

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 month period ended March 31, 2020, 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 month period ended March 31, 2020 (the "2020 Financial Statements"), as well as the audited consolidated financial statements and related notes for the year ended December 31, 2019 (the "2019 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, June 17, 2020, being the date the Company's board of directors (the "Board") approved this MD&A and the 2019 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

Venzee's mission is to create shareholder value through its intelligent technology that drastically improves the efficiency of the global supply chain. Our technology disrupts and displaces inefficient manual processes in favor of integrated, AI-driven solutions.

Venzee is a technology company which offers a cloud-based platform using a SaaS ("Software as a Service") revenue model. Venzee sells software, products and services that brands, manufacturers, and retailers can use to efficiently operate and automate complex supply chain processes. Our technical solutions help our clients achieve an intelligent supply chain functionality that affords relevance in a dynamic, consumer-driven and rapidly changing retail market.

Venzee's platform allows brands and manufacturers to automate the process of getting products to the retail market quickly. For Fortune 500 retailers, Venzee's platform increases speed to market for vendors, which results in a shorter path to revenue. Venzee's services are typically paid by brands and manufacturers – either directly or through a content management service that has a contract-based partner agreement with Venzee. Brands and manufacturers pay a monthly recurring fee for each retail destination they choose. Venzee offers its clients integration with an ever expanding list of major retailers.

We believe intelligent supply chain functionality is inevitable and will significantly benefit growers, makers, brands, sellers, regulators, and consumers. Venzee is building the foundation for a future where seamless, accurate, automated data flow simplifies process, removes friction, and creates value for all those that rely on the myriad of data and information surrounding any product, anywhere.

OUTLOOK

The Company's focus for fiscal 2020 is to increase revenues by developing and executing on Content Management Systems ("CMS") partner engagements and expanding the number of available retail channel integrations. Together, partner engagements and retail integrations significantly expand the Company's revenue growth opportunities. Our CMS 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.

The Company is also focused on reducing overhead expenses. In fiscal 2019, it enacted a number of measures to drastically reduce its monthly operating costs. Every aspect of the business was analyzed and cost cutting measures were employed. The number of employees was significantly reduced and the remaining team members were asked to work from home, making the Company a virtual company. These actions not only allowed the Company to weather the financial constraints it saw in fiscal 2019, but also, though inadvertently, set it up to survive the economic disruptions from the pandemic that was coming.

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Company's industry and in the global markets, including possible disruptions in the Company's ability to provide services to its clients, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) to date have not had a material impact on the Company's operations and ability to access capital. The full extent of the impact of this outbreak and related containment measures on the Company's operations cannot be reliably estimated at the date these financial statements were released, June 17, 2020.

Fiscal 2020 will be a transformative year for Venzee, where the sole purpose will be to have sales align with the reduced cash burn and put the Company in a position to be cash flow positive in the near future.

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 December 21, 2017, the Company completed the acquisition of Venzee Inc. by way of a reverse takeover transaction (the "RTO"). On January 5, 2018, Venzee Technologies Inc.'s common shares began trading on the TSX Venture Exchange ("TSXV") under the symbol "VENZ".

The Venzee platform was built to provide an efficient, modern, SaaS-based solution to automate content distribution, accelerate brand retail channel expansion, improve retail margin, and deeply engage consumers with more accurate, relevant, and actionable product information.

Venzee initially 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. In the fourth quarter of 2017, Venzee announced the development of a new feature, Autopilot - an artificial intelligence ("AI") based product that receives information from brand manufacturers and automatically prepares, validates, and delivers to consumers-relevant product content directly into retailer systems. Autopilot allows brands and manufactures to easily build sophisticated content distribution workflows. Autopilot was launched in January 2018.

At the same time, Venzee announced the development of Mesh, an enterprise-class product to target data transformation needs for retailers, brand manufacturers, global trade services, and others reliant on the security and efficiency of the blockchain framework. Mesh is able to import, merge and transform data from existing systems before writing to blockchain networks, greatly simplifying the process of integrating blockchain networks with conventional databases. Following development of the Mesh product and supporting intellectual property, Venzee filed a provisional patent application covering the product and its relationship to regular databases and blockchain networks.

Both Venzee's Autopilot and Mesh products were combined into a singular product offering in 2019 to better complement Venzee's existing application programming interface ("API") and expand the range of options Brand Manufacturers, retailers, and CMS partners have for connecting with or integrating the Venzee platform into content collection or distribution workflows.

Recent Developments (2020)

In January 2020, the Company completed a private placements at a price of CAD \$0.05 per unit for total proceeds of CAD \$915,000 resulting in the issuance of 18,300,000 units.

In February 2020, the Company added Thomas Linden to its board of directors, replacing Markus Westerholz. Mr. Linden has held senior posts at Deloitte and Touche LLP and a wealth of experience on mergers and acquisitions, IPO's, public financings and growth strategies.

