Consolidated Financial Statements
(Expressed in U.S. dollars)

VENZEE TECHNOLOGIES INC.

For the year ended December 31, 2019

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Venzee Technologies Inc.

Opinion

We have audited the accompanying consolidated financial statements of Venzee Technologies Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has incurred ongoing losses during the year ended December 31, 2019, expects to incur further losses in the development of its business and will be dependent on future financing. As of December 31, 2019, the Company had a working capital deficiency of $228,013 and accumulated deficit of $15,186,950 since inception. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Grant P. Block.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada — Chartered Professional Accountants

May 27, 2020

VENZEE TECHNOLOGIES INC.
Consolidated Statements of Loss and Comprehensive Loss
(expressed in U.S. dollars)

		For the Year Ended December 31,			
	Note		**2019**		2018
Revenues	12	**$**	**163,602**	$	196,654
Cost of revenues			**186,428**		370,765
			(22,826)		(174,111)
Expenses	13				
Selling and marketing			**675,012**		1,418,681
General and administrative			**1,886,122**		2,656,105
Research and development			**686,689**		943,118
Depreciation	5		**35,538**		23,663
Interest expense	7		**4,631**		4,049
			(3,287,992)		(5,045,616)
Net loss for the year			**(3,310,818)**		(5,219,727)
Translation adjustment			**41,507**		(169,653)
Total loss and comprehensive loss		**$**	**(3,269,311)**	$	(5,389,380)
Basic and diluted loss per common share		**$**	**(0.03)**	$	(0.08)
Weighted average number of common shares outstanding - basic and diluted			**102,537,328**		62,465,398

The accompanying notes form an integral part of these consolidated financial statements

VENZEE TECHNOLOGIES INC.
Consolidated Statements of Financial Position
(expressed in U.S. dollars)

	Note	As at December 31, 2019	As at December 31, 2018
ASSETS			
Current assets			
Cash		$ **53,204**	$ 1,117,362
Accounts receivable		**44,225**	34,848
Prepaid expenses		**24,462**	10,896
Total current assets		**121,891**	1,163,106
Deposits		**-**	6,597
Equipment	5	**48,252**	81,414
Total assets		$ **170,143**	$ 1,251,117
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current liabilities			
Accounts payable and accrued liabilities		$ **241,116**	$ 174,916
Deferred revenue	6	**20,291**	85,987
Loans payable	7	**88,497**	50,000
Total liabilities		**349,904**	310,903
Shareholders' equity (deficiency)			
Share capital	8	**13,246,902**	11,536,952
Subscriptions received in advance		**64,600**	-
Reserves	9	**1,718,232**	1,345,822
Accumulated other comprehensive loss		**(22,545)**	(66,428)
Deficit		**(15,186,950)**	(11,876,132)
Total shareholders' equity (deficiency)		**(179,761)**	940,214
Total liabilities and shareholders' equity (deficiency)		$ **170,143**	$ 1,251,117

Nature and continuance of operations (Note 1)

Subsequent events (Note 16)

Approved and authorized for issue on behalf of the Board on May 27, 2020.

(Signed) *"Peter Montross"*, Director & Chairman of the Board

(Signed) *"John Abrams"*, Director

The accompanying notes form an integral part of these consolidated financial statements

VENZEE TECHNOLOGIES INC.
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(expressed in U.S. dollars)

	Note	Common Shares Outstanding	Share capital	Subscriptions received in advance	Reserves	Accumulated other comprehensive income (loss)	Deficit	Total
Balance – December 31, 2017		**62,300,746**	**$ 10,531,442**	**$ -**	**$ 736,069**	**$ 103,225**	**$ (6,656,405)**	**$ 4,714,331**
Share-based compensation	9	—	—	—	583,196	—	—	**583,196**
Broker warrants in connection with private placement	8,9	—	(26,557)	—	26,557	—	—	**—**
Private placements	8	20,032,666	1,103,188	—	—	—	—	**1,103,188**
Transaction costs in connection with private placement		—	(71,121)	—	—	—	—	**(71,121)**
Translation adjustment		—	—	—	—	(169,653)	—	**(169,653)**
Net loss for the year		—	—	—	—	—	(5,219,727)	**(5,219,727)**
Balance – December 31, 2018		**82,333,412**	**$ 11,536,952**	**$ -**	**$1,345,822**	**$ (66,428)**	**$ (11,876,132)**	**$ 940,214**
Share-based compensation	9	—	—	—	237,113	—	—	**237,113**
Subscriptions received in advance	8	—	—	64,600	—	—	—	**64,600**
Broker warrants in connection with private placements	8,9	—	(55,880)	—	55,880	—	—	**—**
Private placements	8	38,817,789	1,892,761	—	79,417	—	—	**1,972,178**
Transaction costs in connection with private placements		—	(126,931)	—	—	—	—	**(126,931)**
Translation adjustment		—	—	—	—	43,883	—	**43,883**
Net loss for the year		—	—	—	—	—	(3,310,818)	**(3,310,818)**
Balance – December 31, 2019		**121,151,201**	**$ 13,246,902**	**$ 64,600**	**$1,718,232**	**$ (22,545)**	**$ (15,186,950)**	**$ (179,761)**

The accompanying notes form an integral part of these consolidated financial statements

VENZEE TECHNOLOGIES INC.
Consolidated Statements of Cash Flows
(expressed in U.S. dollars)

	For the Year Ended December 31,	
	2019	2018
Cash flows from operating activities		
Net loss for the year	**$ (3,310,818)**	$ (5,219,727)
Interest expense	**3,999**	4,049
Depreciation	**35,538**	23,663
Share-based compensation	**237,113**	583,197
Changes in non-cash operating elements of working capital		
Accounts receivable	**(7,623)**	58,606
Prepaid expenses	**(13,094)**	10,811
Accounts payable and accrued liabilities	**66,745**	(467,580)
Deferred revenue	**(65,696)**	66,118
Net cash used in operating activities	**(3,053,836)**	(4,940,863)
Cash flows from financing activities		
Interest paid on loans payable	**(3,999)**	(4,049)
Repayment of loans payable	**-**	(40,000)
Proceeds from loans payable	**38,497**	-
Proceeds from private placements	**1,972,178**	1,103,188
Transaction costs in connection with private placements	**(126,931)**	(60,623)
Subsciptions received in advance	**64,600**	-
Net cash provided by financing activities	**1,944,345**	998,516
Cash flows from investing activities		
Purchase of property and equipment	-	(105,077)
Net cash used in investing activities	-	(105,077)
Effect of foreign exchange on cash	**45,333**	(203,255)
Change in cash during the year	**(1,064,158)**	(4,250,679)
Cash – beginning of year	**1,117,362**	5,368,041
Cash – end of year	**$ 53,204**	$ 1,117,362

Supplemental disclosure with respect to cash flows:

- Recognition of the fair value of broker warrants of $55,880 (2018 - $nil).

