



TrustBIX Inc.

Management's Discussion and Analysis

Year Ended September 30, 2024

Management's Discussion and Analysis

For the year ended September 30, 2024

The following Management's Discussion and Analysis ("MD&A") relates to the financial position, results of operations and cash flows of TrustBIX Inc. ("TrustBIX", "we", "us", "our" or the "Company" or "Corporation") for the year ended September 30, 2024 and should be read in conjunction with the Company's audited consolidated financial statements and related notes for the years ended September 30, 2024 and 2023 (the "Financial Statements"). The information in this MD&A is current to January 27, 2025, unless otherwise noted.

Unless otherwise stated, financial information in this MD&A is expressed in Canadian dollars and the Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). This MD&A provides information on the activities of the Company.

The Financial Statements include the accounts of the Company and its wholly owned subsidiaries ViewTrak Technologies Inc. ("ViewTrak"), Insight Global Technology Inc ("Insight"), BIX Operations Inc. ("BIX Operations") and Alberta Food Security Inc. ("AFS") (note 1 of the Financial Statements). All inter-company accounts and transactions have been eliminated.

Management is responsible for the information contained in the MD&A and its consistency with information presented, and the MD&A was reviewed and approved by the Board of Directors ("Board") as of January 27, 2025. The Financial Statements and additional information pertaining to the Company can be found on the System for Electronic Document Analysis and Retrieval ("SEDAR+") web site at www.sedarplus.ca.

FORWARD-LOOKING STATEMENTS

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

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

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SIGNIFICANT DEVELOPMENTS AFFECTING OPERATIONS

Going concern

Liquidity and capital resources

The Company's principal sources of liquidity are cash from operations, cash on hand, loan payable with Prairies Economic Development Canada (formerly Western Economic Diversification Canada) ("PrairiesCan"), loan payable to related party and the debenture. Funding operating capital needs, as circumstances warrant, may also come from sales of equity or other securities.

As at September 30, 2024, the Company had a net working capital deficit of \$2,156,197 (2023 - \$1,586,642). For the year ended September 30, 2024, the Company incurred a net loss of \$710,765 (2023 - \$3,073,808), and net cash used in operating activities of \$103,396 (2023 - \$639,944). As at September 30, 2024, the Company had an accumulated deficit of \$20,062,889 (2023 - \$19,352,124). The Company also has lease commitments in the amount of \$25,596 as disclosed in note 10 of the Financial Statements and has entered into a contribution agreement with PrairiesCan for a repayable financial contribution under the Regional Relief and Recovery Fund (the "Contribution") with a remaining principal balance of \$943,000 as disclosed in note 15 of the Financial Statements.

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

Operations during the year ended September 30, 2024, have been financed primarily from non-brokered private placements of \$151,000.

On November 13, 2023, the company received TSX Venture Exchange ("TSXV") final acceptance for the acquisition of AFS (note 4 of the Financial Statements) and management is actively pursuing new business opportunities. The Company may also continue to raise financing, including equity and debt, as needed, for working capital and to expand the business.

The outcome of such efforts is dependent on a number of factors outside of the Issuer's control. The nature of the technology sector, availability of government grants and current financial equity market conditions, and macroeconomic conditions, make the success of any future financing ventures and the other management strategies uncertain. There can be no assurance that management's efforts will be successful. This uncertainty casts significant doubt upon the Issuer's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to going concern.

Macro economic conditions

Macroeconomic conditions, including inflation, rising interest rates and currency fluctuations, have direct and indirect impacts on the Company's business. The Company believes these factors have impacted, and could in the future materially impact, the Company's results of operations and financial condition.

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PRINCIPAL BUSINESS

TrustBIX is an agricultural technology company providing Gate to Plate® solutions to create a world where we trust more, waste less, and reward sustainable practices. Our award-winning technologies offer practical tools trusted by local and international agri-food organizations. The Company's Gate to Plate® solutions include:

1. ViewTrak Technologies Inc., a wholly owned subsidiary of TrustBIX, which has developed solutions with an emphasis on the livestock sector. Its technologies include:
 - a. Auction Master Pro ("AMP") - livestock auction market software solution to help build and operate auction activities.
 - b. Electronic Pork Grader - pork probe technology to help producers price pork by evaluating fat thickness, lean meat thickness, meat percentage and class.
2. Insight Global Inc., a wholly owned subsidiary of TrustBIX, which has developed industrial Internet-of-Things ("IoT") products and traceability solutions. Its technologies include:
 - a. BIX Location Services - IoT devices to track, protect and identify the movement of high-value moveable equipment used in agriculture and other industries.
 - b. BIX (Business InfoXchange System) - a proprietary platform designed to create trust without compromising privacy through innovative, blockchain-derived use of technology and data. By leveraging BIX and its unique use of incentive solutions, TrustBIX delivers independent validation of food provenance and sustainable production practices within the supply chain.
3. Alberta Food Security Inc., a wholly owned subsidiary of TrustBIX acquired on October 31, 2023⁽¹⁾. AFS holds the exclusive Alberta territory license, along with the opportunity to acquire additional North American and international territory licenses from AgriPlay Ventures Inc. ("AgriPlay") (www.AgriPlay.com), an innovative Controlled Environment Agriculture vertical indoor farming company.

