives from financial institutions or governmental and other agencies.

These benefits within supply chains often take months to realize but the TrustBIX team is continually pursuing opportunities to provide more immediate tangible results for producers through savings and risk reduction. By encouraging and rewarding sustainable behaviour, the Company will be able to grow the producer user-base in BIX.

On March 7th, 2022, TrustBIX announced the final acceptance by the TSX Venture Exchange for the completion of the acquisition of Insight.⁷ Under the terms of the acquisition, if Insight net revenue reaches \$1,000,000 with a target profit of \$300,000 within twelve months after closing the transaction, the Insight shareholders could earn up to an additional 20 million TrustBIX common shares (over and above the initial 10 million they received). This will not only drive potential profitable revenue for the Company but also create producer engagement - such as assisting with asset management, including reduction of theft and recovery of stolen equipment. It has taken longer than anticipated to commercialize the Insight solution. This may impact the ability for the Insight shareholders to earn the full additional 20 million consideration shares (note 6 of the audited consolidated financial statements).

Objective 2 – Enhance and Expand Technology Capabilities

The technology development team continues to upgrade and enhance the BIX platform to create more opportunities to work with customers. On June 14th, 2022, and July 26th, 2022, TrustBIX announced the release of the BIX Origin⁸ and BIX Impact⁹ modules respectively. The significance of these announcements is that BIX Impact records the impact of production practices in industry programs for ESG report cards and claims, while BIX Origin tracks the source of the product and its attributes. These modules also enhance BIX's ability to support multiple agri-food and bio-industrial industries, including cereal crops, pulse crops, animal protein, carbon, and biochar. Further development with additional features is in progress.

BIX Path to Commercialization

The Company's focus on revenue growth and technology enhancements creates the opportunity to expand into different market sectors. The BIX platform continues to demonstrate its strength and applicability. R&D projects have converted to pilot projects with customers, and some are starting to commercialize. In the commercialization phase, the TrustBIX team helps customers to increase sales volume and margins by leveraging the BIX platform.

⁷ <https://www.newsfilecorp.com/release/115830/TrustBIX-Inc.-Receives-Final-Exchange-Acceptance-and-Completes-the-Acquisition-of-Insight-Global-Technology-Inc.>

⁸ <https://www.newsfilecorp.com/release/127616/TRUSTBIX-INC.-Announces-Release-of-BIX-Origin>

⁹ <https://www.newsfilecorp.com/release/131990/TrustBIX-Inc.-Announces-Release-of-BIX-Impact>

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

With R&D projects, revenues are based on cost recovery, while with pilot projects, revenues are based on professional services and licensing fees. In the commercialization phase, fees are based on a percentage of the sales volume and margins of customer products traced in the BIX platform. Moving from R&D towards commercialization, revenue may drop for a period of time as the fee for service income converts to volume-based income. Revenue from the BIX platform is expected to scale as the Company penetrates more market sectors with more commercialization customers.

Anticipated progress in various market sectors is summarized below:


TARGET MARKETS PIPELINE

BIX Market	R & D	Pilot Projects	Commercialization
	Cost Recovery	Professional Services Fee & License Fees	SaaS/Volume Fee & Professional Services
Beef	Completed	Completed	In progress
Biomass	Completed	In progress	Target: Q1 2023
Bio Industrial	Completed	In progress	Target: Q2 2023
Plant Protein	Completed	In progress	Target: Q2 2023
Poultry	Completed	In progress	Target: Q3 2023
Dairy	In progress	Target: Q2 2023	
Cereal Crop	Target: Q3 2023		
Carbon	Target: Q3 2023		

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

RESULTS OF OPERATIONS**Selected information for the years ended September 30, 2022, 2021 and 2020:**

	September 30,		
	2022	2021	2020
	\$	\$	\$
Revenue			
License	193,105	143,514	62,679
Hardware and installation	387,344	514,930	423,101
Professional and development services	278,152	687,319	288,875
Maintenance	816,504	823,065	852,782
	1,675,105	2,168,828	1,627,437
Expenses:			
Wages and benefits	2,287,546	1,742,487	2,201,309
Professional fees	972,687	446,237	396,332
Consulting Fees	893,186	974,274	790,355
Amortization and depreciation	378,390	88,373	131,838
Office	354,642	306,761	328,077
Research and development	338,685	220,112	154,775
Hardware costs and supplies	285,096	377,343	252,282
Travel, trade shows and conferences	94,052	46,763	165,723
Advertising and promotion	29,095	36,324	39,511
Foreign exchange loss (gain)	7,880	25,234	(1,472)
Bad debt exp (recovery)	124	3,565	(10,035)
	5,641,383	4,267,473	4,448,695
Loss before other income (expenses) and income taxes	(3,966,278)	(2,098,645)	(2,821,258)
Other (expense) income	(100,865)	(140,714)	486,148
Income taxes	-	-	-
Net loss and comprehensive loss for the period	(4,067,143)	(2,239,359)	(2,335,110)
Per common share:			
Basic and diluted loss per share	(0.08)	(0.06)	(0.09)
Number of common shares outstanding - end of period	79,649,831	38,385,913	27,860,913
Weighted average number of common shares outstanding - basic and diluted	50,705,085	34,984,110	26,562,428
Statement of financial position data:			
Working capital (deficiency) - current assets less current liabilities	(1,196,390)	(20,109)	100,402
Total assets	2,078,816	1,236,251	1,481,895

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

Year ended September 30, 2022 compared to 2021

Revenue

Total revenue for the year ended September 30, 2022 decreased to \$1,675,105 from \$2,168,828 in 2021, a decrease of \$493,723 or 22.8% due to the following:

- Licence revenue increased to \$193,105 in 2022 from \$143,514 in 2021, an increase of \$49,591 mainly due to increased demand in AMP and from the release of the Company's BIX Origin module to support provenance, chain of custody, and ESG reporting, partially offset by reduced MM and FLS sales.
- Hardware and installation revenue decreased to \$387,344 in 2022 from \$514,930 in 2021, a decrease of \$127,586 driven primarily by reduced probe and MM sales, offset by increased AMP hardware sales.
- Professional and development services revenue decreased to \$278,152 in 2022 from \$687,319 in 2021, a decrease of \$409,167. The decrease is due mainly to BIX platform revenue, and in particular, development services in 2021 to All West Demolition Ltd., in a commercial pilot program, to track biomass and waste streams to divert material from landfills and create new products for agricultural and industrial markets. In addition, Cargill sustainable beef program fees, energy management services and one-time consulting services with MM platforms also decreased. Partially offsetting the decrease, are revenues from the release of the Company's BIX Origin module to support provenance, chain of custody, and ESG reporting, as well as one-time consulting services with AMP.
- Maintenance revenue decreased to \$816,504 in 2022 from \$823,065 in 2021, a decrease of \$6,561, primarily due to a decrease of probe, FLS and MM revenues, partially offset by maintenance revenues from AMP and from the Company's newly acquired Insight solution to track, protect and identify the movement of high-value moveable equipment used in agriculture and other industries.