The accompanying notes form an integral part of these consolidated financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Venzee Technologies Inc. (the "Company" or "Venzee") develops and markets a cloud-based platform that suppliers and manufacturers from multiple industries use to share their product information and inventory updates, in real-time, with their retailers. The Company's shares are listed on the TSX Venture Exchange under the symbol "VENZ". The Company was incorporated under the laws of the province of British Columbia, Canada and its registered office is located at 170-422 Richards Street, Vancouver, British Columbia, Canada.

These consolidated financial statements 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 December 31, 2019, the Company had a working capital deficiency of $228,013, had not yet achieved profitable operations and has an accumulated deficit of $15,186,950 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. These circumstances comprise a material uncertainty which may lend significant doubt as to the ability of the Company to continue as going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

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 approved, which was on May 27, 2020.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were approved for issuance by the Board of Directors on May 27, 2020.

2. BASIS OF PREPARATION (continued)

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial assets that are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These consolidated financial statements are presented in U.S. dollars ("USD"). The functional currency of the Company and its 100% owned Canadian subsidiary is the Canadian Dollar ("CAD" or "CAD $"). The functional currency of the Company's 100% owned U.S. subsidiary is the USD. Unless otherwise indicated, all dollar ("$") and "USD" amounts and references in these consolidated financial statements are in and to U.S. dollars, and references to "CAD" or "CAD $" are to Canadian dollars.

Basis of consolidation

The consolidated financial statements include the accounts of the Company, its wholly-owned U.S. subsidiary Venzee Inc. and its wholly owned Canadian subsidiary Venzee Technologies Canada Inc. The Company consolidates subsidiaries where the Company has the ability to exercise control. Control is achieved when the Company is exposed to variable returns from involvement with an investee and has the ability to affect the returns through power over the investee. Control is normally achieved through ownership, directly or indirectly, of more than 50% of the voting power. Control can also be achieved through power over more than half of the voting rights by virtue of an agreement with other investors or through the exercise of de facto control. All intercompany balances, transactions, income and expenses, and profits or losses have been eliminated on consolidation.

Critical accounting estimates and judgments

The preparation of these consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that can have a significant effect on the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgments are significant when:

- the outcome is highly uncertain at the time the estimates are made; or
- different estimates or judgments could reasonably have been used that would have had a material impact on the consolidated financial statements.

The consolidated financial statements include estimates based on currently available information and management's judgment as to the outcome of future conditions and circumstances. Management uses historical experience, general economic conditions and trends, and assumptions regarding probable future outcomes as the basis for determining estimates.

Estimates and their underlying assumptions are reviewed on a regular basis and the effects of any changes are recognized immediately. Changes in the status of certain facts or circumstances could result in material changes to the estimates used in the preparation of the consolidated financial statements and actual results could differ from the estimates and assumptions.

2. BASIS OF PREPARATION (continued)

Set forth below are descriptions of items that management believes require its most critical estimates and judgments.

Key sources of estimation uncertainty

Recoverability of receivables

The Company evaluates specific accounts where it has information that a customer may be unable to meet its financial obligations. In these cases, judgment is used based on the best available information to determine actual amounts that will be collected. The Company continually reviews and adjusts such amounts as better information becomes available.

Judgments

Functional currency

The functional currency of the Company and its subsidiary are the currencies that reflect the economic environment in which the Company and its subsidiary performs their operations. Functional currencies are re-evaluated if there is a change in events and conditions which determines the primary economic environment.

Going concern

The consolidated financial statements have been prepared 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 assessment of the Company's ability to source future operations and continue as a going concern involves judgement. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption is not appropriate for the consolidated financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported revenue and expenses and the statement of financial position classifications used.

Income taxes

In assessing the probability of realizing deferred tax assets, management makes estimates related to the expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that the tax position taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foreign exchange

Transactions in foreign currencies are initially translated into an entity's functional currency using rates prevailing at the date of the transaction. Monetary assets and liabilities are translated using the exchange rates in effect on the reporting date.

The consolidated financial statements for the Company and its subsidiaries are prepared using their functional currencies. Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

The statement of financial position of each foreign entity is translated into US dollars using the exchange rate at the statement of financial position date and the statement of loss and comprehensive loss is translated into US dollars using the average exchange rate for the period. All gains and losses on translation of a foreign entity from the functional currency to the presentation currency are charged to accumulated other comprehensive income.

Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are valued based on the residual value method and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

Financial instruments

Financial assets are recognized when the Company becomes a party to the contractual terms of the financial instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of IAS 32, *Financial Instruments: Presentation*. All other non-derivative financial instruments are treated as debt instruments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets

Financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets classified at FVOCI or FVTPL are measured at fair value with changes in those fair values recognized in other comprehensive income (loss) and profit or loss, respectively.

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Company's business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are measured initially at fair value plus transaction costs, and are subsequently measured at amortized cost using the effective interest method, less any impairment in value.

The Company has classified and measured cash as FVTPL and accounts receivable as amortized cost.

For purposes of cash flows reporting and presentation, cash in banks generally earn interest based on daily bank deposit rates. These are unrestricted and readily available for use in the Company's operations and are subject to insignificant risks of changes in value.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for those that are subsequently identified as credit-impaired. For credit-impaired financial assets at amortized cost, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance). The interest earned is recognized in profit or loss as part of interest income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Company assesses its expected credit loss (ECL) on a forward-looking basis associated with its financial assets carried at amortized cost. Recognition of credit losses is no longer dependent on the Company's identification of a credit loss event. Instead, the Company considers a broader range of information in assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets.

The Company applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Company uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix. The Company also assesses impairment of receivables on a collective basis as they possess shared credit risk characteristics, and have been grouped based on the days past due.

