

Condensed Interim Consolidated Financial Statements  
(Expressed in U.S. dollars - unaudited)

# VENZEE TECHNOLOGIES INC.

For the three months ended March 31, 2022

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

### **CONDENSED INTERIM CONSOLIDATED FINANCIAL REPORTING**

The accompanying condensed interim consolidated financial statements of Venzee Technologies Inc. (“the Company”) have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”). Management acknowledges responsibility for the preparation and presentation of the condensed consolidated interim financial statements, including responsibility for significant accounting estimates and the choice of accounting principles and methods that are appropriate to the Company’s circumstances.

### **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

The Company’s independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

**VENZEE TECHNOLOGIES INC.****Condensed Interim Consolidated Statements of Loss and Comprehensive Loss  
(expressed in U.S. dollars - unaudited)**

	Note	For the Three Months Ended March 31,	
		2022	2021
<b>Revenues</b>	11	\$ 10,375	\$ 8,750
Cost of revenues		5,649	6,507
		<u>4,726</u>	<u>2,243</u>
<b>Expenses</b>	12		
Selling and marketing		458,036	245,985
General and administrative		294,247	210,409
Research and development		170,797	68,907
Depreciation	5	-	4,202
Share-based compensation	8, 10	90,342	129,812
		<u>(1,013,422)</u>	<u>(659,315)</u>
<b>Net loss for the period</b>		<b>(1,008,696)</b>	<b>(657,072)</b>
Translation adjustment		15,638	7,900
<b>Total loss and comprehensive loss for the period</b>		<b>\$ (993,058)</b>	<b>\$ (649,172)</b>
<b>Basic and diluted loss per common share</b>		<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares</b>		<b>235,066,994</b>	<b>161,104,046</b>

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

**VENZEE TECHNOLOGIES INC.**  
**Condensed Interim Consolidated Statements of Financial Position**  
**(expressed in U.S. dollars - unaudited)**

	Note	As at March 31, 2022 2022	As at December 31, 2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 80,360	\$ 534,272
Accounts receivable	4	36,661	24,813
Prepaid expenses		75,127	46,314
<b>Total current assets</b>		<b>192,148</b>	<b>605,399</b>
<b>Total assets</b>		<b>\$ 192,148</b>	<b>\$ 605,399</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 201,439	\$ 174,540
Loans payable	6	48,015	47,094
<b>Total liabilities</b>		<b>249,454</b>	<b>221,634</b>
<b>Shareholders' equity</b>			
Share capital	7	18,674,107	18,174,411
Reserves	8	2,817,433	2,742,777
Accumulated other comprehensive income (loss)		15,638	22,363
Deficit		(21,564,482)	(20,555,786)
<b>Total shareholders' equity</b>		<b>(57,306)</b>	<b>383,765</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 192,148</b>	<b>\$ 605,399</b>

Nature and continuance of operations (Note 1)

Subsequent events (Note 13)

Approved and authorized for issue on behalf of the Board on May 30, 2022.