The impact of COVID-19 and measures to prevent its spread continued to affect the Company's revenue in several ways. Postponed sales as well as some delays in the collection of trade receivables across the beef and pork sectors were experienced, along with reduced usage of certain products and services.

Expenses

Wages and benefits

Wages and benefits increased to \$2,287,546 in 2022 from \$1,742,487 in 2021, an increase of \$545,059. The increase is primarily due to an increase of \$378,176 in stock-based compensation and higher allocation of wages and benefits to research & development expenses in 2021.

In addition, the Company received a Canada Emergency Wage Subsidy of \$8,214 (2021 – \$37,958), which was netted against wages and benefits (note 19 of the audited consolidated financial statements).

Professional fees

Professional fees increased to \$972,687 in 2022 from \$446,237 in 2021, an increase of \$526,450 primarily due to legal fees related to non-capitalized acquisition and fundraising costs, as well as general and regulatory matters. Professional fees also increased due to engagement of P&C Ventures as a strategic

TrustBIX Inc.

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

advisor, and stock-based compensation to non-employee consultants for investor relations services, partially offset by a reduction of capital markets services and compliance costs.

Consulting fees

Consulting fees decreased to \$893,186 in 2022 from \$974,274 in 2021, a decrease of \$81,088. The decrease is primarily due to cost reduction measures and expenses related to Green Metrics for the ESG initiative with Sunterra incurred in 2021, partially offset by outsourced BIX development in 2022 and stock-based compensation to non-employee consultants.

The Company did not recognize PIC and IRAP funding in 2022 and recognized \$43,860 and \$32,530, respectively, in 2021 (note 19 of the audited consolidated financial statements).

Amortization and depreciation

Amortization and depreciation increased to \$378,390 in 2022 from \$88,373 in 2021, an increase of \$290,017 mainly due to amortization of Insight software, offset by certain intangible assets being fully amortized.

Office

Office increased to \$354,642 in 2022 from \$306,761 in 2021, an increase of \$47,881. The increase was primarily due to higher corporate insurance premiums, office closure costs for consultants in China, additional memberships and software license and fees, bank fees, office supplies and common area occupancy costs.

Research and development

Research and development increased to \$338,685 in 2022 from \$220,112 in 2021, an increase of \$118,573, primarily due to the development of the Origin platform and the Sustavian project.

The Company recognized PIC and IRAP funding of \$107,247 and \$125,206, respectively, (2021 – \$10,418 and \$1,893, respectively) (note 19 of the audited consolidated financial statements).

Hardware costs and supplies

Hardware costs and supplies decreased to \$285,096 in 2022 from \$377,343 in 2021, a decrease of \$92,247, primarily due to costs related to analysis and confirmation of beef export opportunities in 2021, decreased sales of Probes and MM upgrades, partially offset by increased costs related to the sale of Insight.

Travel, trade shows and conferences

Travel, trade shows and conferences increased to \$94,052 in 2022 from \$46,763 in 2021, an increase of \$47,289 related to the beef industry and ViewTrak.

Advertising and promotion

Advertising and promotion decreased to \$29,095 in 2022 from \$36,324 in 2021, a decrease of \$7,229, due to one-time promotions in 2021.

Foreign exchange loss (gain)

Foreign exchange loss decreased to \$7,880 in 2022 from \$25,234 in 2021, a decrease of \$17,354, due to changes in foreign exchange rates.

TrustBIX Inc.

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

Bad debts (recovery)

Bad debts expense decreased to \$124 in 2022 from \$3,565 in 2021, a decrease of \$3,441.

Other (expenses) income

Other expenses decreased to \$100,865 in 2022 from \$140,714 in 2021, a decrease of \$39,849. The decrease is due primarily to interest charges on certain trade payables in 2021, the remeasurement of the investment in Provision Analytics from USD to Canadian dollars and a gain on sale of a portion of the investment in Provision Analytics (note 12 of the audited consolidated financial statements), partially offset by accretion of interest expense on the WD loan (see note 14 of the audited consolidated financial statements).

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

Summary of quarterly results

The following table shows a summary of the Company's unaudited quarterly financial information for each of the eight most recent quarters:

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Year
	\$	\$	\$	\$	\$
Revenue	450,622	390,496	411,726	422,261	1,675,105
Expenses	1,571,013	1,654,448	1,416,822	999,100	5,641,383
Loss before other income (expenses) and income taxes	(1,120,391)	(1,263,952)	(1,005,096)	(576,839)	(3,966,278)
Other income (expenses)	(12,390)	(21,737)	(34,451)	(32,287)	(100,865)
Income taxes	-	-	-	-	-
Net loss and comprehensive loss	(1,132,781)	(1,285,689)	(1,039,547)	(609,126)	(4,067,143)
Per common share:					
Basic and diluted loss per share	(0.02)	(0.02)	(0.02)	(0.02)	(0.08)
Number of common shares outstanding - end of period	79,649,831	79,449,831	74,400,942	42,792,163	79,649,831
Weighted average number of common shares outstanding - basic and diluted	59,528,092	59,091,101	45,799,747	38,385,913	50,705,085
	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Year
	\$	\$	\$	\$	\$
Revenue	491,213	504,128	753,255	420,232	2,168,828
Expenses	1,024,717	1,030,990	1,213,961	997,805	4,267,473
Loss before other income (expenses) and income taxes	(533,504)	(526,862)	(460,706)	(577,573)	(2,098,645)
Other income (expenses)	(18,037)	(31,958)	(49,907)	(40,812)	(140,714)
Income taxes	-	-	-	-	-
Net loss and comprehensive loss	(551,541)	(558,820)	(510,613)	(618,385)	(2,239,359)
Per common share:					
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.02)	(0.06)
Number of common shares outstanding - end of period	38,385,913	38,385,913	38,360,913	27,860,913	38,385,913
Weighted average number of common shares outstanding - basic and diluted	38,385,913	38,371,169	35,363,510	27,860,913	34,984,110

TrustBIX Inc.

