

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 fifteen month periods ended March 31, 2023, with analysis and comparisons to prior period being December 31, 2021.

This document should be read in conjunction with the information contained in the Company's audited consolidated financial statements for the fifteen month period ended March 31, 2023 (the "2023 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, July 31, 2023 being the date the Company's board of directors (the "Board") approved this MD&A and the 2023 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 seeks 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 provides alternatives with its modern, intelligent, scalable platform solution. As a modern Software as a Service (“SaaS”) platform, Venzee’s solution enables consumer brands to communicate the product information. 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.

SUMMARY OF SIGNIFICANT EVENTS

General highlights

Venzee was created in 2014 and has focused on eliminating inefficient and labor-intensive processes used to distribute consumer-relevant product information across the global supply chain. On January 5, 2018, commenced trading its common shares on the TSX Venture Exchange (“TSXV”) under the symbol “VENZ”.

Recent Developments (2023)

Throughout the fifteen-months ended March 31, 2023, the Company received support from its shareholder base with it providing approximately \$1.2 million of capital through convertible debenture and share issuances as well as the exercise of warrants and options.

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

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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 and February 2023, the Company closed \$360,000 CAD of convertible debentures. Subsequent to March 31, 2023, the Company received \$225,000 CAD of additional convertible debenture funding.

In addition, the Company:

- entered into a contract for advisory services from a third party for a monthly fee of \$30,000 CAD which shall be payable in common shares of the Company at the end of each month, based on the closing price on the last day of trading in that particular month; and,
- changed its fiscal yearend to March 31 to better facilitate the schedules of the auditors, making the process more efficient and less costly.

With the financial market downturn, the Company has had its challenges accessing capital. In order to preserve its capital, the Company implemented numerous cost-cutting measures. As at the date of this MD&A, there is minimal operation and staffing within the Company and the Company is currently in negotiations with a third party to secure financing to fund operations. In the event this financing does 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 fifteen months ended March 31, 2023 and December 31, 2021 is set forth below.

	For the three months ended March 31	For the three months ended December 31	For the fifteen months ended March 31	For the twelve months ended December 31
	2023	2021	2023	2021
Revenue	\$ 17,703	\$ 28,944	\$ 44,503	\$ 67,519
Operating costs	\$ 350,757	\$ 1,245,156	\$ 2,398,925	\$ 3,734,034
Net loss	\$ (446,236)	\$ (1,223,899)	\$ (2,711,932)	\$ (3,606,109)
Total assets	\$ 16,539	\$ 605,399	\$ 16,539	\$ 605,399
Basic and diluted EPS	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.02)

For the three and fifteen months ending March 31, 2023, revenues were \$17,703 and \$44,503 (For the three and twelve months ended December, 31, 2021 - \$28,944 and \$67,519).

Net loss for the three and fifteen months ended March 31, 2023 was \$446,236 and \$2,725,616 (For the three and twelve months ended December, 31, 2021 - \$1,223,899 and \$3,606,109).

Net loss decreased during the three and fifteen months ended March 31, 2023, as compared to the three and twelve months ended December, 31, 2021, 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 March 31, 2023 to the three months ended December 31, 2021

	For the three months ended March 31	For the three months ended December 31	Variance	% Change
	2023	2021		
Revenue	\$ 17,703	\$ 28,944	\$ (11,241)	(39%)
Cost of revenues	\$ 10,004	\$ 7,687	\$ 2,317	30%
Selling and marketing	\$ 207,478	\$ 397,377	\$ (189,899)	(48%)
General and administrative	\$ 131,471	\$ 271,922	\$ (140,451)	(52%)
Research and development	\$ 11,808	\$ 215,551	\$ (203,743)	(95%)
Interest expense	\$ 7,598	\$ -	\$ 7,598	n/a

Comparison of the Fifteen Months Ended March 31, 2023 to the Twelve Months Ended December 31, 2021

	For the fifteen months ended March 31	For the twelve months ended December 31	Variance	% Change
	2023	2021		
Revenue	\$ 44,503	\$ 67,519	\$ (23,016)	(34%)
Cost of revenues	\$ 32,092	\$ 24,616	\$ 7,476	30%
Selling and marketing	\$ 1,317,995	\$ 1,345,539	\$ (27,544)	(2%)
General and administrative	\$ 741,597	\$ 1,001,507	\$ (259,910)	(26%)
Research and development	\$ 339,333	\$ 586,222	\$ (246,889)	(42%)
Interest expense	\$ 7,598	\$ -	\$ 7,598	n/a

Revenue

The Company has seen a reduction in revenues quarter over quarter and throughout the year due to the reduction of operational and staffing 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 and fifteen months ended March 31, 2023, the Company's fixed sales costs have increased marginally over the same period in the three and twelve months ended December 31, 2021.

Selling and marketing

As mentioned above, due to shrinking working capital, the Company implemented cost cutting measures in April 2022, reducing expenses and staffing and its monthly burn rate. The Company saw a reduction in selling and marketing efforts and expenses for the three and fifteen months ended March 31, 2023, as compared to the three and twelve months ended December 31, 2021.

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General and administrative

The decrease in general and administrative expense for the three and fifteen months ended March 31, 2023, as compared to the three and twelve months ended December 31, 2021, was primarily a result of the decreased staffing levels and general cost-cutting measure implemented in April 2022.

Research and development

Research and development expense for the three and fifteen months ended March 31, 2023, as compared to the three and twelve months ended December 31, 2021, has decreased due to staff reductions.

A detailed expense comparison is as follows:

Comparison of the Three Months Ended March 31, 2023 to the Three Months Ended December 31, 2021

	For the Three Months Ended March 31	For the Three Months Ended December 31	Change	%
	2023	2021		
Administration	\$ 28,448	\$ 39,923	(11,475)	(29%)
Accreditation expense	12,016	-	12,016	n/a
Advertising, promotion and marketing	-	9,008	(9,008)	(100%)
Employees and contractors	307,571	701,247	(393,676)	(56%)
Interest expense	6,746	-	6,746	n/a
Investor relations	-	70,283	(70,283)	(100%)
Legal and professional fees	21,214	15,151	6,063	40%
Share-based compensation	77,129	360,306	(283,177)	(79%)
Software and support tools	16,926	27,009	(10,083)	(37%)
Travel and entertainment	-	22,229	(22,229)	(100%)
	\$ 470,050	\$ 1,245,156	\$ (775,106)	(62%)

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Comparison of the Fifteen Months Ended March 31, 2023 to the Twelve Months Ended December 31, 2021

