

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (this "MD&A") provides a review of the results of operations, financial condition and cash flows for Venzee Technologies Inc. ("Venzee" or the "Company") for the three and nine month period ended September 30, 2022, with analysis and comparisons to prior periods.

This document should be read in conjunction with the information contained in the Company's unaudited condensed interim consolidated financial statements for the three and nine month period ended September 30, 2022 (the "2022 Financial Statements"), as well as the audited consolidated financial statements and related notes for the year ended December 31, 2021 (the "2021 Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Unless otherwise indicated, all dollar ("\$") and "USD" amounts and references in this MD&A are in U.S. dollars, and references to "CAD" or "CAD\$" are to Canadian dollars.

In preparing this MD&A the Company has taken into account information available to it up to the date of this MD&A, November 28, 2022 being the date the Company's board of directors (the "Board") approved this MD&A and the 2022 Financial Statements. All quarterly information contained herein is unaudited. Additional information about the Company can be found in the Company's filings with securities regulatory authorities, which are available under the Company's profile on SEDAR at www.sedar.com.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to our objectives and the strategies to achieve these objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information is provided for the purposes of assisting the reader in understanding the Company and its business, operations, prospects and risks at a point in time in the context of historical and possible future developments and therefore the reader is cautioned that such information may not be appropriate for other purposes.

Forward-looking information is based upon a number of assumptions and is subject to a number of known and unknown risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, the risk factors which are discussed in greater detail under "Risk Factors and Uncertainties".

Although the forward-looking information contained herein is based upon what we believe are reasonable assumptions, readers are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information. Certain assumptions were made in preparing the forward-looking information concerning availability of capital resources, business performance, market conditions, and customer demand. Consequently, all of the forward-looking information contained herein is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our business, financial condition or results of operation. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained herein is provided as of the date hereof, and we do not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

OVERVIEW AND OUTLOOK

Venzee is on a mission to create shareholder value by displacing inefficient manual supply chain processes with our unique, intelligent, scalable, and modern technology platform.

Based on a proprietary, cloud-based, Artificial Intelligence (“AI”) platform, Venzee sells Mesh Connectors™ that enable Consumer Brands to save time and money with a modern tool that matches an infinite range of brand Product Data to the ever-expanding requirements of global Retailers.



To sell any product, brands - those that make products - and retailers - those that sell products - must complete a difficult and lengthy process to agree on and match all of the data that describes a product.

Legacy solutions match descriptive product data using manual effort and human labor augmented with outdated technology. These legacy solutions currently dominate the product information management market and are often reliant on 1970s-era technologies that are slow, costly, and do not scale.

Venzee intends to displace legacy market alternatives with its modern, intelligent, scalable platform solution. Venzee was built to match any brand product attribute to any retailer requirement using AI rather than human skill. As a result, the Venzee solution is cheaper and more efficient than any alternative. Our AI platform is the missing link that finally optimizes the multi-billion dollar, “last mile” supply chain space with proven traction in the market.

As a modern Software as a Service (“SaaS”) platform, Venzee delivers solutions that enable consumer brands to communicate the product information buyers demand at the speed of commerce today. Venzee replaces manual effort with efficient, machine-driven integration that enables consumer brands to connect with more selling channels with less effort and less cost.

Venzee’s services are typically paid by Consumer Brands directly or through a product information management PIM service or a content management service (“CMS”) that has a contract-based partner or teaming agreement with Venzee.

In 2021 Venzee placed strategic focus on contract sales and associated annual recurring revenue (“ARR”). The Company’s emphasis on ARR represents a shift from reporting on quarterly key performance indicators (“KPIs”) that were often confusing and masked the key measure of our success - revenue.

The Company’s focus for fiscal 2022 is to increase revenues by developing and executing on highly scalable strategic selling partner engagements and expanding the number of available retail channel integrations.

In line with this strategy, Venzee eliminated the bulk of its sales and marketing staff in order to focus on expanding revenue generation from a core set of partner engagements. Those key engagements have validated Venzee’s technology and have begun to deploy revenue-generating connections within their significant base of brand clients.

Together, selling partner engagements and retail integrations significantly expand the Company’s revenue growth opportunities. Our sales partners act as a “force multiplier” for our marketing and sales efforts, validating and endorsing our platform and promoting our value proposition across a wide customer base.