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

The Company has incurred losses over the past several quarters to develop software platforms and grow the business, and will continue to invest further resources to expand revenue streams.

The results of operations for these periods are not necessarily indicative of the results to be expected in any given comparable period, especially as the Company grows and develops product and market opportunities.

Three months (fourth quarter) ended September 30, 2022 compared to 2021

Revenue

Total revenue for the three months ended September 30, 2022 decreased to \$450,622 from \$491,213 in 2021, a decrease of \$40,591 or 8.3% due to the following:

- Licence revenue increased to \$88,284 in 2022 from \$60,151 in 2021, an increase of \$28,133 mainly to increased demand in AMP and from the release of the Company's BIX Origin module to support provenance, chain of custody, and ESG reporting.
- Hardware and installation revenue increased to \$126,526 in 2022 from \$68,764 in 2021, an increase of \$57,762 driven primarily by an increase in demand for AMP hardware, partially offset by MM sales.
- Professional and development services revenue decreased to \$37,569 in 2022 from \$179,665 in 2021, a decrease of \$142,096. The decrease is due mainly to Cargill sustainable beef program fees, and development services in 2021 to All West Demolition Ltd., in a commercial pilot program, to track biomass and waste streams to divert material from landfills and create new products for agricultural and industrial markets. In addition, energy management services and one-time consulting services with MM platforms also decreased. Partially offsetting the decrease, are revenues from one-time consulting services with AMP and from the release of the Company's BIX Origin module to support provenance, chain of custody, and ESG reporting.
- Maintenance revenue increased to \$198,243 in 2022 from \$182,633 in 2021, an increase of \$15,610, due to maintenance revenues from AMP and MM, as well as revenues from the Company's newly acquired Insight solution to track, protect and identify the movement of high-value moveable equipment used in agriculture and other industries.

The impact of COVID-19 and measures to prevent its spread continued to affect the Company's revenue in several ways. Postponed sales as well as some delays in the collection of trade receivables across the beef and pork sectors were experienced, along with reduced usage of certain products and services.

Expenses

Wages and benefits

Wages and benefits increased to \$594,139 in 2022 from \$383,483 in 2021, an increase of \$210,656. The increase is primarily due to an increase of \$102,922 in stock-based compensation, higher allocation of wages and benefits to research & development expenses in 2021, as well as new hires to grow BIX and Insight sales and employee retention and employee severance costs in 2022.

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

In addition, the Company received a Canada Emergency Wage Subsidy of \$nil (2021 – \$8,450), which was netted against wages and benefits (note 19 of the audited consolidated financial statements).

Professional fees

Professional fees increased to \$219,058 in 2022 from \$104,274 in 2021, an increase of \$114,784 primarily due to engagement of P&C Ventures as a strategic advisor and stock-based compensation to non-employee consultants for investor relations services and capital markets services, partially offset by a reduction of audit fees.

Consulting fees

Consulting fees decreased to \$248,760 in 2022 from \$297,000 in 2021, a decrease of \$48,240. The decrease is primarily due completion of the development of BIX Origin, cost reduction measures and expenses related to Green Metrics for the ESG initiative with Sunterra incurred in 2021, partially offset by increased stock-based compensation to non-employee consultants and AMP costs.

The Company did not recognize PIC and IRAP funding in 2022 and recognized \$30,000 and \$6,095, respectively, in 2021 (note 19 of the audited consolidated financial statements).

Amortization and depreciation

Amortization and depreciation increased to \$162,560 in 2022 from \$13,979 in 2021, an increase of \$148,581 due mainly to amortization of Insight software, offset by certain intangible assets being fully amortized.

Office

Office increased to \$98,318 in 2022 from \$85,102 in 2021, an increase of \$13,216 primarily due to office closure costs for consultants in China.

Research and development

Research and development increased to \$97,449 in 2022 from \$38,666 in 2021, an increase of \$58,783, primarily due to the development of the Origin platform and the Sustavian project.

The Company recognized PIC and IRAP funding of \$23,848 and \$21,988, respectively, (2021 – \$3,170 and \$316, respectively) (note 19 of the audited consolidated financial statements).

Hardware costs and supplies

Hardware costs and supplies increased to \$116,013 in 2022 from \$96,192 in 2021, an increase of \$19,821, primarily due to increased cost of sales of AMP, Insight, partially offset by reduced Probes and MM.

Travel, trade shows and conferences

Travel, trade shows and conferences increased to \$29,516 in 2022 from \$22,983 in 2021, an increase of \$6,533 related to the beef industry and ViewTrak.

Advertising and promotion

Advertising and promotion decreased to \$1,284 in 2022 from \$9,913 in 2021, a decrease of \$8,629 due to one-time promotions in 2021.

TrustBIX Inc.

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

Foreign exchange loss (gain)

Foreign exchange loss increased to \$3,916 in 2022 from a gain of (\$1,008) in 2021 due to changes in foreign exchange rates.

Bad debts expense (recovery)

Bad debts expense (recovery) decreased to \$nil in 2022 from a recovery of (\$25,867) in 2021, due primarily to a recovery of trade receivables from one customer which was previously recognized as bad debt expense.

Other (expenses) income

Other expenses decreased to (\$12,390) in 2022 from (\$18,037) in 2021, a decrease in other expenses of (\$5,647), due primarily to the remeasurement of the investment in Provision Analytics from USD to Canadian dollars and a gain on sale of a portion of the investment in Provision Analytics (note 12 of the audited consolidated financial statements), partially offset by accretion of interest expense on the WD loan (see note 14 of the audited consolidated financial statements).