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

**VENZEE TECHNOLOGIES INC.**

**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**

**(expressed in U.S. dollars - unaudited)**

	Note	Outstanding	Share capital	Subscriptions received in advance	Reserves	Accumulated other comprehensive income (loss)	Deficit	Total
<b>Balance – December 31, 2020</b>		<b>208,185,115</b>	<b>\$ 16,150,941</b>	<b>\$ -</b>	<b>\$2,075,849</b>	<b>\$ (3,404)</b>	<b>\$ (16,949,677)</b>	<b>\$ 1,273,709</b>
Stock based compensation	7	—	—	—	129,812	—	—	129,812
Subscriptions received in advance		—	—	95,427	—	—	—	95,427
Exercise of stock options		834,977	96,279	—	(36,933)	—	—	59,346
Exercise of warrants		15,613,200	1,333,660	—	(78,115)	—	—	1,255,545
Translation adjustment		—	—	—	—	7,900	—	7,900
Net loss for the period		—	—	—	—	—	(657,072)	(657,072)
<b>Balance – March 31, 2021</b>		<b>224,633,292</b>	<b>\$ 17,580,880</b>	<b>\$ 95,427</b>	<b>\$2,090,613</b>	<b>\$ 4,496</b>	<b>\$ (17,606,749)</b>	<b>\$ 2,164,667</b>
<b>Balance – December 31, 2021</b>		<b>231,857,842</b>	<b>\$ 18,174,411</b>	<b>\$ -</b>	<b>\$2,742,777</b>	<b>\$ 22,363</b>	<b>\$ (20,555,786)</b>	<b>\$ 383,765</b>
Stock based compensation	7	—	—	—	90,342	—	—	90,342
Exercise of stock options	6,7	166,667	19,726	—	(9,762)	—	—	9,964
Exercise of warrants	6,8	5,952,000	479,970	—	(5,924)	—	—	474,046
Translation adjustment		—	—	—	—	(6,831)	—	(6,831)
Net loss for the period		—	—	—	—	—	(1,024,280)	(1,024,280)
<b>Balance – March 31, 2022</b>		<b>237,976,509</b>	<b>\$ 18,674,107</b>	<b>\$ -</b>	<b>\$2,817,433</b>	<b>\$ 15,532</b>	<b>\$ (21,580,066)</b>	<b>\$ (72,996)</b>

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

**VENZEE TECHNOLOGIES INC.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(expressed in U.S. dollars - unaudited)**

	<b>For the March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>		
Net loss for the period	\$ (1,008,696)	\$ (657,072)
Depreciation	-	4,202
Share-based compensation	90,342	129,812
Changes in non-cash operating elements of working capital		
Accounts receivable	(11,598)	(2,487)
Prepaid expenses	(28,765)	(32,956)
Accounts payable and accrued liabilities	25,391	13,564
Deferred revenue	-	11,250
<b>Net cash used in operating activities</b>	<b>(933,326)</b>	<b>(533,687)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans payable	-	90,625
Proceeds from exercise of stock options	9,964	59,346
Proceeds from exercise of warrants	474,046	1,255,545
Subscriptions received in advance	-	95,427
<b>Net cash provided by financing activities</b>	<b>484,010</b>	<b>1,500,943</b>
Effect of foreign exchange on cash	(4,596)	8,257
Change in cash during the period	(453,912)	967,256
Cash – beginning of period	534,272	1,325,097
<b>Cash – end of period</b>	<b>\$ 80,360</b>	<b>\$ 2,300,610</b>

**Supplemental disclosure with respect to cash flows:**

- Fair value of warrants exercised of \$5,924 (2021 - \$78,115).
- Fair value of options exercised of \$9,762 (2021 - \$36,933).

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

## **VENZEE TECHNOLOGIES INC.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**For the three months ended March 31, 2022 and 2021**

**(expressed in U.S. dollars - unaudited)**

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#### **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 Suite 1700 - 1055 West Hastings Street, Vancouver, British Columbia, Canada.

These condensed interim 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 March 31, 2022, the Company had working capital deficiency of \$57,306, has not yet achieved profitable operations, and has an accumulated deficit of \$21,564,482 since its inception. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing, to commence profitable operations in the future, and repay its liabilities arising from normal business operations as they become due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. These circumstances comprise a material uncertainty which may lend significant doubt as to the ability of the Company to continue as a going concern.

The condensed interim 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.

#### **2. BASIS OF PREPARATION**

##### **Statement of compliance**

These condensed interim 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 condensed interim consolidated financial statements were approved for issuance by the Board of Directors on May 30, 2022.

**VENZEE TECHNOLOGIES INC.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
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**2. BASIS OF PREPARATION (continued)**

**Basis of measurement**

These condensed interim 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 condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These condensed interim 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 condensed interim consolidated financial statements are in and to U.S. dollars, and references to “CAD” or “CAD \$” are to Canadian dollars.

**Basis of consolidation**

The condensed interim 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 condensed interim 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 condensed interim 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 condensed interim consolidated financial statements.

The condensed interim 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.