SUMMARY OF SIGNIFICANT EVENTS

General highlights

Venzee was created in 2014 and has since focused on its mission: to unlock the potential of global commerce by eliminating inefficient and labor-intensive processes used to distribute consumer-relevant product information across the global supply chain.

On January 5, 2018, after the completion of a reverse takeover, the Company was trading its common shares on the TSX Venture Exchange ("TSXV") under the symbol "VENZ". On May 18, 2021, Venzee received approval and started trading Over the Counter market under the symbol OTCQB:VENZF.

The Venzee platform was built to provide a modern, platform-based alternative to high cost, labor intensive data mapping processes traditionally used to enable products to be sold in any retail environment. Venzee provides an efficient, modern, SaaS-based syndication solution and leverages Artificial Intelligence to provide an infinitely scalable service to Consumer Brands globally. It automates product content distribution, accelerates Consumer Brand retail channel expansion, improves retail margin, and deeply engages consumers with more accurate, relevant, and actionable product information.

Venzee's commercial platform development commenced after extensive review of specific retail industry procedures and virtual round tables with vendors and retailers. Venzee launched a beta version of its content exchange platform in April 2016 and attracted a number of well-established companies to experiment with the platform and launch pilot projects. With little to no marketing, companies from a number of countries soon began using Venzee's platform.

In late 2017, Venzee launched its initial Mesh Connector™ product framework. The Mesh approach was designed and architected as an enterprise-class solution to leverage modern technology to move product data efficiently between Consumer Brands and their retail sales channels.

In late fiscal 2020, Venzee made several improvements to its technology and released updates that allowed the Company to expand the number of retailers available to Consumer Brands utilizing the Venzee platform. The Company also branded its core product offering as Mesh Connectors™ and began to communicate its goals for sales of Mesh Connectors™ and its progress against those goals.

Recent Developments (2022)

Throughout fiscal 2022, Venzee continues to improve its technology, sales, and operational processes in efforts to streamline efforts, gain efficiencies and cut costs, all the while striving to grow revenues.

Throughout the nine-months ended September 30, 2022, the Company continues to receive strong support from its shareholder base with it providing \$1.15 million of additional capital through convertible debenture and share issuances as well as the exercise of warrants and options.

In January 2022, the Company had grown its retail channel inventory to more than 500 unique, digital connection to global retailers allowing them to realize increased speed to market, improved content accuracy, reduced labor costs, and more detailed information critical to advantage their productions for sale on the digital and analog shelf.

In February 2022, the Company signed the second largest American hardware retailer onto its platform and commenced using its AI-driven Mesh Connectors.

In March 2022, Venzee's intelligent mapping function reached a new milestone, processing more than 1 million product attributes helping significantly mature and evolve its core AI mapping algorithm. Like human intelligence, AI algorithms are shaped by experience and learning through success and failure. Over time, these learned experiences enable AI to perform tasks more efficiently and accurately as the software algorithm continues to refine itself based on previous outcomes.

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On April 6, 2022, the Company closed a non-brokered private placement for total proceeds of \$323,927 (CAD \$405,200) resulting in the issuance of 5,065,000 units. Each unit is comprised of one share and one warrant. Each warrant is exercisable until April 6, 2025 (subject to an acceleration clause) at a price of CAD \$0.12 per warrant to acquire one common share.

On June 9, 2022, the Company closed a second non-brokered private placement for total proceeds of \$134,930 (CAD \$171,000) resulting in the issuance of 3,420,000 units. Each unit is comprised of one share and one warrant. Each warrant is exercisable until September 6, 2025 (subject to an acceleration clause) at a price of CAD \$0.10 per warrant to acquire one common share.

In July 2022, the Company closed CAD \$175,000 of convertible debentures with an additional \$100,000 closing subsequent to September 30, 2022.

With the financial market downturn, the Company has had its challenges accessing capital. In order to preserve its capital, the Company has implemented numerous cost-cutting measures. These measures were implemented at the end of Q1 and were fully in place by May 2022. The reduction of cash burn is shown in the statement of cash flows when we compare the “Cash used in operating activities” over the period from Q1F2022 to Q3F2022. Q1 had a cash usage over \$900,000, Q2 was below \$400,000 and Q3 was \$266,000. The Company has reduced its cash burn to the lowest operation level possible without completely halting operations. Part of the measures taken to reduce the cash burn was the senior management has elected to defer 1/3 of their salaries until the Company is in a stronger financial position.