⁽¹⁾<https://www.newsfilecorp.com/release/187102/TrustBIX-Inc.-Receives-Final-Exchange-Acceptance-of-Acquisition-of-Alberta-Food-Security-Inc.>

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OUTLOOK

The TrustBIX vision is to create a world where we trust more, waste less and reward sustainable practices by leveraging TrustBIX's Gate to Plate® solutions.

Alberta Food Security (AFS) business outlook

From April to October 2024, AFS hosted over 100 tours of AgriPlay's indoor farming showcase facility at the Calgary Tower Center. We welcomed local, regional, and national grocery distributors and retailers, as well as representatives from all levels of government. These tours engaged key strategic stakeholders in Canada's food supply, positioning us for future opportunities. From October to December 2024, AFS hosted over 100 people at our Edmonton office to further promote our business.

Our proprietary lighting technology allows us to:

- grow 150+ varieties of vegetables, fruits, and herbs;
- reduce operating costs with low power and water consumption compared to other indoor farm systems; and
- be installed in virtually any building, including commercial offices and barns.

In 2024, we tested our lighting technology and grow module system with positive results. Produce grown was high-quality and cultivated quickly. Additional test are planned for 2025.

Between January and June 2024, AFS signed orders and received initial deposits for its indoor farming technology totaling approximately \$650,000. In addition, on September 11, 2024, we received a signed purchase order for \$5 million, from an arm's length customer, to build multiple indoor vertical farms in Ontario, Canada. The terms require a 50% deposit prior to delivery, with the remaining balance due within 30 days of delivery. Additionally, an annual fee of approximately 5% of the purchase price will be applied for automation and monitoring services to all orders. Revenue from these orders will be recognized upon product delivery.

Challenges:

- **Supplier Delays:** Our supplier experienced manufacturing delays, affecting our ability to deliver equipment on existing orders. We are working closely with the supplier to resolve this and expedite manufacturing.
- **Facility Relocation:** At the end of October 2024, the Calgary Tower facility was dismantled due to the landlord's decision to convert the building into residential condos. Most equipment has been relocated to Edmonton, where we are establishing a new facility.

ViewTrak Technologies business outlook

In 2024, we announced plans to discontinue support for our old COBOL-based Market Master and Dealer Master ("MM") systems as of January 1, 2025. Since then, our Auction Master Pro ("AMP") team has been busy helping customers convert from MM to AMP. Due to the high volume of conversion requests, we have extend MM support for another year, to alleviate stress for both our customers and our team.

The high volume of conversion requests has created a bottleneck, necessitating the need to hire and train more staff to ensure quality service. This challenge is expected to be addressed in 2025.

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RESULTS OF OPERATIONS**Selected information for the years ended September 30, 2024, 2023 and 2022:**

	Years ended		
	2024	2023	2022
Statement of loss and comprehensive loss data:			
Revenue			
Licence	\$ 284,205	\$ 270,827	\$ 193,105
Hardware and installation	420,396	648,817	387,344
Professional and development services	98,837	239,308	278,152
Maintenance	774,547	969,449	816,504
	<u>1,577,985</u>	<u>2,128,401</u>	<u>1,675,105</u>
Expenses			
Consulting fees	666,121	1,014,794	893,186
Wages and benefits	614,044	1,539,939	2,287,546
Hardware for resale and supplies	317,358	431,134	285,096
Office	275,406	334,576	354,642
Professional fees	110,636	394,368	972,687
Bad debts	74,982	-	124
Amortization and depreciation	49,283	615,157	378,390
Travel, trade shows and conferences	27,968	98,193	94,052
Advertising and promotion	22,080	41,886	29,095
Foreign exchange (gain) loss	3,303	17,660	7,880
Research and development	-	(52,008)	338,685
	<u>2,161,181</u>	<u>4,435,699</u>	<u>5,641,383</u>
Loss before other income (expenses) and income taxes	<u>(583,196)</u>	<u>(2,307,298)</u>	<u>(3,966,278)</u>
Other income (expense)	(127,569)	(766,510)	(100,865)
Income taxes	-	-	-
Net loss and comprehensive loss for the period	<u>\$ (710,765)</u>	<u>\$ (3,073,808)</u>	<u>\$ (4,067,143)</u>
Per common share:			
Basic and diluted loss per share	\$ (0.01)	\$ (0.04)	\$ (0.08)
Number of common shares outstanding - end of period	118,869,330	102,869,330	79,649,831
Weighted average number of common shares outstanding - basic and diluted	114,129,166	73,190,395	50,705,085
Statement of financial position data:			
Working deficiency - current assets less current liabilities	\$ (2,156,197)	\$ (1,586,642)	\$ (1,068,208)
Total assets	\$ 921,588	\$ 605,680	\$ 2,078,816
Total non-current financial liabilities	\$ 582,367	\$ 598,833	\$ 639,062