**VENZEE TECHNOLOGIES INC.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2022 and 2021**  
**(expressed in U.S. dollars - unaudited)**

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**2. BASIS OF PREPARATION (continued)**

**Critical accounting estimates and judgments (continued)**

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 condensed interim consolidated financial statements and actual results could differ from the estimates and assumptions.

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 condensed interim 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 condensed interim 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.

**VENZEE TECHNOLOGIES INC.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2022 and 2021**  
**(expressed in U.S. dollars - unaudited)**

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**2. BASIS OF PREPARATION (continued)**

*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.

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The economic effects within the Company's industry and in the global markets, include disruptions in the Company's ability to provide its services to its clients. The measures 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. Although Company's management does not expect any further effects, 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 30, 2022.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Except as otherwise indicated hereunder, these condensed interim consolidated financial statements have been prepared using the same policies and methods as the consolidated financial statements of the Company for the year ended December 31, 2021. Refer to Note 3 of the Company's consolidated financial statements for the year ended December 31, 2021 for more information on new accounting standards and amendments not yet effective.

**4. ACCOUNTS RECEIVABLE**

	<b>March 31,</b>		December 31,
	<b>2022</b>		2021
Trade receivables	<b>\$ 16,825</b>	\$	11,950
Input tax credits	<b>19,836</b>	\$	12,863
	<b>\$ 36,661</b>	\$	24,813

**VENZEE TECHNOLOGIES INC.****Notes to Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2022 and 2021****(expressed in U.S. dollars - unaudited)**

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**5. EQUIPMENT**

	<u>Software</u>	<u>Total</u>
Net carrying amount – December 31, 2020	\$ 5,603	\$ 5,603
Depreciation	(4,202)	(4,202)
Net carrying amount – March 31, 2021	<u>1,401</u>	<u>1,401</u>
Depreciation	(1,401)	(1,401)
Net carrying amount - December 31, 2021	-	-
Net carrying amount - March 31, 2022	<u>\$ -</u>	<u>\$ -</u>

**6. LOANS PAYABLE**

On December 22, 2020, the Company received relief funding through the Canada Emergency Business Account (“CEBA”) in the amount of \$48,015 (CAD \$60,000). The loan is unsecured and interest free with no payments required until December 31, 2023 at which time, if the balance is repaid, CAD \$20,000 will be forgiven. Commencing January 1, 2024 any remaining balance will be converted into a term loan which will incur interest at 5% per annum with the loans fully due by December 31, 2025.

**7. SHARE CAPITAL**

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

During the period ended March 31, 2022:

- The Company issued 166,667 common shares with the exercise of stock options for proceeds of \$9,964 (CAD \$12,500).
- The Company issued 5,952,000 common shares with the exercise of warrants for proceeds of \$474,046 (CAD \$601,200).

During the period ended March 31, 2021:

- The Company issued 834,977 common shares with the exercise of stock options for proceeds of \$59,346 (CAD \$75,164).
- The Company issued 15,613,200 common shares with the exercise of warrants for proceeds of \$1,255,545 (CAD \$1,697,212).
- The Company received \$95,427 (CAD \$120,000) in advance of share subscriptions pursuant to an exercise of 1,200,000 warrants where the shares were issued subsequent to March 31, 2021.

**VENZEE TECHNOLOGIES INC.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2022 and 2021**  
**(expressed in U.S. dollars - unaudited)**

**8. 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 at not less than the market price at the date of grant, and vesting periods, which to date have been set at four years.

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 March 31, 2022 was 23,185,784, being 10% of the issued and outstanding common shares of the Company.

A summary of the Company's stock option transactions during the period is as follows:

	As at March 31, 2022		As at December 31, 2021	
	Number of options	Weighted average exercise	Number of options	Weighted average exercise
Beginning balance	21,850,000	\$ 0.14	12,722,500	\$ 0.14
Transactions during the period:				
Granted	-	-	12,000,000	0.14
Exercised	(166,667)	0.075	(834,977)	0.09
Cancelled	(83,333)	0.075	(2,037,523)	0.12
<b>Ending balance</b>	<b>21,600,000</b>	<b>\$ 0.14</b>	<b>21,850,000</b>	<b>\$ 0.14</b>