The key elements used in the calculation of ECL are as follows:

- *Probability of default* – It is an estimate of likelihood of default over a given time horizon.
- *Loss given default* – It is an estimate of loss arising in case where a default occurs at a given time. It is based on the difference between the contractual cash flows of a financial instrument due from a counterparty and those that the Company would expect to receive, including the realization of any collateral.
- *Exposure at default* – It represents the gross carrying amount of the financial instruments subject to the impairment calculation.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Derecognition of financial assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equity and financial liabilities

Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the appropriate reporting standard.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities include contractual obligations to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities under potentially unfavorable conditions. Financial liabilities also include contracts which may be settled in an entity's equity instruments.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company has classified accounts payable and accrued liabilities and loans payable as other financial liabilities.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when the Company's obligations are discharged, cancelled or they expire.

Equipment

Recognition and measurement

Items of equipment are initially measured at cost. Items of equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Classes of equipment are classified by significant components, which are individually amortized over the useful life of the component.

Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components).

The Company has determined that individual classes of equipment do not have individually significant components.

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognized net within other income in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent costs

The cost of replacing a part of an item of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day to day servicing of equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss over the estimated useful lives of each part of an item of equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives and method of depreciation for equipment are as follows:

- Furniture and fixtures – 3 year straight line
- Software – 3 year straight line

Revenue recognition

The Company recognizes revenue based on the five-step model as follows:

1. Identifying the contract with customer;
2. Identifying the performance obligation(s) in the contract;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligation(s) in the contract; and
5. Recognizing revenue when or as the Company satisfies the performance obligation(s).

The Company's revenue is derived from software licensing fees purchased through monthly or annual subscription fees, prepaid credits for a specific amount of product submissions and the use of our partner platform. The software is delivered through the cloud from the Company's third-party hosting facilities. Therefore, these arrangements are treated as service agreements and revenue is recognized pro-rata over the specific terms of the contract software license arrangement. The Company records deferred revenue for cash payments received from customers in advance of satisfying the performance obligation(s).

Subscription fees are recognized as per the terms of the arrangement. Revenue from product submissions are recognized upon delivery. Additionally, if an agreement contains non-standard acceptance or requires non-standard performance criteria to be met, revenues are deferred until the satisfaction of these conditions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Software development costs

Costs incurred in the development and testing of subscription software products related to research, project planning, training, maintenance and general and administrative activities, and overhead costs are expensed as incurred. The costs of relatively minor upgrades and enhancements to the software are also expensed as incurred.

Costs for the development of new software solutions and substantial enhancements to existing software solutions are expensed as incurred until technological feasibility has been established, at which time any additional costs would be capitalized. No research and development costs have been capitalized because the Company believes that technological feasibility is established concurrent with general release to customers.

Income taxes

Income tax expense represents the sum of current and deferred taxes. Current and deferred taxes are recognized in profit or loss, except to the extent it relates to items recognized in the consolidated statements of loss and comprehensive loss or directly in the statements of changes in shareholders' equity (deficiency). Current tax expense is the expected tax payable

on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to the tax payable with regards to previous years.

The Company uses the asset and liability method to account for income taxes. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities for accounting purposes, and their respective tax bases. Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in profit or loss in the year of change. Deferred income tax assets are recorded when their recoverability is considered probable and are reviewed at the end of each reporting period.

Earnings or loss per share

Basic earnings or loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings or loss per share is computed similarly to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants as if they were exercised and that the proceeds for such exercises were used to acquire common stock at the average market price during the reporting periods, where the inclusion of these would not be anti-dilutive.

(expressed in U.S. dollars)

4. NEW ACCOUNTING STANDARDS

New accounting standards adopted

The Company adopted the following standards that were effective for accounting periods beginning or on after January 1, 2019:

IFRS 16 - Leases

IFRS 16 was issued by the IASB to bring most leases onto the statement of financial position for lessees under a single model, eliminating the distinction between operating and finance leases. Under IFRS 16, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly, and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease terms, discounted at the rate implicit in the lease or an entity's incremental borrowing rate if the implicit rate cannot be readily determined. Lessees are permitted to make an election for leases with a term of 12 months or less, or where the underlying asset is of low value and not recognize assets and lease liabilities. The expense associated with these leases can be recognized on a straight-line basis over the lease term or on another systematic basis. A lessee will apply IFRS 16 to its leases either retrospectively to each reporting period presented or retrospectively with the cumulative effect of initially applying IFRS 16 being recognized at the date of initial application.

The adoption of IFRS 16 had no material impact on the Company's consolidated financial statements.

New interpretation IFRIC 23 – Uncertainty over tax treatments

On June 7, 2017, the IASB issued IFRIC Interpretation 23, *Uncertainty over Income Tax Treatments*. IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments.

There was no impact to the Company's consolidated financial statements as a result of adopting this new standard.

5. EQUIPMENT

	Furniture and Fixtures	Software	Total
Net carrying amount – December 31, 2017	$ —	$ —	$ —
Additions	57,536	50,430	107,966
Depreciation	(12,456)	(11,207)	(23,663)
Foreign currency translation	(2,889)	—	(2,889)
Net carrying amount – December 31, 2018	**42,191**	**39,223**	**81,414**
Depreciation	(18,728)	(16,810)	(35,538)
Foreign currency translation	2,376	-	2,376
Net carrying amount - December 31, 2019	**$ 25,839**	**$ 22,413**	**$ 48,252**

6. DEFERRED REVENUE

The Company offers a variety of options for software licensing, prepaid credits for specific amounts of credits for product submission and an access fee for the use of the partner platform. Deferred revenue represents the unearned portion of these software licensing options purchased by our customers. The Company amortizes the recognition of revenue of these contracts as per the specific contract term. The entire balance is current and expected to be earned within the next 12 months. As at December 31, 2019, $20,291 (2018 - $85,987) was outstanding in deferred revenue.

7. LOANS PAYABLE

On May 1, 2017, the Company entered into a loan agreement with the following terms and conditions:

- Face value of $50,000;
- Accrues interest at a rate of 8% per annum; and
- Monthly interest payments of $333, due on the last day of each calendar month.