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

LIQUIDITY AND CAPITAL RESOURCES**Summary of consolidated cash flows**

	Years ended September 30	
	2022	2021
	\$	\$
Cash used in operating activities	(2,575,632)	(2,140,742)
Cash used in investing activities	177,690	(14,353)
Cash provided by financing activities	2,074,656	1,891,303
Increase (decrease) in cash	(323,286)	(263,792)
Cash - beginning of period	450,167	713,959
Cash - end of period	126,881	450,167

Cash consists of cash on hand and deposits held with banks.

Cash used in operating activities

Cash used in operating activities for the year ended September 30, 2022 increased to (\$2,575,632) from (\$2,140,742) in 2021, an increase of \$434,890, primarily due to lower revenue and increased expenses in 2022, as well as changes in working capital, specifically payment of accounts payable and timing of payment or collection of accounts receivable, deposits and prepaid expenses, and unearned revenue.

Cash provided by (used in) investing activities

Cash provided by (used in) investing activities for the year ended September 30, 2022 increased to \$177,690 from (\$14,353) in 2021, an increase of \$192,043 due primarily to proceeds from the sale of the investment in Provision Analytics in 2020 (note 12 of the audited consolidated financial statements).

Cash provided by (used in) financing activities

Cash provided by (used in) financing activities for the year ended September 30, 2022 increased to \$2,074,656 from \$1,891,303 in 2021, an increase of \$183,353, due to proceeds from the issuance of promissory notes (note 14 of the audited consolidated financial statements) and exercise of options and warrants (note 15(a)(b) and (c) of the audited consolidated financial statements), partially offset by lower net proceeds from private placements.

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

CONTRACTUAL OBLIGATIONS

The Company has the following cash flow obligations, as at September 30, 2022:

	Payments due by period				
	\$				
	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Lease payments	48,638	13,226	19,880	15,532	-
Promissory notes	251,250	251,250	-	-	-
Regional relief and recovery fund loan payable	1,000,000	249,750	666,000	84,250	-

OUTSTANDING SHARE DATA

As at December 22, 2022, there were 79,649,831 common shares, 6,324,334 warrants and 15,731,848 share options outstanding (note 15 and 24 of the audited consolidated financial statements).

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements at September 30, 2022 and 2021 and does not currently, as of the date of this MD&A, have any off-balance sheet arrangements.

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

TRANSACTIONS WITH RELATED PARTIES

Related party transactions, including key management compensation, are provided in note 18 of the audited consolidated financial statements. No ongoing contractual or other commitments resulted from the transactions, other than the key management compensation.

During the years ended September 30, 2022 and 2021, the Company incurred the following amounts in the normal course of business and they have been valued at amounts that are considered established and agreed to by the related parties:

	2022	2021
	\$	\$
Sublease rental income from a company controlled by a director and from a company controlled by family members of a director	11,638	13,640
Exercise of warrants and options and purchase of common shares and units in private placement (notes 15(a)(c) and (d)) by directors and officers	20,000	478,969
Consulting fees to a company controlled by family members of a director	33,611	13,564
Office and administrative services to family members of a director	68,458	24,058
Project management services to a company controlled by a member of key management ⁽¹⁾	487,200	95,219

The compensation to key management during the years ended September 30, 2022 and 2021 are as follows:

	2022	2021
	\$	\$
Salaries, short-term employee benefits and stock-based compensation	906,903	690,939
Consulting fees to a company controlled by a member of key management ⁽¹⁾ and to a company controlled by a director	105,212	31,481
	<u>1,012,115</u>	<u>722,420</u>

- 1) The Company outsourced part of its project management and research and development activities to a company controlled by a member of key management who is responsible for overseeing all aspects of the technology and digital solutions deployed across the Company. These amounts reflect expenses incurred since the member of key management was retained as a consultant in the fourth quarter of 2021.

During the year ended September 30, 2022, the Company granted 5,150,000 stock options with a fair value of \$313,785 to directors and members of key management, exercisable at \$0.10 per option (note 15 (d)).

During the year ended September 30, 2022, the Company granted 2,475,000 stock options with a fair value of \$230,420 to directors and members of key management, exercisable at \$0.30 per option (note 15 (d)).

Accounts payable

Accounts payable and accrued liabilities as at September 30, 2022 and September 30, 2021 include the following amounts due to:

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

	2022 \$	2021 \$
Company controlled by a director for consulting fees	-	7,875
Company controlled by a member of key management for project management services	78,750	63,000
Member of key management for consulting fees	17,535	17,536
Family members of a director for other services	3,986	-
	100,271	88,411

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the audited consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts that are reported in the audited consolidated financial statements and accompanying note disclosures. Although these estimates and assumptions are based on management's best estimate of current events, actual results may be different from the estimates.

A discussion of significant accounting policies, and critical accounting estimates and judgments can be found in note 4 and 5 of the audited consolidated financial statements.

FINANCIAL INSTRUMENTS

For accounting recognition and measurement purposes, cash, accounts receivable, accounts payable and accrued liabilities, promissory notes and regional relief and recovery fund loan payable are classified as amortized cost. The carrying value of cash, accounts receivable and accounts payable and accrued liabilities approximates their fair value due to the immediate or short-term maturity of these financial instruments. The regional relief and recovery fund loan payable was measured using the estimated incremental borrowing rate and approximates fair value.

Financial instruments recognized on the audited consolidated statements of financial position at fair value are classified in a hierarchy based on the significance of the estimates used in their measurement, as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

The Company's investment in Provision Analytics through a convertible debenture (note 12 of the audited consolidated financial statements) matured during the three months ended December 31, 2021 and was required to be converted into preferred shares on maturity. These non-marketable equity securities are an investment in a privately held company without readily determinable market values and is classified as

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

Level 3. The Company classifies the non-marketable equity securities in Provision Analytics at fair value through profit or loss.

During the year ended September 30, 2022 and 2021, there have been no transfers between levels of the fair value hierarchy.