The following incentive stock options were outstanding as at March 31, 2022:

Number of Options Outstanding	Exercise Price (CAD \$)	Expiry Date	Number of Options Exercisable	Exercise Price (CAD \$)
400,000	1.32	January 5, 2023	400,000	1.32
150,000	1.44	January 15, 2023	150,000	1.44
700,000	0.10	January 17, 2024	560,479	0.10
900,000	0.10	June 25, 2024	900,000	0.10
8,150,000	0.075	June 17, 2025	5,433,333	0.075
1,000,000	0.13	February 11, 2026	666,667	0.13
1,900,000	0.20	March 30, 2026	1,266,667	0.20
500,000	0.12	July 6, 2026	166,667	0.12
7,900,000	0.12	December 1, 2026	2,633,333	0.12
<b>21,600,000</b>	<b>0.14</b>		<b>12,177,146</b>	<b>0.16</b>

The weighted average remaining life of the stock options was 3.75 years

During the three months ended March 31, 2022, the Company granted nil (2021 – 3,600,000) stock options with a weighted average fair value of \$nil (2021 - \$0.18) per option. During the three months ended March 31, 2022, the Company recognized \$90,342 (2021 - \$129,812) as share-based compensation expense. The fair value of the stock options granted during the three months ended March 31, 2022 was estimated on the date of grant using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

**VENZEE TECHNOLOGIES INC.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2022 and 2021**  
**(expressed in U.S. dollars - unaudited)**

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**8. RESERVES (continued)**

*Stock Options (continued)*

	2021	2020
Expected volatility	151%	178%
Expected life	5 years	3.75 years
Risk-free interest rate	1.41%	0.38%
Dividend yield	0%	0%
Weighted average fair value of options at grant date	CAD \$0.11	CAD \$0.07

*Restricted Share Units (“RSU’s”)*

The Company also has a restricted share unit (“RSU”) plan for certain officers, employees and consultants.

The RSUs granted are equity-settled share-based payments and are measured at the fair value of the Company’s common shares as at the grant date using a volume weighted average share price in accordance with the terms of the RSU Plan. The fair value determined at the grant date is charged to income on a straight-line basis over the vesting period, based on the estimate of the number of RSUs that will eventually vest and be converted to common shares, with a corresponding increase in reserves.

As necessary, the Company revises its estimate if subsequent information indicates that the number of RSUs expected to vest differs from previous estimates. On the vesting date, the Company revises the estimate to equal the number of equity instruments that ultimately vested. The impact of the revision of estimates, if any, is recognized in income or expense such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves. Upon settlement of the equity-settled RSUs, if cash is elected, the cash payment shall be accounted for as a repurchase of equity.

On March 30, 2021, the Company granted 1,900,000 RSU’s which vest pursuant to the holders meeting certain performance targets as determined by the Board of Directors. All 1,900,000 RSU’s have vested and the Company recognized \$198,075 as share-based compensation expense in the prior fiscal year. The fair value of the RSU’s was calculated using the share price of the vesting RSU’s on the vesting date.

**VENZEE TECHNOLOGIES INC.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2022 and 2021**  
**(expressed in U.S. dollars - unaudited)**

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**8. RESERVES (continued)**

*Warrants*

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

	Number of warrants	Weighted average exercise price CAD \$
<b>Balance, December 31, 2020</b>	<b>128,743,602</b>	<b>0.11</b>
Exercised	(16,813,200)	(0.10)
<b>Balance, March 31, 2021</b>	<b>111,930,402</b>	<b>0.12</b>
Exercised	(6,024,550)	(0.10)
<b>Balance, December 31, 2021</b>	<b>105,905,852</b>	<b>0.12</b>
Exercised	(5,952,000)	(0.10)
<b>Balance, March 31, 2022</b>	<b>99,953,852</b>	<b>0.12</b>

The following warrants were outstanding as at March 31, 2022:

Number of warrants	Weighted average	Expiry date
29,132,221	0.15	April 26, 2022
1,441,000	0.10	November 22, 2022
2,746,200	0.10	December 2, 2022
10,428,000	0.10	January 31, 2023
17,990,000	0.10	May 22, 2023
501,250	0.06	May 22, 2023
37,715,181	0.11	December 17, 2023
<b>99,953,852</b>	<b>0.12</b>	

The weighted average remaining life of the warrants is 0.99 years.