As of the date of the MDA, the Company is currently in negotiations with a third party to secure short-term financing to fund operations. In the event this financing does not materialize, the Board of Directors and management will need to decide on whether the future of the Company is viable and might need to wind down operations.

SELECTED FINANCIAL INFORMATION

Selected financial information of the Company for the three and nine months ended September 30, 2022 and 2021 is set forth below.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	\$ 3,425	\$ 16,230	\$ 26,800	\$ 38,575
Operating costs	\$ 493,370	\$ 820,660	\$ 2,048,168	\$ 2,048,418
Net loss	\$ (550,934)	\$ (792,221)	\$ (2,268,829)	\$ (2,382,210)
Total assets	\$ 82,075	\$ 959,271	\$ 82,075	\$ 959,271
Basic and diluted EPS	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)

For the three and nine months ending September 30, 2022, revenues were \$3,425 and \$26,800 (2021 - \$16,230 and \$38,575).

Net loss for the three and nine months ended September 30, 2022 was \$550,934 and \$2,268,829 (2021 - \$792,221 and \$2,382,210).

Net loss decreased slightly during the nine months ended September 30, 2022, as compared to the prior year, primarily as a result of a general reduction in operations and staffing.

Net loss decreased during the three months ended September 30, 2022, as compared to the prior year, due to a general reduction of operations as part of its cash preservation measures.

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DISCUSSION OF OPERATIONS

Comparison of the Three Months Ended September 30, 2022 and 2021

	For the Three Months Ended September 30,			
	2022	2021	Variance	% Change
Revenue	\$ 3,425	\$ 16,230	\$ (12,805)	(79%)
Cost of revenues	\$ 9,946	\$ 5,353	\$ 4,593	86%
Selling and marketing	\$ 293,049	\$ 379,919	\$ (86,870)	(23%)
General and administrative	\$ 153,046	\$ 261,763	\$ (108,717)	(42%)
Research and development	\$ 47,275	\$ 178,978	\$ (131,703)	(74%)
Interest expense	\$ 4,390	\$ -	\$ 4,390	100%

Revenue

The Company has seen a reduction in revenues quarter over quarter due to the reduction of operational levels as it tries to preserve its cash and reduce its monthly cash burn.

Current sales are legacy clients, but sales efforts have stagnated, thus the lower, quarter over quarter revenues.

Cost of revenue

Cost of revenue is comprised of contractors, hosting, and software tools related to revenue and partnership support. Currently, the only cost directly associated with the sale of a Mesh Connector™ is the hosting costs for the platform itself. During the three months ended September 30, 2022, the Company's fixed sales costs have increased marginally over the same period in the prior year.

Selling and marketing

As mentioned above, the Company implemented cost cutting measures in Q2, reducing expenses and staffing and its monthly burn rate. But comparatively speaking, the Company still saw an increase in selling and marketing expense for the three months ended September 30, 2022, as compared to the prior year.

General and administrative

The decrease in general and administrative expense for the three months ended September 30, 2022, as compared to the prior year, was primarily a result of the decreased staffing levels and general cost-cutting measure implemented at the start of the quarter.

Research and development

Research and development expense for the three months ended September 30, 2022, as compared to the prior year, has decreased due to staff reductions.

When comparing research and development expenses to the three months ended June 30, 2022, we see that the Company has reduced its expenditures from \$62,178.

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Comparison of the Nine Months Ended September 30, 2022 and 2021

	For the Nine Months Ended September 30,			
	2022	2021	Variance	% Change
Revenue	\$ 26,800	\$ 38,575	\$ (11,775)	(31%)
Cost of revenues	\$ 22,088	\$ 16,929	\$ 5,159	30%
Selling and marketing	\$ 1,110,517	\$ 948,162	\$ 162,355	17%
General and administrative	\$ 610,126	\$ 729,585	\$ (119,459)	(16%)
Research and development	\$ 327,525	\$ 370,671	\$ (43,146)	(12%)
Interest expense	\$ 4,390	\$ -	\$ 4,390	100%

Revenue

The Company has seen a reduction in revenues quarter over quarter due to the reduction of operational levels as it tries to preserve its cash and reduce its monthly cash burn.