The Company reserves the right to repay all or part of the principal at any time, provided that 60 days notice is given to the lender. In the event that the principal is repaid before the expiration of the notice term, interest equal to the days remaining in the notice period shall be paid to the lender. During the year ended December 31, 2019, the Company incurred and paid interest expense of $3,999 (2018 – $4,049). As at December 31, 2019, the Company has a loan payable outstanding of $50,000 relating to the principal balance of the loan. Subsequent to year end, the Company repaid the loan by way of a cash payment of $13,500 and conversion of the remainder of the loan for 1,152,400 common shares of the Company.

On December 23, 2019, the Company received a $38,497 (CAD $50,000) unsecured loan by way of a promissory note bearing interest at 15% per annum. Subsequent to year end, the Company repaid the loan and accrued interest.

8. SHARE CAPITAL

The authorized share capital of the Company consists of unlimited common shares, with no par value.

During the year ended December 31, 2019:

- The Company closed a non-brokered private placement for total proceeds of $1,574,455 (CAD $2,119,334) resulting in the issuance of 28,257,789 units. Each unit is comprised of one share and one warrant. Each warrant is exercisable until April 26, 2022 (subject to an acceleration clause) at a price of CAD$0.15 per warrant to acquire one common share. The Company issued 1,892,432 broker warrants with a fair value of $45,006 (CAD $60,579) and are exercisable at CAD $0.15 until April 26, 2022. Each warrant entitles its holder to acquire one common share of the Company in accordance with its terms.

8. SHARE CAPITAL (continued)

- The Company closed a non-brokered private placement for total proceeds of $397,723 (CAD $528,000) resulting in the issuance of 10,560,000 units. Each unit is comprised of one share and one warrant. Each warrant is exercisable for three years from the date of closing (subject to an acceleration clause) at a price of CAD$0.10 per warrant to acquire one common share. The Company issued 536,200 broker warrants with a fair value of $10,874 (CAD $14,671) and are exercisable at CAD $0.10. Each warrant entitles its holder to acquire one common share of the Company in accordance with its terms.

- The Company received $64,600 (CAD $85,000) in advance of share subscriptions pursuant to a non-brokered private placement that closed subsequent to year end (Note 16).

During the year ended December 31, 2018:

- The Company closed a non-brokered private placement for total proceeds of $1,103,188 (CAD $1,502,450) resulting in the issuance of 20,032,666 units. Each unit is comprised of one share and one warrant. Each warrant is exercisable until December 28, 2020 (subject to an acceleration clause) at a price of CAD$0.15 per warrant to acquire one common share. The Company issued 1,102,569 broker warrants with a fair value of $26,557 (CAD $36,219), exercisable at CAD $0.15 until December 28, 2020. Each warrant entitles its holder to acquire one common share of the Company in accordance with its terms.

In connection with the reverse takeover transaction on December 21, 2017, 13,838,544 common shares were placed into escrow with 10% released on the day of the public listing and 15% released every six months thereafter. At December 31, 2019, 6,227,314 shares were held in escrow (December 31, 2018 – 10,378,908).

9. RESERVES

Stock Options

The Company has a stock option plan (the "Plan") that is administered by the Board of Directors of the Company who establish exercise prices, which shall not be less than the market price at the date of grant, and vesting periods.

Options under the Plan remain exercisable for ten years from the date of grant. The maximum number of common shares reserved for issuance for options that may be granted under the Plan as at December 31, 2019 was 12,115,120 (December 31, 2018 – 8,233,341), being 10% of the issued and outstanding common shares of the Company.

(expressed in U.S. dollars)

9. RESERVES (continued)

During the year ended December 31, 2019, the Board of Directors of the Company agreed to issue stock options under the Company's Equity Incentive Plan to various contractors and key management. A summary of the Company's stock option transactions during the year is as follows:

	As at December 31, 2019			As at December 31, 2018		
	Number of options		Weighted average exercise price CAD $	Number of options		Weighted average exercise price CAD $
Beginning balance	2,437,500	$	0.74	3,444,208	$	0.25
Transactions during the year:						
Granted	4,700,000		0.10	1,650,500		1.13
Cancelled	(2,074,625)		0.43	(2,657,208)		0.35
Ending balance	**5,062,875**	**$**	**0.27**	**2,437,500**	**$**	**0.74**

The following incentive stock options were outstanding as at December 31, 2019:

Number of Options Outstanding		Exercise Price (CAD $)	Expiry Date	Number of Options Exercisable	Exercise Price (CAD $)
416,250	$	0.25	June 8, 2027	273,983	0.25
15,750	$	0.25	August 29, 2027	9,187	0.25
578,375	$	0.25	September 1, 2027	576,898	0.25
400,000	$	1.32	January 5, 2023	300,000	1.32
162,500	$	1.44	January 15, 2023	77,550	1.44
2,140,000	$	0.10	January 17, 2024	750,000	0.10
1,350,000	$	0.10	June 25, 2024	125,000	0.10
5,062,875	**$**	**0.27**		**2,112,618**	**0.38**

The weighted average remaining life of the stock options was 4.75 years.

During the year ended December 31, 2019, the Company granted 4,700,000 (2018 - 1,650,500) stock options with a weighted average fair value of $0.05 (2018 - $1.13) per option. As at December 31, 2019, the Company recognized $237,113 (2018 - $583,196) as share-based compensation expense. The fair value of the stock options granted are estimated on the date of grant using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

	2019	2018
Expected volatility	127%	100%
Expected life	3.75 years	3.45 years
Risk-free interest rate	1.75%	1.82%
Dividend yield	0%	0%
Weighted average fair value of options at grant date	CAD $0.07	CAD $0.74

(expressed in U.S. dollars)

9. RESERVES (continued)

Warrants

A summary of the Company's warrant transactions during the year is as follows:

	Number of warrants	Weighted average exercise price CAD $
Balance, December 31, 2017	**7,135,907**	**0.67**
Issued	21,135,235	0.15
Balance, December 31, 2018	**28,271,142**	**0.11**
Issued	41,246,421	0.14
Expired unexercised	(7,135,907)	(0.67)
Balance, December 31, 2019	**62,381,656**	**0.14**

The following warrants were outstanding as at December 31, 2019:

Number of warrants outstanding	Weighted average exercise price CAD $	Expiry date
21,135,235	0.15	December 28, 2020
30,150,221	0.15	April 26, 2022
3,291,000	0.10	November 22, 2022
7,805,200	0.10	December 2, 2022
62,381,656	**0.14**	

The weighted average remaining life of the warrants is 1.98 years.