	For the Fifteen Months Ended March 31 2023	For the Twelve Months Ended December 31 2021	Change	%
Administration	\$ 110,288	\$ 141,192	\$ (30,904)	(22%)
Accreditation expense	15,554	-	15,554	n/a
Advertising, promotion and marketing	68,262	87,751	(19,489)	(22%)
Employees and contractors	1,969,934	2,150,640	(180,706)	(8%)
Interest expense	7,598	-	7,598	n/a
Investor relations	93,165	306,404	(213,239)	(70%)
Legal and professional fees	72,322	101,625	(29,303)	(29%)
Share-based compensation	294,524	800,766	(506,242)	(63%)
Software and support tools	71,392	97,622	(26,230)	(27%)
Travel and entertainment	13,564	48,034	(34,470)	(72%)
	\$ 2,723,891	\$ 3,649,012	\$ (925,121)	(25%)

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)							
	March 31, 2023	Dec. 30, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Dec. 30, 2021	Sept. 30, 2021	June 30, 2021
Revenue	\$ 17,703	\$ 13,463	\$ 3,425	\$ 13,000	\$ 10,375	\$ 28,944	\$ 16,230	\$ 13,595
Net loss	(446,236)	(321,362)	(550,934)	(709,199)	(1,008,696)	(1,223,899)	(792,221)	(932,917)
Total assets	16,539	25,422	82,075	215,670	192,148	605,399	959,271	1,759,019
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.00)

LIQUIDITY AND CAPITAL RESOURCES

The consolidated financial statements for the fifteen months ended March 31, 2023 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 March 31, 2022, the Company had a working capital of \$845,970 and has not yet achieved profitable operations with an accumulated deficit of \$23,267,718 since its inception. The continuing operations of the Company are dependent upon its ability negotiate with its debt holders, to continue to raise adequate financing and to commence profitable operations in the future, with the goal to repay its remaining liabilities 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 below in the MD&A as at March 31, 2023.

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Subsequent events

Subsequent to March 31, 2023, the Company:

- Received CAD \$225,000 of additional convertible debt financing, and;
- 18,491,250 of warrants expired, unexercised.

Contractual obligations

The Company entered into a services for shares arrangement with an arm's length service provider for \$30,000 CAD a month, to assist the Company in restructuring its finances and develop a plan for future operations.

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.

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 at March 31, 2023, the Company's significant foreign exchange currency exposure on its financial instruments by currency was as follows (in U.S. dollar equivalents):

	<u>SCAD</u>
Cash	1,000
Accounts receivable	9,000
Accounts payable and accrued liabilities	(227,000)
Loans payable	(47,000)
Convertible debentures	<u>(205,000)</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>
<u>CAD</u>	<u>\$ (46,900)</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 March 31, 2023, the Company is not exposed to any significant credit risk.

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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 January 1, 2024 and the convertible debentures have a set interest rate throughout their term. As at March 31, 2023, 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.

CASH FLOWS BY ACTIVITY

During the fifteen months ended March 31, 2023:

- the Company's cash used in operating activities was approximately \$1.7 million (twelve months ended December 31, 2021 - \$2.8 million), and;
- the Company's cash generated from financing activities was approximately \$1.2 million (twelve months ended December 31, 2021 - \$2.0 million).

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 2023 Financial Statements.

RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes 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 fifteen months ended March 31, 2023 and the three and twelve months ended December 31, 2021 included the following:

As at March 31, 2023, included in accounts payable and accrued liabilities was \$294,486 (December 31, 2021 - \$6,781) of fees owed to key management personnel.

	For the Fifteen Months Ended March 31 2023	For the Twelve Months Ended December 31 2021
Remuneration paid to the CEO	\$ 204,609	\$ 200,000
Remuneration paid to CTO	-	111,815
Remuneration paid to CFO	77,537	71,562
Remuneration paid to Executive VP - Commercial Operations	195,000	175,000
Stock-based compensation - directors and officers	174,353	91,481
	\$ 651,499	\$ 649,858

OFF BALANCE SHEET ARRANGEMENTS

As at March 31, 2023, 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:

- 246,561,509 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 14,600,000 common shares at various prices.
- Warrants entitling their holders to acquire a total of 48,021,381 common shares at various prices.
- Restricted share units entitling their holders to acquire a total of 1,800,000 at \$nil price upon achieving certain targets and milestones.

RISK FACTORS AND UNCERTAINTIES

Certain factors may have a material adverse effect on the Company's business, financial condition, and results of operations. Current and prospective investors should consider carefully the risks and uncertainties described below, in addition to other information contained in this annual information form, as well as the 2023 Annual Financial Statements. The risks and uncertainties described below are not the only ones Venzee faces. Additional risks and uncertainties that Venzee is unaware of, or that it currently believes are not material, may also become important factors that could adversely affect Venzee's business. If any of the following risks or other unexpected risks actually occur, Venzee's business, financial condition, results of operations, and future prospects could be materially and adversely affected. In that event, the trading price of its securities could decline, and investors could lose part or all of their investment.

Venzee's failure to raise additional capital or generate cash flows necessary to expand its operations and invest in new technologies in the future could reduce its ability to compete successfully and harm its results of operations.

Venzee will need to raise additional funds in the short term not only for its short term survival but also for its long term stability. Venzee may not be able to obtain additional debt or equity financing on favorable terms, if at all. If Venzee raises additional equity financing, its security holders may experience significant dilution of their ownership interests. If Venzee engages in debt financing, Venzee may be required to accept terms that restrict its ability to incur additional indebtedness, force Venzee to maintain specified liquidity or other ratios or restrict its ability to pay dividends or make acquisitions. If Venzee needs additional capital and cannot raise it on acceptable terms, or at all, Venzee may not be able to, among other things:

- service its current debt load or maintain operations;
- develop and enhance its products;
- continue to expand its product development, sales and marketing organizations;
- hire, train and retain employees;
- respond to competitive pressures or unanticipated working capital requirements; or
- pursue acquisition opportunities.

The inability to raise additional funds could also put the general operations at risk.

Venzee has a history of losses, and expects to incur losses for the foreseeable future.

Venzee has incurred net losses in each year since its inception and may continue to incur net losses for the foreseeable future. Because the market for Venzee's platform is rapidly evolving and has not yet reached widespread adoption, it is difficult for Venzee to predict its future results of operations. Venzee expects its operating expenses to increase over the next several years as it hires additional personnel, particularly in sales and marketing, expand and improve the effectiveness of its distribution channels, expand its operations and infrastructure, and continue to develop its platform. Further, in future periods, Venzee's revenue growth could slow or its revenue could decline for a number of reasons, including slowing demand for its platform, increasing competition, any failure to gain or retain channel partners, a decrease in the growth of its overall market, or its failure, for any reason, to continue to capitalize on growth opportunities. Venzee's past financial performance should not be considered indicative of its future performance. Any failure by Venzee to achieve or sustain profitability on a consistent basis could cause the value of its common stock to decline.