Cost of revenue

Cost of revenue is comprised of contractors, hosting, and software tools related to revenue and partnership support. Currently, the only cost directly associated with the sale of a Mesh Connector™ is the hosting costs for the platform itself. During the nine months ended September 30, 2022, the Company's fixed sales costs have increased marginally over the same period in the prior year.

Selling and marketing

With the cost cutting measures implemented during the nine months ended September 30, 2022, the Company saw a decrease in selling and marketing expense for the nine months ended September 30, 2022, as compared to the prior year, and was primarily the result of the reduction of staffing levels.

General and administrative

General and administrative expense for the nine months ended September 30, 2022, as compared to the prior year, was primarily a result of the decreased staffing levels and general cost-cutting measure implemented at the start of the quarter.

Research and development

The increase in research and development expense for the nine months ended September 30, 2022, as compared to the prior year, has decreased due to staff reductions.

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A detailed expense comparison for the three and nine month periods is as follows:

Comparison of the Three Months Ended September 30, 2022 and 2021

	For the Three Months Ended September 30,		Change	%
	2022	2021		
Accretion expense	\$ 3,588	\$ —	\$ 3,588	100%
Administration	19,443	28,346	(8,903)	(31%)
Advertising, promotion and marketing	39,915	48,698	(8,783)	(18%)
Employees and contractors	365,830	586,285	(220,455)	(38%)
Forgiveness of debt	-	(90,625)	90,625	(100%)
Interest expense	4,390	-	4,390	100%
Investor relations	33,131	109,881	(76,750)	(70%)
Legal and professional fees	12,053	8,986	3,067	34%
Share-based compensation	43,065	73,063	(29,998)	(41%)
Software and support tools	15,963	25,562	(9,599)	(38%)
Travel and entertainment	7,035	12,902	(5,867)	(45%)
	\$ 544,413	\$ 803,098	\$ (258,685)	(32%)

Comparison of the Nine Months Ended September 30, 2022 and 2021

	For the Nine Months Ended September 30,		Change	%
	2022	2021		
Accretion expense	\$ 3,588	\$ —	\$ 3,588	100%
Administration	81,840	99,374	(17,534)	(18%)
Advertising, promotion and marketing	54,041	78,743	(24,702)	(31%)
Employees and contractors	1,660,796	1,472,176	188,620	13%
Forgiveness of debt	-	(90,625)	90,625	(100%)
Interest expense	4,390	-	4,390	100%
Investor relations	101,003	262,624	(161,621)	(62%)
Legal and professional fees	51,108	39,083	12,025	31%
Share-based compensation	217,395	440,460	(223,065)	(51%)
Software and support tools	54,466	70,613	(16,147)	(23%)
Travel and entertainment	44,914	25,805	19,109	74%
	\$ 2,273,541	\$ 2,403,856	\$ (130,315)	(5%)

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SUMMARY OF QUARTERLY RESULTS

The following financial data for each of the eight most recently completed quarters has been prepared in accordance with IFRS:

	For the three months ended (unaudited)			
	December 30, 2020	March 31, 2021	June 30, 2021	September 30, 2021
Revenue	\$ 8,746	\$ 8,750	\$ 13,595	\$ 16,230
Net loss	(458,163)	(657,072)	(932,917)	(792,221)
Total assets	1,415,382	2,423,165	1,759,019	959,271
Basic and diluted loss per	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

	For the three months ended (unaudited)			
	December 30, 2021	March 31, 2022	June 30, 2022	September 30, 2022
Revenue	\$ 28,944	\$ 10,375	\$ 13,000	\$ 3,425
Net loss	(1,223,899)	(1,008,696)	(709,199)	(550,934)
Total assets	605,399	192,148	215,670	82,075
Basic and diluted loss per	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.00)

LIQUIDITY AND CAPITAL RESOURCES

The condensed interim consolidated financial statements for the three and nine months ended September 30, 2022 have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses and expects to incur further losses in the development of its business.