Financial risk management

The Company's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk management is carried out by financial management in conjunction with overall corporate governance.

Market risk

- Currency risk

Some of the Company's transactions, assets and liabilities are denominated in US dollars and China RMB and thus the Company is exposed to risk arising from changes in exchange rates.

The following table presents the Company's exposure in Canadian dollars to the US dollar and China RMB September 30, 2022 and 2021:

	2022	2021
	CAD\$	CAD\$
Cash – USD	9,048	21,134
Accounts receivable – USD	28,266	8,024
Accounts payable and accrued liabilities – USD	(35,909)	(12,129)
	<u>1,405</u>	<u>17,029</u>
	2022	2021
	\$	\$
Accounts receivable – RMB	<u>19,715</u>	<u>73,611</u>
	2022	2021
	\$	\$
CAD\$ - USD	0.7296	0.7849
CAD\$ - RMB	0.1923	0.1970

Based on the Company's foreign currency exposure noted above, varying the foreign exchange rates to reflect a 10% strengthening of the US dollar and China RMB would have decreased net loss by

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

approximately \$nil and \$2,000, respectively, as at September 30, 2022 (2021 – \$2,000 and \$7,000), assuming all other variables remained constant.

An assumed 10% weakening of the US dollar and China RMB would have had an equal but opposite effect to the amounts shown above, assuming all other variables remained constant.

- Interest rate risk

The Company is not exposed to significant interest rate risk as at September 30, 2022 and 2021.

Credit risk

The Company, in the normal course of business, is exposed to credit risk from its customers. The allowance for doubtful accounts and past due receivables is reviewed by management at each consolidated statement of financial position reporting date. Accounts are considered past due when customers have failed to make the contractually required payment when due, which is generally within 60 days of the billing date.

The Company applied the simplified approach to provide for ECL prescribed by IFRS 9, which permits the use of the lifetime ECL provision for trade receivables and contract assets without a significant financing component.

The following table presents a summary of the activity related to the allowance for doubtful accounts:

	2022	2021
	\$	\$
Balance – Beginning of period	4,537	2,317
ECL provision	124	31,439
Accounts written off, net of recoveries	(124)	(29,219)
	<hr/>	<hr/>
Balance – End of period	4,537	4,537

Management believes the risks associated with concentrations of credit risk with respect to accounts receivable are limited due to the nature of the customers and the generally short-term payment cycle. The Company has a portion of its unsecured accounts receivable balance due from customers in China and its ability to mitigate such risks may be limited.

The aging of the Company's trade accounts receivable is as follows:

	2022		2021	
	\$	%	\$	%
Current	48,523	88	136,032	91
31 – 60 days	3,485	6	7,805	5
61 – 90 days	531	1	4,639	3
Greater than 90 days	2,598	5	1,385	1
	<hr/>		<hr/>	
	55,137	100	149,861	100

Management's Discussion and AnalysisFor the years ended September 30, 2022 and 2021

The Company is also exposed to credit risk in relation to debt investments that are measured at FVPL. The maximum exposure as at September 30, 2022 is the carrying amount of the investment in Provision Analytics (note 12 of the audited consolidated financial statements).

Liquidity risk

The Company's liabilities have the following amounts that mature within one year:

	2022	2021
	\$	\$
Accounts payable and accrued liabilities	655,325	449,929
Loans payable	372,818	-
Lease liability	8,039	43,686

The Company's long-term liabilities include a loan payable for \$613,045 (note 14 of the audited consolidated financial statements) and a lease liability for \$26,017 (note 11 of the audited consolidated financial statements).

Anticipated cash outflows on the promissory notes and regional relief and recovery fund loan payable as at September 30, 2022 are disclosed in the Contractual Obligations section of this MD&A, above.

Liquidity risk is the risk the Company will encounter difficulty in meeting financial obligations as they come due. The Company manages its liquidity risk through the management of its capital structure and financial leverage, as discussed in the going concern section of this MD&A and note 1 of the audited consolidated financial statements. It also monitors its cash position and timing of payments to suppliers, ensuring that sufficient funds are available when payments come due. The Board of Directors reviews and approves any material transactions out of the ordinary course of business.

RISK FACTORS

The following risks could materially and adversely affect the Company's business, financial condition, cash flows, and results of operations, and the trading price of its common stock could decline. These risk factors do not identify all risks that the Company faces; its operations could also be affected by factors that are not presently known or that currently are considered to be immaterial to operations. Due to risks and uncertainties, known and unknown, past financial results may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results or trends in future periods. Refer also to the other information set forth in this MD&A and the unaudited interim condensed consolidated financial statements and audited consolidated financial statements and related notes for the years ended September 30, 2022 and 2021.

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

Risks Related to the Business

The Company's operations and performance depend significantly on global and regional economic conditions and adverse economic conditions can materially adversely affect the Company's business, results of operations and financial condition.

The Company has international operations with sales outside Canada. Adverse macroeconomic conditions, including inflation, slower growth or recession, new or increased tariffs and other barriers to trade, changes to fiscal and monetary policy, tighter credit, higher interest rates, high unemployment and currency fluctuations can adversely impact consumer confidence and spending and materially adversely affect demand for the Company's products and services. In addition, consumer confidence and spending can be materially adversely affected in response to financial market volatility, negative financial news, conditions in the real estate and mortgage markets, declines in income or asset values, energy shortages and cost increases, labor and healthcare costs and other economic factors.

In addition to an adverse impact on demand for the Company's products and services, uncertainty about, or a decline in, global or regional economic conditions can have a significant impact on the Company's suppliers, vendors and other partners. Potential effects include financial instability and insolvency.

A downturn in the economic environment can also lead to increased credit and collectability risk on the Company's trade receivables. These and other economic factors can materially adversely affect the Company's business, results of operations, financial condition and stock price.

The Company's business results of operations, financial condition and stock price have been adversely affected and could in the future be materially adversely affected by the COVID-19 pandemic

COVID-19 has had, and continues to have, a significant impact around the world, prompting governments and businesses to take unprecedented measures in response. Such measures have included restrictions on travel and business operations, temporary closures of businesses, and quarantine and shelter-in-place orders. The COVID-19 pandemic has at times significantly curtailed global economic activity and caused significant volatility and disruption in global financial markets.