Venzee has a limited operating history, which makes it difficult to forecast its revenue and evaluate its business and future prospects.

The Venzee platform was beta released to a limited audience in April 2016, and much of Venzee's platform development has occurred in recent periods. As a result of Venzee's limited operating history, its ability to forecast its future results of operations and plan for and model future growth is limited and subject to a number of uncertainties. Venzee has encountered and will continue to encounter risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described herein. Venzee may be unable

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to prepare accurate internal financial forecasts or replace anticipated revenue that it does not receive as a result of delays arising from these factors, and its results of operations in future reporting periods may be below the expectations of investors. If Venzee does not address these risks successfully, its results of operations could differ materially from its estimates and forecasts or the expectations of investors, causing its business to suffer and its stock price to decline.

Venzee's growth may not be sustainable and depends on its ability to attract new customers, retain existing customers and increase sales to both new and existing customers.

Venzee principally generates revenues through the sale of subscriptions to its platform and the sale of additional solutions to its customers. Venzee's subscription plans typically have one-year term, although some of Venzee's customers have monthly subscription terms. Venzee's customers have no obligation to renew their subscriptions after their subscription term expires. As a result, even though the number of paying customers using Venzee's platform has grown in recent years, there can be no assurance that Venzee will be able to retain these customers. In fact, Venzee has historically experienced customer turnover as a result of many of its customers being SMBs that are more susceptible than larger businesses to general economic conditions and other risks affecting their businesses. Further, many of these SMBs are in the entrepreneurial stage of their development and there is no guarantee that their businesses will succeed. Venzee's costs associated with subscription renewals are substantially lower than costs associated with generating revenue from new customers or costs associated with generating sales of additional solutions to existing customers. Therefore, if Venzee is unable to retain customers, even if such losses are offset by an increase in new customers or an increase in other revenues, its operating results could be adversely impacted.

Venzee may also fail to attract new customers, retain existing customers or increase sales to both new and existing customers as a result of a number of other factors, including:

- reductions in its current or potential customers' spending levels;
- competitive factors affecting the software as a service ("SaaS"), business software applications market, including the introduction of competing platforms, discount pricing and other strategies that may be implemented by its competitors;
- its ability to execute on its growth strategy and operating plans;
- a decline in its customers' level of satisfaction with its platform and customers' usage of its platform;
- changes in its relationships with third parties, including its partners, app developers, and others;
- the timeliness and success of its solutions;
- the frequency and severity of any system outages;
- technological change; and
- its focus on long-term value over short-term results, meaning that it may make strategic decisions that may not maximize its short-term revenue or profitability if it believes that the decisions are consistent with its mission and will improve its financial performance over the long-term.

If Venzee fails to manage its growth effectively, it may be unable to execute its business plan, maintain high levels of service and customer satisfaction or adequately address competitive challenges.

Venzee has experienced, and may continue to experience, rapid growth and organizational change, which has placed, and may continue to place, significant demands on its management and its operational and financial resources. Venzee has also experienced significant growth in the number of users and logins and in the amount of data that its SaaS hosting infrastructure supports. Finally, Venzee's organizational structure is becoming more complex as it improves its operational, financial and management controls as well as its reporting systems and procedures. Venzee will require capital expenditures and the allocation of valuable management resources to grow and change in these areas without undermining its culture of rapid innovation, teamwork and attention to customer success, which has been central to its growth so far. If Venzee fails to manage its anticipated growth and change in a manner that preserves the key aspects of its corporate culture, the quality of its platform may suffer, which could negatively affect its brand and reputation and harm its ability to retain and attract customers and employees.

Venzee's expansion has placed, and its expected future growth will continue to place, a significant strain on its managerial, customer operations, research and development, marketing and sales, administrative, financial and other

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resources. If Venzee is unable to manage its continued growth successfully, its business and results of operations could suffer.

In addition, as Venzee expands its business, it is important that it continues to maintain a high level of customer service and satisfaction. As Venzee's customer base continues to grow, Venzee will need to expand its account management, customer service and other personnel, and channel partners, to provide personalized account management and customer service. If Venzee is not able to continue to provide high levels of customer service, its reputation, as well as its business, results of operations and financial condition, could be harmed.

Venzee may not be able to leverage its technology.

Venzee's future growth depends, in part, on its ability to leverage its technology to offer new solutions. Development of new solutions, such as our blockchain solution, *Mesh*, is complex and subject to a number of risks present in the industry. Venzee may not be able to successfully launch new solutions, and there can be no assurance Venzee's engineering and development efforts will be successful in completing and launching such solutions. There can be no assurance that Venzee will successfully develop or commercialize new solutions in a timely manner or at all, or that such solutions will achieve market acceptance. Any failure to design and implement new solutions on a timely basis and at a price acceptable to Venzee's target markets may have a material adverse effect on Venzee's business, growth, operating results and financial condition.

Venzee depends on its executive officers and other key employees, and the loss of one or more of these employees or an inability to attract and retain other highly skilled employees could harm Venzee's business.

Venzee's success depends largely upon the continued services of its executive officers and other key employees. Due to its financial hardship, Venzee was forced to lay off the majority of its workforce, including most of its executive officers and other key employees. Venzee relies on its leadership team in the areas of research and development, operations, security, marketing, sales, customer support, general and administrative functions, and on individual contributors in its research and development and operations. In the future, there may be additional changes in Venzee's executive management team resulting from the hiring or departure of executives, which could disrupt its business. The loss of one or more of Venzee's executive officers or key employees could harm Venzee's business. Changes in Venzee's executive management team may also cause disruptions in, and harm to, its business.

In addition, in order to restart operations, Venzee must attract and retain highly qualified personnel. Competition for these personnel is intense, especially for engineers experienced in designing and developing software and SaaS applications and experienced sales professionals. Venzee has, from time to time experienced, and expects to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies with which Venzee competes for experienced personnel have greater resources than Venzee. If Venzee hires employees from competitors or other companies, their former employers may attempt to assert that these employees or Venzee has breached their legal obligations, resulting in a diversion of Venzee's time and resources. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of Venzee's equity awards declines, it may harm Venzee's ability to recruit and retain highly skilled employees. If Venzee fails to attract new personnel or fails to retain and motivate its current personnel, its business and future growth prospects could be harmed.