**9. 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.

**VENZEE TECHNOLOGIES INC.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
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**9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

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 March 31, 2022, the Company's significant foreign exchange currency exposure on its financial instruments by currency was as follows (in U.S. dollar equivalents):

	<u>\$CAD</u>
Cash	19,000
Accounts receivable	20,000
Accounts payable and accrued liabilities	(99,000)
Loans payable	<u>(48,000)</u>

The table below details the effect on loss and comprehensive loss of a 10% strengthening or weakening of the USD exchange rate at the statement of financial position date for financial instruments denominated in CAD:

<u>Currency</u>	<u>Change in Loss and Comprehensive loss</u>
CAD	<u>\$ (10,800)</u>

***Credit Risk***

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and accounts receivable are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. The accounts receivable balance is primarily comprised of sales tax receivable from the Government of Canada. As at March 31, 2022, the Company is not exposed to any significant credit risk.

***Interest Rate Risk***

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

**VENZEE TECHNOLOGIES INC.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
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**(expressed in U.S. dollars - unaudited)**

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**9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

*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.

**10. 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 quarter ended March 31, 2022 and 2021 included the following:

	<b>For the Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Remuneration paid to the CEO	\$ <b>54,609</b>	\$ 50,000
Remuneration paid to CTO	-	7,405
Remuneration paid to CFO	<b>17,375</b>	18,957
Remuneration paid to Executive VP - Commercial Operations	<b>47,328</b>	43,750
Stock-based compensation - directors and officers	<b>50,076</b>	51,618
	<b>\$ 169,389</b>	<b>\$ 171,730</b>

As at March 31, 2022, included in accounts payable and accrued liabilities was \$3,949 (2021 - \$6,362) of fees owed to key management personnel.

**VENZEE TECHNOLOGIES INC.****Notes to Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2022 and 2021****(expressed in U.S. dollars - unaudited)**

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**11. 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:

Geographic Area	For the March 31,	
	2022	2021
United States	\$ 6,875	\$ 8,750
Other	3,500	-
	<u>\$ 10,375</u>	<u>\$ 8,750</u>

**12. EXPENSES CLASSIFIED BY NATURE**

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

	For the March 31,	
	2022	2021
Administration	\$ 38,864	\$ 35,296
Advertising, promotion and marketing	4,473	2,225
Depreciation	-	4,202
Employees and contractors	762,303	354,381
Investor relations	52,590	97,587
Legal and professional fees	20,541	10,077
Share-based compensation	90,342	129,812
Software and support tools	19,140	20,217
Travel and entertainment	25,169	5,517
	<u>\$ 1,013,422</u>	<u>\$ 659,314</u>

**VENZEE TECHNOLOGIES INC.**

**Notes to Condensed Interim Consolidated Financial Statements**

**For the three months ended March 31, 2022 and 2021**

**(expressed in U.S. dollars - unaudited)**

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**13. SUBSEQUENT EVENTS**

Subsequent to March 31, 2022, the Company:

- Had 27,260,789 shareholder warrants with an exercise price of CAD \$0.15 expire on April 26, 2022.
- Had 1,871,432 broker warrants with an exercise price of CAD \$0.15 expire on April 26, 2022.
- Closed non-brokered private placement at a unit price of \$0.08 per unit on April 6, 2022 issuing 5,065,000 units were issued for gross proceeds of CAD \$405,200. Each unit is comprised of one common share and one common share purchase warrant exercisable at \$0.12 per share for 36 months. The Company paid CAD \$32,416 and issued 405,200 warrants as finders' fees, with the warrants having the same terms and conditions as the units.
- Announced a CAD \$1,000,000 non-brokered private placement at a unit price of \$0.05 per unit on May 6, 2022. Each unit is comprised of one common share and one common share purchase warrant exercisable at \$0.10 per share for 36 months.