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Year ended September 30, 2024 compared to 2023

Revenues

Total revenue for the year ended September 30, 2024 decreased to \$1,577,985 from \$2,128,401 in 2023, a decrease of \$550,416 or 25.9% due to the following:

- Licence revenue increased to \$284,205 in 2024 from \$270,827 in 2023, an increase of \$13,378 or 4.9% mainly due to the cumulative effect of ongoing AMP software sales in 2024.
- Hardware and installation revenue decreased to \$420,396 in 2024 from \$648,817 in 2023, a decrease of \$228,421 or 35.2% mainly due to a reduction in AMP hardware replacements for existing customers in 2024 as compared to 2023. AMP hardware installations for new customers were relatively consistent between 2024 and 2023.
- Professional and development services revenue decreased to \$98,837 in 2024 from \$239,308 in 2023, a decrease of \$140,471 or 58.7%. The decrease is largely due to sales from BIX and JBS' sustainable beef program in 2023 which did not recur in 2024. As well as fewer AMP hardware replacements, as described.
- Maintenance revenue decreased to \$774,547 in 2024 from \$969,449 in 2023, a decrease of \$194,902 or 20.1%, largely due to the disposition of the Feedlot Solutions ("FLS") software product line during 2023 and BIX licensing fees which ended in 2023, and did not recur in 2024. As well as a decrease in MM revenue, arising from customers switching to AMP, due to the planned discontinuation of MM.

Expenses

Consulting fees

Consulting fees decreased to \$666,121 in 2024 from \$1,014,794 in 2023, a decrease of \$348,673 or 34.4%, mainly due to the termination of certain consulting contracts, including those related to the disposition of the FLS software product line during 2023.

Wages and benefits

Wages and benefits decreased to \$614,044 in 2024 from \$1,539,939 in 2023, a decrease of \$925,895 or 60.1%. The decrease is primarily due to the termination of certain employees together with other employees moving to contract arrangements as well as a reduction in the value of stock-based compensation vested during 2024.

Hardware costs and supplies

Hardware costs and supplies expense decreased to \$317,358 in 2024 from \$431,134 in 2023, a decrease of \$113,776 or 26.4%, mainly due to fewer deliveries of AMP equipment as described in the revenues section above.

Office

Office expenses decreased to \$275,406 in 2024 from \$334,576 in 2023, a decrease of \$59,170 or 17.7%, mainly due to cost saving measures as the Company has reduced its non-essential costs.

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Professional fees

Professional fees decreased to \$110,636 in 2024 from \$394,368 in 2023, a decrease of \$283,732 or 71.9%, mainly due to reduced advisory fees, on matters relating to the Company's growth opportunities in conjunction with the deployment of existing and future technologies across key industries, as the Company did not renew the advisor's contract, together with a reduction in accounting fees, and the value of stock-based compensation vested during 2024.

Bad debts

Bad debt expense was \$74,982 in 2024 as compared to \$nil in 2023. This arose from unsecured accounts receivable due from a customer in China, where the Company has limited ability to collect on the outstanding amounts.

Amortization and depreciation

Amortization and depreciation decreased to \$49,283 in 2024 from \$615,157 in 2023, a decrease of \$565,874 or 92.0%, mainly due to the impairment loss on the Insight Software during 2023, resulting in no further amortization required on that asset. This was partially offset by the addition of a license, acquired as part of the acquisition of AFS (note 4 of the Financial Statements) during 2024.

Travel, trade shows and conferences

Travel, trade shows and conferences expenses decreased to \$27,968 in 2024 from \$98,193 in 2023, a decrease of \$70,225 or 71.5%, due to cost saving measures as the Company has reduced its non-essential travel costs and terminated employees.

During 2024, the Company recognized IRAP funding of \$3,000 as a reduction in travel, trade shows and conferences expense (2023 – \$nil) (note 20 of the Financial Statements).

Advertising and promotion

Advertising and promotion expense decreased to \$22,080 in 2024 from \$41,886 in 2023, a decrease of \$19,806 or 47.3%, due to one time costs in 2023 related to engaging advisors to assist the Company with creating brand awareness and promoting its products in Asia.