If Venzee is unable to attract new customers, increase revenue from its existing customers or develop enhancements to its solutions that achieve market acceptance, its revenue growth and profitability will be harmed.

In order to restart its revenue and achieve and maintain profitability, Venzee must add new customers and re-engage past customers. Numerous factors, however, may impede its ability to add new customers and increase revenue, including Venzee's inability to convert new organizations into paying customers, failure to attract and effectively train new sales and marketing personnel, failure to retain and motivate new sales and marketing personnel, failure to develop or expand relationships with channel partners, failure to successfully deploy products for new customers and provide quality customer support once deployed or failure to ensure the effectiveness of its marketing programs. In addition, if prospective customers do not perceive Venzee's platform to be of sufficiently high value and quality, Venzee will not be able to attract the number and types of new customers that it is seeking.

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In addition, Venzee's ability to attract new customers and increase revenue depends in large part on its ability to enhance and improve its existing products and to introduce compelling new products that reflect the changing nature of its markets. The success of any enhancement to its products depends on several factors, including timely completion and delivery, competitive pricing, adequate quality testing, integration with existing technologies and its platform and overall market acceptance. If Venzee is unable to successfully develop new products, enhance its existing products to meet customer requirements, or otherwise gain market acceptance, its business, results of operations and financial condition would be harmed.

If there are interruptions or performance problems associated with Venzee's technology or infrastructure, its existing customers may experience service outages, and its new customers may experience delays in the deployment of its platform.

Venzee's restart of operations depends, in part, on the ability of its customers to access its platform 24 hours a day, seven days a week, without interruption or degradation of performance. Venzee may experience disruptions, data loss, outages and other performance problems with its infrastructure due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints, denial-of-service attacks or other security related incidents. In some instances, Venzee may not be able to identify the cause or causes of these performance problems immediately or in short order. Venzee may not be able to maintain the level of service uptime and performance required by its customers, especially during peak usage times and as its products become more complex and its user traffic increases. If Venzee's platform is unavailable or if Venzee's customers are unable to access its products or deploy them within a reasonable amount of time, or at all, Venzee's business would be harmed. Since Venzee's customers rely on its service to access and complete their work, any outage on Venzee's platform would impair the ability of its customers to perform their work, which would negatively impact Venzee's brand, reputation and customer satisfaction. Moreover, Venzee depends on services from various third parties to maintain its infrastructure and distribute its products via the Internet. Any disruptions in these services, including as a result of actions outside of its control, would significantly impact the continued performance of its products. In the future, these services may not be available to Venzee on commercially reasonable terms, or at all. Any loss of the right to use any of these services could result in decreased functionality of Venzee's products until equivalent technology is either developed by Venzee or, if available from another provider, is identified, obtained and integrated into Venzee's infrastructure. If Venzee does not accurately predict its infrastructure capacity requirements, its customers could experience service shortfalls. Venzee may also be unable to effectively address capacity constraints, upgrade its systems as needed, and continually develop its technology and network architecture to accommodate actual and anticipated changes in technology.

Any of the above circumstances or events may harm Venzee's reputation, cause customers to terminate their agreements with it, impair its ability to obtain subscription renewals from existing customers, impair its ability to grow its customer base, and otherwise harm its business, results of operations and financial condition.

A network or data security incident may allow unauthorized access to our network or data or our customers' data, harm our reputation, create additional liability and adversely impact our financial results.

Increasingly, companies are subject to a wide variety of attacks on their networks and systems on an ongoing basis. In addition to traditional computer "hackers," malicious code (such as viruses and worms), employee theft or misuse, and denial-of-service attacks, sophisticated nation-state and nation-state supported actors now engage in attacks (including advanced persistent threat intrusions). Despite significant efforts to create security barriers to such threats, it is virtually impossible for Venzee to entirely mitigate these risks. The security measures Venzee has integrated into its internal networks and platform, which are designed to detect unauthorized activity and prevent or minimize security breaches, may not function as expected or may not be sufficient to protect its internal networks and platform against certain attacks. In addition, techniques used to sabotage or to obtain unauthorized access to networks in which data is stored or through which data is transmitted change frequently and generally are not recognized until launched against a target. As a result, Venzee may be unable to anticipate these techniques or implement adequate preventative measures to prevent an electronic intrusion into its networks.

If a breach of customer data security were to occur, as a result of third-party action, employee error, malfeasance or otherwise, and the confidentiality, integrity or availability of its customers' data was disrupted, Venzee could incur

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significant liability to its customers and to individuals or businesses whose information was being stored by its customers, and its platform may be perceived as less desirable, which could negatively affect its business and damage its reputation. In addition, a network or security breach could result in the loss of customers and make it more challenging to acquire new customers. Because techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and generally are not recognized until launched against a target, Venzee may be unable to anticipate these techniques or to implement adequate preventive measures. In addition, security breaches impacting Venzee's platform could result in a risk of loss or unauthorized disclosure of this information, which, in turn, could lead to litigation, governmental audits and investigations and possible liability, damage Venzee's relationships with its existing customers, and have a negative impact on its ability to attract and retain new customers.

These breaches, or any perceived breach, of Venzee's networks, its customers' networks, or other networks, whether or not any such breach is due to a vulnerability in Venzee's platform, may also undermine confidence in its platform and result in damage to its reputation, negative publicity, loss of customers and sales, increased costs to remedy any problem, and costly litigation. Third parties may attempt to fraudulently induce employees or customers into disclosing sensitive information such as user names, passwords or other information or otherwise compromise the security of Venzee's internal networks, electronic systems and/or physical facilities in order to gain access to its data or its customers' data, which could result in significant legal and financial exposure, a loss of confidence in the security of its platform, interruptions or malfunctions in its operations, and, ultimately, harm to its future business prospects and revenue. Venzee may be required to expend significant capital and financial resources to protect against such threats or to alleviate problems caused by breaches in security.

Venzee may experience quarterly fluctuations in its results of operations due to a number of factors that make its future results difficult to predict and could cause its results of operations to fall below analyst or investor expectations.