At September 30, 2022, the Company had a working capital deficiency of \$686,068, has not yet achieved profitable operations, and has an accumulated deficit of \$22,824,615 since its inception. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing, to commence profitable operations in the future, and repay its liabilities arising from normal business operations as they become due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Although the Company has, in the past, been successful in obtaining financing, there are inherent risks related to the Company's ability to raise capital in the future and there is no assurance that the Company will be able to continue to do so in the future on similar terms as past financings, or at all. Purchasing the Company's common shares involves a high degree of risk, which could affect our ability to attract investors should additional financings be required. See "Outlook & Going Concern", above, and "Business Risks and Uncertainties" as noted in the MD&A for the year ended December 31, 2021.

Contractual obligations

The Company has no material contractual obligations.

Risks and Uncertainties

The nature of the Company's operations exposes the Company to liquidity risk and market risk, which may have a material effect on cash flows, operations and comprehensive income.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and to monitor market conditions and the Company's activities. The Board has overall responsibility for the establishment and oversight of the Company's risk management framework and policies.

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Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As of September 30, 2022, the Company's significant foreign exchange currency exposure on its financial instruments by currency was as follows (in U.S. dollar equivalents):

	<u>\$CAD</u>
Cash	10,000
Accounts receivable	5,000
Accounts payable and accrued liabilities	(204,000)
Loans payable	<u>(179,000)</u>

The table below details the effect on earnings before tax of a 10% strengthening or weakening of the USD exchange rate at the balance sheet date for balance sheet items denominated in CAD:

<u>Currency</u>	<u>Change in Loss and Comprehensive loss</u>
CAD	<u>\$ (36,800)</u>

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and accounts receivable are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. The accounts receivable are primarily comprised of sales tax receivables from the Government of Canada. As at September 30, 2022, the Company is not exposed to any significant credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The loan payable does not bear interest until December 31, 2023 and the convertible debenture interest is fixed. As at September 30, 2022, the Company is not exposed to any significant interest rate risk

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity through equity financing obtained through the sale of securities of the Company. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

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CASH FLOWS BY ACTIVITY

During the nine months ended September 30, 2022:

- the Company's cash used in operating activities was approximately \$1.6 million (2021 - \$1.9 million), and;
- the Company's cash generated from financing activities was approximately \$1.1 million (2021 - \$1.5 million) related primarily to the exercise of warrants.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For a description of the Company's significant accounting policies, critical accounting estimates and judgments, and related information, see Note 2 and Note 3 to the 2021 Financial Statements. Except as described below, the accounting policies in the 2021 Financial Statements are the same as those applied in the Company's condensed interim consolidated financial statements for the period ended September 30, 2022.

RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include certain executive directors, and entities controlled by such persons. The key management personnel of the Company are certain members of the Company's executive management team and the Board of Directors.

The compensation of such key management for the three and nine months ended September 30, 2022 and 2021 included the following:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Remuneration paid to the CEO	\$ 56,250	\$ 56,250	\$ 167,109	\$ 162,500
Remuneration paid to CTO	-	37,802	-	95,801
Remuneration paid to CFO	30,535	20,243	59,635	59,938
Remuneration paid to Executive VP - Commercial Operations	48,750	48,750	144,828	141,250
Stock-based compensation - directors and officers	25,282	73,063	124,585	278,516
	\$ 160,819	\$ 236,108	\$ 496,158	\$ 738,005

As at September 30, 2022, included in accounts payable and accrued liabilities was \$176,957 (December 31, 2021 - \$6,816) of fees owed to key management personnel.

OFF BALANCE SHEET ARRANGEMENTS

As at September 30, 2022, the Company had no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had issued and outstanding:

- 246,461,509 common shares - total number of shares authorized to be issued by the Company is unlimited common shares.
- Stock options entitling their holders to acquire a total of 16,950,000 common shares at various prices.
- Warrants entitling their holders to acquire a total of 79,983,831 common shares at various prices.
- Restricted share units entitling their holders to acquire a total of 1,900,000 at \$nil price upon achieving certain targets and milestones.

Additional information about the Company can be found in the Company's filings with securities regulatory authorities, which are available under the Company's profile on SEDAR at www.sedar.com.