In March 2020, the Company joined the Chicago-based COVID-19 Innovation Coalition to offer advanced supply chain services, technical resources, and relevant logistics expertise to suppliers and health care providers facing unprecedented demand amid the Novel Coronavirus outbreak. The COVID-19 Innovation Coalition is a network of entrepreneurs, software developers, engineers, designers, and industry experts providing the City of Chicago, local hospitals, and other entities with relevant expertise to facilitate fast, new responses for front-line challenges affecting our populations.

In April 2020, the Company reports three CMS partners were fully integrated with the Venzee's cloud-based content distribution platform. These channel partner integrations actively use Venzee's AI to automate and distribute product

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information to selected retailers. Venzee channel partners actively promote the Company's services to brands and manufacturers who may benefit from the automation of broadly distributed and accurate product information to retailers. These integrated channel partners have resulted in a material increase in revenue-generating work orders for retail connections which, once completed, generate monthly, compounding, recurring revenue in line with the Company's SaaS-model growth plan.

In May 2020, the Company had a total of 451 channel requests from leading brands and manufacturers using the Venzee distribution platform. Brands driving additional retail connection requests include a major pharmaceutical manufacturer, two global hard lines manufacturers, and a Canadian wellness brand and connect to Venzee's platform through its 11 integrated partners, three of which are operational and four of which are completing Venzee platform integration.

Also in May 2020, the Company completed a private placement for total proceeds of CAD \$1,402,000 resulting in the issuance of 28,040,000 units.

SELECTED FINANCIAL INFORMATION

Selected financial information of the Company for the three months ended March 31, 2020 and 2019 is set forth below.

	For the Three Months Ended March 31,	
	2020	2019
Revenue	\$ 25,787	\$ 54,560
Operating costs	\$ 417,443	\$ 1,017,769
Net loss	\$ (447,808)	\$ (1,421,922)
Basic and diluted EPS	\$ (0.00)	\$ (0.01)

For the quarter ending March 31, 2020, revenues were \$25,787 (2019 - \$54,560) a decrease of approximately 53%.

Net loss for the three months ended March 31, 2020 was \$447,808 (2019 - \$1,421,922). Net loss decreased during the three months ended March 31, 2020, as compared to the prior year primarily as of the result of cost cutting measures employed during the prior fiscal year where the Company (i) decreased headcount throughout all segments of the business and (ii) decreased overhead and administrative costs.

DISCUSSION OF OPERATIONS

Comparison of the Three Months Ended March 31, 2020 and 2019

	For the Three Months Ended March 31,			
	2020	2019	Variance	% Change
Revenue	\$ 25,787	\$ 54,560	\$ (28,773)	(53%)
Cost of revenue	\$ 25,392	\$ 77,389	\$ (51,997)	(67%)
Selling and marketing	\$ 159,778	\$ 198,080	\$ (38,302)	(19%)
General and administrative	\$ 156,776	\$ 593,074	\$ (436,298)	(74%)
Research and development	\$ 100,889	\$ 226,615	\$ (125,726)	(55%)
Interest expense	\$ 1,604	\$ 999	\$ 605	61%

Revenue

During the previous year, the Company changed its revenue strategy and switched from working directly with companies that manufacture goods and, instead, started creating partnerships with CMS providers who are the intermediaries between the manufacturing companies and the on-line retailers, increasing its scope and reach to the marketplace, while reducing the customization efforts required. The change in revenue strategies has stagnated the revenues for the current period, but the expectation is that revenue potential and access to market will improve in future periods. The Company is now working with a handful of key CMS partners rather than countless individual manufacturers. The CMS partners will be contracting with the individual manufacturers offering a suite of services, one being the Venzee platform.

Cost of revenue

Cost of revenue is comprised of contractors, hosting, and software tools related to revenue and partnership support. The decrease in these costs for the three months ended March 31, 2020 as compared to the prior year is related to the reduction in support costs required to service the customer base and the reduced need for customizations.

Selling and marketing

The decrease in selling and marketing expense for the three months ended March 31, 2020, as compared to the prior year was primarily the result of (i) reduced need for sales and marketing teams with the change in sales strategies, (ii) less focus on branding and sales events, and (iii) reduced travel and meals and entertainment costs to support sales teams.

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General and administrative

The decrease in general and administrative expense for the three months ended March 31, 2020 as compared to the prior year was a direct result of a whole scale change in the operations of the business with the change is sales strategy. Staffing levels have been brought down dramatically as well as the operational and overhead costs.