Venzee's quarterly results of operations fluctuate from quarter to quarter as a result of a number of factors, many of which are outside of its control and may be difficult to predict, including, but not limited to:

- the inability to efficiently and consistently restart its operations;
- the level of demand for its platform;
- the timing and success of new product introductions by Venzee or its competitors or any other change in the competitive landscape of its market;
- pricing pressure as a result of competition or otherwise;
- seasonal buying patterns for IT spending;
- errors in its forecasting of the demand for its products, which could lead to lower revenue, increased costs or both;
- increases in and timing of sales and marketing and other operating expenses that Venzee may incur to grow and expand its operations and to remain competitive;
- adverse litigation judgments, settlements or other litigation-related costs;
- changes in the legislative or regulatory environment;
- fluctuations in foreign currency exchange rates;
- costs related to the acquisition of businesses, talent, technologies or intellectual property, including potentially significant amortization costs and possible write-downs; and
- general economic conditions in either domestic or international markets, including geopolitical uncertainty and instability.

Any one or more of the factors above may result in significant fluctuations in Venzee's results of operations. Investors should not rely on Venzee's past results as an indicator of its future performance.

The variability and unpredictability of its quarterly results of operations or other operating metrics could result in Venzee's failure to meet its expectations or those of analysts that cover Venzee or investors with respect to revenue or other metrics for a particular period. If Venzee fails to meet or exceed such expectations for these or any other reasons, the market price of its common stock could fall substantially, and Venzee could face costly lawsuits, including securities class action suits.

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Venzee stores personally identifiable information of its customers. If the security of this information is compromised or otherwise subjected to unauthorized access, its reputation may be harmed and Venzee may be exposed to liability.

Venzee stores personally identifiable information, credit card information and other confidential information of its customers. Venzee does not regularly monitor or review the content that its customers upload and store and, therefore, does not control the substance of the content on its servers, which may include personal information. Venzee may experience successful attempts by third parties to obtain unauthorized access to the personally identifiable information of its customers. This information could also be otherwise exposed through human error or malfeasance. The unauthorized access or compromise of this personally identifiable information could have an adverse effect on Venzee's business, financial condition and results of operations.

Venzee is also subject to federal, state, provincial and foreign laws regarding privacy and protection of data. Some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data and its agreements with certain customers require Venzee to notify them in the event of a security incident. Venzee posts on its website its privacy policy and terms of service, which describe its practices concerning the use, transmission and disclosure of customer data. In addition, the interpretation of data protection laws in the United States, Canada and elsewhere, and their application to the internet, is unclear and in a state of flux. There is a risk that these laws may be interpreted and applied in conflicting ways from jurisdiction to jurisdiction, and in a manner that is not consistent with Venzee's current data protection practices. Changes to such data protection laws may impose more stringent requirements for compliance and impose significant penalties for non-compliance. Any such new laws or regulations, or changing interpretations of existing laws and regulations, may cause Venzee to incur significant costs and effort to ensure compliance. Because Venzee's services are accessible worldwide, certain foreign jurisdictions may claim that Venzee is required to comply with their laws, including in jurisdictions where Venzee has no local entity, employees or infrastructure.

Venzee's failure to comply with federal, state, provincial and foreign laws regarding privacy and protection of data could lead to significant fines and penalties imposed by regulators, as well as claims by its customers or their customers. These proceedings or violations could force Venzee to spend money in defense or settlement of these proceedings, result in the imposition of monetary liability, diversion of management's time and attention, increase its costs of doing business, and adversely affect its reputation and the demand for its solutions. In addition, if Venzee's security measures fail to protect credit card information adequately, Venzee could be liable to both its customers and their customers for their losses, as well as its payments processing partners under its agreements with them. As a result, Venzee could be subject to fines and higher transaction fees, Venzee could face regulatory action and its customers could end their relationships with Venzee. There can be no assurance that the limitations of liability in Venzee's contracts would be enforceable or adequate or would otherwise protect Venzee from any such liabilities or damages with respect to any particular claim. Venzee also cannot be sure that its existing general liability insurance coverage and coverage for errors and omissions will continue to be available on acceptable terms or will be available in sufficient amounts to cover one or more large claims, or that its insurers will not deny coverage as to any future claim. The successful assertion of one or more large claims against Venzee that exceeds its available insurance coverage, or changes in its insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on its business, financial condition and results of operations.

If Venzee fails to offer high-quality customer support, its business and reputation will suffer.

Once Venzee's platform is deployed to its customers, Venzee's customers rely on its support services to resolve any related issues. High-quality customer education and customer support is important for the successful marketing and sale of Venzee's products and for the renewal of existing customers. The importance of high-quality customer support will increase as Venzee expands its business and pursues new organizations. If Venzee does not help its customers quickly resolve post-deployment issues and provide effective ongoing customer support, its ability to upsell additional products to existing customers would suffer and its reputation with existing or potential customers would be harmed.

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Venzee's restart depends, in part, on the success of its strategic relationships with third parties.

In order to restart its business, Venzee anticipates that it will continue to depend on relationships with third parties, such as channel partners. Identifying partners, and negotiating and documenting relationships with them, requires significant time and resources. Venzee's competitors may be effective in providing incentives to third parties to favor their products or services over subscriptions to our platform. In addition, acquisitions of Venzee's partners by its competitors could result in a decrease in the number of its current and potential customers, as its partners may no longer facilitate the adoption of its applications by potential customers. If Venzee is unsuccessful in establishing or maintaining its relationships with third parties, its ability to restart and compete in the marketplace or to grow its revenue could be impaired, and its results of operations may suffer. Even if Venzee is successful, Venzee cannot assure you that these relationships will result in increased customer usage of its applications or increased revenue.

Because Venzee recognizes revenue from subscriptions and support services over the term of the relevant service period, downturns or upturns in sales are not immediately fully reflected in its results of operations.

Venzee recognizes recurring subscriptions revenue and, if any, related support services revenue monthly over the term of the relevant period. As a result, much of the revenue Venzee reports each quarter is the recognition of deferred revenue from recurring subscriptions and related support services contracts, if any, entered into during previous quarters. Consequently, a decline in new or renewed recurring subscriptions and software-related support service contracts, if any, in any one quarter will not be fully reflected in revenue in that quarter, but will negatively affect Venzee's revenue in future quarters. Accordingly, the effect of significant downturns in new or renewed sales of Venzee's recurring subscriptions and software-related support services are not reflected in full in its results of operations until future periods. Revenue from Venzee's recurring subscriptions and software-related support services also makes it difficult for Venzee to rapidly increase its revenue through additional service sales in any period, as revenue from new and renewal software-related service contracts must be recognized over the applicable service period.

If Venzee fails to adapt to rapid technological change, its ability to remain competitive could be impaired.