Foreign exchange loss

Foreign exchange loss was \$3,303 in 2024 as compared to \$17,660 in 2023, a change of \$14,357, due to normal fluctuations in the Canadian dollar to US dollar foreign exchange rate.

Research and development

During 2024, research and development cost was \$nil as compared to \$52,008 in 2023. The difference is mainly due to the termination of a consultant as part of the Company's cost saving measures and the recognition, in 2023, of PIC and IRAP funding of \$69,035 and \$119,628, respectively (note 20 of the Financial Statements).

Other expenses

Total net other expenses in 2023 were \$127,569 as compared to \$766,510 in 2023. The \$638,941 decrease in other expenses is mainly due to an impairment loss of \$870,407 on the Insight Software (note 9 of the Financial Statements), and was partially offset by a gain on refinancing of \$204,519 from the PrairiesCan Contribution, as a result of revised repayment terms (note 15 of the Financial Statements).

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Summary of quarterly results

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

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	392,256	547,769	343,406	294,554	598,108	432,910	678,559	418,824
Expenses	595,514	526,432	513,370	525,865	930,862	952,502	1,317,429	1,234,906
Loss before other income (expenses) and income taxes	(203,258)	21,337	(169,964)	(231,311)	(332,754)	(519,592)	(638,870)	(816,082)
Other income (expenses)	(35,799)	(31,110)	(31,018)	(29,642)	(875,753)	(28,651)	(25,428)	163,322
Income taxes	-	-	-	-	-	-	-	-
Net loss and comprehensive loss	(239,057)	(9,773)	(200,982)	(260,953)	(1,208,507)	(548,243)	(664,298)	(652,760)
Per common share:								
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)
Number of common shares outstanding - end of period	118,869,330	118,869,330	138,869,330	132,369,330	102,869,330	102,869,330	102,869,330	79,649,831
Weighted average number of common shares outstanding - basic and diluted	118,869,330	118,869,330	116,583,616	102,272,591	82,869,330	82,869,330	67,351,358	59,528,092

The Company has incurred losses to develop software platforms and grow the business, and will continue to invest further resources to expand revenue streams. Other income during Q1 2023 includes a gain of \$204,520 on refinancing of the PrairiesCan Contribution, as a result of revised repayment terms (note 15 of the Financial Statements). Other expenses during Q4 2023 includes an impairment loss of \$870,407 on the Insight Software (note 9 of the Financial Statements).

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

Three months (fourth quarter) ended September 30, 2024 compared to 2023**Revenues**

Total revenue for the three months ended September 30, 2024 decreased to \$392,256 from \$598,108 in the same period in 2023, a decrease of \$205,852 or 34.4% due to the following:

- Licence revenue increased to \$72,809 for the three months ended September 30, 2024 from \$70,386 in the same period in 2023, an increase of \$2,423 or 3.4%, mainly due to the cumulative effect of ongoing AMP software sales in 2024.
- Hardware and installation revenue decreased to \$114,954 for the three months ended September 30, 2024 from \$166,611 in the same period in 2023, a decrease of \$51,657 or 31.0% mainly due to a reduction in AMP hardware installations and replacements in the 2024 quarter as compared to the 2023 quarter.
- Professional and development services revenue decreased to \$26,858 for the three months ended September 30, 2024 from \$50,609 in the same period in 2023, a decrease of \$23,751 or 46.9%.

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The decrease is largely due to the reduction in AMP hardware installations and replacements in the 2024 quarter as compared to the 2023 quarter, as described above.

- Maintenance revenue decreased to \$177,635 for the three months ended September 30, 2024 from \$310,502 in the same period in 2023, a decrease of \$132,867 or 42.8%, largely due to the disposition of the FLS software product line during 2023. As well as a decrease in MM revenue, arising from customers switching to AMP, due to the planned discontinuation of MM.

Expenses

Consulting fees

Consulting fees decreased to \$174,041 for the three months ended September 30, 2024 from \$257,532 in the same period in 2023, a decrease of \$83,491 or 32.4%, mainly due to the termination of certain consulting contracts, including those related to the disposition of the FLS software product line during the fiscal year ended September 30, 2023.

Wages and benefits

Wages and benefits decreased to \$135,832 for the three months ended September 30, 2024 from \$219,709 in the same period in 2023, a decrease of \$83,877 or 38.2%. The decrease is primarily due to the termination of certain employees together with other employees moving to contract arrangements as well as a reduction in the value of stock-based compensation vested during the 2024 quarter.

Hardware costs and supplies

Hardware costs and supplies expense decreased to \$101,580 for the three months ended September 30, 2024 from \$119,541 in the same period in 2023, a decrease of \$17,961 or 15.0%, mainly due to fewer deliveries of AMP equipment, as described in the revenues section above.