During the year ended December 31, 2019, the Company granted 38,817,789 warrants to investors pursuant to non-brokered private placements. The fair value of these warrants amount to $79,417 (CAD $105,600) using the residual value method.

During the year ended December 31, 2019, the Company granted 2,428,632 brokers warrants pursuant to non-brokered private placements. The fair value of broker warrants granted are estimated on the date of grant using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

9. RESERVES (continued)

	2019	2018
Expected volatility	113%	100%
Expected life	2.5 years	1.5 years
Expected forfeiture rate	0%	0%
Risk-free interest rate	1.54%	1.91%
Dividend yield	0%	0%
Weighted average fair value of warrants at grant date	CAD $ 0.03	CAD $ 0.03

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The fair value of the Company's accounts receivable, accounts payable and accrued liabilities and loans payable approximate their carrying values due to their short-term nature. The Company's cash is measured at fair value using Level 1 inputs.

The Company is exposed to various financial instrument 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 December 31, 2019, the Company's significant foreign exchange currency exposure on its financial instruments by currency was as follows (in U.S. dollar equivalents):

	CAD $
Cash	52,000
Accounts receivable	44,000
Accounts payable and accrued liabilities	(223,000)

The table below details the effect on loss and comprehensive loss 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	$ (24,800)

(expressed in U.S. dollars)

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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 receivable from the Government of Canada. As at December 31, 2019, 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 December 31, 2019, the Company is not exposed to any significant interest rate risk. The loans payable were fully settled 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 common shares. 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.

11. 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 years ended December 31, 2019 and 2018 included the following:

	For the Year Ended December 31,	
	2019	2018
Remuneration paid to the President	**$ -**	$ 121,648
Remuneration paid to the CEO	**187,917**	159,982
Remuneration paid to CTO	**134,712**	118,595
Remuneration paid to CFO	**94,666**	155,641
Remuneration paid to independent directors	**50,870**	11,577
Stock-based compensation - directors and officers	**95,325**	271,255
	$ 563,490	$ 838,698

(expressed in U.S. dollars)

11. RELATED PARTY TRANSACTIONS (continued)

As at December 31, 2019, included in accounts payable and accrued liabilities was $44,632 (2018 - $11,361) of consulting payments owed to key management personnel.

Subsequent to year end, the Company entered into management agreement whereby in the event that the CEO is terminated due to a change in control, the CEO will be paid a lump sum of two years' annual base compensation plus applicable bonus.

12. SEGMENTED INFORMATION

The Company operates in one operating segment, being a cloud-based platform solution targeted to online retailers and vendors. This segment engages in business activities from which it earns license revenues and incurs expenses.

Revenues from external customers are attributed to geographic areas based on the location of the contracting customers. The following table sets forth external revenue by geographic areas:

	For the Year Ended December 31,	
	2019	**2018**
Geographic Area		
United States	$ 142,177	$ 182,658
Other	21,425	13,996
	$ 163,602	**$ 196,654**

13. EXPENSES CLASSIFIED BY NATURE

The following table shows the breakdown of expenses by nature for each function on the consolidated statements of loss and comprehensive loss:

	For the Year Ended December 31,	
	2019	2018
Employees and contractors	**$ 2,180,830**	$ 3,130,101
Amortization	**35,538**	23,663
Interest expense	**4,631**	4,049
Software and support tools	**86,997**	167,344
Director fees	**50,870**	11,577
Investor relations	**253,004**	405,263
Legal and professional fees	**140,205**	249,101
Administration	**209,653**	221,885
Share-based compensation	**237,113**	583,196
Travel and entertainment	**45,674**	120,892
Advertising, promotion and marketing	**43,477**	128,545
	$ 3,287,992	$ 5,045,616

(expressed in U.S. dollars)

14. CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity (deficiency). The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing and incurring debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements. The Company does not have adequate sources of capital to fulfill its current obligations and ultimately the development of its business over the long term, and will need to raise adequate capital by obtaining equity financing, selling assets and/or incurring debt. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

15. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2019		2018
Loss for the year	$	(3,310,818)	$	(5,219,727)
Statutory tax rate		27.0%		27.0%
Expected income tax (recovery)		(894,000)		(1,409,000)
Change in statutory, foreign tax, foreign exchange rates and other		(91,000)		228,000
Share issue costs		(35,000)		(20,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses		(651,000)		157,000
Permanent differences		64,000		157,000
Change in unrecognized deductible temporary differences		1,607,000		887,000
Total income tax expense (recovery)	**$**	**-**	**$**	**-**

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		2019	Expiry Date Range		2018	Expiry Date Range
Temporary Differences						
Property and equipment	$	45,000	No expiry date	$	62,000	No expiry date
Share issue costs	$	507,000	2038 to 2042	$	646,000	2038 to 2041
Non-capital losses available for future periods	$	14,478,000	2034 to 2038	$	8,769,000	2034 to 2038
Canada	$	5,189,000	2037 to 2039	$	3,104,000	2037 to 2038
USA	$	9,289,000	2034 to 2039	$	5,665,000	2034 to 2038

Tax attributes are subject to review, and potential adjustment, by tax authorities.

16. SUBSEQUENT EVENTS

Subsequent to December 31, 2019, 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) 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.

- Repaid two loans:
  - One with a principal value of $50,000 by way of a cash payment of $13,500 and the remainder of the loan along with accrued interest, by issuing 1,152,400 common share of the Company; and
  - Another with a principal value of $38,497 and accrued interest in cash.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (this "MD&A") provides a review of the results of operations, financial condition and cash flows for Venzee Technologies Inc. ("Venzee" or the "Company") for the three and twelve month period ended December 31, 2019.

This document should be read in conjunction with the information contained in the Company's 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.

Unless otherwise stated, in preparing this MD&A the Company has taken into account information available to it up to the date of this MD&A, May 27, 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 unlock shareholder value by creating intelligent technology that removes friction from the global supply chain. Our products disrupt and displace inefficient manual processes in favor of integrated, machine-driven solutions.

Venzee is a technology company. We operate a cloud-based platform using a 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 create modern and 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 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 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.

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, May 27, 2020.

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" or the "Acquisition"). Pursuant to the RTO, the Company acquired all of the issued and outstanding shares of Venzee Inc. Following the closing of the RTO, the Company changed its name from "Gold Finder Explorations Ltd." to "Venzee Technologies Inc.", effective December 21, 2017. On January 5, 2018, trading of the common shares on the TSX Venture Exchange ("TSXV") resumed under the symbol "VENZ".