The industry in which Venzee competes is characterized by rapid technological change, frequent introductions of new products and evolving industry standards. Venzee's ability to attract new customers and increase revenue from existing customers will depend in significant part on its ability to anticipate industry standards and trends and continue to enhance existing products or introduce or acquire new products on a timely basis to keep pace with technological developments. The success of any enhancement or new product depends on several factors, including the timely completion and market acceptance of the enhancement or new product. Any new product Venzee develops or acquires might not be introduced in a timely or cost-effective manner and might not achieve the broad market acceptance necessary to generate significant revenue. If any of Venzee's competitors implements new technologies before Venzee is able to implement them, those competitors may be able to provide more effective products than Venzee at lower prices. Any delay or failure in the introduction of new or enhanced products could harm Venzee's business, results of operations and financial condition.

If Venzee is unable to ensure that its products interoperate with a variety of operating systems and software applications that are developed by others, its platform may become less competitive and its results of operations may be harmed.

Venzee's products interoperate with servers, mobile devices and software applications predominantly through the use of protocols, many of which are created and maintained by third parties. Venzee therefore depends on the interoperability of its products with such third-party services, mobile devices and mobile operating systems, as well as cloud-enabled hardware, software, networking, browsers, database technologies and protocols that Venzee does not control. Any changes in such technologies that degrade the functionality of Venzee's products or give preferential treatment to competitive services could adversely affect adoption and usage of its platform. Also, Venzee may not be successful in developing or maintaining relationships with key participants in the mobile industry or in developing products that operate effectively with a range of operating systems, networks, devices, browsers, protocols and standards. In addition, Venzee may face different fraud, security and regulatory risks from transactions sent from mobile devices than Venzee does from personal computers. If Venzee is unable to effectively anticipate and manage

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these risks, or if it is difficult for its customers to access and use its platform, its business, results of operations and financial condition may be harmed.

Failure to effectively develop and expand Venzee's marketing and sales capabilities could harm its ability to reengage its customer base and achieve broader market acceptance of its products.

Venzee's ability to reengage its customer base and achieve broader market acceptance of its products will depend to a significant extent on its ability to expand its marketing and sales operations. Venzee plans to rehire its direct sales force and engaging additional channel partners, both domestically and internationally. This will require Venzee to invest significant financial and other resources. Venzee's business will be harmed if its efforts do not generate a corresponding increase in revenue. Venzee may not achieve anticipated revenue growth from expanding its direct sales force if Venzee is unable to hire and develop talented direct sales personnel, if its new direct sales personnel are unable to achieve desired productivity levels in a reasonable period of time or if Venzee is unable to retain its existing direct sales personnel. Venzee also may not achieve anticipated revenue growth from its channel partners if Venzee is unable to attract and retain additional motivated channel partners, if any existing or future channel partners fail to successfully market, resell, implement or support its products for their customers, or if they represent multiple providers and devote greater resources to market, resell, implement and support the products and solutions of these other providers.

Venzee's ability to introduce new products and features is dependent on adequate research and development resources. If Venzee does not adequately fund its research and development efforts, Venzee may not be able to compete effectively and its business and results of operations may be harmed.

To be able to restart and remain competitive, Venzee must continue to develop enhancements to its existing platform. This is particularly true as Venzee plans to further expand and diversify its capabilities. Attracting and maintaining adequate research and development resources, such as the appropriate personnel and development technology, to meet the demands of the market is essential. If Venzee is unable to develop products internally due to certain constraints, such as lack of capital, high employee turnover, lack of management ability or a lack of other research and development resources, this may force Venzee to expand into a certain market or strategy via an acquisition for which Venzee could potentially pay too much or fail to successfully integrate into its operations. Further, many of Venzee's competitors expend a considerably greater amount of funds on their respective research and development programs, and those that do not may be acquired by larger companies that would allocate greater resources to its competitors' research and development programs. Venzee's failure to maintain adequate research and development resources or to compete effectively with the research and development programs of its competitors would give an advantage to such competitors and may harm its business, results of operations and financial condition.

Interruptions or delays in the services provided by third-party data centers or internet service providers could impair the delivery of Venzee's platform and its business could suffer.

Venzee hosts its platform using data centers and providers of cloud infrastructure services. All of Venzee's products reside on hardware owned or leased and operated by Venzee in these locations. Venzee's operations depend on protecting the virtual cloud infrastructure hosted in data centers by maintaining its configuration, architecture and interconnection specifications, as well as the information stored in these virtual data centers and which third-party internet service providers transmit. Although Venzee has disaster recovery plans that utilize multiple data center locations, any incident affecting their infrastructure that may be caused by fire, flood, severe storm, earthquake, power loss, telecommunications failures, unauthorized intrusion, computer viruses and disabling devices, natural disasters, war, criminal act, military actions, terrorist attacks and other similar events beyond its control could negatively affect its platform. A prolonged service disruption affecting Venzee's platform for any of the foregoing reasons could damage its reputation with current and potential customers, expose Venzee to liability, cause Venzee to lose customers or otherwise harm its business. Venzee may also incur significant costs for using alternative equipment or taking other actions in preparation for, or in reaction to, events that damage the services Venzee uses.

Data centers generally enable Venzee to order and reserve server capacity in varying amounts and sizes distributed across multiple regions, and provide Venzee with computing and storage capacity pursuant to an agreement that

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continues until terminated by either party. Operators may generally terminate the agreement by providing 30 days prior written notice and may, in some cases, terminate the agreement immediately for cause upon notice.

Venzee's platform is accessed by a large number of customers, often at the same time. As Venzee continues to expand the number of its customers and products available to its customers, Venzee may not be able to scale its technology to accommodate the increased capacity requirements, which may result in interruptions or delays in service. In addition, the failure of data centers or third-party internet service providers to meet Venzee's capacity requirements could result in interruptions or delays in access to its platform or impede its ability to scale its operations. In the event that service agreements with operators are terminated, or there is a lapse of service, interruption of internet service provider connectivity or damage to such facilities, Venzee could experience interruptions in access to its platform as well as delays and additional expense in arranging new facilities and services.

Venzee's success depends, in part, on the integrity and scalability of its systems and infrastructures. System interruption and the lack of integration, redundancy and scalability in these systems and infrastructures may harm Venzee's business, results of operations and financial condition.