Office

Office expenses were relatively consistent at \$81,898 during the three months ended September 30, 2024 as compared to \$82,565 during the same period in 2023.

Professional fees

Professional fees decreased to \$7,469 for the three months ended September 30, 2024 from \$48,757 in the same period in 2023, a decrease of \$43,533 or 89.3%, mainly due to reduced advisory fees, on matters relating to the Company's growth opportunities in conjunction with the deployment of existing and future technologies across key industries, as the Company did not renew the advisor's contract, together with a reduction in accounting fees, and the value of stock-based compensation vested during 2024.

Bad debts

Bad debt expense was \$74,982 for the three months ended September 30, 2024 as compared to \$nil in the same period in 2023. This arose from unsecured accounts receivable due from a customer in China, where the Company has limited ability to collect on the outstanding amounts.

Amortization and depreciation

Amortization and depreciation decreased to \$7,469 during the three months ended September 30, 2024 as compared to \$152,703 in the same period in 2023, a decrease of \$145,234 or 95.1%, mainly due to the

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impairment loss on the Insight Software during the year ended September 30, 2023, resulting in no further amortization required on that asset (note 9 of the Financial Statements). This was partially offset by the addition of a licence, acquired as part of the acquisition of AFS (note 4 of the Financial Statements) during 2024.

Travel, trade shows and conferences

Travel, trade shows and conferences expense decreased to \$4,446 for the three months ended September 30, 2024 from \$13,710 in the same period in 2023, a decrease of \$9,264 or 67.6%, due to cost saving measures as the Company has reduced its non-essential travel costs and terminated employees.

Advertising and promotion

Advertising and promotion expenses were not significant during the three months ended September 30, 2024 (\$5,843) as compared to the same period in 2023 (\$255).

Foreign exchange loss

Foreign exchange loss of \$4,199 was relatively consistent during the three months ended September 30, 2023 as compared to \$3,976 in the same period in 2023, a change of \$223.

Research and development

During the three months ended September 30, 2024, research and development cost was \$nil as compared to \$32,114 in the same period in 2023. The difference is mainly due to the termination of a consultant as part of the Company's cost saving measures.

Other expenses

Total net other expenses during the three months ended September 30, 2024 was \$35,799 as compared to \$875,753 in the same period in 2023. The \$839,954 decrease in other expenses is mainly due to an impairment loss of \$870,407 on the Insight Software (note 9 of the Financial Statements).

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

	Year ended September 30,	
	2024	2023
	\$	\$
Cash used in operating activities	(103,396)	(639,944)
Cash used in investing activities	(1,119)	(1,078)
Cash provided by financing activities	92,760	598,138
Increase in cash	(11,755)	(42,884)
Cash - beginning of year	83,997	126,881
Cash - end of year	72,242	83,997

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

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Cash used in operating activities

Cash used in operating activities for 2024 was \$103,396 as compared to \$639,944 in 2023. This was primarily due the lower net loss in 2024, driven by diligent cost control, as well as changes in working capital.

Cash used in investing activities

Cash used in investing activities was not significant, in 2024 it was \$1,119, as compared to \$1,078 in 2023.

Cash provided by financing activities

Cash provided by financing activities for 2024 decreased to \$92,760, as compared to \$598,138 in 2023. The decrease was primarily due to:

- proceeds of \$150,000 from the issuance of a previously convertible debenture in 2023;
- the partial repayment of a previously convertible debenture of \$115,000 in 2023;
- a decrease in proceeds from non-brokered private placements, which were \$151,000 in 2024, as compared to \$762,682 in 2023;
- proceeds from common shares committed to be issued of \$54,000 in 2023;
- proceeds from a promissory note of \$23,000 in 2023;
- the repayment of promissory notes of \$250,000 in 2023;
- an increase in the repayments towards the PrairiesCan loan, with \$44,000 being repaid in 2024 as compared to \$8,000 in 2023.

CONTRACTUAL OBLIGATIONS

The Company had the following cash flow obligations, as at September 30, 2024:

	Payments due by period				
	\$				
	Total	Less than 1 year	1 - 3 years	3 - 5 years	After 5 years
Accounts payable and accrued liabilities	1,679,786	1,679,786	-	-	-
Debenture	35,000	35,000	-	-	-
Loan payable to related party	23,000	23,000	-	-	-
Loan payable with PrairiesCan	943,000	247,002	618,672	77,326	-
Lease liability	25,596	10,064	15,532	-	-
Total	2,706,382	1,994,852	634,204	77,326	-

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On January 22, 2025, the repayment terms of the loan payable with PrairiesCan were revised, changing the amount of the monthly installment payments. Under the revised terms, the Company's anticipated cash outflows for the twelve (12) months ending September 30th are:

	\$
2025	90,000
2026	335,840
2027	413,769
2028	103,400
	943,000

OUTSTANDING SHARE DATA

As at January 27, 2025, there were 123,209,330 common shares and 14,740,185 stock options issued and outstanding. On a fully diluted basis, 137,949,515 common shares would be outstanding.