The Venzee platform was built to provide an efficient, modern, SaaS-based (software as a service) 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.

Following virtual round tables with vendors and retailers, and after an extensive review of certain procedures used by participants in the retail industry, the development of Venzee's platform began.

Venzee launched a beta version of its content exchange platform in April 2016 and attracted a number of well-established companies to experiment with the platform and launch pilot projects. With little to no marketing, companies from a number of countries soon began using Venzee's platform.

In 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 the Venzee 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 (2019)

In January 2019, the Company announced the finalization of an integration agreement for the Venzee distribution platform with an existing product content management engine. This agreement is an enhancement to a relationship with an existing referral partner based in the European Market.

In February 2019, the Company and Riversand, a cloud-native Master Data Management (MDM) and Product Information Management (PIM) provider, announced the formation of a strategic partnership enabling brands to instantly and efficiently communicate actionable product detail to trading partners to meet the growing demand from consumers for accurate and reliable product information.

In April 2019, the Company announce that it has completed integration of its Venzee Mesh API content distribution platform with two of its five previously announced Product Information Management ("PIM") channel partners and has commenced onboarding manufacturers and distributors of those channel partners. These well-established PIM companies provides digital supply chain solutions to mid-size and enterprise brands and manufacturers globally and has adopted Venzee Mesh to automate the distribution of complete, accurate product content to several retailers, which include Costco, Walmart, Shopify, The Home Depot, eBay, among others. Venzee receives a recurring monthly revenue fee, per customer, per retailer, that the PIM channel partner onboards.

Also in April 2019, the Company closed a private placement consisting of the issuance of 28,257,789 units of the Company at a price of CAD $0.075 per unit, for aggregate gross proceeds to the Company of CAD $2.1 million.

In May 2019, the Company announced the completion of the integration of its Mesh API intelligent content distribution platform with Amazon Seller Central and Shopify. The Company also reported the addition of Amazon Vendor Central, Amazon.ca, amongst other geography centers, to its list of Venzee Certified retailers.

In November 2019, Venzee and Enterworks announced a partnership, amplifying both companies in the B2B2C service to omnichannel commerce. EnterWorks is a Multi-Domain Experience Management ("MxM") platform, comprised of MDM, PIM, and Digital Asset Management ("DAM"), as well as portals for suppliers, sales and services. The platform is designed to provide trusted data and insights for the on-line retail industry.

In December 2019, the Company closed a second private placement consisting of the issuance of 10,560,000 units of the Company at a price of CAD $0.05 per unit, for aggregate gross proceeds to the Company of CAD $528,000.

Also during the year, Venzee made the following changes to its board and management team:

- Appointed John Sexton Abrams as President and CEO, replacing Peter MacKay;
- Appointed Darren Battersby as CFO, replacing Issa Nakhleh;
- Appointed Markus Westerholz as CTO;
- Added John Abrams, Dan Wilkinson, Peter Montross, Markus Westerholz and Sean Copeland to its board of directors, replacing Dan Jefferies, Brian Budd, and Michael Clark, and appointed Peter Montross as Chairman of the Board. Westerholz was subsequently replaced on the board by Thomas J. Linden.

In addition, the Company was able to complete the functional integration to 225 of the largest retailer destinations around the world.

Subsequent to December 31, 2019, the Company completed two private placements at a price of CAD $0.05 per unit in the following amounts:

- Total proceeds of CAD $915,000 resulting in the issuance of 18,300,000 units; and
- Total proceeds of CAD $1,402,000 resulting in the issuance of 28,040,000 units. This financing is subject to the approval of the TSX Venture Exchange.

SELECTED FINANCIAL INFORMATION

Selected financial information of the Company for the three and twelve months ended December 31, 2019 and 2018 is set forth below.

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2019	2018	2019	2018
Revenue	$ 15,371	$ 48,698	$ 163,602	$ 196,654
Operating costs	$ 570,071	$ 1,166,561	$ 3,247,823	$ 5,017,904
Net loss	$ (589,181)	$ (1,421,922)	$ (3,310,818)	$ (5,219,727)
Total assets	$ 170,143	$ 1,251,117	$ 170,143	$ 1,251,117
Basic and diluted EPS	$ (0.00)	$ (0.02)	$ (0.03)	$ (0.08)

For the quarter ending December 31, 2019, revenues were $15,371 (2018 - $48,698) a decrease of approximately 68%. For the 2019 fiscal year, revenue is down $33,052 or 17% from $196,654 in 2018.

Net loss decreased during the three and twelve months ended December 31, 2019, as compared to the prior year periods. The decrease is primarily the result of cost cutting measures employed during the year where the Company (i) decreased headcount throughout all segments of the business, (ii) decreased legal and professional needs as well as investor relation campaigns, and (iii) limited marketing expenses.

Net loss for the three months ended December 31, 2019 was $589,181 (2018 - $1,421,922) and for the twelve months was $3,310,818 (2018 - $5,219,727).

The Company's asset base was $170,143 at December 31, 2019 and $1,251,117 at December 31 2018. The decrease in asset base is the result of funding of operations during the year.

DISCUSSION OF OPERATIONS

Comparison of the Three Months Ended December 31, 2019 and 2018

	For the Three Months Ended December 31,			
	2019	2018	Variance	% Change
Revenue	$ 15,371	$ 48,698	$ (33,327)	(68%)
Cost of revenue	$ 23,941	$ 123,084	$ (99,143)	(81%)
Selling and marketing	$ 127,609	$ 275,346	$ (147,737)	(54%)
General and administrative	$ 357,860	$ 648,504	$ (290,644)	(45%)
Research and development	$ 84,602	$ 242,711	$ (158,109)	(65%)
Interest expense	$ 1,632	$ 2,331	$ (699)	(30%)

Comparison of the Twelve Months Ended December 31, 2019 and 2018

	For the Year Ended December 31,			
	2019	2018	Variance	% Change
Revenue	$ 163,602	$ 196,654	$ (33,052)	(17%)
Cost of revenue	$ 186,428	$ 370,765	$ (184,337)	(50%)
Selling and marketing	$ 675,012	$ 1,418,681	$ (743,669)	(52%)
General and administrative	$ 1,886,122	$ 2,656,105	$ (769,983)	(29%)
Research and development	$ 686,689	$ 943,118	$ (256,429)	(27%)
Interest expense	$ 4,631	$ 4,049	$ 582	14%

Revenue

During the year, the Company changed its revenue strategy and switched from working directly with companies that manufacture goods and, instead, started creating partnerships with PIM suppliers 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 needed. 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 dramatically. The Company will be working with a handful of key partnerships rather than thousands of individual manufacturers.