Venzee's restart and future success depends, in part, on its ability to maintain the integrity of its systems and infrastructure, including websites, information and related systems. System interruption and a lack of integration and redundancy in Venzee's information systems and infrastructure may adversely affect its ability to operate websites, process and fulfill transactions, respond to customer inquiries and generally maintain cost-efficient operations. Venzee may experience occasional system interruptions that make some or all systems or data unavailable or prevent Venzee from efficiently providing access to its platform. Venzee also relies on third-party computer systems, broadband and other communications systems and service providers in connection with providing access to its platform generally. Any interruptions, outages or delays in Venzee's systems and infrastructure, its business and/or third parties, or deterioration in the performance of these systems and infrastructure, could impair its ability to provide access to its platform. Fire, flood, power loss, telecommunications failure, hurricanes, tornadoes, earthquakes, other natural disasters, acts of war or terrorism and similar events or disruptions may damage or interrupt computer, broadband or other communications systems and infrastructure at any time. Any of these events could cause system interruption, delays and loss of critical data, and could prevent Venzee from providing access to its platform. While Venzee has backup systems for certain aspects of its operations, disaster recovery planning by its nature cannot be sufficient for all eventualities. In addition, Venzee may not have adequate insurance coverage to compensate for losses from a major interruption. If any of these events were to occur, it could harm Venzee's business, results of operations and financial condition.

Venzee relies on software and services from other parties. Defects in or the loss of access to software or services from third parties could increase Venzee's costs and adversely affect the quality of its products.

Venzee relies on technologies from third parties to operate critical functions of its business, including cloud infrastructure services and management services. Venzee's business would be disrupted if any of the third-party software or services Venzee utilizes, or functional equivalents thereof, were unavailable due to extended outages or interruptions or because they are no longer available on commercially reasonable terms or prices. In each case, Venzee would be required to either seek licenses to software or services from other parties and redesign its products to function with such software or services or develop these components itself, which would result in increased costs and could result in delays in its product launches and the release of new product offerings until equivalent technology can be identified, licensed or developed, and integrated into its products. Furthermore, Venzee might be forced to limit the features available in its current or future products. These delays and feature limitations, if they occur, could harm its business, results of operations and financial condition.

Real or perceived errors, failures, vulnerabilities or bugs in Venzee's products, including deployment complexity, could harm its business and results of operations.

Errors, failures, vulnerabilities or bugs may occur in Venzee's products, especially when updates are deployed or new products are rolled out. Venzee's platform is often used in connection with large-scale computing environments with different operating systems, system management software, equipment and networking configurations, which may cause errors or failures of products, or other aspects of the computing environment into which its products are

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deployed. In addition, deployment of Venzee's products into complicated, large-scale computing environments may expose errors, failures, vulnerabilities or bugs in its products. Any such errors, failures, vulnerabilities or bugs may not be found until after they are deployed to Venzee's customers. Real or perceived errors, failures, vulnerabilities or bugs in Venzee's products could result in negative publicity, loss of customer data, loss of or delay in market acceptance of its products, loss of competitive position, or claims by customers for losses sustained by them, all of which could harm its business, results of operations and financial condition.

If Venzee fails to adequately protect its proprietary rights, its competitive position could be impaired and Venzee may lose valuable assets, generate reduced revenue and incur costly litigation to protect its rights.

Venzee's restart and future success is dependent, in part, upon protecting its proprietary information and technology. Venzee relies on a combination of trademarks, service marks, trade secret laws and contractual restrictions to establish and protect its proprietary rights. However, the steps Venzee takes to protect its intellectual property may be inadequate, especially when there is a lack of capital resources. Venzee will not be able to protect its intellectual property if Venzee is unable to enforce its rights or if Venzee does not detect unauthorized use of its intellectual property. Despite its precautions, it may be possible for unauthorized third parties to copy its products and use information that Venzee regards as proprietary to create products that compete with Venzee's. Some license provisions protecting against unauthorized use, copying, transfer and disclosure of Venzee's products may be unenforceable under the laws of certain jurisdictions and foreign countries. Further, the laws of some countries do not protect proprietary rights to the same extent as the laws of Canada or the United States, and mechanisms for enforcement of intellectual property rights in some foreign countries may be inadequate. To the extent Venzee expands its international activities, its exposure to unauthorized copying and use of its products and proprietary information may increase. Accordingly, despite its efforts, Venzee may be unable to prevent third parties from infringing upon or misappropriating its technology and intellectual property.

Venzee relies in part on trade secrets, proprietary know-how and other confidential information to maintain its competitive position. Although Venzee enters into confidentiality and invention assignment agreements with its employees and consultants and enters into confidentiality agreements with the parties with whom Venzee has strategic relationships and business alliances, no assurance can be given that these agreements will be effective in controlling access to and distribution of its products and proprietary information. Further, these agreements do not prevent Venzee's competitors from independently developing technologies that are substantially equivalent or superior to its products.

To protect its intellectual property rights, Venzee may be required to spend significant resources to monitor and protect these rights. Litigation may be necessary in the future to enforce Venzee's intellectual property rights and to protect its trade secrets. Such litigation could be costly, time consuming and distracting to management and could result in the impairment or loss of portions of Venzee's intellectual property. Furthermore, Venzee's efforts to enforce its intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of its intellectual property rights. Venzee's inability to protect its proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of its management's attention and resources, could delay further sales or the implementation of our products, impair the functionality of its products, delay introductions of new products, result in its substituting inferior or more costly technologies into its products, or injure its reputation. In addition, Venzee may be required to license additional technology from third parties to develop and market new products, and Venzee cannot assure you that Venzee could license that technology on commercially reasonable terms or at all, and its inability to license this technology could harm its ability to compete.

Venzee uses open source software in its products, which could negatively affect its ability to offer its products and subject Venzee to litigation or other actions.

Venzee uses open source software in its products and may use more open source software in the future. From time to time, there have been claims challenging the ownership of open source software against companies that incorporate open source software into their products. However, the terms of many open source licenses have not been interpreted by Canadian or U.S. courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on Venzee's ability to commercialize its products. As a result, Venzee could be subject to lawsuits by parties claiming ownership of what Venzee believes to be open source software. Litigation

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could be costly for Venzee to defend, have a negative effect on its results of operations and financial condition or require Venzee to devote additional research and development resources to change its products. In addition, if Venzee was to combine its proprietary software products with open source software in a certain manner, Venzee could, under certain of the open source licenses, be required to release the source code of its proprietary software to the public. This would allow its competitors to create similar products with less development effort and time. If Venzee inappropriately use open source software, or if the license terms for open source software that Venzee uses change, Venzee may be required to re-engineer its products, incur additional costs, discontinue the sale of some or all of its products or take other remedial actions.

In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or assurance of title or controls on the origin of the software. In addition, many of the risks associated with usage of open source software, such as the lack of warranties or assurances of title, cannot be eliminated, and could, if not properly addressed, negatively affect Venzee's business. Venzee has established processes to help alleviate these risks, including a review process for screening requests from its development organizations for the use of open source software, but Venzee cannot be sure that all of its use of open source software is in a manner that is consistent with its current policies and procedures, or will not subject Venzee to liability.