The COVID-19 pandemic and the measures taken by many countries in response have adversely affected and could in the future materially adversely impact the Company's business, results of operations, financial condition and stock price. During the course of the pandemic, certain of the Company's customers, suppliers, vendors, and other partners have experienced disruptions, and similar disruptions could occur in the future. Public safety measures can also adversely impact consumer demand for the Company's products and services.

The Company continues to monitor the situation and take appropriate actions in accordance with the recommendations and requirements of relevant authorities. The extent to which the COVID-19 pandemic may impact the Company's operational and financial performance remains uncertain and will depend on many factors outside the Company's control, including the timing, extent, trajectory and duration of the pandemic, the emergence of new variants, the development, availability, distribution and effectiveness of vaccines and treatments, the imposition of protective public safety measures, and the impact of the pandemic on the economy and demand for products and services. Additional future impacts on the Company may include material adverse effects on demand for the Company's products and services, the Company's ability to execute its strategic plans, and the Company's profitability.

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

To the extent the COVID-19 pandemic adversely affects the Company's business, results of operations, financial condition and stock price, it may also have the effect of heightening many of the other risks discussed in this Risk Factors section.

Results could be adversely affected by changing economic conditions in the regions in which the Company operates

The market turmoil from potential global and provincial trade disputes and cuts in government spending has negatively impacted business activity generally, and in Alberta and Saskatchewan in particular where most of the cattle population is located in Canada. To the extent that the Company experiences further economic deterioration in these markets, the resulting economic pressure on its customers may cause them to end their relationship with the Company, reduce or postpone current or expected purchase orders for products, or suffer from business failure, resulting in a decline in revenues and profitability that could be material. Continued difficult or uncertain economic conditions could adversely affect the Company's revenue and profitability.

The Company's business is dependent on material customers

The Company sells service to a variety of organizations, but certain customers may, at times, contribute to a large part of revenue. Accordingly, business and future success of the Company depends on its ability to maintain and build on existing relationships, and to develop new relationships and new customers. If certain significant customers, for any reason, discontinue their relationship with the Company, or reduce or postpone current or expected contracts, or suffer from business loss, revenues and profitability could decline.

Business could be harmed if the Company fails to manage growth effectively

Growth will place a significant strain on the Company's managerial, administrative, operational, financial and other resources. Management intends to further expand the overall business, including headcount, with no assurance that revenues will continue to grow. As the Company grows, management will be required to continue to improve operational and financial controls and reporting procedures and they may not be able to do so effectively. As such, the Company may be unable to manage expenses effectively in the future, which may negatively impact gross profit or operating expenses. The Company is also subject to the risks of over-hiring and/or overcompensating employees and over-expanding its operating infrastructure.

The Company may not be able to successfully market products and services

There is no guarantee that the Company's 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, growth may be adversely affected. In addition, there is no guarantee that all or any of its growth objectives or milestones will be achieved.

Better-capitalized companies could negatively impact the Company's financial results of operations

Other corporations with considerable financial resources may have the ability to encroach on the Company's competitive position within its chosen marketplace or compete successfully with its products and services by providing better marketing, services or support for clients. They may introduce products and services that compete with its products and services that may allow them to reduce prices to levels that are uneconomic to the Company. Any significant adverse effect on the Company's revenue or cost structure may materially affect its financial position.

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

Current and future competitors could have a significant impact on the Company's ability to generate future revenue and profits

The markets for the Company's products are intensely competitive and are subject to rapid technological change and other pressures created by changes within its industry. Management expects competition to increase and intensify in the future as additional companies enter its markets, including competitors who may offer similar products and services. The Company may not be able to compete effectively with current competitors and potential entrants into the marketplace. The Company could experience diminished market share if current or prospective competitors introduce new competitive products; add new functionality to existing products, acquire competitive products, reduce prices, or form strategic alliances with other companies. If competitors were to engage in aggressive pricing policies with respect to their products, or if the dynamics in the marketplace resulted in increasing bargaining power by the consumers of the Company's products and services, it might need to lower the prices charged for the products offered. This could result in lower revenues or reduced margins, either of which may materially and adversely affect the Company's business and operating results.

Technology Risks

The industry in which the Company operates, and will operate, is very competitive, and numerous factors could affect its competitive position

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 products and services.

Given the early stage of the industry in which the Company operates, additional competition from new entrants is expected. To remain competitive, the Company will require a continued high level of investment in research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect its business, financial condition and results of operations.

The Company operates in a highly competitive environment and its products and services may not keep up with rapid technological change and evolving industry standards

The Company's future success will depend 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 customers' increasingly sophisticated needs. The Company's products are expected to embody complex technology that may not meet those standards, changes and preferences. The ability to design, develop and commercially launch new products depends on a number of factors, including, but not limited to, the Company's ability to design and implement solutions and services at an acceptable cost and quality, ability to attract and retain skilled technical employees, the availability of critical components from third parties and the ability to successfully complete the development of products in a timely manner. If management are unable to respond to technological

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

changes or fails or delays to develop products in a timely and cost-effective manner, products and services may become obsolete, and the Company may be unable to recover research and development expenses which could negatively impact sales, profitability and the continued viability of the business.

Investment in research and development efforts may not provide a sufficient, timely return

The development of new software products and strategies is a costly, complex and time-consuming process, and the investment in software product development often involves a prolonged time until a return is achieved on such an investment. The Company has made, and will continue to make, significant investments in software development and related product opportunities. Investments in new products are inherently speculative and risky. Commercial success depends on many factors including the degree of innovation of the products developed, sufficient support from strategic partners, and effective distribution and marketing. Accelerated product introductions and short product life cycles require high levels of expenditures for new development. These expenditures may adversely affect operating results if they do not generate revenue increases. Management believes that the Company must continue to dedicate significant resources to development efforts in order to maintain its competitive position; however, significant revenue from new product and service investments may not be achieved for a prolonged period, if at all.