Cost of revenue

Cost of revenue is comprised of support contractors, hosting, software tools related to revenue support, and merchant processing fees. The decrease in cost of revenue for the three and twelve months ended December 31, 2019 as compared to the prior year period is related to the reduction in support contractor fees required to service the customer base and the reduced need for customizations for each individual client.

Selling and marketing

The decrease in selling and marketing expense for the three and twelve months ended December 31, 2019, as compared to the prior year period, 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.

General and administrative

The decrease in general and administrative expense for the three and twelve months ended December 31, 2019 as compared to the prior year period 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. The annual operational cost reductions were as follows:

	For the Year Ended December 31,			
	2019	2018	Change	%
Employees and contractors	**$ 2,180,830**	$ 3,130,101	$ (949,271)	(30%)
Depreciation	**35,538**	23,663	11,875	50%
Interest expense	**4,631**	4,049	582	14%
Software and support tools	**86,997**	167,344	(80,347)	(48%)
Director fees	**50,870**	11,577	39,293	339%
Investor relations	**253,004**	405,263	(152,259)	(38%)
Legal and professional fees	**140,205**	249,101	(108,896)	(44%)
Administration	**209,653**	221,885	(12,232)	(6%)
Share-based compensation	**237,113**	583,196	(346,083)	(59%)
Travel and entertainment	**45,674**	120,892	(75,218)	(62%)
Advertising, promotion and marketing	**43,477**	128,545	(85,068)	(66%)
	$ 3,287,992	$ 5,045,616	$ (1,757,624)	(35%)

Research and development

The decrease in research and development expense for the three and twelve months ended December 31, 2019 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)			
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
Revenue	$ 26,274	$ 47,480	$ 74,202	$ 48,698
Net loss	(1,220,174)	(1,361,177)	(1,386,107)	(1,421,922)
Total assets	3,683,309	2,387,426	1,323,021	1,251,117
Basic and diluted loss per share	$ (0.02)	$ (0.02)	$ (0.02)	$ (0.02)

	For the three months ended (unaudited)			
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019
Revenue	$ 54,560	$ 59,073	$ 34,598	$ 15,371
Net loss	(1,050,472)	(997,169)	(673,996)	(589,181)
Total assets	389,597	921,781	233,408	170,143
Basic and diluted loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.00)

LIQUIDITY AND CAPITAL RESOURCES

The consolidated financial statements for the year ended December 31, 2019 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 December 31, 2019, the Company had a working capital deficiency of $228,013, had not yet achieved profitable operations and has an accumulated deficit of $15,186,150 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.

The Company is actively considering different financing options to provide additional capital for the Company to meet its business objectives. 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. The Company's Common Shares involve 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" below.

Subsequent to December 31, 2019, 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) 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.

Contractual obligations

The Company's contractual obligations at December 31, 2019 consisted of loans payable of $88,497 (2018 - $50,000). The loans payable were fully settle subsequent to year end.

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 December 31, 2019, the Company's significant foreign exchange currency exposure on its financial instruments by currency was as follows (in U.S. dollar equivalents):

	$CAD
Cash	52,000
Accounts receivable	44,000
Accounts payable and accrued liabilities	(223,000)

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	$ (24,800)

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 December 31, 2019, 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 December 31, 2019, 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 twelve months ended December 31, 2019:

- the Company's cash used in operating activities was approximately $3.0 million (2018 - $5.0 million);
- the Company's cash generated from financing activities was approximately $1.9 million (2018 - $1.0 million) related (i) additional equity raised through a private placement and (ii) the receipt of a short-term loan, and;
- the Company's cash used in investing activities was $nil (2018 - $0.1 million).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For a description of the Company's significant accounting policies, critical accounting estimates and judgments, and related information, see Note 2 and Note 3 to the 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 consolidated financial statements for the year ended December 31, 2018.

The Company has initially adopted IFRS 16, *Leases* and IFRIC Interpretation 23, *Uncertainty over Income Tax Treatments* on January 1, 2019. The effect of initially applying these standards did not have a material impact on the Company's financial statements.

RELATED PARTY TRANSACTIONS

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

The compensation of such key management for the twelve months ended December 31, 2019 and 2018 included the following:

	For the Year Ended December 31,	
	2019	2018
Remuneration paid to the President	**$ -**	$ 121,648
Remuneration paid to the CEO	**187,917**	159,982
Remuneration paid to CTO	**134,712**	118,595
Remuneration paid to CFO	**94,666**	155,641
Remuneration paid to independent directors	**50,870**	11,577
Stock-based compensation - directors and officers	**95,325**	271,255
	$ 563,490	$ 838,698

As at December 31, 2019, included in accounts payable and accrued liabilities was $44,632 (2018 - $11,361) of consulting payments owed to key management personnel.

OFF BALANCE SHEET ARRANGEMENTS

As at December 31, 2019, 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 5,062,875 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.

RISK FACTORS AND UNCERTAINTIES

Certain factors may have a material adverse effect on the Company's business, financial condition, and results of operations. Current and prospective investors should consider carefully the risks and uncertainties described below, in addition to other information contained in this annual information form, as well as the 2019 Annual Financial Statements. The risks and uncertainties described below are not the only ones Venzee faces. Additional risks and uncertainties that Venzee is unaware of, or that it currently believes are not material, may also become important factors that could adversely affect Venzee's business. If any of the following risks or other unexpected risks actually occur, Venzee's business, financial condition, results of operations, and future prospects could be materially and adversely affected. In that event, the trading price of its securities could decline, and investors could lose part or all of their investment.