Indemnity provisions in various agreements may expose Venzee to liability for intellectual property infringement and other losses.

Venzee's agreements with customers and other third parties may include indemnification or other provisions under which Venzee agree to indemnify or otherwise be liable to them for losses suffered or incurred as a result of claims of intellectual property infringement, damages caused by Venzee to property or persons, or other liabilities relating to or arising from the use of its platform or other acts or omissions. As Venzee continues to grow, the possibility of these and other intellectual property rights claims against Venzee may increase. For any intellectual property rights indemnification claim against Venzee or its customers, Venzee will incur significant legal expenses and may have to pay damages, license fees and/or stop using technology found to be in violation of the third party's rights. Large indemnity payments could harm Venzee's business, results of operations and financial condition. Venzee may also have to seek a license for the technology. Such a license may not be available on reasonable terms, if at all, and may significantly increase Venzee's operating expenses or may require Venzee to restrict its business activities and limit its ability to deliver certain products. As a result, Venzee may also be required to develop alternative non-infringing technology, which could require significant effort and expense and/or cause Venzee to alter its platform, which could negatively affect its business.

Customers may require Venzee to indemnify or otherwise be liable to them for breach of confidentiality, violation of applicable law or failure to implement adequate security measures with respect to their data stored, transmitted, or accessed using its platform. Although Venzee normally contractually limits its liability with respect to such obligations, the existence of such a dispute may have adverse effects on its customer relationship and reputation and Venzee may still incur substantial liability related to them.

Any assertions by a third party, whether or not successful, with respect to such indemnification obligations could subject Venzee to costly and time-consuming litigation, expensive remediation and licenses, divert management attention and financial resources, harm its relationship with that customer and other current and prospective customers, reduce demand for its platform, and harm its brand, business, results of operations and financial condition.

Venzee's business is susceptible to risks associated with international sales and the use of its platform in various countries.

Venzee's international sales and the use of its platform in various countries subject Venzee to risks that Venzee does not generally face with respect to domestic sales within North America. These risks include, but are not limited to:

- greater difficulty in enforcing contracts, including Venzee's universal terms of service and other agreements;
- lack of familiarity and burdens and complexity involved with complying with multiple, conflicting and changing foreign laws, standards, regulatory requirements, tariffs, export controls and other barriers;

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- difficulties in ensuring compliance with countries' multiple, conflicting and changing international trade, customs and sanctions laws;
- data privacy laws which may require that customer and customer data be stored and processed in a designated territory;
- difficulties in managing systems integrators and technology partners;
- differing technology standards;
- potentially adverse tax consequences, including the complexities of foreign value added tax (or other tax) systems and restrictions on the repatriation of earnings;
- uncertain political and economic climates;
- currency exchange rates;
- reduced or uncertain protection for intellectual property rights in some countries; and
- new and different sources of competition.

These factors may cause Venzee's international costs of doing business to exceed its comparable domestic costs and may also require significant management attention and financial resources. Any negative impact from Venzee's international business efforts could adversely affect its business, results of operations and financial condition.

Venzee does not have the history with its solutions or pricing models necessary to accurately predict optimal pricing necessary to attract new customers and retain existing customers.

Venzee has limited experience determining the optimal prices for its solutions. Further, as competitors introduce new products that compete with Venzee's products or reduce their prices, Venzee may be unable to attract new customers or retain existing customers based on its historical pricing. As Venzee expands internationally, Venzee also must determine the appropriate price to enable Venzee to compete effectively internationally. In addition, if Venzee's mix of solutions sold changes, then Venzee may need to, or choose to, revise its pricing. As a result, Venzee may be required or choose to reduce its prices or change its pricing model, which could harm its business, results of operations and financial condition.

Future acquisitions, strategic investments, partnerships or alliances could be difficult to identify and integrate, divert the attention of key management personnel, disrupt Venzee's business, dilute stockholder value and harm its results of operations and financial condition.

Venzee may in the future seek to acquire or invest in businesses, products or technologies that Venzee believes could complement or expand its current platform, enhance its technical capabilities or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause Venzee to incur various expenses in identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated. In addition, Venzee has limited experience in acquiring other businesses. If Venzee acquires additional businesses, Venzee may not be able to successfully integrate the acquired personnel, operations and technologies, or effectively manage the combined business following the acquisition.

Venzee may not be able to find and identify desirable acquisition targets or Venzee may not be successful in entering into an agreement with any one target. Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could harm its results of operations. In addition, if an acquired business fails to meet Venzee's expectations, its business, results of operations and financial condition may suffer.

If Venzee fails to maintain an effective system of disclosure controls and internal control over financial reporting, its ability to produce timely and accurate financial statements could be impaired.

In order to maintain and improve the effectiveness of its disclosure controls and procedures and internal control over financial reporting, Venzee has expended, and anticipate that Venzee will continue to expend, significant resources, including accounting-related costs and significant management oversight. When there is a lack of capital, maintaining these internal controls is even more challenging. If any of these new or improved controls and systems do not perform as expected, Venzee may experience material weaknesses in its controls.

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Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm Venzee's results of operations or cause Venzee to fail to meet its reporting obligations and may result in a restatement of its financial statements for prior periods. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in its reported financial and other information, which would likely have a negative effect on the trading price of its common stock. Venzee is not currently required to make a formal assessment of the effectiveness of its internal control over financial reporting under applicable Canadian securities laws. Any failure to maintain effective disclosure controls and internal control over financial reporting could harm Venzee's business and results of operations and could cause a decline in the price of its common stock.

The share price of our common shares has been and may be volatile.

The market price for the Venzee common shares has been volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond Venzee's control, including, but not limited to, the following: (i) actual or anticipated fluctuations in Venzee's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to Venzee; (iv) addition or departure of Venzee's executive officers and other key personnel; (v) sales or anticipated sales of additional Venzee common shares; (vi) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving Venzee or its competitors; (vii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in Venzee's industry or target markets; and (viii) poor balance sheet and negative working capital.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of public entities and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Venzee common shares may decline even if Venzee's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, the trading price of Venzee common shares may be materially adversely affected.

Global financial conditions may impact Venzee and its operations.

Global financial conditions have always been subject to volatility. This volatility may impact the ability of Venzee to obtain equity or debt financing in the future and, if obtained, on terms favourable to Venzee. Increased levels of volatility and market turmoil can adversely impact Venzee's operations and the value and the price of Venzee common shares could be adversely affected.

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.