The Company faces risks related to cybersecurity threats and incidents

The Company regularly faces attempts by others to gain unauthorized access through the Internet, or to introduce malicious software, to its IT systems. The Company is a target of malicious attackers who attempt to gain access to its network or data centers or those of suppliers, customers, or end users; steal proprietary information related to its business, products, employees, suppliers, and customers; interrupt its systems and services or those of suppliers, customers, or others; or demand ransom to return control of such systems and services. Such attempts are increasing in number and in technical sophistication, and if successful, expose the Company and the affected parties to risk of loss or misuse of proprietary or confidential information or disruptions of its business operations. IT infrastructure also includes products and services provided by third parties, and these providers can experience breaches of their systems and products that impact the security of the Company's systems and proprietary or confidential information.

From time to time, the Company encounters intrusions or unauthorized access to its network, products, services, or infrastructure, as well as those of third parties who provide products and services to TrustBIX. To date, cybersecurity incidents have not resulted in a material adverse impact to the Company's business or operations, but there can be no guarantee it will not experience such an impact. Such incidents, whether or not successful, could result in incurring significant costs related to, for example, rebuilding internal systems, implementing additional threat protection measures, providing modifications to products and services, defending against litigation, responding to regulatory inquiries or actions, paying damages, providing customers with incentives to maintain the business relationship, or taking other remedial steps with respect to third parties, as well as reputational harm. In addition, these threats are constantly evolving, thereby increasing the difficulty of successfully defending against them or implementing adequate preventative measures. As a result of the COVID-19 pandemic, remote work and remote access to systems have increased significantly, which also increases the Company's cybersecurity attack surface. The Company seeks to detect and investigate unauthorized attempts and attacks against its network, products, and services, and to prevent their recurrence where practicable through changes to internal processes and tools and changes or updates to products and services; however, the Company remains potentially vulnerable to additional known or unknown threats. In some instances, the Company, its suppliers, customers, and the users of its products and services can be unaware of an incident or its magnitude and effects.

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

Theft, loss, or misuse of personal data about employees, customers, or other third parties could increase expenses, damage reputation, or result in legal or regulatory proceedings

The theft, loss, or misuse of personal data collected, used, stored, or transferred by the Company to run its business could result in significantly increased business and security costs or costs related to defending legal claims. The Company anticipates that collection of such personal data will increase as it expands the use cases for the BIX platform, and it may increase as it enters into other new or adjacent businesses. Global privacy legislation, enforcement, and policy activity in this area are rapidly expanding and creating a complex regulatory compliance environment. Costs to comply with and implement these privacy-related and data protection measures could be significant, and noncompliance could expose the Company to significant monetary penalties, damage to its reputation, suspension of online services or sites in certain countries, and even criminal sanctions. Failure to comply with federal, provincial, state, or international privacy-related or data-protection laws and regulations, even if inadvertent, could result in audits, regulatory inquiries, or proceedings against the Company by governmental entities or other third parties.

The Company faces risks related to security vulnerabilities in its products

Security vulnerabilities with respect to the resale of hardware products, such as computer systems, as well as the operating systems that run on them, are regularly identified. Components and IP the Company purchases or licenses from third parties for use in its products, as well as industry-standard specifications implemented in products, are also regularly subject to security vulnerabilities. As the Company has become a more data-centric company, processors and other products are being used in additional and new critical application areas that create new or increased cybersecurity and privacy risks, including applications that gather and process large amounts of data, such as the cloud or Internet of Things. Vulnerabilities are not always mitigated before they become known. The Company, its customers, and the users of its products do not always promptly learn of or have the ability to fully assess the magnitude or effects of a vulnerability, including the extent, if any, to which a vulnerability has been exploited. Subsequent events or new information can develop that changes the Company's assessment of the impact of a security vulnerability, including additional information learned as it develops and deploys mitigations or updates, becomes aware of additional variants, evaluates the competitiveness of existing and new products, and addresses future warranty or other claims or customer satisfaction considerations, as well as developments in the course of any litigation or regulatory inquiries or actions over these matters.

Mitigation techniques designed to address security vulnerabilities, including third party data and systems integration monitoring, software and firmware updates or other preventative measures, are not always available on a timely basis—or at all—and at times do not operate as intended or effectively resolve vulnerabilities for all applications. In addition, the Company is often required to rely on third parties, including hardware, software, and services vendors, as well as customers and end users, to develop and/or deploy mitigation techniques, and the availability, effectiveness, and performance impact of mitigation techniques can depend solely or in part on the actions of these third parties in determining whether and how to develop and deploy mitigations. The Company and such third parties may make prioritization decisions about which vulnerabilities to address, which can delay, limit, or prevent development or deployment of a mitigation and harm its reputation. Security vulnerabilities and/or mitigation techniques can result in adverse performance or power effects, reboots, system instability or unavailability, loss of functionality, data loss or corruption, unpredictable system behavior, decisions by customers and end users to limit or change the applications in which they use the Company's products or product features, and/or the misappropriation of data by third parties.

Security vulnerabilities and any limitations of, or adverse effects resulting from, mitigation techniques can adversely affect the Company's results of operations, financial condition, customer relationships, prospects,

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

and reputation in a number of ways, any of which may be material. For example, whether or not vulnerabilities involve attempted or successful exploits, they may result in incurring significant costs related to developing and deploying updates and mitigations, defending against product claims and litigation, responding to regulatory inquiries or actions, paying damages, addressing customer satisfaction considerations, providing product replacements or modifications, or taking other remedial steps with respect to third parties. Adverse publicity about security vulnerabilities or mitigations could damage the Company's reputation with customers or users and reduce demand for its products and services. These effects may be greater to the extent that competing products are not susceptible to the same vulnerabilities or if vulnerabilities can be more effectively mitigated in competing products. Moreover, third parties can release information regarding potential vulnerabilities of the Company's products before mitigations are available, which, in turn, could lead to attempted or successful exploits, adversely affect its ability to introduce mitigations, or otherwise harm its business and reputation.