Business disruption as a result of COVID-19

The extent to which COVID-19 impacts the Company's business will depend on future developments, which are highly uncertain and cannot be predicted at this time. These developments include the duration, severity and scope of the outbreak and the actions taken to contain or treat COVID-19. Potential impacts of COVID-19 include but are not limited to the Company's access to financing, employee health, employee productivity, limitations on travel, the Company's ability to meet production deadlines and quotas, the impact on the Company's revenues, and the impact on our suppliers, customers, sub-contractors and partners. To date, the Company has had minimal impact due to the pandemic, but at this time, it is unclear as to whether COVID-19 ultimately represents a material disruption to the Company's business.

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

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

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

The Venzee platform was beta released to a limited audience in April 2016, and much of Venzee's growth has occurred in recent periods. As a result of Venzee's limited operating history, its ability to forecast its future results of operations and plan for and model future growth is limited and subject to a number of uncertainties. Venzee has encountered and will continue to encounter risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described herein. Venzee may be unable to prepare accurate internal financial forecasts or replace anticipated revenue that it does not receive as a result of delays arising from these factors, and its results of operations in future reporting periods may be below the expectations of investors. If Venzee does not address these risks successfully, its results of operations could differ materially from its estimates and forecasts or the expectations of investors, causing its business to suffer and its stock price to decline.

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

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

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

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

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

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

Venzee's expansion has placed, and its expected future growth will continue to place, a significant strain on its managerial, customer operations, research and development, marketing and sales, administrative, financial and other resources. If Venzee is unable to manage its continued growth successfully, its business and results of operations could suffer.

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

Venzee may not be able to leverage its technology.

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

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

Venzee's success depends largely upon the continued services of its executive officers and other key employees. Venzee relies on its leadership team in the areas of research and development, operations, security, marketing, sales, customer support, general and administrative functions, and on individual contributors in its research and development and operations. From time to time, there may be changes in Venzee's executive management team resulting from the hiring or departure of executives, which could disrupt its business. Venzee does not have employment agreements with its executive officers or other key personnel that require them to continue to work for Venzee for any specified period and, therefore, they could terminate their employment with Venzee at any time. The loss of one or more of Venzee's executive officers or key employees could harm Venzee's business. Changes in Venzee's executive management team may also cause disruptions in, and harm to, its business.

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

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

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

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

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

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

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

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

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

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

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

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

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

- the level of demand for its platform;
- the timing and success of new product introductions by Venzee or its competitors or any other change in the competitive landscape of its market;
- pricing pressure as a result of competition or otherwise;
  seasonal buying patterns for IT spending;
- errors in its forecasting of the demand for its products, which could lead to lower revenue, increased costs or both;
- increases in and timing of sales and marketing and other operating expenses that Venzee may incur to grow and expand its operations and to remain competitive;

- adverse litigation judgments, settlements or other litigation-related costs;
- changes in the legislative or regulatory environment;
- fluctuations in foreign currency exchange rates;
- costs related to the acquisition of businesses, talent, technologies or intellectual property, including potentially significant amortization costs and possible write-downs; and
- general economic conditions in either domestic or international markets, including geopolitical uncertainty and instability.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Data centers generally enable Venzee to order and reserve server capacity in varying amounts and sizes distributed across multiple regions, and provide Venzee with computing and storage capacity pursuant to an agreement that continues until terminated by either party. Operators may generally terminate the agreement by providing 30 days prior written notice and may, in some cases, terminate the agreement immediately for cause upon notice.

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

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

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

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

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

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

Errors, failures, vulnerabilities or bugs may occur in Venzee's products, especially when updates are deployed or new products are rolled out. Venzee's platform is often used in connection with large-scale computing environments with different operating systems, system management software, equipment and networking configurations, which may cause errors or failures of products, or other aspects of the computing environment into which its products are deployed. In addition, deployment of Venzee's products into complicated, large-scale computing environments may expose errors, failures, vulnerabilities or bugs in its products. Any such errors, failures, vulnerabilities or bugs may not be found until after they are deployed to Venzee's customers. Real or perceived errors, failures, vulnerabilities or bugs in Venzee's products could result in negative publicity, loss of customer data, loss of or delay in market acceptance of its products, loss of competitive position, or claims by customers for losses sustained by them, all of which could harm its business, results of operations and financial condition.

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

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

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

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

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

Venzee uses open source software in its products and may use more open source software in the future. From time to time, there have been claims challenging the ownership of open source software against companies that incorporate open source software into their products. However, the terms of many open source licenses have not been interpreted by Canadian or U.S. courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on Venzee's ability to commercialize its products. As a result, Venzee could be subject to lawsuits by parties claiming ownership of what Venzee believe to be open source software. Litigation could be costly for Venzee to defend, have a negative effect on its results of operations and financial condition or require Venzee to devote additional research and development resources to change its products. In addition, if Venzee was to combine its proprietary software products with open source software in a certain manner, Venzee could, under certain of the open source licenses, be required to release the source code of its proprietary software to the public. This would allow its competitors to create similar products with less development effort and time. If Venzee inappropriately use open source software, or if the license terms for open source software that Venzee uses change, Venzee may be required to re-engineer its products, incur additional costs, discontinue the sale of some or all of its products or take other remedial actions.

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

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

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

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

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

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

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

- greater difficulty in enforcing contracts, including Venzee's universal terms of service and other agreements;
- lack of familiarity and burdens and complexity involved with complying with multiple, conflicting and changing foreign laws, standards, regulatory requirements, tariffs, export controls and other barriers;
- difficulties in ensuring compliance with countries' multiple, conflicting and changing international trade, customs and sanctions laws;
- data privacy laws which may require that customer and customer data be stored and processed in a designated territory;
- difficulties in managing systems integrators and technology partners;
- differing technology standards;
- potentially adverse tax consequences, including the complexities of foreign value added tax (or other tax) systems and restrictions on the repatriation of earnings;
- uncertain political and economic climates;
- currency exchange rates;
- reduced or uncertain protection for intellectual property rights in some countries; and
- new and different sources of competition.

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

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

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

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

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

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

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

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

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

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

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

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

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

The market price for the Venzee common shares has been an may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond Venzee's control, including, but not limited to, the following: (i) actual or anticipated fluctuations in Venzee's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to Venzee; (iv) addition or departure of Venzee's executive officers and other key personnel; (v) sales or anticipated sales of additional Venzee common shares; (vi) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving Venzee or its competitors; and (vii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in Venzee's industry or target markets. Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of public entities and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Venzee common shares may decline even if Venzee's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, the trading price of Venzee common shares may be materially adversely affected.

Global financial conditions may impact Venzee and its operations.

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