A detailed expense comparison is as follows:

	For the Three Months Ended March 31,		Change	%
	2020	2019		
Employees and contractors	\$ 258,754	\$ 662,824	\$ (404,070)	(61%)
Depreciation	4,202	8,875	(4,673)	(53%)
Loss on disposal of assets	24,954	-	24,954	---%
Interest expense	1,604	999	605	61%
Software and support tools	17,805	33,809	(16,004)	(47%)
Director fees	-	11,282	(11,282)	(100%)
Investor relations	48,208	50,609	(2,401)	(5%)
Legal and professional fees	42,470	33,338	9,132	27%
Administration	27,338	59,277	(31,939)	(54%)
Share-based compensation	13,495	142,900	(129,405)	(91%)
Travel and entertainment	5,421	8,892	(3,471)	(39%)
Advertising, promotion and marketing	3,952	14,838	(10,886)	(73%)
	<u>\$ 448,203</u>	<u>\$ 1,027,643</u>	<u>\$ (579,440)</u>	<u>(56%)</u>

Research and development

The decrease in research and development expense for the three months ended March 31, 2020 as compared to the prior year period was primarily the result of reduced contractor and consultant fees in connection with the Company's change is sales strategy during the year.

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)				
	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019
Revenue	\$ 47,480	\$ 74,202	\$ 48,698	\$ 54,560
Net loss	(1,361,177)	(1,386,107)	(1,421,922)	(1,050,472)
Total assets	2,387,426	1,323,021	1,251,117	389,597
Basic and diluted loss per share	\$ (0.02)	\$ (0.02)	\$ (0.02)	\$ (0.01)

	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
Revenue	\$ 59,073	\$ 34,598	\$ 15,371	\$ 25,787
Net loss	(997,169)	(673,996)	(589,181)	(447,808)
Total assets	921,781	233,408	170,143	212,277
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.00)

LIQUIDITY AND CAPITAL RESOURCES

The condensed interim consolidated financial statements for the three months ended March 31, 2020 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, 2020, the Company had a working capital deficiency of \$51,693, had not yet achieved profitable operations and has an accumulated deficit of \$15,634,758 since its inception. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and 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, 2019.

As at the date of this MD&A, the Company completed two non-brokered private placements with the following terms:

- Total proceeds of CAD \$915,000 resulting in the issuance of 18,300,000 units. Each unit is comprised of one share and one warrant. Each warrant is exercisable until January 31, 2023 (subject to an acceleration clause) at a price of CAD\$0.10 per warrant to acquire one common share. In connection with the private placement, the Company paid \$45,850 and issued 1,181,000 warrants (Finders' Warrants) as finders' fees. Each Finders' Warrant is exercisable for one common share at CAD\$0.10 until January 31, 2023; and
- Total proceeds of CAD \$1,402,000 resulting in the issuance of 28,040,000 units. Each unit is comprised of one share and one warrant. Each warrant is exercisable until May 22, 2023 (subject to an acceleration clause)

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at a price of CAD\$0.10 per warrant to acquire one common share. This financing is subject to the approval of the TSX Venture Exchange.

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.

The Company is exposed to various related risks:

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, 2020, the Company's significant foreign exchange currency exposure on its financial instruments by currency was as follows (in U.S. dollar equivalents):

	SCAD
Cash	107,000
Accounts receivable	43,000
Accounts payable and accrued liabilities	(152,000)

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:

Currency	(Increase) Decrease in Loss and Comprehensive loss
CAD	\$ (600)

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, 2020, 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. As at March 30, 2019, the Company is not exposed to any significant interest rate risk. The loans payable are to a third parties have a fixed interest rate of 8% and 15% per annum. As at March 31, 2020, the Company is not exposed to any significant interest rate risk. The loans payable were fully settle subsequent to year end.

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 three months ended March 31, 2020:

- the Company's cash used in operating activities was approximately \$0.5 million (2019 - \$0.9 million), and;
- the Company's cash generated from financing activities was approximately \$0.6 million (2019 - \$0.0 million) related an equity raised through a private placement of common shares.

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 2019 Financial Statements. Except as described below, the accounting policies in the 2019 Financial Statements are the same as those applied in the Company's condensed interim consolidated financial statements for the period ended March 31, 2020.

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 months ended March 31, 2020 and 2019 included the following:

	For the Three Months Ended March 31,	
	2020	2019
Remuneration paid to the CEO	50,000	33,708
Remuneration paid to CTO	27,883	28,251
Remuneration paid to CFO	17,845	35,560
Remuneration paid to directors	43,750	11,282
Stock-based compensation	9,866	90,868
	\$ 149,344	\$ 199,669

As at March 31, 2020, included in accounts payable and accrued liabilities was \$15,889 (2019 - \$nil) owed to key management personnel.

OFF BALANCE SHEET ARRANGEMENTS

As at March 31, 2020, 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 168,643,601 common shares issued and outstanding. The 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 4,072,500 common shares and warrants entitling their holders to acquire a total of 111,711,456 common shares are issued and outstanding.

Holders of an aggregate of 4,151,562 common shares had their shares subject to a security escrow arrangement.