Other Risks

The Company must attract, retain, and motivate key employees

Hiring and retaining qualified executives, scientists, engineers, technical staff, and sales representatives are critical to the Company's business. The competition for highly skilled employees in the industry is increasingly intense. Competitors for technical talent increasingly seek to hire the Company's employees. In addition, changes in immigration policies may further limit the pool of available talent and impair the ability to recruit and hire technical and professional talent. Changes in the interpretation and application of employment-related laws to workforce practices may also result in increased operating costs and less flexibility in how the Company meets changing workforce needs. To help attract, retain, and motivate qualified employees, the Company uses share-based awards and performance-based cash incentive awards. Employee hiring and retention also depend on management's ability to build and maintain a diverse and inclusive workplace culture and be viewed as an employer of choice. If the Company's share-based or other compensation programs and workplace culture cease to be viewed as competitive, its ability to attract, retain, and motivate employees would be weakened, which could harm its results of operations. Moreover, sustained declines in the stock price of the Company can reduce the retention value of the Company's share-based awards. Changes in the Company's management team can also disrupt business. The failure to successfully transition and assimilate key employees, could adversely affect Company results of operations. To the extent the Company does not effectively hire, onboard, retain, and motivate key employees, its business can be harmed.

The Company invests in private companies and may not realize a return on investments

The Company makes investments in private companies to further its strategic and financial objectives and to support certain key business initiatives. Provision Analytics is an early-stage company TrustBIX invested in, which was non-marketable and illiquid at the time of the initial investment. The Company's ability to realize a return on investment in a private company, if any, is typically dependent on the company participating in a liquidity event, such as a public offering or acquisition. To the extent any of the companies in which TrustBIX invests are not successful, which can include failures to achieve business objectives as well as bankruptcy, the Company could recognize an impairment and/or lose all or part of the investment.

Investments in new businesses, products, and technologies are inherently risky and do not always succeed

The Company is expanding the business use cases of the BIX platform with customers in the Environmental, Social, and Corporate Governance areas from beef to plant protein and biomass markets,

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

as well as providing tracking solutions of high-value moveable equipment through Insight and the plan to export beef to Asia. These efforts may not always be successful.

These new and developing areas and products represent a significant portion of the Company's expanded total addressable market, and they also introduce new sources of competition, including, in some of these market segments, incumbent competitors with established technologies, ecosystems, and customer bases. These developing products and areas could require significant investment, do not always grow as projected or at all, or sometimes utilize technologies that are different from the ones that TrustBIX develops, and the Company may not realize an adequate return on investments. To be successful, TrustBIX needs to cultivate new industry relationships with customers and partners. In addition, the Company must continually improve the cost, performance, integration, time-to-market, as well as expand product capabilities to service customers. Some of these new businesses face challenging market conditions. For example, market pricing and costs to export beef or other products to Asia or other international markets may be volatile. Despite ongoing efforts, there is no guarantee that the Company will achieve or maintain market demand or acceptance for products and services or realize an adequate return on investments, which could lead to impairment of assets, as well as opportunity costs.

Risks regarding Intellectual Property Rights

The Company's success and ability to compete may be enhanced by effective copyright, trade secret, and trademark law to protect its technology and the technology licensed to it by third parties; however, the Company may or may not be successful in being granted a patent or patents should it apply for them and effective trademark protection may not be available for the Company's intellectual property, trademarks or the trademarks licensed by it. The lack of a patent may make the Company's products vulnerable to being copied or infringed upon by a competitor and may negatively impact the ability of the Company to compete effectively in its addressable markets. If the Company is successfully awarded a patent or patents, it will be necessary to reveal certain details regarding the Company's technology and intellectual property secrets, which could introduce additional risks associated with competitors who may not respect patent protection rights or may otherwise not be bound by patent protection rights because of the geographic location they operate from. Any or all these factors could materially alter the Company's current estimate of its market and its generation of revenue therefrom and there can be no assurance that misappropriation of its technology, trademarks or agreements entered into for that purpose will be enforceable.

Risks of Legal or Other Claims and Proceedings

The Company may become involved in legal matters that may materially adversely affect the business

From time to time in the ordinary course of business, the Company may become involved in various legal proceedings, including commercial, product liability, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, and can be very expensive, the results of any such actions may have a material adverse effect on business, operations or financial condition. While the Company maintains insurance coverage for certain types of claims, such insurance coverage may be insufficient to cover all losses or all types of claims that may arise.

Additional Financing Risks

In order to execute its anticipated growth strategy, the Company may require additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake business

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

combination transactions or other initiatives. There can be no assurance that additional financing will be available when needed or on terms which are acceptable. The Company's inability to raise additional financing could limit growth and may have a material adverse effect upon the business, operations, results, financial condition or prospects.

If additional funds are raised through further issuances of equity or securities convertible into equity, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to current shareholders. 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 to obtain additional capital and to pursue business opportunities.

Foreign Exchange Risk

As it is anticipated that the Company's operations will expand into increased global markets, it is expected that sales and other transactions may be conducted in foreign currencies other than Canadian dollars, thus exposing the Company to foreign currency risk. A portion of revenues are expected to be transacted in US dollars and Chinese Renminbi and the fluctuation of value of these currencies could impact cash flow and our US/China and foreign business.

Government Regulation Risk

Although TrustBIX believes that the Company has obtained the necessary approvals for the products and services that currently are sold, the Company may not be able to obtain approvals for future products and services 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. TrustBIX may be required to incur additional costs in order to comply with foreign and state government regulations as they might pertain to certain issues concerning compliance with local regulations governing its devices, content, privacy, taxation and other considerations.

Reputational Risk

Reputational damage can result from the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views, whether true or not. Reputation loss may result in decreased customer confidence and an impediment to the Company's overall ability to advance its products and services with customers, thereby having a material adverse impact on its financial performance, financial condition, cash flows and growth prospects.

Internal Control Risk

Internal controls are designed to safeguard assets, promote efficient and effective operations, and provide reasonable assurance regarding the reliability and integrity of financial reporting and the preparation of financial statements in accordance with IFRS. However, internal controls alone cannot be guaranteed to detect fraud, safeguard assets, promote efficient and effective operations, or provide absolute assurance with regard to the reliability of financial reporting and financial statements.

Earnings and Dividend Record

TrustBIX Inc.

Management's Discussion and Analysis

For the years ended September 30, 2022 and 2021

TrustBIX does not have any dividend record. The Company has not paid any dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future.