On December 5, 2024 and December 30, 2024, the Company closed two (2) tranches of a non-brokered private placement financing for a total aggregate of 4,340,000 common shares at a price of \$0.02 per common share for total aggregate gross proceeds of \$86,800. Pursuant to the private placement, William Harper, the CFO of the Company, acquired 100,000 Common Shares for \$2,000 and Lap Shing (Andrew) Kao, a director of the Company, acquired 540,000 Units for \$10,800.

On October 16, 2024, 3,200,000 warrants with an exercise price of \$0.30 expired unexercised and on December 18, 2024, 1,300,000 warrants with an exercise price of \$0.30 expired unexercised.

See also note 16 to the Financial Statements for additional information regarding the Company's common shares, share options and warrants.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements at September 30, 2024 and 2023 and does not currently, as of the date of this MD&A, have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions, including key management compensation, are provided in note 19 of the Financial Statements. No ongoing contractual or other commitments resulted from the transactions, other than the key management compensation.

The Company's related parties are its Board of Directors (Hubert Lau, Edward Power, Lap Shing (Andrew) Kao, Ling Cun (Frank) Yang, who resigned effective November 13, 2023, Nathaniel Mison, and Adam Morand, who was appointed on November 13, 2023) and key management personnel: including the Chief Executive Officer (Hubert Lau), Chief Financial Officer (William Harper), former Chief Innovation Officer (Thomas Ogaranko), former Chief Industry Engagement Officer (Deborah Wilson, who resigned on October 25, 2023) and former VP Technology (Mike Kennedy), as well as companies controlled by key management

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personnel or directors and their close family members. Transactions conducted with related parties took place in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

During the years ended September 30, 2024 and 2023, the Company incurred the following amounts with the related parties:

	2024 \$	2023 \$
Sublease rental income from Trace Applications Inc., a company controlled by Ted Power, a director	-	937
Office and administrative services to 1972888 Alberta Ltd., a company controlled by a close family member of Hubert Lau	4,187	5,383
Project management services to Green Analytics Corp., a company controlled by Mike Kennedy, a former member of key management,	-	52,500
	<u> </u>	<u> </u>

During the year ended and as at September 30, 2024, the Company had received deposits of \$80,000 from 1972888 Alberta Ltd. for an order of AFS indoor farming technology.

During the year ended and as at September 30, 2024, the Company paid deposits of \$214,541 to AgriPlay, a company with common key management, for the manufacturing of AFS indoor farming technology.

The compensation to key management, and their close family members, during the years ended September 30, 2024 and 2023 are as follows:

	2024 \$	2023 \$
Salaries and other short-term employee benefits	84,223	465,695
Stock-based compensation	22,341	151,092
Consulting fees	286,115	234,276
	<u>392,679</u>	<u>851,063</u>

During the year ended September 30, 2024, the Company granted 6,600,000 stock options with a fair value of \$26,428 to directors and members of key management, exercisable at \$0.01 per common share (see note 16(d) of the Financial Statements).

During the year ended September 30, 2023, the Company granted 1,320,000 stock options with a fair value of \$35,266 to directors and members of key management, exercisable at \$0.05 per stock option (see note 16(d) of the Financial Statements).

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Accounts payable and accrued liabilities

Accounts payable and accrued liabilities as at September 30, 2024 and 2023 include the following amounts due to:

	2024 \$	2023 \$
Salaries and consulting fees due to members of key management and their close family members	415,913	292,345
AgriPlay Ventures Inc., for a license, deposit on AFS equipment manufacturing, and general office expenses	118,749	-
A4 Systems Corporation, a company with common key management, for general office expenses	4,420	-
Acclogic Strategic Consulting Inc., a company with common key management, for general office expenses	3,927	-
Green Analytics Corp., a company controlled by Mike Kennedy, for consulting fees	-	5,701
1972888 Alberta Ltd., a company controlled by a close family member of Hubert Lau for other services	8,923	4,527
	551,932	302,573

As at September 30, 2023, Ling Cun (Frank) Yang held the outstanding previously convertible debenture with a remaining principal balance of \$35,000 (see note 14 of the Financial Statements). He resigned as a director effective November 13, 2023.

On August 3, 2023, the Company issued a promissory note to a close family member of Hubert Lau for \$23,000. The promissory note bears interest at a rate of 1% per month and matures on August 2, 2025. As at September 30, 2024, \$3,220 of interest is payable on the promissory note and included in accounts payable and accrued liabilities. The Company may pay the outstanding balance at any time before the maturity date without penalty.

CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

There are no new IFRS standards that have been recently issued by the IASB that are relevant or expected to have a significant impact.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

For accounting recognition and measurement purposes, cash, accounts receivable, share subscription receivable, accounts payable and accrued liabilities, loans payable and debenture are classified as amortized cost. The carrying value of cash, accounts receivable, share subscription receivable, accounts payable and accrued liabilities, and debenture approximates their fair value due to the immediate or short-term maturity of these financial instruments. The loans payable were measured using the estimated incremental borrowing rate and approximates fair value.

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

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

The non-marketable equity securities in Provision Analytics (note 11 of the Financial Statements) are an investment in a privately held company without readily determinable market values and is classified as Level 3.

During the years ended September 30, 2024 and 2023, there have been no transfers between levels of the fair value hierarchy.

Financial risk management

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

a) Market risk**i) Currency risk**

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

The following table presents the Company's exposure in Canadian dollars to the US dollar and Chinese RMB as at September 30, 2024 and 2023:

	2024 \$	2023 \$
Cash – USD	52,382	25,312
Accounts receivable – USD	565	105,412
Accounts payable and accrued liabilities – USD	(126,690)	(147,581)
	<u>(73,743)</u>	<u>(16,857)</u>
	2024 \$	2023 \$
Accounts receivable - RMB	<u>-</u>	<u>60,783</u>

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	2024 \$	2023 \$
CAD\$ - USD	0.7408	0.7398
CAD\$ - RMB	5.1948	5.3996

As at September 30, 2024, based on the Company's foreign currency exposure noted above, varying the foreign exchange rates to reflect a 10% strengthening of the US dollar would have increase net loss by approximately \$7,000 (2023 - \$2,000) and the Chinese RMB would have decreased net loss by approximately \$nil (2023 – \$6,000), assuming all other variables remained constant.

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

ii) Market price risk

The Company is exposed to market price risk on its equity investment in Provision Analytics Inc. (note 11 of the Financial Statements). Market price risk is the risk of loss arising from changes in the fair value of a financial instrument as a result of changes in market prices.

The sensitivity of the fair value of the investment to changes in market prices is monitored by the Company and it estimates that a 20% increase or decrease in the market price would result in an approximately \$36,000 increase or decrease, respectively, in the fair value of the investment.

iii) Interest rate risk

The Company does not have any variable rate financial liabilities and is therefore management does not believe it is exposed to significant interest rate risk as at September 30, 2024 and 2023.

b) Credit risk

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

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

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

	2024 \$	2023 \$
Balance – Beginning of year	4,042	4,537
Accounts written off, net of recoveries	74,982	(495)
Balance – End of year	<u>79,024</u>	<u>4,042</u>

Management believes the risks associated with concentrations of credit risk with respect to accounts receivable are limited due to the nature of the customers and the generally short-term payment cycle.

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

	2024		2023	
	\$	%	\$	%
Current	13,475	12	67,037	44
31 – 60 days	4,076	4	2,941	2
61 – 90 days	8,623	7	703	0
Greater than 90 days	89,602	77	82,284	54
	<u>115,776</u>	<u>100</u>	<u>152,965</u>	<u>100</u>

c) Liquidity risk

As at September 30, 2024 and 2023, the Company's liabilities have the following amounts that mature within one year:

	2024 \$	2023 \$
Accounts payable and accrued liabilities	1,679,786	1,556,748
Loans payable	155,592	71,000
Debenture	35,000	37,706
Lease liability	6,932	5,572
	<u>1,877,310</u>	<u>1,671,026</u>

Accounts payable and accrued liabilities from two (2) vendors of the Company (2023 – two (2)) represented \$589,780 or 35% (2023 - \$470,665 or 30%) of the Company's total accounts payable and accrued liabilities and are due within one (1) year.

The Company's long-term liabilities include loans payable of \$568,854 (2023 - \$578,388) (note 15 of the Financial Statements) and a lease liability of \$13,513 (2023 - \$20,445) (note 10 of the Financial Statements).

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The Company's anticipated cash outflows related to the lease obligation for the twelve (12) months ending September 30th are as follows:

	\$
2025	10,064
2026	10,313
2027	5,219
	<u>25,596</u>

The Company's anticipated cash outflows on the Contribution for the twelve (12) months ending September 30th are as follows:

	\$
2025	247,000
2026	309,333
2027	309,333
2028	77,326
	<u>943,000</u>

See Transactions with Related Party section above for additional information on the anticipated cash outflows of the promissory note due to related party.

Liquidity risk is the risk the Company will encounter difficulty in meeting financial obligations as they come due. See Going Concern in Significant Developments Affecting Operations section above for additional information on the Company's financial condition. The Company manages its liquidity risk through the management of its capital structure and financial leverage. It also monitors its cash position to its actual cash position and timing of payments to suppliers, ensuring that sufficient funds are available when payments come due. The Board of Directors reviews and approves any material transactions out of the ordinary course of business.

RISK FACTORS

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

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Risks Related to the Business

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

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

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

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

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

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

The Company's business may be dependent on material customers

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

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

Growth will place a significant strain on the Company's managerial, administrative, operational, financial and other resources. Management intends to further expand the overall business, including headcount, with no assurance that revenues will continue to grow. As the Company grows, management will be required to continue to improve operational and financial controls and reporting procedures and they may not be able to do so effectively. As such, the Company may be unable to manage expenses effectively in

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the future, which may negatively impact gross profit or operating expenses. The Company is also subject to the risks of over-hiring and/or overcompensating employees and over-expanding its operating infrastructure.

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

There is no guarantee that the Company's products and services will remain competitive. There is no guarantee the Company will be able to respond to market demands. If the Company is unable to effectively develop and expand the market for its products and services, growth may be adversely affected. In addition, there is no guarantee that all or any of its growth objectives or milestones will be achieved.

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

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

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

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

Technology Risks

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

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

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

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

The Company's future success will depend on its ability to design and produce new products and services, deliver enhancements to its existing products and services, accurately predict and anticipate evolving technology, and respond to technological advances in its industry and customers' increasingly sophisticated needs. The Company's products are expected to embody complex technology that may not meet those standards, changes and preferences. The ability to design, develop and commercially launch new products depends on a number of factors, including, but not limited to, the Company's ability to design and implement solutions and services at an acceptable cost and quality, ability to attract and retain skilled technical employees, the availability of critical components from third parties and the ability to successfully complete the development of products in a timely manner. If management are unable to respond to technological changes or fails or delays to develop products in a timely and cost-effective manner, products and services may become obsolete, and the Company may be unable to recover research and development expenses which could negatively impact sales, profitability and the continued viability of the business.

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

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

The Company faces risks related to cybersecurity threats and incidents

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

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For the year ended September 30, 2024

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

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

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

The Company faces risks related to security vulnerabilities in its products

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

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

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

Other Risks

The Company must attract, retain, and motivate key employees

Hiring and retaining qualified executives, scientists, engineers, technical staff, and sales representatives are critical to the Company's business. The competition for highly skilled employees in the industry is increasingly intense. Competitors for technical talent increasingly seek to hire the Company's employees. In addition, changes in immigration policies may further limit the pool of available talent and impair the ability to recruit and hire technical and professional talent. Changes in the interpretation and application of employment-related laws to workforce practices may also result in increased operating costs and less flexibility in how the Company meets changing workforce needs. To help attract, retain, and motivate qualified employees, the Company uses share-based awards and performance-based cash incentive awards. Employee hiring and retention also depend on management's ability to build and maintain a diverse and inclusive workplace culture and be viewed as an employer of choice. If the Company's share-based or other compensation programs and workplace culture cease to be viewed as competitive, its ability to attract, retain, and motivate employees would be weakened, which could harm its results of operations. Moreover, sustained declines in the stock price of the Company can reduce the retention value of the Company's share-based awards. Changes in the Company's management team can also disrupt business. The failure to successfully transition and assimilate key employees, could adversely affect Company results of

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operations. To the extent the Company does not effectively hire, onboard, retain, and motivate key employees, its business can be harmed.

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

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

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

The Company is expanding the business use cases of the BIX platform with customers in the Environmental, Social, and Corporate Governance areas from beef to plant protein and biomass markets, as well as providing tracking solutions of high-value moveable equipment through Insight and the plan to export beef to Asia. These efforts may not always be successful.

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

Risks regarding Intellectual Property Rights

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

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Risks of Legal or Other Claims and Proceedings

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

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

Additional Financing Risks

In order to execute its anticipated growth strategy, the Company may require additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake business combination transactions or other initiatives. There can be no assurance that additional financing will be available when needed or on terms which are acceptable. The Company's inability to raise additional financing could limit growth and may have a material adverse effect upon the business, operations, results, financial condition or prospects.

If additional funds are raised through further issuances of equity or securities convertible into equity, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to current shareholders. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult to obtain additional capital and to pursue business opportunities.

Foreign Exchange Risk

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

Government Regulation Risk

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

Reputational Risk

Reputational damage can result from the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other

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web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views, whether true or not. Reputation loss may result in decreased customer confidence and an impediment to the Company's overall ability to advance its products and services with customers, thereby having a material adverse impact on its financial performance, financial condition, cash flows and growth prospects.

Internal Control Risk

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

Earnings and Dividend Record

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